

# ORDINANCE/RESOLUTION REQUEST

Date of Request: 9/21/2020

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 OPG Green Valley Ranch Partners, LLC for a \$3,000,000 cash flow loan to support the construction of The Reserves at Green Valley Ranch, comprised of 144 affordable apartments units in Green Valley Ranch.

**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: RR20 1040

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:** 17800 Green Valley Ranch Boulevard, Denver, CO 80249

**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):**

11/2020 – 11/2080

**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	\$0	\$3,000,000

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

**Scope of work:**

See Executive Summary.

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

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

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

**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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## EXECUTIVE SUMMARY

This project is requesting \$3,000,000 (\$20,833 per unit) in gap subsidy to complete an affordable housing development with 4% tax credits. 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.

The project is comprised of 144 units, of which 36 (25%) are at 30% AMI, 7 are at 40% AMI, 12 are at 50% AMI, 10 are at 60% AMI, 50 are at 70% AMI, and 29 are at 80% AMI. 48 are one-bedroom, 54 are two-bedroom, and 42 are three-bedroom. Altogether, two thirds of the unit mix is 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 entrance off of Green Valley Ranch Boulevard.

The \$36 million project will be funded through approx. \$9 million in tax credit equity, approx. \$11 million perm loan, \$885,000 loan from DOH, and lastly \$1,892,816 in deferred developer fee representing 56% of the total developer fee. Deferred developer fee is likely to increase to cover any cost overruns. These are approximate figures as they are subject to minor fluctuations up to close before eligible tax credit basis costs are locked.

The unit mix is 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, used for income qualification of qualified residents.

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Revised 03/02/18