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This Letter of Interest presents Related Affordable, LLC's ("RA", the "Applicant") request for Private Activity Bonds that will be used to execute a 4% low-income housing tax credit ("LIHTC") acquisition, renovation, and preservation of Dawson Square (the "Project"), a 36-unit 100% project-based Section 8 elderly designated apartment community located in Denver, Colorado. RA, in partnership with Maiker Housing Partners, plans to acquire and meaningfully renovate the Project, while extending affordability restrictions for the maximum allowable term. The Applicant is currently the non-member manager of the Project with all control rights, and is prepared to move forward with the recapitalization as soon as viable. Prior to closing, the Applicant will form a new special purpose entity designed to acquire and renovate the Project.

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### **Applicant Experience**

The Related Companies, L.P. ("TRCLP") was founded in 1972 and is currently one of the largest owners of affordable multifamily apartment complexes in the country. In addition to becoming one of the largest owners of affordable multifamily apartment complexes in the country, it has significantly expanded its platform. Today, Related owns and operates a premier portfolio of high quality assets valued at over \$30 billion. With offices in New York, Chicago, Dallas, Los Angeles, Miami, San Francisco, Abu Dhabi, São Paulo and Shanghai, Related manages an operating portfolio that includes luxury residential, affordable and workforce apartments, commercial, retail and mixed-use developments. Related's senior management team averages more than 20 years of experience in the industry and over 14 years with Related. The Related team's experience and the company's vast capital resources enable the firm to quickly and expertly execute on the most challenging and complex development and financing opportunities around the globe.

Related Affordable, LLC was created in 2013 as an expansion of Related Apartment Preservation, LLC which was formed in 2002 – both wholly owned subsidiaries of The Related Companies, L.P. ("TRCLP"). As its name implies, Related Affordable was formed with the express purpose of growing TRCLP's affordable housing development business by acquiring, recapitalizing, rehabilitating, and preserving existing low and moderate-income properties around the country.

Related Affordable specializes in combining the various tools of affordable housing preservation and multifamily finance to redevelop and preserve affordable housing in areas where market-rate housing pressures threaten existing low and moderate-income housing options. Related Affordable takes great pride in working with federal, state, and local agencies to ensure it is leveraging all possible resources – both public and private – in order to provide the highest quality housing to its residents. Related Affordable excels in designing win-win solutions in extremely complicated transactions involving various financing, subsidy, and contractual arrangements. Leveraging TRCLP's 30+ years of experience in affordable housing development, finance, and management, Related Affordable is especially well positioned to acquire and preserve affordable properties around the country, meeting the needs of existing and future residents as well as the needs of the larger communities in which the properties are located.

Related Affordable has extensive experience redeveloping, financing, and managing:

- Section 8 / 236 properties
- Section 42 LIHTC (4% & 9%) properties
- Tax-exempt bond financed properties

To date, Related Affordable has purchased over 110 affordable housing properties consisting of more than 16,000 units, with a total development value in excess of \$2.4 billion. Related Affordable presently oversees a portfolio of approximately 280 properties, including over 43,000 units.

Specifically, in Colorado, Related Affordable has been an active investor since 2018 and currently controls 17 properties, one of which was successfully acquired and preserved using 4% LIHTCs and tax-exempt bonds. This transaction, preserved an elderly high-rise building in Arvada, CO as affordable housing, and significantly improved the living conditions for the existing residents while extending the affordability commitments for another 35 years. We are proposing to use a similar financial structure here, to complete a meaningful renovation, that will improve the living

conditions, aesthetics, accessibility, and building systems for current residents, prospective residents, and the greater community.

**Project Summary**

Dawson Square is a 36-unit affordable family designated apartment complex located in the city of Thornton at 8710 Dawson St. The Project was originally built in 1982 and now and requires meaningful upgrades to continue to effectively serve its resident base. The community is made up four two and three story buildings that aggregate 20 two-bedroom units and 16 three-bedroom units that are home to approximately 104 residents. The Project is currently encumbered by a Section 8 Use Agreement and existing tax-credit LIHTC Land Use Restriction Agreement (“LURA”) from the last comprehensive project renovation in 2003. Upon the proposed recapitalization, the project’s Section 8 agreement will be extended for 20 years and a new LURA will be put in place for at least 30 years. Furthermore, the Project’s new LURA will require that 100% of units be made affordable to families earning 60% or less than the area-median income. The new LURA would extend to 2056, ensuring that the Project remains a resource to the community for decades to come.

The proposed renovation includes comprehensive upgrades to the Project’s units, common spaces, systems, exterior and amenities. The total renovation budget is anticipated to be approximately \$3.6M or \$100,500 per unit.

Planned unit improvements include upgraded cabinets and countertops, stainless steel appliances, dishwashers, tubs and surrounds, vanities, exhaust fans, bathroom accessories, toilets, lighting, doors, vinyl flooring, paint, window blinds, accessibility upgrades, and a new pendant call system. Systems upgrades include new high efficiency boilers and boiler holding tanks, secured access security features. Exterior upgrades include new roofs, gutters, windows, PTAC sleeves, siding/ trim, and upgraded lighting. Lastly, anticipated site improvements include replacement of property signage, pedestal mailboxes, general landscaping upgrades, and parking lot/ concrete upgrades. The planned upgrades will be fully compliant with CHFA’s Energy Efficiency and Sustainability Requirements. A full preliminary scope of work and budget is included as Exhibit A.

The rehabilitation will allow the Project’s family population, many of whom live paycheck to paycheck, to maintain a stable and dignified quality of life. As housing costs continue to rise across the Denver metropolitan area, the percentage of cost-burdened renters in the region has risen significantly in recent years. As evidenced by Dawson Square’s prospective resident waitlist, the Project meets a critical need within the community. Its preservation aligns with the stated goals of Adams County Community Needs Assessment as well as the City’s 2025-2029 Consolidated Plan, which specifically mentions the need for more HUD funding. Improving the existing HUD housing stock could not align more with these goals.

**Financing Plan & Private Activity Bond Request Summary**

The rehabilitation will be financed with tax-exempt bonds and equity from the sale of Low-Income Housing Tax Credits allocated by CHFA. In order to secure the necessary PAB volume cap needed to enact the LIHTC rehabilitation, the Applicant has reached out several recipients of PAB in an effort to garner support. Below is a summary of anticipated sources of PAB based on ongoing conversations with the various allocating agencies. The bond request will consist of applications to Adams County, Fort Collins, Weld County, Larimer County, Fort Collins, The CO Department of Local Affairs, and CHFA’s Top off program. Each award, be it a full award or partial award, will be aggregated to achieve the necessary of \$12,000,000 of bonds in order to fund the project.

Private Activity Bond Request Summary	
Allocating Body	PAB Request
Fort Collins	11,184,752
CHFA Top Off Program	815,248
Total	12,000,000

Permanent Sources & Uses			
Source	%	Permanent	Per Unit
Tax Exempt Bond Loan	53%	\$12,000,000	\$333,333
Taxable Loan	3%	\$678,000	\$18,833
4 % Tax Credit Equity	34%	\$7,730,000	\$214,772
Deferred Developer Fee	6%	\$1,435,000	\$39,816
Income During Construction	4%	\$1,000,000	\$27,777
<b>Total Sources</b>	<b>100%</b>	<b>\$22,843,000</b>	<b>\$634,528</b>
Use	%	Total	Per Unit
Acquisition	66%	\$15,000,000	\$416,667
Construction	16%	\$3,618,000	\$100,500
Soft Costs	7%	\$1,685,000	\$46,806
Financing Costs	2%	\$550,000	\$15,278
Reserves & Contingency	2%	\$500,000	\$13,889
Developer Fee	7%	\$1,490,000	\$41,389
<b>Total Development Costs</b>	<b>100%</b>	<b>\$22,843,000</b>	<b>\$634,528</b>

Projected Timeline	
Milestone	Date
Aggregate PAB Awards	5/1/2025
Maiker Housing Partners Statewide Balance Application	6/1/2025
Submit CHFA LIHTC / Top Off Application	8/1/2025
LIHTC Closing	1/1/2026
Renovations Begin	2/1/2026
Renovations Complete	1/1/2027
Stabilization	4/1/2027
Form 8609	7/1/2027

#### Development Team Contact Information

Development Team Member	Name	Email Address	Phone Number
Bond Counsel	Jon Peterson	<a href="mailto:jpeterson@winthrop.com">jpeterson@winthrop.com</a>	(612) 604-6736
Project Developer	Nicholas Boehm	<a href="mailto:nboehm@related.com">nboehm@related.com</a>	(617)399-9573
Project Developer	Patrick Barry	<a href="mailto:pbarry@related.com">pbarry@related.com</a>	(617) 399-9534
Project Developer	Ean Dubrowsky	<a href="mailto:edubrowsky@related.com">edubrowsky@related.com</a>	(973) 464-3129

**Exhibits**

Exhibit A - Scope of Work and Preliminary Budget

Exhibit B - Statement from bond council that project is eligible for Private Activity Bonds

Exhibit C - Certificate of Good Standing from the Secretary of State's office (N/A SPE to be formed)