

# OFFICE OF ECONOMIC DEVELOPMENT:

## Park Hill Village West



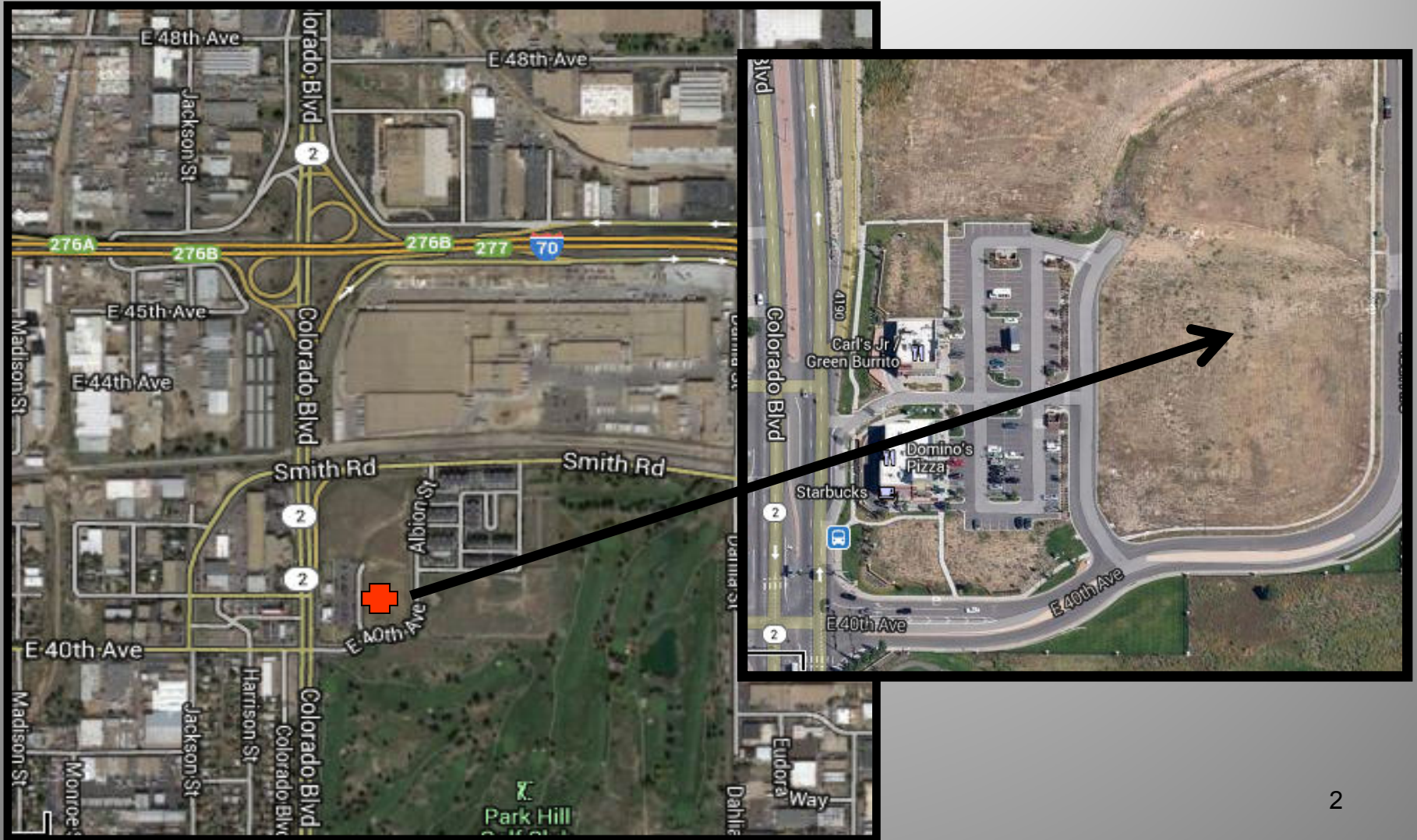
Health, Safety, Education & Services  
May 20, 2014



**DENVER**  
THE MILE HIGH CITY

# Park Hill Community Apartments

4055 Albion (40<sup>th</sup> & Colorado)



# Ordinance Requests

- Approve a \$750,000 loan to PHVW LLLP. for land acquisition and soft costs related to the development of 156 income restricted rental units.
  - Amendment adds an additional \$275,000 to a previous loan of \$475,000
- Approve the issuance and sale of \$18,000,000 of City Multifamily Housing Revenue Bonds for PHVW LLLP. to develop low and middle income rental housing units.

Disclosure Note:

Private Activity Bonds issued by the City are special limited obligations and do not constitute a debt or indebtedness of the City and do not give rise to a charge against the general credit or taxing power of the City. The owner of the project financed with Private Activity Bonds is solely responsible for compliance with the regulations of the tax-exempt bond program and the payment of the principal and interest on the

# Sources of Funds

Sources of Financing	Amount
Federal Housing Administration 221(d)(4) Mortgage Insurance Program	\$14,426,600
Colorado Department of Housing (Neighborhood Stabilization Program)	\$1,150,000
City of Denver (Neighborhood Stabilization Program & Inclusionary Housing Ordinance Program)	\$750,000
Developer Loan	\$1,700,000
Low Income Housing Tax Credit Equity Investment	\$11,700,566
Deferred Developer Fee	\$1,734,310
<b>Total Sources</b>	<b>\$31,461,476</b>

# OED Loan Amendment

- Borrower: PHVW LLLP.
  - Current borrower is Urban Land Conservancy. At closing, ULC will assign the contract to PHVW LLLP.
- Amount: \$750,000
  - Amendment adds an additional \$275,000 to a previous loan of \$475,000
    - Additional funds necessary to address increased interest rates and construction costs
- Sources
  - \$188,243 Neighborhood Stabilization Program (NSP)
  - \$561,757 Inclusionary Housing Ordinance (IHO) Program Fund
- Interest Rate: 1% through September 1, 2016, 3% for the remaining term of the note.
- Payments: Interest only until September 2016. Thereafter, principal and interest payable based on a 40 year amortization subject to Surplus Cash flow.
  - 50% of “Surplus Cash Flow” allocated to repay debts divided between the State of Colorado and City of Denver
  - Note due and payable upon sale of the property or refinance of the priority debt.

# Initial PAB Allocations

January 2014

**\$100 per capita rate x state pop. = Total PAB Cap**

**Colorado was awarded \$ 526,836,700 in 2014**

50% of Cap

## State Authorities

- CHFA
- Colorado Agriculture Development Authority
- CollegenInvest

50% of Cap

## Local Governments

- 49 local governments
- populations exceeding 22,133
- 2014 Denver cap is \$31,730,950

## Statewide Balance

- Remaining or relinquished PAB Cap
- Available to all upon application to DOLA
- September 15<sup>th</sup>, relinquished PAB Cap becomes part of the statewide balance
- December 31<sup>st</sup>, unallocated PAB Cap expires unless distributed to a local authority with the ability to carry forward up to **3 years**

# Private Activity Bonds

## Benefits & Available Cap

- Once a local government is awarded the PAB Cap, the IRS allows the PAB Cap to be carried forward up to 3 calendar years
- There is no cost to the City to receive or carry forward any award of PAB Cap. **The project owner pays DOLA's PAB Cap fee.**
- In 2011, 2012 and 2013 the City applied for and received additional PAB Cap from the unused Statewide balance.

Available PAB CAP						
Year	PAB CAP	Uses	Project	Remaining	Carried Forward	Expiration
2014	\$ 31,730,950			\$ 31,730,950	Allocation for 2014	12/31/2017
2013	\$ 80,000,000			\$ 80,000,000	Additional Allocation	12/31/2016
2013	\$ 29,493,558			\$ 29,493,558	Allocation for 2013	12/31/2016
2012	\$ 50,000,000			\$ 50,000,000	Multifamily (8328)	12/31/2015
2012	\$ 28,771,795	\$ (5,000,000)	MCC Program	\$ 23,771,795	\$5M Single & Multifamily (8328)	12/31/2015
2011	\$ 18,000,000	\$ (18,000,000)	Park Hill Village	\$ -	Multifamily (8328)	12/31/2014
2011	\$ 26,385,875	\$ (25,000,000)	MCC Program	\$ 1,385,875	\$25M Single & Multifamily (8328)	12/31/2014
<b>TOTAL</b>	<b>\$ 264,382,178</b>	<b>\$ (48,000,000)</b>		<b>\$ 216,382,178</b>		
			<u>Induced Projects</u>	<u>Unassigned</u>		
			2300 Welton	\$ (23,000,000)		
			Total Induced	\$ (23,000,000)		
			<b>Total Remaining after Unassigned</b>	<b>\$ 193,382,178</b>		

# Community Benefit

- 156 units
- 100% Affordable Rental
- 50% -60% Area Median Income
  - 64- 1 bedroom
  - 84- 2 bedroom
  - 8- 3 bedroom



Southeast View



Southwest View

- Proximity to Light Rail & High-Frequency Bus Corridors
- Mixed Income Development



# Questions

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