



Legislation Text

File #: 18-0107, Version: 1

Contract Request Template (Contracts; IGAs; Leases)

Date Submitted: 01-23-18

Requesting Agency: Office of Economic Development
Division:

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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 bill for an ordinance approving a proposed Loan Agreement between the City and County of Denver and The Housing Authority of the City and County of Denver for construction of housing for disabled and senior residents at Vida at Sloan's.

Approves an intergovernmental agreement with Denver Housing Authority in the amount of \$2.4 million through 8-31-19 to support the construction of 112 one-bedroom units of rental housing for senior and disabled residents including 13 units restricted for residents earning at or below 30% of Area Median Income (AMI), 36 units restricted for residents earning at or below 40% of AMI, 37 units restricted for residents earning at or below 50% of AMI, and 25 units for residents earning at or below 60% of AMI located at 4057 West Colfax Avenue in Council District 1 (OEDEV-201736288-00). The last regularly scheduled Council meeting within the 30-day review period is on 3-12-18. The Committee approved filing this bill at its meeting on 2-7-18.

Affected Council District(s) or citywide? CD 1

Contract Control Number: OEDEV-201736288-00

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

Type and Scope of services to be performed:

Denver’s Comprehensive Plan for Housing, which is being submitted for adoption by to City Council in February 2018, articulates that a goal that 25% of funding be allocated toward the creation or preservation of housing for very low-income Denver residents. By creating 111 units restricted explicitly for very low-income seniors and disabled residents supported by project-based vouchers, this project will contribute directly to that and other specific goals.

Background:

The Housing Authority of the City and County of Denver (DHA) is proposing to develop a 176-unit mixed use rental community located in the West Colfax neighborhood south of Sloan’s Lake. The project will include 176 residential units and 27,000 SF of ground floor commercial space to be occupied by Centura Health and Fresenius Kidney Care. The development will house senior (62 years and older) and disabled residents.

The development will be structured as a three-part condominium inclusive of the following components: 1) ground floor community-serving commercial space to be financed through New Markets Tax Credits; 2) a 64-unit residential rental portion to be financed through 9% LIHTC equity; and 3) a 112-unit residential rental portion to be financed through 4% LIHTC equity. OED’s gap financing will contribute toward the financing of the 112-unit residential rental portion of the project.

The 112-unit residential rental development will provide 13 units restricted for residents earning at or below 30% of AMI, 36 units restricted for residents earning at or below 40% of AMI, 37 units restricted for residents earning at or below 50% of AMI, 25 units for residents earning at or below 60% of AMI, and one manager’s unit. However, all units in the development will be supported by project-based Section 8 vouchers, so will be affordable to very low-income residents. The City’s performance loan will support hard costs associated with the property’s construction. In addition to OED’s financing, the property will assume a \$3.23 million permanent loan, \$13.4 million in 4% LIHTC equity, a \$9.8 million loan from DHA, and \$1.7 million in gap funding from the Colorado Division of Housing.

In addition to the affordable housing provided through the development, the property will offer amenities to support the health of its residents. The development will incorporate a senior activity center, to which every resident will have a free membership, and which will be managed by DHA. The center will employ a Healthy Living Coordinator, who will organize programming to take advantage of the center’s fitness equipment, classrooms, and cooperative kitchen. The center will also employ a full-time Health Navigator, who will help residents to attain benefits and access focused services in the areas of mental health, substance abuse, daily activities, treatment plans, and patient advocacy. In addition, residents will have

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: 03-15-18 - 08-31-19

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: \$2,400,000

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.)