Denver Regional Transit-Oriented Development Fund

Provides financing for the acquisition of property alongside transit corridors for the preservation or development of affordable housing and community facilities.

Archway Community Campus
Archway Communities
Denver

$5.0 million in financing for the adaptive reuse of two dormitory buildings on the former Johnson and Wales University campus (now Mosaic Campus) into 80 affordable housing units.

Bonsai Apartments
Medici Development
Sheridan

$2.1 million land acquisition loan for the new construction of 149 units in Sheridan, affordable to households earning between 30% to 60% AMI.

Ruby Vista
Gorman & Company
Denver

$4.6 million in acquisition financing for the development of a 98-unit affordable housing project in the Ruby Hill neighborhood for households earning up to 60% AMI.

Impact

2,800+
AFFORDABLE HOMES

28
TRANSIT ORIENTED PROPERTIES

19
DISTINCT BORROWERS

Contact Us

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Denver Regional Transit Oriented Development Fund

Terms

Loan Type	Acquisition
Loan Amount	• Vacant Land/Non-Operating Property: Maximum loan commitment amount of $5,000,000 • Operating Rental Property/Preservation: Maximum loan commitment amount of $8,000,000
Loan to Value	Up to 90% of the lesser of the as-is appraised value or the purchase price.
Equity Requirement	Minimum 10% cash equity, based on the lesser of the as-is appraised value or the purchase price
Project Types	The following uses are eligible for financing: 1. Multifamily affordable rental housing 2. Multifamily affordable for-sale housing, on an exception basis 3. Mixed-use projects that provide community facility and/or non-profit space in addition to housing. Examples of such facilities are childcare centers, health clinics, charter schools, fresh food markets or other community facility/nonprofit uses designed to meet the needs of low-income residents and community members 4. Vacant/underutilized land that will be acquired for the purpose of producing any of the above.
Development Parameters	All acquisition sites must be: • Located in the seven-county Denver Metro Area, which consists of the following counties: Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas and Jefferson, including incorporated cities. • Sites must be within ½ mile of an existing or future fixed rail station
Eligible Borrowers	Eligible Project Borrowers may be nonprofit or for-profit entities, municipal agencies and redevelopment agencies, and joint ventures comprised of such entities, with a track record of developing affordable housing or other projects that meet a community need. Special purpose entities affiliated with the Project Sponsors are also eligible.
Interest Rate	For loans made in City and County of Denver, the rate is 3.44%. For loans made in the seven-county Denver Metro area, the rate is 3.92%.
Term	The maximum loan term is five (5) years.
Recourse	Each loan will be a recourse obligation of each borrower to the extent of the approximately 54%. However, if a borrower is a special purpose entity, then its sponsor and/or principal(s) will provide a guaranty of payment with respect to the Recourse Amount.
Guarantees	Real estate in a first priority position. Other secured loans must be subordinate to the TOD Fund loan and subject to subordination and standstill agreements.
Loan Fees	The Project Borrower will pay an Origination Fee of 1.50% of the Project Loan, payable upon closing. A $10,000 non-refundable application fee will be required at signing of term sheet, which will be credited against the Origination Fee. The Borrower will pay ECLF's legal fees.
Security	All loans will be secured by real estate in a first priority position. Other secured loans will be subordinate and subject to subordination and standstill agreements. Additional collateral may also be required, if available and appropriate.

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Repayment	Interest-only payments, with principal due at maturity or upon receipt of identified repayment source, including the closing of construction financing or internally generated funds. Interest-only payments will be made via cash flow from operations of acquired property or from borrowers' general cash flow from operations. Borrowers shall be required to evidence and maintain sufficient unrestricted liquidity to comfortably make all required interest payments under this Facility. If deemed necessary by ECLF, some/all of the interest payments may be made from a capitalized interest reserve funded through loan proceeds. The interest reserve may be reduced or eliminated if the Project Sponsor demonstrates the financial strength to make out of pocket interest payments, identifies another source to pay interest payments or there is a source of stable cash flow from the acquisition property. If interest reserve is exhausted, Project Borrower will make payments out of pocket. The loan is prepayable without penalty or premium.
Underwriting Covenants	1. Debt to Equity ratio not to exceed 3:1 2. Maintain a minimum equity balance equal to the outstanding amount owed by Borrower to the Facility. 3. Unrestricted cash balance equal or greater to $500,000 plus 6 months of interest for all outstanding debt for operating properties that meet a 1.10 DCR. 4. Unrestricted cash balance equal to or greater than $1,000,000 plus 24 months of interest for all outstanding debt for vacant properties and properties not meeting a 1.10 DCR. 5. Seven (7) years experience in affordable housing and/or non-housing related property development and 5 properties of similar scope successfully financed and completed. 6. Borrowers (and their principals) must be in good standing with relevant jurisdiction and must be current on all taxes. 7. Borrowers (and their principals) must be in good standing with all Lenders, any applicable state and federal agencies, and any other current lenders/funders, including HUD/FHA when applicable to permanent financing. 8. Borrowers (and their principals) must have no material defaults on development financing, including federal and state debt, within the past 7 years. 9. Borrowers (or their principals) must maintain an organizational debt coverage ratio of 1.10.
Non-Compliance	Should Borrower pursue an alternative development plan or disposition that is deemed by the investors as non-compliant with the Facility's stated goals and affordability requirements, ECLF will recoup from Borrower, on behalf of all investors, an "exit fee" equal to the difference between the loan's stated interest rate and such rate increased by 400 bps, retroactive to the commencement of the term of the loan. The exit fee will be waived if Borrower can evidence that it made a good faith effort throughout the term of the loan to pursue a compliant use.