

East Range Crossings

Safety, Housing, Education
and Homelessness Committee
October 25, 2017

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Office of Economic Development



RESOLUTION SUMMARY

- ✓ This request is to provide a \$3,000,000 cash flow loan to Dominion, an integrated affordable housing development and property management firm based in Minneapolis, MN, to create 252 units of income-restricted rental housing at 5810 Argonne Street, Denver.
- ✓ The development will include 12 one-bedroom units, 120 two-bedroom units, and 120 three-bedroom units.
- ✓ In addition to City funds, the borrower will leverage private debt and 4% LIHTC equity to complete the project.
- ✓ Repayment of the loan will take place over 30 years at an interest rate of 1%. The units will be income-restricted at 60% of area median income (AMI) for 30 years.

PROJECT CONTEXT

The development will be located at 5810 Argonne Street near DEN. The parcel is located in Council District 11.

The site is located approximately one mile from Peña Station; the station can be accessed by car or bicycle from the site.

Significant growth and development is planned for the neighborhood around Peña Station, and the property is anticipated to benefit from new neighborhood amenities to be developed.

Elementary, middle, and high schools are located within three miles of the development site.

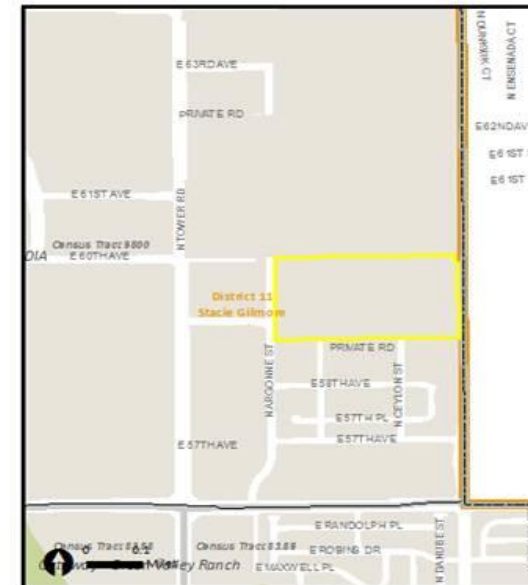
The closest park to the project site is Singletree Park; in addition, the developer is providing a cash-in-lieu fee to the City for parks dedication in the neighborhood.



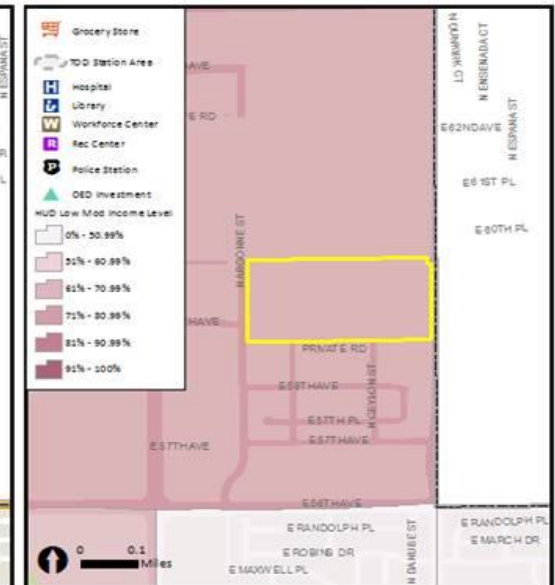
Site Details (Parcels, Streets, Zoning, 2016 Aerial)



Street View



Site Overview (Council, Neighborhoods, Census Tracts)



Collective Impact

PROJECT DETAILS

The project will provide 252 units of income-restricted housing, 95% of which will be 2- or 3-bedrooms.

Property will be served by a variety of common amenities: community kitchen, business center, gym/yoga room, grill stations, pool, and two playgrounds.

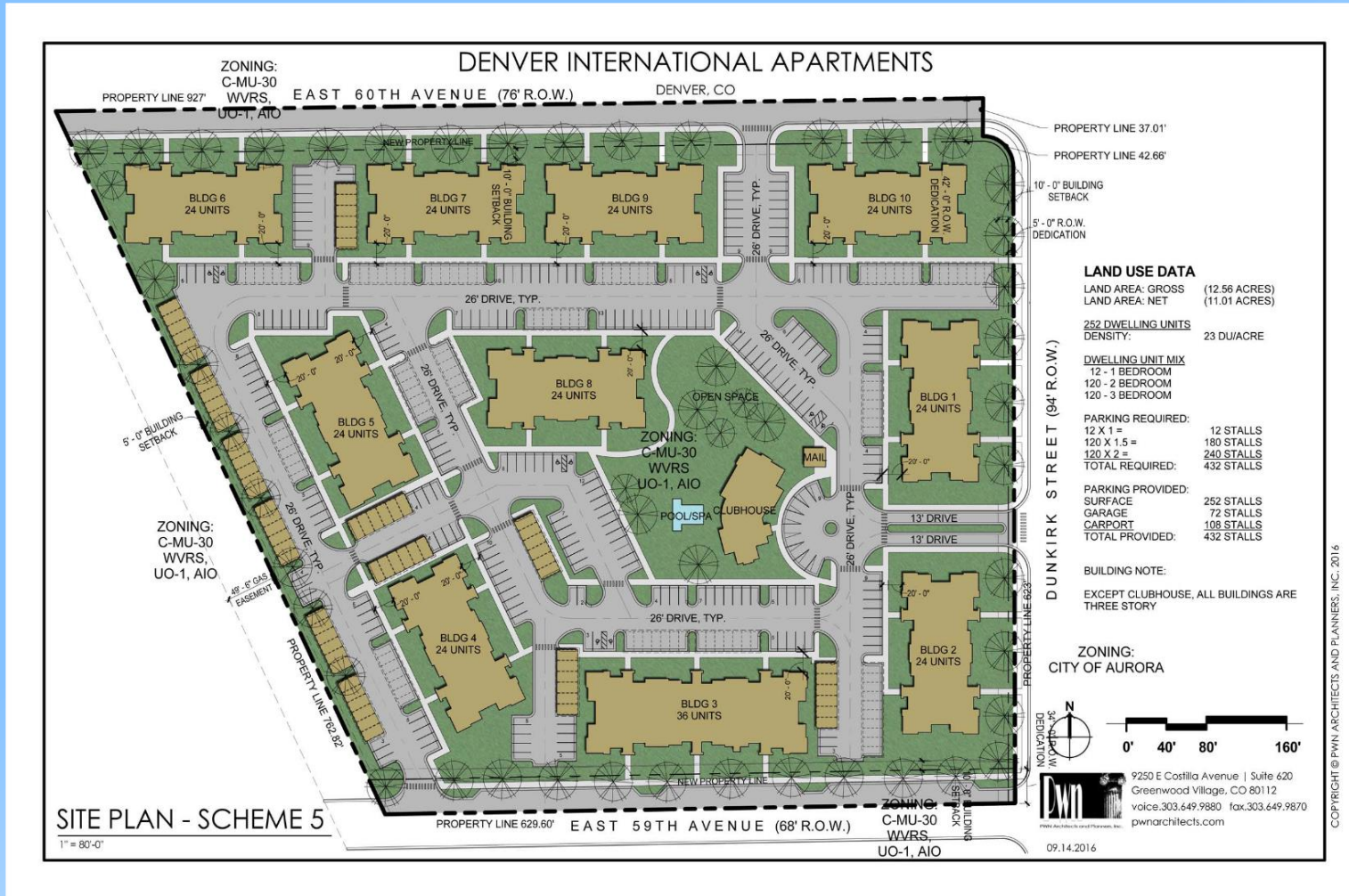
Dominium is the 5th largest developer / owner / manager of affordable housing in the U.S. East Range Crossings will be the firm's first development in Denver.

Dominium's in-house property management arm will provide onsite property management.



Unit Mix				
AMI	1 BR	2 BR	3 BR	Total
60%	12	120	120	252

DEVELOPMENT PLAN



FINANCING

Dominium has requested a \$3,000,000 cash flow loan from the City, which will total 5% of the project’s cost and \$11,900 in investment per unit.

This investment is consistent with OED 2017 term sheets and meets city policy goals of supporting the development of income-restricted family housing.

Source	Cost	%
Permanent Debt	\$32,250,000	49%
4% LIHTC Equity	\$25,946,552	39%
Deferred Developer Fee	\$4,437,718	7%
City of Denver Loan	\$3,000,000	5%
Total Project Cost	\$65,634,270	100%

Financing Terms

- Interest rate of 1%
- 30-year loan term
- Fully amortizing payments of principal and interest, subject to available cash flow
- City income-restricting covenant of 30 years placed on property
- Project has been awarded 4% Low-Income Housing Tax Credits by CHFA

DISCUSSION
