DEDO ORDINANCE/RESOLUTION REQUEST

Date of Request: 9/7/21

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: Creates a $500,000, short-term contract between Denver Economic Development & Opportunity and Tepeyac QALICB, Inc. using U.S. Housing & Urban Development (HUD) Community Development Block Grant funds to support the development of the Viña Project at 4725 High Street.

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: Tara Olden (720) 768-3772	Name: Susan Liehe 720-480-3481 (m)
Email: tara.olden@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.

X **See Executive Summary**

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

7. City Council District: Citywide

Key Contract Terms

Type of Contract: (e.g. Professional Services > $600K; IGA/Grant Agreement, Sale or Lease of Real Property):
Professional Services

Vendor/Contractor Name: Tepeyac QALICB, Inc.

Contract control number: OEDEV-202159172

Location: 4725 High Street, Denver 80216

Is this a new contract?   Yes ☒   **No** ☐   **Is this an Amendment? Yes** ☐   **No** ☐   **If yes, how many? 0**

Contract Term/Duration (for amended contracts, include <u>existing</u> term dates and <u>amended</u> dates): 7/1/21 to 12/31/21

Scope of work: *See Executive Summary for program elements.*

Was this contractor selected by competitive process? If not, why not?

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

Source of funds: CDBG

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

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

July 1, 2021 through December 31, 2021

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

Current Contract Amount (A)	*Additional Funds (B)*	*Total Contract Amount (A+B)*
$500,000		

Current Contract Term	*Added Time*	*New Ending Date*
7/1/2021 - 12/31/2021		

EXECUTIVE SUMMARY

This funding contract relates to the affordable mixed-use development at Viña, located at 4725 High St. (48th and Race), an exciting first phase of a six-acre development that will deliver affordable housing, fresh food, and expanded healthcare to the Globeville and Elyria-Swansea neighborhoods. Nonprofit health provider Clíníca Tepeyac will be the ground-level commercial space.

In 2016 DEDO granted Tepeyac Community Health Center (TCHC) a $1,050,000 fifteen-year forgivable loan with CDBG funds that supported the acquisition of the ground-level portion of 4725 High St. Now as the project has secured its funding stack as shown below, DEDO is supporting design and development costs with $500,000 of regular CDBG funds as well as $500,000 of regular CDBG-CV funds (in a separate contract).

Tepeyac QALICB, Inc. is an affiliate of Clíníca Tepeyac, Inc. formed in 2020 as Tepeyac Qualified Active Low-Income Community Business, Inc.

FUNDING STACK

Northern Trust (Investor)	$4,566,493
Capital Impact Fund (Senior Lender)	$5,800,000
Gary Community Investment PRI	$1,000,000
Colo. Growth & Revitalization Loan	$920,000
Capital Campaign Cash (Internal)	$3,774,840
This contract: DEDO – CDBG	**$500,000**
Separate contract: DEDO – CDBG CV	**$500,000**
TOTAL	*$17,061,333*

Capital Impact Partners and Colo. Growth & Revitalization Fund are being funded via New Market Tax Credit mechanisms within the Tepeyac Qualified Active Low-Income Community Business. The city will cover the closing fees and professional services fees incurred during the loan occurring in October 2021. The CDBG funding of $500,000 will be repayable with a 20-year Promissory Note, while the CV funding of $500,000 will be performance-based and is forgivable after seven years of the project remaining active and delivering services as intended.