



Legislation Text

File #: 23-0767, Version: 1

Contract Request Template (Contracts; IGAs; Leases)

Date Submitted: 6-12-2023

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

**Subject Matter Expert Name: Jennifer Siegel
Email Address: 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 First Amendment and Modification Agreement between the City and County of Denver and Archway Montview Manor LLC to amend and modify the terms of a loan for funding of an affordable housing development located at 1663 Steele Street in Council District 9.

Amends a loan agreement with Archway Montview Manor, LLC by correcting the term of the loan from 30 years to 60 years and including the Accessibility Requirements language in compliance with U.S. Department of Housing and Urban Development requirements for the affordable housing development located at 1663 Steele Street in Council District 9. No change to loan amount (HOST-202265493 / HOST-202368206-01). The last regularly scheduled Council meeting within the 30-day review period is on 7-17-2023. The Committee approved filing this item at its meeting on 6-14-2023.

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

**Contract Control Number:
HOST-202265493 / HOST-202368206-01**

**Vendor/Contractor Name (including any "DBA"):
Archway Montview Manor, LLC**

Type and Scope of services to be performed:

1. Section 1.B. of the Loan Agreement entitled "Repayment; Forgiveness Based on Performance," is deleted in its entirety and replaced with the following:
"B. Repayment; Forgiveness Based on Performance:
 - i. One Million Four Hundred Fifty Thousand Dollars and No/100 (\$1,450,000.00) of the Loan shall accrue simple interest at a rate of one percent (1%) per annum commencing on the date on which the first draw on the Loan is made (the "Cash Flow Portion"). Simple interest shall accrue on the outstanding principal balance of the Cash Flow Portion until repaid in full. Principal and any interest accrued on the Cash Flow Portion shall be due and payable, at such place as may be designated by City, in annual installments of the amount calculated in accordance with the order of priority and other provisions set forth in **Exhibit F**, attached hereto and incorporated herein ("Cash Flow Payment"). Such annual installments shall commence and be due on the first June 1st following the date that is twenty-four (24) calendar months after the effective date of the Promissory Note and each June 1st thereafter, with the entire unpaid balance of principal and accrued interest on the Cash Flow Portion due and payable on the thirtieth (30th) anniversary of the date of the Promissory Note, if not sooner paid. Each year after repayment of the Loan has commenced, Borrower shall provide to the City, no later than June 1st, (i) an audited financial statement for the Project for the preceding calendar year; and (ii) a statement or letter from an auditor that details (a) the total amount of Cash Flow Payment available for distribution, and (b) a calculation that details the amount(s) and the person(s) or entity (entities) to which any payments will be distributed based on the order of priority and other provisions set forth in Exhibit F.
 - ii. One Million Nine Hundred Fifty Thousand Dollars and No/100 (\$1,950,000.00) of the Loan shall accrue simple interest at a rate of zero percent (0%) per annum (the "Performance Portion"). Repayment of the Performance Portion shall be deferred and forgiven by the City on the sixtieth (60th) anniversary of the Promissory Note so long as Borrower is in compliance with all terms and conditions of this Loan Agreement and the Covenant."
2. Section 6.D. of the Loan Agreement entitled "Accessibility Requirements," is deleted in its entirety and replaced with the following:
"D. Unit Requirements. Borrower must comply with Section 504 of the Rehabilitation Act of 1973 and HUD's implementing regulations at 24 C.F.R. Part 8. It is anticipated that Borrower's projected cost of alterations will be less than seventy-five percent (75%) of the replacement cost of the restricted value of the completed facility. As such, Borrower must comply with 24 C.F.R. § 8.23, which requires, among other things, that Borrower shall ensure that alterations to dwelling units at the Property, to the maximum extent feasible, be made readily accessible to and usable by individuals with disabilities. If, during the project period, the cost of alterations exceeds 75% of the replacement cost of the completed facility, then the provisions of 24 C.F.R. § 8.22 shall apply to the Project."

Location (if applicable):

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?

Amendment

Was this contractor selected by competitive process or sole source?

For New contracts

Term of initial contract:

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:

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)?

terms unrelated to time or price

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.)

- a) Revise the term of the performance loan to 60 years. The performance loan portion in the loan agreement is currently written with a term of 30-years, though HOST's Loan Review Committee approved a 60-year agreement.

- b) Revise Section 6.D. Accessibility Requirements to align with Section 504 of the Rehabilitation Act of 1973. Language around accessibility requirements must be revised to ensure the property complies with U.S. Department of Housing and Urban Development (HUD) requirements.