

OED ORDINANCE/RESOLUTION REQUEST

Please mark one: Bill Request or Resolution Request Date of Request: 6/4/18

1. Type of Request:

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

2. **Title:** Approves a \$735,000 cash flow loan from the Denver Office of Economic Development to Tammen Hall Apartments LLC to support the rehabilitation of 49 units of age- and income-restricted affordable housing at Tammen Hall, located at 1010 E. 19th Avenue in the City Park West neighborhood of Denver.

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: Haley Jordahl	Name: Susan Liehe 720-913-1689
Email: haley.jordahl@denvergov.org	Email: susan.liehe@denvergov.org

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):**

Adam Hernandez

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: _____

Date Entered: _____

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

Vendor/Contractor Name: Tammen Hall Apartments LLC

Contract control number: OEDEV-201736222-00

Location: 1010 E. 19th Ave., Denver, CO 80218

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):

8/1/2018 – 1/1/2021

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>
\$735,000	\$0	\$735,000

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
8/1/2018 – 1/1/2021		

Scope of work:

See Executive Summary.

Was this contractor selected by competitive process? Yes. The project submitted a competitive application for 4% + State Low Income Housing Tax Credits allocated by CHFA, and it was selected for underwriting for funding by OED.

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?

To be completed by Mayor's Legislative Team:

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EXECUTIVE SUMMARY

Tammen Hall Apartments LLC is proposing the acquire and renovate an existing historic building, Tammen Hall, located at 1010 E. 19th Avenue in the Five Points neighborhood of Denver. The building was originally constructed in 1930 for use as a nursing training and residence building, and is located on the St. Joseph Hospital campus. Designated as a historic structure by the Landmark Preservation Commission in 2005, the property has remained vacant since its last use in 2004. The renovation of the property into affordable apartments will return the building to use.

After renovation, the property will be comprised of 49 age- and income-restricted one-bedroom rental units intended for senior residents earning at or below 60% of area median income (AMI). The first two floors of the property will be redeveloped into ample common space to support the residents; residents will also benefit from the building's proximity to health care services at St. Joseph's Hospital across the street.

The City's \$735,000 investment will support hard costs associated with the project. In addition to the City's funds, the development will leverage \$3 million in senior debt, \$6.5 million in competitively awarded 4% + State Low Income Housing Tax Credits, \$3.4 million in competitively awarded Historic Tax Credits, a \$580,000 note from SCL Health, and an \$852,000 deferred developer fee. The property will be income-restricted by the city's covenant for 40 years.

The developer, Solvera Advisors, is based in Denver and focuses on the development of urban infill properties. The company was originally founded to provide reliable affordable housing expertise to housing authorities and non-profit organizations seeking development and financial assistance. The property will be managed by Silva Markham Partners, a property management company with a focus on affordable multifamily properties in the Front Range.

Tammen Hall will contribute to the City's Five-Year Comprehensive Housing Plan by creating 49 units of income-restricted affordable housing that are accessible to a vulnerable population—seniors--and located in an area of opportunity.

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