



Legislation Details (With Text)

File #: 22-1682 **Version:** 1

Type: Resolution **Status:** Adopted

File created: 12/19/2022 **In control:** Safety, Housing, Education & Homelessness Committee

On agenda: 1/30/2023 **Final action:** 1/30/2023

Title: A resolution approving a proposed Loan Agreement between the City and County of Denver and 38th and Holly LLLP to develop affordable multi-family housing with 253 units, located in Council District 8. Approves a loan agreement with 38th and Holly, LLLP for \$8,319,000 to develop affordable multi-family housing with 253 units, located at 5908 and 5909 East 38th Avenue in Council District 8 (HOST-202264272). The last regularly scheduled Council meeting within the 30-day review period is on 2-21-2023. The Committee approved filing this item at its meeting on 1-4-2023.

Sponsors:

Indexes: Anne Wallace

Code sections:

Attachments: 1. RR22-1682_HOST_38th & Holly, 2. 1-4-2023 38th and Holly, 3. 22-1682 Filed Resolution_38th and Holly LLLP_202264272 1.10.pdf, 4. 22-1682_38th and Holly LLLP Loan Agrmt_202264272, 5. 22-1682 Filed Resolution_38th and Holly LLLP_202264272 1.10.2023, 6. 22-1682-Signed

Date	Ver.	Action By	Action	Result
1/30/2023	1	Council President	signed	
1/30/2023	1	City Council	adopted	Pass
1/4/2023	1	Safety, Housing, Education & Homelessness Committee	approved for filing	Pass

Contract Request Template (Contracts; IGAs; Leases)

Date Submitted: 12-26-2022

Requesting Agency: Department of Housing Stability
Division:

Subject Matter Expert Name:

Email Address:

Phone Number:

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 38th and Holly LLLP to develop affordable

multi-family housing with 253 units, located in Council District 8.

Approves a loan agreement with 38th and Holly, LLLP for \$8,319,000 to develop affordable multi-family housing with 253 units, located at 5908 and 5909 East 38th Avenue in Council District 8 (HOST-202264272). The last regularly scheduled Council meeting within the 30-day review period is on 2-21-2023. The Committee approved filing this item at its meeting on 1-4-2023.

Affected Council District(s) or citywide? 8

Contract Control Number: HOST-202264272

Vendor/Contractor Name (including any "DBA"): 38th and Holly, LLLP

Type and Scope of services to be performed:

Delwest has been awarded 4% Low Income Housing Tax Credits (LIHTC) by the Colorado Housing Finance Authority (CHFA) for the development of 253 units at the northeast corner of 38th and Holly. Delwest plans to use Income Averaging at the property to address a full spectrum of income levels, including housing capped at 80% AMI and deeper affordable populations from 60% through 30% AMI's. There will be 84 one-bedroom, 106 two-bedroom two bath, and 34 three-bedroom two-bath units at the property. In addition, the property will have 29 rental townhomes, including 21 three-bedroom two bath and 8 four-bedroom three-bath units. CHFA has reserved Private Activity Bond (PAB) cap for this project. HOST successfully negotiated an increase in the total number of 30% AMI units to better align this project with the strategic plan goals. Originally, only 6% of the total units were designated as 30% units and that percentage has now been increased to 15%. Eleven units will be HOME units for 20 years before converting to City units for the remaining 40 years.

The nine buildings will consist of three stories of wood framing with brick, stucco, and siding exterior finishes. Buildings will be Energy Green Code3 rated for energy efficiency. Units will have "market rate" finishes, including granite-hard surfaces, kitchen islands, LED lighting, Energy Star appliances, ceiling fans, dishwashers, garbage disposals, microwaves, central air conditioning, in-unit clothes washer and dryers, window coverings, smart locks, as well as secure building access. The property will feature an enhanced community center, with high-speed wi-fi, fitness room, computer and printer access, and individual caseworker/non-profit partner offices, and multi-purpose flex spaces for child learning pods, adult education classes, etc. There will be age-specific playgrounds, a dog run, and a picnic area onsite. All utilities will be owner-paid.

Simple interest at a rate of one percent (1%) per annum shall commence accruing on the outstanding principal balance of the Promissory Note on the date on which the first draw on the Loan is made. Principal and any interest accrued on the Loan shall be due and payable, at such place as may be designated by City, in annual installments in the amount calculated in accordance with the order of priority and other provisions set forth in Exhibit F of the Loan Agreement. Such annual installments shall commence and be due on the first June 1st following the date that is twenty-four (24) calendar months after the effective date of the Promissory Note and each June 1st thereafter. The entire unpaid balance of principal and accrued interest, if not paid sooner, shall be due and payable on the date that is three hundred sixty (360) months following the date of execution of the Promissory Note (the "Maturity Date").

Delwest intends to develop a 253-unit affordable multi-family project which will include 29 rental townhomes. The site is located on the 34 RTD bus line, through which the residents can access the Central Park and 30th & Downing Commuter Rail Stations. The nine buildings will consist of three stories of wood framing with brick, stucco, and siding exterior finishes. Buildings will be EGC rated for energy efficiency. Interior floor finish will include LVP in the units and hallway, with carpeted bedrooms. The building will have interior corridors and secure exterior doors, with ample surface lot parking for tenants. 10% of the overall parking spaces will be electronic vehicle (EV) ready. There will also be a minimum of 50 bicycle parking spaces.

The Phase I ESA noted three recognized environmental conditions (RECs), three Historical RECs (HRECs) and four *deminimis* conditions at the Site. Findings included the presence of petroleum or potential for releases of petroleum that would require a Phase II ESA investigation. A Phase II found that based on field observations, photoionization detector readings, and soil sample analytical results, the sump/sand trap area west of the maintenance building has not been impacted by chlorinated volatile organic compounds (VOCs). All HRECs have been addressed and closed to the satisfaction of the regulatory agency.

The development team will consist of Delwest Development Corp., Crosslands Construction, Parikh Stevens Architects, Delwest Management Corp., with Kenneth Hoagland, Community Capital Corp., as the project consultant and Paul Smith, Bryan, Cave, Leighton, Paisner, as the legal counsel.

Location (if applicable): 5909 & 5908 E. 38th Ave, Denver CO 80205

WBE/MBE/DBE goals that were applied, if applicable (construction, design, Airport concession contracts): N/A

Are WBE/MBE/DBE goals met (if applicable)?

Is the contract new/a renewal/extension or amendment? New

Was this contractor selected by competitive process or sole source?

For New contracts

Term of initial contract:

See above

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:

\$8,319,000

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.)