



Legislation Details (With Text)

File #: 20-0800 **Version:** 1

Type: Resolution **Status:** Adopted

File created: 8/3/2020 **In control:** Safety, Housing, Education & Homelessness Committee

On agenda: 8/24/2020 **Final action:** 8/24/2020

Title: A resolution approving a proposed Loan Agreement between the City and County of Denver and 1275 Sherman, LLC to support the construction of affordable housing.
Approves a loan agreement with 1275 Sherman, LLC for \$1,545,000 for fifty years, including a sixty-year restrictive covenant, to support the construction of Capitol Square Apartments, comprised of 103 affordable apartments located at 1295 Sherman Street in Council District 10 (HOST-202054254). The last regularly scheduled Council meeting within the 30-day review period is on 9-14-20. The Committee approved filing this item at its meeting on 8-12-20.

Sponsors:

Indexes: Emily Lapel

Code sections:

Attachments: 1. RR20 0800 HOST Capitol Square, 2. Pan Hall-CapSquare-48th 081220, 3. 20-0800 Filed Resolution_1275 Sherman, LLC 202054254-00, 4. 20-0800 Agreement_1275 Sherman LLC 202054254, 5. 20-0800 Filed Resolution_1275 Sherman, LLC, 6. 20-0800 - signed

Date	Ver.	Action By	Action	Result
8/24/2020	1	Council President	signed	
8/24/2020	1	City Council	adopted	Pass
8/12/2020	1	Safety, Housing, Education & Homelessness Committee	approved for filing	Pass

Contract Request Template (Contracts; IGAs; Leases)

Date Submitted: 8-03-20

Requesting Agency: Department of Housing Stability
Division:

Subject Matter Expert Name:

Name: Nick Emenhiser
Email: Nicholas.Emenhiser@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 Loan Agreement between the City and County of Denver and 1275 Sherman, LLC to support the construction of affordable housing.

Approves a loan agreement with 1275 Sherman, LLC for \$1,545,000 for fifty years, including a sixty-year restrictive covenant, to support the construction of Capitol Square Apartments, comprised of 103 affordable apartments located at 1295 Sherman Street in Council District 10 (HOST-202054254). The last regularly scheduled Council meeting within the 30-day review period is on 9-14-20. The Committee approved filing this item at its meeting on 8-12-20.

Affected Council District(s) or citywide? Council District 10

Contract Control Number: HOST-202054254

Vendor/Contractor Name (including any "DBA"): 1275 Sherman, LLC

Type and Scope of services to be performed:

This project represents a complex partnership between the State and City and County of Denver to develop affordable housing. The project was awarded competitive 4% + State Affordable Housing Tax Credits by the Colorado Housing and Finance Authority (CHFA). The project also has a loan with similar terms from the State and is located on a State Land Board-owned site. The project is generally envisioned as workforce housing marketed toward teachers and other moderate-income professionals in the downtown area. The land lease arrangement on this site is part of Governor Polis' vision for using excess state land to build housing for teachers. CHFA is issuing the Private Activity Bonds required for the 4% tax credit.

HOST has negotiated a \$1,415,000 cash flow loan to support construction. The terms of the City loan include 1% interest, deferred payments anticipated to begin in Year 10, a 50-year term loan to match the land lease, and a 60-year restrictive covenant and Deed of Trust.

The project will provide 103 income-restricted units, of which 73 will be 1 bedroom/1 bath, 5 will be 2 bedroom/1 bath, and the remaining 25 will be 2 bedroom/ 2 bath. Within this mix, 7 units are set-aside for households earning up to 30% of the area median income (AMI), another 7 for 40% AMI, 22 for 50% AMI, 34 for 60% AMI, 20 for 70% AMI, and the remaining 13 for 80% AMI. The project will be utilizing income averaging and as such the 80% AMI units likely won't realize the full 80% AMI rents.

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: Repayment term of 50 years and covenant term of Sixty 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: \$1,545,000

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.)