

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team
at MileHighOrdinance@DenverGov.org by **3:00pm on Monday**.

****All fields must be completed.****

Incomplete request forms will be returned to sender which may cause a delay in processing.

Date of Request: 5/23/16

Please mark one: Bill Request or Resolution Request

1. Has your agency submitted this request in the last 12 months?

Yes No

If yes, please explain:

2. Title: *(Include a concise, one sentence description – please include name of company or contractor and contract control number - that clearly indicates the type of request: grant acceptance, contract execution, amendment, municipal code change, supplemental request, etc.)* Makes three non-monetary amendments to OED Loan 2793-01 in the amount of \$2,000,000 to St. Charles Holding Company LLC, a loan for the property acquisition and future development of 197 affordable income-restricted units at 4325-4331 Morrison Road and 4404 Morrison Road, formerly known as the Belmont and Shady Nook trailer parks.

3. Requesting Agency: Office of Economic Development

4. Contact Person: *(With actual knowledge of proposed ordinance/resolution.)*

- **Name:** Seneca Holmes
- **Phone:** 720-913-1533
- **Email:** Seneca.Holmes@DenverGov.org

5. Contact Person: *(With actual knowledge of proposed ordinance/resolution who will present the item at Mayor-Council and who will be available for first and second reading, if necessary.)*

- **Name:** Susan Liehe
- **Phone:** 720-913-1689
- **Email:** Susan.Liehe@DenverGov.org

6. General description of proposed ordinance including contract scope of work if applicable:

In September 2014, the Office of Economic Development closed on a loan to St. Charles Holding Company LLC in the amount of \$2,000,000 for the acquisition of 4325-4331 Morrison Road and 4404 Morrison Road. These properties were acquired for the future development of 197 affordable income restricted rental units. A new legal entity is now being established for the vertical development of the property, which requires an amendment to loan 2793-01 assigning the loan and the property to the new borrower, Morrison Road, LLLP. An additional amendment will authorize the Director of the Office of Economic Development to execute and deliver to Morrison Road, LLLP documents and actions necessary for the future administration of the loan. A final amendment will extend the performance terms of the contract with the final term being the delivery of a certificate of occupancy on the new development by September 9, 2017.

****Please complete the following fields:** *(Incomplete fields may result in a delay in processing. If a field is not applicable, please enter N/A for that field.)*

- a. **Contract Control Number:** TBD
- b. **Duration:** 252 months
- c. **Location:** 4325-4331 Morrison Road and 4404 Morrison Road
- d. **Affected Council District:** Council District 3
- e. **Benefits:** 197 affordable housing units
- f. **Costs:** N/A

7. Is there any controversy surrounding this ordinance? (Groups or individuals who may have concerns about it?) Please explain None known

To be completed by Mayor's Legislative Team:

SIRE Tracking Number: _____

Date Entered: _____

Executive Summary

Background

In 2014, the Denver Office of Economic Development provided a loan to St. Charles Holding Company LLC for \$2M to purchase the Belmont and Shady Nook Trailer Parks. The trailer parks, at 4325 and 4331 Morrison Road, span both sides of Morrison Rd. between the cross streets of S. Stuart Street and S. Utica Street. The site totals 4.4 acres with over 2.3 acres on the North side of Morrison Rd in the community called "Shady Nook" and 2 acres on the South side of Morrison Road in the community called "Belmont." Both sites had a record of serious code violations, crime and housing conditions that jeopardize the health and safety of the residents.

The developer of the property, Morrison Road LLLP., plans to create at least 197 units of affordable rental housing on site. The units will be available to residents who are at or below 60% of area median income. Delivery of the first certificate of occupancy for the new development is due no later than September 9, 2017.

The acquisition and redevelopment of the Belmont and Shady Nook properties is part of a concerted effort by the Office of Economic Development to eliminate blight and support community serving redevelopment projects along the Morrison Road corridor.

Borrower: Morrison Road LLLP.

Contract Amount: Non-Monetary amendment to a \$2M loan

Contract Length: 252 months from date of contract execution.

Contract Terms: Payments of 1% interest only shall be made annually in an amount equal to the lesser of (a) any accrued and unpaid interest due and payable as of the last calendar day of the year immediately preceding the payment date, or (b) fifty percent (50%) of net cash flow available after payment of all other obligations of Borrower.

Contract Control Number: TBD

Contract Amendments: 1.) Assign loan to new borrower, Morrison Road LLLP, 2.) Assign property to Morrison Road LLLP, 3.) Authorizations for the OED Director to administer the loan 4.) Extend the performance period of the loan

Source of Funds: HUD Community Development Block Grant funds

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