

# OED ORDINANCE/RESOLUTION REQUEST

Please mark one:  Bill Request or  Resolution Request Date of Request: 11/9/18

## 1. Type of Request:

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

Dedication/Vacation  Appropriation/Supplemental  DRMC Change

Other:

2. **Title:** Approves a \$2.3M loan to 101 Broadway Developers, LLC to support the construction of 102 units of income-restricted housing for residents earning 60% AMI for 30 years through a redevelopment of the historic 101 South Broadway building at 21 W. 1<sup>st</sup> Ave., and includes as collateral the creation of 80 future affordable units in the Sloans Lake neighborhood for residents earning 80% AMI for 30 years.

## 3. Requesting Agency: Office of Economic Development

### 4. Contact Person:

Contact person with knowledge of proposed ordinance/resolution	Contact person to present item at Mayor-Council and Council
Name: <b>Haley Jordahl</b>	Name: <b>Susan Liehe 720-913-1689</b>
Email: <a href="mailto:haley.jordahl@denvergov.org">haley.jordahl@denvergov.org</a>	Email: <a href="mailto:susan.liehe@denvergov.org">susan.liehe@denvergov.org</a>

## 5. General a text description or background of the proposed request, if not included as an executive summary.

See Executive Summary

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

Julie Mecklenburg

## 7. City Council District: 9

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

## Key Contract Terms

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

Resolution/Bill Number: RR18 1340

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

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

Vendor/Contractor Name: 101 Broadway Developers, LLC

Contract control number: OEDEV-201738188-00

Location: 21 W. 1<sup>st</sup> Ave.

Is this a new contract?  Yes  No Is this an Amendment?  Yes  No If yes, how many? \_\_\_\_\_

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

12/1/2018 – 12/1/2048

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

<i>Current Contract Amount (A)</i>	<i>Additional Funds (B)</i>	<i>Total Contract Amount (A+B)</i>
\$2,300,000	\$0	\$2,300,000

  

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
12/1/2018 – 12/1/2048		

Scope of work:

See Executive Summary.

Was this contractor selected by competitive process? Yes (allocation of 4% Low Income Housing Tax Credits allocated by CHFA; competitively underwritten for funding by OED) **If not, why not?**

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

Source of funds: General Funds

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

WBE/MBE/DBE commitments (construction, design, DEN concession contracts):

N/A

Who are the subcontractors to this contract?

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Resolution/Bill Number: RR18 1340

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

## EXECUTIVE SUMMARY

101 Broadway Developers LLC is proposing to develop 102 units of income-restricted rental housing, to be located at 21 W. 1<sup>st</sup> Ave. in the Baker neighborhood. All units will be affordable to residents earning at or below 60% AMI for 30 years.

The proposed 101 Broadway Apartments development will redevelop the former 1<sup>st</sup> Avenue Hotel/El Diablo building located at the corner of 1<sup>st</sup> and Broadway. The building has been largely out of use since the 1980s. In addition to the income-restricted units anticipated to be financed by OED, the property will include ground-floor commercial space.

101 Broadway Apartments will provide 102 affordable rental units that are income-restricted for residents earning at or below 60% AMI. In keeping with the layout of the historic former hotel, all units will be structured as studios. The city's repayable cash flow loan will support hard and soft costs associated with the renovation of the property. In addition to the city's investment, the project will leverage \$9.7 million in permanent debt, \$8.6 million in 4% Low Income Housing Tax Credit equity, \$2.66 million in Historic Tax Credit equity, \$2.8 million in Tax Increment Financing revenue, and \$670,000 in deferred developer fee. Denver City Council approved the project's Tax Increment Financing request in May 2018.

In addition to the covenant placed on the 21 W. 1<sup>st</sup> Avenue site, because of the large size of its investment, OED will place a covenant on a second parcel owned by the development team – including 1601 Meade Street, 3795 W. 16<sup>th</sup> Street, 1612 Newton Street, and 1622 Newton Street, all in the Sloan's Lake neighborhood. Construction has not begun on the property there; the development team plans to build a mixed-use, mixed-income development inclusive of for-sale condominiums and rental apartments. The development will include community-serving uses, and the Sloan's Lake Medical Center will be retained. OED's covenant will restrict 80 of the developed units at 80% of AMI for 30 years. As per this agreement, no development subsidy will be provided by OED to support the project's construction.

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Resolution/Bill Number: RR18 1340

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