Initial Project Application Questions and Considerations – 1865. S Chelton Rd. LIHTC Development

1. **Where is the project located?**

   The project is located at 1865 S. Chelton Rd. We've attached an early conceptual site plan for additional details. A Metro stop is immediately adjacent on the south side of the site. A Walmart Neighborhood Market is immediately adjacent on the north side of the site.

2. **What is the size of the parcel(s) for the project?**

   The site comprises two parcels totaling 3.59 acres. The northerly parcel comprises approximately one third of the site, and the southerly parcel approximately two thirds of the site. We plan on a two-phase project with the northern parcel a 45-unit, 9% LIHTC development, and the southern parcel a 117-unit, 4% LIHTC and State AHTC development.

3. **What is the intended development program (square feet by use)? Existing and proposed zoning?**

   The intended 45-unit, 9% LIHTC development on the northern portion of the site will be approximately 39,000 square feet—of which approximately 30,000 square feet will be rentable as housing units, and approximately 9,000 square feet will be used for circulation, office, and amenity space. No commercial space is planned.

   The intended 117-unit 4% LIHTC and State AHTC development on the southern portion of the site will be approximately 109,000 square feet—of which approximately 84,000 square feet will be rentable as housing units, and approximately 25,000 square feet will be used as circulation, office, and amenity space. No commercial space is planned.

   Current zoning is MX-N: Mixed-Use Neighborhood Scale. This zone allows multifamily residential development up to 45 feet in height, by right. No zoning changes are needed.

4. **What is the development time frame for the project? What phase in the City's Land Use Review Process is the project within? Will it be phased?**

   The development time frame is as follows:

   a. The site currently is going through a re-plat process. The City requires a land use plan and significant other civil engineering materials before accepting the re-plat. We've submitted these items to the City and gone through a review and revision process with Planning staff that we expect to be completed in June, 2024.

b. We plan to submit an application for 9% LIHTCs for the northern portion of the site on February 1, 2025. If awarded credits, we would begin construction in early 2026.

c. We plan to submit an application for 4% LIHTCs and State AHTCs for the southern portion of the site on August 1, 2025. If awarded credits, we would begin construction in the summer of 2026.

5. What is the entity that is doing the project and is it the entity that will be applying for URA funds?

The entity developing the project is Arrowleaf Development, LLC. Arrowleaf Development is an entity used by The Szanton Company for its Colorado projects. Arrowleaf Development will be applying for URA funds. A special-purpose entity for each project phase, comprised of the partners of the Szanton Company and each project's tax credit investor, will be the project owner.

6. What is the proposed revenue sharing for the project, total cost and expected return to the developer?

To allow both developments to take on greater debt, we are requesting a 100% TIF. The total cost of the northern parcel development is $19.2 million, and the total cost of the southern parcel development is $43.6 million. We expect a developer fee calculated per CHFA regulations, of which we will defer 20% to fund project costs. We will collect annual cash flow to the extent CHFA and DOLA will allow.

7. Does the project envision utilizing property tax, sales tax and/or private property tax increments?

We envision utilizing property tax increments to fund the project. We also plan to utilize the City's Affordable and Attainable Rental Housing Fee Rebate Program to finance project costs.

8. What private developer funding is being allocated to the project?

We are funding the pre-development phase of the project with our own funds. Also, as noted above, we will defer 20% of the developer fee to create an additional source of funds for the project.

9. What is the developer's experience with TIF, urban renewal and operations?

We have requested—and received—TIF on eight LIHTC projects that we have developed, own, and manage. Additionally, we have two LIHTC developments currently under construction, both of which are using TIF as part of their financing structure. We have developed, own, and manage an additional five LIHTC projects for which we did not request TIF.

10. **Does the project work without tax-increment financing? What would be different without the use of TIF?**

    Under current conditions, neither phase of the development can secure enough in project sources to match required project uses without the use of TIF.

    Without the use of TIF, the 9% LIHTC development's ability to finance project costs with permanent debt would be reduced by approximately $450,000. Without the use of TIF, the 4% LIHTC and State AHTC development's ability to finance project costs with permanent debt would be reduced by approximately $1,050,000.

11. **How many housing units will the project provide? Affordable?**

    Together, the two phases will provide 162 units of high-quality, professionally managed, affordable housing for age 55+ households. All units will be income-restricted and rented to households with incomes between 30% and 80% of the area median, with an overall average of 60% or less and most units targeted to households in the range of 40%-60% of area median income.

12. **What are any known environmental conditions or hazardous materials on site?**

    Our completed a Phase 1 environmental site assessment found no adverse environmental conditions or hazardous materials on either parcel.