

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor’s Legislative Team
at MileHighOrdinance@DenverGov.org by **3:00pm on Monday**.

All fields must be completed.

Incomplete request forms will be returned to sender which may cause a delay in processing.

Date of Request: October 8, 2012

Please mark one: **Bill Request** or **Resolution Request**

1. Has your agency submitted this request in the last 12 months?

Yes **No**

If yes, please explain:

2. Title: *(Include a concise, one sentence description - include name of company or contractor and contract control number - that clearly indicates the type of request: grant acceptance, contract execution, amendment, municipal code change, supplemental request, etc.)*

Northeast Denver Housing Center is requesting a modification to its loan (GE41433) that would convert the loan terms.

3. Requesting Agency: Office of Economic Development

4. Contact Person: *(with actual knowledge of proposed ordinance)*

- **Name:** ReJean Peeples
- **Phone:** 720.913.1545
- **Email:** rejean.peeples@denvergov.org

5. Contact Person: *(with actual knowledge of proposed ordinance who will present the item at Mayor-Council and who will be available for first and second reading, if necessary)*

- **Name:** Seneca Holmes
- **Phone:** 720.913.1526
- **Email:** Seneca.holmes@denvergov.org

6. General description of proposed ordinance including contract scope of work if applicable:

This request is a modification to an existing loan totaling \$984,950 that was issued for the purpose of acquiring and renovating the Austin Building, located at 2400 E. Colfax Ave. The loan helped in providing 18 affordable rental units and developing commercial retail space. The requested loan modifications will allow NDHC to service the loan within its financial capacity. These modifications are necessary due to challenges in leasing the retail space and tenant turn-over. Amendment specifics are detailed in the executive summary.

Please include the following:

- a. **Duration:** January 1, 2021
- b. **Location:** 2400 East Colfax Ave
- c. **Affected Council District:** 10th council districts
- d. **Benefits:** preservation of affordable rental housing units
- e. **Costs:** none

7. Is there any controversy surrounding this ordinance? (groups or individuals who may have concerns about it?) **Please explain.**

None

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Date: _____

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Executive Summary

Northeast Denver Housing Center's Austin Building

Contracts/Purchases:

- Contract recipient: Northeast Denver Housing Center (aka: NDHC)
- GE41433
- Amendment and modification of loan terms and conditions:

The City has three separate contracts from three separate funding sources totaling \$984,950.

1. HOME = \$639,950 total loan amount
2. HOPWA = \$100,000 total loan amount
3. CDBG – Economic Development = \$245,000 total loan amount

The following terms and conditions are recommended mortifications:

- HOME loan = outstanding balance - \$275,719.77
 - \$12,229.57 lump-sum payment to City to make all late fees current
 - Reduction of monthly payments from \$2,400 to \$500.
 - Interest rate: change from 1% to 0%
 - Extension of maturity date from January 1, 2017 to April 1, 2062, in order to fully-amortize the loan.
- CDBG – ED loan = outstanding balance – \$87,201
 - Reduction of monthly payments from \$1,360 to \$500.
 - Interest rate: change from 3% to 0%
 - Extension of maturity date from February 1, 2012 to November 1, 2027, in-order to fully-amortize the loan.
- Collateral: City will hold 1st lien on property
- Modification to Deed of Trust: remove the Collateral Assignment of the Promissory Notes and Deeds of Trust and amend both with Promissory Note and Deed of Trust in amount of \$984.950.
- The loan is due and payable upon sale of the property

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