



Legislation Text

File #: 20-0799, Version: 1

Contract Request Template (Contracts; IGAs; Leases)

Date Submitted: 8-03-20

Requesting Agency: Department of Housing Stability
Division:

Subject Matter Expert Name:

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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 48Race Residences, LLLP for a loan to support the construction of 150 affordable housing units in Elyria-Swansea.

Approves a loan agreement with 48Race Residences, LLLP for \$3,750,000 and for sixty years to support the construction of Viña, a project providing 150 income-restricted units as the residential component of a mixed-use project that will include other community-serving uses located at 48th Avenue and Race Street in Council District 9 (HOST-202053962). 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 9

Contract Control Number: HOST-202053962

Vendor/Contractor Name (including any "DBA"): 48Race Residences, LLLP

Type and Scope of services to be performed:

This project is born out of a long-term partnership between the City and County of Denver and the Urban Land Conservancy, which partnered with the City to acquire this site several years ago. The project developer, Columbia Ventures, has worked with the City and neighborhood stakeholders to provide a unit mix that responds to City and neighborhood priorities. This project provides a heavy emphasis on deeper-affordability (30% AMI level) and larger family-sized units. The project will also incorporate ground-floor space for Clinica Tepeyac, a local nonprofit that provides culturally-competent health care and preventive health services for the medically underserved. Ground-floor space will also support additional retail/services. There are New Markets Tax Credits supporting the ground-floor space, which has resulted in a highly sophisticated "deal structure" for this project.

The terms of the City loan include 1% interest, deferred payments expected to begin in Year 12, a 60-year term, a 60-year restrictive covenant and Deed of Trust. There is also a State loan with similar terms, 4% and State Affordable Housing Tax Credits, and Private Activity Bonds being issued by Colorado Housing and Finance Authority.

The project will provide 150 income-restricted units, of which 8 will be studio, 67 will be 1BR, 46 will be 2BR, and 29 will be 3BR. Within this mix, 45 units are set-aside for 30% AMI households, 30 for 50% AMI, and the remaining 75 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. Despite the inclusion of the 80% units for income averaging, the investor will require the project to maintain an aggregate AMI average below 58% to mitigate risk to the tax credits.

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: 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: \$3,750,000

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.)