

**ORDINANCE/RESOLUTION REQUEST**

Please email requests to the Mayor’s Legislative Team

at [MileHighOrdinance@DenverGov.org](mailto: MileHighOrdinance@DenverGov.org) by **3:00pm on Monday**. Contact the Mayor’s Legislative team with questions

Date of Request: 10/4/21

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.)

Amends an agreement with Senior Housing Options, Inc. (SHO) through contract control number HOST 202158183 adding an additional \$250,000 for a new contract total of \$1,750,000. There is no change to the duration of the contract.

**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: Jennifer Siegel	Name: Elvis Rubio
Email: Jennifer.Siegel@denvergov.org	Email: Elvis.Rubio@denvergov.org

**5. General description or background of proposed request. Attach executive summary if more space needed: (in this section, please describe what the additional funding will support if it is an amendment)**

- a. **Contract Control Number:** HOST 202158183
- b. **Duration:** 12/13/2019-12/13/2079
- c. **Location:** Denver, CO
- d. **Affected Council District:** 10
- e. **Benefits:** Provides housing and services to low income seniors and individuals with disabilities.
- f. **Costs:** \$1,750,000

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

**7. City Council District:** 10

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

To be completed by Mayor’s Legislative Team:

Resolution/Bill Number: RR21 1196

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

## Key Contract Terms

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

**Vendor/Contractor Name:** Senior Housing Options, Inc.

**Contract control number:** HOST 202158183

**Location:** 1420 N Logan St Denver, CO 80203

**Is this a new contract?**  Yes  No **Is this an Amendment?**  Yes  No **If yes, how many?** 1

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

Original Agreement: OEDEV-201950702: 12/13/2019-12/13/2079

Proposed 1<sup>st</sup> Amendment: HOST 202158183: 12/13/2019-12/13/2079

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

<i>Current Contract Amount</i>	<i>Additional Funds</i>	<i>Total Contract Amount</i>
<i>(A)</i>	<i>(B)</i>	<i>(A+B)</i>
\$1,500,000	\$250,000	\$1,750,000

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
12/13/2019-12/13/2079	0	12/13/2079

**Scope of work:** See Executive Summary

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

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

**Source of funds:** HOME Funds

**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

### Executive Summary

The Olin is a very old building and unexpected conditions were expected. Construction costs have rose due to the age of the building and unanticipated COVID costs. Most of the increased costs were covered by the project contingency. However, an additional \$510,000 of unforeseen constructions costs have arisen (details below).

Additional costs totaling \$510,000 have arisen due to the age of the building and COVID include:

- Construction team discovered five vertical air shafts running from the basement to the attic which posed a severe fire hazard. Mitigation costs: \$75,000
- COVID related safety measures for construction workers, building residents and staff: \$60,000
- COVID-related delays due to slower unit turnover and higher temporary relocation costs and associated financing costs: \$175,000
- Capital Needs Assessment stated that elevators could be upgraded and modernized, with some work planned in future years. However, the current assessment is that full modernization must occur now. Full repair cost is \$200,000.

This amendment will cover a portion of the unforeseen construction cost.

This agreement provides \$1,750,000 (\$15,625/unit) in HOME funding which finances the hard and soft costs for the Olin Hotel Apartments (the Olin). The Olin is a 5-story building built in 1917 as a hotel and converted to affordable senior living in 1982. The building requires extensive renovation and all units and common areas will be updated with new finishes and fixtures. The fifth floor, which had been shut off from the rest of the building for decades, will be reopened and five new units will be added. After completion, the property will consist of 112 studio and 1BR units.

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The borrowing entity is Senior Housing Options (SHO), a long-term provider of housing and services to low income seniors and individuals with disabilities. They will lend to funds to Olin Hotel Apartments LLLP, the single purpose entity that will be the owner of Olin Hotel Apartments. This will be a performance loan with a 60-year term, 0% interest rate, and no payments as long as the project remains in compliance. The borrower has received a 2018 allocation of 4% LIHTC + State credits; the PAB will was issued by CHFA.

A City & County of Denver covenant restricts 34 units for occupancy for low-income residents for sixty (60) years. Ten units will be designated as HOME-assisted units (4 studios and 6 one BR) for residents at or below 50% of the Area Median Income (AMI) and 24 units will be designated as City units (11 studios and 13 one BR) serving residents at or below 30% of the AMI. While the remaining units can serve individuals or households at or below 60% AMI, the majority of residents currently housed at the Olin Hotel Apartments are at or below 30% AMI. The 107 existing units in the property were subsidized under a HUD Housing Assistance Payment contract effective until 12/01/20, which provided rental assistance for very-low income residents. DHA will provide project-based housing assistance vouchers for the five new units being added on the fifth floor.

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