

Office of Economic Development Neighborhood Stabilization Program

NSP2 LOAN REQUEST
FOR
1401 IRVING STREET
DEL NORTE NEIGHBORHOOD DEVELOPMENT

October 24, 2012



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West Colfax Development Activity

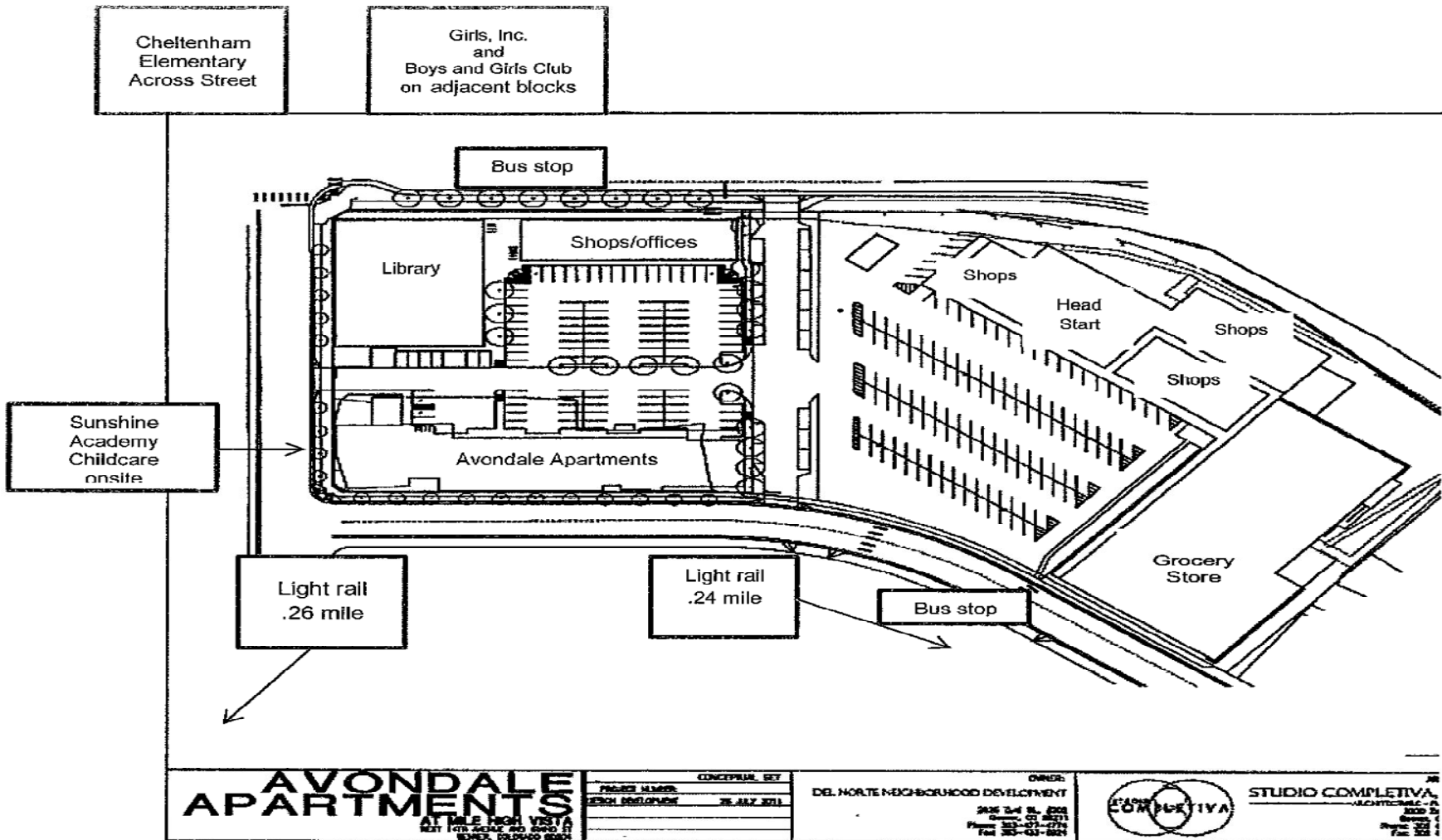



Avondale Apartments



West Colfax View

Avondale Apartments



AVONDALE APARTMENTS AT MILE HIGH VISTA 2525 S. W. 10TH AVE., DENVER, CO 80202	CONCEPTUAL SET	OWNER:	 STUDIO COMPLETIVA ARCHITECTS - P.A. 3000 15th St Denver, CO 80202 Phone: 303-733-1774 Fax: 303-733-1824
	PROJECT NUMBER: 25-247-2011	DEL NORTE NEIGHBORHOOD DEVELOPMENT	



Neighborhood Stabilization Program

Summary of Neighborhood Stabilization Program (NSP)

- Purpose of U.S. Department of Housing and Urban Development (HUD) program is to acquire and redevelop foreclosed and/or vacant properties to reduce blight and stabilize neighborhoods.
- Target populations are households with incomes up to 120% of the Area Median Income (AMI) (\$95,160 for a 4-person household). Twenty-five percent of the funds must be used to assist households with income at or below 50% AMI (\$39,650 for a 4-person household).
- Twenty-five neighborhoods in Denver are eligible NPS neighborhoods.

City has received funds under all NSP programs:

- NPS1 \$ 6,060,170 HUD Allocation
- NSP2 \$18,994,444 Competitive allocation – one of only 26 awarded in the country
- NSP3 \$ 2,700,279 HUD Allocation
- NSP1 State \$ 3,620,176 State Allocation

Development-to-Date:

- Single family homeownership: 153 homes
- Multi-family rental: 319 units in 6 properties



Avondale Apartments

Location: 1401 Irving Street (Council District 1)

Purpose:

- To provide funds for the acquisition of vacant land for the construction of an 80 unit affordable rental development adjacent to childcare facilities, light rail stops, bus lines and the new Denver Public Library.

Background:

- Avondale site originally purchased by Urban Land Conservancy using funding from the Denver TOD Fund in 2011.
- Del Norte awarded \$1,000,000 in NSP 2 funds from the OED for construction of the Avondale Apartments; this award represents 5.26% of the total NSP2 allocation received by the City.
- Avondale will provide 80 units of affordable rental housing from households earning up to 60% of the Area Median Income (\$47,580 for a 4-person household).



Avondale Apartments

Funding Sources for Avondale:

<u>Source</u>	<u>Amount</u>	<u>Source</u>
Wells Fargo	\$ 2,450,000	First Mortgage
Wells Fargo	\$12,373,763	LIHTC Equity
OED NSP2	\$ 1,000,000	NSP2
FHLBB/AHP	\$ 600,000	Grant
Colorado Division of Housing/HOME	\$ 590,000	Conditional Grant
Del Norte NSP2	\$ 450,000	NSP2
Del Norte Def. Dev. Fee	<u>\$ 167,260</u>	Deferred Fee
Total	\$17,631,023	

City NSP2 leverages investment 16:1



Avondale Apartments

- Zoning: C-MX-12
- Apartments: 80
- Site Size: 26,136 square feet
- Building Size:
 - Residential: 90,427 square feet
 - Commercial: 10,891 square feet
- Parking: 114 Spaces





Avondale Apartments

Residential Units:

Unit type	40% AMI	50% AMI	60% AMI
1 Bedroom/1 Bath	10	13	22
2 Bedroom/2 Bath	5	9	16
3 Bedroom/2 Bath	0	2	3

Commercial:

- Sunshine Academy, a licensed day-care provider, will lease 3,800 square feet of interior space and 1,500 square feet of exterior space and will provide day care services for children from infancy to six years of age. Residents of Avondale will be able to enroll their children here as well as families in the neighborhood.
- Del Norte will move its offices, along with its property management affiliate, Continental Divide Management to the site.



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Avondale Amenities

In-Unit Amenities:

- Energy Star appliance including self-cleaning range/oven, microwave, dishwasher
- Wall air conditioners
- Ceiling fans
- Interior and exterior storage
- Balcony
- Cable and internet hook-ups
- In-unit Energy Star washer and dryer
- One assigned parking space per unit
- Del Norte will pay all utilities except cable tv and internet service



Avondale Amenities

Common Area Amenities:

- Adjacent to the now under construction new Denver Public Library
- Grocery store within walking distance
- Within 0.26 miles of the Mile High Stadium Light Rail stop and 0.24 miles from a to-be-constructed light rail stop.
- On bus routes on both Colfax and Irving
- On-site property management
- Security cameras including video surveillance and limited access entry
- Bicycle racks
- Community room
- Exercise space
- Work and meeting rooms
- Picnic area
- Rooftop gardens
- Intercom/Buzzer



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Avondale Apartments

Loan Terms:

Loan Amount: \$1,000,000

Interest Rate: 0%

Term: 30 Years

Collateral: Second Deed of Trust

Repayment:

- No payments during the Low Income Housing Tax Credit Compliance period-15 years
- Loan re-evaluated at the end of LIHTC period
- Maximum interest rate of 3% upon loan re-cast
- Maximum term is 30 years upon loan re-cast
- Loan due in it entirety 30 years from date of execution of Promissory Note and Deed of Trust

Avondale Apartments



West 14th Avenue View