

# 23-0721

# All Saints Apartments

Safety, Housing, Education, & Homelessness Committee  
June 7, 2023

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Department of Housing Stability

Michael Kerrigan, Special Districts and Finance Administrator  
Department of Finance



# All Saints Apartments

- Archdiocesan Housing, Inc. (doing business as Catholic Charities Housing) will provide 63 units of senior housing for households earning between 30% and 60% AMI
- Located at 2595 S. Federal Blvd in the Harvey Park neighborhood, Council District 2
- Four-story building will include:
  - 63 units, including four studio units and 59 one-bedroom units
  - 19% of the units affordable at or below 30% of AMI
  - 27% of the units affordable at or below 50% of AMI



- The infill lot is close to shopping, dining, parks, and a recreation center. Common amenities to include on-site management, laundry facilities, a community room, and an exercise room.

## Rent and Occupancy Restrictions

AMI	Studio	1 Bedroom	Total
30%	2	10	12
40%	1	4	5
50%	1	11	12
60%	0	34	34
<b>Totals</b>	<b>4</b>	<b>59</b>	<b>63</b>

The borrower will be required to house seniors, aged 62+, with low/moderate incomes as shown in the table above. The rental and occupancy restrictions detailed will be secured by a covenant that will be recorded against the property .

# All Saints Apartments

## Scope of Work

<b>Contract Term</b>	<b>60 years from closing</b>
Funding Source	Affordable Housing Fund: Linkage Fee
Contract Amount	\$2,452,000

- The project received a 4% + state LIHTC allocation in 2021
- HOST is recommending a total loan of \$2,452,000 for gap financing development of the site. Of the total loan amount, \$1,890,000 shall be a performance loan and \$562,000 shall be a cash flow loan
- Estimated 14-month construction period, units should begin leasing in Fall of 2024
- A 60-year rental and occupancy covenant will be placed on the site

# Project Details– 4% + State LIHTC

Sources	Total	%
Permanent Mortgage	\$5,400,000	25.4%
Federal LIHTC Equity (4%)	\$6,680,075	31.4%
State LIHTC Equity	\$3,504,462	16.5%
Denver HOST	\$2,452,000	11.5%
CDOH Loan	\$2,452,000	11.5%
Deferred Developer Fee	\$800,000	3.8%
<b>Total</b>	<b>\$21,288,537</b>	<b>100%</b>

- In addition to City funds, borrower will leverage private debt, LIHTC equity, state Division of Housing funds, and deferred developer fees.
- Overall total development cost is \$21.288M, or \$337,913 per unit without land cost.
- City intends to use a portion of its Private Activity Bond capacity for the project. This item is on the Consent Agenda of the Finance and Governance Committee on 06/06/2023.

# PAB Financing

## City intends to use a portion of its PAB capacity for the project

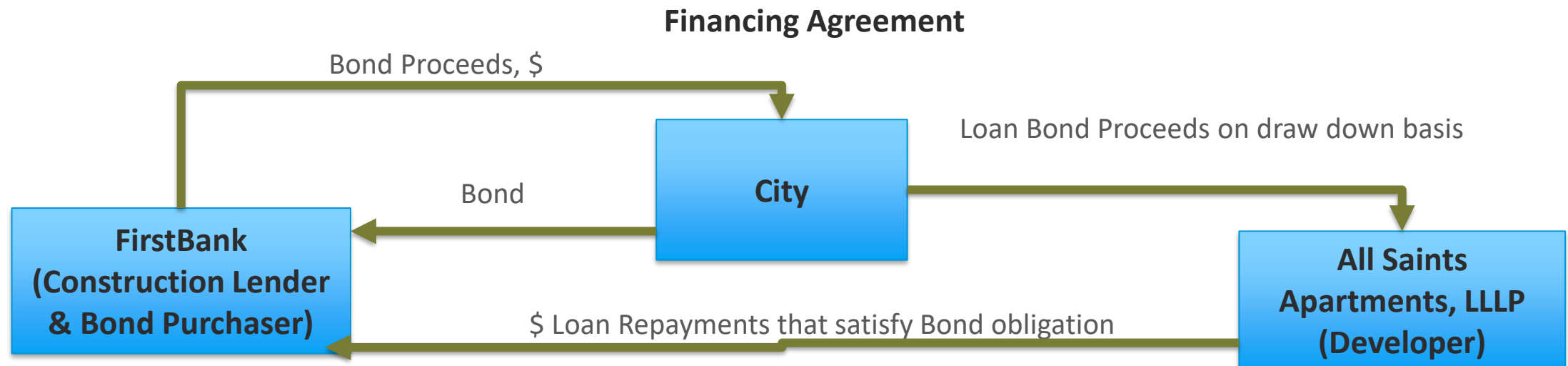
(Resolution Request 23-0727 on Consent Agenda of the Finance and Governance Committee on 06/06/2023)

- PAB is a tax-exempt borrowing tool for a privately-owned project which meets a qualified public purpose – in this case long-term affordable rental housing.
  - Interest paid on the PABs is exempt from federal taxation, thus lowering the interest rate and costs for the project.
  - If a multi-family project is awarded 4% LIHTCs, the IRS requires at least 50% of the project costs to be financed with PABs.
  - The amount of PABs that can be issued in a state is limited under federal law based on the state's population; the issuer must therefore allocate a portion of the limited PAB capacity to the financing.
- The City will issue \$11,000,000 of the City and County of Denver, Colorado Multifamily Housing Revenue Bonds (All Saints Apartments) Series 2023.
- The Bonds are a special limited obligation of the City payable solely from the revenues and other funds pledged from the All Saints Apartments project. The Bonds are not a debt or multiple fiscal-year obligation of the City. The City is not financially liable to the bond purchaser.

# PAB Financing

Archdiocesan Housing, Inc. or its affiliates will use up to \$11,000,000 of PAB capacity from the City and County of Denver to support the construction financing.

- The City will use PAB capacity and issue Bonds to FirstBank, the construction lender, under the Financing Agreement.
- The City will use the Bond proceeds to make a loan of up to \$11,000,000 to All Saints Apartments LLLP, an entity formed by Archdiocesan Housing, Inc. to act as the tax credit partnership.
- All Saints Apartments, LLLP will construct the project and then make loan repayments to FirstBank at conversion.



## RR23-0721 Summary

- Provides a \$2,452,000 loan to Archdiocesan Housing, Inc. to develop a total of 63 units
- Of the total loan amount, \$1,890,000 shall be a performance loan (60-year term) and \$562,000 shall be a cash flow loan (18-year term)
- All units affordable to households earning between 30% and 60% AMI
- City covenant recorded on the property for 60 years





# Action Requested Today

## Approval of the following:

- **#23-0721 – Archdiocesan Housing, Inc.:** New loan agreement for \$2,452,000 in Affordable Housing Funds to provide funding for a new affordable housing development, located at 2595 S. Federal BLVD. in Council District 2 (HOST-202368442)

Questions?