



Legislation Text

File #: 17-1351, Version: 1

**Contract Request Template (Contracts; IGAs; Leases)**

**Date Submitted:** 11-21-17

**Requesting Agency:** 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 Amendment and Modification Agreement between the City and County of Denver and The Housing Authority of the City and County of Denver to amend the agreement and release a portion of property subject to the agreement.**

Amends a grant agreement with the Denver Housing Authority (DHA) to construct site infrastructure on land acquired to build units including mixed-income housing, to update the property description to exclude and sell certain parcels to private developers to build the planned for-sale units located in an area bounded by Washington Street, 20<sup>th</sup> Avenue, and Tremont Place in Council District 9 (OEDEV- CE34011-01). The last regularly scheduled Council meeting within the 30-day review period is on 1-2-18. The Committee approved filing this bill by consent on 11-29-17.

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

**Contract Control Number:** OEDEV- CE34011-01

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

**Type and Scope of services to be performed:** Amends contract OEDEV-CE34011-01 for \$750,000 with the Denver Housing Authority to release certain parcels from the property description included in the grant documents. The grant financed construction of site infrastructure in an area bounded by Washington Street, 20<sup>th</sup> Avenue, and Tremont Place. This area was partly covered by a HOPE VI revitalization plan that included mixed-income rentals and homeownership housing. DHA has built the planned rental units, but intends to sell certain parcels to private developers to build the planned for-sale units. In accordance with the area's AHP, 9% of the homeownership units will be available to 80% AMI families, providing 65 total bedrooms.

**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)?**

***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.)**

This amendment to contract OEDEV- CE34011-01 for \$750,000 with the Denver Housing Authority will exclude certain parcels from the original grant’s property description. The existing grant financed site improvements on the property bounded by Washington Street, 20<sup>th</sup> Avenue, and Tremont Place. The property, now known as Benedict Park Place, was covered by a HOPE VI revitalization plan that included mixed-income rentals and homeownership housing, requiring that 60% of the units onsite be affordable at the 60% AMI level or below. The plan has undergone amendments several times over the years, with each amendment approved by HUD.

DHA has built all 580 of the planned apartments in buildings known as Bean Towers, Arrowhead Apartments, and East Village Apartments. Of the total, 462 (80%) are affordable at or below 60% of AMI, as shown here:

		1-BR	2-BR	3-BR	4-BR	TOTAL	% of Type
<b>RENTAL UNITS:</b>							
Income-Restricted at	40%	183	53	17	1	254	44%
Income-Restricted at	50%	68	34	8	0	110	19%
Income-Restricted at	60%	62	29	7	0	98	17%
<b>Subtotal, Income-Restricted</b>		<b>313</b>	<b>116</b>	<b>32</b>	<b>1</b>	<b>462</b>	<b>80%</b>
Market-Rate Rentals		54	59	5	0	118	20%
<b>SUBTOTAL, ALL RENTALS</b>		<b>367</b>	<b>175</b>	<b>37</b>	<b>1</b>	<b>580</b>	<b>100%</b>

However, DHA does not typically build for-sale housing, and has determined that it is more economically feasible to sell the parcels destined for homeownership to private developers to complete the work envisioned in the revitalization plan. In 2016, DHA encumbered the for-sale parcels with an Affordable Housing Plan that requires construction of 30 homes affordable at the 80% AMI level; the other 297 homes will be market-rate. Although the AHP provides only 9% of the homes at affordable prices, it provides 65 total bedrooms--10 more than required--as an alternative satisfaction to the AHP requirements, as shown here:

		1-BR	2-BR	3-BR	4-BR	TOTAL	% of Type
<b>FOR-SALE UNITS:</b>							
Affordable at AMI	80%	10	5	15	0	30	9%
Market-Rate For-Sale		132	151	14	0	297	91%
<b>SUBTOTAL, ALL FOR-SALE</b>		<b>142</b>	<b>156</b>	<b>29</b>	<b>0</b>	<b>327</b>	<b>100%</b>

To complete the planned sales, the for-sale parcels will need to be excluded from the property description outlined in the original grant agreement.