

# ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team

at [MileHighOrdinance@DenverGov.org](mailto:MileHighOrdinance@DenverGov.org) by **11:00am on Monday**. Contact the Mayor's Legislative team with questions

Date of Request: 3/8/2023

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.)

Amends a contract with 3501 Chestnut Development, LLC, by adding \$5,000,000 for a new total \$8,185,000 and bifurcate a repaying structure. (Base contract #HOST-202158709, 1<sup>st</sup> Amendment contract #HOST-202262289. Proposed contract #HOST-202367135.

## 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: Adam Lyons	Name: Jack Wylie
Email: adam.lyons@denvergov.org	Email: jack.wylie@denvergov.org

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

This request is to add an additional \$5,000,000 in construction loan funding to the current \$3,185,000 performance loan. The additional funds are intended to bring down the overall project costs and will be short-term, repayable financing. This increase will temporarily bring HOST's total loan amount to \$8,185,000 until the loan is repaid. The requested \$5,000,000 funding is to minimize construction interest on hard construction costs incurred for this development. The request is due to a 115% increase in the construction interest rate by the current construction lender. The additional \$5,000,000 loan from the City will share a lien position with a \$4,000,000 loan from Weave for a period of 12 months. This will be used for a replacement of undrawn proceeds of the higher-interest construction loan and will be repaid to the City through unit sales.

## 6. City Attorney assigned to this request (if applicable): Elliott Schaffer

## 7. City Council 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: \_\_\_\_\_

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## 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:** 3501 CHESTNUT DEVELOPMENT LLC

**Contract control number:** HOST-202367135

**Location:** 3501 Chestnut Place, Denver, Colorado 80216

**Is this a new contract?**  Yes  No **Is this an Amendment?**  Yes  No **If yes, how many?** 2

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

HOST-202158709 Principal and any interest accrued on the Loan shall mature and be due and payable on the ninety-ninth (99th) 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

Amendment #1 HOST-202262289 Same terms as original agreement.

Amendment #2 HOST-202367135 12 months of the date of the promissory note

**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)
\$3,185,000	\$5,000,000	\$8,185,000

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
See current contract term above	12 months	The loan terms of the original agreement and the 1 <sup>st</sup> amendment are to be bifurcated from the terms of the 2 <sup>nd</sup> amendment

**Scope of work:**

The purpose of this loan amendment is to add an additional \$5,000,000 (12-month construction loan at 2% simple interest) to the existing loan agreement, bringing the total loan amount to \$8,185,000.

**Was this contractor selected by competitive process?** Yes **If not, why not?** N/A

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

**Source of funds:** Linkage fee

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

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

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**Who are the subcontractors to this contract?** N/A

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