



Legislation Text

File #: 18-1340, Version: 1

Contract Request Template (Contracts; IGAs; Leases)

Date Submitted: 11-13-18

Requesting Agency: Office of Economic Development
Division:

Subject Matter Expert Name:

Name: Susan Liehe 720-913-1689
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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 resolution approving a proposed Loan Agreement between the City and County of Denver and 101 Apartment Developers, LLC to support the construction of 102 units of income-restricted housing through a redevelopment of the historic 101 South Broadway building located at 21 W. 1st Avenue in the Baker neighborhood.

Approves a loan agreement with Broadway Developers LLC for \$2,300,000 and for thirty years to support the construction of 102 units of income-restricted housing for residents earning 60% of area median income located at 21 West 1st Avenue in Council District 7, and includes as collateral the creation of 80 future affordable units in the Sloans Lake neighborhood for residents earning 80% AMI for thirty years (OEDEV-201738188-00). The last regularly scheduled Council meeting within the 30-day review period is on 1-2-19. The Committee approved filing this item at its meeting on 11-21-18.

Affected Council District(s) or citywide? CD 7

Contract Control Number: OEDEV-201738188-00

Vendor/Contractor Name (including any "DBA"): Broadway Developers LLC

Type and Scope of services to be performed:

101 Broadway Developers LLC is proposing to develop 102 units of income-restricted rental housing, to be located at 21 W. 1st Ave. in the Baker neighborhood. All units will be affordable to residents earning at or below 60% AMI for 30 years.

The proposed 101 Broadway Apartments development will redevelop the former 1st Avenue Hotel/El Diablo building located at the corner of 1st and Broadway. The building has been largely out of use since the 1980s. In addition to the income-restricted units anticipated to be financed by OED, the property will include ground-floor commercial space.

101 Broadway Apartments will provide 102 affordable rental units that are income-restricted for residents earning at or below 60% AMI. In keeping with the layout of the historic former hotel, all units will be structured as studios. The city's repayable cash flow loan will support hard and soft costs associated with the renovation of the property. In addition to the city's investment, the project will leverage \$9.7 million in permanent debt, \$8.6 million in 4% Low Income Housing Tax Credit equity, \$2.66 million in Historic Tax Credit equity, \$2.8 million in Tax Increment Financing revenue, and \$670,000 in deferred developer fee. Denver City Council approved the project's Tax Increment Financing request in May 2018.

In addition to the covenant placed on the 21 W. 1st Avenue site, because of the large size of its investment, OED will place a covenant on a second parcel owned by the development team - including 1601 Meade Street, 3795 W. 16th Street, 1612 Newton Street, and 1622 Newton Street, all in the Sloan's Lake neighborhood. Construction has not begun on the property there; the development team plans to build a mixed-use, mixed-income development inclusive of for-sale condominiums and rental apartments. The development will include community-serving uses, and the Sloan's Lake Medical Center will be retained. OED's covenant will restrict 80 of the developed units at 80% of AMI for 30 years. As per this agreement, no development subsidy will be provided by OED to support the project's construction.

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: Thirty years

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: \$2,300,000

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.)