

# OFFICE OF ECONOMIC DEVELOPMENT: 18<sup>th</sup> & Chestnut

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Health, Safety, Education & Services  
October 29, 2013



**DENVER**  
THE MILE HIGH CITY

# OED Ordinance Request

- Chestnut Affordable Rental Housing TOD
  - Developer: Integral (18<sup>th</sup> & Chestnut, L.P.)
  - Location: 1975 18<sup>th</sup> 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 18<sup>th</sup> 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