

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team

at MileHighOrdinance@DenverGov.org by **3:00pm on Monday**. Contact the Mayor's Legislative team with questions

Date of Request: 3/21/2022

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 contract for \$500,000 in Community Development Based Grant (CDBG) funding between Denver Economic Development and Opportunity and Tepeyac QALICB, Inc., an affiliate of Tepeyac Community Health Center, to support the expansion of their clinical services by acquiring a portion of land at 2101 and 2111 E. 48th Ave. in Globeville, Elyria-Swansea.

3. Requesting Agency: Denver Economic Development & Opportunity

4. Contact Person:

Contact person with knowledge of proposed ordinance/resolution	Contact person to present item at Mayor-Council and Council
Name: Doug Selbee	Name: Patrick Walton
Email: douglas.selbee@denvergov.org	Email: patrick.walton@denvergov.org

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

See Executive Summary below.

6. City Attorney assigned to this request (if applicable): Brian Martin

7. City Council District: 9

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

Key Contract Terms

Type of Contract: (e.g. Professional Services > \$500K; IGA/Grant Agreement, Sale or Lease of Real Property):

Acquisition of Real Property

Vendor/Contractor Name: Tepeyac QALICB, Inc.

Contract control number: OEDEV-202159172

To be completed by Mayor's Legislative Team:

Resolution/Bill Number: _____

Date Entered: _____

Location: 2101 and 2111 E. 48th Ave. -Globeville Elyria-Swansea

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):

- July 1, 2021 – June 30, 2022 (For the closing, design, and professional services fees associated with the clinic's acquisition incurred during this period)
- Grantee will remit 240 monthly loan payments beginning in 2023.
- Grantee agrees to continue to use the Property as a community facility until January 1, 2043.

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>
\$500,000	\$0	\$500,000

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
July 1, 2021 – June 30, 2022	0	-

Scope of work:

Expanding comprehensive primary care services to Latino low-income residents in Denver and its neighboring counties regardless of their ability to pay.

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

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

Source of funds: CDBG

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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EXECUTIVE SUMMARY

The purpose of this contract is to provide Housing and Urban Development Community Development Block Grant funds for \$500,000 through the Denver Economic Development & Opportunity's (DEDO) Division of Neighborhood Equity and Stabilization Team. These funds will be provided to Tepeyac QALICB, Inc. to be utilized to finance the closing fees and professional services fees associated with the clinic's expansion incurred during the loan closing. Tepeyac QALICB, Inc. is the non-profit entity created for the New Markets Tax Credit financing infrastructure of this project.

This \$500,000 "conditional" loan to be funded by CDBG funds, is to be repaid over a term of two-hundred forty (240) months, starting January 1, 2023. The real property will be secured by a Deed of Trust and promissory note (registered against the property with the Clerk and Recorder's Office) which also requires that the vendor continues to use the property as a non-profit community facility for the full term of the amortized payment schedule of twenty (20) years. After January 1, 2043, if all contractual requirements are met, the promissory note will be cancelled, and the Deed of Trust released.

DEDO's federally funded contract template language has recently been modified and is reflected in the contract as follows:

Section 2 Specifies the time of work to be completed and reimbursed for this contract (costs associated with the transaction in acquiring the property). Previously this section described the total time of compliance for the contract.

Section 3 Includes the loan terms.

Section 10 Details the restrictions on the property and includes the period of compliance. This is important for compliance and monitoring as DEDO keeps track of the borrower's ongoing obligations to the city.

DEDO is supporting the development with \$500,000 of CDBG-CV funds as well as \$500,000 of regular CDBG funds (the latter being this contract) as illustrated below.

PROJECT FUNDING

Northern Trust (Investor)	\$4,566,493
Capital Impact Fund (Senior Lender)	\$5,800,000
Gary Community Investment PRI	\$1,000,000
Colo. Growth & Revitalization Loan	\$920,000
Capital Campaign Cash (Internal)	\$3,774,840
This contract: DEDO – CDBG	\$500,000
Separate contract: DEDO – CDBG CV	\$500,000
TOTAL	\$17,061,333

Capital Impact Partners and Colo. Growth & Revitalization Fund are being funded via New Market Tax Credit mechanisms within the Tepeyac Qualified Active Low-Income Community Business (Tepeyac QALICB, Inc.).

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