

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: 11/7/2022

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 the loan agreement between the City and County of Denver and Pennrose Holdings, LLC in the amount of \$3,000,000, under contract control number HOST-202265484.

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: Jennifer Balkcom	Name: Sabrina Allie and Derek Woodbury for Mayor-Council
Email: Jennifer.Balkcom@denvergov.org	Email: sabrina.allie@denvergov.org and derek.woodbury@denvergov.org

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

2700 Wewatta will provide 56 units of supportive housing to transition age youth ages 18-24 who are at risk of homelessness (i.e., aging out of foster care) or experiencing homelessness. This project was a 2021 4% + state allocation with 56 total units, of which 52 are one-bedroom and 4 are two-bedroom to serve youth with children. Twenty-eight of the units (50%) will be deed restricted at 30% area median income (AMI) and the remaining 28 will be affordable at 50% of AMI. One hundred percent of the units will receive Colorado Division of Housing (CDOH) local project-based vouchers.

The project will source 50% of residents from OneHome. The project is requesting a performance loan for \$3,000,000 in development funds and \$1,260,000 for supportive services funding in a grant (HOST-202265483), which includes \$225,000 from a partnership with Denver Human Services. This performance loan to Pennrose Holdings, LLC will be lent into the Low-Income Housing Tax Credit (LIHTC) partnership. Any interest or principal paid to Pennrose Holdings, LLC will be allocated to a supportive services reserve.

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

Eliot Schaefer

7. City Council District:

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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): Loan Agreement

Vendor/Contractor Name:
Pennrose Holdings, LLC

Contract control number:
HOST-202265484

Location:
2700 Wewatta Way, Denver, CO 80216

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):

The loan agreement principal and any interest accrued on the loan shall mature and be due and payable on the sixtieth (60th) 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 the 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 (A)</i>	<i>Additional Funds (B)</i>	<i>Total Contract Amount (A+B)</i>
Loan agreement – \$3,000,000		

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
See above for terms of the loan agreement		

Scope of work:

This loan will provide gap financing for the construction and long-term operation of the project. The community will be built on a 0.54-acre site in the Five Points neighborhood of Denver, which is also in the RiNo Arts District and in the 13-acre Denargo Market redevelopment area which is experiencing explosive growth. This major redevelopment will provide immediately accessible employment and housing options providing the future residents of 2700 Wewatta with numerous opportunities for economic mobility and housing choice within a single neighborhood.

This project works to meet affordability requirements of the Denargo Market Affordable Housing Agreement. The master developer (Golub/Formativ) is donating the land at no cost with a seller carry-back with zero interest and no expected payments. The project sponsor, Pennrose, LLC, in partnership with Rivet Development, will provide 56 units of housing for transition-age youth (18-24) experiencing homelessness or at risk of experiencing homelessness.

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

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

Source of funds:
Homelessness Resolution Fund

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Date Entered: _____

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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