



Legislation Details (With Text)

File #: 20-0586 **Version:** 1

Type: Resolution **Status:** Adopted

File created: 6/15/2020 **In control:** Safety, Housing, Education & Homelessness Committee

On agenda: 7/9/2020 **Final action:** 7/13/2020

Title: A resolution approving a proposed Loan Agreement between the City and County of Denver and Morrison Road, LLC doing business as Gorman Morrison Road, LLC to support construction of an affordable housing development known as Avenida del Sol.
Approves a loan agreement with Morrison Road, LLC, doing business as Gorman Morrison Road, LLC, for \$1,415,000 and for 60 years to support construction of Avenida del Sol comprised of 80 affordable apartment units located at 5048 Morrison Road in Council District 3 (HOST-202054179). The last regularly scheduled Council meeting within the 30-day review period is on 7-27-20. The Committee approved filing this item at its meeting on 6-24-20.

Sponsors:

Indexes: Emily Lapel

Code sections:

Attachments: 1. RR20 0586 HOST Avenida del Sol, 2. HOST_Avenida del Sol Safety Committee 062420--2, 3. 20-0586 Filed Resolution_Morrison Road LLC doing business as Gorman Morrison Road LLC 202054179-00, 4. 20-0586 Loan Agreement Morrison Road LLC 202054179-00, 5. 20-0586 Filed Resolution_Morrison Road LLC doing business as Gorman Morrison Road LLC, 6. 20-0586 - signed

Date	Ver.	Action By	Action	Result
7/13/2020	1	Council President	signed	
7/13/2020	1	City Council	adopted	Pass
6/24/2020	1	Safety, Housing, Education & Homelessness Committee	approved for filing	Pass

Contract Request Template (Contracts; IGAs; Leases)

Date Submitted: 6-15-20

Requesting Agency: Department of Housing Stability
Division:

Subject Matter Expert Name:

Name: Nick Emenhiser
Email: Nicholas.Emenhiser@denvergov.org

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 Morrison Road, LLC doing business as Gorman Morrison Road, LLC to support construction of an affordable housing development known as Avenida del Sol.

Approves a loan agreement with Morrison Road, LLC, doing business as Gorman Morrison Road, LLC, for \$1,415,000 and for 60 years to support construction of Avenida del Sol comprised of 80 affordable apartment units located at 5048 Morrison Road in Council District 3 (HOST-202054179). The last regularly scheduled Council meeting within the 30-day review period is on 7-27-20. The Committee approved filing this item at its meeting on 6-24-20.

Affected Council District(s) or citywide? Council District 3

Contract Control Number: HOST-202054179

Vendor/Contractor Name (including any "DBA"): Morrison Road, LLC a Wisconsin LLC dba in Colorado as Gorman Morrison Road, LLC

Type and Scope of services to be performed:

This project is requesting \$1,415,000 (\$17,687 per unit) in gap subsidy to complete an affordable housing development with State and 4% tax credits. The borrower is requesting a cash flow loan with a 1% interest rate, with approximately \$11,135,000 in debt senior to the proposed HOST financing. HOST funds will go toward hard costs (construction) and soft costs (professional fees).

The project will have 80 units comprised of 24 one-bedrooms, 32 two-bedrooms, and 24 three-bedrooms with AMI mix comprising 4 units at 30% AMI, 18 units at 40% AMI, 37 units at 60% AMI, 20 units at 80% AMI, and one manager unit.

The \$27,167,635 project will be funded through approximately \$9 million in tax credit equity, a permanent loan of approximately \$11 million, \$885,000 loan from State Division of Housing, and lastly \$1,187,749 in deferred developer fee representing 45% of the total developer fee. Deferred fee is likely to increase to cover any cost overruns.

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: 6/2020 - 6/2080

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: \$1,415,000

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.)