

# OED ORDINANCE/RESOLUTION REQUEST

Please mark one:  Bill Request or  Resolution Request Date of Request: 10/15/18

## 1. Type of Request:

- Contract/Grant Agreement  Intergovernmental Agreement (IGA)  Rezoning/Text Amendment  
 Dedication/Vacation  Appropriation/Supplemental  DRMC Change  
 Other:

2. **Title:** Approves a \$700,000, 26-month repayable loan to Perry Rose, dba Marycrest Apartments LLC, to support the construction of 65 units of income-restricted housing for residents earning between 30% and 60% of area median income, with the development being the second phase of rental housing included as part of the Aria Denver master planned community.

## 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, Megan Yonke</b>	Name: <b>Susan Liehe 720-913-1689</b>
Email: <a href="mailto:haley.jordahl@denvergov.org">haley.jordahl@denvergov.org</a> , <a href="mailto:megan.yonke@denvergov.org">megan.yonke@denvergov.org</a>	Email: <b>susan.liehe@denvergov.org</b>

## 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\*\***

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

Resolution/Bill Number: RR18 1188

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

## Key Contract Terms

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

**Vendor/Contractor Name:** Marycrest Apartments LLC

**Contract control number:** OEDEV-201843603-00

**Location:** 2777 W. Parkside Place, Denver, CO

**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 – 1/1/2021

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

<i>Current Contract Amount</i> <b>(A)</b>	<i>Additional Funds</i> <b>(B)</b>	<i>Total Contract Amount</i> <b>(A+B)</b>
\$700,000	\$0	\$700,000

  

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
12/1/2018 – 1/1/2021		

**Scope of work:**

See Executive Summary.

**Was this contractor selected by competitive process?** Yes (competitive application for 9% 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:** HOME 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; however, the development is subject to Davis-Bacon wage regulations and compliance with Section 3.

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**Who are the subcontractors to this contract?**

N/A

**EXECUTIVE SUMMARY**

Perry Rose, dba Marycrest Apartments LLC, is proposing to develop 65 units of income-restricted housing in the Chaffee Park neighborhood. Marycrest Apartments is Phase III of the Aria Denver master planned community developed jointly by Perry Rose and Urban Ventures. Aria Denver is a mixed-income master planned redevelopment of the former Marycrest Sisters of St. Francis convent site.

A wide range of income levels are incorporated into this project: Marycrest Apartments will provide four units restricted for residents earning at or below 30% of AMI, 26 units restricted for residents earning at or below 40% of AMI, 11 units for residents earning at or below 50% of AMI, and 24 units for residents earning at or below 60% of AMI.

The development will provide 53 one-bedroom units and 12 two-bedroom units. The City’s repayable loan will support hard and soft costs associated with the property’s construction. In addition to OED’s financing, the property will leverage \$2.5 million in permanent debt, \$12.7 million in competitively awarded Low Income Housing Tax Credits, \$700,000 in funding from the State Division of Housing, a \$296,218 deferred developer fee, and \$167,754 in owner equity provided by Perry Rose.

Aria Denver is a unique redevelopment due to its focus on the provision of mixed-income rental and for-sale housing and its focus on supporting residents through a “Communities of Opportunity” strategy. When completed, Aria Denver will consist of approximately 400 residential units, 140 of which, or 35%, will be income-restricted. The residential units will be linked by pedestrian-friendly streets, open space, and 30,000 square feet of neighborhood-serving retail. The “Communities of Opportunity” strategy focuses on linking residents with the resources needed to live well – access to healthy foods, integrated health services, and opportunities for healthy lifestyles. The development received a Cultivate Health grant from the Colorado Health Foundation to support the development of a one-acre production farm, a greenhouse providing hydroponic vegetables, healthy cooking classes, completion of 52<sup>nd</sup> & Federal median improvements, and the hiring of a Cultivate Health coordinator to serve Aria Denver. All residents have access to the resources provided by the community.

The Marycrest Apartments development will contribute toward the City’s goals of creating income-restricted and mixed-income housing by developing 65 units of housing affordable to residents across the income spectrum.

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