

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team

at MileHighOrdinance@DenverGov.org by **11 am on Monday**. Contact the Mayor's Legislative team with questions

Date of Request: 6/5/2023

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:** (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 an amendment of loan agreement HOST-202265493 between the City and County of Denver and Archway Montview Manor LLC revising the term of the loan from 30 years to 60 years and revising the Accessibility Requirements language (HOST-202368206).

3. **Requesting Agency:** Department of Housing Stability

4. Contact Person:

Contact person with knowledge of proposed ordinance/resolution	Contact person to present item at Mayor-Council and Council
Name: Jennifer Siegel	Name: Sabrina Allie
Email: Jennifer.Siegel@denvergov.org	Email: Sabrina.Allie@denvergov.org

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

Amends the loan agreement with Archway Montview Manor LLC executed on November 30, 2022, as follows:

- a) Revise the term of the performance loan to 60 years. The performance loan portion in the loan agreement is currently written with a term of 30-years, though HOST's Loan Review Committee approved a 60-year agreement.
- b) Revise Section 6.D. Accessibility Requirements to align with Section 504 of the Rehabilitation Act of 1973. Language around accessibility requirements must be revised to ensure the property complies with U.S. Department of Housing and Urban Development (HUD) requirements.

6. **City Attorney assigned to this request (if applicable):** Eliot Schaefer

7. **City Council District:** District 9

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):
Professional Services > \$500K

Vendor/Contractor Name:
Archway Montview Manor, LLC

Contract control number:
Original contract number HOST-202265493
Amendment HOST-202368206-01

Location:
8558 W. 14th Ave, Suite A, Lakewood, Colorado 80215

Is this a new contract? Yes No Is this an Amendment? Yes No If yes, how many? 1

Contract Term/Duration (for amended contracts, include existing term dates and amended dates):
Existing contract #HOST-202265493 12/13/2022-12/01/2082
Amended contract #HOST-202368206- 12/13/2022-12/13/2083

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

<i>Current Contract Amount</i>	<i>Additional Funds</i>	<i>Total Contract Amount</i>
(A)	(B)	(A+B)
\$3,400,000	N/A	\$3,400,000

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
12/13/2022-12/01/2082	N/A	12/13/2022-12/13/2083

Scope of work:

1. Section 1.B. of the Loan Agreement entitled “Repayment; Forgiveness Based on Performance,” is deleted in its entirety and replaced with the following:

“B. Repayment; Forgiveness Based on Performance:

- i. One Million Four Hundred Fifty Thousand Dollars and No/100 (\$1,450,000.00) of the Loan shall accrue simple interest at a rate of one percent (1%) per annum commencing on the date on which the first draw on the Loan is made (the “Cash Flow Portion”). Simple interest shall accrue on the outstanding principal balance of the Cash Flow Portion until repaid in full. Principal and any interest accrued on the Cash Flow Portion shall be due and payable, at such place as may be designated by City, in annual installments of the amount calculated in accordance with the order of priority and other provisions set forth in **Exhibit F**, attached hereto and incorporated herein (“Cash Flow Payment”). Such annual installments shall commence and be due on the first June 1st following the date that is twenty-four (24) calendar months after the effective date of the Promissory Note and each June 1st thereafter, with the entire unpaid balance of principal and accrued interest on the Cash Flow Portion due and payable on the thirtieth (30th) anniversary of the date of the Promissory Note, if not sooner paid. Each year after repayment of the Loan has commenced, Borrower shall provide to the City, no later than June 1st, (i) an audited financial statement for the Project for the preceding calendar year; and (ii) a statement or letter from an auditor that details (a) the total amount of Cash Flow Payment available for distribution, and (b) a calculation that details the amount(s) and the person(s) or entity (entities) to which any payments will be distributed based on the order of priority and other provisions set forth in Exhibit F.
- ii. One Million Nine Hundred Fifty Thousand Dollars and No/100 (\$1,950,000.00) of the Loan shall accrue simple interest at a rate of zero percent (0%) per annum (the “Performance Portion”). Repayment of the Performance Portion shall be deferred and forgiven by the City on the sixtieth (60th) anniversary of the Promissory Note so long as Borrower is in compliance with all terms and conditions of this Loan Agreement and the Covenant.”

2. Section 6.D. of the Loan Agreement entitled “Accessibility Requirements,” is deleted in its entirety and replaced with the following:

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“D. Unit Requirements. Borrower must comply with Section 504 of the Rehabilitation Act of 1973 and HUD’s implementing regulations at 24 C.F.R. Part 8. It is anticipated that Borrower’s projected cost of alterations will be less than seventy-five percent (75%) of the replacement cost of the restricted value of the completed facility. As such, Borrower must comply with 24 C.F.R. § 8.23, which requires, among other things, that Borrower shall ensure that alterations to dwelling units at the Property, to the maximum extent feasible, be made readily accessible to and usable by individuals with disabilities. If, during the project period, the cost of alterations exceeds 75% of the replacement cost of the completed facility, then the provisions of 24 C.F.R. § 8.22 shall apply to the Project.”

Was this contractor selected by competitive process? N/A **If not, why not?** Amendment to previous loan agreement

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

Source of funds:

Community Development Block Grant (CDBG) and Property Tax

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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