



Legislation Details (With Text)

File #: 21-0163 **Version:** 1

Type: Resolution **Status:** Adopted

File created: 2/8/2021 **In control:** Safety, Housing, Education & Homelessness Committee

On agenda: 3/8/2021 **Final action:** 3/8/2021

Title: A resolution approving a proposed Loan Agreement between the City and County of Denver and Brothers Redevelopment, Inc. to construct a 72-unit supportive housing project called Valor on the Fax at 7900 East Colfax.
Approves a performance loan agreement with Brothers Redevelopment, Inc. for \$1,440,000 and through 3-31-2120 to construct a 72-unit supportive housing project called Valor on the Fax located at 7900 East Colfax to serve people experiencing chronic homelessness in Council District 5 (HOST-202157469). The last regularly scheduled Council meeting within the 30-day review period is on 3-30-21. The Committee approved filing this item at its meeting on 2-24-21.

Sponsors:

Indexes: Emily Lapel

Code sections:

Attachments: 1. RR21 0163 HOST Brothers 7900 East Colfax Loan, 2. Valor on the Fax_Safety Committee Presentation_FINAL, 3. 21-0163 Filed Resolution_Brothers Redevelopment, Inc., 202157469-00, 4. 21-0163 Loan Agreement Brothers Redevelopment, Inc., 202157469-00, 5. 21-0163 Filed Resolution_Brothers Redevelopment, Inc., 6. 21-0163 - signed

Date	Ver.	Action By	Action	Result
3/8/2021	1	Council President	signed	
3/8/2021	1	City Council	adopted	Pass
2/24/2021	1	Safety, Housing, Education & Homelessness Committee	approved for filing	Pass

Contract Request Template (Contracts; IGAs; Leases)

Date Submitted: 2-8-21

Requesting Agency: Department of Housing Stability
Division:

Subject Matter Expert Name:

Name: Megan Yonke
Email: megan.yonke@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 Brothers Redevelopment, Inc. to construct a 72-unit supportive housing project called Valor on the Fax at 7900 East Colfax.

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Affected Council District(s) or citywide? Council District 5

Contract Control Number:

Vendor/Contractor Name (including any "DBA"): Brothers Redevelopment, Inc.

Type and Scope of services to be performed:

EXECUTIVE SUMMARY

7900 East Colfax is a City-owned parcel in the East Colfax neighborhood, located on a high frequency bus route and within a quarter mile of a future Bus Rapid Transit (BRT) station. HOST (formerly OED) issued a solicitation to identify a development partner for a supportive housing development. The Brothers Redevelopment Inc. (BRI) and Brain Injury Alliance of Colorado (BIAC) team was selected as the most qualified partnership to deliver housing and services at this site. This project is non-D3. The City's purchase and sale agreement (PSA) was executed in January 2020 to provide for 99 years of affordability on the site. The PSA is currently being amended to clarify the City's LURA and to replace the non-workable reverter clause with a senior position for the LURA. The City's financial contribution to this project will be three-fold. First, the land (purchased by the City for \$650,000) will be sold for \$10 to BRI. Second, the City will provide a performance loan, with 0% interest and no payments, to BRI for \$1,440,000, funded by HOME, secured by a collateral assignment by Brothers to the City of the deed of trust on the land. The City will also have a HOME covenant restricting occupancy in all units to households at or below 30% AMI for the HOME units in addition to its LURA for 20 years. Third, the City will enter into a 15-year supportive services contract for \$1,000,000, funded by Affordable Housing Fund (Property Tax and Other Local Revenue Fund), which will be cross-defaulted by the collateral assignment on the housing development loan. There will be 72 units on the property, all restricted at 30% of AMI, and 100% with vouchers - a mix of DHA and CDOH, with 8 HOME units.

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?

Competitive process

For New contracts

Term of initial contract: 4/1/2021 - 3/31/2120

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: \$1,440,000

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.)