

Columbine Towers

Safety, Housing, Education, & Homelessness Committee
February 28, 2024
Justin Hill, Housing Development Officer
Department of Housing Stability



Action Requested Today

Approval of the following:

- **#24-0231 - Columbine Towers Owner LLC.** Approves the loan agreement between the City and County of Denver and Columbine Towers Owner LLC, in the amount of \$10,000,000 to assist with the acquisition of one hundred seventy (170) affordable dwelling units, known as Columbine Towers.

Unit Type	30% AMI	50% AMI	80% AMI	Total Units
Total	43	106	21	170
% of Total	25.3%	62.4%	12.4%	100.0%

Project Summary: Columbine Towers

- Acquisition of one hundred seventy (170) income-restricted units to be rented at prices affordable to qualifying households (30%-80% AMI)
- The project consists of a mix of 48 studios, 121 1-bedroom units, and one 2-bedroom unit.
- The rental and occupancy restrictions will be secured by a covenant that will be recorded against the property and will run with the land for a minimum of 60 years.
- Project serves Seniors aged 55+ and individuals with disabilities.
- Located at 1750 S. Federal Blvd in District 7



- The project consists of one (1) fourteen-story elevator-served building.
- The building is of steel frame, brick veneer construction and was built/renovated in 1964/c.2000. Individual units contain tiled, vinyl and carpeted flooring, as well as blind coverings on windows. Overall, the building is well maintained, and apartments are updated or renovated as needed and upon turnover.
- No signs of deferred maintenance.
- During the rehabilitation major repairs include asphalt/sidewalk replacement, building entrance enhancements, roofing, life safety/ safety alarm systems, replacement of outdated fixtures and finishes, upgraded appliances, and enhanced energy efficiency to better align with Energize Denver standards.

Project Summary (cont.)



Finance

\$10,000,000 in combination of gap financing and acquisition funds from HOST in the form of a combination performance and repaying loan for this Preservation project.

The overall loan amount will be split between:

- A **Performance Loan** in the amount of \$3,750,000 meeting the maximum amount per the currently published term sheet,
- And the remaining \$6,250,000 will be in the form of a **cash flow loan** with a 1% interest rate and repayable from 25% of surplus cash flow, post-debt service, due annually beginning year 1.

Per the current Pro Form, approximately \$6.8M will be repaid from cash flow over the 30-year term and a balloon payment of approximately \$750K will be due upon maturity.

Columbine Towers Owner LLC

Contract Term	Rental & Occupancy Covenant will be recorded against the property and will run with the land for a minimum of 60 years.
Funding Source	Home Program/Skyline Funds/General Funds
Contract Amount	\$10,000,000

Scope of Work

- Property subject to project-based Housing Assistance Payments Contract (HAP)
- Estimated completion of rehabilitation of building expected by end of 2025
- HOST is recommending Council approval of a combination \$10,000,000 Performance/Cash Flow loan for acquisition
- Project will be managed by Ross-Envolve

Questions?