

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 from \$950,000 of Housing Inclusionary Program funds 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 \$950,000 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 the Housing Inclusionary Program Fund, the fund related to the City's Inclusionary Housing Ordinance (IHO). The loan is hard debt and will be completely repaid at the end of the projects tax credit partnership, approximately 17 years. Loan terms are included in the executive summary.

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

- a. Contract Control Number:** TBD
- b. Duration:** Loan to be fully repaid in approximately 17 years
- d. Affected Council District:** Council District 9 – Judy Montero
- e. Benefits:** Project will be produce 68 units of affordable housing in proximity to Denver Union Station
- f. Costs:** OED will loan \$950,000 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. The development 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 development cost is approximately \$26.5 million or about \$245,000 per unit. The total City support accounts for approximately \$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 totaling \$3,450,000. The first is \$950,000 of IHO funds contemplated in this ordinance and the second is \$2,500,000 from General Fund Contingency contemplated in a companion ordinance.

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

Loan Details:

Amount: \$950,000 loan from OED IHO funds

Funding Source: Housing Inclusionary Program Fund

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

Rate: 3.00%

Terms:

- Integral provides a guaranty for all required payments;
- Integral will make the payment directly to the City;
- \$350,000 plus accrued interest to be paid the later of April 30, 2016 or permanent loan conversion;
- \$600,000 due upon the refinance of the permanent loan at the end of the tax credit partnership;
- Quarterly interest payment on the \$600,000;
- Only subordinate to construction and permanent loans;
- 60 year income restriction on affordable units;
- All City loans cross collateralized.

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