



Legislation Details (With Text)

File #: 20-1420 **Version:** 1

Type: Resolution **Status:** Adopted

File created: 11/23/2020 **In control:** Safety, Housing, Education & Homelessness Committee

On agenda: 12/14/2020 **Final action:** 12/14/2020

Title: A resolution approving a proposed Loan Agreement between the City and County of Denver and The Colorado Coalition for the Homeless to provide financial support for the construction of 64 units of a 98-unit supportive housing project at Legacy Lofts at 2175 California Street to serve the chronically homeless (HOME).
Approves a performance loan agreement with the Colorado Coalition for the Homeless for \$2,202,899 and through 12-17-80 for a 9% Low Income Housing Tax Credit housing development to construct 64 units of a 98-unit supportive housing project at Legacy Lofts at 2175 California Street to serve the chronically homeless in Council District 9 (HOST-202056323). The last regularly scheduled Council meeting within the 30-day review period is on 1-4-21. The Committee approved filing this item at its meeting on 12-2-20.

Sponsors:

Indexes: Emily Lapel

Code sections:

Attachments: 1. RR20 1420 HOST CCH Legacy Lofts 9%, 2. Legacy Lofts 120220 Final, 3. 20-1420 Filed Resolution_The Colorado Coalition for the Homeless 202056323-00, 4. 20-1420 Loan Agreement Colorado Coalition for the Homeless 202056323-00, 5. 20-1420 Filed Resolution_The Colorado Coalition for the Homeless, 6. 20-1420 - signed

Date	Ver.	Action By	Action	Result
12/14/2020	1	Council President	signed	
12/14/2020	1	City Council	adopted	Pass
12/2/2020	1	Safety, Housing, Education & Homelessness Committee	approved for filing	Pass

Contract Request Template (Contracts; IGAs; Leases)

Date Submitted: 11-23-20

Requesting Agency: Department of Housing Stability
Division:

Subject Matter Expert Name:

Name: Megan Yonke
Email: megan.yonke@denvergov.org

Item Title & Description:

(Do not delete the following instructions)

These appear on the Council meeting agenda. Initially, the requesting agency will enter a 2-3 sentence description. Upon bill filling, the City Attorney's Office should enter the title above the description (the title

should be in **bold** font).

Both the title and description must be entered between the red "title" and "body" below. Do **not** at any time delete the red "title" or "body" markers from this template.

A resolution approving a proposed Loan Agreement between the City and County of Denver and The Colorado Coalition for the Homeless to provide financial support for the construction of 64 units of a 98-unit supportive housing project at Legacy Lofts at 2175 California Street to serve the chronically homeless (HOME).

Approves a performance loan agreement with the Colorado Coalition for the Homeless for \$2,202,899 and through 12-17-80 for a 9% Low Income Housing Tax Credit housing development to construct 64 units of a 98-unit supportive housing project at Legacy Lofts at 2175 California Street to serve the chronically homeless in Council District 9 (HOST-202056323). The last regularly scheduled Council meeting within the 30-day review period is on 1-4-21. The Committee approved filing this item at its meeting on 12-2-20.

Affected Council District(s) or citywide? Council District 9

Contract Control Number: HOST-202056323

Vendor/Contractor Name (including any "DBA"): Colorado Coalition for the Homeless

Type and Scope of services to be performed:

The Legacy Lofts project participates in the D3 program, in which the Denver Housing Authority (DHA) will own the land and lease the improvements to Colorado Coalition for the Homeless (CCH) for 99 years. This project will comprise three separate ownership structures in a single building, located adjacent to the Stout Street Health Clinic in the Five Points neighborhood.

1. The first structure is a 75-bed recuperative care center, partially financed by New Markets Tax Credits and \$797,101 in City Community Development Block Grant (CDBG) funds, a grant requiring that the recuperative care center be operated for seven years.

2. The second structure is a 9% Low Income Housing Tax Credit (LIHTC) project, to be owned by Legacy Lofts LIHTC LLLP, comprising 64 studio and one-bedroom apartments. The City will invest \$2,202,899 in gap financing in this structure as a performance loan, comprised of HOME funds. There will be 13 HOME units for this portion. Twenty-eight (44%) of the units will be affordable at 30% of area median income (AMI), 13 units (20%) will be affordable at 40% of AMI, 12 units (19%) will be affordable at 50% of AMI, and 11 units (17%) will be affordable at 60% of AMI.

3. The third structure is a 4% LIHTC project, to be owned by Legacy Lofts PAB LLLP, comprising 34 studio and one-bedroom apartments. The City will invest \$1,100,000 in gap financing in this structure as a performance loan, comprising HOME Investment Partnerships Program, Neighborhood Stabilization Program II, and the Housing for the Mentally Ill fund. There will be 3 HOME units for this portion. Fourteen (41%) of the units will be affordable at 30% of AMI, 7 units (21%) will be affordable at 40% of AMI, 8 units (24%) will be affordable at 50% of AMI, and 5 units (15%) will be affordable at 60% of AMI.

For these three investments, the City will require covenants on the 9% and 4% leaseholds to restrict all combined 98 units. Gap financing for the 9% and 4% LIHTC projects will be in the form of performance loans for 99 years. These investments, totaling \$4,100,000 represent \$41,837 per restricted unit, restricted for 60 years. There will be no deed restrictions on the CDBG investment in the recuperative care center, but the loan will be recourse to CCH.

Additionally, this project requires \$750,000 in supportive services gap financing, which will be contracted at a later date in the form of two contracts, one for each of the 4% and 9% housing structures. Collectively, these supportive housing contracts will represent an investment of \$510 per unit per year of the 15-year supportive services contract. With these supportive services contracts taken into account, this project will have a total of five separate contracts.

All units and services will serve the chronically homeless, sourcing 50% of the units from OneHome. Also, many of those served will have co-occurring disorders, including mental illness.

Location (if applicable):

WBE/MBE/DBE goals that were applied, if applicable (construction, design, Airport concession contracts):

Are WBE/MBE/DBE goals met (if applicable)?

Is the contract new/a renewal/extension or amendment?

Was this contractor selected by competitive process or sole source?

Competitive process

For New contracts

Term of initial contract: 12/18/2020 - 12/17/2080

Options for Renewal:

How many renewals (i.e. up to 2 renewals)?

Term of any renewals (i.e. 1 year each):

Cost of initial contract term: \$2,202,899

Cost of any renewals:

Total contract value council is approving if all renewals exercised:

For Amendments/Renewals Extensions:

Is this a change to cost/pricing; length of term; terms unrelated to time or price (List all that apply)?

If length changing

What was the length of the term of the original contract?

What is the length of the extension/renewal?

What is the revised total term of the contract?

If cost changing

What was the original value of the entire contract prior to this proposed change?

What is the value of the proposed change?

What is the new/revised total value including change?

If terms changing

Describe the change and the reason for it (i.e. compliance with state law, different way of doing business etc.)