ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team
at MileHighOrdinance@DenverGov.org by **3:00pm on Monday.**

All fields must be completed.
Incomplete request forms will be returned to sender which may cause a delay in processing.

Date of Request: 7/3/17

Please mark one: Bill Request **or** ☒ **Resolution Request**

1. **Has your agency submitted this request in the last 12 months?**

   ☐ **Yes** ☒ **No**

   If yes, please explain:

2. **Title:** *(Include a concise, one sentence description – please include name of company or contractor and contract control number - that clearly indicates the type of request: grant acceptance, contract execution, amendment, municipal code change, supplemental request, etc.)*
   Approves an escrow agreement and the creation of an escrow account between NAVA Lakehouse, Limited Partnership, U.S. Bank National Association, and the City and County of Denver in the amount of $906,568 to support the off-site construction of four affordable units at 2165 Galapago Street.

3. **Requesting Agency:** Office of Economic Development

4. **Contact Person:** (W*ith actual knowledge of proposed ordinance/resolution.)*
   - **Name:** Andrea Morgan
   - **Phone:** (720) 913-1663
   - **Email:** andrea.morgan@denvergov.org

5. **Contact Person:** (W*ith actual knowledge of proposed ordinance/resolution who will present the item at Mayor-Council and who will be available for first and second reading, if necessary.)*
   - **Name:** Susan Liehe
   - **Phone:** (720) 913-1689
   - **Email:** susan.liehe@denvergov.org

6. **General description of proposed ordinance/resolution including contract scope of work if applicable:**

   Approves an escrow agreement and the creation of an escrow account between NAVA Lakehouse, Limited Partnership; U.S. Bank N.A.; and the City and County of Denver in the amount of $906,568. This escrow agreement conforms to the Inclusionary Housing Ordinance requirement of an alternative satisfaction agreement to provide affordable units at an off-site location. Although the IHO has sunsetted as of December 31, 2016, its requirements still apply to the South Sloans Lake master planned development, which includes the 224-unit condo development known as NAVA Lakehouse on Block 1. Escrowed funds will be used by Habitat for Humanity of Metro Denver to create four affordable for-sale four-bedroom townhomes available to households earning 65% to 80% of area median income (AMI). These homes will be part of the nine-unit Galapago development, located at 2165 S. Galapago Street in the Overland neighborhood.

a.	**Contract Control Number:**	FINAN-201733459-00
b.	**Duration:**	September 30, 2017 – April 30, 2019
c.	**Location:**	4200 W. 17th Avenue and 2165 S. Galapago Street
d.	**Affected Council Districts:**	District 1 – Rafael Espinoza District 7 – Jolon Clark
e.	**Benefits:**	Provides four affordable four-bedroom for-sale townhomes available to households earning 65% - 80% of area median income (AMI).
f.	**Costs:**	$26,000 City funds – incentive payment to Habitat

To be completed by Mayor's Legislative Team:

SIRE Tracking Number: RR17 0765 Date Entered: _____

$906,568 NAVA Lakehouse, Limited Partnership

7. Is there any controversy surrounding this ordinance? *(Groups or individuals who may have concerns about it?)* **Please explain.**
None at this time.

ORDINANCE/RESOLUTION REQUEST

EXECUTIVE SUMMARY

Purpose:	Request to approve an escrow agreement and create an escrow account.
Contract Entity:	NAVA Lakehouse, Limited Partnership, U.S. Bank National Association
Contract Control Number:	FINAN-201733459-00
Contract Amount:	$906,568.00 escrowed by NAVA Lakehouse, Limited Partnership; $0 in City funds obligated now, but Habitat for Humanity will be eligible for $26,000 in incentive payments from the IHO fund upon sale of the four townhomes to eligible buyers.
Program:	Inclusionary Housing Ordinance
Location:	4200 W. 17th Avenue and 2165 S. Galapago Street

Background:
Denver's Inclusionary Housing Ordinance, which sunsetted in 2016, required all developments of 30 or more for-sale units to provide ten percent (10%) of those units as affordable to households earning less than 80% AMI or 95% AMI, depending on the build type. In lieu of building the required affordable units on-site, the developer could propose an alternative compliance to provide the affordable units at a different site within a proximate statistical neighborhood. In addition, the developer could partner with a third-party developer for the off-site replacement units. The City required a three-party escrow account agreement for deposit by the developer of the donation to the third party. As part of the escrow agreement, the OED Housing Director signs for the release of draws by the third-party based on agreed-upon construction milestones. The costs of these individual escrow agreements shall be paid through the donation amount, not by the City. Individual off-site escrow agreements are to be entered into for each project and shall follow all City contracting processes.

NAVA Lakehouse, LP is the Applicant/developer of a new construction, for-sale development located at 4200 W. 17th Avenue. This project will include 224 market-rate 1- and 2-bedroom condominiums. This site is known as Block 1 of the 7-block South Sloans Lake master plan. The adopted Affordable Housing Plan that covers the South Sloans Lake master plan required either four 3-bedroom or six 2-bedroom affordable units (total of 12 bedrooms) on that site. However, NAVA has proposed and OED has accepted an amended Affordable Housing Plan that instead provides four 4-bedrooms (total of 16 bedrooms) at Habitat for Humanity's 9-unit Galapago townhomes. These units would be made available to households earning 65%-80% of area median income (AMI).

Description:
This resolution would approve an escrow agreement and the creation of an escrow account between NAVA Lakehouse, Limited Partnership, U.S. Bank National Association, and the City and County of Denver in the amount of $906,568. This escrow agreement conforms to the Inclusionary Housing Ordinance requirement of an alternative satisfaction agreement to provide affordable units at an off-site location. Although the IHO has sunsetted, its requirements still apply to the South Sloans Lake master planned development, which includes the 224-unit condo development known as NAVA Lakehouse on Block 1. Escrowed funds will be used by Habitat for Humanity of Metro Denver to create four affordable for-sale 4-bedroom townhomes available to households earning 65% to 80% of area median income (AMI).

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These homes will be part of the nine-unit Galapago development located at 2165 S. Galapago Street in the Overland neighborhood.

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