

BILL/ RESOLUTION REQUEST

1. Title: The City & County of Denver is seeking approval to provide Yale Station Apartments LLC with a \$600,000.00 HOME loan to construct a 50 unit affordable/senior rental property in Council District 4.

2. Requesting Agency: Office of Economic Development

3. Contact Person *with actual knowledge of proposed ordinance*

Name:Bryan Slekes

Phone:720-913-1629

Email:bryan.slekes@denvergov.org

4. Contact Person *with actual knowledge of proposed ordinance who will present the item at Mayor Council and who will be available for first and second reading, if necessary*

Name:Jeff Romine

Phone:720-913-1526

Email:jeff.romine@denvergov.org

5. Describe the proposed ordinance, including what the proposed ordinance is intended to accomplish, who's involved

a. Scope of Work

OED is seeking approval to lend Yale Station Apartments LLC a total of \$600,000.00 in HOME loan funds. Funds will be used for hard construction of fifty (50) affordable/senior independent living housing units in a 6-story elevator served building at 5307 E. Yale Avenue in Denver, CO (Council district 4).

Project Description:

- Residential units located on levels 3 through 6
- Parking will be in a covered garage on the first two floors
- The first level will include approximately 5,100 square feet of retail
- The site is located adjacent to the Yale Light Rail Station and is also well served by bus lines, restaurants, health services, grocery shopping, social services, parks and recreation, employment opportunities and public facilities
- Zoning: B-2 allowing for mixed use multifamily development with retail space
- Unit sizes: 1 bedroom = 658 s/f
2 bedroom = 852 s/f
- Unit amenities include: Full kitchen with dishwasher, range, refrigerator, disposal, washer/dryer, storage closet, coat closet, wall-to-wall carpet, cable and internet wiring, blinds and air conditioning
- Resident incomes (ranges of AMI):
 - 5 units at 40% AMI
 - 33 units at 50% AMI

- 11 units at 60% AMI

SOURCES

LIHTC equity investment	\$ 6,652,621.00	59%
Permanent bank loan	\$ 1,860,000.00	17%
TCEP	\$ 1,280,817.00	11%
City of Denver HOME loan	\$ 600,000.00	5%
Additional equity contribution	\$ 300,000.00	4%
State of Colorado HOME loan	\$ 200,000.00	2%
Deferred developer fee	\$ 307,357.00	1%
TOTAL	\$11,200,795.00	

USES

Acquisition costs	\$ 998,583.00	9%
Construction costs	\$ 7,325,097.00	65%
Design fees	\$ 681,132.00	6%
Interim costs	\$ 432,555.00	4%
Permanent financing fees	\$ 1,748,428.00	16%
Marketing	\$ 15,000.00	0%
TOTAL	\$11,200,795.00	

Recommended terms and conditions:

Loan amount: \$600,000.00
Rate: 3%
Term: 30 years
Moratorium: 2 years no payments with interest accrual followed by 2 years interest only payments
Annual P&I: \$30,355.44 payable on December 1st of each year to commence in year 5
Affordability: OED will restrict a total of 4 units (1 @ 50% AMI and 3 @ 60% AMI) for 30 years

b. Duration

30 years

c. Location

5307 E. Yale Avenue in Denver, CO

d. Affected Council District

Council district 4

e. Benefits

Affordable Housing

f. Costs

\$600,000.00 Loan Amount

6. Is there any controversy surrounding this ordinance, groups or individuals who may have concerns about it? Please explain.

No.

Bill Request Number: BR10-0795

Date: 9/7/2010