



Legislation Details (With Text)

File #: 17-0766 **Version:** 1

Type: Resolution **Status:** Adopted

File created: 7/5/2017 **In control:** Safety, Housing, Education & Homelessness Committee

On agenda: 7/24/2017 **Final action:** 7/24/2017

Title: A resolution approving a proposed Second Amendment and Modification Agreement between the City and County of Denver and the Housing Authority of the City and County of Denver to remove certain property as collateral for the agreement, replace the collateral with two units, and add additional funds to the agreement.

Amends a loan agreement with Denver Housing Authority (DHA) to rehabilitate 57 scattered housing units located primarily in the Lincoln Park neighborhood by allowing for DHA to sell two units to homebuyers with incomes up to 80% of Area Median Income, and attach 30-year covenants restricting the resale price and homebuyer eligibility of those condos, adding an additional performance loan of \$65,752 to reduce the sales price of those two units so that they will be affordable to 80% AMI buyers, and extending the term of the covenant on the 57-unit portfolio so that it remains affordable for an additional 30 years (GE6A125). The last regularly scheduled Council meeting within the 30-day review period is on 8-14-17. The Committee approved filing this resolution by consent on 7-12-17.

Sponsors:

Indexes: Debra Bartleson

Code sections:

Attachments: 1. RR17 0766 OED Lincoln Park Affordable Amendment Request, 2. Final 17-0766_FiledResolution_DenverHousingAuthority_GE6A125_071417ACH.pdf, 3. 17-0766_SecondAmendmentModificationAgreement_GE6A125-02_071817ACH.pdf, 4. 17-0766 - signed.pdf

Date	Ver.	Action By	Action	Result
7/25/2017	1	Council President	signed	
7/24/2017	1	City Council	adopted	Pass
7/12/2017	1	Safety, Housing, Education & Homelessness Committee	approved by consent	

Contract Request Template (Contracts; IGAs; Leases)

Date Submitted: 07-03-17

Requesting Agency:
Division:

- **Name:** Susan Liehe
- **Phone:** 720.913.1689
- **Email:** susan.liehe@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 Second Amendment and Modification Agreement between the City and County of Denver and the Housing Authority of the City and County of Denver to remove certain property as collateral for the agreement, replace the collateral with two units, and add additional funds to the agreement.

Amends a loan agreement with Denver Housing Authority (DHA) to rehabilitate 57 scattered housing units located primarily in the Lincoln Park neighborhood by allowing for DHA to sell two units to homebuyers with incomes up to 80% of Area Median Income, and attach 30-year covenants restricting the resale price and homebuyer eligibility of those condos, adding an additional performance loan of \$65,752 to reduce the sales price of those two units so that they will be affordable to 80% AMI buyers, and extending the term of the covenant on the 57-unit portfolio so that it remains affordable for an additional 30 years (GE6A125). The last regularly scheduled Council meeting within the 30-day review period is on 8-14-17. The Committee approved filing this resolution by consent on 7-12-17.

Affected Council District(s) or citywide? Council Districts 10 & 3

Contract Control Number: GE6A125

Vendor/Contractor Name (including any "DBA"): Denver Housing Authority

Type and Scope of services to be performed: Amends contract GE6A125 with the Denver Housing Authority (DHA) to substitute units within a 57-unit portfolio so that two rental condos on Jackson Street may be replaced with two affordable rentals on Kalamath Street. This amendment would make it possible for DHA to sell the two Jackson Street condos to homebuyers with incomes up to 80% of Area Median Income and attach 30-year covenants restricting the resale price and homebuyer eligibility of those condos. This amendment would also make an additional performance loan of \$65,752 in General Funds to buy down the sales price of those two condos so that they will be affordable to 80% AMI buyers. This amendment would also extend the term of the Covenant on the 57-unit portfolio so that it remains affordable rentals for an additional 30 years. Finally, this amendment would make technical changes to reinstate occupancy restrictions deleted in an earlier amendment; the portfolio has been in compliance with these occupancy restrictions the entire time.

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?

For New contracts

Term of initial contract:

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:

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)? Please see below

If length changing (Please see below)

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.)

This resolution approves the amendment to a 2007 loan agreement with the Housing Authority for the City and County of Denver (DHA) that provided \$1,200,000 in HOME funds to rehabilitate a portfolio of 57 scattered housing units located primarily in the Lincoln Park neighborhood and make them available as affordable rentals. A 2012 amendment allowed DHA to substitute several units for others that had been found to be unrepairable. This amendment will allow DHA to substitute two apartments at 1301 and 1307 Kalamath St. for two condos at 525 Jackson St., Units 104 and 207, which DHA desires to sell.

DHA created the Kalamath units by repurposing ground-floor commercial space. The new apartments are larger than the condos they're replacing, with flex space in addition to the same number of bedrooms that are in the units that are being replaced, and are ADA-accessible.

At OED's request, DHA agreed to ensure that the two Jackson Street condos would be sold to 80% AMI buyers, at prices affordable to those buyers, and place upon these homes 30-year IHO-type covenants that will restrict buyer eligibility to 80% AMI households and will limit resale prices.

This amendment also creates a \$65,752 performance loan to DHA to help buy down the cost of the two for-sale condos so that they are affordable to 80% AMI buyers. Performance will be satisfied upon sale to eligible homebuyers.