

**ORDINANCE/RESOLUTION REQUEST**

Please email requests to the Mayor’s Legislative Team

at [MileHighOrdinance@DenverGov.org](mailto:MileHighOrdinance@DenverGov.org) by **9:00 a.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 Habitat for Humanity of Metro Denver, Inc., in the amount of \$900,000 to assist with the finance costs associated with the development of eight (8) income-restricted homeownership affordable units, which will be known as Augustana Townhomes (HOST-202370649).

**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: Alex Marqusee   | Name: Christopher Lowell  |
| Email: <a href="mailto:Alexander.Marqusee@denvergov.org">Alexander.Marqusee@denvergov.org</a> | Email: <a href="mailto:Christopher.Lowell@denvergov.org">Christopher.Lowell@denvergov.org</a> |

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

Habitat for Humanity of Metro Denver, Inc. is requesting \$900,000 in HOME Investment Partnership funds for an 8-unit townhouse homeownership development known as Augustana Townhomes. All eight units will be income restricted and sold at prices affordable to qualifying households. Augustana Townhomes will be located on the portion of 5101 Leetsdale Drive fronting E. Dakota Ave.

All eight homes will be HOME units and be required to be sold to low-moderate income families earning less than 80% of AMI during the 15-year HOME compliance period. Resale of homes after the federal compliance period will be restricted to households earning up to 100% of AMI. Augustana Lutheran Church will lease the land to Habitat for zero dollars on a renewable 99-year land lease. Each homeowner will then sublease their parcel from Habitat and the sublease will run concurrently with the master land-lease.

Habitat for Humanity of Metro Denver, Inc. shall deliver the Units in the number and types set forth below and sell the Units to purchasers at an initial sale at a price that does not exceed the then current maximum sales price published by HOST. If they are the senior lender to a prospective purchaser, Habitat may seek written approval from HOST to sell a Unit in excess of the published maximum sales price; provided, however, that the purchase price may not exceed 95% of the median purchase price for the Denver area, as established pursuant to 24 C.F.R. § 92.254. All subsequent Sales of Units shall be governed by the terms of the Land Lease and Covenant.

| <b>Unit Size</b> | <b>Number of Units</b> |
|------------------|------------------------|
| 3 Bedroom        | 4                      |
| 4 Bedroom        | 4                      |

*To be completed by Mayor’s Legislative Team:*

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Date Entered: \_\_\_\_\_

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

Eliot Schaefer

**7. City Council District:**

District 5

**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:**

Habitat for Humanity of Metro Denver, Inc,

**Contract control number:**

HOST-202370649

**Location:** 7535 E. Hampden Ave, Suite 600, Denver, CO 80231

**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 **Nine Hundred Thousand Dollars and No/100 Dollars (\$900,000.00)** (the "Loan"). In addition to this Agreement, Borrower will execute a promissory note in a form satisfactory to the City evidencing this Loan (the "Promissory Note"). Simple interest at a rate of zero percent (0%) per annum shall commence accruing on the outstanding principal balance of the Promissory Note on the date on which the first draw on the Loan is made. Principal and any interest accrued on the Loan shall mature and be due and payable on the fifth (5<sup>th</sup>) 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, 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><br>(A) | <i>Additional Funds</i><br>(B) | <i>Total Contract Amount</i><br>(A+B) |
|---------------------------------------|--------------------------------|---------------------------------------|
| \$900,000                             | N/A                            | \$900,000                             |

| <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 related to the development and construction of eight (8) income-restricted homeownership affordable units located on the Property, which will be known as Augustana Townhomes

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

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

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**Source of funds:**

Home Program

**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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