

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor’s Legislative Team

at MileHighOrdinance@DenverGov.org by **9:00am on Friday**. Contact the Mayor’s Legislative team with questions

Date of Request: 9/19/23

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 and assigns an agreement with Zia Sunnyside SPE, LLC (as successor in interest to CD – Inca, LLC) to KG Sunnyside Owner, LLC to assign the ongoing obligations of a loan agreement related to an affordable housing development located at 4055 N Inca Street in City Council District 1. This amendment accomplishes the following: assignment to and assumption of the agreement and covenant by KG Sunnyside Owner, LLC. No change to the agreement duration or amount (OEDEV-201630376-00).

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: Jeremy Brown	Name: Christopher Lowell
Email: jeremy.brown@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 an amendment to and assignment of the loan agreement for Zia Sunnyside Apartments. Borrower’s successor-in-interest is selling the property to KG Sunnyside Owner, LLC for \$161 million. An assignment and assumption of the ongoing obligations of the loan agreement and covenant will be completed with the buyer, which will maintain the affordability provisions for the remaining covenant term.

The original loan of \$3,000,000 (\$1,000,000 general fund housing fund + \$2,000,000 CDBG) closed on October 13, 2016, to provide acquisition financing on the land. The borrower paid off the City’s loan in full in January 2019. In April 2019 the borrower commenced construction on the two buildings and construction completion occurred in early 2021. The two buildings consist of a 434-unit apartment complex contained in one, six-story building and one, eight-story building. Of the 434 units, 92 units (21%) are restricted to households at or below 80% AMI for 20 years until October 12, 2036.

- a. Contract Control Number:** HOST-202370443-01 / OEDEV-201630376-01
- b. Duration:** 20 years ending on October 12, 2036
- c. Location:** 4055 N Inca Street, Denver, CO 80211
- d. Affected Council District:** 1
- e. Benefits:** Affordable housing
- f. Costs:** None

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

To be completed by Mayor’s Legislative Team:

Resolution/Bill Number: _____

Date Entered: _____

7. City Council District: 1

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: Zia Sunnyside SPE, LLC (as successor-in-interest to CD – Inca, LLC)

Contract control number: HOST-202370443-01 / OEDEV-201630376-01

Location: 4055 N Inca Street, Denver, CO 80211

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):
October 6, 2016, through October 12, 2036

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)
\$3,000,000	\$0	\$3,000,000 (paid off in January 2019)

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
October 6, 2016	0	October 12, 2036

Scope of work:

- Assignment and assumption of the agreement and covenant by KG Sunnyside Owner, LLC

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

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

Source of funds: City general housing fund and CDBG (funds were paid off by borrower in January 2019).

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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