



Legislation Text

File #: 22-1484, Version: 1

**Contract Request Template (Contracts; IGAs; Leases)**

**Date Submitted: 11-14-2022**

**Requesting Agency: Department of Housing Stability  
Division:**

**Subject Matter Expert Name:** Jennifer Balkcom

**Email Address:** Jennifer.Balkcom@denvergov.org

**Phone Number:**

**Item Title & Description:**

*(Do not delete the following instructions)*

*These appear on the Council meeting agenda. Initially, the requesting agency will enter a 2-3 sentence description. Upon bill filling, the City Attorney's Office should enter the title above the description (the title should be in **bold** font).*

*Both the title and description must be entered between the red "title" and "body" below. Do **not** at any time delete the red "title" or "body" markers from this template.*

**A resolution approving a proposed Loan Agreement between the City and County of Denver and Pennrose Holdings, LLC to provide gap financing for the construction and long-term operation of housing reserved for 56 chronically homeless transition-aged youth in Denver at 2700 Wewatta Way in Council District 9.**

Approves a loan agreement with Pennrose Holdings, LLC for \$3,000,000 and 60 years from the maturity date, to provide gap financing for the construction and long-term operation of housing reserved for 56 chronically homeless transition-aged youth in Denver at 2700 Wewatta Way in Council District 9 (HOST-202265484). The last regularly scheduled Council meeting within the 30-day review period is on 12-19-2022. The Committee approved filing this item at its meeting on 11-16-2022.

**Affected Council District(s) or citywide? 9**

**Contract Control Number:** HOST-202265484

**Vendor/Contractor Name (including any "DBA"):** Pennrose Holdings, LLC

**Type and Scope of services to be performed:**

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 Holdings, 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.

**Location (if applicable):** 2700 Wewatta Way, Denver, CO 80216

**WBE/MBE/DBE goals that were applied, if applicable (construction, design, Airport concession contracts):** N/A

**Are WBE/MBE/DBE goals met (if applicable)?**

**Is the contract new/a renewal/extension or amendment?**

New

**Was this contractor selected by competitive process or sole source?**

Sole

**For New contracts**

**Term of initial contract:**

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.

**Options for Renewal:**

**How many renewals (i.e. up to 2 renewals)?**

**Term of any renewals (i.e. 1 year each):**

**Cost of initial contract term:**

**\$3,000,000**

**Cost of any renewals:**

**Total contract value council is approving if all renewals exercised:**

**For Amendments/Renewals Extensions:**

**Is this a change to cost/pricing; length of term; terms unrelated to time or price (List all that apply)?**

***If length changing***

**What was the length of the term of the original contract?**

**What is the length of the extension/renewal?**

**What is the revised total term of the contract?**

***If cost changing***

**What was the original value of the entire contract prior to this proposed change?**

**What is the value of the proposed change?**

**What is the new/revised total value including change?**

***If terms changing***

**Describe the change and the reason for it (i.e. compliance with state law, different way of doing business etc.)**