

OED ORDINANCE/RESOLUTION REQUEST

Date of Request: 5/7/18

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: Approves a \$1,560,000 loan to Brandon VOA Housing LLC to build 103 apartments at 1555 Xavier Street, including both permanent supportive affordable housing and housing for families at 60% AMI and below.

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: Andrea Morgan 720-913-1663	Name: Susan Liehe 720-913-1689
Email: andrea.morgan@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):

Julie Mecklenburg
720-865-8753
Julie.Mecklenburg@denvergov.org

7. City Council District: 1 - West Colfax Neighborhood

Key Contract Terms

To be completed by Mayor's Legislative Team:

Resolution/Bill Number: RR18 0554

Date Entered: _____

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

Vendor/Contractor Name: Brandon VOA Housing LLC

Contract control number: OEDEV-201840084-00

Location: 1555 Xavier Street

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):

40 years with optional 40-year extension

Contract Amount (indicate existing amount, amended amount and new contract total): \$1,560,000

<i>Current Contract Amount (A)</i>	<i>Additional Funds (B)</i>	<i>Total Contract Amount (A+B)</i>
\$1,560,000		

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
40 years		

Scope of work:

Build 103 apartments, provide services for permanent supportive housing, and record a Covenant that both restricts the rents to amounts affordable to households at 30%, 40%, 50%, and 60% AMI and restricts the occupancy of those apartments to households at 30%, 40%, 50%, and 60% AMI. See Executive Summary for details.

Was this contractor selected by competitive process?

If not, why not?

Yes. This project’s equity comes from 4% LIHTC and State tax credits. As such, city staff and the OED Loan Review Committee evaluated this proposal on a competitive basis with other projects that also applied for those tax credit allocations.

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

As is often the case with projects of this magnitude, the Borrower is a new entity that was created for the sole purpose of developing this project. However, the City and County of Denver has a successful history of lending funds to Volunteers of America to create other affordable housing projects.

Source of funds: Skyline

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? N/A

The city’s Housing Comprehensive Plan targets 20% to 25% of OED’s housing resources toward ameliorating homelessness and 20% to 25% toward serving households at up to 80% AMI. Brandon Courtyard Apartments will provide 59 apartments for homeless families (\$893,592 of this loan). The project will also provide 44 apartments for families earning up to 60% AMI (\$666,408 of this loan).

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EXECUTIVE SUMMARY

Brandon Courtyard Apartments is a new 103-unit apartment development to be constructed at 1555 Xavier Street in west Denver near Colfax Avenue. Located on an important legacy site for VOA, the project will provide permanently affordable rental for a range of single families, veterans, and homeless residents.

The property will serve 59 homeless individuals, 44 families, and one managers unit. Rent subsidies include seven Section 811 vouchers, 39 Project Based vouchers, and 13 VASH vouchers. The income ranges of residents will be between \$18,900 and \$53,940. In all, Brandon Courtyard Apartments will provide 103 affordable apartments, plus one onsite manager's apartment. Onsite management and service coordination will be provided by VOA Colorado. Site amenities include a community lounge area, enclosed courtyard, resource center, 4th floor lounge, and rooftop deck. Shopworks Architecture is the architect and BC Builders is the GC.

Of the total, 59 homes will be available for people experiencing homelessness, with 13 targeted to veterans and 7 targeted to residents with disabilities.

The project's financing includes the award of HUD-Veterans Affairs Supportive Housing (VASH), Section 811, and Section 8 vouchers to enable Brandon Courtyards to serve these families. The remaining 44 homes will be available to other income-qualified families, including 25 two-bedroom and 11 three-bedroom apartments.

The VASH program combines Housing Choice Voucher (HCV) rental assistance for homeless veterans with case management and clinical services provided by the VA. Case managers connect veterans experiencing homelessness with support services such as health care, mental health treatment and substance use counseling to help them in their recovery process and with their ability to maintain housing in the community. Among VA homeless continuum of care programs, HUD-VASH enrolls the largest number and largest percentage of veterans who have experienced long-term or repeated homelessness.

Volunteers of America is a national, nonprofit, faith-based organization dedicated to helping those in need rebuild their lives and reach their full potential. Since 1896, they have supported and empowered the community's most vulnerable groups, including at-risk youth, the frail elderly, low-income families, homeless individuals and families, women and children escaping domestic violence, and those seeking affordable housing solutions.

Through more than 30 distinct human service programs throughout the state of Colorado, including housing and healthcare, the Volunteers of America/Colorado Branch helps more than 200,000 Coloradans each year.

Construction is expected to start in June and full occupancy is expected in April 2020.

To be completed by Mayor's Legislative Team: