OFFICE OF ECONOMIC DEVELOPMENT:

18th & Chestnut

Health, Safety, Education & Services October 29, 2013



OED Ordinance Request

- Chestnut Affordable Rental Housing TOD
 - Developer: Integral (18th & Chestnut, L.P.)
 - Location: 1975 18th Street
 - 68 affordable housing units
 - 50% and 60% Area Median Income (AMI)
- City Funds Requested for Land Acquisition
 - \$2.5M Performance Loan
 - General Fund Contingency (DURA Repayment of Denver Dry Building Project)
 - \$950K Loan (repayment obligation)
 - Housing Inclusionary Program (IHO Fund)
 - Loan terms include 60 years of income restrictions

Chestnut

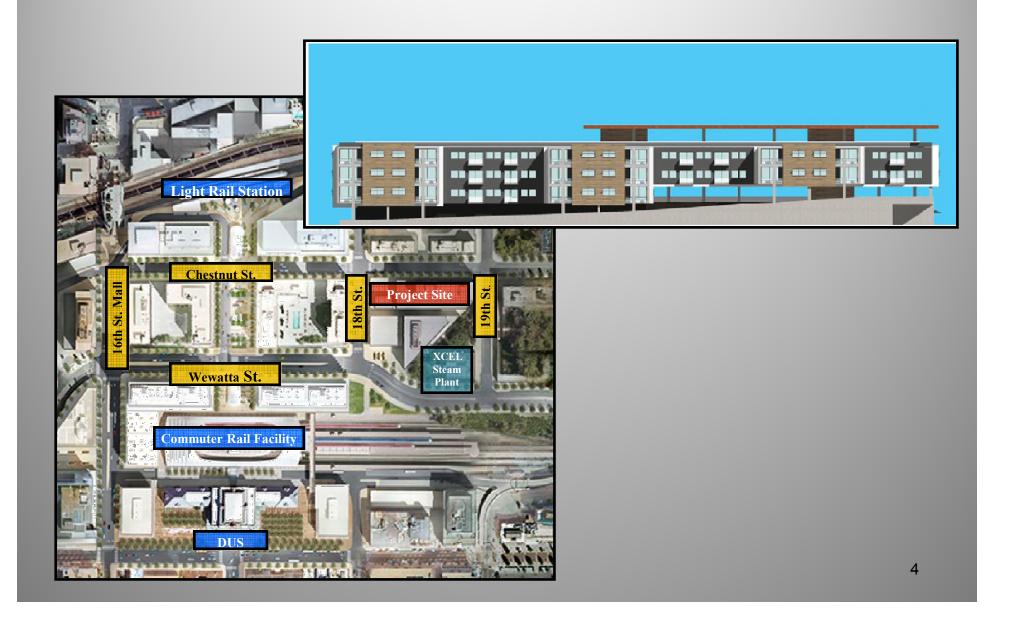
Chestnut

108 mixed income units

	1 Bedroom	2 Bedroom
34 Units at 50% AMI	26	8
34 Units at 60% AMI	26	8
40 Market Rate	30	10

- Adjacent to future grocery store
- One block from Union Station
 - 60 years of affordable housing in proximity to highly connected multi-modal transit site
- Experienced Builder with Denver affordable housing
 - Villages at Curtis Park
- LEED Gold & Enterprise Green Communities sustainability standards

Chestnut 1975 18th Street



Land Acquisition Loan

Loan Terms

- \$2,500,000 General Fund Contingency
 - Performance based loan (forgivable)
 - Maintenance of covenant restrictions
 - Fulfillment of City loan terms
- \$950,000 IHO Fund loan
 - Interest Rate: 3%
 - Payment terms:
 - \$350,000 plus interest 4/30/16 or on permanent loan conversion
 - \$600,000 upon refinance of original mortgage at the end of tax credit partnership
 - Quarterly interest payment on \$600,000 due on cash flow basis
 - Integral guarantees all payments
 - Collateral:
 - Primary lien holder until construction (both City loans cross collateralized)
 - Subordinate to construction and permanent loan

Income Restrictions

60 year rental and occupancy covenant