

# ORDINANCE/RESOLUTION REQUEST

Date of Request: 2/12/2021

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.

Amends a loan agreement with OPG Green Valley Ranch, LLC for a \$2,100,000 cash flow loan to support construction of The Reserves at Green Valley Ranch comprised of 144 affordable apartments units in Green Valley Ranch. This amendment changes the loan amount from \$3 million to \$2.1 million due to an increase in tax credit equity that closed the financing gap.

**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: 11**

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

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

Resolution/Bill Number: RR21 0181

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

## Key Contract Terms

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

**Vendor/Contractor Name:** OPG Green Valley Ranch Partners, LLC

**Contract control number:** HOST-202055465

**Location:** 4857 N. Salida St. and 4927 N. Salida St., Denver, Colorado 80249

**Is this a new contract?**  Yes  No **Is this an Amendment?**  Yes  No **If yes, how many?** 1

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

Original loan agreement: 11/2020 –11/2080

Amended loan agreement: 3/2021 –3/2081\*

\*Determined upon execution of promissory note

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

<i>Current Contract Amount</i> <b>(A)</b>	<i>Additional Funds</i> <b>(B)</b>	<i>Total Contract Amount</i> <b>(A+B)</b>
\$3,000,000	- \$900,000 (minus)	\$2,100,000

  

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
11/2020 – 11/2080		3/2081

**Scope of work:**

See Executive Summary

**Was this contractor selected by competitive process?** Yes - 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

### EXECUTIVE SUMMARY

This amendment is taking advantage of an opportunity to save HOST \$900,000 on this loan as a result of this project’s increased tax credit equity caused by Congressional action in January to fix the Applicable Percentage Rate (APR) at 4% for the “non-competitive” 4% Low-Income Housing Tax Credit.

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

Resolution/Bill Number: RR21 0181

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

This will be a \$2,100,000 (\$14,583 per unit) low-interest loan to complete a 144-unit affordable housing development. As a for-profit entity, the borrower is proposing to pay the City back within 40 years at a 1% interest rate, rather than a performance loan. Execution of the City's 60-year covenant and subordinate Deed of Trust will also be a condition of closing.

Of the 144 total units, 36 (25%) will be affordable at 30% AMI, 7 at 40% AMI, 12 at 50% AMI, 10 at 60% AMI, 50 at 70% AMI, and 29 at 80% AMI. Forty-eight will be one-bedroom, 54 will be two-bedroom, and 42 will be three-bedroom. Altogether, two thirds of the unit mix will be comprised of two or three-bedroom units. The Reserves of Green Valley Ranch will also have a market-rate component that is completely separate from this capital stack and unit mix but will share the same vehicular entrance off of Green Valley Ranch Boulevard.

The \$40 million project will be funded through approximately \$13 million in tax credit equity, a \$20 million permanent loan, a \$1,075,000 loan from CDOH, and lastly \$1,130,527 in deferred developer fee (representing roughly 40% of the total developer fee). The deferred developer fee may be increased to cover any cost overruns during construction. These are approximate figures as they are subject to minor fluctuations until financial closing when eligible tax credit basis costs are locked.

The unit mix will be as follows:

Unit Type	30% AMI	40% AMI	50% AMI	60% AMI	70% AMI	80% AMI	Total Units	% of Total
1BR	13	2	4	3	16	10	48	33%
2BR	13	3	5	4	18	11	54	38%
3BR	10	2	3	3	16	8	42	29%
<b>Total</b>	<b>36</b>	<b>7</b>	<b>12</b>	<b>10</b>	<b>50</b>	<b>29</b>	<b>144</b>	<b>100%</b>
% of Total	25.0%	4.9%	8.3%	6.9%	34.7%	20.1%	100.0%	

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

---

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

Resolution/Bill Number: RR21 0181

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