



Legislation Text

File #: 22-1607, Version: 1

Contract Request Template (Contracts; IGAs; Leases)

Date Submitted: 12-5-2022

**Requesting Agency: Department of Housing Stability
Division:**

Subject Matter Expert Name: Adam Lyons
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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 NDHC Affordable Communities, Inc. to develop 70 condos which will be sold to households earning at or below 80% of the area-median income, as part of the Central Park IV project, located at 5702 North Central Park Boulevard in Council District 8.

Approves a loan agreement with NDHC Affordable Communities, Inc. for \$2,449,976 to develop 70 condos available at 80% area-median income, as part of the Central Park IV project, located at 5702 North Central Park Boulevard in Council District 8 (HOST-202265609). The last regularly scheduled Council meeting within the 30-day review period is on 1-9-2023. The Committee approved filing this item at its meeting on 12-7-2022.

Affected Council District(s) or citywide? 8

Contract Control Number: HOST-202265609

Vendor/Contractor Name (including any "DBA"):
NDHC AFFORDABLE COMMUNITIES, INC.

Type and Scope of services to be performed:

Central Park IV, a 70-unit for-sale housing development, is located in the Central Park neighborhood in close proximity to employment centers, commercial services, retail, highly rated schools, and healthy living amenities. Central Park IV will provide 70 affordable condominiums as follow up to Northeast Denver Housing Corporation's (NDHC) highly successful Central Park II and Central Park Urban Living projects. All 70 units will be 2-bedroom, 750 square feet, and restricted at 80% AMI with a sales price of \$210,000. This pricing is below the prices of NDHC's townhomes and ensures that the buyer's mortgage payment amounts will be roughly equivalent to the 60% AMI rental rate. NDHC seeks to serve buyers on their affordable for-sale wait list that are unable to afford their townhome product while ensuring that households at 60% average median income (AMI) who choose to buy rather than rent one of their apartments have a similar payment. In addition, these buyers will receive more value, as this project will have two-bedrooms and two parking spaces for each unit.

The project is requesting a performance loan in the amount of \$2,449,976.

Northeast Denver Housing Center (NDHC) is partnering with Brookfield Properties to develop 70 condos on donated land in Central Park. The development will help to fulfill Brookfield's (former Forest City's) obligations under its original redevelopment plan. The development will build on the experience of NDHC's affordable homeownership program, which has produced over 200 units to date.

All units are two-bedroom/two-bath, bolstering the current, limited supply of homeownership units accessible to low-income buyers. The project will efficiently deliver on homeownership priorities and some buyers may also be steered toward down payment assistance. The development is located in an amenity-rich neighborhood with access to transit, employment, shopping, high-quality schools, etc.

Modeled after market rate rental housing completed by Brookfield Properties in Central Park and NDHC's successful Central Park Urban Living Condos, this Central Park IV project will utilize very similar yet improved design and construction elements that increase livability, improve quality/durability and lower maintenance costs. Once complete, the project will provide an efficient and simplified homeownership option to meet the unmet affordable market need that remains in Central Park. The development will include two three-story buildings utilizing wood construction built on a concrete post-tensioned slab on grade. The condominiums will have secured limited access entry with private entrances located on six interior stairwells with access to twelve units per stairwell or 4 units per entry level. The project layout will utilize 6 limited access entries with private condo entrances, so as to eliminate noises and smells from the typical double-loaded corridor. The surface parking lot will contain 140 parking spaces located in the interior of the property in order to allow the building to front the sides of Central Park Blvd. and 57th Avenue. Surrounding landscaping will utilize xeriscaping principles to reduce water usage and maintenance and will include an "Urban Orchard" to integrate community gardening while producing local food via native fruit trees, edible plants, and community garden beds.

Location (if applicable):

5702 N. Central Park Blvd, Denver, CO 80239

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?

N/A

For New contracts

Term of initial contract:

The outstanding principal balance of the Loan shall bear simple interest at a rate of zero percent (0%) per annum until paid in full or forgiven in accordance with the terms the Loan Agreement. Upon each sale of a Unit to a Qualified Buyer (as defined in the Covenant), the City will forgive Thirty-Five Thousand and 00/100 Dollars (\$35,000.00) of the Loan.

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:

\$2,449,976

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.)