



Walnut Street Lofts

Safety, Housing, Education, and Homelessness Committee

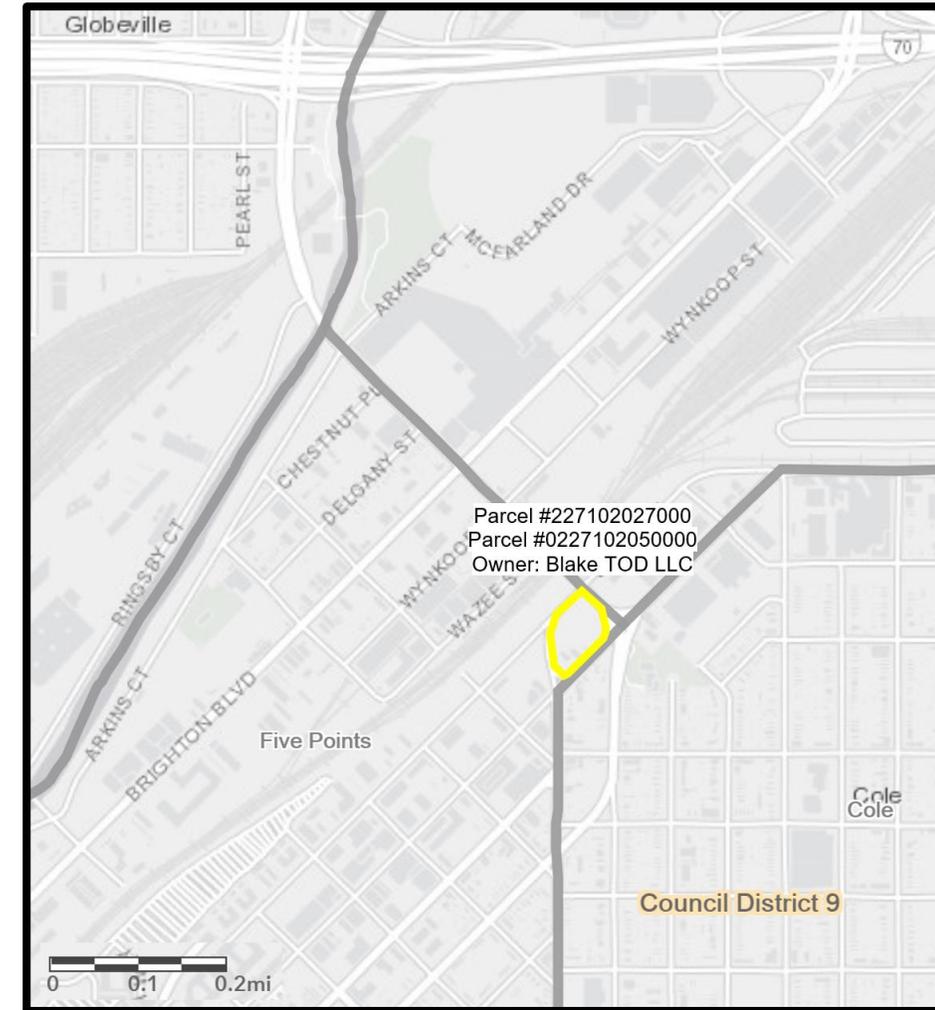
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Resolution Summary

- Provide \$1,350,000 balloon loan to build 66 income-restricted apartments at 3733 and 3789 Walnut Street
- Medici Development, LLC will build:
 - 16 30% AMI units
 - 19 50% AMI units
 - 31 60% AMI units
 - 31 one-bedroom units
 - 31 two-bedroom units
 - 4 three-bedroom units
- Rent subsidies include seven Section 8 project-based vouchers
- Transit-oriented development
- Land lease with Urban Land Conservancy

Project context

- Location:
 - 3733 and 3789 Walnut Street
 - Cole Neighborhood
 - Council District 9
- Nearby Resources:
 - Transportation:
 - ✓ Adjacent to 38th and Blake Light Rail Train Station
 - ✓ Immediate bus access: 12, 44
 - Recreation and Retail:
 - ✓ Adjacent to St. Charles Recreation Center
 - ✓ Less than a half mile from Natural Grocers
 - ✓ Located in the River North Arts District
 - Education:
 - ✓ Half mile from Wyatt Academy
 - ✓ Less than one mile from DSST: Cole Middle School
 - Health
 - ✓ One mile from Inner City Health Center
 - ✓ Two miles to Clinica Tepeyac



Site Overview: Neighborhoods, Council Districts

Project details

- 66 affordable units (no manager's unit)
- 0% to 60% AMI
- Unit mix:
 - 6% three-bedroom
 - 47% two-bedroom
 - 47% one-bedroom
- 99-year covenant (50-year loan term)



BEDROOMS and AMI	60% Units	50% Unit	40% Units	30% Units	Total
1 Bedroom	12	9	0	10	31
2 Bedroom	18	9	0	4	31
3 Bedroom	1	1	0	2	4
TOTAL	31	19	0	16	66

Financing

Medici Development, LLC has requested a \$1,350,000 loan from the City, which represents 7.3% of the total project cost. This investment meets City policy goals of supporting the development of income-restricted housing for vulnerable and very low-income populations and provides units appropriately sized for families.

Source	Cost	%
OED Loan – General Fund	\$1,350,000	7.3%
Permanent Loan	\$3,800,000	20.4%
CDOH	\$660,000	3.6%
Deferred Developer Fee	\$632,677	3.4%
LIHTC Equity (9%)	\$11,741,953	63.2%
ULC Land Price Reduction	\$400,000	2.2%
Total Project Cost	\$18,584,630	100.0%

City Loan Terms

- Interest rate of 0%
- 50-year term loan (balloon)
- 99-year income-restricting covenant

Five-year Housing Plan & 2018 Action Plan

Denver's five-year housing plan articulates a goal that 20-30% of funding each year be allocated toward Homelessness and 20-30% allocated toward under 30% AMI households. This project will contribute directly to these goals. The funding for this project is coming from the General Fund.

-  HOMELESS — 2018 ALLOCATION GOAL 20-25%
-  < 30% AMI — 2018 ALLOCATION GOAL 20-25%
-  31-80% AMI — 2018 ALLOCATION GOAL 20-30%
-  HOMEOWNERSHIP — 2018 ALLOCATION GOAL 20-30%

2018 ALLOCATION GOALS





QUESTIONS / DISCUSSION