

# ORDINANCE/RESOLUTION REQUEST

Date of Request: 6/15/2020

Please mark one:  Bill Request or  Resolution Request

## 1. Type of Request:

- Contract/Grant Agreement  Intergovernmental Agreement (IGA)  Rezoning/Text Amendment  
 Dedication/Vacation  Appropriation/Supplemental  DRMC Change  
 Other:

## 2. Title: Start with an active verb, i.e., **approves, amends, dedicates**, etc., include name of company or contractor and indicate the type of request: grant acceptance, contract execution, contract amendment, municipal code change, or supplemental request.

Approves a loan agreement with Morrison Road, LLC for \$1,415,000 to support construction of Avenida del Sol comprised of 80 affordable apartment units in Westwood.

## 3. Requesting Agency: Department of Housing Stability

## 4. Contact Person:

Contact person with knowledge of proposed ordinance/resolution	Contact person to present item at Mayor-Council and Council
Name: Nick Emenhiser	Name: Nick Emenhiser
Email: <a href="mailto:Nicholas.Emenhiser@denvergov.org">Nicholas.Emenhiser@denvergov.org</a>	Email: <a href="mailto:Nicholas.Emenhiser@denvergov.org">Nicholas.Emenhiser@denvergov.org</a>

## 5. General a text description or background of the proposed request, if not included as an executive summary.

See Executive Summary

## 6. City Attorney assigned to this request (if applicable):

Eliot Schaefer

## 7. City Council District: 3

**\*\*For all contracts, fill out and submit accompanying Key Contract Terms worksheet\*\***

## Key Contract Terms

*To be completed by Mayor's Legislative Team:*

Resolution/Bill Number: RR20 0586

Date Entered: \_\_\_\_\_

**Type of Contract: (e.g. Professional Services > \$500K; IGA/Grant Agreement, Sale or Lease of Real Property):** Loan Agreement

**Vendor/Contractor Name:** Morrison Road, LLC a Wisconsin LLC dba in Colorado as Gorman Morrison Road, LLC

**Contract control number:** HOST-202054179

**Location:** 5048 Morrison Road, Denver, CO (Morrison & Tennessee)

**Is this a new contract?**  Yes  No **Is this an Amendment?**  Yes  No **If yes, how many?** \_\_\_\_\_

**Contract Term/Duration (for amended contracts, include existing term dates and amended dates):**

6/2020 – 6/2080

**Contract Amount (indicate existing amount, amended amount and new contract total):**

<i>Current Contract Amount (A)</i>	<i>Additional Funds (B)</i>	<i>Total Contract Amount (A+B)</i>
\$1,415,000	\$0	\$1,415,000

  

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
6/2020 – 6/2080		6/2020 – 6/2080

**Scope of work:**

See Executive Summary.

**Was this contractor selected by competitive process?** Yes  No  Project was approved by HOST Loan Review Committee

**Has this contractor provided these services to the City before?**  Yes  No

**Source of funds:** Fund 16607 (Dedicated Fund / Property Tax)

**Is this contract subject to:**  W/MBE  DBE  SBE  XO101  ACDBE  N/A

**WBE/MBE/DBE commitments (construction, design, DEN concession contracts):** N/A

**Who are the subcontractors to this contract?** N/A

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Date Entered: \_\_\_\_\_

## EXECUTIVE SUMMARY

This project is requesting \$1,415,000 (\$17,687 per unit) in gap subsidy to complete an affordable housing development with State and 4% tax credits. The borrower is requesting a cash flow loan with a 1% interest rate, with approximately \$11,135,000 in debt senior to the proposed HOST financing. HOST funds will go toward hard costs (construction) and soft costs (professional fees).

The project will have 80 units comprised of 24 one-bedrooms, 32 two-bedrooms, and 24 three-bedrooms with AMI mix comprising 4 units at 30% AMI, 18 units at 40% AMI, 37 units at 60% AMI, 20 units at 80% AMI, and one manager unit.

The \$27,167,635 project will be funded through approximately \$9 million in tax credit equity, a permanent loan of approximately \$11 million, \$885,000 loan from State Division of Housing, and lastly \$1,187,749 in deferred developer fee representing 45% of the total developer fee. Deferred fee is likely to increase to cover any cost overruns.

The unit mix is as follows:

Unit Type	30% AMI	40% AMI	50% AMI	60% AMI	80% AMI	Manager	Total Units	% of Total
1BR/1BA	1	5	0	12	6	0	24	30%
2BR/1BA	2	8	0	13	8	1	32	40%
3BR/2BA	1	5	0	12	6	0	24	30%
Total	4	18	0	37	20	1	80	100%

\*Area Median Income, or rent limits, used for income qualification of qualified residents.

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