

38th and Holly

RR22-1682



Safety, Housing, Education, & Homelessness Committee

January 4, 2023

Adam Lyons, Lead Housing Development Officer

Department of Housing Stability



DENVER
HOUSING STABILITY

38th and Holly Apartments

- Delwest Development Corporation will provide 253 units of housing for households earning between 30% and 80% AMI
- Located at 5908 and 5909 E. 38th Avenue in the Northeast Park Hill neighborhood
- Eight three-story buildings will include:
 - 253 units including 84 1BR, 104 2BR units, 36 3BR units and 29 4BR
 - 15% the units affordable at or below 30% of AMI
 - 25% the units affordable at or below 50% of AMI
 - 29 4BR townhome units are all three stories with attached garages



38th and Holly Apartments

Covenant Term	60 years from closing
Funding Sources	Home Investment Partnership (\$2.5M) American Rescue Plan Act (5.819M)
Contract Amount	\$8,319,000

Scope of Work

- The project received a 4% LIHTC allocation in 2021
- HOST is request approval of an \$8,319,000 cash flow loan for gap financing development of the site.
- A 60-year rental and occupancy covenant will be placed on the site
- Estimated 24-month construction period, units should begin leasing in Winter of 2025

Project Details

Sources	Total	%
Permanent Mortgage	\$33,700,000	36.4%
Federal LIHTC Equity (4%)	\$35,852,916	38.7%
HOST Loan	\$8,319,000	9%
DOH Loan	\$6,350,000	6.9%
Deferred Developer Fee	\$3,625,000	3.9%
Mercy Loan	\$2,000,000	2.2%
Impact Development Fund Loan	\$1,000,000	1.1%
Delwest Sponsor Loan	\$1,148,745	1.1%
Loan Deposit Refund	\$674,000	0.7%
Total	\$92,669,661	100.0%

- In addition to City funds, borrower will leverage private debt, LIHTC equity, state Division of Housing funds, sponsor loan, deferred developer fee, and community development financial institution (CDFI) funding.
- Overall total development cost is \$92.67M, or \$333,867 per unit without land cost

RR22-1682 Summary

- Provides a \$8,319,000 loan to 38th and Holly LLLP to develop a total of 253 units
- Cash Flow loan, 30-year term
- All units affordable to households earning between 30% and 80% AMI
- City covenant recorded on the property for 60 years

Action Requested Today

Approval of 22-1682: loan agreement with 38th and Holly LLLP for \$8,319,000 with a 30-year term to provide funding for a new affordable housing development, located at the Northeast corner of 38th and Holly in Council District 8 (HOST-202264272).

Questions?

Thank You!