

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team

at MileHighOrdinance@DenverGov.org by **11:00 a.m. on Monday**. Contact the Mayor's Legislative team with questions

Date of Request: 04/13/2023

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 a loan agreement with RAHF V ARGONAUT, LLC, in the amount of \$1,165,364 as a performance loan to support the rehabilitation of 108 income-restricted units (#HOST-202367247).

3. **Requesting Agency:** Department of Housing Stability (HOST)

4. Contact Person:

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

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

Jonathan Rose Companies is requesting \$1,165,364 in funding to complete the rehabilitation of Argonaut-El Tovar. This property is subject to a project-based Section 8 Housing Assistance Payments (HAP) contract which expires in 2040. Most, if not all residents are seniors on SSI disability income, therefore, all units serve very low-income tenancy, and 108 units are 30% Area Median Income (AMI).

This project also includes a social services program, which utilizes common space at the property and will be subject to physical improvements in addition to work already completed. The program has a case manager who offers programming events and connects residents to resources, benefit programs, transportation, reading mail, etc.

The rental and occupancy covenant securing the rental and occupancy restrictions will run with the land for 60 years.

The borrower will be required to house people with low/moderate incomes as shown in the following table.

Unit Type	30%AMI	Employee Unit	Total Units
Studio	51		51
1BR	57	1	58
Total	108	1	109

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

7. **City Council District:** 10

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

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: RAHF V ARGONAUT LLC

Contract control number: HOST-202367247

Location: 1505 N Grant Street, Denver, CO 80203

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):

HOST-202367247 Subject to the terms of this Loan Agreement, the City agrees to lend Borrower the sum of One Million One Hundred Sixty-Five Thousand Three Hundred Sixty-Four Dollars and No/100 Dollars (\$1,165,364.00) (the “Loan”). In addition to this Loan Agreement, the Borrower will execute a promissory note in a form satisfactory to the City evidencing this Loan (the “Promissory Note”) and a covenant securing the Property for use as affordable housing as required by Section 6 hereof (the “Covenant”). Simple interest at a rate of zero percent (0%) per annum shall commence accruing on the outstanding principal balance of the Promissory Note on the date on which the first draw on the Loan is made. Principal and any interest accrued on the Loan shall mature and be due and payable on the sixtieth (60) anniversary of the date of the Promissory Note (the “Maturity Date”), if not sooner paid. Repayment shall be forgiven by the City on the Maturity Date so long as Borrower is in compliance with all terms and conditions of this Loan Agreement and the Covenant.

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>
<i>(A)</i>	<i>(B)</i>	<i>(A+B)</i>
\$1,165,364	N/A	\$1,165,364

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
Principal and any interest accrued on the Loan shall mature and be due and payable on the sixtieth (60) anniversary of the date of the Promissory Note (the “Maturity Date”), if not sooner paid. Repayment shall be forgiven by the City on the Maturity Date so long as Borrower is in compliance with all terms and conditions of this Loan Agreement and the Covenant.	N/A	Principal and any interest accrued on the Loan shall mature and be due and payable on the sixtieth (60) anniversary of the date of the Promissory Note (the “Maturity Date”), if not sooner paid. Repayment shall be forgiven by the City on the Maturity Date so long as Borrower is in compliance with all terms and conditions of this Loan Agreement and the Covenant.

Scope of work:

Originally constructed in 1908, Argonaut-El Tovar is a 109-unit preservation project consisting of two historic brick buildings, Argonaut and El Tovar, which are five and three stories, respectively. The project underwent renovations in 2007 and the first phase of another rehab in 2021, consisting of \$6,409,934 in total repairs. This second phase of the rehab is being performed to ensure the long-term viability of this property as an affordable asset. This project will serve very low-income tenancy through the Housing Assistance Payments (HAP) contract expiring in 2040, with 108 units restricted at 30% Area Median Income (AMI) through the Rental & Occupancy covenant, with one Employee Unit.

Already completed during the rehab was a reconfiguration of the layout to accommodate accessibility requirements in six units (5.5%). Cabinets, plumbing fixtures, and electrical devices have been lowered to meet Section 504 requirements. Jonathan Rose Companies will also install LED lights, low-flow plumbing fixtures, and EnergyStar rated appliances throughout the property, as well as complete repairs to the elevator, sidewalks, and install a new video surveillance system.

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Resolution/Bill Number: _____

Date Entered: _____

Was this contractor selected by competitive process? No If not, why not? Gap financing for development

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

Source of funds: 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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