



Legislation Details (With Text)

File #: 23-0291 **Version:** 1

Type: Resolution **Status:** Adopted

File created: 3/12/2023 **In control:** Safety, Housing, Education & Homelessness Committee

On agenda: 4/10/2023 **Final action:** 4/10/2023

Title: A resolution approving a proposed First Amendment and Modification Agreement between the City and County of Denver and Northfield Flats, LLC to extend the maturity date of a loan for funding for an affordable housing development, located at 4545 Xenia Street in Council District 8. Amends a loan agreement with Northfield Flats, LLC to add 2 years to the loan maturity date for a new term of 20 years to align with senior lender requirements for funding at an affordable housing development, located at 4545 Xenia Street in Council District 8. No change to loan amount (HOST-202264595-01). The last regularly scheduled Council meeting within the 30-day review period is on 5-1-2023. The Committee approved filing this item at its meeting on 3-22-2023.

Sponsors:

Indexes: Anne Wallace

Code sections:

Attachments: 1. RR23_0291_HOST_Northfield Flats 1st Amendment, 2. 23-0291 Filed Resolution_Northfield Flats LLC_202264595-01 03.28.pdf, 3. 23-0291_Northfield Flats LLC_Loan Amendment_202264595-01, 4. 23-0291 Filed Resolution_Northfield Flats LLC_202264595-01 03.28.2023, 5. 23-0291 - signed

Date	Ver.	Action By	Action	Result
4/10/2023	1	Council President	signed	
4/10/2023	1	City Council	adopted	Pass
3/22/2023	1	Safety, Housing, Education & Homelessness Committee	approved by consent	Pass

Contract Request Template (Contracts; IGAs; Leases)

Date Submitted: 3/12/23

Requesting Agency: HOST
Division:

Subject Matter Expert Name: Jack Wylie
Email Address: jack.wylie@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 Northfield Flats, LLC to extend the maturity date of a loan for funding for an affordable housing development, located at 4545 Xenia Street in Council District 8.

Amends a loan agreement with Northfield Flats, LLC to add 2 years to the loan maturity date for a new term of 20 years to align with senior lender requirements for funding at an affordable housing development, located at 4545 Xenia Street in Council District 8. No change to loan amount (HOST-202264595-01). The last regularly scheduled Council meeting within the 30-day review period is on 5-1-2023. The Committee approved filing this item at its meeting on 3-22-2023.

Affected Council District(s) or citywide? District 8

Contract Control Number: HOST-202264595-01

Vendor/Contractor Name (including any "DBA"): Northfield Flats, LLC

Type and Scope of services to be performed:

The purpose of this resolution is to request a change to the maturity date of the HOST loan to Northfield Flats. On June 2, 2022, the Loan Review Committee (LRC) approved a loan to Northfield Flats, LLC, with an 18-year maturity and City Council approved the loan agreement on Dec. 13, 2022. The term was initially set at 18 years so that the City loan would mature six months after the senior permanent loan provided by Key Bank, which is utilizing a Fannie Mae loan product. All Fannie Mae loan products require subordinate debt to mature no earlier than six months after the term of their loan. At the time of both LRC and City Council approval, the Key Bank loan commitment had a term of 15 years with a 30-month forward commitment, so setting the City at 18 years was in line with the Fannie Mae requirement. However, the senior permanent loan as finalized now carries a 16-year maturity and a 36-month forward commitment. As a result, the City loan now conflicts with the Freddie Mac regulations, which requires extending maturity of the City loan. To provide some flexibility in the HOST loan maturity, the developers have requested amending the loan agreement to revise the term from 18 years to 20 years.

Location (if applicable): 4545 Xenia Street

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? Amendment

Was this contractor selected by competitive process or sole source? Loan review process

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)? Adding 2 years to maturity date

If length changing

What was the length of the term of the original contract? 18 years

What is the length of the extension/renewal? 2 additional years

What is the revised total term of the contract? 20 years

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.)