

# ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team

at [MileHighOrdinance@DenverGov.org](mailto:MileHighOrdinance@DenverGov.org) by **3:00pm on Monday**. Contact the Mayor's Legislative team with questions

Date of Request: 4/6/2020

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: Inducement Resolution

2. **Title:** Approving and evidencing the intention of the City and County of Denver, Colorado to issue an amount not to exceed \$15,000,000 of Multifamily Housing Revenue Bonds for the Morrison Road project to support the construction of the Morrison Road affordable housing project.

3. **Requesting Agency:** Department of Finance

## 4. Contact Person:

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

## 5. General description or background of proposed request. Attach executive summary if more space needed:

The proposed resolution is being requested to evidence the City's intent to utilize a portion of the City's Private Activity Bond Volume Cap Allocation to finance affordable multifamily housing by Gorman & Company, LLC, or its affiliates, for the Morrison Road project to be located at 5048 Morrison Rd. The Private Activity Bonds will be a part of the financing package for Gorman & Company, LLC, or its affiliates, to construct a new three story, 80-unit apartment complex. The project is expected to include 4 units limited to 30% Area Median Income (AMI), 18 units limited to 40% AMI, 37 units limited to 60% AMI, 20 units limited to 80% AMI, and 1 manager unit. The State of Colorado's Department of Local Affairs has allocated Private Activity Bond (PAB) Volume Cap Allocation to the City. This resolution allows for the use of \$15,000,000 of PAB Volume Cap Allocation to be applied to this project consistent with the City's Home Rule Charter, Colorado statutes, and the Internal Revenue Code.

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

Jo Ann Weinstein

## 7. City Council District:

District 3: Jamie Torres

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

N/A

## Executive Summary

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

Resolution/Bill Number: RR20 0341

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

The proposed resolution is to declare the *intent* of the City and County of Denver, Colorado to issue an amount not to exceed \$15,000,000 of its Multifamily Housing Revenue Bonds for the Morrison Road project located at 5048 Morrison Rd in Council District 3. The project will be built by Gorman & Company, LLC, or its affiliates (Gorman). The proposed project is a three-story building that includes 79 affordable housing units and 1 manager unit. The project is expected to include 4 units limited to 30% Area Median Income (AMI), 18 units limited to 40% AMI, 37 units limited to 60% AMI, 20 units limited to 80% AMI, and 1 manager unit. The project is expected to include a mix of one, two, and three-bedroom units.

In general, a private activity bond is a bond issued by a local or state government or agency for the purpose of financing a project to be owned and operated by a private party. The interest paid on the bonds is exempt from Federal and State of Colorado income taxation. The Federal government allots Private Activity Bond Volume Cap Allocation to each state. The State of Colorado, in turn, allocates a portion of such Private Activity Bond Volume Cap Allocation to each local government issuer based on population. Any Private Activity Bond Volume Cap Allocation that is unused or not carried forward reverts to the Colorado Department of Local Affairs, and such cap is awarded to local government issuers through a competitive process. The State of Colorado’s Department of Local Affairs has allocated Private Activity Bond Volume Cap Allocation to the City for the Morrison Road project. This resolution allows for an allocation of \$15,000,000 of the City’s total and currently available Private Activity Bond Volume Cap Allocation of \$82,581,753 to be applied to the proposed multifamily project known as Morrison Road, consistent with the City’s Home Rule Charter, Colorado statutes, and the Internal Revenue Code.

Private activity bonds and Private Activity Bond Volume Cap Allocation are utilized to finance various types of facilities owned or operated by private entities, including multifamily housing projects, single family housing assistance, mortgage credit certificates, and industrial development uses. Private activity bonds issued by the City are special, limited obligations of the City and do not constitute a debt or indebtedness of the City and do not give rise to a charge against the general credit or taxing power of the City. The owner of the project financed with private activity bonds is solely responsible for compliance related to regulations of the tax-exempt bond program, the LIHTC program, and the principal and interest payments on the bonds.

The approval of this inducement resolution will function like a reservation of Private Activity Bond Volume Cap Allocation capacity specifically for the Morrison Road project. To issue bonds for this project, the City will need to pass a bond ordinance approving the terms of the bond issue and related financing agreements. The bond ordinance is expected to be presented to Council in the late spring/early summer of 2020.

<b>Morrison Rd. PAB Action Items</b>		
<b>Item</b>	<b>Date</b>	<b>Notes</b>
PAB Resolution: Resolution Request Deadline	4/6/2020	
PAB Resolution: FINGOV Committee	4/14/2020	Request consent Agenda
PAB Resolution: Mayor-Council	4/21/2020	
PAB Resolution: Deadline for CAO to file Resolution	4/23/2020	
PAB Resolution: City Council - First Reading	4/27/2020	

### **Key Contract Terms**

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

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

Resolution/Bill Number: RR20 0341

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

N/A  
Vendor/Contractor Name: N/A

Contract control number: N/A

Location: N/A

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

N/A

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

N/A

Contract Amount (indicate existing amount, amended amount and new contract total): N/A

<i>Current Contract Amount</i> (A)	<i>Additional Funds</i> (B)	<i>Total Contract Amount</i> (A+B)

  

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>

Scope of work: N/A

Was this contractor selected by competitive process? N/A If not, why not? N/A

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

N/A

Source of funds: N/A

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

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

Who are the subcontractors to this contract? N/A

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