

DEDO ORDINANCE/RESOLUTION REQUEST

Date of Request: 8/31/20

Please mark one: Bill Request or Resolution Request

1. Type of Request:

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

Dedication/Vacation Appropriation/Supplemental DRMC Change

Other:

2. Title: Modifies a loan agreement originally executed for \$1,000,000 between Denver Economic Development & Opportunity (DEDO) and NEWSED Community Development Corporation, allowing NEWSED to extend its current loan deferment on its commercial condo property at 901 W. 10th Ave. through December 31, 2020 through a deferment offer extended by DEDO in light of the COVID-19 economic crisis.

3. Requesting Agency: Denver Economic Development & Opportunity (DEDO)

4. Contact Person:

Contact person with knowledge of proposed ordinance/resolution	Contact person to present item at Mayor-Council and Council
Name: Doug Selbee 720-224-4922	Name: Susan Liehe 720-480-3481
Email: douglas.selbee@denvergov.org	Email: susan.liehe@denvergov.org

5. General a text description or background of the proposed request, if not included as an executive summary.
See Executive Summary

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

7. City Council District: 3

Key Contract Terms

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

Vendor/Contractor Name: NEWSED Community Development Corporation, Inc.

Contract control number: GE2Y004-07

Location: 910 W. 10TH Avenue, Denver

Is this a new contract? Yes No Is this an Amendment? Yes No If yes, how many? 7

Was this contractor selected by competitive process? N/A

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

Source of funds: General Fund

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

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

Who are the subcontractors to this contract? N/A

EXECUTIVE SUMMARY

This resolution and loan amendment pertains to the commercial portion of a NEWSED-owned, mixed-use property at 901 West 10th Avenue known as the Villa De Barela. The ground floor is retail/commercial space and the upper floors are affordable housing.

In 1993, DEDO originally financed a \$1,000,000 loan to develop the commercial portion of the property. The three-acre site was successfully developed into 10,000 SF of commercial/retail space and 38 units of affordable housing. The initial terms of the city's commercial loan were 10 years, 3% interest, and a monthly P&I of \$4,216. Subsequent amendments to the commercial loan have deferred payments on a short-term basis, adjusted the P&I payments and the interest rate, and exchanged deeds of trust and encumbrances. DEDO equity in this commercial portion was estimated to be \$1,608,000 in late 2019, which is more than enough to cover the outstanding loan balance of \$863,562.

A 2019 deferral granted on this loan was set to conclude in July 2020, although with the onset of the COVID-19 pandemic and resulting economic devastation, DEDO offered a loan deferral option this spring to its borrowers who could meet program requirements. At present, 16 loans are in negotiation or have been granted deferrals of 6-9 months. The total monthly payments that DEDO has deferred is approximately \$30,000/month, with the average monthly payment being deferred is approximately \$2,500.

If approved, this deferral for NEWSED would extend through December 31, 2020.