

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team
at MileHighOrdinance@DenverGov.org by **3:00pm on Monday**.

****All fields must be completed.****

Incomplete request forms will be returned to sender which may cause a delay in processing.

Date of Request: October 21, 2013

Please mark one: **Bill Request** or **Resolution Request**

1. Has your agency submitted this request in the last 12 months?

Yes No

If yes, please explain:

2. Title: Approval of loan request of \$2,500,000 from General Fund Contingency to 18th & Chestnut, L.P., a Georgia limited partnership, to facilitate the creation of 68 units of affordable housing.

3. Requesting Agency: Office of Economic Development & Department of Finance

4. Contact Persons:

- **Name:** Melissa Stirdivant
- **Phone:** (720) 913-1541
- **Email:** Melissa.Stirdivant@denvergov.org
- **Name:** Andrew Johnston
- **Phone:** (720) 913-9372
- **Email:** Andrew.Johnston@denvergov.org

5. Contact Person:

- **Name:** Seneca Holmes
- **Phone:** (720) 913-1533
- **Email:** Seneca.Holmes@denvergov.org

6. General description of proposed ordinance including contract scope of work if applicable:

Approval of a loan in the amount of \$2,500,000 to be used for land acquisition and predevelopment costs at 1975 18th Street. The project, referred to as Chestnut, is a 108 unit mixed-income rental development that will offer 68 units at an affordability level of 50% and 60% of area median income (AMI). Chestnut is a part of the development at Denver Union Station and will offer residents various multi-modal transportation options. The source of funds for this loan comes from repayment of a loan to the Denver Dry Goods building. The performance loan is anticipated to be outstanding for the 60 years the income restrictions stay on the project. Loan terms are included in the executive summary.

****Please complete the following fields:**

- a. Contract Control Number:** TBD
- b. Duration:** 60 years
- d. Affected Council District:** Council District 9 – Judy Montero
- e. Benefits:** Project will be produce 68 units of affordable housing at Denver Union Station
- f. Costs:** \$2,500,000 towards the land acquisition and pre-development costs.

7. Is there any controversy surrounding this ordinance? *None known*

To be completed by Mayor's Legislative Team:

SIRE Tracking Number: _____

Date Entered: _____

Executive Summary

Property Location: 1975 18th Street (part of Denver Union Station redevelopment)

Background

The proposed Chestnut project is a 108 mixed-income rental development that will include 34 units that are affordable at 50% of area median income (AMI) and 34 units affordable at 60% AMI. Chestnut is part of the redevelopment around Denver Union Station and offers multi-modal transportation connectivity that is atypical for most affordable housing developments.

The estimated project cost is \$26.5 million or about \$245,000 per unit. The total City support is \$3,450,000 or \$50,700 per affordable unit and locks in income restrictions for 60 years. There are two components of the City's financial support at Chestnut. The first is \$950,000 of IHO funds contemplated in a companion ordinance and the second is \$2,500,000 from General Fund Contingency contemplated in this ordinance.

Construction is anticipated to start April 2014 with completion in July 2015 before Denver Union Station opens.

Loan Details:

Amount: \$2,500,000 performance loan

Funding Source: Repayment of loan to Denver Dry Goods building

Purpose: Acquisition and pre-development costs for 1975 18th Street creating 68 units of affordable housing

Rate: 0.25%

Duration: 60 Years

Terms:

- All payments are deferred until the end of the Rental and Occupancy Covenant which is 60 years. As long as all terms and conditions of this Loan Agreement and the related Loan Agreement for \$950,000, only the principal and interest accrued on the \$2.5 million loan shall be forgiven;
- 60 year income restriction on affordable units;
- Integral provides a guaranty for all required payments;
- Integral will make the payment directly to the City;
- Only subordinate to construction and permanent loans;
- All City loans cross collateralized.

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