



Legislation Details (With Text)

File #: 23-0444 **Version:** 1

Type: Resolution **Status:** Adopted

File created: 4/14/2023 **In control:** Safety, Housing, Education & Homelessness Committee

On agenda: 10/30/2023 **Final action:** 10/30/2023

Title: A resolution approving a proposed Loan Agreement between the City and County of Denver and Rahf V Argonaut, LLC to support the rehabilitation of 108 income-restricted units at Argonaut-El Tovar, located at 1505 North Grant Street in Council District 10.
Approves a performance loan agreement with RAHF V ARGONAUT, LLC for \$1,165,364 and 60 years to support the rehabilitation of 108 income-restricted units at Argonaut-El Tovar, located at 1505 North Grant Street in Council District 10 (HOST-202367247). The last regularly scheduled Council meeting within the 30-day review period is on 11-20-2023. The Committee approved filing this item at its meeting on 4-26-2023.

Sponsors:

Indexes: Anne Wallace

Code sections:

Attachments: 1. RR23-0444_HOST-Argonaut-El Tovar-final, 2. City Council Presentation- Argonaut-El Tovar, 3. 23-0444 Filed Resolution_Rahf V Argonaut LLC_Grant St_202367247 05.02.pdf, 4. 23-0444 RAHF_V_Argonaut_LLC_Loan_Agrmt_2023_Property_Tax_\$1165364_Argonaut_El_Tovar_Apts, 5. 23-0444 Filed Resolution_Rahf V Argonaut LLC, 6. 23-0444_signed

Date	Ver.	Action By	Action	Result
10/30/2023	1	Council President	signed	
10/30/2023	1	City Council	adopted	Pass
4/26/2023	1	Safety, Housing, Education & Homelessness Committee	approved for filing	Pass

Contract Request Template (Contracts; IGAs; Leases)

Date Submitted: 4-24-2023

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

Subject Matter Expert Name: Justin Hill
Email Address: Justin.Hill@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 Rahf V Argonaut, LLC to support the rehabilitation of 108 income-restricted units at Argonaut-El Tovar, located at 1505 North Grant Street in Council District 10.

Approves a performance loan agreement with RAHF V ARGONAUT, LLC for \$1,165,364 and 60 years to support the rehabilitation of 108 income-restricted units at Argonaut-El Tovar, located at 1505 North Grant Street in Council District 10 (HOST-202367247). The last regularly scheduled Council meeting within the 30-day review period is on 11-20-2023. The Committee approved filing this item at its meeting on 4-26-2023.

Affected Council District(s) or citywide? 10

Contract Control Number: HOST-202367247

Vendor/Contractor Name (including any "DBA"): RAHF V ARGONAUT, LLC

Type and Scope of services to be performed:

Jonathan Rose Companies is requesting \$1,165,364 in funding to complete the rehabilitation of Argonaut-El Tovar. This property is subject to a project-based Section 8 Housing Assistance Payments (HAP) contract which expires in 2040. Most, if not all residents are seniors on SSI disability income, therefore, all units serve very low-income tenancy, and 108 units are 30% Area Median Income (AMI).

This project also includes a social services program, which utilizes common space at the property and will be subject to physical improvements in addition to work already completed. The program has a case manager who offers programming events and connects residents to resources, benefit programs, transportation, reading mail, etc.

The rental and occupancy covenant securing the rental and occupancy restrictions will run with the land for 60 years.

The borrower will be required to house people with low/moderate incomes as shown in the following table.

Unit Type	30%AMI	Employee Unit	Total Units
Studio	51		51
1BR	57	1	58
Total	108	1	109

Originally constructed in 1908, Argonaut-El Tovar is a 109-unit preservation project consisting of two historic brick buildings, Argonaut and El Tovar, which are five and three stories, respectively. The project underwent renovations in 2007 and the first phase of another rehab in 2021, consisting of \$6,409,934 in total repairs. This second phase of the rehab is being performed to ensure the long-term viability of this property as an affordable asset. This project will serve very low-income tenancy through the Housing Assistance Payments (HAP) contract expiring in 2040, with 108 units restricted at 30% Area Median Income (AMI) through the Rental & Occupancy covenant, with one Employee Unit.

Already completed during the rehab was a reconfiguration of the layout to accommodate accessibility requirements in six units (5.5%). Cabinets, plumbing fixtures, and electrical devices have been lowered to meet Section 504 requirements. Jonathan Rose Companies will also install LED lights, low-flow plumbing fixtures, and EnergyStar rated appliances throughout the property, as well as complete repairs to the elevator, sidewalks, and install a new video surveillance system.

Location (if applicable): 1505 North Grant 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?

New

Was this contractor selected by competitive process or sole source?

Gap financing

For New contracts

Term of initial contract:

Principal and any interest accrued on the Loan shall mature and be due and payable on the sixtieth (60) 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 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:

\$1,165,364

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.)