

## 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**.

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

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

Date of Request: 8/11/2014

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.)*

A request to approve a \$875,000 HOME loan to Ruby Hill Residences LLLP for the development of a 114 unit affordable apartment community located in the Ruby Hill neighborhood.

**3. Requesting Agency:** Office of Economic Development

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

- **Name:** Paul Bunyard
- **Phone:** 720-913-1629
- **Email:** paul.bunyard@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:** Seneca Holmes
- **Phone:** 720-913-1533
- **Email:** seneca.holmes@denvergov.org

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

A \$875,000 loan from HOME funds will be used to finance a 114 unit affordable apartment community located in the Ruby Hill neighborhood. There will be 78 1 bed/1 bath units with an average size of 681 square feet and 36, 2 bed/2 bath units with an average size of 890 square feet. Most units will have a small patio or balcony. The units will be limited to 60% Area Median Income (AMI). The repayment schedule consists of a ten years deferral period with no interest accrual, then amortized by principal and interest payments over 30 years by surplus cash flow.

**\*\*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:** Not yet assigned
- b. **Duration:** 40 years
- c. **Location:** 1400 W Mississippi Avenue, 1101 S Osage Street, and 1100 S Pecos Street, Denver, CO 80223
- d. **Affected Council District:** 7
- e. **Benefits:** Affordable housing
- f. **Costs:** \$875,000 of HOME funds

**7. Is there any controversy surrounding this ordinance? (Groups or individuals who may have concerns about it?) Please explain.**

None known.

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## Executive Summary

**Purpose:** This request is to approve a \$875,000 loan from HOME funds to finance a to be built 114 unit affordable apartment community located in the Ruby Hill neighborhood with Ruby Hill Residences LLLP as the borrower.

**Contract Entity:** Ruby Hill Residences LLLP

**Contract Control Number:** To be assigned

**Contract Amount:** \$875,000

**Program:** HOME

**Location:** 1400 W Mississippi Avenue, 1101 S Osage Street, and 1100 S Pecos Street, Denver, CO 80223

**Description:** The subject site is an assemblage of three parcels. The property addresses are 1400 W Mississippi Avenue, 1101 S Osage Street, and 1100 S Pecos Street, Denver, CO 80223. The subject site is located within the Ruby Hill neighborhood on the southeast corner of W Mississippi Avenue and S Pecos Street. The subject site measures 134,624 square feet or 3.091 acres.

The site is proposed for the development of a 114-unit affordable apartment community designed for low income, disabled, and previously homeless and/or disabled veteran households. It is intended to be a supportive services community, serving people with special needs. The proposed apartment community will consist of a 4-story building that will also house all of the leasing and community amenity areas. The gross building area will be 110,410 square feet and the net rentable area will be 85,158 square feet. The proposed improvements will provide a density of 36.9 units per acre. The units are itemized in the following table:

<u>Unit Type</u>	<u># of Units</u>	<u>Unit SF</u>	<u>Total SF</u>
1 bed/1 bath	78	681	53,118
2 bed/2 bath	36	890	32,040
Total	114		85,158

There will be 78 1 bed/1 bath units with an average size of 681 square feet and 36 2 bed/2 bath units with an average size of 890 square feet. Most units will have a small patio or balcony. The improvements will be of wood-frame construction with fiber cement siding. Roofs will be flat with a built-up membrane cover. Windows will be double pane set in vinyl frames. Access to the individual apartments will be through interior hallways. One elevator will be available. The interiors of the units will have carpet or vinyl floor covering. Kitchens will include a refrigerator, range, microwave, hood, dishwasher, and disposal. HVAC will be provided by individual through-wall units located in the living rooms. 28 units will be reserved for formerly homeless and/or disabled veterans. The

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borrower has received 85 project based Section 8 vouchers through DHA. The 28 units reserved for veterans will include basic furniture at no additional charge.

Site improvements will include on-site parking encompassing a total of 114 stalls itemized into 40 carports and 74 open parking spaces (the parking ratio is 1 stall per unit). The driveways and parking areas will be asphalt paved and the sidewalks will be concrete. Landscaping will consist of lawn, shrubs, and trees with an underground sprinkler system.

The sources and uses table is shown below:

<b>Sources</b>	<b>Amount</b>	<b>Amount/Unit</b>	<b>%</b>
JP Morgan	\$8,362,700	\$73,357	44.2%
CHIF	\$925,000	\$8,114	4.9%
City of Denver	\$875,000	\$7,675	4.6%
Brownfields Loan	\$475,000	\$4,167	2.5%
LIHTC 4%	\$6,971,016	\$61,149	36.8%
Deferred Developer Fee	\$922,783	\$8,095	4.9%
Xcel Conservation Rebate	\$71,585	\$628	0.4%
Solar Tax Credit	\$43,650	\$383	0.2%
Environmental Remediation Tax Credit	\$114,000	\$1,000	0.6%
Perm Loan Good Faith Deposit Refund	\$167,254	\$1,467	0.9%
<b>Total Sources</b>	<b>\$18,927,988</b>	<b>\$166,035</b>	<b>100.0%</b>

  

<b>Uses</b>	<b>Amount</b>	<b>Amount/Unit</b>	<b>%</b>
Land	\$782,828	\$6,867	4.1%
Site Improvements	\$2,469,661	\$21,664	13.0%
Hard Costs	\$10,828,339	\$94,985	57.2%
FF&E	\$100,000	\$877	0.5%
Hard Cost Contingency	\$509,520	\$4,469	2.7%
Soft Costs	\$1,847,426	\$16,205	9.8%
Developer's Fee	\$1,890,594	\$16,584	10.0%
Rent-up & Operating Reserve	\$499,620	\$4,383	2.6%
<b>Total Uses</b>	<b>\$18,927,988</b>	<b>\$166,035</b>	<b>100.0%</b>

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