

Executive Summary

Date: 6/29/2020

Re: Approval of Purchase and Sale Agreement by and between the City and County of Denver and Mercy Housing Mountain Plains, a Colorado nonprofit corporation (“Mercy”) for the disposition of two adjacent city-owned parcels located at 8315 E. Colfax and 1500 N. Valentia Street, Denver, CO.

Description of Project

- The City acquired both the Colfax and Valentia Street parcels in 2017, with the specific intention of fostering the development of critically needed affordable housing.
- HOST has conducted a robust RFP, selecting Mercy Housing Mountain Plains (“Mercy”) as the partner most qualified to successfully complete the project.
- Mercy proposes to provide 81 affordable units at 80% of the area median income (with the intent of deeper AMI restrictions associated with the gap financing). Mile High Early Learning will lease space from Mercy and provide early childhood educational resources on-site.
- The term of the restrictive deed covenant will be 99 years.

Terms of the Purchase and Sale Agreement

Address of Property: 8315 E. Colfax Avenue & 1500 N. Valentia Street, Denver, CO

Land Sales Price: \$10

Deed Restriction/Loan Covenant: 99-year deed restriction

Proposed Deed Restrictions

- The City and County will impose a 99-year deed restriction on the property. The City's agreement to transfer the Property to Mercy is specifically made in reliance on Purchaser's willingness to construct and operate 81 affordable residential dwelling units.
- The household income of tenants residing in the residential facility will be restricted to 80% or lower of area median income (as determined by the United States Department of Housing and Urban Development).
- Mercy, on behalf of itself and its successors and assigns, has agreed that the development must be used as a Residential Facility only, subject to the terms of a regulatory agreement with a lien priority senior to any loan or mortgage.
- The development may also contain an early childhood education facility on-site in addition to the Residential Facility.