



Legislation Text

File #: 21-1041, Version: 1

Contract Request Template (Contracts; IGAs; Leases)

Date Submitted: 9-3-21

Requesting Agency: Finance
Division:

Subject Matter Expert Name:

Name: Lisa Lumley, Director of Real Estate
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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 bill for an ordinance approving a proposed First Amendment to the Commercial Contract to Buy and Sell Real Estate Dated 1995 between the City and County of Denver and Forum Building Housing LP, as successor-in-interest to Forum Housing Corporation, to amend and modify the terms and conditions of the transaction and authorize amendments to the City Option Agreement and the City Use Restriction Agreement for the project located at 270 West 14th Avenue.

Amends the commercial contract to buy and sell real estate with Forum Building Housing LP, as successor-in-interest to Forum Housing Corporation, by amending the City Options Agreement and the City Use Restriction Agreement for The Forum Building project located at 270 West 14th Avenue to provide affordable housing in Council District 10 (FINAN-202159656). The last regularly scheduled Council meeting within the 30-day review period is on 10-31-21. The Committee approved filing this item at its meeting on 9-14-21.

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

Contract Control Number: FINAN-202159656

Vendor/Contractor Name (including any "DBA"): Forum Building Housing LP

Type and Scope of services to be performed:

In 1995, CCD sold The Forum Building located at 270 W. 14th Avenue ("Property") to Forum Housing Corporation, for \$10.00.

The Property currently requires major maintenance, repairs and renovation. The current owner wishes to re-syndicate the property's Low-Income Housing Tax Credits (LIHTC) in order to fund a renovation. The LIHTC financing requires the use of a Private Activity Bond ("PAB"). This First Amendment will allow for the desired re-syndication by the owner in order to finance the renovation of the Property and will allow for continued use as affordable housing.

Developer for this project is Colorado Coalition for the Homeless ("CCH") and its affiliates. The Forum Building is also operated CCH and they will continue operating the building after the renovation.

CCD is presenting an amendment to the Commercial Contract to Buy and Sell Real Estate for the purposes of the two attached exhibits:

- Exhibit A - Amends the City Option Agreement to terminate its options for repurchase and first right of refusal. This is necessary improve project affordability terms contained in the original agreement to allow for the re-syndication of low-income housing tax credits (LIHTC) in order to fund a renovation of the property.
- Exhibit B - Amend the City Use Restriction Agreement to extend the affordability provisions to guarantee the property will continue to provide affordable housing for 60 years. CCD also proposes to subordinate the Deed of Trust securing the City Use Restriction Agreement to the security interests of construction and permanent lenders and future refinancing, similar to how the Deed of Trust was subordinate to CHFA's liens under the original transaction.

Benefits to the City include extending term for an additional 60 years and increases required affordable units from 30% to 100% affordable 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?

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:

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.)