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EXCERPT

# THE HISTORIC TAX CREDIT ISSUE

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# Local Church Brings Affordable Housing to Southeast Colorado Springs, Colorado

**MARK O'MEARA, SENIOR COPY EDITOR, NOVOGRADAC**

The Solid Rock Christian Center sits on a nearly 4.5-acre parcel of land in Southeast Colorado Springs, Colorado. But the local church wasn't using all of its land.

That's about to change.

Now, the Solid Rock Christian Center, the Solid Rock Community Development Corporation, the Commonwealth Development Corporation, and Hunt

Capital Partners are teaming up to build affordable housing on the church's excess land. The Village at Solid Rock Apartments will be adjacent to the 7,000-square-foot Solid Rock Christian Center.

"I've been in the community for 25 years and learned the challenges of this community," said Ben Anderson,

*Image: courtesy of Commonwealth Development Corporation*  
The Village at Solid Rock Apartments is a 77-apartment affordable housing development in Colorado, Springs, Colorado.

executive director of the Solid Rock Community Development Corporation and pastor of the Solid Rock Christian Center. “Initially, we were thinking of building a community garden [on the church’s excess land], but the soil was not conducive to a garden. So, I thought, ‘well, let’s build housing. Housing is a great need of the community.’ I talked to the trustees of the church and they unanimously agreed. ... The Village at Solid Rock Apartments is the first new affordable housing project in 15 years to be built in Southeast Colorado Springs.”

“This is a nontraditional use of church land that would otherwise be sitting vacant,” said Ted Goltzman, vice president of development at Commonwealth Development Corporation, which is the developer of the Village at Solid Rock Apartments. “This is Pastor Ben’s brainchild. Our goal is to bring his vision to life.”

This combination isn’t only occurring in Colorado Springs.

“We are starting to see this trend of religious institutions shifting to use their land to develop affordable housing,” said Juan Galvan, associate, project management at Hunt Capital Partners, which is the federal and state low-income housing tax credit (LIHTC) syndicator for this development. “It’s an interesting intersection. Churches are trying to reimagine how to use their assets.” Galvan has seen this trend throughout Southern California.

The Village at Solid Rock Apartments will include 77 affordable housing apartments and will have set-asides for residents at a variety of income levels: 30%, 40%, 50%, 60% and 80% of the area median income.

“We are bringing to life what affordable housing is meant to be—housing available to incomes across the spectrum,” said Goltzman.

The four-story, low-rise building will use 1.9 acres of the church’s land. It will include 15 one-bedroom, 33 two-bedroom and 29 three-bedroom apartments. All apartments will have in-unit washing machines and dryers. Apartments will also feature a patio or balcony and central air conditioning.

Community amenities include a business center, clubhouse/meeting room, exercise facility, off-street parking, a picnic area and a playground. In addition, Greccio Housing Unlimited will provide supportive services to the residents. Services include eviction prevention, homework club and life skills classes.

The Village at Solid Rock Apartments was accepted by the community early on in the development process.

“There is not a lot of push-back for building affordable housing in this neighborhood,” said Anderson. “We held community meetings for people living in a 2-mile radius of the property—that’s more than 3,000 residents and we only received one complaint not to build the property. ... The city has been behind us as well. The city’s Community Development division has supported us whole heartedly.”

Construction began in July and is expected to be completed in the fall of 2023.

## Financing

Hunt Capital Partners was the syndicator for the federal 4% LIHTCs and state LIHTCs, providing \$8.7 million in federal 4% LIHTC equity through two funds (Hunt Capital Partners Tax Credit Fund 41 and Fund 43) and \$2.9 million in state LIHTC equity through Hunt Capital Partners Tax Credit Fund 41.

The capital stack was rounded out with a \$10.8 million tax-exempt construction loan and a \$7.2 million tax-exempt permanent loan from Pacific Western Bank; a \$750,000 construction to permanent HOME

loan from the city of Colorado Springs; a \$500,000 construction to permanent loan from the Colorado Division of Housing's Housing Trust Fund program; as well as a \$300,000 second mortgage construction to permanent loan from the El Paso County Housing Authority.

"The capital stack included federal and state LIHTCs, a permanent mortgage and three soft loans," said Goltzman. "The fact that the project was completed in this COVID climate—hats off to the entire team. Everyone worked together to get this project done." ♦

## VILLAGE AT SOLID ROCK APARTMENTS

### FINANCING

- ♦ \$10.8 million tax-exempt construction loan from Pacific Western Bank
- ♦ \$8.7 million in federal 4% low-income housing tax credit (LIHTC) equity from Hunt Capital Partners
- ♦ \$7.2 million tax-exempt permanent loan from Pacific Western Bank
- ♦ \$2.9 million in Colorado state LIHTC equity from Hunt Capital Partners
- ♦ \$750,000 construction to permanent HOME loan from the city of Colorado Springs
- ♦ \$500,000 construction to permanent loan from the Colorado Division of Housing's Housing Trust Fund program
- ♦ \$300,000 second mortgage construction to permanent loan from El Paso County Housing Authority

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