

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-202160903 between the City and County of Denver and EC Wildhorse LLC and Envolve Communities, LLC in the amount of \$718,000, making the total loan to the borrower \$1,168,000 (HOST-202367972).

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: Adam Lyons	Name: Sabrina Allie
Email: adam.lyons@denvergov.org	Email: Sabrina.Allie@denvergov.org

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

On September 9, 2021, HOST's Loan Review Committee (LRC) approved a \$450,000 cash-flow loan to EC Wildhorse, LLC for the development of 119 units restricted at 30%-70% Area Median Income (AMI). Wildhorse Ridge is located at Tower Road and 58th Avenue, in the Denver International Airport neighborhood. The project closed on its senior debt and equity in February 2022 but did not close on the City and State loans until December 2022. Due to construction cost increases since construction began, the project now faces a nearly \$4 million gap and requested an additional \$718,000 be added to the City loan, for a total loan amount of \$1,168,000 (\$9,815/unit). In consideration of the additional funds, three additional Low HOME Units will be provided.

Funding is sourced from the HOME Investment Partnership Program (HOME). The development team is a joint venture between Envolve Communities and Boulder Creek Neighborhoods. Ten percent of the units are restricted at 30% AMI and 40% of the units are restricted at 50% AMI (50% of total units below 50% AMI). All units are 2 and 3 bedrooms, with 66% 3 bedrooms, and each unit will have an attached garage.

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

7. **City Council District:** District 11

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:
EC WILDHORSE LLC
ENVOLVE COMMUNITIES, LLC

Contract control number:
Original contract number HOST-202160903
Amendment HOST-202367972-01

Location:
2231 20TH Avenue South, Birmingham, Alabama 35223

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 202160903 12/27/2022-06/01/2064
Amended contract #HOST 202367972 - Term dates not amended

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>
\$450,000	\$718,000	\$1,168,000

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
12/27/2022-06/01/2064	N/A	12/27/2022-06/01/2064

Scope of work:

In consideration of the additional funds, three additional Low HOME Units will be provided.

- The \$1,168,000 HOST loan still accounts for just 2.5% of the total capital stack.
- The HOST loan will be fully repaid within 17 years, although Senior Lender requests (HUD 221(d)(4)) requires a 40-year term. The initial loan anticipated a 12-year repayment schedule.
- The Project Sponsor, Envolve Communities LLC, provided guaranty for the HOST loan.
- Project is 60% complete, on track to complete construction late summer 2023.
- Project is still within the window to allocate additional HOME funds.
- No further environmental review actions are needed.
- Additional funding is contingent on all City and federal compliance requirements being up to date and to HOST satisfaction.

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:
HOME Investment Partnership Funds

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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