



Legislation Text

File #: 20-1040, Version: 1

Contract Request Template (Contracts; IGAs; Leases)

Date Submitted: 9-21-20

Requesting Agency: Department of Housing Stability
Division:

Subject Matter Expert Name:

Name: Nick Emenhiser
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Item Title & Description:

*(Do not delete the following instructions)
These appear on the Council meeting agenda. Initially, the requesting agency will enter a 2-3 sentence description. Upon bill filling, the City Attorney's Office should enter the title above the description (the title should be in **bold** font).*

*Both the title and description must be entered between the red "title" and "body" below. Do **not** at any time delete the red "title" or "body" markers from this template.*

A resolution approving a proposed Loan Agreement between the City and County of Denver and OPG Green Valley Ranch Partners, LLC to support the development of 144 affordable units in Green Valley Ranch.

Approves a loan agreement with OPG Green Valley Ranch Partners, LLC for \$3,000,000 and for 60 years to support the construction of The Reserves at Green Valley Ranch, comprised of 144 affordable apartments units located at 17800 Green Valley Ranch Boulevard in Council District 11 (HOST-202055465). The last regularly scheduled Council meeting within the 30-day review period is on 11-9-20. The Committee approved filing this item at its meeting on 9-30-20.

Affected Council District(s) or citywide? Council District 11

Contract Control Number: HOST-202055465

Vendor/Contractor Name (including any "DBA"): OPG Green Valley Ranch Partners, LLC

Type and Scope of services to be performed:

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.

Location (if applicable):

WBE/MBE/DBE goals that were applied, if applicable (construction, design, Airport concession contracts):

Are WBE/MBE/DBE goals met (if applicable)?

Is the contract new/a renewal/extension or amendment?

Was this contractor selected by competitive process or sole source?

For New contracts

Term of initial contract: 11/2020 - 11/2080

Options for Renewal:

How many renewals (i.e. up to 2 renewals)?

Term of any renewals (i.e. 1 year each):

Cost of initial contract term: \$3,000,000

Cost of any renewals:

Total contract value council is approving if all renewals exercised:

For Amendments/Renewals Extensions:

Is this a change to cost/pricing; length of term; terms unrelated to time or price (List all that apply)?

If length changing

What was the length of the term of the original contract?

What is the length of the extension/renewal?

What is the revised total term of the contract?

If cost changing

What was the original value of the entire contract prior to this proposed change?

What is the value of the proposed change?

What is the new/revised total value including change?

If terms changing

Describe the change and the reason for it (i.e. compliance with state law, different way of doing business etc.)