



Legislation Text

File #: 22-0286, Version: 1

Contract Request Template (Contracts; IGAs; Leases)

Date Submitted: 3/7/22

Requesting Agency: DEDO
Division:

Subject Matter Expert Name: Patrick Walton
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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 Agreement with Tepeyac QALICB, Inc. an affiliate of Tepeyac Community Health Center to support the expansion of their clinical services by acquiring a portion of land at 2101 and 2111 East 48th Avenue.

Approves a loan agreement with Tepeyac QALICB, Inc. an affiliate of Tepeyac Community Health Center, for \$500,000 in Community Development Based Grant (CDBG) funding and through 6-30-2022 to support the expansion of their clinical services by acquiring a portion of land at 2101 and 2111 E. 48th Avenue in Council District 9 (OEDEV-202159172). The last regularly scheduled Council meeting within the 30-day review period is on 5-2-22. The Committee approved filing this item at its meeting on 3-30-22.

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

Contract Control Number: OEDEV-202159172

Vendor/Contractor Name (including any "DBA"): Tepeyac QALICB, Inc., an affiliate of Tepeyac Community Health Center

Type and Scope of services to be performed:

EXECUTIVE SUMMARY

The purpose of this contract is to provide Housing and Urban Development Community Development Block Grant funds for \$500,000 through the Denver Economic Development & Opportunity's (DEDO) Division of Neighborhood Equity and Stabilization Team. These funds will be provided to Tepeyac QALICB, Inc. to be utilized to finance the closing fees and professional services fees associated with the clinic's expansion incurred during the loan closing. Tepeyac QALICB, Inc. is the non-profit entity created for the New Markets Tax Credit financing infrastructure of this project.

This \$500,000 "conditional" loan to be funded by CDBG funds, is to be repaid over a term of two-hundred forty (240) months, starting January 1, 2023. The real property will be secured by a Deed of Trust and promissory note (registered against the property with the Clerk and Recorder's Office) which also requires that the vendor continues to use the property as a non-profit community facility for the full term of the amortized payment schedule of twenty (20) years. After January 1, 2043, if all contractual requirements are met, the promissory note will be cancelled, and the Deed of Trust released.

DEDO's federally funded contract template language has recently been modified and is reflected in the contract as follows:

Section 2 Specifies the time of work to be completed and reimbursed for this contract (costs associated with the transaction in acquiring the property). Previously this section described the total time of compliance for the contract.

Section 3 Includes the loan terms.

Section 10 Details the restrictions on the property and includes the period of compliance. This is important for compliance and monitoring as DEDO keeps track of the borrower's ongoing obligations to the city.

DEDO is supporting the development with \$500,000 of CDBG-CV funds as well as \$500,000 of regular CDBG funds (the latter being this contract) as illustrated below.

PROJECT FUNDING

Northern Trust (Investor)	\$4,566,493
Capital Impact Fund (Senior Lender)	\$5,800,000
Gary Community Investment PRI	\$1,000,000
Colo. Growth & Revitalization Loan	\$920,000
Capital Campaign Cash (Internal)	\$3,774,840
This contract: DEDO - CDBG	\$500,000
Separate contract: DEDO - CDBG CV	\$500,000
TOTAL	\$17,061,333

Capital Impact Partners and Colo. Growth & Revitalization Fund are being funded via New Market Tax Credit mechanisms within the Tepeyac Qualified Active Low-Income Community Business (Tepeyac QALICB, Inc.).

Location (if applicable): 2101 and 2111 E. 48th Avenue

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?

For New contracts

Term of initial contract: Through June 30, 2022

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: \$500,000

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.)