

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team
at MileHighOrdinance@DenverGov.org by **3:00pm on Monday**.

All fields must be completed.

Incomplete request forms will be returned to sender which may cause a delay in processing.

Date of Request: 10/10/16

Please mark one: **Bill Request** or **Resolution Request**

1. Has your agency submitted this request in the last 12 months?

Yes No

If yes, please explain:

2. Title: *(Include a concise, one sentence description – please include name of company or contractor and contract control number - that clearly indicates the type of request: grant acceptance, contract execution, amendment, municipal code change, supplemental request, etc.)*

Approves an escrow agreement and the creation of an escrow account between PaulsCorp, LLC, U.S. Bank National Association, and the City and County of Denver in the amount of \$903,228. This agreement is created in conformance with Denver's Inclusionary Housing Ordinance (IHO). A new construction, for-sale development located at 155 Steele St. will consist of 71 total units, of which seven affordable units would be required under the IHO; in lieu of building the required seven affordable units on-site, this alternative resolution will create 11 affordable units off-site at 3399 Humboldt Street in Denver.

3. Requesting Agency: Office of Economic Development

4. Contact Person: *(With actual knowledge of proposed ordinance/resolution.)*

- **Name:** Stephanie Inderwiesen
- **Phone:** (720) 913-1634
- **Email:** stephanie.inderwiesen@denvergov.org

5. Contact Person: *(With actual knowledge of proposed ordinance/resolution who will present the item at Mayor-Council and who will be available for first and second reading, if necessary.)*

- **Name:** Susan Liehe
- **Phone:** (720) 913-1689
- **Email:** susan.liehe@denvergov.org

6. General description of proposed ordinance/resolution including contract scope of work if applicable:

Approves an escrow agreement and the creation of an escrow account between PaulsCorp, LLC, U.S. Bank National Association, and the City and County of Denver in the amount of \$903,228, of which \$700,000 will be a guaranteed deposit. \$203,228 will be a contingent deposit in the event of a failure to produce offsite units. This escrow agreement conforms to the Inclusionary Housing Ordinance requirement of an alternative satisfaction agreement by PaulsCorp, LLC to provide affordable units at an off-site location.

These funds will be utilized by Cecil Development, LLC to create eleven (11) affordable for-sale units available to households earning eighty percent (80%) area median income (AMI) or less. The agreement to create these off-site units will provide an additional housing benefit to the City in the form of four (4) additional affordable units and twelve (12) additional bedrooms, all with excellent proximity to transit.

To be completed by Mayor's Legislative Team:

SIRE Tracking Number: _____

Date Entered: _____

- a. **Contract Control Number:**
- b. **Duration:** October 15, 2016 – October 15, 2018
- c. **Location:** 155 Steele Street, Denver, CO 80206
- d. **Affected Council Districts:** District 9 – Albus Brooks
District 10 – Wayne New
- e. **Benefits:** Provides eleven (11) affordable for-sale units available to households earning eighty percent (80%) area median income (AMI) or less.
- f. **Costs:** \$0.00 City funds
\$903,228.00 PaulsCorp, LLC
\$700,000 Guaranteed Deposit
\$203,228 Contingent Deposit

7. **Is there any controversy surrounding this ordinance?** (*Groups or individuals who may have concerns about it?*)
Please explain. No.

EXECUTIVE SUMMARY

Background

Denver’s Inclusionary Housing Ordinance, amended in 2014, requires all developments of 30 or more for-sale units to provide ten percent (10%) of those units as affordable to households earning less than 80% AMI or 95% AMI, depending on the build type. In lieu of building the required affordable units on-site, the developer may propose an alternative compliance to provide the affordable units at a different site within a proximate statistical neighborhood. In addition, the developer may partner with a third-party developer for the off-site replacement units. The city requires a three-party escrow account agreement for deposit by the developer of the donation to the third party. As part of the escrow agreement, the OED Housing Director shall sign for the release of draws by the third party based on agreed upon construction milestones. The costs of these individual escrow agreements shall be paid through the donation amount, not by the City. Individual off-site escrow agreements shall be entered into for each project and shall follow all city contracting processes.

PaulsCorp, LLC is the Applicant/developer of a new construction, for sale development located at 155 Steele Street, Denver, Colorado - titled “155 Steele Condominiums”. This project will consist of seventy-one (71) total units, of which seven (7) affordable units would be required under the IHO. In lieu of building the required seven affordable units on-site, PaulsCorp, LLC have partnered with Cecil Development, LLC to provide eleven (11) affordable units off-site at the Solis Townhomes site, located at 3399 Humboldt Street, Denver, Colorado. These units would be made available to households earning eighty percent (80%) area median income (AMI) or less and would provide an additional housing benefit to the City in the form of four (4) additional affordable units and twelve (12) additional bedrooms.

	<i>IHO Requirement</i>			<i>IHO Alternative Proposal</i>	
	PaulsCorp, LLC 155 Steele Condominiums 155 Steele Street - Denver, CO			Cecil Development Solis Townhomes 3399 Humboldt Street	
	<u># Units</u>	<u># IHO Units Required</u>	<u># of Bedrooms</u>	<u># AH Units</u>	<u># of Bedrooms</u>
<i>1 bedroom</i>	16	2	2	0	0
<i>2 bedrooms</i>	41	4	8	8	16
<i>3 bedrooms</i>	14	1	3	3	9
<i>4 bedrooms</i>	0	0	0	0	0
	71	7	13	11	25

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