



Legislation Details (With Text)

File #: 18-0802 **Version:** 1

Type: Resolution **Status:** Adopted

File created: 7/17/2018 **In control:** Safety, Housing, Education & Homelessness Committee

On agenda: 8/6/2018 **Final action:** 8/6/2018

Title: A resolution approving a proposed Escrow Agreement between the City and County of Denver, Curtis Park Group, LLC, Root Residential, LLC, and U.S. Bank National Association to satisfy an amended affordable housing plan for the S*Park project as an alternate to compliance with the Inclusionary Housing Ordinance.
Approves an agreement with Curtis Park Group, LLC; Root Residential, LLC; and U.S. Bank National Association to create an escrow agreement for \$3,596,953.08 to create 14 affordable multi-bedroom units located at 2642-2658 Arapahoe Street to satisfy the affordable housing requirements imposed for the S*Park development at 2500 and 2600 Arapahoe Street in Council District 9 (FINAN-201843335-00). The last regularly scheduled Council meeting within the 30-day review period is on 8-27-18. The Committee approved filing this item at its meeting on 7-25-18.

Sponsors:

Indexes: Shelley Smith

Code sections:

Attachments: 1. RR18 0802 OED Arapahoe Strip Spark, 2. 18-0802 Filed Resolution_Curtis Park Group, LLC, Root Residential, LLC & U.S. Bank National Association 201843335-00, 3. 18-0802 Escrow Agreement_Curtis Park Group, LLC, Root Residential, LLC, and U.S. Bank National Association 201843335-00, 4. 18-0802 Filed Resolution_Curtis Park Group, LLC, Root Residential, LLC & U.S. Bank National Association 201843335-00.pdf, 5. 18-0802 - signed

Date	Ver.	Action By	Action	Result
8/7/2018	1	Council President	signed	
8/6/2018	1	City Council	adopted	Pass
7/25/2018	1	Safety, Housing, Education & Homelessness Committee	approved by consent	

Contract Request Template (Contracts; IGAs; Leases)

Date Submitted: 7-17-18

Requesting Agency: Office of Economic Development
Division:

Name: Susan Liehe 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 Escrow Agreement between the City and County of Denver, Curtis Park Group, LLC, Root Residential, LLC, and U.S. Bank National Association to satisfy an amended affordable housing plan for the S*Park project as an alternate to compliance with the Inclusionary Housing Ordinance.

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

Contract Control Number: FINAN-201843335-00

Vendor/Contractor Name (including any "DBA"):

Curtis Park Group LLC., Root Residential LLC., and US Bank N.A.

Type and Scope of services to be performed:

This is an alternative build proposal to fulfill the requirements of the city's Inclusionary Housing Ordinance (IHO), which was in effect at the time the original Affordable Housing Plan was filed by the developer of the S*Park development in October 2016. The original project is S*Park and the affordable project is adjacent to it, called the Arapahoe Strip at 2642-2658 Arapahoe Street. The market rate units will be developed in two phases with a total of 200 units - 99 units in the first phase at the 2500 Block of the S*Park Project and another 101 units at the 2600 Block of the S*Park project. The S*Park Project and the Arapahoe Strip are both located in Council District 9.

Denver's Inclusionary Housing Ordinance, which was effect through December 31, 2016, required all developments of 30 or more for-sale units to provide ten percent (10%) of those units as affordable to households earning less than 80% AMI or 95% AMI, depending on the build type. In lieu of building the required affordable units on-site, developers were allowed to propose an alternative compliance option to provide the affordable units at a different site within a proximate statistical neighborhood.

In addition, a developer could propose to partner with a third-party developer for the off-site replacement units. In these instances, the city has required a three-party escrow account agreement for deposit by the developer of the donation to the third party. As part of an escrow agreement, the OED Chief Housing Officer signs for the release of draws by the third party based on agreed upon construction milestones. The costs of these individual escrow agreements are paid through the donation amount, not by the city. A number of individual off-site escrow agreements have been introduced on several affordable housing projects, and each follows all city contracting processes.

If they were to be built onsite under the standard requirements, the S*Park development's delivery of affordable units to fulfill the IHO would be 20 units. The 14 larger units that are the subject of this alternative build proposal offer the city the benefit of additional bedrooms-a desirable accommodation for larger families-than would have been created under the IHO. The 14 affordable units will satisfy the Affordable Housing Requirements for S*Park for both Phase 1 and Phase 2 provided that the two phases do not collectively contain more than 414 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: \$3,596,953.08

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.)