

OLIN HOTEL APARTMENTS

Senior Housing
Options

Safety, Housing, Education &
Homelessness Committee

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Jennifer Siegel

Housing Development Officer



DENVER
HOUSING STABILITY

RESOLUTION SUMMARY

- Provide a \$1,500,000 performance loan to Senior Housing Options (SHO), longtime owner of Olin Hotel Apartments to support the renovation of the 100-year-old property.
- Property will include 112 studios and one-bedroom units for seniors.
- All units are supported by project-based rental assistance.
- In addition to City funds, the borrower will leverage private debt, tax credit equity, owner equity, and Colorado Division of Housing funds.
- 34 units will be restricted for residents at 30% of the area median income (AMI) for 60 years (City Units).
- 78 units will be restricted at 60% AMI for 40 years (CHFA Units).
- Loan will be forgiven if SHO remains in compliance for full term.



PROJECT DETAILS

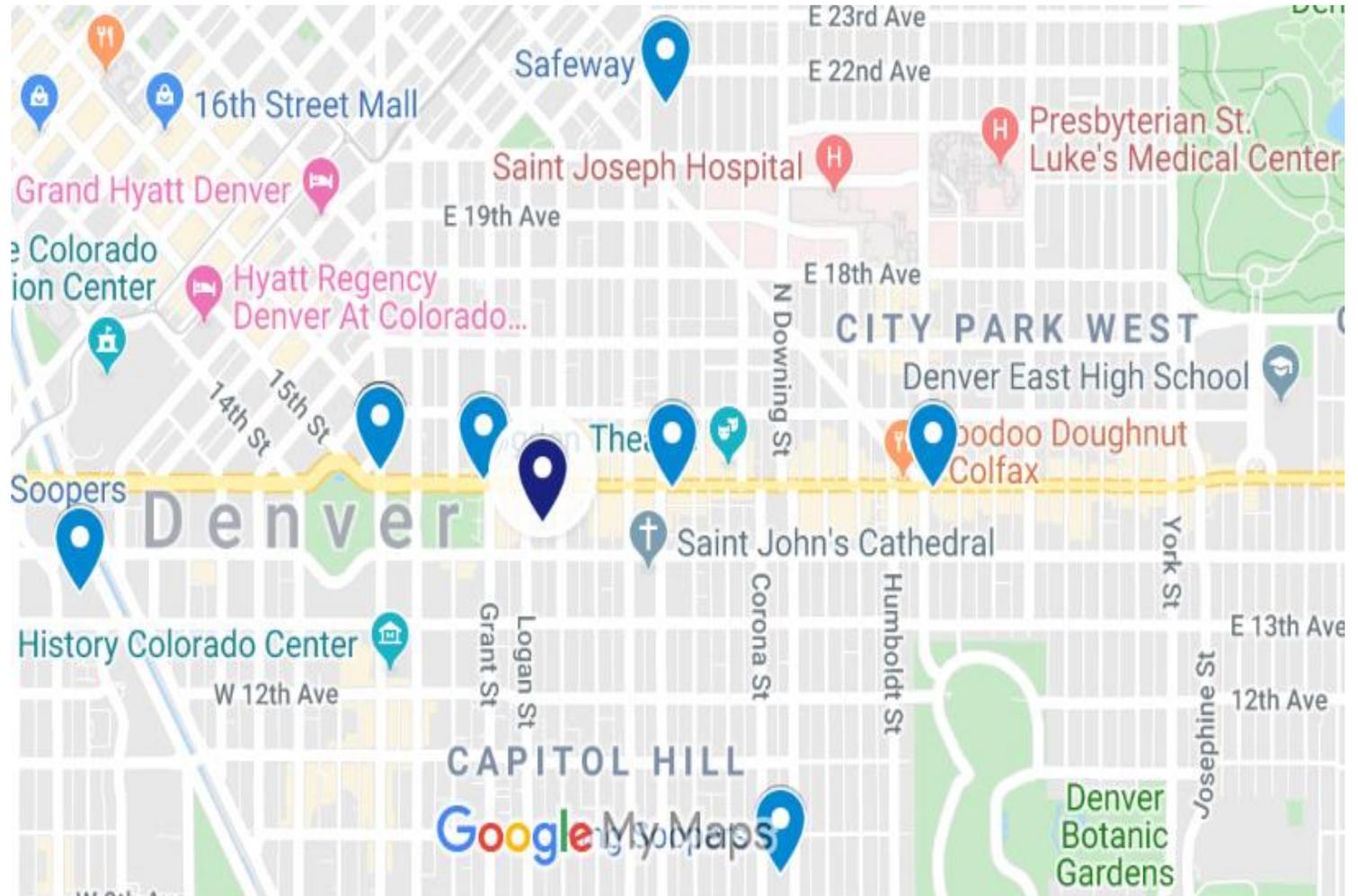
- Senior Housing Options (SHO) is the project developer with assistance from Medici Consulting.
- SHO will remain the owner and property manager.
- 112 studios and one-bedroom units for seniors and disabled individuals.
- All units are supported by project-based rental assistance from HUD and DHA.
- 34 units restricted for residents at 30% of the area median income (AMI) for 60 years; 78 units will be restricted at 60% AMI for 40 years.
- SHO has historically demonstrated commitment to maintaining housing affordability for seniors



| Max Income | \$19,500 | \$39,000 | |
|------------|----------|----------|-------|
| Unit Type | 30% AMI | 60% AMI | Total |
| Studio | 15 | 34 | 49 |
| 1 BR | 19 | 44 | 63 |
| Total | 34 | 78 | 112 |

PROJECT CONTEXT

- 1420 N Logan Ave:
 - Capitol Hill neighborhood
 - Council District 10
- Walking distance to downtown, Colfax and Broadway bus routes.
- 16th St Mall Shuttle within 3 blocks.
- 17th and Franklin hospital cluster within 1 mile.
- Grocery stores within 1 mile.
- Other support services within 1 mile.



FINANCING

Senior Housing Options is requesting a \$1,500,000 performance loan. This is 5% of the total development cost and \$44,117 per City-restricted unit.

This investment meets City policy goals of preserving affordable housing for vulnerable, very low-income populations.



| Source | Amount | % of Total |
|-----------------------------------|--------------|------------|
| HOST Loan – HUD HOME Funds | \$1,500,000 | 5.0% |
| Permanent Loan | \$2,350,000 | 7.8% |
| CO Division of Housing | \$900,000 | 3.0% |
| State & Federal Tax Credit Equity | \$11,540,473 | 38.4% |
| Deferred Developer Fee | \$1,139,269 | 3.8% |
| Other Owner Equity | \$9,469,888 | 31.5% |
| Current HUD Loans | \$3,179,562 | 10.6% |
| Total Project Cost | \$30,079,192 | 100.0% |

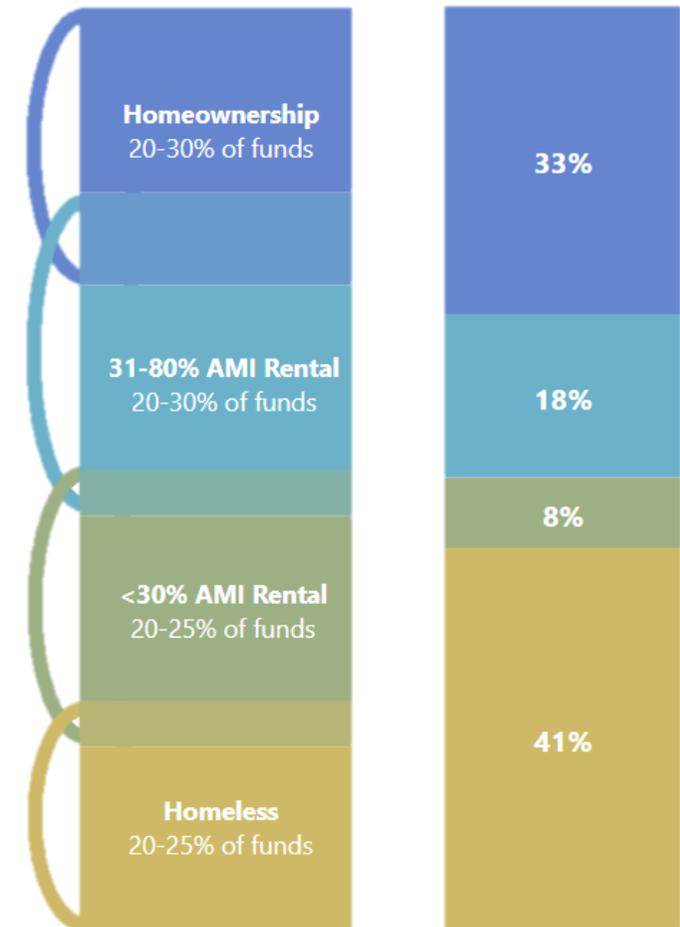
City Loan Terms

- 0% Interest rate
- 60-year term loan
- 60-year City covenant restricting 34 units
- Loan will be forgiven if SHO remains in compliance

FIVE YEAR HOUSING PLAN AND 2019 ACTION PLAN

Preservation of affordable housing is a core component of *Housing an Inclusive Denver*

- The Annual Action Plan (2019) allocates 20-25% of annual housing funds toward the creation or preservation of housing for residents at or below 30% AMI
- Olin Hotel Apartments contributes:
 - 112 units preserved
 - \$1,500,000 preservation investment
 - 34 units for individuals at or below 30% AMI



DISCUSSION

