



Program Related Investment Low-interest Loan to CASA of the 7th Judicial District

Investment Opportunity

CASA of the 7th Judicial District purchase of building to be used as office headquarters with leasable office space for partner agencies and a resource center designed by and for youth in foster care in Montrose, CO.

Loan Terms

\$100,000 loan at 2% interest over 10 years

Results

The program-related investment resulted in:

- CASA's ability to show lower debt/equity ratio on purchase which resulted in better interest rate from traditional lenders
- Approximately \$70,000 savings for CASA in interest over the life of the mortgage
- CASA securing a building which will allow the organization to enhance services, create a resource center for struggling youth and build a strong coalition of community partners
- AJL being able to award principal received back into the nonprofit community, allowing the funds to impact more Colorado youth and families in need beyond a one-time grant award

"The \$100,000 loan from AJL Foundation saved CASA in the neighborhood of \$70,000 if we were to take the entire 10 years to pay off the \$100,000 loan. While that is significant in and of itself, the AJL Foundations willingness to make the loan allowed us to show a lower debt/equity ratio on the purchase, to the primary funder, which got us a slightly better interest rate for the remainder being financed by USDA funds. It is our hope to pay off the \$100,000 loan to AJL in the next 12 to 18 months; this will reduce our long term monthly payment to just under \$2800/month (We are currently paying \$3,200/month and that would be increasing to \$4200/month by mid-November). The space and opportunity in the new building has allowed us to create a Youth Access Center (The YAC) for struggling youth and strategic partnerships with other youth oriented non-profits. We have 3 offices in the building that can be sub-leased which should provide an additional \$1350/month in revenue. The YAC currently has lease commitments from Peer Kindness, an anti bullying non-profit working in local schools; and the Suicide Prevention Coalition. Juvenile Parole has also expressed an interest in moving in to the building. In summary, the purchase has been a great opportunity for CASA to enhance services, create a resource center for struggling youth, and build a strong coalition of community partners (all while saving a ton of money!)." – Carlton Mason, Executive Director, CASA of the 7th Judicial District

Additional questions related to the details of this PRI or inquiries about potential PRIs should be directed to Kristi Petrie, Executive Director, AJL Foundation at 720-308-4431 or kpetrie@ajlfoundation.org.