

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team

at [MileHighOrdinance@DenverGov.org](mailto: MileHighOrdinance@DenverGov.org) by **9:00a.m. on Friday**. Contact the Mayor's Legislative team with questions

Date of Request: 2/20/2024

Please mark one: Bill Request or Resolution Request

1. Type of Request:

Contract/Grant Agreement Intergovernmental Agreement (IGA) Rezoning/Text Amendment

Dedication/Vacation Appropriation/Supplemental DRMC Change

Other:

2. **Title:** (Start with *approves*, *amends*, *dedicates*, etc., include name of company or contractor and indicate the type of request: grant acceptance, contract execution, contract amendment, municipal code change, supplemental request, etc.)

Approves the loan agreement between the City and County of Denver and SCI-Capitol City, LLC. in the amount of \$2,600,000 to assist with the acquisition of the Property, which will operate as a mobile home park with sixty (60) mobile home spaces being used as affordable housing units (HOST-202472389).

3. **Requesting Agency:** Department of Housing Stability

4. Contact Person:

Contact person with knowledge of proposed ordinance/resolution	Contact person to present item at Mayor-Council and Council
Name: Justin Hill	Name: Christopher Lowell
Email: Justin.Hill@denvergov.org	Email: Christopher.Lowell@denvergov.org

5. General description or background of proposed request. Attach executive summary if more space needed:

This request is for \$2,600,000 to assist with the acquisition of the site containing 78 mobile home park spaces, 60 of which are to be leased to income qualifying households. Capitol City Mobile Home Park. SCI-Capitol City, LLC, an entity of Sharing Connexion, is under contract to acquire Capitol City Mobile Home Park located at 4501 W. Kentucky Ave in the Westwood neighborhood.

Sharing Connexion, a nonprofit organization that operates a 'Real Estate Rescue' program, which preserves nonprofit and community assets by making key short-term investments to save nonprofit spaces and affordable housing. With the ability to act quickly, Sharing Connexion will act as an interim owner by acquiring property to prevent displacement, and holding the property until the Monte Vista Housing Cooperative can acquire it.

With the support of Justice for the People, the residents are in process of forming the Monte Vista Housing Cooperative and building their capacity to become the ultimate owner of the Capitol City Mobile Home Park. Sharing Connexion expects to hold ownership for up to three years to allow the resident cooperative to create the management structure, legal documents, and other requirement for ownership. Sharing Connexion will sell the property to Monte Vista and it is expected that all of the loans in the capital stack will be assumed by the cooperative.

Source of Funds:

\$2,500,000 Inclusionary Housing Ordinance Special Revenue Funds (IHO SRF)

\$100,000 Investment Impact Special Revenue Fund (II SRF)

The rental and occupancy restrictions detailed below will be secured by a covenant that will be recorded against the property and will run with the land for a minimum of 60 years.

- Borrower must maintain the Property and use it only for the rental of mobile home spaces. Borrower must lease sixty (60) mobile home spaces to households with an annual income at or below eighty percent (80%) of the Denver area median income.

To be completed by Mayor's Legislative Team:

Resolution/Bill Number: _____

Date Entered: _____

6. City Attorney assigned to this request (if applicable):

Eliot Schaefer

7. City Council District:

District 3

8. **For all contracts, fill out and submit accompanying Key Contract Terms worksheet**

Key Contract Terms

Type of Contract: (e.g. Professional Services > \$500K; IGA/Grant Agreement, Sale or Lease of Real Property):

Loan Agreement > \$500K

Vendor/Contractor Name:

SCI-Capitol, LLC

Contract control number:

HOST-202472389

Location: 1440 Blake Street, Suite 320, Denver, CO 80202

Is this a new contract? Yes No **Is this an Amendment?** Yes No **If yes, how many?** n/a

Contract Term/Duration (for amended contracts, include existing term dates and amended dates):

- Subject to the terms of this Agreement, the City agrees to lend Borrower a sum not to exceed Two Million Six Hundred Thousand Dollars and No/100 (\$2,600,000.00) (the "Loan"). The Loan will consist of Two Million Five Hundred Thousand Dollars and No/100 (\$2,500,000.00) of funding from the Inclusionary Housing Ordinance Special Revenue Fund and One Hundred Thousand Dollars and NO/100 (\$100,000.00) of funding from the Investment Impact Special Revenue Fund (the "Investment Impact Funds").
- In addition to this Agreement, Borrower will execute a promissory note in a form satisfactory to the City evidencing the Loan (the "Promissory Note") and a Covenant (as defined in Section 6) securing the Property for use as affordable housing as required by Section 6 of this Agreement. The Loan will accrue interest at a simple interest at a rate of zero percent (0%) per annum. Principal and any interest accrued on the Loan shall mature and be due and payable on the sixtieth (60th) anniversary of the date of the Promissory Note (the "Maturity Date"), if not sooner paid. So long as Borrower is in compliance with all terms and conditions of this Agreement and all documents executed in connection with the Agreement, repayment shall be forgiven by the City on the Maturity Date.

Contract Amount (indicate existing amount, amended amount and new contract total):

<i>Current Contract Amount</i> (A)	<i>Additional Funds</i> (B)	<i>Total Contract Amount</i> (A+B)
\$2,600,000	N/A	\$2,600,000

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
See contract term/duration above	N/A	See contract term/duration above

Scope of work:

To provide financing costs for the acquisition of the Property, which will continue to operate as a mobile home park with sixty (60) mobile home spaces being used as affordable housing units

Was this contractor selected by competitive process? N/A **If not, why not?** Gap financing for preservation

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Has this contractor provided these services to the City before? No

Source of funds:

Inclusionary Housing Ordinance Special Revenue Funds (IHO SRF)

Investment Impact Special Revenue Fund (II SRF)

Is this contract subject to: W/MBE DBE SBE XO101 ACDBE N/A

WBE/MBE/DBE commitments (construction, design, Airport concession contracts): N/A

Who are the subcontractors to this contract? N/A

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