



Legislation Text

File #: 23-0975, Version: 1

Contract Request Template (Contracts; IGAs; Leases)

Date Submitted: 7-24-2023

**Requesting Agency: Housing and Stability
Division:**

Subject Matter Expert Name: Jennifer Siegel
Email Address: Jennifer.siegel@denvergov.org
[<mailto:Jennifer.siegel@denvergov.org>](mailto:Jennifer.siegel@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 Twenty Two Denver 8805, LLC to support the acquisition and preservation of income restricted housing at the Villas at Gage Point, located at 8805 East 12th Avenue, in Council District 8.

Approves a loan agreement with Twenty-Two Denver 8805, LLC for \$2,050,000 and for a 30-year loan term with a 60-year affordability restriction to support the acquisition and preservation of 82-units of income restricted housing at the Villas at Gage Point, located at 8805 East 12th Avenue, in Council District 8 (HOST-202368441). The last regularly scheduled Council meeting within the 30-day review period is on 8-28-2023. The Committee approved filing this item at its meeting on 7-26-2023.

**Affected Council District(s) or citywide?
Council District 8**

**Contract Control Number:
HOST-202368441**

Vendor/Contractor Name (including any "DBA"):

Twenty-Two Denver 8805, LLC

Type and Scope of services to be performed:

Twenty-Two Denver 8805, LLC, a partnership between Ms. Margarita Hart and Colorado Housing Accelerator Initiative (CHAI) Debt Capital, acquired 8805 E 12th Ave., known as Villas at Gage Point, an 82-unit naturally occurring affordable rental property in the East Colfax neighborhood with a mix of 7 studios and 75 one-bedroom units. They are requesting \$2,050,000 in the form of a repayable loan to support the acquisition, with a 60-year affordability restriction. CHAI and Ms. Hart are also contributing equity to the project and CHAI will offer a program that will allow tenants to share the equity gains for the project.

The borrower will be required to house people with incomes as shown in the following table. The rental and occupancy restrictions are detailed below:

Unit Type	% AMI	# of Units
STUDIO	80%	7
STUDIO	60%	0
1 BR	80%	75
1 BR	60%	0

Affordability will be secured with a 60-year covenant restricting occupancy to households at 60% and 80% of the Area Median Income (AMI).

Location (if applicable):

1660 S Albion St, Suite 200, Denver, CO 80222

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

N/A

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

N/A

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

New

Was this contractor selected by competitive process or sole source?

No

For New contracts

Term of initial contract:

30 years from date of Promissory Note

Principal and any interest accrued on the loan shall be due and payable, at such place as may be designated by City, in annual installments of the lesser of (i) 25% of annual surplus cash flow, calculated as set forth on Exhibit F, attached hereto and incorporated herein ("Surplus Cash Flow"); or (ii) Seventy-Nine Thousand Two Hundred Dollars and NO/100 (\$79,200.00). Such annual installments shall commence and be due on the first July 1st following the date that is twenty-four (24) calendar months after the effective date of the Promissory Note and each July 1st thereafter, with the entire unpaid balance of principal and accrued interest due and payable on the thirtieth (30th) anniversary of the date of the Promissory Note (the "Maturity Date"), if not sooner paid.

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:
\$2,050,000

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.)