

AVENIDA DEL SOL



5048 Morrison Road, Denver, CO

Safety, Housing, Education, & Homelessness Committee

June 24, 2020

Nicholas Emenhiser

Housing Development Officer

Department of Housing Stability



DENVER
HOUSING STABILITY

RESOLUTION SUMMARY

- Provide a \$1,415,000 cash flow loan to Morrison Road LLC, a Wisconsin LLC dba in Colorado as Gorman Morrison Road, LLC
- Development partner is Gorman & Co, who has two other developments under construction in Denver (The Stella and the Colburn Hotel)
- 1% interest rate, cash-flow repayment
- 24 one-bedrooms (30%), 32 two-bedrooms (40%), and 24 three-bedrooms (30%)
- Rent levels will range from 30% AMI to 80% AMI
- City Covenant for 60 years
- City is also providing access to Private Activity Bond volume cap, which is tax-exempt financing for which the City is not responsible

UNIT MIX

PRODUCT MIX						
Unit Type	30% AMI	40% AMI	50% AMI	60% AMI	80% AMI	Manager
1BR	1	5	0	12	6	0
2BR	2	8	0	13	8	1
3BR	1	5	0	12	6	0
Total	4	18	0	37	20	1
Context: 60% AMI for a single-person household is \$42,000, two-person household is \$48,000						



FINANCING DETAILS

- 5048 Morrison Road (between Tennessee and Mississippi)
- In addition to City funds, the borrower will leverage private debt, State and 4% LIHTC equity, and a grant from the Colorado Division of Housing to complete the project's financing
- Developer is also deferring portion of developer fee as a financing source
- Overall \$27.2 million project, \$254,419 per unit

Sources	Total	%
Funder	Funding	%
Denver HOST	\$1,415,000	5.2%
CDOH	\$885,000	3.3%
Senior loan	\$11,135,000	41.0%
State AHTC	\$3,264,000	12.0%
LIHTC	\$9,279,858	34.2%
Deferred Developer Fee	\$1,187,749	4.4%
IRS-Required Equity	\$1,028	<0.1%
Total	\$27,167,635	100.0%

PROJECT CONTEXT

- 5048 Morrison Road
- Westwood neighborhood
- Council District 3
- Access to buses #4, #11, #51

