

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team

at MileHighOrdinance@DenverGov.org by **11 a.m. Friday**. Contact the Mayor's Legislative team with questions

Please mark one:

Bill Request

or

Resolution Request

Date of Request: 9.15.23

1. Type of Request:

Contract/Grant Agreement Intergovernmental Agreement (IGA) Rezoning/Text Amendment

Dedication/Vacation Appropriation/Supplemental DRMC Change

Other:

2. **Title:** (Start with *approves*, *amends*, *dedicates*, etc., include name of company or contractor and indicate the type of request: grant acceptance, contract execution, contract amendment, municipal code change, supplemental request, etc.)

Approves a performance loan contract for \$2,925,000 in Community Development Block Grant funds with Commún Denver Inc. through 12-31-2033 to acquire the Machebeuf Hall building located on the historical Loretto Heights Campus at 3040 South Loretto Way in District 2.

3. **Requesting Agency:** Denver Economic Development & Opportunity

4. Contact Person:

Contact person with knowledge of proposed ordinance/resolution (e.g., subject matter expert)	Contact person for council members or mayor-council
Name: Samantha Kirchner	Name: Patrick Walton
Email: samantha.kirchner@denvergov.org	Email: patrick.walton@denvergov.org

5. **General description or background of proposed request. Attach executive summary if more space needed:**

Please see Executive Summary below.

6. **City Attorney assigned to this request (if applicable):** Brian Martin

7. **City Council District:** District 2

8. ****For all contracts, fill out and submit accompanying Key Contract Terms worksheet****

To be completed by Mayor's Legislative Team:

Resolution/Bill Number: _____

Date Entered: _____

Key Contract Terms

Type of Contract: (e.g. Professional Services > \$500K; IGA/Grant Agreement, Sale or Lease of Real Property):

Loan Agreement

Vendor/Contractor Name (including any dba's): Commún Denver Inc.

Contract control number (legacy and new): OEDEV-202370234

Location: Machebeuf Hall located at 3040 South Loretto Way Denver, CO 80236

Is this a new contract? Yes No **Is this an Amendment?** Yes No **If yes, how many?** _____

Contract Term/Duration (for amended contracts, include existing term dates and amended dates):

October 1, 2023 - December 31, 2033

Contract Amount (indicate existing amount, amended amount and new contract total):

<i>Current Contract Amount (A)</i>	<i>Additional Funds (B)</i>	<i>Total Contract Amount (A+B)</i>
\$2,925,000	N/A	\$2,925,000

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
10-01-2023 – 12-31-2033	N/A	N/A

Scope of work:

Commún Denver Inc. will acquire and develop the Machebeuf Hall building located on the historical Loretto Heights Campus at 3040 South Loretto Way Denver, CO 80236 to be used as a community center that will be called Commún - Loretto Heights Community Center at Machebeuf Hall.

Was this contractor selected by competitive process? N/A

If not, why not?

Has this contractor provided these services to the City before? Yes No

Source of funds: Community Development Block Grant (CDBG)

Is this contract subject to: W/MBE DBE SBE XO101 ACDBE N/A

WBE/MBE/DBE commitments (construction, design, Airport concession contracts): N/A

Who are the subcontractors to this contract? N/A

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EXECUTIVE SUMMARY

Commún Denver Inc., a 501(c)(3) organization, has requested \$2.925 million from the Department of Economic Opportunity and Development (DEDO) to support their acquisition of Machebeuf Hall located at 3040 South Loretto Heights in Denver's Harvey Park South neighborhood. This proposed, multi-phased \$23.7M Machebeuf project would begin with acquisition and then rehabilitation of the structure to create a community center near the center of the exciting Loretto Campus redevelopment.

The nonprofit's vision for the space, entitled "Commún," is to acquire and renovate the historic Machebeuf Hall into an inviting, cross-cultural gathering space that will build economic strength and foster the expansion of cultural and generational wealth by offering extensive wrap-around services. The community center will host programming for a broad range of mental and physiological support services including but not limited to therapeutic services and case management, food access, and health education, all based on a people-centered delivery system that fosters community empowerment, community organizing, and integrated wraparound services.

This city investment would be made from Community Development Block Grant (CDBG) funds from the U.S. Department of Housing & Urban Development (HUD). The city's participation would constitute 12.3% of the project's total costs, as demonstrated by the below capital stack.

Project Funding

Foundations	\$12,000,000
Individuals	\$2,950,547
Program-Related Investments	\$1,500,000
Tax Credits	\$4,361,000
This DEDO Loan Contract: CDBG	\$2,925,000
Total	\$23,736,547

As is typically done with city investments using CDBG funds, this will be structured as a performance-based loan. A performance-based loan means that when the contract activity is completed, the debt is canceled; at maturity date and when all contingencies including reporting requirements are met, the promissory note will be canceled, and the deed of trust released. This proposed contract would have a duration of ten years (2023-2033).

Loretto Heights Redevelopment

Machebeuf Hall is an integral part of the preservation work across the Loretto Heights campus as part of its exciting redevelopment based on a multi-year public planning process. The Administration Building and connected chapel, which are listed on the National Register of Historic Places, are protected by an easement donated to Historic Denver by the owner. Pancratia Hall — the 1928 dorm designed by noted Denver architect Harry Edbrooke — is slated to reopen as more than 70 affordable housing units.

In November 2021, Denver voters approved bond funds to support the city's acquisition of the May Bonfils Theater so that it can be rehabilitated for community use, and the funding to begin design work was approved for \$3.5M by Denver City Council in May 2023. Adaptive reuse is also slated for other notable buildings on the Loretto campus such as the library and the priest's house as well as Machebeuf Hall (this DEDO contract).

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