Project Name: Alameda View Apartments (f/k/a “High Line Canal Apartments”)
Project Address: 15510 E. Alameda Parkway, Aurora, CO 80017

Project Description:
Gardner Capital Development Colorado, LLC along with its development team is excited to present this 4% LIHTC and State LIHTC funding application to CHFA for Alameda View Apartments located in the Centretech neighborhood in southeast Aurora—an area that has not had an LIHTC development since 2007. This community will consist of a two “linked” new four-story, elevator-served buildings containing 116 one, two and three bedroom units for families earning a mix of 30%, 50%, and 60% of the AMI. The slab-on-grade double-loaded building design includes attractive brick veneer and fiber cement siding with private balconies offering views of either the Front Range to the west or the DeLaney Community Farm open space to the east.

In addition to very strong support from DeLaney (an affiliate of Denver Urban Gardens), we are formalizing a partnership for them to expand their programming for Alameda View Apartment residents and the larger community. Delaney’s mission is to “provide access to healthy, locally produced food for people of all economic levels through community food security programs.” We have allocated approximately 500 square feet of flex space on site that will be used as programming space for community presentations, agricultural demonstrations, healthy eating classes, and children’s gardening. This partnership will greatly benefit both the development and DeLaney Community Farms as their office is located in downtown Aurora, while the actual farm is adjacent to the site.
Alameda View Apartments represents a unique opportunity to provide much needed quality, safe, affordable housing to a low to middle income neighborhood in which many households work in the military, healthcare, retail, service and industrial blue collar occupations. Incomes in the area generally range from $20,000 to $65,000, with the project targeting households generally earning between $16,000 and $47,000. There are ten existing LIHTC projects containing 964 units in the Primary Market Area (“PMA”). However, seven of the ten are deeply-subsidized and receive project-based rental assistance and, therefore, will not compete directly with Alameda View Apartments. Of the remaining three, two are senior projects with 203 units. The PMA is projected to gain 277 renter households annually and according to the Market Analyst, Alameda View Apartments is the only proposed LIHTC projects in the PMA.

To further illustrate the need for affordable housing within the PMA, the **overall capture rate for the project is 5.6%** which includes 0.4% for the 30% units, 3.3% for the 50% units, and 9.9% for the 60% units. The Market Study also shows 100% occupancy for LIHTC units along with significant waitlists. The overall occupancy in the PMA, including market rate units, is 96.7%.

In addition to providing housing for an underserved population, this site will offer distinctive locational amenities that will enhance the quality of life for the future resident families.

The site is also located on the High Line Canal Trail. This community amenity runs 71 miles between Aurora and Roxborough State Park and offers access to a variety of recreational activities.

Public schools are within 2.5 miles from the site. RTD provides bus service for the site with the nearest bus stop at South Chambers Road and Alameda Avenue, a 0.1 mile walk. Residents at Alameda View Apartments can ride buses from this location to Montbello. The buses run every 15 minutes, from 5:30 am to 12:30 am, seven days a week. The one-way fare is $2.25 for all riders and $1.10 for senior citizens. Furthermore, upon completion in 2016, RTD will provide light rail service to the subject’s PMA. The 10.5-mile I-225 rail line, or R Line, will provide north-south access in Aurora along Interstate-225 and provide connections to the East and Southeast lines. The Aurora Metro Center station, approximately 0.6 miles west of the subject, will be the nearest stop. Riders will be able to ride to destinations throughout the Denver area, including Downtown and Denver International Airport, along with suburban destinations in Jefferson County.
Aurora’s City Center Urban Renewal Areas I & II run just west of the site. This area includes the Aurora Municipal Center, 0.3 miles from the site, the Arapahoe County Administrative Office, the Aurora City Center Place retail center, the refurbishment of the Town Center at Aurora (formerly the Aurora Mall), and Alameda Avenue Streetscape Improvements. The Planning & Development staff at the City of Aurora are in “full support of the proposed High Line Canal [Alameda View] Multi-Family use” and further state that “the project will help in implementing one of the goals outlined in the 2015-2019 Consolidated Community Development Plan, which is to ‘maintain and improve the existing supply of affordable housing to meet the needs of low and moderate income residents’.”

An example of recent investments in the area include the Anschutz Medical Campus and Fitzsimons Life Science District, which is currently experiencing substantial redevelopment and expansion. The related redevelopment involves a $5.2 billion transformation of a square-mile area of the campus near the intersection of Interstate 225 and Colfax Avenue, which employs more than 21,000, is the home of the University of Colorado Anschutz Medical Campus, the University of Colorado Hospital, Children’s Hospital Colorado and a U.S. Department of Veterans Affairs Hospital that is under construction, as well as several other centers for healthcare, biomedical research and workforce development.

Location Maps:
The Following is a Regional Map showing the Alameda View Apartments Site in Aurora:
The Following is a Preliminary Market Area Map Showing the Alameda View Apartments Site:
The Following is a Location Map Showing the Alameda View Apartments Site:
Project Support:

The development of Alameda View Apartments has garnered significant support from local stakeholders including DeLaney Community Farm, the Aurora Community Development Division, The City of Aurora Planning & Development Division, Colorado State Senator Morgan Carroll, and Colorado State Representative Su Ryden.

_The partnership between DeLaney Community Farm and Gardner Capital would provide the High Line Canal [Alameda View] Apartment residences the opportunity to cultivate and foster healthy lifestyle choices ad relationships within the community. One notable aspect of the partnership is the proximity to the farm and the proposed apartments; the farm staff would use community space at the apartments and bring vibrant and exciting programming directly to those residents._

-Heather DeLong, Director, DeLaney Community Farm

_I was pleased to hear about your efforts to incorporate innovative partnerships with DeLaney Farms and local groups like Denver Urban Gardens to help provide these families the quality-of-life opportunities that all of our citizens deserve._

-State Representative Su Ryden

Unit Mix & Amenities:

Alameda View Apartments will provide 116 energy efficient one, two and three bedroom units for families earning a mix of 30%, 50%, and 60% of the AMI. A total of 10% of the units will be restricted to 30% and 50% of the AMI, thereby providing a much needed opportunity for very-low and low income families. This deep affordability will leverage the limited LIHTC funding to create not only a high quality housing opportunity, but will help catalyze the Centretech Neighborhood development in general.

According to the Market Study, the underwritten LIHTC rent levels are achievable in the market and offer a weighted average discount to achievable market rate rents of 24%.
The overall unit mix information is included in the following table:

| Type | Unit # | AMI  | Ave. Sq. Ft. | Gross Rent | Net Rent | % of Mix | Achievable Mkt Rent | Discount to Mkt |
|------|--------|------|--------------|------------|----------|----------|---------------------|----------------|               |
| 1BR  | 2      | 30%  | 600          | $450       | $379     | 2%       | $1,205             | 63%            |
| 1BR  | 1      | 50%  | 600          | $750       | $679     | 1%       | $1,205             | 38%            |
| 1BR  | 17     | 60%  | 600          | $883       | $812     | 15%      | $1,205             | 27%            |
| 2BR  | 2      | 30%  | 850          | $540       | $445     | 2%       | $1,275             | 58%            |
| 2BR  | 3      | 50%  | 850          | $900       | $805     | 3%       | $1,275             | 29%            |
| 2BR  | 55     | 60%  | 850          | $1,060     | $965     | 47%      | $1,275             | 17%            |
| 3BR  | 2      | 30%  | 1,250        | $623       | $503     | 2%       | $1,675             | 63%            |
| 3BR  | 3      | 50%  | 1,250        | $1,038     | $918     | 2%       | $1,675             | 38%            |
| 3BR  | 32     | 60%  | 1,250        | $1,223     | $1,103   | 28%      | $1,675             | 27%            |
| Totals: | 116   |      | 108,000      |            |          | 100%     |                    | 24%            |

While the bedroom sizes are slightly smaller to comparable LIHTC properties in the PMA, the new construction will generally offer superior amenities. **In-unit amenities** will include:

<table>
<thead>
<tr>
<th>Alameda View</th>
<th>Amenity</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>Energy Star Appliances</td>
</tr>
<tr>
<td>X</td>
<td>Garbage Disposal</td>
</tr>
<tr>
<td>X</td>
<td>Dishwasher</td>
</tr>
<tr>
<td>X</td>
<td>Washer/Dryer</td>
</tr>
<tr>
<td>X</td>
<td>Blinds</td>
</tr>
<tr>
<td>X</td>
<td>Air Conditioning</td>
</tr>
<tr>
<td>X</td>
<td>Carpet</td>
</tr>
<tr>
<td>X</td>
<td>High Speed Internet Hook-Ups</td>
</tr>
<tr>
<td>X</td>
<td>High Speed Cable Hook-Ups</td>
</tr>
</tbody>
</table>
Common property amenities will include:

<table>
<thead>
<tr>
<th>Property Amenities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alameda View</td>
</tr>
<tr>
<td>X</td>
</tr>
<tr>
<td>X</td>
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<tr>
<td>X</td>
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<td>X</td>
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<tr>
<td>X</td>
</tr>
</tbody>
</table>

Population Served:

All of the 116 units in Alameda View Apartments will be restricted to very-low and low income households. The major employers in the Denver MSA are in the government, healthcare and education sectors. According to the Market Analyst, most market area residents have military, healthcare, service and/or retail occupations. Many work at Buckley Air Force Base, Denver International Airport and central Aurora. The closest major employment centers to the site include Walmart, ADT Call Center and the Town Center at Aurora, all of which offer service and retail occupations within one mile of the site.

Location/Neighborhood Description:

Alameda View Apartments will be located at the corner of East Alameda Parkway and Alameda Drive in the Centretech Neighborhood of Aurora. The site is 0.3 miles east of the Aurora Municipal Center. This area is a low to middle income, mixed residential and commercial community that was largely developed during the 1980s and 1990s. The subject's immediate neighborhood includes commercial, residential and vacant land uses. Most nearby single-family homes are ranch and custom structures that were built between the 1970s and 1990s, and are well maintained.

The subject is in the Aurora Public School District. Children living at Alameda View Apartments going to public school will attend the Peoria Elementary School, East Middle School and William Smith High School. The elementary school is 2.5 miles northwest of the site, the middle school is 1.7 miles north and the high school is 1.2 miles northeast. Busing is available to all schools. The Community College of Aurora is 0.6 miles north of the site.

According to the Market Analyst, Alameda View Apartments will have a walk score of 56, which is 47% better than Aurora’s overall score of 36, and is 6% higher than the overall average some of 53 for the comparable projects in the PMA. The site’s transit score is 52, which is 49% better.
than Aurora’s overall score of 35, and is 18% higher than the overall score of 44 for the comparable projects in the PMA. The scores for Alameda View Apartments will improve with the completion of the light rail station in 2016.

The site is within 2.5 miles to many locational amenities, most of which are described below:

<table>
<thead>
<tr>
<th>Amenity</th>
<th>Distance from Site</th>
</tr>
</thead>
<tbody>
<tr>
<td>King Soopers (Grocery Store)</td>
<td>1.0 miles</td>
</tr>
<tr>
<td>City Center Marketplace (Shopping Center)</td>
<td>0.1 miles</td>
</tr>
<tr>
<td>Walmart Super Center</td>
<td>1.1 miles</td>
</tr>
<tr>
<td>Town Center at Aurora (Shopping Center)</td>
<td>0.9 miles</td>
</tr>
<tr>
<td>Peoria Elementary School</td>
<td>2.5 miles</td>
</tr>
<tr>
<td>East Middle School</td>
<td>1.7 miles</td>
</tr>
<tr>
<td>William Smith High School</td>
<td>1.2 miles</td>
</tr>
<tr>
<td>Community College of Aurora</td>
<td>0.6 miles</td>
</tr>
<tr>
<td>RTD Bus Stop</td>
<td>0.1 miles</td>
</tr>
<tr>
<td>R-Line Light Rail Stop</td>
<td>0.6 miles</td>
</tr>
<tr>
<td>First Step Infant &amp; Toddler Center</td>
<td>0.2 miles</td>
</tr>
<tr>
<td>Aurora Public Library</td>
<td>0.4 miles</td>
</tr>
<tr>
<td>Aurora Municipal Center (Government Services)</td>
<td>0.3 miles</td>
</tr>
<tr>
<td>Medical Center of Aurora (Hospital)</td>
<td>2.0 miles</td>
</tr>
<tr>
<td>Aurora Outpatient Clinic (Medical Facility)</td>
<td>1.6 miles</td>
</tr>
<tr>
<td>DeLaney Community Farms (Open Space)</td>
<td>0.1 miles</td>
</tr>
<tr>
<td>High Line Canal Trail</td>
<td>adjacent</td>
</tr>
<tr>
<td>Beek Recreation Center</td>
<td>2.1 miles</td>
</tr>
</tbody>
</table>

Alameda View Apartments will have 33 covered parking spaces and 85 surface spaces, for a total of 118 spaces, or 1.03 per unit.

Covered parking will be situated among an attached, ground floor garage, along with a detached garage structure at the southern portion of the site. According to the Market Study, Surveyed comparables lease carports for $15 to $30 per month, attached garages for $90 to $130 and detached garages for $20 to $110. Alameda View Apartments will not charge for covered parking, which will be available to tenants on a first-come-first serve basis.

**Construction Description:**

The Alameda View building design is focused on creating a strong connection between residents and the surrounding amenities. The architecture draws on the forms of industrial agrarian vernacular and industrial small town centers prominent in the area. The project uses
materials such as masonry, clapboard siding and forms drawn from grain silo and cupolas. The intent of the architecture is to create a contextual aesthetic that connects with the surrounding community.

Alameda View Apartments will consist of two “linked” four-story, double-loaded, elevator-served, slab-on-grade building with a mixed brick and cementuous exterior. The roof will be flat and the façade will use the blend of brick textures and traditional siding elements to create an inviting residential atmosphere. The development team has been working closely with the City of Aurora to design an attractive and appropriate building that will greatly enhance the neighborhood aesthetic. There will be a total of 118 parking spaces on site for residents, which is consistent with the SIR zoning for the City of Aurora.

There will also be access on site to the High Line Canal Trail, at the southeastern corner. The landscaping is designed to elevate the already existing open space represented by DeLaney Community Farm to the east. There is an existing bridge crossing the Highline Canal that connects the trail system to the city sidewalks along Alameda Parkway. The residential circulation through the site will also connect to the trail system at the bridge location, creating a connection independent of the city sidewalks.

**Energy Efficiency/Green Build Description:**

Alameda View Apartments will meet all mandatory requirements of Enterprise Green Communities, plus has goals of achieving 40% interior water savings and 20% annual energy cost savings. Tenants will benefit from the lower water and energy use through lower utility bills. We anticipate over 50% construction waste recycling, and will be implementing surface storm water management. Tenants will also have excellent access to public transportation with seven bus lines within a quarter mile of the site. The design of the project will include low VOC materials and environmentally preferable flooring, and will by solar ready for future installation of photovoltaics. Construction will further specify regional materials for concrete and drywall.
Financing Description:

Alameda View Apartments will be financed with equity from the sale of federal 4% LIHTC, Colorado State LIHTC, permanent mortgage proceeds, City of Aurora HOME funds, Colorado Division of Housing funds, and a GP note. Below is a sources and uses chart:

<table>
<thead>
<tr>
<th>Sources</th>
<th>Amount</th>
<th>% of Stack</th>
<th>Uses</th>
<th>Amount</th>
<th>% of Stack</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal LIHTC Equity</td>
<td>$12,971,146</td>
<td>43%</td>
<td>Land Acquisition</td>
<td>$753,500</td>
<td>2%</td>
</tr>
<tr>
<td>State LIHTC Equity</td>
<td>$2,824,605</td>
<td>9%</td>
<td>Hard Costs</td>
<td>$22,226,867</td>
<td>74%</td>
</tr>
<tr>
<td>Permanent Mortgage</td>
<td>$10,700,000</td>
<td>35%</td>
<td>Local Development/Permitting</td>
<td>$1,636,469</td>
<td>5%</td>
</tr>
<tr>
<td>City HOME Funds</td>
<td>$975,000</td>
<td>3%</td>
<td>Financing (Perm)</td>
<td>$559,500</td>
<td>2%</td>
</tr>
<tr>
<td>State DOH Funds</td>
<td>$800,000</td>
<td>3%</td>
<td>Reserves</td>
<td>$665,067</td>
<td>2%</td>
</tr>
<tr>
<td>GP Note</td>
<td>$500,000</td>
<td>2%</td>
<td>Developer Fee</td>
<td>$3,050,000</td>
<td>10%</td>
</tr>
<tr>
<td>Deferred Developer Fee</td>
<td>$1,449,437</td>
<td>5%</td>
<td>Other Soft Costs</td>
<td>$1,328,845</td>
<td>4%</td>
</tr>
<tr>
<td>Total</td>
<td>$30,220,248</td>
<td>100%</td>
<td></td>
<td>$30,220,248</td>
<td>100%</td>
</tr>
</tbody>
</table>

Construction financing will be bridged by proceeds from the sale of private activity bonds in the approximate amount of $22,500,000. The total development costs are approximately $260,500 per unit. The deferred developer fee represents approximately 48% of the total fee and is paid back by the end of year 11 (assuming current underwriting trending and lease-up operations prior to perm loan service).

The bond financing structure includes the following:

- Total amount of bonds: approximately $22,500,000 paid down to $10,700,000.
- We are seeking a CHFA conduit bond issue only.
- Lender and bond sale structure will be private placement.
- 100% of the bonds will be tax exempt.

Summary of Strengths:

- Alameda View Apartments will supply much needed high quality affordable housing in a PMA that has not had an LIHTC allocation since 2007
- Income targeting of low & very low AMI families
- Very low capture rates with an overall capture rate of 5.6%
- Robust community stakeholder support
- Partnership with DeLaney Community Farm
- Great location next to needed amenities and services
- Close (0.6 miles, which is just over the 0.5 mile designation for the guiding principles) from the planned light rail station (the R-Line) that will be completed in 2016
Guiding Principles:

1. Guiding principles met in Section 2 of the Qualified Allocation Plan (QAP):

   - **To support rental housing projects serving the lowest income tenants over the longest period of time.** All of the units planned for Alameda Apartments will be restricted to very low and low-income households with 100% of the units restricted to 60% of the AMI. A total of 10% of the units will be restricted to 30% and 50% of the AMI, thereby providing a much needed opportunity for very-low and low income families in the PMA. Furthermore, we have elected to commit Alameda View Apartments to a 15-year compliance period plus an additional 25 years.

   - **To provide for a distribution of housing credits across the state.** Alameda View Apartments is located in the Centretech Neighborhood of Aurora, which has not had an allocation of housing credits since 2007.

   - **To provide opportunities to a variety of qualified sponsors of affordable housing.** The sponsor for the successful development of Alameda View Apartments, Gardner Capital Development, is a national mission-based for-profit developer and investor in affordable housing. Gardner Capital, a sister company, is a syndicator of both federal and state tax credits and is actively investing in not only developments of affordable housing in Colorado, but also investments in the tax credits.

   - **To distribute housing credits to assist in a diversity of populations in need of affordable housing.** Alameda View Apartments will provide a much needed housing opportunity for very-low and low-income families in a PMA that has not received a tax credit allocation since 2007.

   - **To provide opportunities for affordable housing within a half-mile walk distance of public transportation such as bus, rail, and light rail.** RTD provides bus service for the site with the nearest bus stop at South Chambers Road and Alameda Avenue, a 0.1 mile walk.
- **To support new construction of affordable rental housing projects.** Alameda View Apartments will provide high-quality new construction of affordable rental housing.

- **To reserve only the amount of credit that CHFA determines to be necessary for the financial feasibility of a project and its viability as a qualified low income housing project throughout the credit period.** Particular to the Colorado State Credit, Gardner Capital Development is not only deferring developer fee, but also putting a General Partner note on the property to help the financing. We are able to only ask for $771,750 in annual State Credits, or $6,653 in annual State Credits per unit.

- **For all State Credit applications, projects using 4% Federal Credits rather than 9% Federal Credits will be a priority.**

- **For all State Credit applications, new construction projects will be a priority.**

2. Describe how the project meets the criteria for approval in Section 2 of the QAP:

- **Market conditions:**

  The LIHTC market in the PMA is showing 100% occupancy with wait lists. The Market Analyst has indicated a **very low overall capture rate for the project at 5.6%** which includes 0.4% for the 30% units, 3.3% for the 50% units, and 9.9% for the 60% units. Furthermore, there has not been an allocation of housing credits in the Centretech Neighborhood since 2007, and according to the Market Analyst, Alameda View Apartments is the only proposed LIHTC project in the PMA. The projected renter household population is going to increase 277 households annually. All of this data points to the extremely high demand in the PMA for safe, quality, affordable housing.

  Our underwritten rents at 30%, 50%, and 60% levels are determined achievable by the market analyst, and the underwritten rents show a weighted average discount to achievable market rents of 24% (ranging from 17% to 63% in discount). Our underwritten 60% rents are discounted 2.0% from the maximum.

- **Readiness-to-proceed:**

  **Site Control:** Gardner Capital Development executed a letter of intent to purchase the property with the existing owner in August 2015 and will close on the land regardless on February 28, 2016.
**Zoning:** The site is currently zoned Sustainable Infill Redevelopment, which allows for multi-family use. The Planning & Development staff are in “full support of the proposed High Line Canal [Alameda View] Multi-Family use” and further state that “the project will help in implementing one of the goals outlined in the 2015-2019 Consolidated Community Development Plan, which is to ‘maintain and improve the existing supply of affordable housing to meet the needs of low and moderate income residents’.”

**Environmental:** Gardner Capital Development commissioned Fred Corn & Associates to perform a Phase I Environmental Site Assessment (“ESA”) for the site, the effective date of which is March 26, 2015. This Phase I ESA discovered no Recognized Environmental Conditions on the site, but did find records of a dry cleaning facility(ies) up-grade from the site.

As a result of this information, we commissioned a limited Phase II ESA through Terracon Environmental, the effective date of which is April 30, 2015. This Phase II ESA tested ground water and soils on the site for possible contaminants. The study did not find any recognized environmental conditions. Therefore, we are comfortable with the environmental conditions at the site going forward.

**Schematic Drawings:** Sprocket Design Build, the project architect, has provided a current site plan, schematic drawings, floor plans, and elevations for Alameda View Apartments.

**Cost Estimates:** Pinkard Construction, the anticipated project general contractor, has provided both summary and details for the hard cost estimates on Alameda View Apartments. This estimate is dated January 22, 2016.

- **Overall financial feasibility and viability:**

Development of any kind in Aurora can be expensive due to their exacting quality standards and extensive development/permitting fees. However, Alameda View Apartments is financially feasible if awarded an allocation of 4% and State LIHTC. In addition federal LIHTC equity, we are assuming a reasonable permanent mortgage through Citi Community Capital that is underwritten to a 1.15 DSCR and trends to 1.34, cash flow notes including a Colorado Division of Housing loan, and a City of Aurora HOME fund loan. In addition to deferring 48% of the developer fee, Gardner Capital Development is also providing a soft General Partner note. RBC Capital, the equity syndicator and the consultant, RCH Jones have run the project through their tax credit financial models. This extensive up-front underwriting has shown that as conceived, there are minimal risk points. Finally, we are able to only ask for $771,750 in annual State Credits, or $6,653 in annual State Credits per unit.
Experience and track record of the development and management team:

Gardner Capital Development: The 50-member team at Gardner includes experienced real estate developers, construction management professionals, analysts, accountants, attorneys as well as investment management and due diligence managers. This important business segment provides all the necessary support from the very early stages of a development to construction completion and stabilization. Gardner strives to support the communities in which they operate by working closely with the local officials to ensure all goals are met. In addition the organization teams up with local and national housing organizations to study and sponsor legislation geared at improving and streamlining tax credit programs. As of December 31, 2015, Gardner has developed 38 LIHTC projects, consisting of over 1,509 units.

Scott Puffer: As the Senior Vice President of Development, Scott Puffer joined Gardner Capital from his previous position of Vice President for The Michaels Organization. Mr. Puffer has experience with a broad range of housing including senior, affordable, supportive, and for sale products. In addition, he has led master planning efforts for large-scale communities. Mr. Puffer is a graduate of John Carroll University with a Masters of Real Estate Development from Clemson University.

Ross Management Group: Ross Management Group will provide property management services for the property. Formed in 1986, they specialize in management of affordable, market rate, and service-oriented housing communities. They have deep experience with managing Colorado LIHTC properties and are well-versed in all types of compliance issues.

Sprocket Design Build: Serving as the project architect and cost estimator, Sprocket is one of a very few, vertically integrated firms in the country, whose work encompasses all phases of project planning and execution. Since inception, Sprocket has designed and/or built over 165 projects tackling various urban and suburban land-use problems of various scales. Project types range from restaurant, retail, and office to multi-family projects. In addition to Gardner, Sprocket is also currently working with Metro West Metro West Housing Solutions.

Pinkard Construction: In the past 53 years, Pinkard has constructed over 70 multi-family projects, including more than 4,300 units of HUD housing totaling over 3.5 million square feet. 15 of these HUD projects included Low Income Housing Tax Credits financing. Pinkard is a three-time winner of the ABC Rocky Mountain Chapter’s Contractor of the Year and the Construction Financial Management Association’s Contractor of the Year. Pinkard has also been

**RCH Jones Consulting:** As president of RCH Jones Consulting, Ryan Hibbard Jones has been in the affordable housing industry since 2003—first as a project manager for various affordable housing developments across the US (including three years as a lead project manager for Boulder Housing Partners in Colorado) and then as a senior underwriter for two LIHTC equity syndication firms where he closed over $130 million in LIHTC equity across the nation. In addition to serving on the CHFA Tax Credit Advisory Group, Ryan has closed four LIHTC projects in Colorado and has underwritten dozens more. He received an MBA from the University of Colorado focusing on real estate finance and development in 2008.

- **Cost reasonableness:**

  The project costs for Alameda View Apartments reflect the most current in hard cost information, and realistic underwriting in order to dial in certain soft costs (i.e. construction period interest). Construction costs in Colorado have been going up, by most accounts, by ½ a percent, monthly. In order to account for this volatile commodities and labor market, we have obtained up-to-date cost estimates and have included a 5.0% hard cost contingency (approximately half in the GC contract and half with the owner). Considering the exacting design requirements within the City of Aurora along with the high development fee and permitting costs, we believe we have been efficient with our underwriting.

- **Proximity to existing tax credit developments:**

  There are ten existing LIHTC projects containing 964 units in the Primary Market Area (“PMA”). However, seven of the ten are deeply-subsidized and receive project-based rental assistance and, therefore, will not compete directly with Alameda View Apartments. Of the remaining three, two are senior projects with 203 units. The PMA is projected to gain 277 renter households annually and according to the Market Analyst, Alameda View Apartments is the only proposed LIHTC projects in the PMA. According to the Market study, Alameda View Apartments is the only proposed LIHTC project in the PMA.

- **Site suitability:**

  The site offers great visibility along East Alameda Parkway, and in addition to being adjacent to a bus stop, it is only 0.6 miles from the proposed Light Rail Station (the R-Line) to be built in 2016. The site is also within 2.5 miles of most
locational amenities and is very close to schools. Finally, with direct access to the High Line Canal Trail and the DeLaney Community Farm Open Space, there are several opportunities for recreation.

3. Deviations from any underwriting guidelines in the QAP:

Not applicable.

4. Any issues raised by the market analyst in the market study:

None stated in the Analysis.

5. Address any issues raised in the environmental report(s) submitted with your application, including how the issues will be mitigated, if applicable:

Gardner Capital Development commissioned Fred Corn & Associates to perform a Phase I Environmental Site Assessment (“ESA”) for the site, the effective date of which is March 26, 2015. This Phase I ESA discovered no Recognized Environmental Conditions on the site, but did find records of a dry cleaning facility(ies) up-grade from the site.

As a result of this information, we commissioned a limited Phase II ESA through Terracon Environmental, the effective date of which is April 30, 2015. This Phase II ESA tested ground water and soils on the site for possible contaminants. The study did not find any recognized environmental conditions. Therefore, we are comfortable with the environmental conditions at the site going forward.

6. In your own words, describe the outreach to the community that you have done and describe and demonstrate local support for the project (including financial support):

The development of Alameda View Apartments has garnered significant support from local stakeholders including DeLaney Community Farms, the Aurora Community Development Division, the City of Aurora Planning & Development Division, Colorado State Senator Morgan Carroll, and Colorado State Representative Su Ryden. While the site itself is not designated as an urban renewal area (though literally boarders one) the Planning & Development staff at the City of Aurora are in “full support of the proposed High Line Canal [Alameda View] Multi-Family use” and further state that “the project will help in implementing one of the goals outlined in the 2015-2019 Consolidated Community Development Plan, which is to ‘maintain and improve the existing supply of affordable housing to meet the needs of low and moderate income residents’.”

Because the site was initially zoned for office use, with the re-zoning process that was completed in July of 2015 we reached out to area registered neighbors. One
representative from a local HOA was at first opposed to the idea of developing affordable housing. After meeting with this representative, she supported both the development of affordable housing and Gardner Capital and attended a City Council hearing to voice her support.

For the State Credit application, we published a legal notice of our required public meeting that was held on January 27, 2016 at the Aurora Municipal Center. The attendance list and minutes from this meeting are included with this application submission.

7. **For acquisition/rehab or rehab projects, provide a detailed narrative that describes the rehab plan and tenant relocation plan (if applicable); addresses the 10-year rule; capital expenditures over the past two years; previous related party relationships; past local, state, or federal resources invested in the project; obvious design flaws; obsolescence issues; safety issues; and any significant events that have led to the current need for rehabilitation (i.e., fire, nature disaster).**

   Not applicable (new construction).

8. **Additional information:**

   We are providing the following documentation to support this narrative:

   - Support letter from the City of Aurora Community Development Division dated April 15, 2015 (Dated before the re-zoning to SIR).
   - Support letter from Colorado State Representative Su Ryden dated April 29, 2015
   - Support letter from Colorado State Senator Morgan Carroll dated May 1, 2015
   - Support letter from DeLaney Community Farm dated April 24, 2015
The AMICK Building Residences
1029 Santa Fe Street
Denver, Colorado 80204

January 29, 2016

Project Narrative

Introduction

The AMICK Building Residences (“Project”) is designed to be an affordable rental housing project which will house low and moderate income families. Eight units (14% of the Project) will be reserved for very low income families who earn less than 30% of the Adjusted Area Median Income (“AMI”). In addition, fifty units will be reserved for families that earn less than 60% of the AMI as defined by the Low Income Housing Tax Credit Program (“LIHTC”). The Denver Housing Authority (“DHA”) will provide eight HUD Section 8 project-based vouchers and facilitate the property tax exemption. The primary financing will be tax exempt bonds issued by CHFA and subordinate financing will be provided by NEWSED, the Colorado Division of Housing (“CDOH”), and the City and County of Denver (“City”). The Project is expected to start construction in June of 2016 and will be ready for occupancy in June of 2017.

Project Description and Amenities

The Project will be a new 58-unit development constructed on a 31,674 s.f. Site located along the west side of Santa Fe Street in the Lincoln Park Neighborhood, approximately four blocks south of Colfax Avenue. The northern part of this neighborhood has seen very little development over the past 20 years other than the Colorado Ballet Building located adjacent to the Site. The Site plan includes an existing three-story structure that will be rehabilitated to create 24 units and 33 storage units. A new four story building will be constructed adjacent to the existing building that will contain 34 units, a 3,222 s.f. community center, and 36 surface parking spaces. The two buildings will be connected via a covered skyway. The Site is located in a Qualified Census Tract and is zoned CMS-5 which allows a four-story multi-family housing development. All utilities are available to the site.

The 65,634 s.f. buildings will include 42 one-bedroom units and 16 two-bedroom units. Each unit will be equipped with a complete kitchen and bathroom and there will be washers and dryers in each unit. The Project will include three fully handicapped accessible units and both buildings will be accessible for handicapped persons. The community center will contain the management office, art gallery, recreational space, and space available for group gatherings, educational classes, and family events.

The unit mix of the project reflects the findings cited in the market analysis. Many of the two-bedroom units will have two baths which greatly expands their marketability to a wide range of families.
Many of the units will have a balcony or a patio. These unit amenities have been consistently found to be the most desirable by families residing in the four other family LIHTC projects in Denver owned and managed by the Burgwyn Company. All four projects have extensive waiting lists.

**Exhibit One: Occupancy by Income and Unit Type**

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>30%*AMI</th>
<th>40%*AMI</th>
<th>50%*AMI</th>
<th>60%*AMI</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>One Bedroom</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>37</td>
<td>42</td>
</tr>
<tr>
<td>Two Bedroom</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>13</td>
<td>16</td>
</tr>
<tr>
<td>Total</td>
<td>8</td>
<td>0</td>
<td>0</td>
<td>50</td>
<td>58</td>
</tr>
<tr>
<td>Percent</td>
<td>14%</td>
<td>0%</td>
<td>0%</td>
<td>86%</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Project Location**

The Site is rectilinear in shape and is situated along Santa Fe Street, a very busy street with excellent visibility and a major bus line. Vehicle access to the Site will be from the alley. Upon Project completion, resident access to the project will be from Santa Fe Street. The property is not located within a 100- or a 500- year floodplain.

The site is located adjacent to the Santa Fe Arts District, and within easy walking distance to the recreational facilities (i.e. playgrounds, recreation center, swimming pool, etc.) located within Lincoln Park. Greenlee Elementary and West High School are located within several blocks, as is the Byers Library. On the corner of Santa Fe and 14th (about 3 blocks away) is a King Soopers. Retail shopping is available along Santa Fe and Colfax Avenue.

**Type of Construction**

The general contractor, Pinkard Construction Company, has prepared a detailed cost estimate based on the architectural drawings. The estimate amounts to $10,109,568 which is about $150/sf. Pinkard will also develop a Section 3 plan that will include opportunities for WBE/MBE firms.

The existing building is a concrete frame structure with a partial basement that was constructed during the 1920s. The City, State, and Federal historic preservation agencies have approved the partial demolition of the existing building. The new four-story building will be wood frame with a single traction elevator that will serve both buildings. The exterior siding material will be stucco and Hardie plank and a thermo-plastic roof with R20 insulation will be installed. The building will be heated and cooled with electric heat pumps. A central gas-fired boiler will provide domestic hot water and both buildings will be fire-sprinkled.

**Energy Efficiency and Green Building Features**

The Project will be compliant with all of the mandatory Enterprise Green Communities criteria and many of the optional criteria to achieve a score of 44 points. In addition to being a smoke free building, optional criteria include reduced energy consumption due to the use of Energy Star appliances, windows, and lighting as well as low flow toilets, shower heads, and faucets. Storm water will be detained on the Site and there will be a dedicated waste recycling program. The Project has qualified for
the Xcel Design Assist program which measures the sustainability and the energy efficiency of the
design. Xcel has calculated the gas and electric consumption of the building and established the electric
utility allowances at $30 per month for a one bedroom unit and $42/month for a two bedroom unit. The
Owner is expected to receive a $25,000 payment from Xcel in recognition of its high level of
sustainability.

1. Bond Financing Structure
The construction period financing will amount to $9,992,000 and these tax-exempt, short-term
bonds issued by CHFA will be funded by the Bank of America on a private placement basis. The tax-
exempt permanent bonds will amount to $8,300,000 and will be funded on a private placement basis by
FreddieMac.

2. Guiding Principles
The Project meets the CHFA guiding principles for the selection of projects to receive an award
of credits by providing housing in a QCT and is located within a half-mile walk distance of public
transportation.

3. Housing Priorities for State Credits
The Project will provide 58 new affordable units using the 4% Federal Tax Credits. A letter of
interest to provide secondary financing has been received from the City and DHA is expected to become
a part of the ownership entity, thus qualifying the Project for property tax exemption.

4. Approval Criteria
   a. Market Conditions

   The market analysis prepared by Integra Realty Resources concluded that the proposed Project
will be one of a very small number of new multi-family developments in central section of the metro
area and the only new affordable multi-family development currently slated for its Primary Market Area
("PMA") in 2016. Its location, close to Downtown Denver is good, and there is ample bus transportation
to the Site. The Project also benefits from its close proximity the 10th and Osage light rail line and the
Auraria campus and its light rail station which is less than one-half mile away.

   Based on the findings of the market analysis, the unit mix and the unit sizes of the proposed
development are well-positioned for its market. The units are in line with, or slightly larger than, the
other comparable developments in the market. Future demand for the LIHTC units will increase in the
PMA due the extremely low vacancy rate. Community amenities are a strength of the subject property
and are typically more generous than competing properties. The market analysis revealed an average
capture rate of 9.6% which is below the CHFA threshold of 25%. It is worth noting that the four Burgwyn
Company family LIHTC projects in Denver County are 100% occupied with long wait lists for the 50% and
60% AMI units. The existing LIHTC projects in the market area all reported vacancy rates of 1% or less
with long waiting lists of households desiring one and two bedroom units.

   In summary the market study concluded that:
   • There should be no changes to the project.
   • The proposed rents provide a good value to potential residents and the project should
     reach stabilized occupancy within three months at a rate of 15 units per month.
• The presence of two-bedroom/two-bath units will be a competitive advantage for the subject property since many affordable multi-family developments often incorporate only one bath in two-bedroom floor plans, which is the case with most of the comparable properties.

• The “green” (i.e. environmentally friendly and/or environmentally sustainable) concepts and initiatives incorporated into the final development plan for the Project will help the marketability of the Project.

b. Readiness to Proceed

DHA has agreed to enter into an agreement for a Housing Assistance Payments Contract (“AHAP”) for eight units. DHA is also expected to join the ownership entity and the Secondary Loan Funds have been solicited from the City and CDOH. The Project has debt and equity commitments in place. The Site plan has been submitted to the Denver Planning Office for approval. Design Development drawings and specifications have been completed and the final architectural plans will be submitted to the Denver Building Department in March of 2016 with a building permit expected in June of 2016. Construction will commence in June and the Project will be completed in June of 2017. The Mile High Community Loan Fund and Funding Partners have originated $450,000 pre-development loans.

NEWSED, a member of the Ownership entity, currently owns the Site and will carryback a $859,000 note to partially off-set the acquisition cost.

c. Overall Financial Feasibility and Viability

The Project is expected to cost $16,198,981 or $279,293 per unit as illustrated in Exhibit Two.

Exhibit Two: Uses of Funds

<table>
<thead>
<tr>
<th>Project Costs</th>
<th>Amount</th>
<th>Per Unit</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demolition</td>
<td>$241,417</td>
<td>$4,162</td>
<td>1%</td>
</tr>
<tr>
<td>Site Improvements</td>
<td>$721,555</td>
<td>$12,440</td>
<td>4%</td>
</tr>
<tr>
<td>Construction, FFE, and Permits</td>
<td>$9,902,074</td>
<td>$170,725</td>
<td>61%</td>
</tr>
<tr>
<td>Professional Fees</td>
<td>$767,200</td>
<td>$13,227</td>
<td>5%</td>
</tr>
<tr>
<td>Construction Interim Costs</td>
<td>$607,474</td>
<td>$10,473</td>
<td>4%</td>
</tr>
<tr>
<td>Permanent Finance/Syndication</td>
<td>$199,976</td>
<td>$3,448</td>
<td>1%</td>
</tr>
<tr>
<td>Soft Costs/Relocation</td>
<td>$403,758</td>
<td>$6,961</td>
<td>2%</td>
</tr>
<tr>
<td>Operating Reserves</td>
<td>$191,527</td>
<td>$3,302</td>
<td>1%</td>
</tr>
<tr>
<td>Development Fee</td>
<td>$1,580,000</td>
<td>$27,241</td>
<td>10%</td>
</tr>
<tr>
<td>Property Acquisition Costs</td>
<td>$1,584,000</td>
<td>$27,310</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$16,198,981</td>
<td>$279,293</td>
<td>100%</td>
</tr>
</tbody>
</table>

The primary funding will be 35 year permanent loan from Freddie Mac arranged by Bellwether Enterprise Real Estate Capital amounting to $4,800,000. The construction period financing amounting to
$9,992,000 will be provided by the Bank of America. The Project owners expect to receive funding from the City of Denver amounting to $680,000. CHIF funds amounting to $580,000 will be provided by the State Division of Housing. RBC Capital has agreed to purchase the Federal and State Low Income Housing Tax Credits for $8,804,981. The Xcel energy conservation payment will amount to $25,000. The developer will defer $450,000 of its fee (28%) to balance the sources and uses of funds. The Denver Housing Authority will be a member of the ownership entity, therefore enabling the Project to qualify for property tax exemption.

Exhibit Three: Sources of Funds

<table>
<thead>
<tr>
<th>Funding</th>
<th>Amount</th>
<th>Per Unit</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perm. Loan</td>
<td>$4,800,000</td>
<td>$82,758</td>
<td>30%</td>
</tr>
<tr>
<td>State CHIF Loan</td>
<td>$580,000</td>
<td>$10,000</td>
<td>4%</td>
</tr>
<tr>
<td>NEWSED Loan</td>
<td>$859,000</td>
<td>$14,810</td>
<td>5%</td>
</tr>
<tr>
<td>City Funding</td>
<td>$680,000</td>
<td>$11,724</td>
<td>4%</td>
</tr>
<tr>
<td>LIHTC/STC Limited Partner</td>
<td>$8,804,981</td>
<td>$151,982</td>
<td>54%</td>
</tr>
<tr>
<td>Deferred Dev. Fee Note</td>
<td>$450,000</td>
<td>$7,758</td>
<td>3%</td>
</tr>
<tr>
<td>Xcel Conservation Payment</td>
<td>25,000</td>
<td>$431</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$16,198,981</strong></td>
<td><strong>$279,293</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

To achieve a high level of financial viability, the permanent mortgage has been sized based on a seven percent vacancy rate and 1.17 debt service coverage on all hard debt (including the interest only payment of $18,226/yr. on the City Loan). The DHA has agreed to provide a 15 year contract for eight HUD Section 8 project based vouchers and the current Fair Market Rents have been used in the revenue calculations for those units.

d. Development Team Experience

The general partner entity will include NEWSED (25%) and Burgwyn/Johnston (75%). The Development Team will include NEWSED and Burgwyn So-Oli Developers, LLC as the Developer, Shopworks Architecture as the architect, and Pinkard Construction Company as the general contractor.

The Burgwyn Company has a long track record as a developer and manager of affordable and special needs housing in the Rocky Mountain Region. During the last fourteen years, TBC has served as the developer on 21 rental housing developments which total 1,600 units of which 1,300 are affordable including 700 HUD Section 8 units. A subsidiary of the Burgwyn Company serves as property manager for many of these projects in Denver. The total cost of these projects is approximately $250 million. The finance plans for these projects have included the use of LIHTC, private activity bonds, HOME loans, HOPE Six grants, and Federal Home Loan Bank grants. Mr. Burgwyn will serve as developer and general partner in the ownership entity for the Project.
So-Oli, Inc.

Douglas F. “Rick” Johnston, President So-Oli, Inc. Mr. Johnston has served as a developer, adviser, and investment banker in the area of affordable housing for 25 years. He has completed $20 billion in financings as an investment banker, including over $1 billion for affordable rental housing. In July 2000 he started his own business, So-Oli Affordable Housing to build, acquire, rehabilitate, and preserve affordable housing projects in targeted states in the U.S. Since starting his own business in 2000, he has acquired and rehabbed 1380 units of rental housing. Mr. Johnston is a partner with Mr. Burgwyn in the Residences at University Hills, a 101 unit affordable, mixed-income development in Denver that recently completed lease-up and the 114 unit Ruby Hill Residences project that is under construction. Mr. Johnston will serve as developer and general partner in the ownership entity for the Project.

NEWSED CDC, Inc. (NEWSED) is a community development organization that has served the neighborhoods of West Denver for four decades. Since it’s inception in the 1970s, NEWSED has had a major impact on the development of retail, the growth of small business, the availability of housing, and the promotion of cultural events in its primary neighborhood and throughout the Denver Metropolitan area. NEWSED has development approximately 100,000 square feet of retail/commercial real estate, including two shopping centers, and has produced more than 300 units of affordable housing including the La Villa de Barela and Palico Inca projects. NEWSED was a joint venture partner with the Burgwyn Company in the development of the Chaffee Park and Shoshone Senior Residences projects.

Pinkard Construction Company was founded in 1962 and remains today a family and employ owned general contractor. The firm has completed 44 affordable housing projects including mostly recently Benedict Park Place, Willow Glen, and the Hirschfeld Towers Rehabilitation.

Shopworks Architecture was formed by Chad Holtzinger in 2012. The primary focus of the firm is urban infill development with a particular interest in affordable housing, transit oriented and mixed use development and community oriented projects. While at OZ Architecture, Mr. Holtzinger designed several projects for the Burgwyn Company including the Chaffee Park Senior Residences, Clay Street Residences, and the Residences at University Hills.

Burgwyn Residential Management Services LLC, a Colorado limited liability company, commenced operations in June of 2012, to serve as a property management company serving market rate and affordable housing projects in the Denver Metro Area owned by The Burgwyn Company. BRMS is a full-service management company that currently manages eight properties in the Denver Metropolitan area which total 506 units. Underlying management philosophy is a strong commitment to resident satisfaction, efficient project operation, financial controls with an emphasis on cash management, and clear communication channels between management staff and project.

e. Cost Reasonableness

The Project is expected to cost approximately $279,293 per unit which is substantially less the amount allowed under the Method Three Basis Limits test ($327,788). The Federal LIHTC allocation requested ($590,527) amounts to $10,199 per LIHTC unit for 58 LIHTC units and the State LIHTC request of $681,195 amounts to $11,745 per unit.

f. Proximity to Existing Tax Credit Developments
There are thirteen family oriented LIHTC projects in the PMA containing 584 units and one 77 unit project under construction. The 77 unit Mariposa Redevelopment IV will be completed in 2015 is the most recent addition to the LIHTC project inventory.

g. Site Suitability

The Property is located along Santa Fe Street, which serves as a major north-south arterial into the Central section of the City of Denver. The market analyst gave the Project an above average walk score of 86 and described the area as very walkable. The bike score was 95 and the transit score was 70. There are commercial districts located along Colfax and Santa Fe with a grocery store located three blocks from the Site (King Soopers). The Lincoln Park Municipal Park which includes a large children’s play area is located three blocks south of the Site. The City has invested heavily to upgrade the park facilities for children by constructing the La Alma Recreation Center.

Greenlee Elementary School, West High School, and Denver Center for International Studies (which is a magnet middle school located at Sixth and Fox Street) are all within a one-mile radius of the subject Site. The Property is also within one half mile of the 10th and Osage and Auraria light rail stations. In addition to access to the current light rail lines, several bus lines serve the Project, thus providing excellent public transportation. Denver RTD bus route 1 and 9 which stops one block from the Project travels along Santa Fe Street. This bus line provides local service throughout the surrounding neighborhood and provides connection service to several other bus lines that can be used to access Denver Health Medical Center at Eight and Bannock.

4. Justification for Underwriting Criteria Waivers

a. Operating Expenses

The Project operating expenses at $4,416 per unit per annum are over the CHFA minimum of $3,900. No waivers of the CHFA underwriting criteria are necessary.

5. Issues Raised by the Market Study

The subject property’s parking ratio appears low. However, this is offset by the high number of one bedroom units at the subject, the proximity to the light rail lines and bus line, and 14% of the units at the 30% of AMI levels where some of the households will not have a vehicle.

6. Issues Raised by the Environmental Reports

The windows on the Santa Fe Street facade will have an enhanced level of sound protection to offset the traffic noise generated by Santa Fe Street.

7. Outreach Efforts and Local Financial Support

Meetings have been held with representatives of the Lincoln Neighborhood Associations to discuss the site plan, building design, and proposed occupancy over the last six months. A recorded public hearing was held on January 28, 2016 and the results are included herein. The City is considering a $680,000 Loan for the Project that will be used to cover a portion of the Site acquisition cost. The City has provided a statement that the proposed project meets community housing needs.
Project Name: **Aria Senior & Family Apartments**

Project Address: **Senior:** 2876 West 53rd Avenue, Denver CO 80221  
**Family:** 5274 Decatur Street, Denver CO 80221

The Narrative provides an opportunity for the applicant to describe the characteristics the project (See Section I. Below) and why the applicant believes it should be selected above others for an award of credit (See Section II. Below). The applicant should document the project’s strengths and to address its weaknesses (See Section III. Below). It must include a description of the project as proposed; detailed type of construction (See Section IV. Below); population being served (See Section V. Below); bedroom mix (See Section VI. Below); location (See Section VII. Below); amenities (See Section VIII. Below); services, if provided (See Section IX. Below); description of energy efficiencies (See Section X. Below); type of financing (See Section XI. Below); local, state, and federal subsidies; etc (See Section XII. Below).

I. Project Characteristics:

Aria Senior & Family Apartments is a proposed 135-unit two building apartment complex located at 2876 West 53rd Avenue and 5274 Decatur Street in Denver CO. The development will include 65 Family units and 70 Senior units. The Aria Senior & Family Apartments will include studio, one and two-bedroom units and will be rented to individuals and families earning a maximum income of 30% to 60% AMI. 18 of the Units will be set aside to provide housing for seniors with incomes of 30% AMI or less. The Apartments have been designed to meet and exceed Enterprise Green Communities Standards and will be following Xcel Energy Design Assistance and LEED-NC Programs. Some green measures include highly insulated facades, low-e double pane windows, low VOC paint, energy efficient appliances (Energy Star Rated), water conserving fixtures and native vegetation landscaping with a low-impact storm water quality and detention system. If the 4% LIHTC allocation is approved, the Aria Senior & Family Apartments will be developed by Perry Rose, the Denver office of Jonathan Rose Companies, one of the nation’s most innovative and sustainable affordable housing developers. CHFA will provide construction and permanent financing and Enterprise Community Investment, Inc. will purchase both the Federal LIHTC Equity and the State of Colorado housing Tax Credit Equity. Aria Senior & Family Apartments has been awarded 18 DHA Housing Choice Vouchers and proposes to utilize these vouchers to serve seniors who have incomes of 30% AMI or less.
The Aria Senior & Family Apartments sites are part of Phase 3 of the large-scale community redevelopment of the Marycrest Convent Campus and the neighborhood surrounding 52nd and Federal Blvd. in Denver. This innovative redevelopment, now called Aria Denver is in the Chaffee Park Neighborhood (Census Tract 2.01) and is in a NSP 2 Target Area. In 2012, Denver City Council designated the Aria site as an Urban Renewal District. In addition, the City’s commitment to the revitalization of this neighborhood is demonstrated by the fact that the Denver Office of Economic Development awarded the Aria master planned community a $5,000,000 dollar NSP2 TIF loan through the Denver Urban Renewal Authority to complete the infrastructure of the first phase of the development. In addition, local support for the project is demonstrated by the fact that the Aria and Chaffee Park neighborhood have been designated as one of two “Sustainable Neighborhoods” in a pilot program being implemented by the Mayor’s Office of Sustainability. Phase 1 of Aria Denver was completed in 2013 and consists of the 72 unit Aria Apartments (1 and 2 Bedroom Family LIHTC Units) and 13 Townhomes. Plans for Phase 2 of Aria Denver, have been submitted for building permit and scheduled for construction in June of 2016. Phase 2 is planned to consist of 13 for-sale townhomes and 28 condominiums (co-housing) (see the Master Phasing Plan included with Location Maps). The Aria Senior & Family Apartments will be Phase 3 of the Aria Denver Development and will be designed, developed, constructed, leased and managed by an experienced team that successfully developed, leased and managed the Aria Apartments in 2013 and other previous LIHTC Projects in Denver.

Aria Denver is a centrally located mixed-use community. Aria is located on a 17-acre infill site that was the former Marycrest School and Convent of the Sisters of Saint Francis. The place making design and diversity of the Aria neighborhood reflects the heritage of the site and the Sisters commitment to social and environmental stewardship and community building. In this tradition, Aria Denver focuses on opportunities for a healthy, active, life-long learning style of living. The community is across the street from Regis University, 4 blocks from I-70, 8 blocks from a new Gold Line Station on Federal Boulevard opening in 2016 and just 10 minutes from downtown. The convenient location is one example of Aria’s environmental responsibility and will reduce transportation cost and promote the use of alternative forms of transportation. These factors will make Aria a comprehensive multimodal community. In addition, these features will allow Aria Senior & Family Apartments to increase the quality of life for low-income seniors and families by providing the opportunity to reduce the residents’ housing, transportation, food and health costs. Research has shown that reducing each of these costs could save each family as much as $2,000 to $6,000 per year. These savings can make the difference between a family having enough disposable income so they do not have to make the choice of paying rent, paying for utilities, buying groceries or purchasing needed medication.

Aria Denver is also distinguished by its diversity of housing types, and its commitment to the principles of healthy living. At full build out the neighborhood will consist of approximately 400 housing units, linked by pedestrian friendly streets, open spaces and approximately 30,000 square feet of neighborhood serving commercial shops and services. A Purchase and Sale Agreement has been executed between Marycrest Land and a local commercial developer to purchase the commercial site. The housing types will consist of townhomes, condominiums, co-housing, market rate and affordable apartments, as well as senior independent living rentals. The first “pocket neighborhood” in Denver will be developed as part of this community where smaller and more affordable, ranch-style townhomes will be built around a central green space. 14 of the for-sale units in the pocket neighborhood will be set aside to meet Aria Denver’s Inclusionary Housing Ordinance (IHO) requirement and the 135 Aria Senior & Family units are
designated as Moderately Priced Dwelling Units (MPDU) as a part of the Aria Denver Affordable Housing Plan (AHP). The commercial area at the corner of Federal and 52nd is planned to include a health related retail, and perhaps a small fresh food store, a coffee shop, a green dry cleaner and neighborhood restaurants. The open space will have community gardens that will provide healthy homegrown produce to the Aria Senior & Family Apartments residents. In addition, a portion of the open space will be dedicated to be a model fresh food urban production garden that will provide locally grown produce to the caterer for the Regis Campus, to a farm stand that will sell the produce on a pay as you can basis to low-income residents (classes in healthy, local food preparation will also be offered). The production garden was completed in 2015. Therefore, fresh locally grown produce will be available to Aria Senior & Family Apartments residents as soon as the apartments open.

Another one of Aria’s primary assets is that living in this community will allow the residents to cultivate their interests and to be part of a connected community. Aria Denver will provide a replicable model of environmentally, socially, and economically responsible community development—one that creates a diverse, tight knit community with a sense of place, that increases residents’ well-being and contributes to the overall redevelopment, health and vitality of the surrounding Chaffee Park/Regis Neighborhood. Aria Denver draws from the site’s rich past, while envisioning the future of what communities can be—connected, inspiring, affordable, diverse, healthy places that use resources efficiently and creatively. Aria Senior & Family Apartments provide low and moderate-income seniors and families the opportunity to live in this exciting, mixed-income health oriented new infill community.

In July of 2014, a partnership of Regis University Perry Rose, Urban Ventures and the Chaffee Park neighborhood were awarded a $1 million grant from the Colorado Health Foundation to fund the “Cultivate Health Initiative” (CHI). This grant is designed to improve conditions in the Chaffee Park neighborhood, which is currently designated a “health care and food desert” and will directly benefit Aria Senior & Family Apartments’ residents. The goal of Cultivate Health is to support the wellness of residents in a multi-generational, mixed-income, mixed-use, pedestrian friendly community by promoting active lifestyles, access to healthy food and serving as a community learning laboratory for the future. CHI has developed a one-acre production farm on the Aria Site to provide healthy, locally grown food to neighborhood residents. CHI will also include: 52nd and Federal intersection improvements, sidewalk, landscape, pedestrian lighting and way-finding signage improvements along 52nd Avenue connecting Aria to: Regis on the West, Zuni Park on the East and Beach Court Elementary School on the South. In addition, CHI will provide ADA and Adult Fitness Zones in the Aria Denver community park 100 feet from Aria Senior & Family Apartments and adjacent to the Marycrest Assisted Living Facility. Adult Fitness equipment will also be located at Zuni Park at 52nd Avenue and Zuni. Finally, CHI will provide bicycles, bicycle racks, community gardens, permaculture gardens, and local fresh food cooking classes at Beach Court Elementary School. The character of the Aria community and the interaction among Aria Senior & Family Apartments’ residents and the rest of the Aria Cultivate Health Initiative programs and partners are designed to engage the senior and family residents in a more vitally active, holistic life style that will improve their overall wellbeing and their physical and mental health.

II. Why Project Should Be Selected Above Others:

The Aria Senior & Family Apartments Project should be selected above other projects for the following reasons:
1. **Aria Senior and Family Apartments** are part of a mixed-use, mixed income community and will produce more jobs, sales and property tax revenues than stand-alone affordable housing projects. For example, Highland Garden Village, one of Perry Rose’s mixed-use project produced over 270 permanent jobs and increased sales and property tax revenues of over $500,000 per year from surrounding neighborhoods above the TIF revenue generated by the HGV Urban Renewal District. Aria Denver and its Senior and family Apartments will generate the same type of job and tax growth and will exceed the benefits of other LIHTC projects in the 2016 4% LIHTC Round.

2. **Planned Community, Not “stand-alone” Apartment Building**: Aria Senior & Family Apartments is a critical component of a comprehensive planned community redevelopment strategy for the Chaffee Park/Regis Neighborhoods. It is not a one of a kind singular affordable apartment building. The singular apartment building applications will have less impact on the surrounding neighborhood and will leverage less public and private resources than projects that are part of a planned community. The Aria Senior & Family Apartments will help to create an integrated community with over 400 housing units and 30,000 square feet of commercial space, leveraging over $44 million of other public and private investment.

3. LIHTC allocation approval of Aria Senior & Family Apartments in 2016 and construction in 2017 is absolutely critical to meeting the schedule for generating the TIF revenues required by the Aria Denver redevelopment agreement and maintaining the momentum for the entire $85 million Urban Renewal project. If Aria Senior & Family Apartments are not approved in 2016 the success of the Aria Denver will be significantly set back. Because Aria Senior & Family Apartments LIHTC allocation applications were not approved in 2014 and 2015, TIF collections in the Urban Renewal District are 2 years behind. Approval of the Aria Senior & Family Apartments will act as the catalyst for the development of Aria Denver’s phase 3, just as the Aria Apartments were the catalyst for Phase 1. Aria Senior & Family Apartments will create increased private investment with additional construction and permanent jobs and long-term neighborhood revitalization. This revitalization effort will improve both physical conditions throughout the Chaffee Park/Regis Neighborhoods and will also significantly contribute to the health and well-being of residents of the community ranging from seniors to families with elementary school children. Recently, the Federal Corridor (from 52nd Avenue to 72nd Avenue) was selected by the Urban Land Institute as a case study for the creation of healthy urban corridors. Aria Denver is a key node in this corridor and its momentum needs to be maintained if the corridor is to continue to revitalize. If Aria Denver languishes, other nodes in the corridor will have more difficulty in succeeding. Thus Aria Senior & Family Apartments should be selected above all other projects in this corridor.

4. **Aria Senior & Family Apartments** applied for and received a conditional commitment from DHA for 18 Housing Choice Project Based Section 8 Vouchers. We will dedicate these vouchers to seniors with incomes under 30% AMI and this will allow the project to serve very low income seniors who may have only Social Security to live on.

5. **Aria Senior & Family Apartments** seeks to implement and is consistent with the Mayor’s 2015 Denver Housing Plan. Aria Senior & Family Apartments ranks high in meeting the housing priorities included in “Housing Denver: A five year plan – 2015-2019” and should be one of
Denver’s top ranked LIHTC projects. These priorities include: “Priority 5: Increase Housing Diversity. Aria is a diverse mixed-use, mixed-income neighborhood including for-sale units market rate units, affordable units; Priority 6: Preserve Workforce and Critical Needs Housing. Aria Senior and Family Apartments provides housing for workforce families earning 60% AMI and critical need seniors earning from 30% to 60% AMI; and Priority 8: Encourage Sustainable Housing Development. Like their predecessor Aria Apartments (designated LEED Platinum) Aria Senior and Family Apartments are designed to meet the highest standards of sustainability including utilizing solar energy.”

6. **Strong, Experienced Development Team:** Aria will be developed, financed, built and leased by the same successful experienced team that completed the Phase 1 Aria Apartments and that developed the Trocadero and Cottage Hill Apartments. The Development Team of Perry Rose, OZ Architecture, Palace Construction and Rose Companies Management have completed 3 other LIHTC projects in Denver and have worked together for over 15 years. In addition, Jonathan Rose Companies (JRCo - the parent company of Perry Rose) is one of the nation’s leading green developers who pioneered and implemented sustainable development practices in both market rate, affordable housing and commercial space long before green building was in vogue. JRCo has completed over 3600 units of affordable housing in the past 2 decades. (See Developer Qualifications).

7. **Success of the Phase 1 Aria Apartments and Proven Market Demand:** The Aria Senior & Family Apartments Apartment market area has significant unmet demand for affordable housing. The Phase 1 Aria Apartments, a 72 unit mixed-income family apartment project, which received a LIHTC allocation in 2011, was completed on time and on budget, was fully leased in 90 days, and now has a waiting list of over 900 individuals, showing that this market area and this planned community has more unmet demand and a higher probability of filling this demand than other projects. The family component has a capture rate of 11.6%, which is highly attainable in a PMA with an overall vacancy rate of 2%, and multiple properties with wait lists. Although the Capture Rate has been cited as a potential concern for the senior element of the project, the Market Study states, the capture rate is attainable because: aged restricted apartments surveyed in the area are all 100% occupied and have waiting lists with 25 to 65 applicants; senior vacancy rate has remained 0% since 2015, PMA is gaining 72 seniors per year; the subjects proposed amenity package will allow it to match performance of existing Senior LIHTC projects etc. (See pg. 4 & 5 of Senior Market Study). Because the senior element of Aria Senior & Family Apartments is an age restricted (62+), the geographic area that it will serve consists of the Primary Market Area, (PMA) the Metro-Denver Region, the State of Colorado and beyond. The market study found that 45% to 65% of the residents of senior apartments come from outside of the PMA and that low-income seniors are one of the most underserved demographic groups in Colorado today. Colorado’s senior population is projected to grow at approximately 7% per year between now and 2020 (twice the national average).

8. **Significant Leveraging of Private Investment:** Aria Senior & Family Apartments will serve as the next step in catalyzing a total project with an estimated value of approximately $85 Million. Subtracting $15 Million for Phase 1 that is now complete, there is another $70 million of redevelopment to be built on the Aria Denver Site. That is, the $26 Million Aria Senior & Family Apartments LIHTC project will help to create an additional $44 Million of private development for a leverage ratio of approximately 5 to 1 of other private and public investment for the
proposed $8 Million 4% LIHTC allocation. Other than DHA’s proposed redevelopment of
Mariposa, no other LIHTC allocation proposal will create this magnitude of increased private
investment, the economic spin-off of additional construction and permanent jobs and the long-
term neighborhood revitalization that Aria will create.

9. **Strong Support From the City of Denver:** The Aria Senior & Family Apartments and Aria
Denver have strong support from the City of Denver as evidenced by City Council’s approval of
the Marycrest Urban Renewal District (including TIF financing) and the 2011 approval by the
Denver Office of Economic Development of a significant NSP/Skyline Loan to help to fund
infrastructure improvements for Phase 1 of the Aria Denver Project. Denver has also named the
Aria and Chaffee Park neighborhoods one of 2 pilot “Sustainable Neighborhoods” designated by
the Mayor’s Office of Sustainability. In addition, Aria’s 2015 9% LIHTC application was ranked
by the City of Denver as OED’s as the City’s second highest priority project. The only Denver
project that was ranked higher in priority for 9% LIHTC’s was the Colorado Coalition of the
Homeless 2015 project.

10. **Proximity to Transit:** Aria Senior & Family Apartments is located within 2/3rds of a mile of the
proposed 60th and Federal, Gold Line Rail Station.

11. **Healthy Living:** Aria Senior & Family Apartments is part of a community that has an integrated
approach to the health and well-being of its residents. The model Cultivate Health Initiative will
include such services as: a community based production farm, providing locally grown healthy
food, pedestrian way finding and walkability, (See Narrative Section I: Project Characteristics).
Few other projects can demonstrate such a commitment to the improvement of the physical and
mental health of their residents. In addition, these features will allow Aria Senior & Family
Apartments to increase the quality of life for low-income families and seniors by providing the
opportunity to reduce the residents’ housing, transportation, food and health costs.

**III. Strengths and Weaknesses:**

**Strengths:**

1. **Catalytic Project.** Aria Senior & Family Apartments is a catalytic project and is absolutely
necessary to keep the Aria Denver Urban Renewal project on schedule and to continue the
redevelopment of the 17-acre Aria infill site. Without a 4% LIHTC allocation and award of state
tax credits, Aria Senior & Family Apartments, the progress that has been made to revitalize the
site and the whole Chaffee Park/Regis neighborhoods will be setback.

2. **Green Sustainable Model Low-Income Apartment Building.** Aria Senior & Family Apartments
will serve as a model in the affordable housing industry for green building, renewal energy and
LEED Certification. All LIHTC affordable housing projects are required by their lenders to carry
a contingency in the construction budget. If Aria Senior & Family Apartments is built on time
and on budget it will use the contingency to fund a solar array and to pay the final costs for LEED
Certification. When other LIHTC projects have unused contingency, they often use the
contingency to purchase additional amenities or to pay down the permanent loan. Aria Senior &
Family Apartments will demonstrate that enhancing environmentally responsible improvements
is one of the best uses of left over contingency.
3. **Compact, High Density Building Type:** Aria Senior & Family Apartments is a higher density project, reflecting the characteristics of successful high quality urban infill development. The 4 story family building will have 56.5 dwelling units per acre. The 4 story senior building will have 98.6 dwelling units per acre.

4. **Urban Infill Development:** Aria is unique because it provides the opportunity to develop underutilized clean land of the old Marycrest Campus and connect the site to the built-out neighborhoods surrounding it. By building into the existing infrastructure (utilities, roads, sidewalks) it will bring together disconnected neighborhoods and enrich the surrounding properties, schools, and businesses.

5. **Pedestrian Friendly:** Aria Denver will be internally and externally connected with pocket parks, open space networks, sidewalk/streetscape improvements, way-finding signage and enhanced bicycle routes.

6. **Access to Local Healthy Foods, Urban Production Farming and Community Gardening:** Aria’s Cultivate Health Initiative will result in significant healthy local food production for use by community residents, Regis, Chaffee Park and low-income Aria Senior & Family Apartments residents, who will benefit from the “pay only as much as you can afford” neighborhood food stand.

7. **Competitive Project Amenities:** In-unit and common area amenities exceed market standard per the surveyed rental projects in the Primary Market Area (PMA) of the Market Study. (See Market Study Charts).

8. **Large 2 Bedroom Corner Units with amazing views:** West and North facing units will have great views of the Mountains. East and South facing units will have great views of downtown Denver.

**Weaknesses:**

1. **Capture Rate:** The Capture rate for the Aria Senior element of the project is 45.9%, According to the market study analysis, “The subject’s required capture rate is above the 25% threshold, but attainable”. The list of specific reasons that the capture rate is attainable are given on Pages 4 & 5 of the Market Study which concludes: These reasons include: that there is a strong rental market in the PMA, which has an overall vacancy rate of 2% and multiple properties having significant waitlists. Additionally, all of the surveyed age restricted LIHTC properties were 100% occupied, indicating a substantial pent up demand for affordable senior housing. Aria Senior is also the only project in the development pipeline, while also having rents that are less than the gross maximums allowing it to appeal to more income qualified tenants than the number used in the capture rate analysis.

2. **Project Location:** The Market Study states: “that the project is located further from shopping, services and community amenities than most of its competitors. However, this factor will be mitigated by the completion of the Gold Line and the subject’s proximity to it, combined with the build out of the Aria Master planned community.” Also in responding to this weakness, the
Developer contends that it is important to remember that Aria Senior & Family Apartments is a part of a community that will include the possibility of neighborhood serving retail in future phases. Currently, the Commercial site is currently under contract to local Commercial Developer who plans to close on the commercial site in December of 2016 and to start Construction of a neighborhood serving retail center (including restaurants and health related uses in 2017).

3. Community Leadership: Aria Denver sits in between the Regis and Chaffee Park Neighborhoods of northwest Denver County. These neighborhoods lack identity and visibility being north of Interstate 70 and on the border of Denver and Adams County. Consequently, in the past these neighborhoods have been largely ignored by the public funding programs. Chaffee Park has a Registered Neighborhood Organization (RNO) that is currently becoming more active. Since Regis University operates as a University not as a neighborhood, the area has less of a voice and active community leadership to advocate for neighborhood improvements, resources and programs. The new Aria Denver seeks to connect these two communities and form leadership with a shared vision to bring about a stronger overall neighborhood.

4. Funding Gap: With the increased costs of wood-frame construction and a location in a transitional neighborhood with a recovering neighborhood economy, the project will require soft funds and secondary financing from both the City of Denver and the Colorado Division of Housing. However, the needed subordinate financing is in the same range as other similar affordable housing projects and similar to the projects funded in the 2015 4% LIHTC round.

IV. Construction Type:

The Aria Senior & Family Apartments consist of 2 wood framed, 4 story buildings with one central elevator core in each building and two interior stairwells at each ends of each building. The type of construction category for these buildings according to the International Building Code will be Type 5 and most likely Type 5A. The ground floors will contain the leasing and office, mailroom, common accessible bathrooms, library, business center, exercise room, a multi-purpose community room (aerobics/yoga, communal kitchen/event space).

The Aria Senior & Family Apartments lots are approximately .71 acres (Senior) and 1.165 acres (Family) in size (30,937 and 50,737 square feet respectively). The sites are the subject of a binding PURCHASE AND SALE AGREEMENT between Perry Rose LLC and Marycrest Land Company LLC. The Purchase and Sale agreement is contingent on an award of an LIHTC allocation. The sites are vacant. The sites are zoned RMU-30 which permits multifamily construction with a height limit of 55 feet, which is more than sufficient for the four story buildings. In the RMU-30 Zoning from Denver's previous Chapter 59 regulations (which apply to the Aria Senior & Family Apartments Project), there is a parking category called “residence for older adults” that requires 1 parking space for 3 dwelling units of senior housing. Thus, the senior element of Aria Senior & Family Apartments would need 24 parking spaces under the “residence for older adults” criteria. Current plans for the senior element of Aria Senior & Family Apartments have approximately 51 parking spaces. The Family building provides 66 parking spaces for 65 units. Therefore, the proposed parking exceeds the required number of spaces for both buildings.

Since both buildings are elevator buildings, all of the units will meet both Federal and State Fair Housing requirements for accessibility, including appropriate numbers of Type A and Type B units. The foundation system will be a post-tension concrete slab on grade and the first; second, third and fourth level structural system will be wood frame. The exterior material will be fiber-cement siding. The HVAC system will be a highly energy efficient central hydronic fan coil units and condensing A/C system.
(temperature control for each apartment) with a central boiler for domestic hot water. The building will be fire sprinkled. The architectural style will be contemporary with a low-sloped roof. The buildings will be designed to meet and exceed Enterprise Green Communities Certification and if funds allow, we will apply for LEED Certification, similar to the approach taken in Phase I, in which Aria Apartments received LEED Platinum designation.

V. Population Served:

The population served will be low and very low-income families and seniors. The senior age restriction will be age 62 and older. The project is 100% affordable and is deed restricted for 40 years. The project serves low-income family and senior residents with incomes ranging from 30% to 60% AMI. Over twenty-five percent of the senior units are restricted to families earning 30% of AMI or less that will be supported by eighteen Project-Based Vouchers committed from the Denver Housing Authority (this accounts for 13% of the total project’s units). This will create an opportunity for family and senior renters from various income levels to live in a new master planned urban infill neighborhood where the majority of Aria Denver residents will be market rate homeowners, thus creating a well-balanced mixed-income community.

VI. Bedroom Mix

The project rents and proposed number of units and bedroom mix in each income category are listed below per building and combined total project:

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<tr>
<th>UNIT TYPES, SIZES AND RENTS - ARIA SENIOR APARTMENTS</th>
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<tr>
<td>Unit Type</td>
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</tr>
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<td>2BR/1BA</td>
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</table>
VII. Location

The Aria Senior & Family Apartments (“Project”) is a proposed 135-unit residential rental project to be constructed on the former Marycrest Convent Campus on the north side of 52nd Avenue, between Decatur and Clay Streets and along a newly configured 53rd Avenue in Denver, Colorado. Aria Senior & Family Apartments are part of the third phase of the overall redevelopment of the Marycrest site into the new Aria Denver mixed-income mixed-use urban renewal project. Aria Denver is located on a 17-acre infill site. The place making design and diversity of the Aria neighborhood reflects the heritage of the site and the Sisters commitment to social and environmental stewardship and community building. In this tradition, Aria Denver focuses on opportunities for affordable and market rate housing and a healthy, active style of living.

The location of the family LIHTC apartments is in the northeast corner of the overall Aria Denver site, adjacent to and just north of the Phase 1 Aria Apartments (2011 LIHTC 9% family project) and the senior element of the project is located on the new 53rd Avenue across the street from the existing Marycrest Assisted Living Facility. This location makes the apartments independent from the future phases of the site creating a phasing plan for infrastructure and vertical construction that is the most efficient from an overall site development perspective. This location and phasing plan also mitigates construction disturbance to Aria Senior & Family Apartments’ residents. Please see the site plan and phasing diagram included with the Location Maps in the application. The major streets surrounding the site are Federal Boulevard (HWY 287) and 52nd Avenue. Regis University, the largest private university in Colorado, is directly to the West of the site across Federal Boulevard. The project has easy access from I-70 on the South and from US 36 and I-76 to the North. The site is within the boundaries of the City and County of Denver but is surrounded on three sides by unincorporated Adams County. The Downtown Denver Central Business District is just over three miles or a 10-minute drive away. The site is a five-minute drive from the Sprouts Market Food Store, 24 Hour Fitness at Highlands Garden Village, the 38th and Tennyson Art District and the Main Street shops on West 32nd Avenue. RTD’s bus stop on Federal is 0.19 miles from the property and provides high frequency bus service on Federal Boulevard every 15 minutes on-peak time that connects into the greater Denver Area. In the future, the Federal Station on the Gold Line will be 8 blocks north from the site at 60th & Federal. The station will provide access to the 11.2-mile rail line connecting Union Station in downtown Denver to Ward Road through northwest Denver, southwest Adams County, Arvada and Wheat Ridge. The closest elementary School is Beach Court Elementary 0.5 miles to the South. There are multiple community churches nearby in the Regis and Chaffee Park Neighborhoods. Berkley Park is located just one block from the northeast corner of the property. It is a pocket park with a pond and picnic facilities. Zuni Park is only a short 0.3-mile walk southeast of the property and includes a children’s playground, basketball court, and baseball field.

### UNIT TYPES, SIZES AND RENTS - COMBINED

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<th>% of Median Income</th>
<th>Maximum Gross Monthly</th>
<th>Utility Allowance</th>
<th>Maximum Net Rent</th>
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*Denotes Units with Project Based Vouchers
VIII. Amenities:

The Aria Senior & Family Apartment unit amenities will include the following:

- Heat, Air Conditioning and water costs included in the rent and paid for by Landlord;
- Fully equipped kitchens with energy efficient stove, refrigerator and garbage disposals;
- Washers and dryers in all units;
- Energy efficient appliances that will result in lower utility bills;
- Large kitchens with islands or peninsulas;
- Large dining areas and eat-at counters;
- Closets and pantries;
- Cable and high speed internet hookups;
- Private patios for the ground floor units

Site and Project Amenities will include:

- Socially and Environmentally Responsible Community;
- Mixed-use, mixed-income community;
- Multi-generational community,
- Diversity of housing types;
- Neighborhood serving retail;
- Includes latest, green technologies providing residents with the opportunity to live green;
- Pedestrian friendly sidewalks, streetscape, open space networks, bike paths and way-finding signage;
- Outdoor adult fitness trails and outdoor adult exercise equipment (ADA-compliant);
- Central Location: 10 minutes from downtown, 2 minutes to I-70, 2/3rds of a mile to proposed Gold line Transit station on 60th and Federal, across the street from Regis University;
- Services of the Cultivate Health Initiative.

IX. Services

Aria Senior & Family Apartments has designated 18 of the project's total units for very low-income seniors (62 year and older) earning less than 30% AMI. The project has received a local commitment from the Denver Housing Authority to provide 18 project based vouchers contingent upon a 2016 LIHTC award.

Perry Rose/Rose Companies Management has hired a part-time Resident Services Coordinator to be responsible for ensuring Aria Senior & Family Apartments residents have access to necessary supportive
services and adjust comfortably into their new living environment, The Resident Services Coordinator will be the liaison between these residents, and other services offered by Denver agencies such as Case Management. The Resident Services Coordinator also coordinates resident interaction with Property Management/Ownership: facilitating effective communication, preventing/resolving tenant issues, and linking residents to additional in-kind services.

X. Energy Efficiencies and Green Features

Aria Senior & Family Apartments will use various energy efficient strategies throughout construction and operations of the senior and family buildings. Examples of these methods are: A construction waste management plan will reduce the amount of material sent to the landfill by at least 65%. More than half of the products used for project construction will be extracted, processed and manufactured within 500 miles of the project site. The roofing is highly reflective energy star compliant membrane material and the structure will be designed to incorporate a 65kW solar photovoltaic system. The Aria Senior & Family Apartments are being designed to exceed Enterprise Green Community Standards with unit features including the use of low/no VOC paints, primers and glues; low-e double pane energy efficient windows; recycled and Green labeled carpeting/flooring; all Energy Star appliances and highly efficient lighting, advanced water-conserving appliances and fixtures, as well as high efficiency HVAC systems. The intent of the developer is to design Aria Senior & Family Apartments with the same high standards of sustainability as the recently completed Aria Apartments that achieved LEED Platinum certification from the US Green Building Council and was awarded the 2014 Mayor’s Design Award for Sustainability. Recently, Aria Apartments was also awarded the ULI Impact Award for Infill Development.

Aria Senior & Family Apartments will exceed the Enterprise Green Communities requirements for compact development (greater than 25 units per acre over the entire master-planned, mixed-use community). The site will contain many Green features. The landscaping at Aria is designed to consist of native and drought tolerant plants. Furthermore on-site open space will be utilized to enhance storm water quality as well as opportunities for community gardens and production farming. Other Green site amenities that will be developed are the opportunities for car and bike sharing, the creation of pedestrian and bike friendly private streets and a network of paths for connectivity to promote healthy active living. As previously mentioned, the Cultivate Health Initiative, to be completed in 2016, including adult fitness zones and community permaculture pocket gardens installed in open spaces throughout the Aria Denver development.

XI. Type of Financing

Letters of Interest are included in the application for all sources of financing, and the sources and uses of funds for the Permanent Loans are summarized below:

**Permanent Financing**
XII. Local State and Federal Subsidies:

Perry Rose has elected to use CHFA’s “4 Percent LIHTC Tax Exempt Loan Program” to issue a single bond comprised of an A and B tranche to accommodate the construction draws and permanent loan for the Aria Senior & Family Apartments Project.

Aria Senior & Family Apartments has confirmed commitment of a $495,000 HOME Loan (or other Gap Financing) from the City of Denver and a $1,000,000 Revolving Affordable Loan Fund (“RALF Loan”) committed at construction and will be interest only for the first 10 years and fully amortizing over 30 years until paid in full at year 15. A $3,000,000 CHIF Construction loan will also be interest only through permanent conversion and will be taken out by a $990,000 HOME Loan (or other Gap financing) from the State of Colorado Division of Housing among other permanent sources of financing (shown in the table above). The actual amount of these loans will depend on a 2016 award of 4%/State LIHTC’s, the final project gap and underwriting of both Agencies.

<table>
<thead>
<tr>
<th>Sources (Permanent)</th>
<th>Amount</th>
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<tbody>
<tr>
<td>CHFA Note B (First Mortgage - Permanent Debt)</td>
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<tr>
<td>2\textsuperscript{nd} Mortgage CO Division of Housing State HOME (or other Gap) Loan</td>
<td>$990,000</td>
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<tr>
<td>2\textsuperscript{nd} Mortgage Denver City HOME Loan</td>
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<tr>
<td>Denver Revolving Loan Fund</td>
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<tr>
<td>LIHTC Proceeds</td>
<td>$8,779,336</td>
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<tr>
<td>Colorado State Housing Tax Credit Proceeds</td>
<td>$3,492,114</td>
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<tr>
<td>Deferred Development Fee</td>
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<td>Owner Equity</td>
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<td><strong>Total</strong></td>
<td><strong>$27,204,334</strong></td>
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<td>Site Work (On Site Work)</td>
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<tr>
<td>New Construction</td>
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<td>Syndication Costs</td>
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<td>Developer Fees</td>
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<td>Project Reserves</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$27,204,334</strong></td>
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</tbody>
</table>
Aria Senior & Family Apartments applied for and received a conditional commitment of 18 Project Based Vouchers from the Denver Housing Authority to support seniors at or below 30% AMI (please see DHA PBV Award Letter).

Enterprise Community Investment, Inc. has committed to purchase both the Federal and State LIHTC Equity. Enterprise will pay approximately $8,779,336 for the Federal Credits ($1.10 for each $1.00 of Federal LIHTC Eligible Basis) and will pay approximately $3,492,114 for the State Credits ($0.63 for each $1.00 of State Housing Credit Eligible Basis) provided that CHFA approves the 2016 4% State LIHTC Allocation.

Letters of interest from the City of Denver’s Office of Economic Development, The Colorado Division of Housing, and the Enterprise Commitment letters, has been included with our application.

In the past, Perry Rose has been successful in securing HOME, NSP and other public loans for similar projects in Northwest Denver. For example, HGV Multifamily (74 Units) and HGV Senior Apartments (63 Units) both received HOME Loans from the City and DOH.

In addition, the narrative should address the following:

1. Describe the bond financing structure and include the following:

   Perry Rose has elected to use CHFA’s “4 Percent LIHTC Tax Exempt Loan Program” to issue a single bond comprised of an A and B tranche to accommodate the construction draws and permanent loan for the Aria Senior & Family Apartments Project.

   a. Total amount of bonds with a breakout of construction period bonds vs. permanent bonds.

      The total development costs are $27,204,334 of which, $25,998,411 is eligible Aggregate Basis. Note B will support $9,390,000 of permanent debt for the project with Note A covering the difference between Note B and 55% of the project’s aggregate basis, or $4,910,000 ($25,998,411 x 55% - $9,390,000). The total amount of the Bond is therefore $14,300,000.

   b. Bond issuer (please specify whether you are seeking a CHFA bond-financed loan, a CHFA conduit bond issue only, or bonds from another municipal source).

      As stated above, the Bond issuer will be CHFA using the CHFA “4 Percent LIHTC Tax Exempt Loan”/Bond-financed loan program.

   c. Lender and bond sale structure (public sale, private placement, short-term bonds to be taken out by a FHA-insured GNMA securitized loan, etc.).

      HUD will endorse each construction draw utilizing “Insurance of Advances”. Upon completion of construction, HUD shall endorse the modified promissory note (Note B) evidencing the commencement of amortization of the permanent loan for “Insurance upon Completion”. This “FHA Risk Share” will serve as a credit enhancement on the Bonds, similar to a Ginnie Mae MBS.
d. **Portion of bonds that will be tax-exempt (i.e., will the bonds have a “taxable tail”).**

The Bonds are 100% tax-exempt during both the construction and permanent periods and therefore will not result in any portion being taxable or create a “taxable tail”.

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2. **Identify which guiding principles in Section 2 of the Qualified Allocation Plan (QAP) the project meets and why it meets them:**

- **Aria Senior & Family Apartments serves the lowest income tenants for the longest period of time in the following fashion:**

  The project is 100% affordable and is deed restricted for 40 years. The project serves low-income senior and family residents with incomes ranging from 30% to 60% AMI. Over 13% of the units are restricted to seniors or families earning 30% of AMI or less. The income mix is: 13% of unit’s at 30% AMI (18 Units) and 87% of units at 60% AMI (117 Units).

- **To support projects in a QCT, the development of which contributes to a concerted community revitalization plan as defined in Section 5.A 4, Primary Selection Criteria.**

  The Aria Senior & Family Apartments are not in a QCT. However, the project site is located in an NSP 2 Target Neighborhood and the Aria Senior & Family Apartments are in the Marycrest Urban Renewal District. As a part of the Marycrest Urban Renewal District the Aria Senior & Family Apartments are part of a comprehensive Community Revitalization Plan that has already begun to fundamentally change the character of the neighborhood. In 2011, Denver’s Office of Economic Development demonstrated local municipal support by providing a $5 million TIF Loan to help to finance the Phase 1 infrastructure improvements needed by Aria Denver. Phase 1 Aria Apartments 9% LIHTC project and infrastructure is now successfully completed- 13 Townhomes are also completed and sold with the second set of 13 townhome and 28 unit co-housing condo drawings submitted for building permit and scheduled to start Construction in June of 2016. Phase I leveraged an additional $12 million in public and private investment with a total added value of over $25 million. The Aria Denver PBG has been completed with the remaining infrastructure for the project designed to 100% Construction Documents. Therefore, all of the next phases of development are ready for construction. Phase 3 will include the Aria Senior & Family Apartments that will serve as the next step in the development of Aria Denver. Approval of the Aria Senior & Family Apartments will create increased private investment with additional construction and permanent jobs and long-term neighborhood revitalization. This revitalization effort will improve both physical conditions throughout the Chaffee Park/Regis Neighborhoods but will also significantly contribute to the health and wellbeing of residents of the community ranging from seniors to families with elementary school children.

- **To provide for distribution of housing credits across the state, including larger urban areas, smaller cities and towns, rural, and tribal areas.**
The Aria Senior & Family Apartments Application is for a project located in the City and County of Denver. Denver currently provides more affordable housing and has more low-income housing need than any other jurisdiction in the state. Denver also has the greatest demand for low-income senior housing and low income housing for families. Eight of the potential 22 4% State LIHTC applications in the 2016 round are from Denver and it is hoped that because of the unmet needs several Denver projects will be selected.

- **To provide opportunities to a variety of qualified sponsors of affordable housing, both for-profit and nonprofit.**

  Perry Rose is a strong, experienced for-profit developer working with the same development team that successfully implemented the Phase 1 Aria Apartments 9% Family LIHTC project (2011 -2013). The Phase 1 Aria Apartments were completed on time, on budget and fully leased in 90 days. (See Developer Qualifications). Perry Rose’s unique experience and model allows leveraging of private (impact investment) capital to efficiently create mixed-income affordable housing projects in new master planned communities.

- **To distribute housing credits to assist a diversity of populations in need of affordable housing, including families, senior citizens, homeless persons, and persons in need of supportive housing.**

  Aria Senior & Family Apartments will serve both low-income seniors and low-income families. We have reserved 13% (18) of the units for very low-income seniors. The rest of the units will serve seniors and families earning 60% AMI. The project will provide coordinated resident services through our own part time Resident Services Coordinator and residents will benefit from the Cultivate Health Initiative (See “Section IX. Services” above). Perry Rose is continuing to attempt to implement its successful model of creating mixed-income affordable projects with the Aria Senior & Family Apartments.

- **To provide opportunities for affordable housing within a half-mile walking distance of public transportation such as bus, rail, and light rail.**

  Aria Apartments is within ¼ mile of the High Frequency Bus Route on Federal Boulevard and is within 2/3rd of a mile of the Gold Line Station at 60th Avenue and Federal Boulevard (8 Blocks) that will be completed in 2016.

- **To support new construction of affordable rental housing projects as well as acquisition and/or rehabilitation of existing affordable housing projects, particularly those with an urgent and/or critical need for rehabilitation or at risk of converting to market rate housing.**

  Aria Senior & Family Apartments is a new construction project that will add permanent affordable housing to an area of NW Denver quickly becoming in critical need of affordable rental housing. The surrounding Chaffee Park neighborhood (predominately homeownership) has experience over a 40% increase in the average home price in the last two years (almost doubling the Regional average appreciation of home prices). The new Aria Townhomes have all sold between $222 to $313 psf and one of the carriage house units (540 sf) is currently renting for $1,300 per month. Thus, the Aria Senior & Family Apartments site is at risk to convert to a market-rate project but the Aria Denver development team is committed to the original vision of creating a well-balanced, mixed-income, intergenerational community.
To reserve only the amount of credit that CHFA determines to be necessary for the financial feasibility of a project and its viability as a qualified low-income housing project throughout the credit period.

Aria Senior & Family Apartments is requesting approximately $5,912 per unit of Federal LIHTC Equity allocation. This amount is the second lowest of all Federal LIHTC Equity Requests in this round. Our Federal LIHTC request is approximately 26% lower than the average request of other potential projects. Perry Rose has created a strong budget by leveraging other local/federal public resources and private funds.

To reserve credits for as many rental housing projects as possible while considering these Guiding Principles and the Criteria for Approval in the following section.

Aria Senior & Family Apartments’ requested allocation of $798,121 is below the $1,250,000 allocation limit. Aria Senior & Family Apartments’ per unit requested credit amount is $5,912, while other potential projects have requested as high as $7,000 to $10,000 of credits per unit. Aria Senior & Family Apartments efficient use of credits allows for a greater number of 4% LIHTC projects to be funded in 2016. Furthermore, the Aria Senior & Family Apartments project will apply for other sources of funding, including HOME and other City and State of Colorado soft loans.

State Tax Credits.

Aria Senior & Family Apartments’ are requesting an allocation of state housing tax in the amount of $923,840 per year. This is below the $1,239,319 allocation limit. More importantly, Aria Senior & Family Apartments’ per unit requested credit amount is $6,843 per unit, which is the 9th lowest per unit request of the 22 applications and the 3rd lowest per unit request of the Denver applications. While other potential projects have requested as high as $8,000 to $16,000 of credits per unit, Aria Senior & Family Apartments efficient use of state tax credits creates a greater number of affordable units per state tax credit dollar than most other projects in 2016.

3. Describe how the project meets the criteria for approval in Section 2 of the QAP:

a. Market conditions:

The market analysis indicates that Aria Senior & Family Apartments will have a large demand from within the area PMA in which it is located, as well as strong demand resulting from the need for more affordable family and senior housing throughout the Denver Metro Area and the state of Colorado. The Market Study concludes that: The family component has a capture rate of 11.6% which is highly attainable in a PMA with an overall vacancy rate of 2% and multiple properties with wait lists. Although the Capture Rate has been cited as a potential concern for the senior element of the project, the Market Study states, the senior capture rate is attainable because: age-restricted apartments surveyed in the area are all 100% occupied and have waiting list with 25 to 65 applicants; senior vacancy rate has remained 0% since 2015, the PMA is gaining 72 seniors per year; the subject’s proposed amenity package will allow it to match performance of existing Senior LIHTC projects etc. (See pg. 4 & 5 of Senior s). The subject’s proposed amenity package, condition and tenant services will place it at or near the top of the rental market for its product type, and it will be able to match the performance of existing senior LIHTC projects.” Therefore, the senior element of the Market Study concludes: “The subject’s capture rate is above the 25% CHFA threshold,
but attainable in the market area because:

- The PMA has an overall vacancy rate of 2.0%, no projects were offering concessions and four had waitlists with between 25 and 1,000 applicants, illustrating a strong rental market.
- Surveyed age-restricted LIHTC projects were 100% occupied and have waitlists with 25 to 65 applicants, indicating substantial pent-up demand for affordable senior housing.
- Since our field survey in the PMA in April 2015, the senior LIHTC vacancy rate has remained at 0.0% and nine of the ten surveyed projects had rent increases, illustrating conditions of a strong rental market.
- The PMA is gaining 72 senior (62+) renters annually, while there are no age- and income restricted units in the development pipeline, other than the subject, to account for demand created by growth.
- The most recently completed LIHTC project completed lease-up within three months, further illustrating the abundance of pent-up demand for low-income rental housing in the PMA.
- The subject’s proposed amenity package, condition and tenant services will place it at or near the top of the rental market for its product type, and it will be able to match the performance of existing senior LIHTC projects.”

b. Readiness-to-proceed:

The Aria site is currently Zoned RMU 30, which allows the proposed multi-family uses. The only planning approval required is a Planned Building Group (PBG) approval and a building permit. The PBG Final plan was approved in August of 2015. We have met with CHFA, and construction and permanent financing commitments can be approved as set forth in the schedule proposed in this application. The rates quoted in these commitments are conservative to ensure that the Aria Senior & Family Apartments project will proceed, even if there is an increase in currently low interest rates. In addition, we have met with the Tax Credit Investor (Enterprise) and worked with them closely on the development program and proforma. Enterprise is highly interested in this project. Construction is scheduled to start in May of 2017 and will be completed in approximately 16 months (August 2018). The Aria Senior & Family Apartments can receive a Certificate of Occupancy and be placed in service during September 1, of 2018 (See Timeline/Schedule included in the Application).

In addition, a phasing diagram for the entire Marycrest site has been included with the Location Maps in the application. The Aria Senior & Family Apartments have been designed to work as either a standalone project or as a part of the larger development of the entire site. Therefore, if the rest of the development is delayed, the Aria Senior & Family Apartments will become an important part of the Chaffee park neighborhood and will provide much needed affordable housing in this community. The second phase of the project will include 13 for-sale townhomes and 28 Condominium units (co-housing) and has been submitted for building permit with completion of construction scheduled in 2017. As currently planned, the entire Marycrest project will be completed by the end of 2019.

c. Overall financial feasibility and viability:

The attached Debt (CHFA), Equity (Enterprise) and Public Finance Letters (City of Denver, and Colorado Division of Housing Letters) indicate that the Aria Senior &
Family Apartments Project is financially feasible and viable. The financing proposed for Aria Senior & Family Apartments Apartment is similar to that utilized for the Phase 1 Aria Apartments. The Aria Apartments were completed on time and on budget and met the exact schedule included in the Perry Rose 2011 LIHTC Phase 1 Aria Apartments allocation application. One factor that currently makes the financial feasibility of the Phase 3 Aria Senior & Family Apartments more difficult than the Phase 1 Aria Apartments is that construction costs have increased significantly (insurance, materials, and qualified subcontractor labor). In order to address this factor, it is necessary to utilize the proposed state and local secondary financing and soft funds to address the gap.

d. **Experience and track record of the development and management team:**
Another indication of the project’s readiness to proceed is the fact that the Aria Senior & Family Apartments are being designed, financed and constructed by an experienced team that has worked together and completed numerous successful projects together over the past decade. OZ Architecture designed both the HGV Senior Apartments (Cottage Hill) and the HGV Multi-family Apartments (Trocadero) and the Phase 1 Aria Apartments. Palace Construction built the Trocadero Apartments, the HGV Commercial Shopping Center and the Phase 1 Aria Apartments. Rose Companies Management has successfully managed Cottage Hill, Trocadero the Denver Dry Goods Building and the Phase 1 Aria Apartments, all of which include LIHTC units, and has always been in compliance with all appropriate regulations. In addition, Jonathan Rose Companies has an exemplary track record of closing upon and completing its model green Low Income Tax Credit (LIHTC) projects on time and on budget, and of closing on LIHTC financing. In conclusion, the Aria Senior & Family Apartments are being designed, developed, constructed and managed by a strong team with over a decade of experience of working together and completing successful model projects. The project is ready to proceed and will result not only in the development of much needed affordable housing but will also stimulate the revitalization of the entire neighborhood surrounding the Marycrest site and Regis University.

e. **Cost reasonableness:**
As mentioned previously, the proposed Aria Senior & Family Apartments LIHTC project land purchase is the subject of a binding Purchase and Sale Agreement between Perry Rose LLC and Marycrest Land Company. This agreement is contingent upon an award of an LIHTC allocation and financial closing, at which time the land will be transferred at the set price of $1,212,030 or $8,978 per unit (which is a very reasonable land price). For this land price, Marycrest Land will deliver the pad site ready for development with all required utilities stubbed five feet into the property line and within two feet of finish grade. This reduces the project’s site work budget and eliminates the heavy costs and complexity of offsite construction work.

Aria Senior & Family Apartments also meets the Cost reasonableness test based upon the Basis Limit Test. Under the Basis Limit Test the total eligible basis would be $7,981,210 resulting in an annual credit of $798,121. Under the Gap Calculation test the Eligible Basis is an annual credit of $1,115,506 and under the Basis Limit Calculation test the Eligible Basis is an annual credit of $1,056,408. Therefore, Aria Senior & Family Apartments Eligible basis of $798,121 is at least 24% below the Basis Limit allowed.

f. **Proximity to existing tax credit developments:**
According to the Market Study, “The PMA has 13 existing LIHTC projects containing 600 income-restricted units. Of these, five are age-restricted projects with 454 units and the remaining eight are non-age-restricted LIHTC projects with a total of 146 units. There are three existing deeply-subsidized LIHTC projects within the PMA including 270 units. The subject will compete directly with the five senior LIHTC properties with 454 tax credit dwellings. The Colorado Housing and Finance Authority indicated that there are no projects within the PMA that have received a tax credit allocation in the past two years that have not already been placed in service. Completion of the subject will raise the PMA’s LIHTC inventory to a total of 672 units.” Surveyed age-restricted LIHTC projects are 100% occupied and have waitlists with 25 to over 65 applicants, indicating that there is substantial pent-up demand for affordable senior housing. The PMA is gaining 72 senior (62+) renters annually, while there are no age- and income-restricted units in the development pipeline, other than the subject, suggesting demand will increase. The most recently completed LIHTC project completed lease-up within three months, further illustrating the abundance of pent-up demand in the PMA.”

**Site suitability:**
According to the Market Study: “The subject’s location has adequate visibility and road access, which is enhanced by the desirable attributes of its master planned community and proximity to a light rail station. The proposed amenities, design features and condition of its master planned community will provide a competitive advantage and increase the subject’s market appeal.” The Market Study also states: that “the project is located further from shopping, services and community amenities than most of its competitors. However, this factor will be mitigated by the completion of the Gold Line and the subject’s proximity to it, combined with the build out of the Aria Master planned community.” Finally, through Aria Apartments we learned that the most important factors relating to the site were proximity and access to downtown, I-70, I-25, US 36, Regis University and the Highland neighborhoods.

4. Provide the following information as applicable:

**h. Justification for waiver of any underwriting criteria (minimum operating reserve, minimum PUPA or high PUPA, first year debt coverage ratio below 1.15 or above 1.30, minimum replacement reserve, vacancy rate below CHFA’s minimum):**

NOT APPLICABLE

5. **Address any issues raised by the market analyst in the market study:**

The Market Study raised no issues. Page 5 (Senior) and Page 6 (Family) of the Market Studies Recommendations and Conclusions, which states: “there are no recommended changes for the subject.”

6. **Address any issues raised in the environmental report(s) submitted with your application, including how the issues will be mitigated, if applicable:**

No issues were raised in the Phase 1 Environmental. The Aria Senior & Family Apartments Site is clean and no mitigation is necessary or required.
In your own words, describe the outreach to the community that you have done and describe and demonstrate local support for the project (including financial support):

On January 19, 2016 Perry Rose held a public hearing to announce its intent to apply for a 4% LIHTC allocation for Aria Senior and Family Apartments. Seven people attended the hearing. All testified in favor of the project.

In addition, previous public outreach for the Aria Denver and Aria Senior & Family Apartments Project consisted of the following:

The site was rezoned in 2008. The re-zoning required a public hearing before City Council and there was significant outreach to residents of the surrounding neighborhood to encourage comments on the rezoning and testimony before City Council.

In 2012, City Council approved the site as an Urban Renewal District. This required a public hearing before City Council and there was significant outreach to residents of the surrounding neighborhood to encourage comments on the Urban Renewal District and testimony before City Council. The support of the community is evidenced by the TIF Financing approved for the Urban Renewal District and a $5 M Denver Office of Economic Development Loan to fund Phase 1 infrastructure improvements of Aria Denver.

In 2012 the first PBG was approved to govern the Phase 1 development. One of the requirements of the PBG is to solicit public comments on the proposed development and infrastructure plan. This included soliciting input on the Phase 1 Aria Apartments that included 72 units of family LIHTC Apartments.

Throughout the redevelopment process, the Developer has continued to work with the Sisters of Saint Francis, Regis University and the surrounding neighborhood to obtain public comment on the proposed development. For example, a display was posted at the Regis Student Center from June of 2012 through February of 2014 describing the history of the Marycrest Campus and the proposed redevelopment. In addition, Regis University and Aria Denver applied for and received a Colorado Health Foundation Grant for approximately $1,000,000 to fund the Aria Cultivate Health Initiative. Significant public outreach was involved in preparing this application including working with the Chaffee Park Neighborhood Association, Marycrest Assisted Living, Beach Court Elementary School, Cooking Matters, Denver Urban Gardens, Urbiculture, Groundworks, Trust for Public Lands, Project Recycle, Bicycle Colorado, Caring for Colorado, and The Colorado Trust, and other community partners.

In 2012 and 2013 the Developers engaged the Regis University and the surrounding neighborhood residents to participate in a community garden established on the Aria Denver site. Significant public outreach was undertaken to recruit volunteers to help prepare, plant, maintain, manage and harvest produce from the community garden.
In December of 2013, Aria and the Chaffee Park/Regis Neighborhood were selected as one of 2 pilot Denver Sustainable Neighborhoods. The application process for this designation was led by volunteers from Aria Denver and the surrounding neighborhood. The application process included gathering petitions from neighborhood residents and working with residents to determine priorities for the Sustainable Neighborhood program. Future outreach efforts will include neighborhood surveys, preforming neighborhood assessments of pedestrian barriers, alternative transportation workshops, tree planting, community education and exercise classes, and food clothing and school supply drives etc. In 2015, the Chaffee Park Neighborhood Sustainable Neighborhood Pilot Program continued the community outreach with a new website and enhanced recycling program. These and other activities resulted in Chaffee Park reaching the 100-credit sustainability mark and was awarded Denver’s first Outstanding Sustainable Neighborhood Award by Denver’s Department of Environmental Health.

The Phase 2 Planned Building Group (PBG), was approve in August of 2015 and public comment was requested on this application.

In summary, there has been significant and ongoing public outreach to plan and implement the Aria Denver Project and its various vertical components such as the Aria Senior & Family Apartments. These outreach efforts exceed the outreach efforts conducted by most other projects and will continue through the Cultivate Health Initiative.

8. For acquisition/rehab or rehab projects, provide a detailed narrative that describes the rehab plan and tenant relocation plan (if applicable); addresses the 10-year rule; capital expenditures over the past two years; previous related party relationships; past local, state, or federal resources invested in the project; obvious design flaws; obsolescence issues; safety issues; and any significant events that have led to the current need for rehabilitation (i.e., fire, nature disaster).

NOT APPLICABLE.
Description of the project as proposed

Rocky Mountain Communities, in partnership with The Delores Project is proposing the new 130 unit Arroyo Village for funding from Colorado Housing and Finance Authority. Arroyo Village will utilize a highly unique approach to combat homelessness within the City of Denver and provide affordable housing in a community with ever increasing rents. The development will provide a clear path for homeless individuals to stabilize their lives and move toward independent living by including a homeless women’s shelter, permanent supportive housing and workforce housing at the same location. The relationship between these components will allow residents to make the transition between shelter living, permanent supportive housing and workforce housing in a familiar atmosphere with a consistent support system, which will increase the likelihood of permanently overcoming homelessness.

Arroyo Village will be located adjacent to the Knox Court Station of the Light Rail System, providing over 200 rides per day of affordable mass transit to low-income and homeless individuals, which is essential in the fight against poverty and homelessness. The proposed development is ideally located to provide convenient services and amenities to individuals and families who may not otherwise have resources available to take advantage of opportunities necessary to advance their lives.

Arroyo Village will be built on the combined site of what is currently 1290-1292 King Street and 1251-1295 Knox Court. These lots are currently owned and operated by The Delores Project and Town View MHA, Ltd., a partnership wholly owned by Rocky Mountain Communities. Upon successful award of funding, the two separate entities will execute 60 year ground leases to Arroyo Village LLC.

The project will consist of a single building constructed around the existing Delores Project building in order to minimize interruption of operations and avoid displacement of homeless individuals in need. The Delores Project will be open every day throughout the entire development process. Construction of Arroyo Village will take approximately 20 months to build one 161,020 square foot, 4-story building partitioned into three distinct sections.

Following the completion of construction, The Delores Project will move into and operate on the first floor of one section with an entrance from King St. for shelter residents and a separate entrance on 13th
St. for employees. Security and privacy for both employees and residents are crucial to the successful operation of The Delores Project, so the building design concept began here. The shelter will be expanded from 8,000 square feet to 11,700 square feet of space and will house more than 50 guests each night. The shelter management and staff provided thoughtful input to the design of the shelter to improve the privacy for resident intake and services, visibility of common areas, as well as storage and multi-use spaces. The new design will include a kitchen and dining area, adequate space for programs, dormitory-style sleeping areas, and community bathrooms and showers. The shelter also will have a private courtyard that will not be visible to nor shared by the other residents of Arroyo Village. The Delores Project operations and funding will be financially independent from the rental operations of Arroyo Village.

Above the shelter space will be three levels of one-bedroom permanent supportive housing units serving tenants at or below 30% AMI with Housing Choice Vouchers from the Denver Housing Authority. Each of these units will be 550 square feet and fully furnished. These units will be marketed to chronically homeless individuals, especially those utilizing The Delores Project shelter services, who may be ready for independent housing, but still need assistance. The PSH units and common areas total 19,250 square feet and include laundry facilities and a common room. The common room will be used for social events and will have computers for tenant use. The permanent supportive services for these tenants will be provided by The Delores Project with independent funding, separate from the rental operations of Arroyo Village and will be operated in the service space of the workforce housing section. Please see Tab 10 for The Delores Project’s operating budget, supportive services plan, and services budget.

The next step in preventing and combatting homelessness will be to provide workforce housing to those who earn at or below 50% of AMI. Arroyo Village will offer 95 units of various sizes to individuals and families working in the Denver area. The 74,620 square feet of space includes 5,500 square feet for leasing offices, counseling, and amenity. The units will be 590 square feet for one-bedrooms, 815 square feet for two-bedrooms, and 1,050 square feet for three-bedrooms. The amenity and leasing space will also include a community room, community kitchen, leasing office, and administration space for Rocky Mountain Communities’ services that will be available to Arroyo Village tenants. These services will include programs such as English as a Second Language (ESL) and GED classes, healthy cooking on a budget, fitness classes, and children’s programming such as early childhood education and after school programs to help children prepare for and get the most out of their formal educations. As appropriate, some programs will be made available to residents of all three components, in order to further build on the natural community setting of Arroyo Village.

**Strengths**

Perhaps the greatest strength of Arroyo Village is the diversity in incomes and needs of the population to be served. By integrating these individuals with the workforce population, Arroyo Village will provide a sense of community and stability, which is an important platform for success in combating poverty and chronic homelessness. Arroyo Village provides a single source of assistance from low-barrier, off-the-street shelter space, through counseling and services, and up to independent living. In addition, Arroyo
Village proposes to serve the lowest income tenants with 35 permanent supportive housing units reserved for 30% of AMI and 95 units for 50% of AMI for a minimum of 40 years.

The proposed site of Arroyo Village is ideal in many ways. First, it is located at the Knox Court Station of Denver’s RTD Light Rail Line and bus system. Due to the transit-oriented location, the development will be able to provide convenient access to affordable public transportation for individuals and families who otherwise are often unable to afford their own vehicle. Between the light rail and bus system, the entire urban Denver area as well as surrounding towns are or will soon be available to riders 24 hours a day 365 days a year. Second, the site is located in a QCT where the development will contribute to the community revitalization plan, which states “building mixed income communities is the most efficient way to revitalize low-income neighborhoods”. Third, Arroyo Village will replace the current Delores Project shelter, which has outgrown its space, as well as the existing Town View Communities apartments, which have grown worn through the years, while preserving affordable housing units in a crucial location. Fourth, the site is located across the street from Paco Sanchez Park, a 25-acre green space which has been selected by the City of Denver for a major redevelopment project. Reimagine Play at Paco Sanchez Park will include a play area with a vibrant playground to stimulate creative and critical thinking, but also where users of any age can enjoy a healthy lifestyle. Construction on the park is set to begin this year.

Additionally, the project will be able to save on project costs through reduced parking. Historically, Denver PSH projects have shown that supportive housing projects rarely utilize the 1 to 4 parking ratio required by the City of Denver for very affordable housing, even when taking into account increased staff. Because of the reduction in parking and the transit-oriented location, the market analyst is able to show that the 103 parking spaces are more than adequate for the needs of Arroyo Village.

Arroyo Village will take advantage of a proven financing structure to ensure long term viability by leveraging Federal and State tax credits with favorable HUD 221(d)(4) financing, City of Denver Revolving Affordable Housing Loan Funds and Colorado Division of Housing Development Grant Funds. Additionally, Arroyo Village will take advantage of CHFA’s increased developer fee allowance for units set aside for the chronically homeless. One hundred percent of this increased fee will be contributed back to the project in support of the permanent supportive housing units. By allowing the development to take an extra 5% in developer fees and set aside the capital generated for operations of permanent supportive housing, CHFA will assure long term continuation of desperately needed supportive services. Please see the services budget under Tab 10 for detailed use of this reserve.

Finally, the ownership and management structure of Arroyo Village will allow The Delores Project shelter space to be included in LIHTC eligible basis as a Community Service Facility per Section 42(d)(4)(C)(i) of the Internal Revenue Code. Through the inclusion of the space in basis, Arroyo Village will guarantee that a minimum of 11,700 square feet of space will always be available to Denver’s chronically homeless in times of need.

**Weaknesses**

The biggest challenge will be in the continued operations of The Delores Project during construction. The construction of Arroyo Village around the existing shelter building will compromise parking and
could create noise pollution for shelter guests entering in the evening hours. The residents and staff of The Delores Project will utilize street parking during construction and contractors will be required to shift their schedule to begin ½ hour after guests depart in the morning and finish working ½ hour before they arrive in the evening so shelter guests will have a peaceful environment in which to enter and exit the existing shelter. Upon completion of construction, The Delores Project will move into their new space without interruption to operations.

The proposed site, although advantageous overall, does present certain challenges. While the proximity of the light rail line and bus station is an asset, it presents noise and visual aspects that have to be addressed by the design of the facility. In addition, the lot is quite sloped, creating construction challenges. Shopworks Architecture and the development team have responded to this challenge with extremely thoughtful building and landscape design. Through this integrated approach the development team will create a peaceful and private environment for the tenants.

Lastly, the project will be partially located on a site that presently houses 27 units of the existing Town View Communities property, which is currently in the IRS extended use period. With CHFA consent, these 27 units will be unwound from the existing LURA and the tenants will be permanently relocated to comparable units, either within Town View Communities or a property of their choice. Next, the units will be demolished and replaced one for one at comparable sizes and income levels in the new property. At this time a new LURA will be recorded against the property for a minimum of 40 years of affordability. Please see the legal narrative under Tab 24 for more information on the existing Town View Communities.

**Detailed type of construction**

The Arroyo Village team has engaged Shopworks Architecture, an experienced Denver LIHTC architect, to design Arroyo Village. Additionally, Palace Construction, a local multi-family contractor with experience in the LIHTC and PSH industry, worked closely with Shopworks Architecture in preparing a detailed estimate.

The development will include 60 one-bedroom units, 58 two-bedroom units, 12 three-bedroom units and will utilize a 20-month construction schedule with a projected start date of January 2017. Construction will consist of four levels of living and common space over podium parking. The building will utilize a unique layout that creates large, private space for PSH residents and shelter guests, yet will maintain ample amenity space for Workforce Housing residents. By utilizing this design in a single building, the development team will create a safe and harmonious environment for potentially vulnerable guests and residents while still utilizing green space and open areas in an urban environment.

Construction will be wood frame over one level of podium parking. Shelter staff and PSH residents will have a controlled access point on the northeast side of the PSH/Shelter wing, while shelter guests will have a protected access point on the southwest side of the wing. Workforce housing residents will have street level entrance to the building from the northeast and southwest sides of the building and garage level access from the northeast, southeast and southwest portions of the garage. PSH units and workforce housing units will be serviced by separate elevators.
The parking structure will include 87 spaces with an additional 16 spaces of surface level parking for a total of 103 parking spaces.

**Population being served**

The proposed project will provide 130 apartments targeting households at or below 50% of the area median income (AMI). Rents will be tiered so Arroyo Village will serve the greatest number of low income individuals possible, with 35 units at 30% of AMI and 95 units at 50% of AMI. These rents equate to a significant savings over current market rents with a weighted average discount to market of $520 per month for one-bedroom apartments, $495 per month for two-bedroom apartments and $553 per month for three-bedroom apartments.

Our market study indicates a significant need in the area at each of these income levels. Apartment Appraisers and Consultants, Inc. has calculated 2,123 existing qualified households at the 50% AMI level with projected in migration of 637 more, creating a total demand of 2,760 households for which there are only 421 units restricted at the appropriate income levels. Similarly, Melanie Rees’ report shows that there are 3,737 homeless men, women and children within the city and county of Denver, for which there are only 805 existing units. Using a formula of 1.5 people per bedroom, our project should directly benefit 388 people at or below the 50% income level.

Additionally, Arroyo Village will contain 11,700 square feet of newly constructed space for The Delores Project, a shelter for homeless women and transgendered individuals, currently located at the proposed site. This space will provide shelter for a minimum of 50 homeless women and transgendered individuals, with capacity for more during winter months.

**Bedroom Mix**

Arroyo Village will contain 130 high quality affordable units, 35 of which will be one-bedroom apartments with permanent supportive services for chronically homeless individuals at or below 30% of Area Median Income (AMI) with support from Project Based Vouchers from the Denver Housing Authority. The remaining 95 units will be made up of 25 one-bedroom units, 58 two-bedroom units and 12 three-bedroom units, all serving tenants at or below 50% AMI.

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<th>Number of Units</th>
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<th>Bathrooms</th>
<th>Rent AMI Level</th>
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<td>50%</td>
</tr>
<tr>
<td>12</td>
<td>3</td>
<td>2</td>
<td>50%</td>
</tr>
</tbody>
</table>

**Project Location**

Arroyo Village will be located at 1290-1292 King Street and 1251-1295 Knox Court in the West Colfax Neighborhood of Denver, Colorado 80204. The neighborhood is bordered on the West by Sheridan Boulevard, on the North by 17th and 19th Avenues, on the east by Federal Boulevard and on the South by Lakewood Gulch.
According to the most recently available census data, the West Colfax Neighborhood has an estimated population of 9,193 people made up by 3,806 households. Average household income is $44,577 and the poverty rate is 37.34%. Approximately 52% of renters have a housing cost burden, defined as paying more than 30% of income for housing.

**Amenities**

Our apartments will be spacious and will come equipped with many amenities not found in other projects. Some of these amenities include: air conditioning, high-speed internet and cable TV wiring, refrigerator, electric range with an overhead hood, microwave oven, in-sink garbage disposal, and dishwasher, all in addition to an energy-efficient and noise-reducing building design. Arroyo Village will be designed and constructed in accordance with Enterprise Green Communities. We have engaged Group 14 as sustainable design and resource efficiency consultant to oversee the design, construction and certification process. Please see Tabs 19, 21, and 22 for more information.

These amenities will not only provide a more comfortable living environment, but will also be beneficial from a management and maintenance standpoint. Using energy and water efficient appliances, building materials and a time tested building design reduces ongoing maintenance and operating expenses. Providing air conditioned units not only creates a more comfortable living space and reduces heat-related community stress, but also reduces noise conflicts from open windows and reduces dust and insects in the units.

Per the recommendations of Apartment Appraisers and Consultants, Inc., Arroyo Village will include free wireless internet in the common areas and will have a designated business center for resident use. Additionally, management staff will provide all tenants with green communities information in the resident handbook during apartment walk through to highlight the energy saving features of Arroyo Village.

Arroyo Village will consist of one building constructed on approximately 1.7 acres of privately owned land located at the corner of Knox Court and 13th Street. The parcel is located in an area of revitalization that includes the West Line of Denver’s Light Rail System, Sanchez Park, Martinez Park and Rude Park. The development will be conveniently located within walking distance of three grocery stores, three coffee shops, eight restaurants and two elementary schools.

**Services**

Historically, The Delores Project has filled a critical need in Denver. Studies show there are more than 800 homeless women every night across the city, and Denver still does not have a sufficient amount of resources to meet the needs of those experiencing homelessness. Since its inception in 2000, The Delores Project has continued to expand and currently offers a variety of programs and services including emergency shelter beds, The Steps to Stability Program, Community Partner Program, and Community Transitions Program. Services provided by The Delores Project have always incorporated low-barrier eligibility guidelines similar to the housing first philosophy that will serve as the foundation to our supportive housing program.
The Steps to Stability program is most relevant to the types of services that will be offered to supportive housing tenants, as it provides reliable shelter each night combined with individualized case management, direct support services, and a wide network of community referrals. Participants are able to transition out of survival mode, thereby creating an opportunity to focus on stability while addressing the complex challenges each individual may face. The Delores Project provides case management that involves creating a personal goal plan, identifying and expanding each guest’s network of support, individual referrals to a provider partner network, life skills classes, semi-monthly meetings, assessments, service coordination and advocacy at appointments. Additionally, Steps to Stability participants have had access to direct support resources including transportation, rental and other financial assistance on an individual basis to overcome immediate barriers.

The Delores Project is prepared and excited for the opportunity to expand these services to the permanent supportive housing units at Arroyo Village. For a complete list of services provided to shelter and PSH residents please see the Arroyo Village Service Plan under Tab 10.

In addition to services provided to shelter and PSH residents, Rocky Mountain Communities will provide recreational and educational services to all Arroyo Village residents including, but not limited to English as a Second Language and GED classes, healthy cooking on a budget, fitness classes, and children’s programming such as early childhood education and after school programs to help children be prepared for and get the most out of their formal school educations. As appropriate, some programs will be made available to residents of all three components in order to further build on the natural community setting of Arroyo Village.

**Energy Efficiency**

Arroyo Village has engaged Group 14 to act as Enterprise Green Communities Technical Assistant. Group 14 will ensure proper compliance and documentation of Enterprise Green Communities Requirements and will implement Xcel Energy’s Energy Design Assistance program to track building efficiency and energy usage improvements. These efficiencies will be achieved through several building enhancements, including:

- Increased development density – 76 units per acre
- Energy Star Appliances
- Water conserving appliances and fixtures
- High performance windows and increased wall and roof insulation
- Individually metered units

For a complete list of Enterprise Green Communities strategies and implementations please see the Enterprise Green Communities worksheet under Tab 22.

**Financing**
The development will utilize a short term cash collateralized bond model in order to take advantage of favorable pricing in the taxable securities market and non-competitive 4% LIHTC equity as well as the Colorado State Tax Credit. The project will support approximately $10.75 million in permanent financing through HUD’s 221(d)(4) program, with secondary debt provided by the City of Denver’s Revolving Affordable Housing Loan Fund (RAHLF). Soft funds will be contributed by the Colorado Division of Housing’s Housing Development Grant Fund program. Grant funds will be granted to Rocky Mountain Communities and then loaned to the partnership as a deferred and forgivable loan so tax credit basis is not compromised. In addition to HDG funds, the Colorado Division of Housing will also provide a low interest CHIF construction loan of $3,000,000. The Federal equity provider will provide a non-collateralized bridge loan to the project to cover construction costs not paid through 221(d)(4) or CHIF prior to the final equity installment. The project has received LOI’s from PNC and Enterprise Community Investment for the LIHTC equity and the bridge loan, PNC Bank for the Colorado State Tax Credit equity, and PNC Bank and Citi Community Capital for the 221(d)(4) loan. The City of Denver and the Colorado Division of Housing have provided letters of support to the project for the RAHLF loan and Housing Development Grant, respectively.

Through the use of HUD 221(d)(4) funds and the City of Denver’s interest only Housing Loan funds, Arroyo Village will take advantage of favorable financing terms with long term amortization and below market interest rates. Initial projections show that the primary debt will be amortized over a period of 40 years with a 4.05% interest rate, providing a significant advantage over conventional debt at market terms. Likewise, the City of Denver will provide funding at 3% interest only over the initial 10 years of operations, with amortization through the remainder of the compliance period.

Finally, the development team will increase the developer fee by an additional 5% due to the inclusion of permanent supportive housing for chronically homeless individuals as allowed in the QAP. The capital generated by this increase in developer fees will be utilized over the initial five years of operations, allowing The Delores Project to increase funding capacity for services provided in years six through 15.

Below is a sources and uses summary for Arroyo Village.

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<thead>
<tr>
<th>Use</th>
<th>Amount</th>
<th>Source</th>
<th>Amount</th>
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<tbody>
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<td>Third Party Fees</td>
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<td>Financing Costs</td>
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<td>CDOH HDG Funds</td>
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<td>Deferred Developer Fee</td>
<td>$679,705</td>
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<tr>
<td>Total</td>
<td>$30,390,337</td>
<td>Total</td>
<td>$30,390,337</td>
</tr>
</tbody>
</table>

1. **Describe the bond financing structure and include the following:**
   a. Total amount of bonds with a breakout of construction period bonds vs. permanent bonds.
   Arroyo Village will utilize a short term cash collateralized bond structure with a total bond amount of $15,600,000. One hundred percent of the bonds will be taken out during construction by permanent
sources. The project will utilize a bridge loan, as evidenced in the letter of support from PNC in Tab 5, to fill the gap between the final draw on the permanent loan and the final equity installment.

b. Bond issuer (please specify whether you are seeking a CHFA bond-financed loan, a CHFA conduit bond issue only, or bonds from another municipal source).
The project is requesting that CHFA act as the conduit bond issuer for this transaction.

c. Lender and bond sale structure (public sale, private placement, short-term bonds to be taken out by a FHA-insured GNMA securitized loan, etc.).
Stifel, Nicolaus & Company, Incorporated is acting as the project’s underwriter and will sell the bonds through a public offering to achieve optimal short term pricing. Citi Community Capital will act as the lender in this transaction and has provided the letter of intent in Tab 5 for the proposed FHA insured 221(d)(4) loan, which will take out the short-term bonds through GNMA securitized construction loan certificates.

d. Portion of bonds that will be tax-exempt (i.e., will the bonds have a “taxable tail”).
One hundred percent of the bonds will be tax-exempt.

2. Identify which guiding principles in Section 2 of the Qualified Allocation Plan (QAP) the project meets and why it meets them:

a. To support rental housing projects serving the lowest income tenants for the longest period of time.
All units at Arroyo Village will support extremely low to low income individuals and families for a minimum of 40 years. Thirty-five of the 130 units will serve chronically homeless individuals at or below 30% of area median income (AMI) supported by project based vouchers from the Denver Housing Authority and permanent supportive services provided by The Delores Project. The remaining 95 units will serve tenants at or below 50% AMI.

In addition to providing 130 units for extremely low to low income individuals, Arroyo Village will also provide new shelter space for The Delores Project. This new space will ensure continued operations of The Delores Project and provide clean, safe and sanitary shelter space for approximately 50 beds for the West Colfax homeless population. By providing this space as a community service facility, The Delores Project will continue to combat homelessness by providing a community in which homeless women and transgendered individuals can make the transition from shelter space to permanent supportive housing. Upon entry into permanent supportive housing, the individuals living in Arroyo Village will have an existing and familiar support team in place to help make the next transition in their lives.

b. To support projects in a QCT, the development of which contributes to a concerted community revitalization plan as defined in Section 5.A 4, Primary Selection Criteria
Arroyo Village is located in Census Tract 7.02, a Qualified Census Tract. The site is located in the West Colfax Neighborhood, which was identified as a target area for comprehensive revitalization strategy within The City of Denver’s most recent Neighborhood Revitalization Strategy.
c. To provide for distribution of housing credits across the state, including larger urban areas, smaller cities and towns, rural, and tribal areas

Arroyo Village intends to utilize non-competitive 4% tax credits in conjunction with the Colorado State Tax Credit for an area desperately in need of affordable housing. By seeking multiple sources of debt and equity the project is able to minimize the request for Colorado’s limited State Credit to under $1,000,000. This equates to roughly 55% of the total amount of State Credits the project qualifies for and provides flexibility within the financing structure. This flexibility minimizes the impact on CHFA’s limited competitive resources so they may distributed throughout the state as the program administrators deem necessary. Should CHFA conclude a modified financing structure would be more beneficial to the State’s affordable housing goals, Arroyo Village has the flexibility to accomplish this while maintaining a financially viable project.

d. To provide opportunities to a variety of qualified sponsors of affordable housing, both for-profit and nonprofit

Arroyo Village is the product of intense collaboration between for-profit, non-profit and governmental entities, all of which will materially contribute to the success of the project in unique ways. The two main partners of the project, Rocky Mountain Communities and The Delores Project are both non-profit entities with a history of service to low income and chronically homeless individuals. By combining Rocky Mountain Communities’ expertise in property development and management with The Delores Project’s expertise in housing for the chronically homeless and permanent supportive services, Arroyo Village will maximize housing benefits to all tenants.

Additionally, Rocky Mountain Communities and The Delores Project have engaged BlueLine Development, Inc. to ensure project completion. BlueLine Development is a for-profit affordable housing developer with a strong history of affordable housing and permanent supportive housing development.

Finally, the Denver Housing Authority will participate in the project through their Special Limited Partner program so the project will receive a waiver of real estate taxes to ensure long term viability through decreased operating expenses.

By combining areas of expertise among these four entities, the Arroyo Village team has done their best to ensure that all parties’ best interests, be it for-profit, non-profit or government entity, are represented.

e. To distribute housing credits to assist a diversity of populations in need of affordable housing, including families, senior citizens, homeless persons, and persons in need of supportive housing

Arroyo Village will provide one-, two- and three-bedroom units to individuals and families between 30% and 50% of AMI. Thirty-five of these units will be made available to homeless individuals with support from project based vouchers from the Denver Housing Authority and permanent supportive services provided by The Delores Project. Additionally, The Delores Project will move operations of their existing 8,000 square foot shelter into 11,700 square feet of space on the ground floor of Arroyo Village.
f. To provide opportunities for affordable housing within a half-mile walk distance of public transportation such as bus, rail, and light rail

One of the main assets of the proposed development site is its location adjacent to the Knox Court Light Rail Station. This station opened in 2013 and is the second stop of the “West Line”. Residents of Arroyo Village will have immediate access to approximately 206 rides per day on Denver’s Light Rail system. In addition, there is a bus stop at the Knox Court station on Route 1 that offers service from approximately 5:30 a.m. until 10:30 p.m. Additionally, the West Colfax 16 bus is accessible just two blocks away, operating from approximately 5:00 a.m. until 2:00 a.m.

g. To reserve only the amount of credit that CHFA determines to be necessary for the financial feasibility of a project and its viability as a qualified low income housing project throughout the credit period

The financing of Arroyo Village is structured with the intent to minimize impact on public resources. By requesting 4% non-competitive bonds in conjunction with the Colorado State Credit, Arroyo Village would allow CHFA to serve a community in need of affordable housing while preserving the bulk of their competitive resources for future developments. Arroyo Village has limited its request of Colorado State Credits to under $1,000,000 in order to allow CHFA to serve multiple projects with this limited resource. In addition, the development team has maximized third party funding through the City of Denver’s Revolving Affordable Housing Loan Fund and the Colorado Division of Housing’s HDG funds in order to minimize the impact on Colorado’s competitive State Housing Credit.

h. Projects serving Homeless Persons as defined in Section 5.B 5

Arroyo Village is the result of a homeless shelter and an affordable property manager’s joint desire to combine efficiencies so that they may create a community that presents the best possible opportunity for homeless individuals to transition from shelter living to permanent supportive housing and ultimately to workforce housing and independent living. Arroyo Village will combine all three types of housing with an experienced staff to help these individuals make the transition through every phase of housing options, as appropriate.

3. Describe how the project meets the criteria for approval in Section 2 of the QAP:

   a. Market conditions:

Analysis of the primary market area indicates a shortage of housing available to low to extremely low individuals as indicated by an estimated 2,123 income qualified renter households who remain unserved after consideration from existing and new housing supply. These figures are further corroborated by high occupancy rates and wait lists at existing affordable communities within the primary market area.

Current capture rates for existing units are very low at 15.3%. After consideration of projects currently under construction or in the planning process (including Arroyo Village) capture rates remain low at 23.0%. Based on these calculations we anticipate a quick lease up and long term stabilization for Arroyo Village well within the timeline proposed.
b. Readiness-to-proceed:
The two entities who comprise the General Partner, Rocky Mountain Communities and The Delores Project, own the proposed site and have mutually agreed to execute long term land leases to the project, as evidenced by the lease options contained in Tab 17.

In order to combine sites, The Delores Project parcel has gone through the re-zoning process with The City of Denver. A pre-application meeting was held with the Community Planning and Development department on January 8, 2015 to discuss the re-zone and Concept Phase planning session was held on January 16, 2015. On June 1, 2015 City Council approved the Bill to re-classify 1290-1292 King Street from PUD to G-MU-5 to match 1251-1295 Knox Court. Additionally, on November 2, 2015 City Council approved the Bill to formally vacate the right-of-way between the two parcels, which allows for combination and development of the two sites. At the time of this application no further City Council action is required to prepare the site for development.

The Arroyo Village team has engaged Shopworks Architecture, an experienced Denver LIHTC architect to design Arroyo Village. Additionally, we have received an estimate from Palace Construction, a local multi-family contractor with years of experience in the LIHTC industry. Schematic drawings, elevations, a site plan and floor plans can be found in Tab 14 and construction estimates can be found in Tab 3 and 4.

c. Overall financial feasibility and viability:
Arroyo Village is financially feasible if awarded the 4% non-competitive credits and Colorado State credit as requested. In order to leverage state and federal resources to the fullest extent possible, the development will utilize debt financing from HUD through the 221(d)(4) program and The City of Denver through their newly created Revolving Affordable Housing Loan Fund. Both of these sources provide favorable financing with the HUD loan offering a below market interest rate and 40 year amortization and the Housing Loan Fund requiring interest only payments at a favorable 3% rate.

In addition to the debt structure, Arroyo Village will utilize $1,000,000 in Housing Development Grant funds from the Colorado Division of Housing, which will go in as soft loans from the General Partner with no obligation for repayment so tax credit basis will not be affected.

Finally, The Delores Project shelter space will be considered a community service facility under Section 42(d)(4)(C)(i) of the Internal Revenue Code and therefore be allowed within basis and included in the total financing structure of the project. The shelter will operate independently from the rental portion of the development and will receive no subsidy in any way from the cash flows of the project.

d. Experience and track record of the development and management team:
Rocky Mountain Communities (RMC)
RMC is a non-profit organization whose mission is to develop, own and manage affordable housing and provide support services to help individuals succeed in life. RMC is currently serving more than 2,000 people in 7 locations throughout Colorado.
Richard Taft joined Rocky Mountain Communities as President and CEO on January 1, 2012. Mr. Taft, together with the RMC staff and the Board of Directors and backed by the Company’s updated strategic plan, have undertaken a broad range of programs and growth initiatives.

First among these initiatives has been the successful refinancing of the first two out of five of their statewide portfolio of six properties. The second initiative has been an effort to grow the portfolio with new development and careful pursuit of rehabilitative and as-is acquisitions for the creation or preservation of existing affordable housing.

Previously Mr. Taft founded and led Peregrine Property Trust, a property development firm specializing in commercial & affordable housing developments and has worked as V.P. of Development for thirteen years with two of Denver’s most noted real estate development organizations. Projects included: Campus Village student housing; redevelopment of original Elitch Gardens site into Denver’s first New Urbanism Community; and the Fireclay and Highland Bridge Lofts.

Mr. Taft holds a Bachelor of Science of Architectural Services from the University of Illinois and is a member of the Urban Land Institute.

John Lyda joined RMC in 2014 as the Director of Property Development. His projects include more than 12.5k acres of industrial and residential development, 250 commercial development projects, and $22M in historic preservation development of the Johnson and Wales University campus. He was also involved in a 9-acre parcel developed for senior housing, 80 acres for mixed-use development, and 3 acres for rezoning from residential to industrial use. Mr. Lyda is a certified LEED professional from the US Green Building Council.

See Tab 11 for more information on RMC’s experience and properties.

The Delores Project (TDP)
The Delores Project has efficiently and effectively managed a 50-bed shelter since its inception in 2006. Located on a property owned by TDP, they currently operate 4 distinct programs for women and transgendered individuals experiencing homelessness. Each program is designed to engage guests with a strengths based focus while taking steps to increase housing stability. Over the past 8 years they have been continuously working to connect shelter guests with housing providers while also increasing staff knowledge and capacity around housing options including best practices throughout the region.

The Delores Project has been a local preference provider with the Denver Housing Authority for 5-years. As an identified local preference provider they are awarded an allocation of up to 10 tenant-based housing choice vouchers and assist recipients with finding appropriate homes in the community. Specifically, they support these voucher recipients with housing applications, lease-up processes, appeals (if needed), and maintaining housing stability. See Tab 11 for more information on The Delores Project.
The Executive Director, Terrell Curtis, is responsible for the overall management of the organization. Her key roles include financial and operations management, fundraising, and building collaborative partnerships in the community. Her prior experience includes eight years at The Gathering Place, a partner agency, where she served as the Director of Communication. Ms. Curtis has been appointed by Mayor Michael Hancock to serve on the Commission to End Homelessness, and was also invited by the Mayor’s office to participate in a stakeholder group to advise the Mayor on the development of a 10 year, annual affordable housing fund. Ms. Curtis sits on the Board of Directors for the Harm Reduction Action Center. She holds a Bachelors of Arts from the University of Colorado, Boulder.

The Program Director, Rev. Laura Rossbert, is responsible for implementing policies, protocols and practices, overseeing shelter management, staff supervision, assuring constant attention to the welfare, safety and respectful treatment of guests and staff, and ensuring the programs we offer meet the needs of our guests. Rev. Rossbert brings a wealth of experience from her various non-profit positions in both DC, Nashville, and Denver. She most recently served as a Field Director for a national non-profit and brings her commitments to working with the most marginalized in society to be empowered to enact change in their own lives.

**BlueLine Development (BLD)**
BlueLine Development, Inc. is a real estate development company dedicated to creating and sustaining affordable housing. Their success comes from forming partnerships and utilizing all available funding resources. The goal of each development is to provide a comfortable, healthy home to those who need it most.

BlueLine Development was founded in 2011, by professional developers who brought years of development experience to the table as well as a great zeal for the work they do. BLD now employs six specialists dedicated to developing quality properties to house families in lower income brackets. The dynamic, small team allows BlueLine to fully integrate the needs of their clients and act on items quickly.

Since the inception of BlueLine Development, Inc. it has secured funding and completed construction on 16 different LIHTC projects, in multiple states, with seven different nonprofit companies. The principals of BlueLine Development have completed over 50 multi-family developments utilizing LIHTC, HOME, CDBG, NSP, TCAP, AHP, NAHASDA, Section 1602 and Section 8 programs. Please see the BlueLine Development Resume and List of Properties submitted in Tab 11 for more information.

**e. Cost reasonableness:**
The costs submitted with this application reflect the current construction market in the City of Denver. These costs have been verified verbally from numerous funders and construction reviewers and in writing by Palace Construction, a Denver LIHTC contractor familiar with the architect and active in the Denver market.

The development team has looked for opportunities to streamline processes and minimize costs at every opportunity. By utilizing an architect, contractor and engineers who are all familiar with the LIHTC
process, the development team has been able to minimize turnaround time and duplication of efforts in the design phase, which will translate to an efficient construction process.

Additionally, the development team has looked to optimize financing, when possible, to minimize legal fees. By structuring the project as a cash collateralized bond model, the project is able to reduce construction interest by approximately 50% and negative arbitrage by almost 90%.

f. Proximity to existing tax credit developments:
Apartment Appraisers and Consultants, Inc. identified nine comparable tax credit developments totaling 789 units within a 2.5 mile radius. The total vacancy rate of these nine developments is extremely low at 1.8% and six of the nine developments have significant wait lists. Furthermore, though the units shown in the vacancy survey were physically vacant, nearly all were pre-leased at the time of the study. The low vacancy rate and extensive wait lists indicate a strong demand for more affordable units within the primary market area. Further analysis and location maps indicating proximity of existing tax credit developments can be found beginning on page 39 of the market study included in Tab 18.

g. Site suitability:
The proposed development site is ideally located in many ways to serve the all families and individuals at Arroyo Village. The development would be located at the Knox Court Station of the Light Rail Line, allowing access to mass transit for individuals who cannot afford independent transportation. Additionally, the site is proximate to Sanchez Park, which provides green space in an otherwise urban environment. Finally, the gradient of the site allows for podium parking to be utilized without going above five stories of total construction, virtually eliminating the need for inefficient surface parking while maintaining cost effectiveness of construction.

4. Provide the following information as applicable:

h. Justification for waiver of any underwriting criteria (minimum operating reserve, minimum PUPA or high PUPA, first year debt coverage ratio below 1.15 or above 1.30, minimum replacement reserve, vacancy rate below CHFA’s minimum):
Arroyo Village is not requesting a waiver of any underwriting criteria.

5. Address any issues raised by the market analyst in the market study:
Apartment Appraisers and Consultants, Inc. made three recommendations within the market study, which will be addressed as follows:

i. Include a business center by repurposing all or part of one of the community rooms, or provide free WiFi in one or both of the community rooms.
Arroyo Village will provide a computer lab/business center for resident use. Additionally, free WiFi will be provided in both The Delores Project shelter space and community space within the workforce housing building at no charge to tenants.

j. The owner should ensure adequate budgeting for advertising given the frontage on local and collector streets with more limited drive-by traffic.
The operating budget for Arroyo Village contains $11,000 per year for advertising. This amount was calculated by determining average advertising costs for Rocky Mountain Communities portfolio of comparable properties and increasing the resulting number by 20% to account for the unique location and nature of Arroyo Village operations.

k. The utility savings projected from the energy efficient design features and other environmentally conscious project elements leading to the proposed Enterprise Green Community certification should be highlighted to prospective tenants.

A tenant handbook will be available to all new tenants at apartment walk through which details the green building features of Arroyo Village and potential cost saving measures the tenants can follow to reduce water and energy consumption.

6. **Address any issues raised in the environmental report(s) submitted with your application, including how the issues will be mitigated, if applicable:**

Kumar and Associates noted the potential of an historical landfill adjacent to the property but did not make any recommendation of remediation.

7. **In your own words, describe the outreach to the community that you have done and describe and demonstrate local support for the project (including financial support):**

A public hearing was held on January 28, 2016 to discuss the proposed development in detail. Recordings and written transcripts of this hearing are provided under Tab 10 of this application.

In addition to the public hearing, Rocky Mountain Communities and The Delores Project have actively engaged the Registered Neighborhood Organizations and appropriate City Council Members for public support and awareness. For example, Richard Taft and Terrell Curtis spoke to the Sloan’s Lake Citizens’ Group on March 11, 2015 about the concept and details of Arroyo Village. Please see the letter of support from the City Council Members provided under Tab 10.

8. **For acquisition/rehab or rehab projects, provide a detailed narrative that describes the rehab plan and tenant relocation plan (if applicable); addresses the 10-year rule; capital expenditures over the past two years; previous related party relationships; past local, state, or federal resources invested in the project; obvious design flaws; obsolescence issues; safety issues; and any significant events that have led to the current need for rehabilitation (i.e., fire, nature disaster).**

N/A

Supporting documentation for the Arroyo Village application and narrative can be found under Tab 10 of the electronically submitted application.
Project Name: Baker School Apartments

Project Address: 64th & Lowell (unincorporated Adams County)

Project Description and Location
The Baker School Apartments are to be built on the site of the former Baker Elementary school that was named for the “forgotten mountain man,” Jim Baker. Jim Baker was a scout, guide and interpreter and a Chief of the Shoshoni for a time in the 1860’s. The project will consist of 142 units with a small, adjacent park in which a monument to its namesake will be constructed. This 4.4-acre site is located in the middle of three commuter rail stops and near to several bus routes so public transportation will be easily accessible to future residents. The Westminster RTD FasTracks Station which is scheduled to begin operations in 2016 is located approximately seven tenths of a mile to the north at 69th Ave. and Grove Street. The Sheridan station is located approximately a mile to the southwest at Sheridan Blvd and 60th Ave. The Federal Station is located approximately a mile to the southeast of the site at approximately Federal Blvd and 60th Ave. In addition, there is bus service 6 blocks east at 64th and Federal. There are several grocery stores and other shopping within 1.5 miles of the site as detailed in the market study.

There are also very convenient recreational opportunities to be found at Hidden Lake Park which is only 0.2 miles to the north. Hidden Lake Park provides many outdoor recreational options including ball fields, picnic areas, a lake and walking/running trails. Just 0.6 miles to the south is Clear Creek Valley Park. This will be a new 85 acre park with many amenities including multiple ponds, multi-use fields, basketball courts, volleyball courts, playground, skate park, bmx track and community garden just to name a few. Adjacent to the park is the Clear Creek
Trail which provides a 24 mile paved bike and pedestrian connection between Golden and the Platte River.

The local school district, Adams 50, that made the decision to close the Baker School and sell the site, is experiencing some shrinkage but is very supportive of this re-use as a means to provide more stability for the generally lower income population they serve. Further, during the rezoning process, the county planning staff was very supportive of the project stating that it would be an important improvement for the community.

The design for this project includes adequate parking (1.7 spaces per unit) and a promenade concept that separates the three-story buildings. This will maximize the open space while still ensuring adequate parking. There will an outdoor play area for children, outdoor picnic and barbeque area and a dog run plus the project will have a separate clubhouse with exercise area, kitchen and meeting area for community use, management office and meeting rooms. There has been significant feedback from the surrounding community which is very sad to have lost their local school but have come to accept this addition to their community as a positive improvement.

**Population Served**

This project will provide affordable housing for lower income individuals and families who comprise a major portion of the workforce in the part of unincorporated Adams County that is included in the Primary Market Area. The unit mix is as follows:

<table>
<thead>
<tr>
<th>Type</th>
<th>AMI</th>
<th>Size</th>
<th>#</th>
<th>Max Rent Gross</th>
<th>UA</th>
<th>Max Rent Adjusted</th>
<th>Actual Rent</th>
<th>Annual Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Bed 1 Bath</td>
<td>30%</td>
<td>660</td>
<td>5</td>
<td>450</td>
<td>-</td>
<td>450</td>
<td>450</td>
<td>27,000</td>
</tr>
<tr>
<td>2 Bed 2 Bath</td>
<td>30%</td>
<td>950</td>
<td>3</td>
<td>540</td>
<td>-</td>
<td>540</td>
<td>540</td>
<td>19,440</td>
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<tr>
<td>1 Bed 1 Bath</td>
<td>60%</td>
<td>660</td>
<td>67</td>
<td>900</td>
<td>-</td>
<td>900</td>
<td>900</td>
<td>723,600</td>
</tr>
<tr>
<td>2 Bed 2 Bath</td>
<td>60%</td>
<td>950</td>
<td>67</td>
<td>1,080</td>
<td>-</td>
<td>1,080</td>
<td>1,080</td>
<td>868,320</td>
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<tr>
<td><strong>Total Units</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>1,080</strong></td>
<td></td>
<td><strong>1,080</strong></td>
<td></td>
<td><strong>1,638,360</strong></td>
</tr>
</tbody>
</table>

The need for workforce housing is evidenced by a study that focused on Adams County in 2014 and noted that “nearly 80% of households earning less than $35,000 (which is a majority of the
county’s population) spend more than 30% of their incomes on housing costs,” leading to public revenue (primarily sales taxes) being adversely impacted when cost-burdened households reduce other spending to meet their basic housing needs.

**Type of Construction and Energy Efficiencies**

The construction of this project will be wood framed with a variety of siding textures and a flat roof. Each unit will have its own exterior entrance from common space, open stairwells that are secured at the entrance. They will have wall air conditioning units, blinds, carpet, cable and internet hook-ups, built-in shelves, a refrigerator, stove/oven, disposal, dishwasher, microwave, storage closet, coat closet, walk-in closet, pantry, patio/balcony and in-unit washer/dryer. The heating system will be forced air heated by a gas fired hot water system and cooled with electric condensers and it is designed to the latest standards for energy efficiency. Additionally the project is part of the Xcel Energy Design Assistance (EDA) and Xcel Energy Efficient Buildings (EEB) programs. These programs provide design assistance and rebates to enhance the energy efficiency of the project.

**Amenities**

The subject’s common amenities, security features and tenant services will include on-site management, perimeter fencing, limited access entrances, a clubhouse, playground, business center, dog walk area, fitness center, picnic/BBQ area and security patrol. Each unit will have wall air conditioning, blinds, carpet, cable and internet hook-ups, built-in shelves, a refrigerator, stove/oven, disposal, dishwasher, microwave, storage closet, coat closet, walk-in closet, pantry, patio/balcony and in-unit washer/dryer.

**Bond Financing**

The project is requesting $26,000,000 in construction bonds and $12,300,000 in permanent bonds. The bonds will be issued through CHFA and the project anticipates using the CHFA bond-financed loan product for both construction and permanent debt. It is anticipated that the bonds will be 100% tax exempt and that there will be no taxable tail.
Sources and Uses of Project Financing

<table>
<thead>
<tr>
<th>Sources of Financing</th>
<th>Amount</th>
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<tbody>
<tr>
<td>1st Mortgage</td>
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<td>Land Carryback</td>
<td>1,300,000</td>
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<td>Adams County HOME</td>
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<td>CDOH HOME</td>
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<td>State CHIF</td>
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<td>Deferred Developer Fee</td>
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<table>
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<tr>
<th>Uses of Financing</th>
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<td>Construction</td>
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<td>Professional Fees</td>
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<td>Permanent Financing</td>
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<td>Syndication Costs</td>
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<tr>
<td><strong>Total Uses</strong></td>
<td><strong>34,570,652</strong></td>
</tr>
</tbody>
</table>

Guiding Principles

The guiding principles of the QAP that are fulfilled by this application include:

*To support rental housing projects serving the lowest income tenants for the longest period of time* – The project will include 5% of the units affordable to households at 30% AMI and will commit to the affordable restrictions for 40 years.

*To provide for distribution of housing credits across the state, including larger urban areas, smaller cities and towns, rural, and tribal areas* – To-date there have been no LIHTC projects developed in unincorporated Adams County

*To provide opportunities to a variety of qualified sponsors of affordable housing, both for-profit and nonprofit* – It is anticipated that this project will involve a highly qualified for profit
entity as the developer along with one of Colorado’s leading housing authorities as a co-general partner.

To reserve only the amount of credit that CHFA determines to be necessary for the financial feasibility of a project and its viability as a qualified low income housing project throughout the credit period – The project will deliver 142 affordable units. The State credit requested is substantially below the amount that would be justified by the amount of eligible basis. The development team has worked hard to meet this criteria knowing this is a limited a valuable resource. We anticipate that this project will be among the most efficient project in terms of the State credit per unit needed.

Criteria for Approval
The project meeting the following criteria as described below:

a. Market conditions:
The project will address a pent-up demand in its market area and will provide a superior location.

b. Readiness-to-proceed:
The development team is currently proceeding more detailed design work and with the process of getting its site approval from Adams County. This is the same team that is nearing completion of the Park Hill Village West project under budget and on schedule. The zoning is in place and the site is owned by an entity controlled by the developer. Due to these efforts, we anticipate that we will be ready to commence construction in September of 2016.

c. Overall financial feasibility and viability:
This project will bring to the table many of the same financial players as were used for Park Hill Village West. They have judged the financial feasibility and viability to be sound enough to commit to its development.

d. Experience and track record of the development and management team:
The team members for this project has many years of experience with Low Income Housing Tax Credit projects and were the one who closed on the first
new construction PAB project since the 2008 economic downturn in Colorado when they closed Park Hill Village West in July 2014.

e. **Cost reasonableness:**
   The hard costs for this project are in line with comparable walk-up apartment properties and the amount of credit per unit is very reasonable.

f. **Proximity to existing tax credit developments:**
   Within the Primary Market area there is only one other competing LIHTC project that is planned or under construction.

g. **Site suitability:**
   As described above the proposed site is ideal for affordable housing.

**Community Support**

This project fulfills several of the actions recommended in the 2015 study on *Impediments to Fair Housing Choice*. Specifically, **Action 2B** calls for the County to “...work with affordable housing providers and developers to identify areas of opportunity for development of suitable sites.” The Adams County Housing Authority (ACHA) will be a **co-general partner** in the ownership structure of this project, not just a special limited partner. (Letter attached) Further, **Action 2C** calls for the County “... to support affordable rental housing development proposals by investing HOME and CDBG funds in projects that are seeking match dollars from state and federal sources. “ The Adams County Office of Community and Economic Development has indicated they are willing to invest HOME dollars into this project. (Letter attached). Finally, in furtherance of these goals, when the rezoning of this site was presented to the Adams County Commissioners, it was rezoned with a unanimous vote by the commissioners.
Crossing Pointe (formerly known as 104th and Colorado) is Adams County Housing Authority’s (ACHA) multigenerational new construction housing development planned in Thornton, Colorado. The 203 units of affordable housing will serve a wide-range of persons from young children to seniors with household incomes ranging from 0 to 60% of the Area Median Income. This catalytic Transit Oriented Development is part of Thornton’s Crossroads Station Area Master Plan and is part of one of the “Opportunity Sites” for providing critical affordable housing for residents of the area. Through the use of its project based vouchers, ACHA will be able to provide 50 units for very low-income persons earning 0-30% of AMI. These units will be split between the family (30 units) and senior (20 units) projects on site. The balance of the units (153) will provide housing for families and seniors with incomes at or below 60% of AMI. Indoor and outdoor amenities for the project will be provided separately for the families and seniors while at the same time, the design will encourage the two groups to socialize and share in daily activities.
Crossing Pointe is in a unique competitive position and should be selected above other projects for an award because of a number of factors:

1. **State LIHTC essential for project** - ACHA did administer a self-assessment for Crossing Pointe as to its financial feasibility as a 4% Federal LIHTC project with or without State tax credits. Due to a lack of QCT boost in credits and the large number of units being delivered (203) we have determined the financing gap is insurmountable without State credits.

2. **Maximizing federal while minimizing state credits request** - As evidenced in the Crossing Pointe proforma, ACHA has heavily leveraged the amount of annual federal credits at $1,630,961 while minimizing the request for annual State tax credits to $1,025,350 ($5,050 per unit).

3. **Shovel ready** – Our design team is 100% complete with Design Development and poised to move into construction documents. After six months of work with the City through rezoning, Crossing Pointe is ready to submit for Development Permits. ACHA has worked with Milender White to perform constructability reviews and value engineering and is confident about the current cost estimate based on 100% Design Development, which is more detailed than an estimate based Schematic Design drawings.

4. **Local support for affordable units and location** - While projects in a QCT have been viewed favorably by CHFA, the City of Thornton’s goal (as stated in its 2014 Housing Needs Assessment) is to locate affordable multifamily housing units “in areas where there is not an existing concentration of low-income housing” which is the case in this project.

5. **Owner leveraged monies** - ACHA has made significant financial commitments to the project with over $1,580,000 in predevelopment costs invested to date. An additional $1,800,000 of ACHA Board-approved funds will be leveraged in the form of owner equity loan to the ownership entity for the project.

**Project Summary**

**Project Description:**

**Location**
The 5.09 acre site located at the southeast corner of E. 104th Avenue and Colorado Blvd. in Thornton provides excellent access to natural outdoor amenities, social and health services, recreational facilities, shopping, transportation and educational institutions. It is within a 5-10 minute walk of many retail options including a full-sized grocery store. The location is a 25 minute commuter train ride from Union Station and a 35 minute bus ride from DIA, which are two major job centers. See map below that highlights nearby amenities and services.
# Bedroom Unit Mix & AMI Mix

<table>
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<tr>
<th>Senior Building</th>
<th>Ave. sf</th>
<th># of units</th>
<th>30% AMI with PBV</th>
<th>60% AMI</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Bed/1 bath</td>
<td>622</td>
<td>48</td>
<td>20</td>
<td>28</td>
</tr>
<tr>
<td>2 Bed/1 bath</td>
<td>896</td>
<td>13</td>
<td>0</td>
<td>13</td>
</tr>
<tr>
<td>Total Units</td>
<td></td>
<td>61</td>
<td>20</td>
<td>41</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Family Buildings</th>
<th>Ave. sf</th>
<th># of units</th>
<th>30% AMI with PBV</th>
<th>60% AMI</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Bed/1 bath</td>
<td>622</td>
<td>51</td>
<td>0</td>
<td>51</td>
</tr>
<tr>
<td>2 Bed/1 bath</td>
<td>896</td>
<td>25</td>
<td>0</td>
<td>25</td>
</tr>
<tr>
<td>2 bed/2 bath</td>
<td>902</td>
<td>51</td>
<td>22</td>
<td>29</td>
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<tr>
<td>3 bed/2 bath</td>
<td>1297</td>
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<td>Total Units</td>
<td></td>
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<tr>
<td>Project Total</td>
<td>Ave. sf</td>
<td># of units</td>
<td>30% AMI with PBV</td>
<td>60% AMI</td>
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<tr>
<td>---------------</td>
<td>---------</td>
<td>------------</td>
<td>------------------</td>
<td>---------</td>
</tr>
<tr>
<td>1 bed/1 bath</td>
<td>622</td>
<td>99</td>
<td>20</td>
<td>79</td>
</tr>
<tr>
<td>2 bed/1 bath</td>
<td>896</td>
<td>38</td>
<td>0</td>
<td>38</td>
</tr>
<tr>
<td>2 bed/2 bath</td>
<td>902</td>
<td>51</td>
<td>22</td>
<td>29</td>
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<tr>
<td>3 bed/2 bath</td>
<td>1297</td>
<td>15</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>Total Units</td>
<td>203</td>
<td>50</td>
<td>153</td>
<td></td>
</tr>
</tbody>
</table>

**Amenities on site**

Taking advantage of amazing natural features of the site, Crossing Pointe will incorporate outdoor community space in the senior and family courtyards that overlooks the Grandview Open Space.

Amenities offered in both the senior and family areas:
- Raised bed resident gardens
- Outdoor patio and seating areas
- Indoor community room with kitchen
- Energy efficiencies
- Computer lab
- On-site management
- Building security system
- Access to resident services
- Exercise space
- Easy access to walking trails

Amenities unique to the family buildings are:
- Outdoor children’s playground with small water feature
- Active stairwells, encouraging use of stairs over elevator
- Bicycle corral
- Outdoor fireplace

Amenities unique to the senior building are:
- Structured, underground parking
- Library
- Indoor/outdoor fireplace
• Resident gathering area on each floor

All units will have the following amenities:
• Private entrance off interior corridor
• Private outdoor patio or deck
• Individual heating/cooling unit with controls
• Energy star rated appliances
• Washer and dryer in unit
• Off-street parking

Energy efficiency and healthy living measures
• Energy Star rated appliances
• Energy efficient aqua-therm heating/cooling units
• Programmable thermostats
• Low-flow shower heads and faucets
• Low Volatile Organic Compound (VOC) interior paint
• Photovoltaic ready
• Active stairwells in family buildings
• High performance window, increased wall and roof insulation, and shading
• Smoke-free living environment
• Compact development (density of 39 dwelling units/acre)
• Walkable neighborhood
• Reduction of heat-island effect

Services for residents
The LIFE (Low Income Family Empowerment) Board in partnership with the Adams County Housing Authority is proud to have created 3CE (Center for Career and Community Enrichment), the first integrated services center in the County. 3CE benefits Adams County residents and businesses by providing access to jobs, housing, parenting classes, educational classes and health services. 3CE services include housing counseling and housing related classes, life skills, job search and job skills, and adult basic education including GED. One-on-one personalized services include counseling, credit score review and repair, case management, resume building and job searching. Spanish-only speakers can access services (offered in English and Spanish) at 3CE through bilingual Workforce and staff members. A public computer lab with high speed internet access, phone, and a fax machine helps participants overcome barriers to employment. 3CE is open to everyone, but we focus on low-income, underserved, minority communities and target unemployed and underemployed residents.

Crossing Pointe will provide office space for a full-time staff person from 3CE. This staff person will serve as a peer navigator to assist families and seniors at Crossing Pointe to access local services. Through this role, the peer navigator will enhance residents’ living experience by minimizing any barriers to maintaining or striving for self-sufficiency.
Type of Construction:
Crossing Pointe will consist of three free standing, elevator buildings, with fiber-cement panel exterior and brick, ribbed metal, and stucco accents. The building has staggered setbacks, balconies, varied elevations, and a flat roof. Units will have private entrances located along double-loaded interior hallways. Some ground floor units will have a second entrance from the outside. Construction will include completion of all interior roads, an access road, water detention requirements, exterior common area amenities, and parking (43 structured spaces and 257 surface spaces).

Windows will be vinyl, dual pane, Low-E, energy efficient and include vertical window blinds. Floor coverings will include LVT flooring in the living areas and bathrooms, and carpet in bedrooms. All units will feature wood cabinets, laminate countertops, low flow plumbing fixtures and Energy-Star rated appliances including a frost-free refrigerator, electric range with self-cleaning oven, dishwasher, disposal, and in-unit washers and dryers. The HVAC system will be an individual Aqua-therm gas forced air heating system with central air conditioning.

Type of Financing:
The project will use equity from both the Federal 4% LIHTC and State Tax Credits, HOME funding from the City, County and State, CDBG funding from the City, owner equity and both permanent and construction loans utilizing PAB cap that ACHA currently has committed. The project is further aided by anticipated fee and use tax rebates (estimated $910,000) provided by the City of Thornton. This goodwill gesture from the City is being offered to spur this catalytic project now. These rebates leverage the tax credits and help offset water tap fees, which are over $3,600,000 for the project. ACHA will defer 49% of the developer fee on a 13-year pay back schedule to assist in funding a financing gap on the project. ACHA purchased the land for $910,000 and will lease it to the partnership. Several lending institutions and syndicators have expressed interest, including RBC for LIHTC equity, Chase Bank for construction debt, and Walker & Dunlop for permanent debt. ACHA anticipates the use of a Freddie Tax Exempt Loan utilizing its internal bond allocation.
### Sources and Uses

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<th>Uses</th>
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<td>Other Soft Costs</td>
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<td>Developer Fee</td>
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<td>CHIF</td>
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<td>Deferred Developer Fee</td>
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<td><strong>Total</strong></td>
<td><strong>$52,545,028</strong></td>
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### Bond Financing Structure

a. The total amount of PAB to be issued for the project will be $40,309,256.

i. Construction period

   - Amount: $40,309,256
   - Term: 24 months with 6 month extension option
   - Rate: 2.05% variable (One month LIBOR plus 1.62%)
   - Payment: Monthly interest only

ii. Permanent period

   - Amount: $20,631,400
   - Term: 18 years
   - Rate: 4.30% fixed
   - Payment: Monthly principal and interest

b. ACHA will issue the $40,309,256 of tax-exempt bonds. ACHA has just over $12M available in direct allocation PAB from the City of Thornton and $55M in DOLA statewide PAB cap allocation.

c. It is anticipated that the bond sale will be a private placement.

d. 100% of the loan will be tax-exempt.

### Guiding Principles

- To support rental housing projects serving the lowest income tenants for the longest period of time: ACHA commits to maintain 100% of the units at 60% AMI or less, including 50 project-based voucher units serving those at or below 30% AMI. These units will remain affordable for at least 40 years.
• **To support projects in a QCT:** While Crossing Pointe is not in a QCT, its location meets Thornton’s goal of deconcentrating poverty. It also shows ACHA’s commitment to providing low-income families an opportunity to live in more affluent neighborhoods, which is consistent with the latest ruling of Affirmatively Furthering Fair Housing. Thornton Housing Needs Assessment has identified the southern part of the City, south of 104th Avenue, as the highest concentration of low-income households. Therefore the City would like to see new affordable housing units developed in the northern part of the city, starting at 104th.

• **To provide for distribution of housing credits across the state:** The City of Thornton is in Adams County, part of the northern portion of the Denver Metro Region in Colorado. Thornton did not receive a State Tax Credit allocation last year, and has only received 3 competitive LIHTC allocations. The most recent allocation came in 2012, but it has been over a decade since this Primary Market Area has received a competitive allocation—2005 for Glennpark Village and 2004 for Reserve at Thornton II.

• **To provide opportunities to a variety of qualified sponsors:** ACHA, as a quasi-governmental Housing Authority, is a reputable housing and housing service provider. Alongside of the newly developed RTD’s commuter rail lines, ACHA is aggressively pursuing new multifamily construction in TOD areas. This further enables ACHA to fulfill its dual purpose of empowering people and strengthening communities.

• **To distribute housing credits to assist a diversity of populations in need of affordable housing:** Crossing Pointe will serve two distinct populations, independent elderly and families. Having both an age-restricted building on the same site as two family buildings will allow the two communities to interact with one another. This could include seniors reading to kids in an afterschool program, as well as providing a welcoming environment for grandparents raising children.

• **To provide opportunities for affordable housing within a half-mile walk of public transportation:** Crossing Pointe is approximately a quarter-mile walk from the future Thornton Crossroads station (opening in 2018). It is less than a quarter-mile walk to several main bus routes, including RTD’s AA route that connects the site to Denver International Airport. Grange Hall Creek Trail is less than a half-mile away and will soon be connected to the site once a proposed hard-surface trail is completed.

• **To support new construction of affordable rental housing projects:** Crossing Pointe will consist of 203 units of new affordable rental housing over three
buildings. This innovative, compact, amenity rich project will offer a unique housing option for Thornton residents.

- **To reserve only the amount of credit that CHFA determines is necessary for the financial feasibility of a project:** Given the scarcity of the state tax credits (STC), ACHA’s development team has worked hard to keep the state tax credit request to a minimum while at the same time maximizing the amount of federal tax credits. The STC amount requested is $1,025,350 (12% of eligible basis), which spread over 203 units is only $5,050 STC/unit and will provide over $3.8 million in cash equity. This is done by pursuing HOME, CDBG, CHIF, City fee and tax rebates, and substantial owner equity. Even with the large amount of federal tax credits generated by this project, it is not enough to make it viable without state tax credits.

- **To reserve credits for as many rental housing projects as possible:** While the STC request is a significant portion of the total amount available, it will go towards a large number of affordable housing units (203), which includes 50 units serving households at or below 30% AMI.

- **Housing Priority:** Crossing Pointe meets CHFA’s priorities for State Credit applications in that it utilizes 4% Federal Credits and is new construction.

**Criteria for Approval**

a. **Market conditions:**

According to the market study for Crossing Pointe by Prior & Associates there is a compelling need for the project’s affordable housing in the community. Although the capture rate for the 60% AMI family units is 33.2%, the market study indicates Crossing Pointe’s required market share is attainable in the Primary Market Area (PMA) for the following reasons: 1) LIHTC projects were 100% occupied with some projects having a 12-month waitlist, 2) Crossing Pointe will be the newest affordable housing development, 3) other LIHTC properties were achieving 60% AMI rents at or near maximums and 4) Crossing Point’s 60% AMI two-bed/one-bath rent is 4% below the maximum allowable amount. Market study reported that there are no existing age-restricted LIHTC units within the PMA. The capture rate for the 60% AMI senior units is reported to be 27%, slightly above the 25% desired rate. However, the market study points out that the rate is attainable because the project: 1) will be the only LIHTC project in the PMA with age-restricted units, 2) provides 61 senior units for which there are 300 age-, income- and size-qualified renter households and the PMA is projected to gain 104 senior (62+) renter households per year, with no other senior units in the pipeline to account for demand from growth, and 3) will be a new product in excellent condition.
b. **Readiness-to-proceed:**

The applicant and developer, ACHA owns the 5.09 acre site at 104th and Colorado. ACHA is in an excellent position to close on financing and start construction once awarded tax credits. Per the zoning letter from the City of Thornton (Zoning Status Documentation), ACHA is scheduled to appear for zoning approval at the next possible City Council meeting on March 15th, 2015 accompanied by planning department staff support. Although the site was zoned multifamily, Crossing Pointe’s unit density and parking reductions requires a Planned Development, consistent with Thornton Crossroads Station Area Master Plan.

The ACHA development team engaged the architectural team of Van Meter Williams Pollack in June 2015 and have progressed through 100% Design Development. Plans will be ready for building permit shortly after a tax credit award. We anticipate closing on financing within 6 months of award and construction start less than one week later. The construction team of Milender White Construction Co. was selected in September 2015 and has assisted in preconstruction cost estimation as well as cost-efficient design ideas.

A HUD environmental review has already been conducted by the local jurisdiction, City of Thornton, mandated by the award of $50,261 CDBG funds in 2015. The City anticipates a final HUD approval and Release of Funds by the end of February 2016. We anticipate this review will be utilized by other soft funding sources such as the state and the county.

c. **Overall financial feasibility and viability:**

ACHA modeled several types and sizes of projects for this site and ultimately determined that the current structure maximizes tax credit equity as well as other funding sources. Because this site is not in a Qualified Census Tract we are not able to receive the 30% basis boost and therefore need to leverage state tax credits to make the project feasible.

Funding sources for the project include HOME and CDBG grant funds from the city, county, and state as well as a CHIF loan, owner equity from ACHA, and permit and use tax rebates from the City of Thornton. ACHA has met with all funding providers to determine availability of funds and anticipates funds will be obtained after tax credits are awarded to the project.

As construction costs have increased considerably over the past several years, ACHA and the design team worked with the general contractor to determine the most cost efficient building types. Ultimately we developed a plan of constructing one podium structure and two slab-on-grade structures each with four stories of wood frame construction above. This allowed us to keep per unit construction costs down while maximizing functionality of the site for parking, amenity space, and landscaping.
In order to correctly determine operational costs for the project the development team worked with ACHA’s operations and accounting departments in comparing operating expenses of similar properties. A $4,344 PUPA is consistent with ACHA’s operating experience in Thornton. The first year debt coverage ratio is at 1.16 and, after payments of the CHIF loan and land lease, deferred developer fee will be paid in year 13.

d. Experience and track record of the development and management team:
Developing three buildings that serve two distinct populations is challenging. The development project team has a depth of experience implementing complex projects in the metro area at similar sites. We believe we are the best suited team for the project at this site.

The Adams County Housing Authority (ACHA) has a thirty-five year history of providing a wide range of affordable housing options to the residents of Adams County and will serve as Property Manager. ACHA has directly acquired or been part of a partnership for the acquisition of more than 20 properties totaling 2,584 units. The Housing Authority owns and solely operates 1,456 units of affordable housing and is in partnership with the private and public sectors for an additional 1,128 units. ACHA is designated by HUD as a high performing agency in the administration of more than 1,490 Housing Choice Vouchers which make market-rate units affordable to low-income households. ACHA has extensive experience with management and compliance of LIHTC properties in Adams County, including compliance for other soft funding sources.

Don May is the Executive Director of the ACHA with an annual budget of $25 million. Don has been the Executive Director of ACHA for the past 20 years. He holds a B.S. in Business Administration and a Certificate in Nonprofit Organization Administration. Don is committed to donating his time to serve on various boards and committees that assist families in need. He sits on the Adams County Workforce Investment Board; Housing Colorado Board; is Chair of NAHRO’s Legislative Network, NAHRO Board of Governors, Past President of Colorado NAHRO; Immediate past President of Mountain Plains NAHRO; and serves on various national, state and local Boards and committees.

Sarah Vogl leads the ACHA Development Team as Manager of Housing Development. Prior to ACHA she was a Housing Developer for over six years with the Colorado Coalition for the Homeless. At CCH she led the development of two new construction multifamily 9% LIHTC projects of similar scale to the subject property. She also managed rehabilitation projects that included 4% LIHTC financing, State Historic status, and those with multiple HUD financing sources. Previous to CCH, Sarah was a Housing Developer at the Aurora Housing Authority and oversaw the HUD disposition of public housing units and managed the rehab
of a high-rise senior residence using 4% PAB. Sarah also worked in the Mortgage lending field as a Bilingual Senior Loan Officer.

Monique Antillon joined the Adams County Housing Authority team in early 2010 as a Community Manager for our 232 unit community Village of Greenbriar. At Village of Greenbriar she managed a $2M contract with EOC to increase energy efficiency to reduce utility costs for our residents. In 2013 Monique was promoted to Regional Property Manager and currently leads our Property Operations Team with their day to day activities which include implementing new policies and procedures, budgeting, compliance, and working with the Development team. Prior to joining the ACHA team she managed several apartment communities in Denver, Lakewood, Aurora and Thornton which included LIHTC, PBV, Project Based and HOME funded apartment communities. Monique has also worked as multisite Bilingual Manager and has managed over 1500+ units.

Van Meter Williams and Pollack, with extensive experience in affordable multifamily design, will provide the Architectural services. They have designed and built a wide variety of affordable housing that have received numerous design awards in national and local design competitions.

Milender White Construction will be General Contractor. Additional information about our Development Team, including resumes, are included in Attachment D: Crossing Pointe Development Team Resumes.

e. **Cost reasonableness:**
   The construction ‘hard cost’ estimate, based on 100% Development Design, provided by Milender White has been reviewed by the development team. Given Milender White’s recent experience of constructing similar buildings in the Denver Metro region and the thorough review by the development team, the estimate is considered reasonable. It reflects the current state of the construction market, with construction prices increasing over the last few years. The design balances these higher costs without sacrificing quality to ensure that the vary scarce tax credit resources are not wasted, but invested wisely and in a way that allows more projects to be awarded credits. The project anticipates the City of Thornton to provide permit fee and use tax rebates that will offset high water tap fees.

f. **Proximity to existing tax credit developments:**
   According to the Market Study, there are ten existing LIHTC projects with over 1,100 income-restricted units in the PMA. 241 units are deeply subsidized and none are age-restricted. Overall, the Market Study indicates that Crossing Pointe will compete favorably with these properties in terms of amenities, unit types, rent levels, and location. Thornton’s Housing Needs Assessment indicates that there is still a significant shortage of affordable rental housing and this is reflected in 0%
vacancy rates and long waiting lists for the comparable LIHTC developments in the PMA.

g. **Site suitability:**
Crossing Pointe’s location is central to many services, amenities and employment opportunities for our future residents. In addition, the development is on a collector street (E. 104th) and near Colorado Blvd. (a 4-lane arterial) both with moderate to high volume traffic promoting good visibility for marketing. The site is currently 5.09 acres of vacant land owned by the applicant, Adams County Housing Authority. It is an optimal site for new construction due to the following bordering uses: on the north is E. 104th Avenue providing excellent visibility for marketing, on the east is the Grandview Parks and Open Space providing recreational opportunities and no future development, to the south is additional parks and open space that will serve as a location for a regional detention pond, and to the west is retail shopping providing amenities as well as job opportunities.

**Retail Shopping**
Proximity to nearby retail is noteworthy with a neighborhood shopping center and convenience store within 100 feet of the site. Just west of the site, across Colorado Blvd. (less than .1 miles) is a community shopping center of about 225,000 sf. The center includes an Albertson’s grocery store, McDonalds, Quiznos, Big-O Tires and Chase Bank.

**Public Transportation**
The project has excellent accessibility to public transportation. Within .1 mile is the nearest bus stop at Colorado Blvd. and E. 104th Ave. with service every day of the week. The future commuter rail station (to be completed in 2018), Thornton Crossroads at 104th, is just across Colorado Blvd. to the west. The station, now under construction, will connect with the development to the south by way of a tree-lined access road with a sidewalk to be built by the project which is less than a ¼ mile walk.

**Schools**
The project is in the Adams Five Star School district rated average by the Board of Education. Riverdale Elementary is .7 miles, Shadow Ridge Middle School is 2.7 miles and Thornton High School is 2.6 miles from the site. The closest post-high school offerings are Front Range Community College and University of Colorado-Denver 5.4 miles and 10.2 miles respectively from the site.

**Social Services**
Nearby services for residents in the new development are abundant. Some of these services include childcare (.5 miles), preschool, (3.7 miles), library (2 miles), and government services at the Thornton City Hall (2.6 miles). Complementary to the senior housing on the site is the Thornton Senior Center (2.1 miles)
providing a wide-array of social services including health screenings, transportation services, arts and crafts, education, fitness and wellness classes.

**Parks and Recreational Opportunities**
Proximity to indoor and outdoor recreational facilities is excellent. The Grandview Parks and Open space is immediately to the east and south of the site with a proposed public trail connecting to Crossing Pointe. Carpenter Park is a community park located .5 miles north of the site which has basketball courts, tennis courts, children’s play equipment, ball fields, a lake, trails, picnic areas and other amenities. Adjacent to Carpenter Park is the Margaret W. Carpenter Recreation Center (.5 miles from the site) which has exercise rooms, a gymnasium, indoor swimming pool, meeting rooms for community activities and other amenities.

**Hospitals and Doctors**
Crossing Pointe is conveniently situated near several medical facilities:
- Arbor Family Medicine is .5 miles
- Peak Primary Care is 1.2 miles
- North Suburban Medical Center is 2.9 miles
- Vibra Hospital is 3.2 miles

It is not just the opinion of the owner/developer that the site for Crossing Pointe is optimal for affordable housing. Adams County’s 2015 Analysis of Impediments to Fair Housing (AI) report cites strategies for placement of affordable housing. The AI states projects like Crossing Pointe should avoid areas with existing concentrations of low income residents, and be placed near transit and employment opportunities. Crossing Pointe accomplishes this by not being in a QCT and being within a ½ mile of transit.

**Justification for waiver of any underwriting criteria:**
Crossing Pointe can meet all of CHFA’s minimum underwriting criteria and does not require any waivers.

**Market Study Issues:**
The only issue raised by the 104th & Colorado market study was unit size. According to 104th & Colorado current market study ACHA’s one and two-bedroom units are 21% and 12% smaller respectively than LIHTC averages in the PMA. The slightly smaller units at 104th & Colorado are offset by the fact that each unit has a balcony or patio, providing enhanced outdoor private living space for each resident. In addition, there will be ample indoor and outdoor community space for all residents.
Environment Report Issues:
The Phase I report identified Recognizable Environmental Condition due proximity to a gas station. However, results of the Phase II investigation concluded no presence of Volatile Organic Compounds in soil or groundwater above regulatory limits. Therefore, no further environmental assessment of the site was recommended.

Community Outreach:
Local support from the City of Thornton has been very positive. The Neighborhood Services department is enthusiastic about a mixed population development that serves low income households (see Support letter from City of Thornton). The City has awarded Crossing Pointe project $50,261 in CDBG funds from 2015. The City of Thornton has specifically allocated $6.3M of its Private Activity Bonds to ACHA for this project. ACHA has applied for additional CDBG funding ($350,000 requested in application) for Crossing Pointe. ACHA has also applied for HOME funding from the City of Thornton in the amount of $120,000.

Adams County has been supportive of Crossing Pointe, recognizing that the project is a strong answer to its 2015-2019 Consolidated Plan which states that new construction of affordable rental units is a goal for reducing the gap in rental units for households at 0-60% AMI. See letter of Support from the Adams County Manager.

A partnership for the project with Tri-County Health Department has been very fruitful with collaborative meetings about healthy living features to be incorporated into the design above and beyond the Enterprise Green Communities. Tri-County has been very supportive of Crossing Pointe and its presence in the community consistent with their mission of promoting public health for the citizens of Adams County. See Tri-County’s letter of support in Attachment B.

The Adams County Housing Authority hosted a community meeting at the local recreation center for the residents in the vicinity of the project in Thornton on December 17th, 2015. Unfortunately, no one from the public attended.

Attachment A: Crossing Pointe Context Maps.pdf
These are additional maps showing Crossing Pointe in context of the following:
- RTD’s North Metro Rail line
- Opportunity Site C in Thornton’s Crossroads Station Area Master Plan
- Neighborhood Amenities in the vicinity

Attachment B: Crossing Pointe Evidence Soft Funding and Support.pdf
These are letters from various municipalities and non-profits that support Crossing Pointe:
- Letter of Support from DOLA – DOH
- Letter of Support from Adams County
- Letters of Support from the City of Thornton
- Letters of Support from Adams County Housing Authority for PBV’s and Wait list
Attachment C: Thornton Crossroads Station Area Master Plan
Thornton adopted the Crossroads Station Area Master Plan in 2014. Crossing Pointe is within Opportunity Site C that calls for high density and walkable residential housing. The Station Area Master Plan can be found on the City of Thornton’s website at the following link:

https://www.cityofthornton.net/government/citydevelopment/planning/Pages/104th-avenue.aspx (visited January 31, 2016)

Attachment D: Crossing Pointe Development Team Resume.pdf
Contains the following resumes of the project development team:
- ACHA key personnel
- Milender White Construciton (General Contractor)
- Solvera (Consultant)
- Winthrop & Weinstine (Legal)
- Eide Bailly (CPA)
- Van Meter Williams Pollack (Architect)

Attachment E: Crossing Pointe Schematic Drawings Set.pdf
Contains the following drawings:
- Illustrated Site Plan
- Senior Building Rendering
- North Family Building Rendering
- Project Summary
- 1st and 2nd Floor Plans for Each Building
- Unit Layouts
- Elevations
- Landscape Plans

Attachment F: Crossing Pointe State Credit Public Hearing.pdf
Contains the following documentation required for State Tax Credit applications:
- Public Notice Publication
- Sign-in Sheet
- Public Hearing Record
Project Name: The Crossing

Project Address: 1420 38th Street Denver CO 80205-3307

Introduction:

Medici Communities is thrilled to submit our application for an allocation of 4% Federal and State low-income housing tax credits.

The Crossing Apartments had previously been submitted in the last competitive 9% round. Based on feedback we received from CHFA staff after that request was denied, we have spent the intervening months working with our partners at Urban Land Conservancy to improve this project. Notable changes include the following:

- Land costs decreased by almost 40%, from $1.6M to $1.0M
- The number of affordable units increased from 75 to 108
- We identified a significant new source of funding in Gary Community Investments, which is willing to make the project a $2.5M low interest loan.
- We have eliminated the need for competitive grant funding, and used the City’s new revolving loan fund as a replacement source of funding, for which this project is a very good fit.

Compared to our previous submittal, today’s project will deliver more units of housing with no need for 9% credits, while continuing to deliver on our shared objective with the Urban Land Conservancy to create a catalyst project at a critical light rail station. All of this can be made possible without the need for 9% credits by taking advantage of scaled down costs, operational efficiencies, low impact and tap fees, low-cost debt and, of course, the State housing credit program. We are excited to be able to present this project for consideration. We believe that it will serve as another high quality positive example of the benefits the new State credit program can bring to our State.
As you recall, this project represents the culmination of years of effort and planning on the part of a wide variety of community stakeholders. Located at the intersection of three of Denver’s oldest neighborhoods (Five Points, Cole, and Elyria Swansea), this project represents an opportunity to link the diversity of households in these neighborhoods together with the rest of the city through RTD’s new east rail line.

The Urban Land Conservancy identified this site in 2008 and acquired it out of foreclosure in 2011, utilizing Denver’s TOD loan fund to finance the acquisition. Located directly across from the 38th and Blake light rail station, ULC saw this one and a half acre site as a long term opportunity to preserve affordable housing options for residents of one of Denver’s rapidly gentrifying neighborhoods.

At the beginning, however, this project presented challenges to development. It housed two abandoned structures, both havens for criminal activity and nuisance. They discovered an old underground storage tank on the site. Working with Colorado’s Division of Oil and Public Safety, ULC was able to have the tank removed at no cost. Separately, both buildings were abated and demolished. Thanks to these efforts, the site is now ready for immediate development.

Throughout ULC’s nearly 6 year planning process the overriding theme has been on the potential of this site to connect a diversity of people and geographies to one of the largest public transportation investments in our country. The project was envisioned to be a mix of uses serving a mix of incomes. From these conversations arose the name of the project: the Crossing.

The Crossing will be the second project developed by a partnership between the Urban Land Institute and Medici Communities. In 2012 the two firms collaborated to develop the Evans Station Lofts, an affordable 50 unit mixed use project at the Evans / Santa Fe light rail station. Through a competitive RFP process ULC interviewed developers, in the end selecting Medici Communities to develop this site into the project proposed within this application. While Medici will develop, own and operate the planned project, ULC will own the site in perpetuity, making it available to the project through a long term land lease.
Project Overview

The Crossing will be a 108 unit project affordable at 60% of Denver’s AMI. 84 of the units will be one bedroom; 15 will be two bedroom, and 9 will be three bedroom. Units will range in size from 504 SF up to 1,400 SF, and offer a range of design and pricing options for potential residents. The project will contain ground level office and amenity space, including a fitness center, community room, and business center.

The RTD East Rail Line to DIA (or A Line, as it will be called) is in its testing phase now, and will be open to the public in April 2016, before our project will be ready for occupancy. Residents of our project will enjoy immediate rail service right out of their front door. DIA can be accessed in less than 30 minutes, and Denver’s Union Station is one stop away, providing connections throughout the rest of RTD’s system. Residents of this project will have access to a number of excellent public transportation options in addition to light rail. RTD provides bus service along Marion, 38th Walnut and Downing Streets, providing access to locations in every direction. A pedestrian bridge under construction a few blocks south of the site will provide access to the Platte River trail and Brighton Boulevard. Several of the surface roads leading back south into the City, including Larimer (one block east of the site), provide dedicated bike lanes. Residents of this project will have many opportunities to access employment and other services without the need for a private automobile, which enhances the ability of this affordable housing project to help people reduce living expenses and save more of their income.
The easy, affordable transit options offered at this location will attract residents from a very broad market area. During lease up of our recently completed Evans Station Lofts project, for example, no tenants came from the project’s primary market area. We believe that good access to a variety of public transportation options significantly broadens the geographic boundaries of the project’s market area.

This is a very visible site. To create the kind of signature building the City wants, the architecture will have to live up to the challenge. We are very capable and committed to producing the type of project that is needed, at a cost that can be supported. It isn’t all about spending; it is about attention to detail. The building design and layout is targeted for smaller families that are interested in living in a dense urban setting adjacent to multimodal transportation options, shopping, community facilities, schools, parks and trails. The unit amenities include air conditioning, washer & dryer, dishwasher, garbage disposal, & energy star refrigerator. The building is five stories in height, elevator serviced with controlled access. The ground level will contain the leasing office, community room, exercise facility and computer/business center. Apartments will be comprised of a mix of one, two, and three bedroom units. Each unit will contain laundry hookups. A community deck will be located on the fifth floor of the building, providing mountain and city views in a gathering space for tenants.

We are committed to quality construction materials and practices. We will use systems and materials that are high quality and provide a long term life cycle. The proper materials add to the quality of life for the residents and controls repair and replacement costs over time.
We are very familiar with green building practices and are at the forefront in understanding and implementing the Green Communities standards. We incorporate what we believe to be the best and most effective elements into the design and construction. These include, but are not limited to, infill location, high density, construction waste management, energy star rated appliances, finger-jointed framing materials, efficient lighting, low v.o.c. paint and adhesive, high life cycle exterior materials.

1. Identify which guiding principles in Section 2 of the Qualified Allocation Plan (QAP) the project meets and why it meets them:

   **Affordability**: This mixed income project will provide 108 units of housing affordable to households earning 60% of AMI.

   **New Construction**: This project will create 108 units of affordable housing in a rapidly gentrifying area. But for the foresight of the Urban Land Conservancy to purchase this site in 2011, it would not have been financially feasible to develop this site into affordable housing.

   **Proximity to Public Transportation**: The project is located immediately adjacent to the 38th and Blake light rail station, which is under construction and will open before this proposed project. It is not possible to locate a project any closer to this station that we are. In addition to light rail service, bus routes run along each of the four roads adjacent to the site, providing bus service in every direction.

2. Identify which housing priority in Section 2 of the QAP the project qualifies for: N/A

3. Describe how the project meets the criteria for approval in Section 2 of the QAP:

   a. **Market conditions**: The need for affordable housing in this area is great. The vacancy within the LIHTC projects surveyed on our PMA is less than 1%, with all projects maintaining waiting lists with 140 – 240 applicants. There is pent-up demand for affordable housing in this market area. The project’s affordable rents represent a 52% - 57% savings over surveyed Class B market rate projects, providing a significant value to prospective residents. While the capture rate for this project is above CHFA thresholds, there are several extenuating circumstances discussed in our market study that substantiate strong market demand for these units. Our market study recommended no changes to the project, and suggested that it would lease up in six months with no need for concessions.
b. Readiness-to-proceed: The site is zoned for multi-family and it is a use by right. We expect to spend the next 8 months working with the architects and the City to develop construction documents and then approximately 4 months in permitting. Construction would commence in the first quarter of 2017.

c. Overall financial feasibility and viability: The proposed affordable rent levels are achievable in the market. In fact, our rents are 26% to 30% below the average Class B affordable rents in the PMA. In addition to the equity raised through the sale of state and federal tax credits, the project will utilize a mix of traditional and alternative loan products. A PAB financed 1st mortgage will be complemented by a City of Denver Affordable Housing Revolving Loan. Unique to this project is a third source of soft funding, a loan from Gary Community Investments (GCI). GCI helped launch our partner, the Urban Land Conservancy, and has been working through ULC on this project and others in the area for several years. The combined effect of the two soft loans is to greatly increase the amount of debt the project can support, while reducing our need to access scarce HOME / CDBG funds.

d. Experience and track record of the development and management team: Medici Communities has been deeply involved in the development, finance and operations of affordable housing for over 15 years. We have been involved in all aspects of the development process, including complete development, construction management, and financing consulting for the LIHTC program in Colorado. Our team of professionals has been involved in every element of project development and management. We focus on and specialize in public/private partnership projects such as this. We have consulted with other non-profits and housing authorities. We have built and overseen the construction of multiple projects throughout the State. In terms of property management, we plan to contact with Echelon property Management Company to operate the project. Echelon currently operates all of the projects in our portfolio, and has an excellent track record of compliance and efficiency.

e. Cost reasonableness: Medici’s strong background in construction will produce a very high quality project at a very competitive price. The proposed project will benefit from an efficient building design and parking configuration. In an climate of rapidly increasing construction costs, every effort must be made to design and execute on an efficient program.

f. Proximity to existing tax credit developments: There are several existing tax credit projects in the PMA. Many of these are older and smaller tax credit projects. The nearest proposed 9% tax credit project is the Renaissance Downtown Lofts, located about 18 blocks southwest of our site. That project will serve homeless and special needs tenants.
g. Shopping: There are a number of small local markets within walking distance of the project. The nearest supermarket, Safeway, is located 18 blocks south of the project at 20th and Washington St. A number of restaurants, taverns, and other local shops are within walking distance of the project, with many more opening all the time.

Parks and Recreation: The St. Charles Park and Recreation Center is located one block east of the site. 5 blocks south is Curtis Park. The Platte River trail system can be accessed via the new 36th Street pedestrian bridge.

Education: The City of Denver School District operates several schools in the neighborhood, proving an excellent mix of options at every grade level. Mitchell Elementary, Harrington Elementary, Cole Arts and Science Academy, and Gilpin Montessori are four close by public elementary / middle schools. Manuel and Bruce Randolph are two area high schools. There are multiple smaller private schools and childcare providers throughout the area.

Public Transportation: Public transportation opportunities are excellent. The project is located at the 38th and Blake light rail station. A future extension of the Downing line north would bring the terminus of that line to the 38th and Blake Station. This project will be located at the intersection of these two light rail lines. Bus service is excellent as well. RTD provides bus service along Marion, 38th Walnut and Downing Streets, providing access to locations in every direction. A pedestrian bridge under construction a few blocks south of the site will provide access to the Platte River trail. Several of the surface roads leading back south into the City, including Larimer (one block east of the site), provide dedicated bike lanes.

4. Provide the following information as applicable:

   a. Justification for waiver of any underwriting criteria (minimum operating reserve, minimum PUPA or high PUPA, first year debt coverage ratio below 1.15 or above 1.30, minimum replacement reserve, vacancy rate below CHFA’s minimum): N/A

   b. Justification of the financial need for CHFA’s DDA credit up to 130 percent of qualified basis: N/A

5. Address any issues raised by the market analyst in the market study submitted with your application: The required capture rate exceeds CHFA’s guidelines. Despite this, the market study concluded that the project would enjoy sufficient demand in the market to lease up within 6 months. Factors cited include: very strong demand for the existing tax credit properties in the PMA; in-migration into this PMA, driven in part by the location
of the project adjacent to light rail; understated renter household growth in this rapidly developing PMA; and tax credit rents below comparable tax credit rents in the PMA.

6. Address any issues raised in the environmental report(s) submitted with your application and describe how these issues will be or have been mitigated:

The ULC performed both a Phase and Phase II study in 2011. Based on those reports a number of REC’s were identified and subsequently addressed. Medici recently performed another Phase II report, which verified the completion of the work performed by the ULC. This Phase II also identified the presence of one final REC (coal ash) just beneath the surface of portions of the site. This material was deposited on the site years ago by the operators of trains on the adjacent railroads. This material is shallow in depth, only 12” on average. Our analyst has quantified the amount of material to be removed prior to construction and provided an estimated budget for the same, which has been included in our development budget.

7. In your own words describe the outreach that you have conducted within the proposed community and demonstrate local support for the project (including financial support):

The site is owned by the Urban Land Conservancy. As stated above, the ULC engaged in several years of community outreach and planning. The community meetings generated consensus around several design principals, including: density, connectivity, mixed use, shared spaces, and equity. ULC conducted a design charrette at the Colorado Housing NOW conference, which informed the program that was used to craft a request for proposals to the development community. Through this competitive RFP process the ULC selected Medici Communities to develop the parcel into the project proposed herein, which incorporates the results of the outreach conducted by ULC.

The project area is the focus of several City plans. Since 2008 there has been strong neighborhood support for a revitalization effort, led by the Denver Office of Economic Development and the Five Points Business District Office. This effort led to the development of the Welton Corridor Urban Redevelopment Plan in 2012 by the Denver Urban Renewal Authority. (Currently DURA is conducting a related blight study of this area, which includes this subject site.) The plan describes the vision and strategies for rebuilding retail along Welton and Downing streets. The plan encourages “Transit-Oriented Development along transit lines and near stations, in order to provide housing, services, and employment opportunities.” The site is also included in Denver’s 38th and Blake Station area plan. Of note in that plan is the goal of improving pedestrian
circulation in and around the subject site in order to improve local access to the station. These improvements will have a converse benefit to our residents, providing them improved access to surrounding neighborhoods.

ULC obtained an EPA grant, which they used to obtain technical assistance for the development of a green infrastructure plan for the area. Medici will apply for a City of Denver revolving loan contingent on an award of tax credits.
Eaton Street Apartments

Project Basics

Eaton Street Apartments is a partnership between Mile High Development, Koelbel and Company and Longs Peak Advisors. Mile High and Koelbel have worked in partnership since 2010 to complete the Yale Station Senior Apartments and University Station Senior Apartments, and are currently developing the 66 unit Garden Court family/workforce affordable apartments at Yale Station. Together with Longs Peak Advisors, Mile High and Koelbel are breaking ground in February 2016 on the 112 unit Ash Street Apartments, a workforce/family project utilizing state tax credits located directly adjacent to the 9th & Colorado redevelopment project in central Denver.

Eaton Street Apartments will consist of one hundred and eighteen (118) affordable workforce housing units in a five (5) story, wood over podium, elevator-served building. The building is an L-shaped wrap of a public parking garage being built by the Westminster Economic Development Authority (“WEDA”). The project will have four (4) stories of residential units over a ground floor of common areas for the residential use and a separate retail condominium space.

The project is located within the Downtown Westminster redevelopment of the former Westminster Mall site. Downtown Westminster is a 105 acre master-planned urban community project of the City of Westminster and its Economic Development Authority. The Downtown Westminster project represents a substantial investment commitment of more than $65 million to date by the City in acquisition and Phase 1 infrastructure, including all infrastructure necessary for the development of the proposed Eaton Street Apartments and its immediate environs.

The project will sit on the north and east “L-shaped” portion of Block C-2 in Downtown Westminster which is located at the corner of West 89th Avenue and Eaton Street. The land is being acquired from the WEDA for the purpose of developing the proposed affordable housing project with the associated retail condominium. Parking will be provided in the adjacent 750+ space garage being developed by WEDA. The garage is
fully funded and OPUS has been contracted to design and build the structure for which construction will begin in March 2016.

Due to the family and workforce orientation of the proposed project, 9 three-bedroom units have been provided in the unit mix, which will also include 84 one-bedroom units and 25 two-bedroom units. Building amenities will include a large community room with kitchenette and entertainment center and a garden deck for the use of the residents.

Unit amenities include a central HVAC system (gas fired forced air heating and cooling system). Additionally, each unit will contain a full kitchen with dishwasher, range, refrigerator, disposal, storage closet, coat closet, air conditioning, in-unit washers and dryers and cable and internet wiring.

The urban location will provide the residents with an opportunity unique to the US-36 corridor. A variety of retail amenities, employment opportunities, and park space will be easily accessible outside Eaton Street Apartment’s front door. The City of Westminster is committed to making Downtown Westminster a mixed-income neighborhood and they would like Eaton Street Apartments to be the cornerstone of that commitment.

View of Downtown Westminster Central Square
The Downtown Westminster Redevelopment

The Eaton Street Apartments are providing an affordable housing option as part of the redevelopment of the former Westminster Mall at Sheridan Boulevard and US 36. This transit-oriented development is served by the US 36 BRT “Flatiron Flyer” route and numerous bus routes—with 500+ busses per day—at the US 36/Sheridan station. In addition, the Downtown Westminster site will be served by RTD’s Northwest Line in the future.

The 105-acre redevelopment site sits on the US 36 corridor, approximately 9 miles northwest of Downtown Denver’s Central Business District and 18 miles from downtown Boulder. In addition to these employment centers, there are many major employers along the US 36 corridor representing tens of thousands of jobs. Access to retail, community and health services is excellent. The site is served by the Jefferson County Public School district (Adams Elementary; Mandalay Middle; and Standley Lake High Schools).

The Downtown Westminster redevelopment project is being led by the City of Westminster and its Economic Development Authority. The City and WEDA have already committed $90 million to the project with a substantial portion already spent for land acquisition ($25 million) and Phase I infrastructure construction ($40 million) as illustrated in the site plan below.
The Phase 1 Streets shown in blue above, and all associated underground infrastructure, are fully funded and under construction now. Completion is expected in mid-2016. The garage to be built on Block C-2, around which our proposed project will wrap, is fully funded and begins construction in March of this year and will be complete by spring 2017. This garage will serve the adjacent existing JC Penney store, which is on a long-term lease and is committed to staying in Downtown Westminster. The Central Square (pictured above) just northwest of our proposed project is fully funded and will be complete by 2017.

In addition to the horizontal infrastructure, several Letters of Intent and Purchase and Sale Agreements have been signed with market rate commercial and residential developers for vertical development to commence in 2016, as indicated on the site plan above. The eastern end of Parcel A-2 will be a 40,000 to 60,000 square foot retail complex anchored by a major entertainment retailer, Alamo Draft House. Four mixed-use projects will start in 2016—on Parcels B-1, C-1, B-3 and the westerly portion of C-3. The B-1 and C-1 projects will include approximately 270 rental apartments and 25,000 square feet of ground floor retail. The B-3 project will include approximately 240
residences and 38,000 square feet of ground floor retail. The western edge of Parcel C-3 will be a collaborative office space and retail project with approximately 60,000 to 80,000 square feet of office and 20,000 to 40,000 square feet of retail/commercial space.

Taken together, these already committed projects and the associated infrastructure and public realm improvements will form a complete, coherent nucleus for Downtown Westminster. Our proposed affordable housing project will be a key part of this nucleus and of the larger project.

At full build-out Downtown Westminster will be home to 2,300 residential units and over 4,500 residents; over one million square feet of collaborative and Class A office space and 700,000 square feet of retail and hotel space, with more than 8,000 workers on site. The project will have an urban scale and downtown character. The City has prepared detailed design guidelines to ensure that each project contributes to the “downtown vibe” of the overall site.

In addition, the City is paying for all infrastructure and public realm improvements (including water, sewer, streets, sidewalks, bike paths, street lights, telecommunication ducts, on-street and structured parking, and public parks and open spaces and the central plaza) to set the tone and quality standard it expects to be achieved throughout the project. The public realm improvements are fully funded for all of the Phase 1 streets south of Central Avenue.

**Sustainability**

The building will be constructed to comply with “Green Communities” criteria, and will achieve LEED Silver per the City’s requirements. Numerous green materials and features will be incorporated in the project and the units. The location adjacent to the US 36 bus rapid transit corridor speaks to the sustainability of the project, and will limit the resident’s use of the automobile for much of their transportation needs. Other energy efficient features will include:

- Low-E Energy star qualified windows and doors
- High “R-Value” insulation
- Energy Star rated appliances
- All fans will be energy Star-qualified
- LED Emergency exit Sign
- Low flow fixtures
- Energy efficient common area lighting
- Flat roof with white EPDM
- Native and Xeriscape landscaping
**Bond Financing**

Eaton Street Apartments is requesting $23,000,000 in construction bonds and $8,850,000 in permanent bonds. It is anticipated that CHFA will be the bond issuer and the bonds will be privately placed with JP Morgan Chase purchasing the construction period bonds and Boston Capital purchasing the permanent period bonds. The bonds will be 100% tax exempt with no taxable tail.

**Guiding Principles**

In large part due to the City of Westminster’s commitment, Eaton Street Apartments will be able to provide a mix of affordable units more typical of 9% LIHTC projects. The project will have 8 units at 30% AMI, 8 units at 40% AMI, 32 units at 50% AMI, and 70 units at 60% AMI. All units will remain at their affordability level for 40 years.

The project meets CHFA’s guiding principle of providing affordable housing near transit; the location of the project is less than ¼ mile to the Sheridan bus and BRT station. The City of Westminster is committed to completing a pedestrian underpass by 2019 that will make the transit station even more accessible. The 25 two bedroom and 9 three bedroom units will also be suitable for families.

The project is also only asking for an amount of credit that is absolutely necessary to finance the project. There are a variety of other sources of funds that are being used to leverage the CHFA investment and provide a large number of units in a PMA with little to no vacancy. In particular, the City of Westminster/WEDA are prepared to provide a substantial amount of subordinate financing to make this project viable.

We are also requesting state credits; the project is new construction and is using 4% as opposed to 9% LIHTC’s thereby meeting the priorities for the state credit.

**Market Conditions**

The Market Study that is part of this application, provided by James Real Estate Services, indicates that there is strong demand for this workforce housing product in the Primary Market Area in all income levels. The Capture Rate of 19.4% indicates strong demand in the primary market area. While there are a number of 60% AMI units in the primary market area, all of those properties are townhome or walk-up style apartments and, with the exception of the 35 units at Sheridan Ridge Townhomes, all were originally constructed in the early 1970’s. More importantly, Eaton Street Apartments is meeting the demand in the much unserved 50% or lower AMI market.
Furthermore, the other projects in the PMA are stabilized and Eaton Street Apartments would only increase the overall capture rate by 2.3% which is less than CHFA’s 6% threshold. Finally, per the market study, we believe that we can easily achieve or anticipated rents.

**Readiness to Proceed**

The site is zoned as Downtown Specific Plan District, which allows affordable rental housing as a use by right. The proposed building is 5 stories, which will be less than the height restriction of 76 feet. (Please see attached zoning letter from Mac Cummins, Planning Manager, City of Westminster.)

The Phase 1 Environmental assessment has been completed and there are no areas of environmental concern at the site.

OZ Architecture has completed concept and schematic design, as indicated by the site plan, elevations and floor plans in the application. The development team has been working with OPUS (the adjacent garage design/builder which is under contract with WEDA to build the garage) to price the Eaton Street Apartment drawings as they have been developed. Opus will complete the design development and construction drawings for the project. Based on this input, and our recent pricing for the Ash Street Apartments and Garden Court Apartments, the development team is comfortable with the pricing as indicated in our cost projections in the application.

**Financial Feasibility**

Based upon the developers’ recent experience on the Ash Street and Garden Court projects, several sources of potential funding for the project have been identified, and
preliminary discussions have been held with potential participants, including a commercial bank and several tax credit investment firms. Based on these discussions and a detailed review of our financial projections as presented in the application, we believe the combined sources outlined in the table below are sufficient to meet the project’s expected costs.

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**Experience and track record**

Mile High Development and Koelbel and Company are the co—developers on this project. Mile High has a history of strong public private partnership development that includes the Wellington E. Webb Municipal Office Building in 2001/2002, Lakewood City Commons in 2000, and the Denver Art Museum Expansion project.

Koelbel and Company has been developing in the Denver metro area for over 60 years and has experience in almost every type of real estate development. In conjunction with Mile High Development they completed two affordable housing projects, Apartments at Yale Station in 2011 and the recently completed University Station Apartments in 2013. Koelbel and Company has also recently developed two additional affordable housing projects in Boulder totaling 130 units.
Longs Peak Advisors and its principal, Mr. John Huggins, specializes in structuring public financing alternatives for Public Private Partnership projects and has worked successfully on several recent projects with the Development team.

The project team plans to use Silva-Markham Partners to manage the lease-up phase of the project, as well as the ongoing property management duties.

The development and management team of Mile High Development, Koelbel and Company and Silva-Markham Partners, working together, have a history of compliance with CHFA’s affordable housing programs.

**Cost Reasonableness**

The total cost for Eaton Street Apartments is projected to be comparable to the cost of the recently completed Apartments at Yale Station and the University Station Apartments and the soon to be under construction Ash Street and Garden Court workforce/family projects on a per unit cost basis.

**Proximity to Existing Tax Credit Projects**

As indicated above, there are six existing projects in the study area with a current market vacancy for affordable units is less than 2.5%. Each project currently has a waiting list. This indicates a serious need for affordable housing in this market area. The addition of 118 units to this market area will meet pent up demand and not take renters away from current stock. Additionally, as an elevator served project that will
inhabit a dense urban environment, Eaton Street Apartments is greatly differentiated from other projects in the PMA.

**Site Suitability**

The project is located within the Downtown Westminster master-planned mixed-use community redevelopment of the former Westminster Mall. The City’s plan and commitment is to make Downtown Westminster a true downtown—a mixed-use, pedestrian-oriented place. Planned uses adjacent to the Eaton Street Apartments will include residential apartments and office space along with restaurants and retail.

The physical location of the site at Eaton Street and 89th Avenue creates a neighborhood atmosphere, accentuated by the decision to construct the building at 5 stories, blending it into the multi-story buildings adjacent to the site. Additionally, the design and materials selection will be coordinated with the rest of the Downtown Westminster project resulting in a greater relationship and connection to the neighborhood.

There are several grocery stores (King Soopers, Sprouts, Natural Grocers and Walmart) located within 3.0 miles of the site. Health and other community services are located throughout Westminster. The 3 acre Center Park (funded as part of the Phase 1 infrastructure improvements by the City and WEDA) is less than a ¼ mile away to the north, and additional open space will be provided at the south and east sides of the Downtown Westminster project, connecting to the 110 mile regional bike trail system along US 36. RTD’s US 36 and Sheridan Station is served by the following bus routes: 31, 51, 92, 100, 104, AB, ABA, FF1, FF2, FF3, FF4, FF5, FF6, and L, which provide ample service in all directions.

**Community Outreach**

The development team will work with the City of Westminster to provide presentations and meetings with neighbors interested in the affordable housing project over the next few months. A community meeting to discuss the project was held January 13, 2016, a transcript of which will be included with the application. In addition, we have extremely strong support from the City of Westminster and as a team have been successful in the past of receiving loans for our projects. Please see the attached letter of support from the City.
Project Name: Fifty Eight Hundred – A New Construction/Adaptive Reuse Project

Project Address: 5800 West Alameda Avenue, Lakewood, CO 80226

Project Description:

Fifty Eight Hundred will transform blight into benefit by creating 152 affordable housing units out of a prominent but long-vacant office tower and plaza. This Metro West Housing Solutions (MWHS) development satisfies many goals: it brings affordable and deeply affordable family housing to an ideal family location; its high visibility elevates the profile of affordable housing within the community; it creates the type of development exactly needed by and supported by the City of Lakewood, neighboring residents and business owners.

Fifty Eight Hundred offers a unique new construction opportunity. The existing vacant office tower, a conspicuous and long-standing eyesore, will be adaptively reused by deconstructing the building down to the structural elements in order to be built into 54 new apartment units. Next door, an additional 98 new units will be built on the unused asphalt parking lot. The
transformation of the site into an active, vibrant community from high vacancy and blight will be profound.

Seated at the top of the hill west of the intersection of Alameda Avenue and Sheridan Boulevard, the Fifty Eight Hundred site is part of one of the major “gateways” into Lakewood from Denver. Its complete revitalization will act as an actual and symbolic catalyst for Lakewood’s own comprehensive economic development vision. The site’s transformation and densification will dramatically change an urban dead zone into a lively pedestrian area connecting the site, the neighboring residential area, and the commercial uses in the Alameda gateway area. Its visibility will draw attention to how affordable housing and LIHTC (notably State LIHTC) investment can enhance and beautify a community.

Residents will enjoy a beautiful new defined courtyard area filled with community gardens (managed in partnership with Denver Urban Gardens) and play areas. The façade of the existing tower will be completely transformed into an attractive and varied modern residential design. Attention to detail, like on-site bicycle storage, fitness center and rooftop deck create an active modern living environment.

All 152 units are targeted toward workforce households at 30-60% AMI and offer a diverse unit mix, from studios to three-bedroom units to accommodate individuals, couples, families with children or other large households. The site’s location close to schools, sports facilities, parks and playgrounds is ideal for children and its proximity to the New America School offers very convenient education for adult learners. Its proximity to the Belmar retail center, local government, and transit is ideal for working adults and parents. MWHS will have the opportunity to provide transit assistance to residents, enabling them to potentially reduce transportation costs from their household budgets. The site is more walkable than the City of Lakewood’s average walkability.

Neighborhood stakeholders, local businesses, anchor institutions, and the City of Lakewood have all expressed excitement for this planned development. The site is not only located in a Federally-designated Qualified Census Tract (QCT) but also falls within the West Alameda Urban Renewal Development Area (report and map attached), demonstrating the intensive interest for investment in this area.

MWHS believes this project is an ideal candidate for 4% LIHTC allocation and very competitive for an award of State LIHTC. It meets and often exceeds threshold criteria and guiding principles under the QAP for both LIHTC programs. This is the second time this project has been presented to CHFA for a State LIHTC award. Receiving a LIHTC award in early 2016 will ensure that the project can take advantage of its QCT location status. After 2016, the project’s
census tract will no longer be considered a QCT. Without QCT status and the basis benefits associated with that status, this project will not be able to be built as a 4% LIHTC project and will impede its ability to move forward at all.

**Project Strengths:**

- Fifty Eight Hundred demonstrates a viable use of the State housing credit for a number of reasons: it uses an allocation of 4% LIHTCs which is a priority for State credits, the project includes new construction, and the state credits help increase affordability rather than merely fill a gap. With State LIHTC, the project will be able to include 25% of its units at 30-50% AMI, a greater amount of affordability than would typically be possible in a 4% LIHTC project without State LIHTC.

- Diverse range of unit types, including studios, 1, 2 and 3-bedrooms, both in the tower and in the new building, serving a range of household types. The market study confirms the viability of the proposed unit mix, including the desirability of studio units in a highly urban setting.

- 60% AMI rents that fall within the Section 8 payment standard, allowing this development to serve Section 8 voucher holders while maintaining the underwriting assumptions. These units are essential as many Section 8 voucher holders find it difficult to find available units in the community.

- Strong amenities in each building and strong partnerships already in-place to utilize the New America school and Red Rocks church for additional community space and services. The Food Bank of the Rockies will also bring its highly-successful mobile food pantry (a concept developed in partnership with MWHS) to the site twice a month for any interested Fifty Eight Hundred residents.

- Located within one block of an RTD bus stop serving one of the highest frequency service in the Denver metro area. Also connected to an extensive bike lane network.

- Seven-story building achieves spectacular views of the front range and the city in a building that will likely never be matched at that height again in Lakewood.

- MWHS has an extremely successful development and long-term portfolio management strategy. MWHS’ vacancy rates are near zero and their properties are highly sought after with lengthy waiting lists. MWHS operates a few housing communities near Fifty
Eight Hundred that will provide economies of scale and a support network for management. These properties each have very large, multi-year waiting lists. In addition to providing high quality housing, MWHS offers on-site, wraparound, supportive services to clients through the PATH Program, profiled in more detail under “Services.”

- Within ½ mile of a convenience store, elementary school, charter high school, neighborhood shopping center, large city park, and Gold Crown facilities (see more detail below). Within one mile of a medical clinic, shopping district and grocery.

Project strengths from the market study include:

- Its location in a QCT, which as noted above will end in 2016

- Strong demand for affordable units in the PMA with low overall vacancy. This demand is further demonstrated by the recent successful lease up of two LIHTC properties in the PMA

- Strong overall marketability and visibility will enable the project to lease up and remain highly occupied

- A diverse and appropriate unit and AMI mix in two buildings that will be well integrated into the surrounding uses and urban fabric

- Its development and management by MWHS, a highly experienced organization

- Above-average community amenities including covered parking and a high level of sustainable features

- Energy sustainability features will decrease resident utility costs and increase marketability

**Project Weaknesses/Challenges:**

The market study indicates that any drawbacks of the existing development plans should not be considered significant deterrents to the project’s success. Potential weaknesses which MWHS identified and have addressed in the development plan include:
• The site is currently retail and office, so people may not see it as a good location for residential. To address this, MWHS has spoken with residents and business owners in the area who agree that more residential in the area would boost local business along Alameda Ave. and create neighborhood vibrancy. MWHS has also considered in the design how to make the property more appealing and more residential.

• The development will have a high percentage of 60% units. MWHS confirmed with the Section 8 administrator that the 60% rents to be charged are within the payment standards for households using Housing Choice Vouchers, allowing those units to be occupied by voucher holders and maintaining MWHS’ underwriting assumptions.

• Renovation can be unpredictable and costs can go up unexpectedly. In order to address this potential challenge MWHS has carefully inspected the office tower and the future underground parking. The construction plans call for complete replacement of all systems, including electrical, plumbing, HVAC, fire sprinkler, elevators, windows, and roofs. Also, most of the floors of the office tower are completely unfinished, so there is nothing hiding behind walls to surprise the development team with additional cost.

• There could be additional environmental contamination. The project budget includes remediation for all identified contaminants of concern. Since formally acquiring the property, MWHS entered into an environmental insurance policy for the site, completed extensive soil, groundwater, and indoor air quality testing, submitted the site into the State of Colorado Voluntary Cleanup Program, and applied for a $200,000 brownfield cleanup grant from the U.S. Environmental Protection Agency to help pay for remediation.

• Washers and dryers will not be included in units. In MWHS’ recent experience, the washers/dryers have many operational issues that frustrate both the residents and the staff. In order to address those problems, we have decided to include multiple common laundry rooms all operated by a professional laundry leasing company.

**Construction Detail:**

The former Martischang office tower, along with the surrounding complex, was built in 1981 and throughout its history has been at least 75% vacant, with most of the floors never receiving a tenant finish. MWHS is now presented with an once-in-a-lifetime opportunity to re-energize the seven-story tower with affordable housing offering spectacular city and mountain views.
Fifty Eight Hundred will include a complete adaptive re-use of the tower, including a remarkable update to the façade. The project also includes construction of a four-story apartment building fronting Alameda, which will give a fresh, new appearance to the plaza. It will allow for well-protected amenities within the courtyard side of the development.

The project is comprised of two distinct construction components. The existing commercial building will be completely gutted and remodeled into apartment units; the detail is included as an attachment to this narrative. All interior and exterior walls, HVAC, electrical, elevator, plumbing, windows, and doors will be rebuilt and replaced. The remodel will address all code, accessibility, safety, and energy efficiency issues. New apartment units will have similar finishes and amenities as the new construction component.

The larger, new construction component will be a four-story wood frame building with flat roof on top of a concrete slab on grade. Inside, units will be accessible via an internal corridor and serviced by two elevators and two sets of stairs. Construction includes sound-dampening components between floors. The units will have 9-foot ceilings, ceiling fans, air-conditioning, and walk-in closets. Living spaces will have hard surface flooring and bedrooms will be carpeted. Packaged Terminal Air Conditioner (PTAC) and Vertical Terminal Air Conditioner (VTAC) units controlled by wall thermostats will provide unit heating and cooling. In the one-bedroom units with PTACs there will be a sidearm that ducts conditioned air to the bedroom. Additionally there will be supplemental electric baseboard heat in bedrooms of units with PTACs. Hot water will be provided to units by a central hot water tank. The exterior of the building will be clad in a combination of different materials including prefinished metal panels, brick/masonry, and a painted Hardy plank/panel siding. The windows will be double-paned vinyl in the residential units and aluminum storefront windows at the common areas.

Underneath the school is an unused basement/warehouse space that will be converted to fit 76 parking spaces available for the residential development. The garage has access to the tower rather than to the school, which has designated surface parking space.

Plans for the property contain a higher-than-average common square footage. This square footage includes the underground parking. It also accounts for the fact that the building dimensions, originally intended for commercial use, leave behind wider hallways and lounge spaces when that space is converted to residential use.

The south portion of the plaza, once a grocery store, has been purchased and renovated by Red Rocks Church. MWHS is forming a parking agreement and shared space partnership with the church that may allow the development to build less additional surface parking on a site
already covered with surface parking.

In addition, the northwest corner of the plaza currently has a vacant gas station/car wash. The site is contaminated and the current owners have started the remediation process with the State of Colorado Division of Oil and Public Safety, offering potential for this parcel to be redeveloped as commercial or retail space in the future.

**Population Served:**

This project is intended to target workforce households and families. Its AMI and unit sizes (from studios to three-bedroom units) are intended to provide housing options for a wide variety of households. In particular, we anticipate that the project will be especially attractive to adults looking to take advantage of the educational opportunities offered at the New America School or adult students already enrolled at the school.

**Bedroom Mix:**

<table>
<thead>
<tr>
<th>Bedroom Mix</th>
<th>Quantity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 bedrooms</td>
<td>7</td>
<td>4.6%</td>
</tr>
<tr>
<td>1 bedroom</td>
<td>46</td>
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<td>51.3%</td>
</tr>
<tr>
<td>3 bedrooms</td>
<td>21</td>
<td>13.8%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>152</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

**Location:**

The neighborhood is an ideal location for this type of development:

- Its location in a QCT and an urban renewal area demonstrates strong commitment to targeted reinvestment by Federal and local government.

- Belmar, a major regional retail and service center, provides both shopping and employment opportunities. Belmar offers a wide range of employment at some of Lakewood’s largest employers, from restaurants and retail to Qdoba’s corporate headquarters, Integer Group, and the City of Lakewood itself. The Federal Center, home to local offices of major federal agencies and comprising the largest concentration of federal employees outside of Washington D.C., is located only 2.5 miles from the site. Access to downtown Denver and the surrounding metro communities is easily available from the site via highway or public transit.
• In addition, Harlan Street has become a youth sports and activities corridor.
  
  o Approximately ½ mile south, Ray Ross Park offers sports facilities, playgrounds, open turf and a splash park for children and adults.
  
  o Across Alameda from our site is the Gold Crown Foundation campus, including the All Star baseball park, the Fieldhouse, and the Clubhouse. This regional indoor and outdoor mecca for youth offers sports and enrichment programs serving hundreds of young people every year. Please see additional information at www.goldcrownfoundation.com.
  
  o Deane Elementary School is just over a third of a mile from the site. The neighborhood also contains additional child care, preschool, and alternative school options. The local middle and high schools are within a two mile radius.

• The development is located along one of Colorado’s highest-frequency bus corridors (Alameda Avenue) and less than one mile from the Sheridan and 1st Avenue bus corridors. Connections to the light rail network can be made at Sheridan Station, 1.7-miles northeast of the site. This project is the first project to have received Enterprise TOD funding support due to the strength of its location for transit use.

• Additionally, the site is a short drive from other grocery, retail, restaurants, child care, medical facilities, auto and home repair, and places of worship, including many along both Alameda and Wadsworth Avenues. City of Lakewood governmental offices, recreation centers and libraries are located close to the Belmar center.
**Amenities:**

The design includes a highly marketable package of amenities:

In unit amenities include air conditioning and ceiling fans, walk in closets and ample in-unit storage including coat closets and pantries. All living areas will have hard surface flooring with carpet in bedrooms. Kitchens will include dishwashers and garbage disposal in addition to typical appliances.

Site amenities have been tailored to create a desirable community living experience and include community room, business center, fitness center, bike storage, rooftop deck and community garden. Outdoors, children will be able to play in the site’s play area and families can use the barbecue/picnic area and enjoy the beautiful courtyard space. Multiple common area laundry rooms are provided. All residents will have access to the site’s free Wi-Fi internet service. Both surface and underground parking will be available.
**Services:**

As with all MWHS properties, Fifty Eight Hundred will have an on-site resource center staffed with a part-time Resident Services Coordinator, allowing residents to conveniently access services in the place where they live. The Coordinator works with residents on multiple levels: helping identify resident goals/needs, developing strategies to link residents with services, and bringing together information and resources for easy resident access. Information and services provided to residents include emergency needs, computer skills classes, job search assistance, career planning, community cultural activities and much more. Coordinators are available to meet with residents individually as well as to host a variety of classes and children’s enrichment activities on-site. In addition, MWHS partners with Colorado Housing Assistance Corporation (CHAC) to assist residents interested in becoming first time homebuyers; runs a very successful community gardens program; hosts cooking and nutrition classes; provides recreation center passes and free tickets to community events in partnership with ArtReach; and coordinates asset building opportunities through its Financial Fitne$$ classes and micro-loan programs. MWHS has provided exceptional resident services to residents since 1974. This comprehensive program of services improves the marketability of housing and even during declines in the rental market residents choose to stay at MWHS properties because of the support, resources and community provided. For more information on services please see the website at [www.mwhsolutions.org/path-program.html](http://www.mwhsolutions.org/path-program.html).
In addition, attached are six stories of MWHS residents achieving greater success using MWHS’ resident services.

The one-story retail strip center attached to the tower is occupied by New America School Lakewood Campus. This is a charter high school developed and initially financed by the Jared Polis Foundation. According to their website, “The New America Schools empower new immigrants, English language learners, and academically underserved students with the educational tools and support to maximize their potential and live the American Dream.” The school has a lease on this building until 2018 with two 5-year extension options. The school administration stated that the school plans to stay and continue to operate at the site. The presence of the New America School offers a great educational amenity for any interested, qualified adult residents of the project. Similarly, the project could offer potential affordable housing to families with current students – a wonderful synergy. More information can be found at: colorado.newamericaschool.org/about/campuses-lakewood/. Please see the attached describing the New America school in greater detail as well as student success stories.

The Red Rocks Church, www.redrockschurch.com, also located within the existing shopping center, is a supportive partner organization and conversations are underway to outline a partnership to provide joint services and programs for residents and church members. Please visit http://www.redrockschurch.com/locations/lakewood-campus/ for more information.

The mobile food pantry provided by The Food Bank of the Rockies will relocate its bi-monthly service from a nearby property to the Fifty Eight Hundred property. Not only will this provide a service amenity to the project’s residents in need, the greater space afforded on-site to provide this service will allow this mobile food pantry to better serve more families in the community who will access this service.

**Description of Energy Efficiencies:**

MWHS’ thorough integrated design approach to sustainability focuses on the site as a whole as well as at the building and individual apartment scales to maximize overall energy efficiency. Sustainability features are chosen based upon cost-effectiveness, payback for residents and MWHS, and enhancing quality of life.

The buildings will be oriented perfectly to take advantage of both active and passive solar. Fifty Eight Hundred includes an approximately 75 kw photovoltaic solar system. The east/west axis takes advantage of the sun to naturally heat the building during the cold season and orients perfectly for potential future solar photovoltaic power. This solar access will be preserved in
perpetuity; no building(s) can ever be taller than the tower (its seven-story height was grandfathered into current zoning) or 4-story building on this site.

The tower’s building envelope will be modified as much as possible to minimize energy costs and maximize thermal comfort for occupants. The new building is being carefully designed to include the best combination of insulation and low-e windows. The buildings’ orientation allows for extensive daylighting, which when combined with an aggressive lighting schedule, occupancy sensors in common spaces, and highly efficient fixtures and bulbs will greatly reduce overall lighting costs. All building systems and common space/apartment appliances will be highly efficient. The Green Communities checklist provides further details on specific features. MWHS has been accepted into Xcel’s Energy Design Assistance Program to assist with energy modeling and maximizing energy-efficiency. We anticipate receiving approximately $40,000 in rebates for the installation of energy efficient measures identified through the program.

This property was completely built by 1982 and consists almost 100% of impervious surface and structures. By adaptively reusing the tower and constructing a new building on part of the surface parking lot, all on a previously developed infill site, the project is saving significant energy and limiting its carbon footprint. Minimal infrastructure or services will need to be expanded and maintained for this development.

Additionally, the site’s exceptional proximity to bus service, sidewalks, and biking infrastructure further minimizes resident’s energy and transportation costs since residents will have the option to access jobs, entertainment, and community amenities without relying on the automobile.

**Financing and Local, State, and Federal Subsidies**

The following financing sources will be used:

- 4% LIHTC and State LIHTC equity
- Private Activity Bond financing
- HOME funds from City of Lakewood/Jefferson County HOME Consortium
- HOME or other funds from Colorado Division of Housing
- CDBG funds from Jefferson County
- Brownfield cleanup grant from the U.S. Environmental Protection Agency and EDA rebates from Xcel Energy
- Equity from Metro West Housing Solutions (including land and cash)
The project is requesting a relatively small amount of State LIHTC and funding from the Colorado Division of Housing especially considering the large number of units in the project.

In addition, the narrative should address the following:

Describe the bond financing structure and include the following:

a. Total amount of bonds with a breakout of construction period bonds vs. permanent bonds.
   - Total bonds: $22,996,692
   - Construction Period Bonds: $11,196,692
   - Permanent Bonds: $11,800,000

b. Bond issuer (please specify whether you are seeking a CHFA bond-financed loan, a CHFA conduit bond issue only, or bonds from another municipal source).
   - Bonds will be issued through the Housing Authority of the City of Lakewood, Colorado dba Metro West Housing Solutions as a conduit issuer.

c. Lender and bond sale structure (public sale, private placement, short-term bonds to be taken out by a FHA-insured GNMA securitized loan, etc.)
   - Anticipated to be private placement

d. Portion of bonds that will be tax-exempt (i.e., will the bonds have a “taxable tail”).
   - The bonds will be 100% tax exempt

Identify which guiding principles in Section 2 of the Qualified Allocation Plan (QAP) the project meets and why it meets them.

a. To support rental housing projects serving the lowest income tenants for the longest period of time

   This property will have 15% of the units at 30-40% AMI, another 10% at 50% of AMI and the remaining units at 60% of AMI. MWHS will commit to a total 40-
To support projects in a QCT, the development of which contributes to a concerted community revitalization plan

The project is in a QCT and as well as the Lakewood Reinvestment Authority’s West Alameda Urban Renewal Development Area. After 2016, this project’s census tract will no longer be designated as a QCT, eliminating the project’s ability to claim additional 4% LIHTC and reducing its feasibility as a 4% LIHTC project, impeding its ability to be constructed at all.

c. To provide for distribution of housing credits across the state, including larger urban areas, smaller cities and towns, rural, and tribal areas

This development is in a large urban area that has seen less housing development than other parts of the Denver metro area.

d. To provide opportunities to a variety of qualified sponsors of affordable housing, both for-profit and nonprofit

The project sponsor is a public housing authority.

e. To distribute housing credits to assist a diversity of populations in need of affordable housing, including families, senior citizens, homeless persons, and persons in need of supportive housing

This property will focus on families and workforce households.

f. To provide opportunities for affordable housing within a half-mile walk distance of public transportation such as bus, rail, and light rail

This development is on a high-frequency bus corridor (Alameda) with a stop located directly in front of the property. It is within ½ mile of another bus corridor (Sheridan) as well as a short drive from the W light rail line. MWHS is able to provide transit assistance to the residents of Fifty Eight Hundred through its Transit Assistance Program (TAP), where residents earning less than 50% AMI can take advantage of carpool coordination services, free and discounted RTD passes, and microloans for emergency car repairs.
g. To support new construction of affordable rental housing projects as well as acquisition and/or rehabilitation of existing affordable housing projects, particularly those with an urgent and/or critical need for rehabilitation or at risk of converting to market rate housing

This project meets several aspects of this QAP guiding principle: it adds 152 new units through new construction and adaptive reuse of an office building while preserving and improving an existing, blighted site.

h. To reserve only the amount of credit that CHFA determines to be necessary for the financial feasibility of a project and its viability as a qualified low income housing project throughout the credit period

This development is intended to function as a 4% deal and utilizes the State housing credit as a tool to maximize depth and scale of affordability. This is a significant goal considering rapidly rising rental rates in the Denver metropolitan area and despite extremely high construction costs. The per unit development cost is nearly equal to our last development (CityScape at Belmar) allowing it to be successfully financed as a 4% LIHTC project with the State housing credit.

Identify which housing priority in Section 2 of the QAP the project qualifies for (please select only one):

This property does not meet any of the four priorities outlined for federal credits. However, it does meet the additional eligibility requirements and priorities for State credits. It is a 4% LIHTC project that includes new construction and the application is being submitted prior to February 1, 2016.

Describe how the project meets the criteria for approval in Section 2 of the QAP:

a. Market conditions:

Overall, market conditions support the development of this project:

- Surveyed LIHTC units were highly occupied with only a 1.3% average vacancy and waitlist times of 1 to 3 years

- There are more than 4,000 income eligible households in the market area and demand is high, corroborated by the length of waitlists and high
occupancy at existing LIHTC properties within the PMA

- The overall project capture rate is 19.4%, well within CHFA’s market parameters including affordable projects in the pipeline

- The subject’s proposed amenity package, condition and tenant services will place it at or near the top of the low-income rental market, and it will be able to match the performance of existing LIHTC projects in the PMA.

- The subject’s proposed LIHTC rents are generally comparable and appropriate to other surveyed comparable LIHTC projects, suggesting that it will be able to match the performance of competing tax credit properties.

- The project will benefit from the visibility and transit options associated with being on a major arterial road

- Absorption rates are high, with recently completed comparable LIHTC properties absorbing units at 35-55 units per month and forecast at 25 units per month for this project.

- In addition, MWHS has a waiting list of nearly 4,000 households for the Section 8 voucher program. The demand for affordable homes is far outpacing the supply and has been for many years.

- Overall, the market study indicates a rental vacancy rate of 5.1% in the PMA. Few or no concessions are being made at local rental properties to maintain strong occupancy.

**b. Readiness-to-proceed:**

- The land was purchased by MWHS in 2015

- The site is zoned for conversion of the site to multifamily use as well as mixed-use future development.

- MWHS will submit a formal site plan to the city in March, thus moving the development forward in the permitting process.
• MWHS will provide a subordinate debt note for project costs, which will be loaned to the project from existing unrestricted funds set aside for this project. All other funding commitments will be secured within a few months of LIHTC award.

c. Overall financial feasibility and viability:

• The project will take advantage of 4% LIHTC allocation to complete the project. The amount of federal and State tax credits requested are reasonable to complete the development.

• Development cost per unit is $225,000 per unit which is basically equal to MWHS’ most recent development, despite an environment of rapidly rising construction costs, helping to contribute to a low credit-per-unit ratio.

• All sources of funding are either available in the form of cash (owner subordinate debt) or by preliminary commitment or interest (HOME and CDBG funds, debt and tax credit equity). MWHS is able to increase its subordinate debt contribution as needed.

• No waivers for CHFA underwriting criteria are being requested. All CHFA required ratios and tests are met.

d. Experience and track record of the development and management team:

Please see MWHS’ resume attached to this application.

• MWHS has a 13-year track record in tax credit development. MWHS currently owns and manages 14 tax credit communities in the Denver metro area and all are performing well. The project team also has extensive experience. All team members are highly experienced with tax credit developments and many have worked with MWHS on multiple tax credit properties.

• MWHS has a mix of projects serving both families and seniors.

• MWHS has been rated by HUD as a High Performing Agency for more than a decade and continues to achieve this status even through substantial funding cuts over the past several years.
e. Cost reasonableness:

MWHS strives to make per-unit costs competitive with any developer in the state. MWHS’ experience and development/construction expertise allows us to deliver units that are cost competitive in a challenging construction market. Some of the issues faced specific to this development are urban infill development, higher than average tap fees, and working with a brownfield site.

When working with a dense site that is being built in a developed urban area one will have cost implications above what would be expected on a greenfield or less dense site. The reason for this additional cost is to achieve compliance with the City’s engineering requirements. Developed cities, particularly denser core cities, have strict requirements having to do with storm water detention, site slope, public improvements, and construction impacts. Not only are these requirements generally more strenuous in developed cities because of the nature of the sites, there is typically less room to achieve the requirements, which means more cost. MWHS endeavors to mitigate these costs but they have an impact.

Building in the city of Lakewood has unique challenges when it comes to tap fees. In Lakewood, water is provided by local water companies which buy the water from Denver Water. The result is that the project must pay both the Denver Water tap fee and a tap fee to the local company. The local companies also charge engineering, design and sometimes installation costs. This makes for a challenging fee environment.

Any previously occupied site in an urban area will have a certain level of cleanup cost whether or not the site reaches an actionable level of environmental contamination. Typically soil removed from urban sites is not as easily cost-effectively disposed of as greenfield soil, even if the soil is not considered “contaminated”. Additionally MWHS needs to spend money monitoring the excavation and rehabilitation in order to ensure that they are in compliance with environmental regulations.

To emphasize, even with these challenges, the per unit cost is lower than most LIHTC development in the state.
f. **Proximity to existing tax credit developments:**

As indicated above, demand for LIHTC-funded housing in Lakewood is high, driving down vacancy rates and driving up waiting lists for these sites. Although there are a number of LIHTC properties within the city of Lakewood, they are all performing significantly well in terms of occupancy. There are currently two LIHTC developments and two market-rate projects in progress within the city. However, MWHS believes that the intense demand for this kind of housing will allow all projects to successfully lease up and achieve high occupancy.

g. **Site suitability:**

- The blighted nature and high-visibility location of this site offer a unique economic development and affordable housing creation opportunity.

- The site is located in close proximity to shopping, education, employment, recreation, youth activities, and transit, making this site ideal for workforce and family housing.

- The density and style of development is appropriate for its location on an urban commercial corridor. The design is also oriented toward creating a pleasant living environment for residents.

**Provide the following information as applicable:**

h. **Justification for waiver of any underwriting criteria (minimum operating reserve, minimum PUPA or high PUPA, first year debt coverage ratio below 1.15 or above 1.30, minimum replacement reserve, vacancy rate below CHFA’s minimum):**

No waivers are being requested.

i. **Justification of the financial need for CHFA’s DDA credit up to 130 percent of qualified basis:**

This project will receive a basis boost because of its location in a QCT.
Address any issues raised by the market analyst in the market study submitted with your application:

- **Inclusion of more 60% AMI units:** The project’s overall capture rate is 19.4% which is well within CHFA’s capture rate parameters. However, the capture rate for the proposed 60% AMI units is above CHFA’s standards. MWHS is confident in the demand for and marketability of the 60% AMI units based on its long experience in the Lakewood market. As a part of the metro region with relatively little multifamily development, MWHS experiences very low vacancy across its large portfolio, including within its 60% AMI units. MWHS housing typically draws 40-50% of its residents from outside of Lakewood in all of its housing.

  In addition, the 60% AMI level rents are below MWHS’ Section 8 payment standard, drastically improving their ability to be quickly leased and continuously occupied. Section 8 voucher holders are finding fewer market-based rental units that will accept their vouchers, so these 60% AMI units will be readily available to meet their needs. MWHS, like many other housing authorities and LIHTC property managers, attract a significant portion of their renters from the pool of Section 8 voucher holders.

- **Parking ratio and location of parking:** The market study indicated that the site has a parking ratio of 0.75 spaces per unit. This parking ratio is consistent with the required parking ratio under the site’s zoning. In order to provide additional flexibility in the number of parking spaces, MWHS is working with Red Rocks Church on a use-share agreement on additional surface parking spaces for resident use.

  In addition, ownership of the underground parking intended for use by Fifty Eight Hundred residents will be separated by ownership from the building currently housing the New America School. Access, marking, and ownership will ensure that these parking spaces are clearly for use by residents rather than students.

- **Including microwaves in units:** MWHS anticipates that most residents will come to live at Fifty Eight Hundred with their own microwave unit.

- **Frontage on Alameda Avenue:** Although the project’s proximity to Alameda Avenue offers many benefits, MWHS’ structural specs will include features that meet and exceed any necessary noise mitigation needs due to this proximity.

  In addition, the market study indicates that the new construction will block visibility
of the New America School from Alameda Avenue, reducing the marketability of that commercial space. Fortunately this impact will not be great. The New America School has leased the space for several more years. If and when the school decides to move locations, there are many other area non-profits who would be interested in renting the space and do not require high visibility to fulfill their mission.

Address any issues raised in the environmental report(s) submitted with your application and describe how these will be or have been mitigated:

As part of the Phase II analysis, extensive sampling took place of soil and groundwater across the site on the surface parking lots as well as within and beneath the tower. No contaminants above State of Colorado or U.S. Environmental Protection Agency guidelines were discovered in soil or groundwater anywhere on the property. However, the Phase II report noted a number of environmental contamination concerns within the existing tower. The tower has presence of some mold and pigeon droppings, much of which has been safely removed since formally acquiring the property. A roof leak was identified but has since been addressed to prevent ongoing water damage. Remnants of lead-based paint were found in each bathroom in the tower. Antiquated lighting fixtures with mercury are present. No ventilation from the underground parking garage to the outdoors is present and there is minimal operating HVAC equipment in the tower in general. Elevated soil vapor readings above residential guidelines were discovered in the underground parking garage.

MWHS is addressing environmental concerns on-site in a variety of ways. In February 2015, MWHS entered into an environmental insurance policy for the property to help protect the organization from unknown and unanticipated contaminants. MWHS submitted the site to the State of Colorado Voluntary Cleanup Program in December 2015. MWHS also applied for a $200,000 brownfield cleanup grant to assist with remediation costs from the U.S. Environmental Protection Agency in December 2015. Because the site is previously developed and despite extensive sampling, it is still possible that contaminants may be encountered in the soil upon construction of the new building. Accordingly, MWHS will implement a State-approved Materials Management Plan that will train on-site construction staff on how to identify potential environmental issues during construction. If contaminated soil is identified and confirmed to exceed any applicable State of Colorado guidelines, MWHS will either dispose of the soil at a certified landfill or utilize these soils under the surface and cap it if approved by the State of Colorado. To address the soil vapor contamination in the underground parking garage, a State-approved active radon and vapor mitigation system will be installed beneath the full extent of the tower and underground parking garage to ventilate for soil vapors, CO2, and radon above ground level and at least 20’ from any living space window or entrance. Confirmation soil vapor testing will take place after construction to ensure proper operation.
In your own words describe the outreach that you have conducted within the proposed community and demonstrate local support for the project (including financial support):

The project is anticipated to receive a HOME allocation of $600,000 from the Jefferson County HOME Consortium. Jefferson County also awarded $500,000 in Community Development Block Grant funding to the project. Xcel Energy’s local office has consistently awarded Energy Design Assistance Program funding for energy modeling. MWHS is one of the program’s highest performers. MWHS will be applying for approximately $800,000 from the State of Colorado Division of Housing HOME or other state funds.

MWHS has the support of the City of Lakewood, the Lakewood Urban Renewal Authority, the neighborhood business coalition, and multiple others to reinvent this site as a vibrant housing community. Please see the letters of support attached to this application.

A public meeting was held January 22, 2016. The attendees expressed strong support of the redevelopment of this blighted site and look forward to a new, vibrant apartment development in their community.

For acquisition/rehab or rehab projects

Provide a detailed narrative that describes the proposed rehab plans and relocation plan (if applicable)

The areas of the site to be used in housing development are vacant and do not require any relocation of existing residents. The New America School facility will continue to be occupied by the school in the long term.

Rehabilitation plans include the existing seven-story tower and an underground parking structure:

- This building is a seven-story post-tension concrete building with a basement. The existing structure was originally built as an office building in 1981. Only two floors were ever occupied as offices or any other purpose. The building currently has eight floors, but the top two were separated differently from the rest of the building after the initial construction. The 8th floor is not built per code. We will eliminate the eight floor, leaving the 7th floor with 20’ ceilings, some of which will include dropped ceiling. Having seven floors also keeps the building from falling
into the high-rise definition for fire, which would be extremely difficult and costly to achieve compliance. The building will be completely gutted and remodeled. All interior and exterior walls, all HVAC, all electrical, all plumbing and existing sprinkler systems, and all windows and doors will be replaced.

- The new framing will consist of light metal studs and will not be structural. The structural component of the building is the existing post-tension system.

- The HVAC system will consist of PTAC and VTAC units and electric baseboard heat similar to the new construction building. It will be fully sprinkled and hot water will be provided to units by a central hot water tank.

- All finishes in this building will be similar to the new construction building next-door.

- The building currently has two elevators, not in operation, which will be completely replaced with new equipment. Additionally there are two stair towers one interior and one exterior. One will need to be extended to service the seventh floor.

- The exterior of the building will be re-clad in a combination of masonry, metal panels and cementitious (Hardy) siding.

- All costs associated with this remodel including x-raying the post-tension floor to place holes for plumbing and electrical have been factored into our budget.

- MWHS has had extensive consultation with structural engineers, architects, the building department of the city of Lakewood, and West Metro Fire District regarding the viability of repurposing this building from office into a residential tower. MWHS has found that it is a viable option and, in fact, will be less expensive per square foot than the new construction building next-door. We have addressed issues of meeting modern code and have been given assurances from the city that the building we are planning will meet code standards for an existing building with a change of use.
Detailed type of construction: Parking Structure

- As part of this plan MWHS is remodeling an existing basement/storage area into an underground parking structure to serve the units.

- The area that will be remodeled currently exists underneath the New America School that is attached to but not structurally connected to the office tower. Tenants in the tower will be able to access this parking from the basement. Tenants in the new building will access through an outside entrance.

- MWHS will need to add improved drainage, including a sand oil separator, air circulation and carbon monoxide venting to this space to bring it up to code. MWHS will be replacing and upgrading the HVAC system and providing new egress and a new garage door. MWHS will also update the lighting and add a fire rated wall.

Address the 10-year rule

The site has been continuously owned by one owner, or his affiliates, since the buildings were first constructed decades ago, allowing this development to meet the 10 Year Rule to receive acquisition credits. Please see the attached 10 Year Rule Opinion attached to this application for more information.

Capital expenditures over the past two years

The tower structure has not received any capital investment in many years.

Previous related party relationships

MWHS purchased the site from an affiliate of the original owner who is in no way related to MWHS.

Past local, state, or federal resources invested in the project

None.

Obvious design flaws; obsolescence issues; safety issues

Overall, this structure is well suited for conversion to housing. The rehabilitation plan outlined above will address all current safety, obsolescence, and safety issues.
Any significant events that have led to the current need for rehabilitation (i.e., fire, nature disaster).

None.

The following attachments are included as part of our narrative:

- Letters of support
- Stories from current MWHS residents
- Program information from the New America School
- Services and programming information from the Gold Crown Foundation
The Highlands 2

825 Bookcliff Avenue, Grand Junction, Colorado, immediately adjacent to The Highlands 1 at 805 Bookcliff Avenue, Grand Junction, Colorado, collectively referred to as The Highlands Campus.

INTRODUCTION

As the first LIHTC development in Mesa County for seniors, The Highlands Campus will set a high standard for attractive, service-enriched affordable housing. The Highlands Campus will address a significant unmet need for affordable senior housing in Grand Junction. Its central location facilitates the provision of community-based wellness services to its residents by several local service providers, most at no cost to the residents. Located on the Grand Valley Transit (GVT) bus routes and close to healthcare, retail and social opportunities, The Highlands Campus has an integrated Wellness Focus that will support active seniors’ quality of life and will allow them to age in place.

The Highlands 2 will be a 68 apartment community committed to a deep level of affordability, and will serve residents with a range of incomes from 30% to 50% of Area Median Income.

THE DEVELOPMENT: Highlands 2

The Highlands 2 will be a 4-story building, connected to The Highlands 1. The two developments will share elevator access and common amenities. The Highlands 2 is located near North 7th Street, a major arterial street, just 2 blocks southeast of St. Mary’s Hospital. The 1.363 acre infill development site makes efficient use of existing infrastructure. The land for the development was acquired in August 2013, and has been master planned as a senior campus with entitlements for 132 units.

The 68 apartments are to include 56 one-bedroom, one bath units and 8 two-bedroom, one and one-half bath units, and 4 two-bedroom, two-bath units. Eleven apartments will be fully ADA accessible.

The interior boasts four community gathering spaces with free Wi-Fi, and 7 smaller resident-amenity spaces, including fitness and exercise rooms, a business center / computer lab, classroom, craft room, library and TV lounge. A shared first floor Bistro area encourages social gatherings, pot-lucks and cooking classes that support seniors’ healthy lifestyles. Larger gathering spaces are available for use by all Highlands residents near the elevator core in Highlands 1. Centralized Laundry rooms on each floor will be convenient for residents’ use. An on-site Property Manager and Service Coordinator will support residents of The Highlands Campus.
The building’s exterior will be an attractive mix of brick and stucco. The exterior shared amenities are equally impressive, including a large semi-covered patio, beautiful landscaped grounds, raised garden beds and a walking path. A selection of outdoor seating areas will provide both sunny and shady areas throughout the day. A local service organization will bring a weekly farmers market to the property each summer. GVT bus stops are located within one block of the property.

The units will serve a range of residents’ incomes as illustrated below:

<table>
<thead>
<tr>
<th></th>
<th>30%</th>
<th>40%</th>
<th>50%</th>
<th>Total</th>
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<tbody>
<tr>
<td>One Bedroom – 600 – 685 s.f.</td>
<td>18</td>
<td>20</td>
<td>18</td>
<td>56</td>
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<td>Two Bedroom -- 865 – 876 s.f.</td>
<td>2</td>
<td>3</td>
<td>7</td>
<td>12</td>
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<tr>
<td>TOTAL:</td>
<td>20</td>
<td>23</td>
<td>25</td>
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</tr>
<tr>
<td>% of Total:</td>
<td>29.4%</td>
<td>33.8%</td>
<td>36.8%</td>
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</tr>
</tbody>
</table>

The apartments will be bright and welcoming, with 9 foot ceilings, Energy Star appliances, walk-in closets and large windows that provide abundant natural light. Interior finishes will be beautiful and durable, including solid surface countertops, tile walk-in showers and LVT flooring. The open kitchen / dining area will accommodate residents’ dining furniture. As a special amenity, each apartment has a balcony or patio. The floorplan was thoughtfully designed to allow good circular flow. A resident or guest using a wheelchair or walker can easily circulate through the space without encountering any dead-end corners. Consistent with its wellness focus, The Highlands 2 will be a smoke-free building.

THE WELLNESS FOCUS

The building has been thoughtfully designed with several amenity areas on site for both programmed activities and for resident’s independent use. Many local service providers have committed to bring health and wellness services on site, most at no cost to the residents. A full Services Plan has been developed to address the five key aspects of Senior Wellness. See attached.

Helping seniors to better age in place has numerous benefits for the residents’ quality of life and for the community at large. A supportive environment that encourages seniors to be active and engaged may keep seniors healthier longer and may delay or eliminate the need for costly hospitalization or nursing home care.

Energy Efficiency:
The Highlands 2 will meet the Enterprise Green Community Standards, and includes the following energy efficient features:
- Reduced Heat-Island Effect Roof
- Low flow water fixtures
- Energy Star rated appliances
- Use of untreated rainwater from a regional irrigation ditch system for irrigation
- Energy-Star Advanced Lighting Package
- Photo Voltaic Ready
- Resident Recycling centers on each floor
- Electricity individually metered to each apartment
- Passive Radon venting system
- 30% Green Space
- Regional Material Selection and 25% Construction Waste diverted from landfill
- Compact development, density of approximately 27 units / acre
- Infill location which makes efficient use of existing infrastructure
- Proximity to Grand Valley Transit bus stops on two separate bus routes

CONSTRUCTION TYPE:

The Highlands 2 is a 4-story Type-VA wood-frame construction w/R-2 occupancy. The 70,262 SF (68 Unit) senior housing development’s wood framed structure sits on a structural concrete foundation. The exterior envelope consists of a flat membrane roof and has stucco and masonry siding with vinyl and storefront windows for the vertical skin. Each floor is serviced by 2 four stop, stretcher compliant, and machine-room-less elevators in the adjacent Highlands 1. The building is protected by a NFPA 13R fire suppression system with dry heads at the exterior balconies. The plumbing fixtures are designed to meet the requirements of Green Communities. The mechanical system provides fresh air and DX cooling to the common areas and heating and cooling for the units is provided by individual horizontal fan coils that contain a DX cooling coil and an electric heating coil.

GUIDING PRINCIPLES / HOUSING PRIORITIES

The Highlands 2 responds to CHFA’s Guiding Principles and Housing Priorities by:

- Serving households at the lowest levels for the longest time – The Highlands 2 will serve households between 30% and 50% of AMI, with a 50 year commitment.
- Roughly one-third of the units will serve households at each 30%, 40%, and 50% AMI. All units will be affordable, and are expected to be supported with a HUD Section 8bb contract, with a 20 year term.
- Building in a Qualified Census Tract, which contributes to a concerted community revitalization plan
- Locating affordable housing within one-half mile of public transportation
- Adding affordable senior housing to a community with a population under 175,000. Mesa County’s population is estimated at 148,255 (2014, U.S. Census)

CRITERIA FOR APPROVAL
Market Conditions: The Market Study documents strong demand for more affordable housing for seniors in Mesa County. The Highlands Campus will be the first LIHTC development in Mesa County to focus on the specific needs of seniors. An overall capture rate of 3.1% is indicative of this demand. Existing LIHTC family communities managed by GJHA experience an occupancy rate between 96.6% and 98.6%.

Readiness-to-Proceed: GJHA is committed to bringing the Highlands 2 to Grand Junction now and is highly invested in its success. GJHA acquired the land in August 2013. The City of Grand Junction approved GJHA’s unopposed request to rezone the property to Planned Development in January 2015. Subdivision of the land, Site Plan approval and a Planning Clearance have been received.

The City of Grand Junction has adopted Resolution 04-16 Authorizing the Assignment to the Grand Junction Housing Authority of all of the City’s 2016 Private Activity Bond Allocation ($3,092,350.). Additionally the City will pay $56,608 toward the Transportation Capacity Payment due from The Highlands 2. Given the accelerated schedule for initiating The Highlands 2, the City’s capacity to further support this development is limited. GJHA will apply for additional gap funding from the City’s 2016 CDBG allocation, in support of the Sponsor / GAP funding commitment.

A grant application will be submitted to the State of Colorado, Division of Housing for $800,000. Our conversations with CDOH staff suggest that CDOH will be receptive to our application, particularly due to the low income targeting.

FINANCING STRUCTURE:

Financing will be provided by Wells Fargo Bank as Construction Lender and Bank of Colorado as Permanent Lender. The banks are experienced in Private Activity Bond financed transactions and will utilize the following processes in executing this transaction.

Total Bonds Issued: $9,500,000
Construction period: $9,500,000
Permanent period: $3,150,000
CHFA Conduit Bond Issue Only
Private Placement with Wells and Bank of Colorado
All $9,500,000 will be PAB Tax Exempt

At Closing of the Construction Loan:

Colorado Housing and Finance Authority ("CHFA") issues its tax exempt draw-down bond in the amount of the financing needed (other than the equity financing) by the limited liability limited partnership that will own and construct the project ("Borrower").
CHFA makes a loan to the Borrower in an amount equal to the face amount of the bond ("Construction Loan"). The documents for the Construction Loan would be drafted by Wells Fargo in its capacity as the initial purchaser of the bond and the construction lender.

CHFA sells the bond to Wells Fargo and simultaneously assigns the Construction Loan to Wells Fargo.

Borrower, Wells Fargo, and Bank of Colorado enter into a Bond Purchase Agreement which sets forth various requirements for conversion of the Construction Loan to the permanent loan and the transfer of ownership of the bond from Wells Fargo to Bank of Colorado as permanent lender. This Bond Purchase Agreement will also contain provisions by which the Borrower agrees to be responsible for any "Economic Losses" suffered by Bank of Colorado as a result of the 24-month forward rate lock made available to Borrower if the Borrower does not convert the Construction Loan to the permanent loan, or if the amount of the permanent loan is less than the amount requested by Borrower at the time of the forward rate lock. If the forward rate lock is obtained before closing, then the Borrower would need to sign a separate agreement at the time of the rate lock agreeing to pay the "Economic Losses".

Any CDBG, CDOH or other financing obtained by the Borrower for the project will be subordinated to the Construction Loan.

Borrower and the equity investor(s) enter into an Amended and Restated Limited Partnership Agreement (drafted by the equity investor).

At Conversion to the Permanent Loan:

The Construction Loan is paid down (and the bond is reduced) to the amount of the approved permanent loan. It is likely that funds for this pay-down would be primarily from capital contributions made by the equity investor(s).

Wells Fargo assigns and transfers the bond and the Construction Loan documents to Bank of Colorado (certain loan documents that are related solely to the construction financing are terminated at this time).

Bank of Colorado and Borrower amend and restate the loan documents for the Construction Loan to reflect the terms of the permanent loan. These permanent loan documents are prepared and negotiated prior to closing of the Construction Loan, but are not signed until the actual conversion date.

Attachments include the Term Sheets from Wells Fargo Bank as Construction Lender and Bank of Colorado as Permanent Lender.

In addition to these sources, GJHA has committed to loan up to $1,489,390 to the development, in the form of 2 sponsor loans and deferred developer fee and will contribute the aforementioned CDOH grant as an additional ‘soft source’ loan.
Finally, attachments also include the LIHTC and STC Term Sheets from Wells Fargo Bank and Sugar Creek Capital, respectively. Wells Fargo Bank is targeting a LIHTC investment at $1.14 per LIHTC and Sugar Creek is targeting a STC investment at $0.62 per STC. Both of these figures represent outstanding pricing and reflect the investors’ evaluation of the quality of the Highlands II development and its Sponsor.

FINANCIAL FEASIBILITY AND VIABILITY:

The Highlands II is a premier quality and amenity-rich development.

GJHA has achieved a high equity pay-in for this project due to its quality and position in the market. GJHA has agreed to defer $408,000 of its Developer Fee and will sell the land to the project for $474,000 all of which will be financed with a carryback note from GJHA. In addition GJHA has committed $607,390 of Housing Authority funds to the project in the form of subordinated loans.

The Highlands II anticipates receiving a HUD Section 8bb Housing Assistance Payments Contract. This Contract will ensure that even seniors with extremely low incomes, who otherwise likely would be unable to afford a safe place to reside, will be able to enjoy living at The Highlands II. Compliance with HUD requirements and keeping pace with the needs of over 130 seniors will require both an on-site Property Manager and a full time Service Coordinator. This higher staffing level and the maintenance of the generous amenity areas call for an increased operating budget.

Using CHFA’s underwriting criteria, the development is projected to operate with a minimum of 1.15 to 1 Debt Coverage Ratio throughout the first 15 years of the compliance period.

The Highlands II is the second of a two-phase development planned on a 3.785 acre parcel of land. Some of the predevelopment expenses for the first phase of the development also benefit the second phase. This includes the costs of rezoning and subdividing the land, designing the site plan for the development at full build-out, and designing and building an underground storm detention facility required by the City of Grand Junction to serve the entire parcel. Landscaping and parking spaces are also distributed somewhat disproportionately on the full site. This “front-loading effect” has been counter-balanced by a substantial reduction in the land cost allocated to the first phase and a corresponding increase in the land cost allocated to the second phase. The increased value of the second phase land is justified and supportable by virtue of the now complete entitlements, schematic design, engineering and the improvements to be constructed as part of the first phase of the development.

EXPERIENCE AND TRACK RECORD:

Over the past 20 years, GJHA has successfully developed 4 family developments with LIHTC funding, with a clean record of compliance. GJHA owns and operates 11 affordable rental properties and administers over 1,250 Housing Choice Vouchers.
GJHA’s senior management is experienced in development and management of affordable housing. CEO Jody Kole has led GJHA for 24 years. COO Lori Rosendahl has helped grow the organization over her 16 year tenure. The attached resume for GJHA outlines its strong 40-year history of successful development and management of affordable housing.

GJHA collaborated with the respected Design-Build Team of OZ Architecture and Shaw Construction to complete the successful Village Park development in 2013 and the pre-development work for The Highlands 1. The Highlands 2 will benefit from the continuity and efficiencies achieved by keeping this talented development team together.

Shaw Construction is the leading affordable housing builder in Colorado and has current, relevant experience with the Enterprise Green Communities standards, as well as an outstanding reputation for the timely completion of affordable developments. With more than 10,000 units completed throughout Colorado, Shaw’s multi-family experience is unparalleled.

OZ Architecture has extensive experience in multi-family housing development, including affordable and market rate units in both Front Range and Western Slope communities. The attached Resumes of each of our partners demonstrate the strength of this team.

COST REASONABLENESS: A perspective from Clark Atkinson, President, Shaw Construction:

No new senior housing has been built in the Grand Junction area in several years. Two comparable Senior Housing projects in Denver have been completed, with a third about to break ground. The first two projects are directly comparable as four story wood frame structures with elevators and accessible features similar to the Highlands. Those projects were contracted in 2012, and cost approximately $154,000 and $180,000 per unit respectively. In today’s market, both projects would cost approximately $187,500 and $225,000 per unit respectively. A third project located near Longmont is estimated to commence construction within the next 45 days and is estimated to cost approximately $187,000 per unit, however this is a two story structure.

The amount of site work, storm system detention and utility services required for the Highlands Phase I, as well as the amenity space, which will complement the prospective future Phase II, are included in the above costs.

When evaluated with comparable costs of similar Senior Housing projects in the region, The Highlands 2, is very price competitive. Part of the reason is that the general economy in Grand Junction has not recovered as much as that in the Front Range, keeping trade costs lower than other regions of the state. We estimate that cost escalation on the West Slope and the Grand Junction area will continue to increase at an accelerating rate as the economy improves on the West Slope.

PROXIMITY TO EXISTING TAX CREDIT DEVELOPMENTS:
The closest existing LIHTC development is Arbor Vista, a family development located at 515 Court Road, approximately 2 miles away from The Highlands Campus. There are no senior LIHTC developments in Mesa County. The Highlands 1 will break ground in March, 2016 immediately adjacent to The Highlands 2.

SITE SUITABILITY:

The site is exceptionally well-suited for this development. An infill site, it makes economical use of existing infrastructure. The multi-family senior development provides a good buffer between the commercial land uses to the west of the site and the residential uses to the east. The proximity of health care, retail and other amenities and the immediate availability of GVT bus service adjacent to the property are ideal.

MARKET ANALYSIS

The Market Analyst’s only comment as to the Project Weaknesses was:

The subject will not offer in-unit washers and dryers, as do most other new senior tax credit buildings. However, the developer’s decision to instead control up front and ongoing maintenance costs, and offer senior apartments to those with very limited incomes appears to more effectively meet the expressed needs of this community.

GJHA Response: In senior units there is a lower premium on the in-unit laundry, and a higher premium on quality amenity spaces. This is a trade-off we chose to make. GJHA owns and manages two large (90 – 107 unit) senior developments, each with a single common laundry area. These are well accepted. Each of those laundry centers has 4 – 5 sets.

At The Highlands 2, we have opted to have a laundry center on each floor, so that 16 apartments on each floor share 3 pairs of washers / dryers, for a total of 12 pairs. We believe that this will serve our residents’ needs, provide operating and maintenance economies, and allows more functional use of the area of each dwelling unit. We do not consider this a weakness, merely an alternate approach.

Opting for a Laundry center:
  - Reduces up front cost of acquisition and construction;
  - Reduces ongoing maintenance costs;
  - Facilitates Maintenance Staff servicing laundry units without disrupting residents; and
  - Facilitates residents’ socialization, along with the other shared amenity areas & programs.

ENVIRONMENTAL ISSUES
The Phase One Environmental Site Assessment identified no evidence of recognized environmental conditions. This is a very clean green-field site.

COMMUNITY OUTREACH

At its January 2016 Board Meeting, GJHA held a public hearing regarding The Highlands 2 and its anticipated applications for Tax Credits and for grant funding from the Division of Housing, as well as its request to the City of Grand Junction for its 2016 allocation of Private Activity Bond Authority. The City of Grand Junction considered this request at its January 20, 2016 City Council Meeting. The request received unanimous approval.

GJHA participated in the Housing Colorado Design by Community Design Charrettes for this site in 2014. Participants in the Charrette included two potential residents, three employees of the City of Grand Junction (Public Works and Engineering, Community Development and Fire Department), two representatives of committed service-providers, a general contractor, GJHA employees and architects and architectural students from the University of Colorado at Denver.

A neighborhood meeting was held to discuss the proposed rezoning in late 2014. At the City Council’s public hearing on rezoning, neighbors actually spoke in favor of the rezoning and the development. No opposition was voiced at the neighborhood meeting or the public hearing.

We presented The Highlands proposed development plans to the Mesa County Council on Aging. The group was excited to learn of the proposed development and voted unanimously to support the development. GJHA Service Coordinators have been consulted to ensure that we have addressed key issues of importance to low income seniors.

GJHA staff has met with several local human service providers whose work focuses on the needs of seniors. To date each organization has agreed to bring services to The Highlands Campus, most at no charge to our residents. The accompanying Services Plan and the Letters of Support demonstrate the success of this outreach.

ADDITIONAL DOCUMENTATION

The Highlands 2 Service Plan

Letters of Support from

- Mayor Phyllis Norris, Mayor of Grand Junction
- Christy Whitney, CEO & President of HopeWest
- Chris Thomas, President & CEO of Community Hospital
- Dan Prinster, Vice President Business Development of St. Mary’s Medical Center
- Sue Conry, Hilltop Home Care Director, Hilltop Community Resources
- Lisa Fenton-Free, Executive Director, Rocky Mountain Health Plans Foundation
- Kay Ramachandran, Executive Director, Marillac Clinic
- Jeff Kuhr, PhD, Executive Director, Mesa County Health Department
- Elizabeth Collins, Transportation Planner, Mesa County Regional Transportation Planning Office

January 27, 2016
**Project Name:** Legends of Church Ranch

**Project Address:** 10050 Wadsworth Blvd, Westminster, CO 80021

The Narrative provides an opportunity for the applicant to describe the characteristics of the project and why the applicant believes it should be selected above others for an award of credit. The applicant should document the project’s strengths and address its weaknesses. It must include a description of the project as proposed; detailed type of construction; population being served; bedroom mix; location; amenities; services, if provided; description of energy efficiencies; type of financing; local, state, and federal subsidies; etc.

**Development Overview**

Dominium proposes to construct 200 units of high quality affordable housing in the City of Westminster, Colorado, conveniently located between Denver and Boulder. The Proposed development is on the 6.1 acre site located at 10050 Wadsworth Boulevard (S.E. intersection of Wadsworth and Church Ranch Road). It will include one, two and three-bedroom units restricted to senior residents (55+) that qualify under the 60% area median income threshold.

The property and land is owned by the prominent Church family who started their origins in Colorado in the 1860’s. The site was used in the mid to late 1800’s as a stage stop for travelers making the 2-day trek from Denver to Boulder, and was one of the only sites with free standing buildings in the area at the time. Currently, the site has a historic barn and silo built in 1910 that the current owner and Dominium wish to preserve. The barn and silos will be rehabilitated into a clubhouse for the purposes of adhering to the owner’s request and Dominium’s visioning for the site, and to preserve the notable history and the impact the Church family had on the developing area.
Church Ranch looking West approximately 1985

Church Ranch looking West - 2014

Concept Rendering of Barn & Silos
Currently the housing market in Westminster has low vacancy rates, high median incomes, and a relatively high price for single family homes. The proposed development of 200 units will benefit the community by providing much needed affordable housing to the residents.

The development will be professionally managed by Dominium Management Services, LLC. Dominium’s intention is to provide all property management at the site in order to maintain the quality of the project’s buildings and grounds, as well as the quality of life for the tenants. The principles that will guide the design of the building include the following:

- Integrate active living through designing for easy connectivity to pedestrian-friendly routes and existing walking paths of Big Dry Creek.
- Promote the longevity of independent living by providing numerous common amenities.
- BKV Architects have assisted with the initial layout and design but we will be co-venturing with a local architect to assist in the design of landscaping, building materials, etc. that will work best for the subject environment in order to minimize maintenance and operating costs.

Dominium was founded in 1972 and is the 5th largest affordable housing owner, developer and manager in the country. Dominium has extensive experience with the development of independent affordable senior housing utilizing 4% non-competitive LIHTCs. Building on Dominium’s track record, we have brought the same team together with hopes to develop a similar project in this highly desirable and unique location.

**Strengths**

**Market Study strengths:**

- According to the market study the Property will be absorbed within 10-12 months of construction completion, given the lack of current available units.
- The location is good - it is located within close proximity to local amenities and employment. The Westminster area lacks good quality affordable age-restricted housing.
- Offering 1, 2, and 3 bedroom units should be well-accepted in the market as it offers a unique product that is lacking in the area.
- The proposed LIHTC rents are achievable and demonstrate a significant rent advantage over the market rate comparable.
• The Project will provide excellent quality senior affordable housing in a market area where there are no vacant age-restricted LIHTC units, and property managers at affordable comparable developments reported vacancies are leased very quickly.

• The Subject will offer superior unit sizes and condition when compared to the majority of the surveyed comparable properties.

• There are no LIHTC (60% AMI) age-restricted properties found in the PMA.

The senior residents of Legends of Church Ranch Apartments will benefit from:

• Central location between downtown Boulder and Denver with easy access to the Denver Boulder Turnpike (highway 36).

• Easy access.

• A 15 minute walk or 3 minute drive to an abundance of amenities including grocery, shopping, restaurants, banks, and medical facilities.

• The clubhouse will be strategically located adjacent to the Big Dry Creek trail network and will include exterior walking paths that connect to the trail network, encouraging an active healthy living style for senior residents.

• Offering affordable senior housing units restricted to households with incomes less than 60% of AMI will add 200 units of housing in an area where there are currently few affordable independent senior apartment options available.

• The project will include an elevator and efficient design for simple navigation for its senior residents.

The strengths regarding Dominium as the Project Sponsor:

• Dominium is a company with a track record of successfully developing, owning, operating and managing a portfolio of over 24,000 apartment units in 23 states.

• Dominium is a premiere independent affordable housing developer in the country. Within the last 3 years, Dominium has received an allocation of 4% non-competitive credits on 7 different senior projects. The status of those are as follows:
  o 2 – stabilized with full occupancy
  o 2 – under construction
  o 3 – expected to close within 90 days

• Dominium’s experience with financing and developing projects similar to Church Ranch, has allowed us to make the most efficient use of the limited State tax credits available to developers. The State tax credit request for Church Ranch is only **$2,000 per unit**. The average Round 1 award in 2015 was $6,527 per unit. Dominium’s request is nearly 70% more efficient than the prior year’s awardees.
• Dominium has extensive experience with the rehabilitation of historic buildings. The redevelopment of the Church Ranch barn and silos will add to our portfolio of successful historic related developments.
• Please click on the following link to view Dominium’s Senior Living Video.

Weaknesses

Dominium’s headquarters are based in Plymouth, MN with a regional development office in Westminster, CO (3 miles from the proposed development site). This can be perceived as a weakness, but we are not unfamiliar with Colorado and the market. Dominium successfully completed the re-development of the 96-unit Traditions Denver apartment community in Highlands Ranch with an allocation of 4% non-competitive tax credits from CHFA in 2013. Dominium also owns two other properties in the affordable program, both of which are located in Denver. These two projects, Park Ave West Apartments and 1601 Colorado, were acquired after a strong financial partner, US Bank, approached Dominium regarding two distressed assets that needed a new General Partner and strong management team to turn the properties around.

Since opening a Colorado based development office in mid-2015, we have leveraged our extensive network of legal, financial, and construction contacts to understand the new construction market in Colorado. We have experience from prior developments in markets very similar to Colorado, including new construction affordable senior apartments, which will allow us to leverage that experience in order to produce a great product.

Type of Construction

Dominium understands the competitive nature of the construction market in Colorado. Many contractors and architects have been interviewed to begin to develop a team and project that will be successful. Pinkard Construction, who has been the contractor on several affordable projects in the past and is based in Colorado, has provided the construction cost estimate for Church Ranch Apartments.

Unit Mix

<table>
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<th>Unit Type</th>
<th># of Units</th>
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<td>60</td>
</tr>
<tr>
<td>2 Bedrooms</td>
<td>90</td>
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</table>
Church Ranch Apartments will provide 200 units, all restricted to seniors at 60% of Area Median Income.

The market study affirms our reasoning behind the proposed unit mix. It states, “The subject’s unit mix should be well-accepted in the market as it offers a unique product that is lacking in the Westminster area. Three-bedroom units have generally been well accepted by seniors. Managers at age-restricted affordable properties stated that three-bedroom units are typically the most popular in the senior target market. Based on the Subject’s target population, we believe the Subject’s unit mix is appropriate.”

In addition, Dominium has seen great demand for 2 and 3 bedroom units in other newly constructed senior developments. Often times these demographics are coming from a single-family home and are unwilling to part with possessions that have special meaning, which results in the demand for larger units.

**Location**

The site is located at the southeast corner of Church Ranch Blvd and Wadsworth Blvd in Westminster. The current buildings on the subject property do not conform with design standards in place today and most of these buildings will be removed from the site. Dominium and the owner of the property wish to have the barn and silos preserved in order to maintain the history of the Church family as early settlers to the Westminster area. Dominium is proposing to rehabilitate the barn and silos to create a common area space (event center/party room) that backs directly up to the Big Dry Creek open space and the trails that run through it.
Dominium has extensive experience with historic rehabilitation including most notably the Pillsbury A-Mill and Schmidt Brewery in the Minneapolis/St. Paul market, and the Arcade in St. Louis.

Within a half mile of the site there is the Jefferson Academy Elementary School, Semper Elementary School, Mandalay Middle School, a community memory care facility, event centers, entertainment centers, child care centers, medical clinics, banks, gas stations, restaurants, shopping and more. Standley Lake Marketplace and The Shops at Walnut Creek, the two primary community shopping center hubs in the area, are less than one mile to the west and northeast, respectively.

Currently, the site is serviced by RTD bus routes 104 and 76, with stops as little as 1/5 of a mile from the site for route 104, and under a mile from the site for route 76. It is also located less than three quarters of a mile from US-36 and Church Ranch Park n Ride providing access to downtown Denver and Boulder through buses FF1 and FF3.
**Amenities**

**In Unit Amenities:**
- Carpet and Luxury vinyl tile floor coverings
- 9’ Ceilings
- In-unit washer and dryers
- Dishwashers
- Range
- Fully vented range hood
- Refrigerator/freezer
- Microwave
- Coat and linen closets
- Blinds

**Site Amenities:** The project will include common amenities that are designed to support the senior residents and the surrounding community.
- Covered parking
- Community kitchen and clubroom
- Movie theatre room for 12-16 people
- Fitness center
- Salon
- Resident library
- Fire pit
- Grill stations
- Craft/card room
- Pet stations/dog wash
- Dog walk/fenced in dog park
- Walking trails that connect to the existing Big Dry Creek trail network.

Services

There are no planned services at the site, but on other senior communities that Dominium manages a community shuttle is available for transportation to local amenities, shopping and medical services. Residents are also provided socializing engagement services such as monthly pot-lucks, organized craft/card events, fitness classes etc.

Description of energy efficiencies

Energy efficiency:
- High efficiency water heaters (minimum energy factor of 0.93)
- 100% LED lighting package
- Energy star rated appliances
- High efficient fan exhaust ventilation

Water conservation:
- High efficiency plumbing fixtures
- Efficient irrigation and landscaping materials

Interior environment:
- Radon ventilation system
- Low-VOC interior paints, adhesives, and sealants
- Vinyl plank flooring in living areas with carpet only in bedrooms

Waste Management:
- Low maintenance exterior materials will include impact resistant and durable siding (e.g. Hardi or LP Smartside).
- Building materials from the original buildings will be recycled and used as interior and exterior design elements, including salvaged wood.
- Dominium will maintain a goal that a minimum of 55% total project waste shall be diverted from landfill
- In-building trash and recycling chutes accessible from each floor
Type of financing; local, state, and federal subsidies

Construction Financing
This project has received a commitment from Dougherty & Company, LLC to provide the construction and bridge financing necessary to complete the project.

Permanent Financing
Church Ranch Apartments will be financed with a tax-exempt permanent loan serviced by Dougherty & Company, LLC. We have received a commitment for our expected 1st mortgage amount and terms that are consistent with the current market.

Low Income Housing Tax Credit Equity
Dominium’s application is requesting approval for an allocation of 4% non-competitive federal tax credits and $400,000/year in State Credits from CHFA. Commitments have been obtained from RBC for the syndication of both the federal and State Credits.

Real Estate Tax Abatement
Dominium plans on partnering with the Jefferson County Housing Authority. This partnership will allow the project to receive full tax abatement.

Deferred Developer Fee
As developer of the project, Dominium will defer approximately 70% of its developer fee to ensure completion of the Church Ranch Apartments. This deferred fee will be repaid within 15 years as required by our equity investor.

In addition, the narrative should address the following:

1. Identify which guiding principles in Section 2 of the Qualified Allocation Plan (QAP) the project meets and why it meets them:

i. To support rental housing projects serving the lowest income tenants for the longest period of time

   • The proposed development will serve qualifying tenants by providing 200 affordable units available to senior individuals earning less than 60% of the AMI for a period of 20 years; a 15 year compliance period and a 5 year waiver of the right to take the project qualified contract.
To support projects in a QCT, the development of which contributes to a concerted community revitalization plan as defined in Section 5.A 4, Primary Selection Criteria

- The project is not in a QCT, but complies with Westminster’s Comprehensive Plan. The comprehensive plan outlines the following specific goals and policies (Attachment Westminster Comprehensive Plan – Goals and Policies.PDF), which are fulfilled by the proposed development:

  a.) LU-G-1: to pursue a compact development pattern that allows for the preservation of natural areas and creek corridors.
  - The subject property is a mid-rise apartment complex that provides 200 residential units. The plan currently includes preserving the Big Dry Creek trails system and building a clubhouse, the focal point of our development, which encourages the use of the natural trail system that is Big Dry Creek.

  b.) LU-G-6: Ensure higher density residential development is located in activity centers and environments that promote walkability and provide access to key services and transit.
  - The development is located within walking distance (less than ½ mile) from The Shops at Walnut Creek. It is also located less than 1/5th of a mile from RTD bus stops and ¾ miles away from US-36 and Church Ranch Park n Ride. Many other everyday goods and services are within walking distance: Super Target, King Soopers, Walgreens, PetSmart, Veterinary clinic, American Legion, Mountainview Church, banks, restaurants, dry-cleaning, etc.

  c.) LU-G-7: Provide opportunities for a range of housing types and affordability to accommodate all incomes, lifestyles and age groups within the city.
  - The proposed development provides 200 residential units to senior citizens that earn less than 60% of the area median income.

- The comprehensive plan also outlines the following specific policies for residential development:

  a.) LU-P-25: Ensure that new residential development is located adjacent to and within walking distance to commercial and public services such as grocery stores and personal services, schools, parks and open space.
- The Property is located within walking distance to all of the above.

b.) LU-P-30: Maintain and improve the city’s stock of affordable housing. Utilize resources such as Westminster, Jefferson county housing authorities, HOME program, U.S CDBG program, etc. to help fund programs and efforts.
- Dominium is in negotiations to partner with the Jefferson County Housing Authority to help fund the project with real estate tax abatement.

c.) LU-P-31: Ensure that new affordable housing has access to transit and key public everyday services.
- The development is within 1/5th of a mile of bus routes and is within ¾ of a mile from a park n ride providing transportation between Denver and Boulder.

iii. To provide for distribution of housing credits across the state, including larger urban areas, smaller cities and towns, rural, and tribal areas.

- This project is located in the larger urban area of Westminster. In the past 10 years there have only been 4 projects in Westminster that have been awarded low income housing tax credits from CHFA. The only senior affordable properties in Westminster are the Residences at Panorama Pointe and Westminster Commons, located 3.81 miles and 4.21 miles away from the subject property, respectively. That said, the proposed project is seeking an allocation of $400,000 in State Credits for 200 units, equating to $2,000 per unit. Currently, there is no knowledge of projects applying for tax credits in the immediate area.

iv. To provide opportunities to a variety of qualified sponsors of affordable housing, both for-profit and nonprofit.

- Dominium is a for-profit sponsor. The projects in Westminster that have been awarded credits in the past 10 years listed above all had nonprofit sponsors.

v. To distribute housing credits to assist a diversity of populations in need of affordable housing, including families, senior citizens, homeless persons, and persons in need of supportive housing.
• The project provides the opportunity to distribute housing credits to assist a diversity of populations in need of affordable housing by providing tax credits to assist in the financing of 200 affordable housing units for senior citizens.

vi. To provide opportunities for affordable housing within a half-mile walk distance of public transportation such as bus, rail, and light rail.

• The project is located within a half-mile walk of several RTD public transportation bus stops, the closest is Westcliff Pkwy & Church Ranch Blvd, approximately .2 miles to the east, and the US 36 & Church Ranch RTD.

![Map of Bus Stops from RTD Denver's Website](image_url)

vii. To support new construction of affordable rental housing projects as well as acquisition and/or rehabilitation of existing affordable housing projects, particularly those with an urgent and/or critical need for rehabilitation or at risk of converting to market rate housing.

• This proposed project is a new construction affordable housing project which will contribute 200 new affordable units to the Westminster affordable housing stock. The current vacancy rate among the age-restricted affordable housing stock is 0.00% - this suggests a very high demand for this product. The provided market predicts the project will maintain a waiting list upon completion.
viii. To reserve only the amount of credit that CHFA determines to be necessary for the financial feasibility of a project and its viability as a qualified low income housing project throughout the credit period.

• Dominium has extensive experience maintaining its projects as qualified low income housing throughout credit periods, and has underwrote the credits in order to determine the minimum amount of credits needed to make this project feasible. Currently, Dominium is seeking $400,000 in State Credits, which is significantly less than the gap calculation restriction found in the application. Dominium is seeking an allocation of $400,000 State Credits, which equates to $2,000 per unit, much less than previous awardees in the area or existing LOIs for CHFA’s 2016 Round 1.

2. Identify which housing priority in Section 2 of the QAP the project qualifies for:

i. For all State Credit applications, projects using 4% Federal Credits rather than 9% Federal Credits will be a priority. For all State Credit applications, new construction projects will be a priority.
• The subject project is requesting State Credits as well as 4% Federal Credits. In addition, our State Credit request is only $2,000 per affordable unit. The average amount of State Credits awarded for new construction projects in 2015 was $6,527 per unit, $4,527 more per unit than Dominium is requesting. This provides evidence that Dominium is requesting the minimum amount of credits needed in order to make this project feasible.

3. Describe how the project meets the criteria for approval in Section 2 of the QAP:

i. Market conditions:

According to the market study there are seven LIHTC developments within the PMA, but only one is age-restricted. Currently, there are no vacant senior affordable properties in the area. Property managers of LIHTC properties said that when units become vacant they lease very quickly. There is only one comparable property that is offering concessions, only on its market rate units not its affordable units. It reported four vacant units and a vacancy rate of 1.8%. The market study stated that competing age-restricted properties in the area are experiencing low vacancy levels, no concessions, and all maintain waiting lists. Nine of the 12 comparable properties in the market study maintain a waiting list due to high demand and low vacancy. Therefore, no concessions will be necessary at the Subject property. Last, the market study indicates an expected vacancy rate of approximately 3% or less – and it’s likely there will be a waiting list upon project stabilization.

ii. Readiness-to-proceed:

• Site Control
  - Dominium and the seller have executed a Letter of Intent for the sale of the property
  - The seller has provided a letter of support for the project with intent to execute a Purchase Agreement upon legal review

• Financing Commitments
  - Dominium has obtained commitments for all sources of funding

• Zoning
  - A zoning letter from the City of Westminster has been provided in the Application.
  - The site will need to be rezoned through the entitlement process but discussion with the City of Westminster has begun and the City is supportive of the proposed use.

• Phase I
- A Phase I has been conducted on the site and is provided in the application. No significant environmental concerns were discovered.

- **Schematic Drawings**
  - All required schematic drawings have been included in the application.
  - Dominium has completed and designed numerous projects with the current architect, BKV, who has completed design and construction bid documents for 8 projects that are similar in nature. Furthermore, Dominium will co-venture or partner with a local architectural firm, to assist with the entitlement process and conformity to local code and building compliance as well as design standards.

- **Cost Estimate**
  - A cost estimate has been obtained from Pinkard Construction. This has been included in the application.

### iii. **Overall Financial Feasibility and Viability**

- Dominium is requesting both State Credits and Federal Credits in lieu of 9% competitive credits. The request for $400,000 in State Credits is less than what is allowed by the gap funding restriction found in the application, but enough to ensure the financial feasibility of the project.

### iv. **Experience and track record of the development and management team**:

- The Project Sponsor, Dominium Development & Acquisition, LLC, has a long standing track record of successfully developing new construction multifamily and senior apartment communities with tax-exempt bonds and 4% LIHTC.

- Dominium Management Services, LLC has been in the affordable housing industry for over 40 years and currently owns and manages over 24,000 units in 23 states across the U.S.

- In the past 3 years Dominium has received an allocation of housing credits for six other affordable senior new construction projects, all in Minnesota. Two of those projects have completed construction and are stabilized. Two are under construction, and the other two are expected to close within the next 90 days. Dominium also has several other projects that are through various stages of the development process. Our internal projection is to have 6 or more additional senior affordable assets constructed and stabilized by 2019.
v. **Cost Reasonableness:**

- Dominium is attempting to make the State Credit request as competitive as possible by requesting the very minimum amount of State Credits as possible, while still maintaining financial feasibility.
- Dominium has worked diligently with Pinkard Construction to develop the most cost effective construction pricing given the market conditions.
- Dominium is deferring almost 70% of its developer fee, but is projected to be repaid before year 15 – as required by our equity investor.

vi. **Proximity to existing tax credit developments:**

- Currently there are seven LIHTC developments within the PMA, but only one is age-restricted. According to the market study there is a lack of non-subsidized age-restricted LIHTC developments in the PMA.
- There are two planned development which have recently been allocated credits, Westminster Station and Westminster Senior. Westminster station will not be competitive with Legends of Church Ranch given a differing target tenancy. Westminster Senior will compete for occupancy with Legends of church ranch given that there are 12 age-restricted units that are also income-restricted at the 60% area median income threshold.

vii. **Site suitability:**

- The site is strategically located within walking distance (1 mile) of several established retail stores, restaurants, schools, public transportation, medical facilities, banks, as well as supermarkets such as Super Target and King Soopers to provide ease for senior residents. There are streets, sidewalks and multi-use path connections that provide good access to the many nearby amenities listed above. Given that Westminster is a vehicle-oriented city and the target tenants are seniors who are more apt to drive than walk, the site will have ideal parking for senior housing. The site will include sufficient surface and covered parking spaces for residents, visitors, and staff.

4. **Provide the following information as applicable**

   i. **Justification for waiver of any underwriting criteria (minimum operating reserve, minimum PUPA or high PUPA, first year debt coverage ratio below 1.15 or above 1.30, minimum replacement reserve, vacancy rate below CHFA’s minimum):**
• Dominium is not requesting any waivers.

ii. **Justification of the financial need for CHFA’s DDA credit up to 130 percent of qualified basis:**

    • The project is applying for 4% LIHTC and is not eligible for DDA basis boost.

5. **Address any issues raised by the market analyst in the market study submitted with your application:**

   i. No issues have been raised by the market analyst.

6. **In your own words describe the outreach that you have conducted within the proposed community and demonstrate local support for the project (including financial support):**

   i. Dominium has reached out to the local newspaper, the Westminster Window, and had a notice published for a public hearing regarding the proposed project.

   ii. A public hearing was held on January 25th from 5:30 to 7:30PM at the La Quinta Inn (a few blocks from the site).

   iii. Ron Mehl has met with Alan Feinstein, Executive Director of the Jefferson County Housing Authority, to discuss the partnership between Dominium and the Housing Authority on January 25th and the proposed project. That meeting went well and the Housing Authority provided a letter of support (attached in the application) outlining the need for affordable independent senior housing in the area.
Project Name: Lowry Family Housing
Project Address: 6756 Archer Place, Denver, CO 80230

The Narrative provides an opportunity for the applicant to describe the characteristics of the project and why the applicant believes it should be selected above others for an award of credit. The applicant should document the project’s strengths and to address its weaknesses. It must include a description of the project as proposed; detailed type of construction; population being served; bedroom mix; location; amenities; services, if provided; description of energy efficiencies; type of financing; local, state, and federal subsidies; etc.

Description of Project

Lowry is an award winning 1,866-acre mixed-use redevelopment of the former Lowry Air Force Base on the eastern side of the City of Denver, which borders the City of Aurora. Lowry is located about 10 miles west and a 25-minute drive from downtown Denver. The former Air Force Base was on the 1991 Base Realignment and Closure list and closed in September 1994. Since that time, the Air Force Base has been successfully planned into a new urbanism style and developed with a mix of housing types (for rent, for sale, wide range of price points, etc.), office, retail, restaurants, variety of parks in size/scale, recreational areas/buildings, and educational facilities. When completed, Lowry will have approximately 5,000 homes and/or apartments with approximately 10,000 residents. Home prices range from $100,000 to $2 million. Development has included new construction as well as repurposing and renovating former Air Force buildings such as two large airplane hangars and residential duplexes where officers lived. These buildings have been turned into new residences, new schools, and a storage facility. Many of these historic buildings have been designated as Denver Landmark buildings. The result is a beautiful and vibrant mix of old and new buildings combined with a large amount of open space and parks.

The Lowry Redevelopment Authority (LRA) is a quasi-governmental, nonprofit entity created by the cities of Denver and Aurora to redevelop the former Lowry Air Force Base. The LRA is the master developer of Lowry, with responsibility for land planning, engineering, environmental cleanup, parks construction and sale of property to residential and commercial developers. The LRA has a board of directors, several committees, and is led by an Executive Director who has been involved in the development of Lowry since 1998.
The last new neighborhood to be developed at Lowry will be Boulevard One, which was once the tail end of historic Runway One within the former base. Vacant since September 2011, the 70-acre site is being redeveloped into a vibrant urban community, complete with a range of housing options, intimate gathering spaces and paths, and walk-to shops and offices. The extension of Lowry Boulevard will bisect the site from east to west. The site formerly housed the Air Force Finance Center that was known as the Buckley Annex. The LRA is again acting as the master developer overseeing all entitlements, infrastructure financing/construction, and sales of lots to developers.

Boulevard One Site Plan:

As part of the Federal base closure process, a 1.5 acre tract was designated within the Boulevard One neighborhood for affordable housing which would specifically include 20 homeless units. The subject site is noted in the above graphic outlined in orange and labeled “DHA/VOA Site” on the bottom edge, left side of the graphic. During this Federal base closure process, the Buckley Annex Homeless Consortium was formed and entered into an agreement with the LRA to develop the 1.5-acre parcel. The LRA has had a series of over 50+ neighborhood meetings over the course of 7+ years carefully planning the Boulevard One neighborhood.
In July 2015, LRA awarded this 1.5-acre site to a partnership between the Housing Authority of the City and County of Denver (DHA) and Volunteers of America (VOA) to develop the proposed affordable housing project: Lowry Family Housing and the 20 homeless units required by the Buckley Annex Homeless Consortium. VOA and DHA have entered into an agreement to co-develop and co-own the subject property. VOA will be the property manager and service provider.

LRA awarded the site to VOA and DHA for no cost and the utilities and infrastructure for the site will be fully completed and brought to the property line at no cost to the project. A detention pond developed by LRA is adjacent to the site and available for the development’s use. Significantly, neither the developers nor the LIHTC partnership have to carry the land and the infrastructure costs, greatly reducing the project development costs. The VOA and DHA partnership has entered into an agreement for the land transfer with the Lowry Redevelopment Authority.

The 70-acre property has an approved General Development Plan in place and is being rezoned in three phases (see graphic below). All of the Boulevard One rezoning has been completed except for two projects: the subject (shown as dark brown on the below rezone graphic) and the two condominium buildings fronting Monaco (shown in red on the rezone graphic). The single-family portion (yellow and light brown in the graphic) had been rezoned and homes are under construction. The mixed-use portion of the project to the east was approved last year by City Council (red in the graphic). The process for these remaining portions is well underway. In January the Lowry Family Housing site received unanimous Planning Board approval. The final City Council public hearing is scheduled for February 29, 2016. The City Planning Department staff has received nine letters of support for the rezoning proposal and no letters of opposition. The site is expected to be completed with the rezoning process the first week of March 2016. Zoning will be in hand before the Colorado Housing and Finance Authority (CHFA) committee meetings in April 2016. See zoning letter from the City of Denver Planning Department for more information on the rezone.
The project site is well suited for affordable, multi-family housing. The site is level, all necessary utilities will be delivered to the property line by LRA, the soils should be suitable for building and have no environmental issues, and it will be rezoned to accommodate up to a 5-story building. The site abuts a large market rate apartment community to the south, a large detention facility to the west, a pocket park to the north, and affordable town home housing to the east. It is within a short walk of multiple bus lines on Monaco Parkway, Alameda Avenue, and Quebec Street to access services and employment. The vibrancy of this surrounding community including the mix of single and multifamily housing creates a cohesive blend to the neighborhood that will comfortably integrate the family and homeless units in the Lowry Family Housing project.
Lowry Family Housing project will be located on a great development site. The site will be transferred from the Lowry Redevelopment Authority for free to the partnership. The site is flat, rectangular in shape, has good subsurface conditions and will have utilities in the street, Archer Place, with very close proximity to the building. Additionally, storm water can be conveniently discharged into the detention pond directly to the west of the site.

Community Outreach

DHA and VOA have significant experience in neighborhood outreach, which has and will continue to be very useful in gaining neighborhood support for this project.

In addition to numerous outreach meetings as a part of the Boulevard One and the Buckley Annex Homeless Consortium processes, VOA and DHA have worked together to inform the community and respond to community demand. Specifically, the developers have met with all four of the neighborhood groups surrounding or in close proximity to Boulevard One including Park Heights, Crestmoor, Lowry United Neighborhood Association and Mayfair Park Neighborhood Association. The development has also worked hard to gain support through a number of interested parties, many of whom have shared letters of support. Attached please find letters of support from Mayor Michael B. Hancock of the City and County of Denver, Montgomery Force, Executive Director of the Lowry Redevelopment Authority, and Gene Myers, CEO of Throve Home Builders building many of the homes in Boulevard One. In addition, nine residents near the development have written in support of the rezoning for the
Lowry Family Housing project. One resident, Kathleen Ruby, former President of Mayfair Park writes:

> From Jennifer Moulton to today, we have worked to build a city—a city that has appropriate density, form and affordability of housing products. There are many folks who want transitional and affordable housing in their city but not in their neighborhood. We are residents of the adjacent neighborhood and support this development and ask for your support as well.

Rachel Neumann, a resident of Lowry, writes about her support of the Volunteers of America project at Boulevard One:

> I am glad that I have the ability to raise my family in such a wonderful community as Lowry and Denver. I appreciate the ability to live, work and play in my specific neighborhood and the diversity of housing stock that is available for individuals of all income levels to enjoy the Lowry lifestyle.

DHA and VOA are committed to continuing their outreach on this project to inform and learn from the communities surrounding this project. As an example, the following blurb about the project went out to the Boulevard One community in early November as a part of their newsletter. The piece immediately brought positive interest and VOA has started an interest list already composed of 15 interested people.
Type of Construction

The project will be a wood frame four-story two-elevator structure that has a brick, stucco and wood exterior, a varied elevation and a flat roof. The units will have entrances off of double-loaded interior hallways. The building will face north on Archer Place.

The development has solar panels planned and is focused on meeting or exceeding the Enterprise Green Communities requirements.

Each unit will have free high-speed internet, central air conditioning, mini-blinds, carpet, a walk-in closet, refrigerator, stove/oven, dishwasher, disposal, microwave and in-unit washer/dryer. Two elevators in the building will assure that tenants have access to the building in case one is out of service.

The development team has engaged Parikh Stevens Architects to prepare a preliminary design for the site. Both VOA and DHA have experience working with Parikh Stevens Architects, a quality, pragmatic architectural firm with knowledge of the nuances of affordable housing. Parikh Stevens has prepared a schematic design of a 4-story building for 72 units and 111 parking spaces. The architect has focused the design in four key areas: Urban Design, Sustainability, Architecture, and Healthy Living. DHA and VOA aspire to develop a building that is responsive to the design principals of Boulevard One. They will construct a long lasting building of high quality materials that is sensitive to the Boulevard One setting and community.
Population Being Served

The Lowry Family Housing project will serve families and individuals. The project has a total of 72 units comprised of one manager’s unit and 71 affordable units. The proposed AMI mix for the 71 affordable units is:

<table>
<thead>
<tr>
<th>AMI Level</th>
<th>Number</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>30% - PBV</td>
<td>25</td>
<td>35%</td>
</tr>
<tr>
<td>50% - PBV</td>
<td>28</td>
<td>40%</td>
</tr>
<tr>
<td>50% - LIHTC</td>
<td>18</td>
<td>25%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>71</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

The 50% AMI LIHTC units have rents set at 95% of the max 50% AMI rents. In addition, of the 71 low-income units, 20 will be restricted to formerly and situational homeless households. These dwellings will have McKinney-Vento Homeless Assistance Act rental assistance via Housing Choice Voucher units. This community is ideal for these formerly and situational homeless households because Boulevard One is focused and marketed on “an urban dweller’s dream” where “residents value alternative transportation and bumping elbows with eclectic neighbors” (Boulevard One website). A community focused on bringing people together, the families and situational homeless households making Lowry Affordable Housing home will blend in with Boulevard Ones’ multi- and single-family homes to create the community’s desired urban neighborhood feel. Lowry has a history of being committed to affordable housing and homeless housing. Please see the Affordable Housing map below under (F) Proximity to existing tax credit developments.

VOA and DHA will work with local agencies to provide referrals for the Lowry Family Housing formerly and situational homeless households using the HUD definition of homelessness:

- Sleeping in places not meant for human habitation, such as cars, parks, sidewalks, or abandoned or condemned buildings,
- Sleeping in an emergency shelter or safe haven, or
- Living in transitional housing.

The project will have 20 McKinney-Vento Housing Choice Voucher Units and another 33 project-based vouchers provided by DHA. Hence, the project will utilize a total of 53 vouchers to assist the most vulnerable residents served in the project:

**McKinney-Vento Housing Choice Voucher (HCV) Units/Homeless Units** – 20 units will be designated as the 20 homeless units required by the Buckley Annex Homeless Consortium, which VOA and DHA plan to fill through the Housing Choice Voucher Preference/Referral Network program. DHA will provide Tenant Based Vouchers (TBVs) for these 20 homeless households through this network. The Housing Choice Voucher network includes the following agencies: Atlantis, Community Re-Entry Program, Mental
Health Center of Denver, Colorado Health Network, the Delores Project, and Money Follows the Person. The referring agency will provide documentation that the homeless eligibility requirements have been met. The clients that come through these agencies don’t go through DHA’s typical voucher waitlist process and therefore can move quickly into housing with TBVs.

**Project Based Voucher Units** – 33 other units will be designated as Project Based Voucher (PBVs). Although the PBV vouchers will be assigned to 30% and 50% AMI restricted units, they are likely to serve households earning 15% - 30% AMI, the typical household income of voucher clients.

VOA, as property manager and service provider, is committed to creating a cohesive and successful project. To strengthen this cohesion, the project includes an on-site Community Administrator (Manager) as well as one on-site full time Family Advocate (Service Coordinator) and one part time Community Coordinator. Hence, residents will have opportunities for case management without disrupting the responsibilities of the project manager creating a more seamless process for everyone. The building will also have a private dedicated office space for the Family Advocate (Service Coordinator). VOA will provide social services to all residents in the project, including nutrition classes, a homeownership counseling and education program, adult education classes, employment assistance, health services, transportation on an as-needs basis, mentoring, computer skills classes and case management. A more complete list of these services is outlined in the Services section below.

These services and the on-site full time Family Advocate and part time Community Coordinator are essential elements to creating a cohesive project bringing together situational and formerly homeless households with family households. VOA has a long history of providing services in affordable housing across its Colorado and national portfolio. Doug Snyder, the Housing Development Director at Volunteers of America, has completed the Pathways Home Supportive Housing Toolkit and has brought his experience from the conversations and insights of this toolkit to the project development. There are similar and successful models of this combined homeless and family housing that have been completed by other developers such as Colorado Coalition for the Homeless. The services and combined model contributes to housing stability for those that once were homeless. This project aligns all of this experience to create a strong project that will provide stability and comfort for all of its residents.

According to the market study, the project’s inclusion of deeply-subsidized and special needs units will not impact the marketability of its general occupancy LIHTC units, as evidenced by the experience of Renaissance at Lowry, which has LIHTC and homeless units, has a historical occupancy rate at or near 95%, a 15-applicant waitlist and is achieving LIHTC rents at or near the maximum allowable amounts.
**Bedroom Mix**

VOA and DHA have developed the bedroom mix of this project to respond to the need of the neighborhood. The Lowry community already has a strong demand for one-bedroom units, with waitlists for these units at other properties, and the Boulevard One’s focus on young professionals, public transportation and intentional urbanism will further heighten the demand. The project reflects these demands with the following bedroom mix:

<table>
<thead>
<tr>
<th>Type of Unit</th>
<th>Square Footage</th>
<th>Number</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>One bed/one bath</td>
<td>600</td>
<td>42</td>
<td>59%</td>
</tr>
<tr>
<td>Two bed/two bath</td>
<td>880</td>
<td>22</td>
<td>30%</td>
</tr>
<tr>
<td>Three bed/two bath</td>
<td>978</td>
<td>8</td>
<td>11%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>72</strong></td>
<td></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

The homeless units also meet the demand based on data from the 2014 Metro Denver Homeless Initiative Point-in-Time homeless survey of 3,245 individuals that indicated that 53% of all homeless households included one person and 33% had two people. Data for a smaller sample showed 90% of homeless households have one person and 10% have two people. Based on this data and other homeless data, the market study concludes that 73% of Denver’s homeless persons are income- and size-qualified to occupy the project’s homeless units.

The developers are sensitive to being responsive to this data and other homeless data while balancing community cohesion and stability. Hence, using a combination of the McKinney-Vento Housing Choice Vouchers and Project Based Vouchers outlined above, the project will serve single homeless and formerly homeless and transitional homeless families. The planned unit mix includes 18 one-bedrooms, 4 two-bedrooms and 3 three-bedrooms at 30% AMI and 16 one-bedrooms, 10 two-bedrooms, and 2 three bedrooms at 50% AMI. In addition to these voucher units, the project will also have 10 one-bedroom, 5 two-bedroom, and 3 three-bedroom LIHTC units at 50% AMI. VOA and DHA believe that this mix will be best to both serve Denver and the residents.

**Location**

The Lowry Family Housing project will be in the south-central portion of the 70-acre Boulevard One redevelopment site, which encompasses the land that is south of 1st Avenue, between South Monaco Parkway and South Quebec Street. Boulevard One is the last new neighborhood at Lowry, once the tail end of historic Runway One at the former Lowry Air Force Base, it is an urban dweller’s dream. The community sits just east of Cherry Creek and minutes from Downtown Denver via a quick bus ride or short drive. Lowry Town Center is an easy bike ride or stroll from anywhere within Boulevard One. The Lowry Town Center is a strip mall with retail space with shops including fashion and home retail, grocery, numerous fast and dining restaurants, office supplies, and health and pampering services. The center includes both national chain stores and independent businesses. Albertsons, Starbucks, Qdoba, GNC, At the
Beach and Orange Theory are its primary tenants. Other tenants include Cost Cutters, a nail salon and gift shop. The center provides a variety of shopping and services within walking distance.

As summarized by the market study, the neighborhood commercial facilities are well-maintained national chain, mom and pop, small independent and specialty stores that opened in the 2000s. The closest grocery store is Albertson’s, 0.4 miles northeast of the site in the Lowry Town Center. The Lowry Town Center is a community shopping center which features a range of services and shops for area residents. The closest convenience store is 7-Eleven, which is open 24 hours and is at 7295 East 7th Avenue, 0.7 miles north of the project. Pete’s Fruits & Vegetables, a nearby independent grocery store with approximately 10,000 square feet of space, is in a neighborhood strip mall at 5605 East Cedar Avenue, which is 1.0 mile southwest of the project. The closest larger scale community shopping center is at Leetsdale Drive and Alameda, 1.8 miles to the southwest of the subject, and covers approximately 330,000 square feet. The center includes national and regional retailers. Target, Sports Authority and Petsmart are its primary tenants. Other tenants include Payless Shoes and Wendy’s. A Super Target, located at 4301 East Virginia Avenue, 1.8 miles to the southwest of the subject, is a big box retail and grocery store of approximately 173,000 square feet. All of these amenities are accessible by the residents of the project and can meet their retail and entertainment needs.

In the Boulevard One development, the Lowry Family Housing site is near the planned intersection of Archer Place and South Oneida Street. The Boulevard One development is under construction, and upon completion will include 120 detached single-family homes, 230 row homes and 450 apartments, all of which will be market-rate, with the exception of the Lowry Family Housing project units. There will also be approximately 100,000 square feet of retail shopping, and 100,000 square feet of office and community space on the northeast corner of Boulevard One (see Boulevard One site plan below).
A total of 19 percent (13 acres) of Boulevard One is dedicated to sustainable public landscapes that lean on water-smart native grasses and plants. Some of these public spaces include a corridor for walking and bicycling along First Avenue and an Adventure Park for exploring boulders and a cottonwood grove. One of these neighborhood parks is directly across the street and the five-acre Community Park with public art and paths is just a few blocks to the east. Another large park, Crestmoor Park, is two blocks to the west across Monaco Parkway.

Children who live at Boulevard One will have plenty of high-quality educational options, including Lowry Elementary School. The popular Schlessman Family Branch Library is located adjacent to Boulevard One at Quebec Street and Lowry Boulevard. The project is within 0.5 miles of an elementary school, childcare center, library, parks and public transportation, and within a mile of a grocery store, recreation center, high school, fire department and convenience store.

The new Boulevard One neighborhood retail will offer shopping, dining and entertainment including restaurants, cafes, wine bars, clubs and other entertainment venues, plus boutiques and offices, will be conveniently located right down the street. Boulevard One is a well-connected urban community that will benefit all the families at Lowry Family Housing.

**Amenities**

Each unit will have free high-speed internet, central air conditioning, mini-blinds, carpet, a walk-in closet, refrigerator, stove/oven, dishwasher, disposal, microwave and in-unit washer/dryer.
The project’s common amenities and security features will include community gardens, a community room, exercise room, picnic/BBQ area, playground, on-site manager, on-site Family Advocate (Service Coordinator), computer room, secured entries and video surveillance.

The project’s tenant services, which will be available to all residents of the subject at no additional cost, include nutrition classes, homeownership counseling and education program, adult education classes, employment assistance, health services, transportation on an as-needs basis, mentoring, computer skills classes and case management.

Combined, the amenities of the project and the amenities of Boulevard One and Lowry provide a great array of amenities to create comfortable and accessible urban living.

Security

The Lowry Family Housing project will include secured accesses and security cameras. The nearest police station is 3.3 miles southwest of the subject and fire department is 0.7 miles southeast of the subject.

Services

The sponsor will provide social services to all residents, including nutrition classes, a homeownership counseling and education program, adult education classes, employment assistance, health services, transportation on an as-needs basis, mentoring, computer skills classes and case management.

A notable part of the service plan is to assist the residents, homeless and others, to strive for home ownership. VOA has direct experience with providing services into the transition of home ownership through their Brunetti Lofts with a unique 5-year program which is designed to help families and individuals who have successfully completed a transitional housing program to move toward home ownership. Residents of Lowry Family Housing will receive affordable rent, case management, financial planning, educational programming (including financial, occupational, parenting, etc.), home ownership training, and social and community-building opportunities.

Once the building is completed and occupied, VOA Colorado (VOA CO) will take the lead on providing services to the residents of the building, with assistance from DHA as needed. VOA CO will also serve as the managing agent while VOA National Services (VOANS) will serve as the asset manager for the property.

Funding: Three funding sources will be tapped to fund the services staff: (a) property operations, (b) a developer fee donation, and (c) grant requests.
**VOA Colorado Experience:** Through more than 30 distinct human service programs throughout the state of Colorado, including housing and healthcare, Volunteers of America Colorado helps more than 150,000 Coloradans each year. Since 1896, VOA CO’s ministry of service has supported and empowered America’s most vulnerable groups, including at-risk youth, the frail elderly, low-income families, homeless individuals and families, women and children escaping domestic violence, and those seeking affordable housing solutions. VOA CO is experienced in providing quality affordable housing with services to families and formerly homeless individuals and families in the Denver area. VOA CO will provide a variety of support services in the Lowry Family Housing resident community.

Supporting all of the programs offered by VOA Colorado is a group of dedicated professional staff, thousands of community volunteers and a highly committed volunteer Board of Directors. These resources insure that those served by Volunteers of America receive the support they need to become self-reliant and maximize their potential. As a faith based organization, Volunteers of America also recognizes the importance of holistic care, including positive spirituality for individual well being. VOA program participants are encouraged to find and express their spirituality as a part of their growth and development.

**Family Services Plan:** Services on site will be provided by one full time Family Advocate and one part time Community Coordinator. The Family Advocate will be responsible for Lowry Family Housing case management services in compliance with applicable guidelines. This includes assisting residents in developing a service plan, resource and information referral, data collection, and developing and maintaining professional relationships within the community and with other agencies. Job duties of the Community Coordinator will include coordination and oversight of the resident activities, facilitation of the Resident Council, and volunteer recruitment and supervision for all aspects of programming. Supervision of the services staff will be provided by the Project Manager of Community Housing at 10% FTE. The services staff will be available weekdays with a schedule that will vary when activities are at night or on weekends. The services staff will function as a team to insure a coordinated delivery of services. Acceptance of services will be gently and persistently encouraged by staff, though voluntary; Family Service Plans will be developed by the resident, recorded and assisted by the Family Advocate.

In addition to the onsite staff, community resources will be accessed and brought on site for a variety of activities and educational programs. Other services located in the community are accessible by local bus transportation.

The following services will be offered to the residents of the proposed property:

- **Community Involvement** – A Resident Council comprised of residents, VOA representatives and community members and facilitated by the Community Coordinator, will be convened to assess need for various community activities, plan and coordinate the activities as well as discuss property issues and solutions. Membership will rotate at least annually so all interested residents can have an opportunity to
participate.

- **Path to Homeownership** – A unique aspect to this project are the opportunities for residents to learn about and potentially become homeowners in the Denver metro area within a three to five year time frame. As partner on this project and a HUD Approved Counseling Agency, DHA will provide Homeownership counseling and education to interested residents of Lowry Family Housing.
  - DHA’s Resident and Community Services (RCS) Department offers a variety of services that promote upward mobility. These programs, the Family Self-Sufficiency (FSS) and the Homeownership Programs, will provide services to residents to empower them to become self-sufficient. These efforts often culminate in homeownership. CHFA will be tapped to assist homebuyers with down payment assistance as well as other financial resources such as Individual Development Accounts.
  - Pre-Purchase Counseling DHA’s Home Ownership Program offers confidential services in the areas of pre-purchase homeownership counseling and education, Financial Fitness including budgeting, credit repair, and debt reduction, and more; Pre-purchase Program will provide home ownership and financial assessments to determine what barriers a person faces on their journey to home ownership. DHA Case managers can help establish goals a person needs to meet before they are ready to apply for a safe mortgage loan and buy their first home.
  - First Time Homebuyer Classes As an approved Colorado Housing and Finance Authority (CHFA) instructor, DHA teaches no-cost first time home buyer classes monthly that will be open to all interested Lowry Family Housing residents. Topics include, fair housing, credit repair, real estate agency, real estate contracts, mortgage lending, inspections, agency law, and more.

- **Adult Education Classes** – Other education classes will be offered to residents covering topics that address financial literacy, nutrition, fitness and parenting. Instructors for these classes will be volunteers from the community as well as VOA employees with particular expertise, such as a dietitian and nutritionist from VOA’s Nutrition Service Division to teach classes in preparing healthy meals on a low income. Volunteers of America also partners with the Financial Health Institute to provide interesting and meaningful courses in understanding and managing money, regardless of how low the income. FHI will provide a series of classes at least one per year to residents of Lowry Family Housing.

- **Employment Assistance** – Volunteers of America retains an employment specialist who will assist the Family Advocate in providing job leads, job search workshops and other job seeker assistance. In addition, Volunteers of America will work with Bayaud Enterprises, a non-profit providing a variety of employment services, and employment and training resources through Denver County Workforce Development Centers.

- **Benefits Acquisition** – The Family Advocate will perform a benefits check up to insure that residents are receiving all eligible services as needed. Several VOA employees are certified to assist with benefits applications and the process for acquisition, including SSI and SSDI. Two Volunteers of America sites currently house a Denver Human Services kiosk designed to expedite the application process for Denver county benefits, including
TANF and food stamps.

- **Health Services** – The VOA Lowry Family Housing Community Coordinator will be tasked with organizing a health fair to be conducted annually on site. The Family Advocate will be trained to assist the family or individual resident in obtaining insurance and in accessing Medicaid or other insurance through the Affordable Care Act, as well as finding a medical home when needed. Behavioral health services for families and individuals will be provided primarily through referral to Mental Health Center of Denver (MHCD) with whom Volunteers of America maintains an ongoing working relationship.

- **Transportation** – RTD bus service is conveniently located in several locations near the project site. On site staff will assist residents with other community transportation options if bus service does not meet their need.

- **Mentoring/Scouting** – The Community Coordinator will develop a homework/mentoring program for school age students living at the property. Students can be matched with a volunteer mentor through VOA’s Volunteer Services Department, recruiting mentors from local colleges and universities. In addition, Boy Scouts and Girls Scouts have successfully been integrated into other VOA programs for school aged children and will be brought to the Lowry Family Housing property as well.

- **Action Team** – Volunteers of America and the Major League Baseball Players Trust have teamed up to encourage high school students to get involved. Youth volunteers, along with Major League baseball players, have formed Action Teams to deliver an important message—volunteering is fun and personally rewarding. Action Team activities range from tutoring younger children to planting gardens to helping older adults use technology. High School students living at the Lowry Family Housing will have the opportunity to form an Action Team and determine community service projects for their community.

- **Computer and Internet/Wi-Fi access** – The Lowry Family Housing project will contain Wi-Fi so all residents can access the internet free of charge from their apartments. In addition, laptops will be available for supervised basic computer skills and job search classes on site in the community room. They will be also available for checkout for business purposes so residents who do not have personal computer access can use them for a designated period.

**Measuring Success:** The Lowry Family Housing resident support services program will focus on the strengths of the resident and community involvement and the Individual or Family Services Plan will serve as the road map to reach identified goals. Staff will enter services data into a ServicePoint database to track progress toward achieving the resident’s desired goals. The program outcomes will be measured using the following indicators:

- Annually, **75% of residents will access services or referrals** to ensure their housing stability. Services and referrals provided through the Lowry Family Housing Services component will be documented in records entered into ServicePoint for all services requested along with the outcome/disposition.

- During their first year of residency, **65% of residents will demonstrate increased**
community involvement as indicated by steering committee participation, attendance sheets for activities and workshops, and other community enhancement projects.

- Within 90 days of move in, 50% of the residents will develop a Family Service plan, as indicated by Family Advocate records and ServicePoint database. Success toward established goals will be tracked for the first year to determine baseline for future goal completion.
- Within one year, 50% of residents will increase their household income as indicated by reports pulled from client records entered in ServicePoint.
- Within the first three years of operation, a minimum of five (5) Lowry Family Housing project households will move into homeownership, as indicated by client records in ServicePoint.

Energy Efficiencies

The Lowry Family Housing projects is focused on creating 50% energy reduction or better and low CO₂ emissions. To achieve this process it will adhere to the Enterprise Green Communities standards and include the following efficiencies:

- 50% Energy Reduction or better
- LOW CO₂ emissions
- Solar PV System
  - Passive Solar East-West Orientation
  - Photovoltaic System on Building Roof
- High Albedo Roof System
- Highly Efficient HVAC System
- High SEER rated AC Condensers
- Air Barrier at Building Envelope
- Energy Efficient Windows
  - Efficient Glass and Glazing
- Water Conserving Fixtures
- Energy Efficient Water Heaters
- Energy Star Rated Light Fixtures
  - CFL and/or LED Lighting
  - Occupancy Sensors, Daylight Sensors, Timers
- Energy Star Rated Appliances

Lowry Family Housing will be a compact development in a new urbanism style with a lot of open space that is very close to public transportation. There will be surface storm water management, advanced water-conserving appliances, and energy efficient fixtures. There will be recycling storage and the contractor will divert 25% of the waste away from landfills. The roofing material will reduce heat-island effect. It will be a smoke free building. There will be access to local, fresh foods at the nearby Albertsons and farmers market in Lowry.
Type of Financing

VOA and DHA plan to finance this project with an allocation of Federal 4% Low Income Housing Tax Credits (LIHTC) and State LIHTC from CHFA, Federal solar tax credits, DHA’s Denver Housing Corporation Sales Proceeds, Division of Housing funds, City funds, Colorado Housing Investment Fund (CHIF) Loan, and a privately placed Private Activity Bond (PAB) construction and permanent debt facility.

The project financing maximizes the request for Federal 4% LIHTC and minimizes the State LIHTC to only the necessary amount to close the gap.

Local, State, and Federal Subsidies

Local:
- City and County of Denver Funds
- Denver Housing Authority Project Based Vouchers and Property Tax Exemption

State:
- State Low Income Housing Tax Credits
- Colorado Department of Housing Funds
- Colorado Housing Investment Fund (CHIF) Loan

Federal:
- 4% Low Income Housing Tax Credits
- Private Activity Bond Tax Exempt Financing

1. Describe the bond financing structure and include the following:

a. Total amount of bonds with a breakout of construction period bonds vs. permanent bonds.

At closing, DHA will issue up to $11 million in PAB financing on behalf of the LIHTC partnership. This amount is 62% of the costs and meets the 50% test. The bonds will be interest only during construction and will convert to permanent financing upon reaching stabilization. At conversion the outstanding PAB is anticipated to be $4.75 million.

b. Bond issuer (please specify whether you are seeking a CHFA bond-financed loan, a CHFA conduit bond issue only, or bonds from another municipal source).

City and County of Denver will assign PAB to DHA who will issue the bonds. A letter agreeing the assignment of PAB cap is attached to the application.
c. Lender and bond sale structure (public sale, private placement, short-term bonds to be taken out by a FHA-insured GNMA securitized loan, etc.).

DHA will issue the bonds and they will be privately placed with a bank. Financing partners will be finalized post award announcement.

d. Portion of bonds that will be tax-exempt (i.e., will the bonds have a “taxable tail”).

100% of the bonds will be tax-exempt; there will not be a taxable tail.

2. Identify which guiding principles in Section 2 of the Qualified Allocation Plan (QAP) the project meets and why it meets them:

The project meets the following seven guiding principles in Section 2 of the Colorado QAP 2016:

• “To support rental housing projects serving the lowest income tenants for the longest period of time.” (Section 2, QAP)

The Lowry Family Housing has 53 vouchers (20 Housing Choice Vouchers and 33 Project Based Vouchers) to serve the lowest income tenants, 20 of which are restricted to formerly homeless residents. In combination with these vouchers, the supportive services provided by Volunteers of America and outlined above will create a support network for housing a very low income population at this location.

• “To distribute housing credits to assist a diversity of populations in need of affordable housing, including families, senior citizens, homeless persons, and persons in need of supportive housing.” (Section 2, QAP)

The project is focused on providing housing for families and homeless persons. Its location, bedroom mix, design, and amenities are suitable for families with children as well as smaller households, those in the local workforce, and homeless persons. Volunteers of America will provide supportive services to any and all interested residents, especially those transitioning out of housing instability or with the lowest incomes. This project will function as an intergenerational community and add diversity to the surrounding neighborhood.

• “To provide opportunities for affordable housing within a half-mile walk distance of public transportation such as bus, rail, and light rail.” (Section 2, QAP)

The Lowry Family Housing project is within 0.2 miles of a bus stop at Quebec Street and Lowry Boulevard, which reaches destinations in Downtown Denver and the Cherry Creek Shopping Center. Hence tenants will have close by public transportation opportunities. Additional bus stops will likely be added once Boulevard One is
completed which may be even more convenient for the residents.

- “To reserve only the amount of credit that CHFA determines to be necessary for the financial feasibility of a project and its viability as a qualified low income housing project throughout the credit period” (Section 2, QAP)

  The Lowry Family Housing project has been tightly underwritten and based on the experience brought to the table by both Volunteers of America and Denver Housing Authority. Hence the tax credit request is only for what is necessary to complete a high quality project.

- “Recognizing the unique challenges of developing housing for certain populations and in certain geographic areas, CHFA has identified the following priorities: Projects serving Homeless Persons as defined in Section 5.B 5” (Section 2, QAP)

  In the development of Lowry’s Boulevard One neighborhood, the Buckley Annex Homeless Consortium (BAHC) was formed and entered into an agreement with the Lowry Redevelopment Authority to develop this 1.5 acre parcel. The BAHC awarded the development rights to this proposed project and its partnership between Denver Housing Authority and Volunteers of America because they recognized it was the best proposal for meeting the BAHC goals and serving homeless persons in the Lowry community. Hence, the Lowry Family Housing project has a high commitment to serving homeless persons as outlined in the services plan above.

- “For all State Credit applications, projects using 4% Federal Credits rather than 9% Federal Credits will be a priority.” (Section 2, QAP)

  Lowry Family Housing plans to use 4% Federal Credits.

- “For all State Credit applications, new construction projects will be a priority.” (Section 2, QAP)

  Lowry Family Housing is a new construction project.

3. Describe how the project meets the criteria for approval in Section 2 of the QAP:

  a. Market conditions:
     The market study confirms that there is a strong demand for the Lowry Family Housing project as a part of the Boulevard One development in Lowry.

     There are comparable Low Income Housing Tax Credit (LIHTC) projects and market-rate projects in the primary market area (PMA):
     - The surveyed LIHTC projects were built in 2004 and 2011, and are in above average condition. Compared to these rentals, the subject has a
slightly inferior or slightly superior location, comparable or superior project and in-unit amenities, and generally smaller unit sizes.

- The surveyed Class B market-rate projects in the PMA were built in 1972 and 2002, with two renovated in 2007 and 2015, and are in above average condition. Compared to these projects, the subject has a comparable or slightly superior location, similar project amenities and generally smaller unit sizes.

These existing projects, however, have low vacancy rates and reflect a continued strong demand for units such as will be provided by the Lowry Family Housing project:

- The PMA has a 1.6% overall vacancy rate and should gain 602 renter households by 2017. The pent-up demand and growth are sufficient to absorb all rental units in the development pipeline.
- Surveyed LIHTC properties were 99% occupied with waitlists, indicating pent-up demand for affordable units in the PMA, while the subject will only add 19 non-subsidized LIHTC units to the PMA’s rental inventory.

The capture rates also reflect the overall demand for the project, even counting the recently awarded Ash Street Apartments LIHTC development that is underway in the same PMA:

- The planned LIHTC units at the subject and Ash Street Apartments will increase the overall capture rate to 7.5% of the income- and size-qualified renter households in the primary market area to attain full occupancy, which is a moderate increase from the existing rate of 6.8%.

The homeless units also meet the demand based on data from the 2014 Metro Denver Homeless Initiative Point-in-Time homeless survey of 3,245 individuals indicated that 53% of all homeless households included one person and 33% had two people. Data for a smaller sample showed 90% of homeless households have one person and 10% have two people. Based on this data and other homeless data, the market study concludes that 73% of Denver’s homeless persons are income- and size-qualified to occupy the project’s homeless units:

- The subject’s sponsor, which has extensive experience working with special needs populations, will provide referrals to fill these units.
- The subject will offer a wide array of social services to the special needs households, which will be desirable to potential homeless tenants.
- The special needs units at Renaissance at Lowry are 100% occupied, and the subject will be a slightly superior product in comparison to this property.
- The subject’s inclusion of deeply-subsidized and special needs units will
not impact the marketability of its general occupancy LIHTC units, as evidenced by the experience of Renaissance at Lowry, which has LIHTC and homeless units, has a historical occupancy rate at or near 95%, a 15-applicant waitlist and is achieving LIHTC rents at or near the maximum allowable amounts.

The market study confirms that the project’s proposed rents appear achievable in the PMA:

- Due to its inclusion of free high-speed internet and in-unit washer/dryers, the subject’s proposed unit features are superior to most surveyed rental projects.
- The subject’s location provides very good visibility, access and linkage to shopping, services, employment centers and arterials. Its setting within a master-planned redevelopment increases its desirability.
- The subject can achieve its market share because its anticipated project-based rental assistance, which will cover 53 units, will provide an excellent value in a PMA that has significant pent-up demand for income-restricted rental units targeted to very low-income households.
- The subject can achieve 50% AMI rents at the maximum allowable amounts, and if it lost its project-based rental assistance, it could achieve the maximum 30% AMI rents. Its condition, location and project amenities will place it at or near the top of its product class and make it equal to or better than existing Class B LIHTC projects, which were achieving LIHTC rents comparable to the maximum allowable amounts.
- As a LIHTC/deeply-subsidized project with homeless units, the subject should lease 20 units per month and reach stabilized occupancy in just over three months, without concessions. It should have a stabilized occupancy rate of at least 95%, an annual turnover rate of 15% and yearly rent increases of 1.7% for its LIHTC units and 2.9% for its subsidized dwellings.
- If it lost its project-based rental assistance and operated as a strictly LIHTC project, with no homeless restrictions, the subject should lease approximately 15 units per month, reaching stabilized occupancy within five months, without concessions. It would have an average stabilized occupancy rate of 95%, an average annual turnover rate of 20% and yearly rent increases of 1.7%.

b. Readiness-to-proceed:

The Lowry Family Housing project is ready to proceed because the partnership between Volunteers of America and Denver Housing Authority has been awarded the land and the infrastructure and utilities to the site on Archer Place will be completed by the third quarter of this year.
The developers have procured Pinkard Construction as the general contractor and are well along in their design process with their architect, Parikh Stevens Architects.

The site is expected to be completed with the rezoning process the first week of March 2016. All of the Boulevard One rezoning has been completed except for two projects: the subject (shown as dark brown on the attached rezone graphic) and the two condominium buildings fronting Monaco (shown in red on the attached rezone graphic). In January the subject site received unanimous Planning Board approval. The City Council public hearing is scheduled for February 29, 2016. The City Planning Department staff has received nine letters of support for the rezoning proposal and no letters of opposition. Zoning approval is expected and will be in hand before the CHFA committee meetings in April 2016.

The developers are targeting a financial closing in the fourth quarter of 2016, upon award of State/4%LIHTC and a receipt of all City of Denver approvals and permits. Construction would commence immediately after closing.

c. **Overall financial feasibility and viability:**

The project will take advantage of 4% Federal LIHTC and State LIHTC allocation to complete the project. The amount of Federal and State tax credits requested are reasonable and necessary to complete a high quality and impactful development.

VOA and DHA have worked in partnership to bring their strengths to the project and to assure smooth development and on-going management of the property such that it serves the low income residents and transitional homeless families they are trying to reach.

The financing sources include soft funds from the City and the State as well as land sale proceeds loaned to the project from DHA. Recognizing that the requests from the City and the State are large, the project will seek an AHP grant being sponsored by a FHLB member and both VOA and DHA have strong histories securing FHLB financing. But recognizing the competitive nature of FHLB applications, DHA and VOA are committed to working with the City and the State to get the funds they need to complete the project.

Not only are the sources reasonable, VOA and DHA have worked with Parikh Stevens Architects and Pinkard Construction to value engineer the building and assure that the hard cost per unit, $182 per square foot, is reasonable in this current construction climate.
d. Experience and track record of the development and management team:

Both Volunteers of America Colorado and Denver Housing Authority have extensive development and management experience, and their resumes are attached to this application.

**Volunteers of America** is a national, non-profit, faith-based organization dedicated to helping those in need rebuild their lives and reach their full potential. Through thousands of human service programs, including housing and healthcare, VOA helps nearly 2 million people in over 400 communities. Since 1896, our ministry of service has supported and empowered America’s most vulnerable groups. Our work touches affects everyone that we serve, integrating our compassion with highly effective programs and services.

Volunteer of America (VOA) brings 2 distinct subgroups of VOA experts to this project: Volunteers of America National Services (VOANS) and Volunteers of America Colorado (VOA CO). VOANS is the national developer and owner of the affordable housing portfolio. VOANS provides development, financing, accounting, construction, and asset management services to properties nationwide. VOANS is one of the nation’s largest non-profit affordable housing owners and has been in the business of housing since the earliest affordable housing programs were developed. The national housing portfolio contains over 18,000 units in 400 properties across 42 states and Puerto Rico.

VOA CO is one of the largest non-profits in the state of Colorado and provides a broad range of human services to over 175,000 individuals in Denver and other communities across the state. VOA CO’s property management division will serve as the managing agent and service provider to the residents of the proposed project. VOA pairs the strengths of a strong national organization (VOANS) together with a dynamic local organization (VOA CO).

**Denver Housing Authority** (DHA) is a leader among Housing Authorities with a
substantial portfolio in the City of Denver and developing creative and innovative housing solutions. Established in 1938 as a quasi-municipal corporation with an operating budget of $147 million. The Housing Authority of the City and County of Denver (the Authority or DHA) has a portfolio of over 5,200 Public Housing, Section 8, and Workforce rental units and administers over 6,800 Housing Choice Vouchers, making it the largest housing authority in the Rocky Mountain Region. The Authority has undertaken an ambitious plan to transform public housing in Denver, creating vibrant, sustainable, mixed-income communities of choice that include notable award winning redevelopments. Ongoing efforts include the 800-unit South Lincoln Homes TOD Redevelopment at 10th & Osage Station and the 2013 Sun Valley TOD Choice Neighborhood Initiative Planning Grant process. Both of these projects continue to exemplify how the Authority is innovative but more importantly they demonstrate our long-term commitment to the unique challenges associated with neighborhood revitalization. The Authority’s sustainable practices have and continue to represent pioneering efforts toward healthy vibrant mixed-income, LEED-certified neighborhoods that meet and exceed Enterprise Green Communities criteria.

The Authority also offers services that help create opportunity for their residents of lower income that not only support the individual but also help create self-sufficiency and opportunity in the neighborhoods they serve. The Authority’s services focus on the very low- to middle-income brackets and it serves around 26,000 residents. The U.S. Department of Housing and Urban Development (HUD), private developers and financial service entities have recognized the agency as one of the most progressive redevelopment organization in the nation. DHA is rated as a “high-performer” by HUD in the areas of administrative, financial and property management and client services.

Although, VOA and DHA are different organizations, we have many shared values including a vision that: (a) every individual or family shall have quality and affordable housing, in communities offering empowerment, economic opportunity, and a vibrant living environment, (b) to serve residents by developing, owning, and operating safe, decent affordable housing in a manner that promotes thriving communities, and (c) to uplift the lives of our residents via service enriched housing.

e. **Cost reasonableness:**

VOA and DHA have vetted these costs based on their extensive experience in development as well as with Pinkard Construction to get a realistic reflection of the current market.

Pinkard has provided the construction cost estimate included herein. This estimate is reflective of early stage drawings with assumptions made for detail
that would typically be in permit ready construction drawings. Pinkard has extensive experience with similar product in this market, and has a firm understanding of the market’s rapid price escalation.

Value is also added to the project because DHA has arrangements with the City and County of Denver that allows them to waive all building permit fees (see attached Supplemental Cooperation Agreement). Hence the developers are able to provide more services and housing for lower income residents.

The surrounding infrastructure and the land are free and a neighboring detention pond means the site does not need to include the cost or lose space for detention.

Finally, DHA and VOA both are active developers of similar product in this market and have historical cost data to which to make comparison taking into consideration market pricing trends and escalation.

f. **Proximity to existing tax credit developments:**

In the 2015 State LIHTC award, Ash Street Apartments, a new family development at 1126 Ash St., Denver 80229 received an award. This project is within the Lowry Family Housing primary market area (PMA) and is three miles from the Lowry Family Housing project. This project, sponsored by Mile High Development and Koelbel and Co. is a 112-unit project serving workforce individuals and families (100% at 60% AMI) and is located in the redevelopment site of the former University of Colorado Health and Sciences Center. The Ash Street Apartments is scheduled to be placed in service in by the end of 2017. The Lowry Family Housing project does not have any 60% AMI units planned. While this project is in the PMA, the market study has determined that the capture rate counting Ash Street Apartments is still 13.8%, which is well below CHFA’s threshold.

According to the market study, the PMA has five existing LIHTC projects containing 507 income-restricted units; the most recent of these projects was built in 2011. Of these, 131 units are for formerly homeless households, and 376 dwellings are for non-special needs tenants. The subject’s 20 deeply-subsidized, special needs units will compete directly with the 68 existing deeply-subsidized units in the PMA, which are restricted to homeless households. The subject’s non-deeply- subsidized dwellings will compete directly with the 376 existing LIHTC units in the PMA that are comparable with regards to income restrictions and target market. However, the strong demand in the area discussed above and seen in the full waitlists and low vacancy rate (1.6%) still makes the development of these units an essential opportunity for the community.
Lowry Family Housing will be the sixteenth rental affordable housing project in Lowry. Also, there are five for sale townhome affordable projects in Lowry (see graphic below). Most of these projects have been successful and have existing waitlists.

g. Site suitability:

The Lowry Family Housing project will be located on a great development site. The site will be transferred from the Lowry Redevelopment Authority for free to the partnership. The site is flat, rectangular in shape, has good subsurface conditions and will have utilities in the street, Archer Place, with very close proximity to the building. Additionally, storm water can be conveniently
discharged into the detention pond directly to the west of the site.

The project is also within 0.5 miles of an elementary school, childcare center, neighborhood shopping center, library, park and public transportation, and within a mile of a grocery store, recreation center, high school, fire department and convenience store. It is 1.9 miles from the nearest hospital.

4. **Provide the following information as applicable:**

   **h. Justification for waiver of any underwriting criteria (minimum operating reserve, minimum PUPA or high PUPA, first year debt coverage ratio below 1.15 or above 1.30, minimum replacement reserve, vacancy rate below CHFA’s minimum):**

   No waivers are being sought.

5. **Address any issues raised by the market analyst in the market study:**

   The market study had no recommended changes to the subject.

6. **Address any issues raised in the environmental report(s) submitted with your application, including how the issues will be mitigated, if applicable:**

   The Phase I environmental report did not have any identified Recognized Environmental Conditions (RECs).

7. **In your own words, describe the outreach to the community that you have done and describe and demonstrate local support for the project (including financial support):**

   As described above, DHA and VOA have met with all of the surrounding neighborhood associations including Park Heights, Crestmoor, Lowry United Neighborhood Association and Mayfair Park Neighborhood Association. Attached please find letters of support from Mayor Michael B. Hancock of the City and County of Denver, Montgomery Force, Executive Director of the Lowry Redevelopment Authority, and Gene Myers, CEO of Throve Home Builders building many of the homes in Boulevard One. In addition, nine residents near the development have written in support of the rezoning for the Lowry Family Housing project. VOA and DHA’s outreach has already brought positive interest of 15 people on an initial interest list.

8. **For acquisition/rehab or rehab projects, provide a detailed narrative that describes the rehab plan and tenant relocation plan (if applicable); addresses the 10-year rule; capital expenditures over the past two years; previous related party relationships; past local, state, or federal resources invested in the project; obvious design flaws; obsolescence**
issues; safety issues; and any significant events that have led to the current need for rehabilitation (i.e., fire, nature disaster).

Not Applicable: Lowry Family Housing projects is new construction.

You may also provide additional documentation that supports your narrative by attaching it to the narrative or submitting it on a CD. Each supporting document should briefly describe what is contained in the attachment.

Example 1: Additional documentation to support the Market Conditions Criteria could be labeled to as follows: Attachment Market Conditions or Market Conditions.pdf, etc.

Example 2: Soft funds documentation to support that amount of soft funds listed in the Application can be secured could be labeled as follows: Attachment Overall Financial Feasibility and Viability or Overall Financial Feasibility and Viability.pdf, etc.
Project Name: The Metro on Constitution

Project Address: 6855 Constitution Avenue, Colorado Springs, El Paso County, Colorado

The Metro on Constitution is a proposed affordable 100 unit multifamily development that will serve lower income families. It will be located at 6855 Constitution Avenue, Colorado Springs, El Paso County, CO. The site is in unincorporated El Paso County, outside the City limits of Colorado Springs and will be developed within the County Land Development Code and built to Enterprise Green standards for use of materials and energy efficiency. Water and sewer service will be available from the Cherokee Metro District and emergency services are in close proximity and readily serve the site. The site for the project was rezoned from General Commercial to RM-30 (multi-family) by the El Paso County Commissioners on January 26, 2016.

The project will be a 3-story wood frame structure over a concrete podium served by three elevators. There will be 98 surface parking spaces with some under the building and the rest outside.

The subject property will be comprised of 30 one-bedroom/one-bath units, 58 two-bedroom/one-bath units, and 12 three-bedroom/two-bath units. One-bedroom units will be 660 SF and 690 SF, two-bedroom/one bath units will be 890 SF, and three-bedroom/two-bath units will be 1,200 SF. Apartments will include a refrigerator, stove/oven unit, microwave oven, dishwasher, ceiling fans, and in-sink disposal as well as washers and dryers. The standard appliance package will be black finish. Most units will include balconies which will enable them to take advantage of the spectacular views of the nearby mountains.

Unit finishes are anticipated to be above average for this market including vinyl plank flooring in kitchens and bathrooms; carpet in bedrooms, hallways, and living rooms; 6-panel doors; painted wood baseboard and wood casing, and brush nickel finish for light fixtures, plumbing fixtures and door hardware. Cabinets will be builder-grade wood with plastic laminate countertops, quality appliances, ceiling fans, and energy-efficient heat and air systems.

The location is in the fast-growing northeast part of the Colorado Springs metropolitan area and is very close to schools, shopping, medical services, employment opportunities, Peterson Air Force Base, Colorado Springs municipal airport and has direct access via arterials to Interstate 25. Major new big box stores have opened in the last several years just to the west of the subject site along Powers Boulevard, a major north-south arterial.

There have been no LIHTC projects built in the northeast quadrant of Colorado Springs in the last 11 years, leaving it as an overlooked part of the area. Those that have been built and/or rehabilitated were all done with non-competitive LIHTC and are comprised of a total of 880 units; of those, 608 are income-restricted, 272 market rate. According to the market study,
there are only 11 vacancies in those 5 projects, a 1.25% vacancy rate; only 6 of the 11 are income-restricted and 5 market rate. Three of the 5 projects maintain waiting lists and those that do have a reported total of 77 lower income families in search of units. The overall capture rate for the 100 units in the Metro on Constitution is 8% and the demand for new affordable units in the Primary Market Area exceeds the existing supply and proposed units, including the subject by 8,437. As the market study states, the need for 60% units in the Primary Market Area is nearly 25 times greater than the total number of units in the subject:

"Most of PMA’s LIHTC units are targeted at the 60% AMI level, much like the subject. However, even with a double-digit Capture Rate after the addition of the subject units, the residual demand in the 60% AMI band is as high as the 50% band, and both are substantially higher than either the 30% or 40% AMI bands. In fact, the overall residual demand for 60% AMI units remains roughly 20%-85% higher than the total demand for 30% or 40% AMI units. So while a case can be made for targeting lower AMI bands (i.e. 30% and/or 40%) based on Capture Rates alone, the total number of residual units in the 50% and 60% AMI levels (4,991 total units of demand) is well above the total number of residual units in the 30% and 40% AMI bands (3,446 total units of demand). Just the residual demand for 60% AMI units is nearly 25 times the amount of the total unit count proposed for the subject property."

Five of the units in The Metro on Constitution, 2 one bedroom, 2 two bedroom and 1 three bedroom unit, will be set aside for occupancy by families with incomes below 30% of the area median income that are participating in the transitional housing program operated by Partners in Housing, a Colorado Springs-based non-profit that will also provide supportive services and financial support for those families via a memorandum of understanding with the owner.

The project developer is Garrison L. Hassenflu. Mr. Hassenflu is Managing Member of Garrison Community Development, LLC and MW Development Enterprises, LLC, Kansas City-based companies and the development entities. He is also Manager of Garrison Management Company, a property management firm. These companies along with other affiliated companies make up the umbrella entity, Garrison Companies (www.garrisoncompanies.com). Mr. Hassenflu has over twenty five years of experience in development, having developed over $140,000,000 in affordable and mixed income living units totaling over 1,300 units. Currently, he has a portfolio of seventeen projects totaling approximately 800 apartment units that he has built and managed in the last twelve years.

Construction will be performed by CSI Construction of Colorado Springs, a very experienced local general contractor. Property management services will be provided by ComCap Asset Management of Centennial, a firm that manages over 2,000 affordable units around the state including several hundred in Colorado Springs and brings an economy of operational scale to the project because of that.

Project costs will total approximately $23 million dollars, and will be financed by the equity raised by the developer from the sale of state and federal low income housing tax credits, permanent/construction loan from the sale of tax exempt private activity bonds by the Colorado Housing and Finance Authority, subordinate cash flow loans from CHFA, El Paso County Housing Authority from their Affordable Housing Trust Fund and the Colorado Division of Housing, and a loan from the developer to the project via the deferral of a portion of his developer fee. Letters of support from El Paso County and the Colorado Division of Housing are included with the application.

Strengths
• A solid location east of downtown Colorado Springs, and just east of the North Powers Boulevard commercial corridor, with outstanding views of the Front Range and centered between employment opportunities in downtown Colorado Springs, the growing northern metro area that includes the U.S. Air Force Academy, and the more established southern part of town that is home to Peterson Air Force Base and the Colorado Springs airport as well as Fort Carson further to the south.
• Future residents will have easy access to neighborhood schools, area shopping, and major transportation corridors as well as a nearby bus stop.
• A balanced unit mix that matches up well to the anticipated tenant profile.
• Strong affordable unit demand across all AMI levels and unit floorplan sizes.
• Limited competition for the subject units in the Primary Market Area, and very limited development of family/workforce housing in the overall Colorado Springs market area.
• In-unit washers and dryers are an amenity that will help to set this project apart from other competing complexes.

Weaknesses
• Low Walk Score and Transit Score and limited public transportation options.

This project meets the following guiding principles in Section 2 of the Qualified Allocation Plan:

• “To provide for distribution of housing credits across the state, including larger urban areas, smaller cities and towns, rural, and tribal areas:"

The award of credits to this project fills a void in the market place that hasn’t been addressed since 2004.

• “To provide opportunities to a variety of qualified sponsors of affordable housing, both for-profit and nonprofit.”

The developer of this project is qualified, has a history of developing and operating affordable housing in other areas of the country and has not been awarded tax credits in Colorado since 2003.

The project meets the criteria for approval in Section 2 of the QAP as follows:

Market conditions: Vacancy rates in affordable projects are very low and the need is very high.

Readiness-to-proceed: The sponsor has the resources and capacity to move forward quickly upon approval and there is strong political will and support for the project.

Overall financial feasibility and viability: The project has support from the marketplace of investors and lenders and political bodies that will provide additional economic support.

Experience and track record of the development and management team: The developer, general contractor, property manager and consulting team have a proven history in the development, construction and operation of affordable housing projects.
Cost reasonableness: The design of the project is compatible with the market and reflects maximization of the allowable density of the site. Inclusion of a general contractor and property manager with knowledge of the market place helps with keeping costs contained while still offering a project that is competitive in the marketplace.

Proximity to existing tax credit developments: Metro on Constitution is adjacent to a 15 year-old tax credit development that is full with a waiting list and it will neither compete with or adversely affect occupancy of that or any other affordable complex in the Primary Market Area due to the overwhelming demand.

Site suitability: The site is well-located for access to employment, schools, shopping and medical services, is relatively flat and free from environmental issues and is well-suited for the development of affordable family housing.

Address any issues raised by the market analyst in the market study submitted with your application: The market analyst raised no issues but suggested the inclusion of an additional half or full bathroom in the two bedroom units to set them apart/above competitive units. A conscious decision was made to exclude additional bathrooms from those units for cost containment reasons.

Outreach conducted within the proposed community and local support for the project: Contact has been made with the El Paso County Board of Commissioners, El Paso County Economic Development Division and El Paso County Housing Authority. The Board of County Commissioners have demonstrated their support for the project by approving rezoning of the site to permit its development and the El Paso County Housing Authority has demonstrated its support by approving a $300,000 subordinate loan, a special limited partnership in the project for property tax abatement purposes and expressing a willingness to issue the private activity bonds if necessary.
Project Name: Palo Park Community
Project Address: 4525 Palo Parkway; Boulder, CO 80301

Project Summary

Boulder Housing Partners (BHP), the Housing Authority of the City of Boulder, is pleased to present this application for the Palo Park Community. BHP is seeking Federal Low Income Housing Tax Credits, State Low Income Housing Tax Credits, and CDBG Disaster Recovery Funding to help create 35 units of new, affordable housing for families and individuals. This project is a unique opportunity to create a healthy, sustainable, and vibrant community for low-income individuals and families in a county severely impacted by recent natural disasters.

The property, located at 4525 Palo Parkway, was purchased by the City of Boulder in 2006 with the intention of providing affordable housing. The land was transferred at no cost to Boulder Housing Partners to develop this project in 2015. City Council and Boulder Housing Partners’ Board of Commissioners outlined the following Desired Outcomes for the project:

- Collaborative public process from concept planning through the final development approval;
- Design that is compatible with the existing neighborhood character and development patterns;
- 100% permanent affordability with a mixture of ownership and rental housing;
- Mixed-income affordability from very low to moderate income;
- Housing that is consistent with the land use designation and policies of the Boulder Valley Comprehensive Plan;
- Financial viability and sustainability;
- Housing designs suitable for families and multiple generations; and
- Energy efficiency and green building practices and outcomes.
- Creation of gathering space to be utilized by the residents of the community.

This project is unique because BHP will be partnering with Flatirons Habitat for Humanity to create a mixed-tenure community. Habitat intends to develop 9 new homeownership units, which will be
integrated within the neighborhood. The entire community will be 100% affordable, limited to incomes below 60% AMI.

Boulder County has seen low and moderate income households disproportionately displaced and affected by the flood of 2013. Many of those impacted are faced with having to choose very expensive housing options in order to stay in the Boulder community. The Palo Park Community will offer much needed relief to the affordable housing rental shortage. Transforming this empty parcel of land into a thriving community will have a significant positive impact on Boulder. With considerable funding already committed and schematic design completed, BHP is ready to move the Palo Park project forward to help address a critical community need.

Program

The Palo Park Community will include a mix of 13 one-bedroom units, 14 two-bedroom units, and eight three-bedroom units, serving families with income ranges between 30% and 60% AMI. The project is comprised of 24 stacked flat apartments and 11 townhome apartments along Palo Parkway. In addition to the residential buildings, the project will include a community center, leasing office, playground, community gardens, and connections to nearby trails. The Palo Park Community offers great opportunity for recreation and peaceful retreat with the adjacent Four Mile Creek and open space, Pleasant View Soccer Fields, and East Palo Park.
Bedroom and Unit Mix

**Townhomes**
- 6 two-bedroom, 1.5 bath units
- 5 one-bedroom, 1 bath units

**Stacked Flats**
- 8 three-bedroom, 2 bath units
- 8 two-bedroom, 1 bath units
- 8 one-bedroom, 1 bath units

Income and Bedroom Table

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<tr>
<th>AMI Level</th>
<th>1 – Bedroom</th>
<th>2-Bedroom</th>
<th>3-Bedroom</th>
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<td><strong>13</strong></td>
<td><strong>14</strong></td>
<td><strong>8</strong></td>
<td><strong>35</strong></td>
</tr>
</tbody>
</table>

Unit Amenities
- Carpet and Luxury Vinyl Tile floor coverings
- Energy Star Appliances
- Energy Efficient Heating and Air Conditioning
- In-Unit washer and dryer
- Dishwasher
- Refrigerator/Freezer
- Electric Range
- Fully-vented range hood
- Ample In-unit storage
- Private patios/balconies

Site Amenities
- Community Center with leasing office, catering kitchen, multipurpose room
- Community WiFi
- Short-term and long-term bike parking
- Community Gardens with raised planting beds and shed
- Playground
- Central park
- Nature trail and connections to adjacent multi-use paths

Location

The 3.2-acre property is located on the north side of Palo Parkway approximately two blocks east of 28th Street, which serves as one of the major north-south arterial streets through the City of Boulder. The site is bounded by Four Mile Creek to the north, Pleasant View Soccer Fields to the east, and residential development to the west and south. The Boulder Valley Comprehensive Plan, the primary guiding document for land use in Boulder County, has designated this site as appropriate for Medium
Density Residential, which permits 6-14 dwelling units per acre. The City of Boulder recently approved annexation of the property into the City, along with a zoning of Residential Mixed 2 (RMX-2).

As stated in the Market Study, the Palo Park Community has a good location in terms of access to the property, proximity to employment, a neighborhood feel, and access to nearby recreational amenities. The site has a good location near central Boulder on the outskirts of a major commercial/retail area. It is located close to major employers in downtown Boulder, in surrounding cities, and along the Highway 36 corridor.

The property is also conveniently located adjacent to a multi-use bike path that connects the site to several neighborhood parks, schools, and an abundance of services near 28th Street and Iris, about one mile from the site. Services at this location include Safeway, Walmart, restaurants, a salon, banks, gas station, and other retail.
Type of Construction

The Palo Park Community includes 6 buildings consisting of (2) 3-story 12-unit flats, (2) 2-story 4-unit townhomes, (1) 2-story 3-unit townhome, and (1) community center. All residential buildings will be type VB wood-frame construction with R-2 occupancy and NFPA 13R sprinkler system. The clubhouse will be a 1-story Type VB wood-frame construction with A-2 and B occupancy and no sprinkler system.

Each residence will be heated and cooled with a fan coil unit. A sealed combustion tankless gas-fired water heater will be provided for each unit.

Sustainability

Boulder Housing Partners is committed to developing buildings to be energy efficient with a goal of near net zero energy consumption. The City of Boulder requires all multifamily new construction projects to meet the Boulder Green Points Requirements, which include a minimum of 14% improvement in energy efficiency over 2012 IECCC. The project will also adhere to the requirements of 2015 Enterprise Green Communities, and is anticipating achieving a minimum of 59 points. Although only schematic design has been completed at this point, BHP anticipates it is realistic to attain an Enterprise Green Communities compliant project.

The project will accomplish the sustainability goals through the following key features:

Energy Efficiency

- Energy Star Appliances (washers, hoods, refrigerator, dishwasher)
- High efficiency tankless water heaters
- Compliance with Energy Star New Homes
- Fan coil heating and cooling
- Solar PV

Building Thermal Envelope

- Smart Framing
- R-23 BIBS Grade 1 wall insulation
- R-49 batt attic insulation
- R10 rigid insulation for foundation (Crawlspace) walls
- Vinyl frame windows with assembly U of 0.28, SHGC 0.28

Water Conservation

- High efficiency plumbing fixtures
- Efficient irrigation and landscaping materials

Interior environment

- Low-VOC interior paints, adhesives, sealants
• Continuous mechanical ventilation
• Vinyl plank flooring in living areas with carpet only in bedrooms

**Exterior site improvements**
• Central green, playground encourage active lifestyle
• Connections to City trail system
• Safe private street-scape
• Ample bicycle storage (short and long-term)
• Community gardens

**Resident Services**

The Palo Park Community will provide Resident Services to those living in this community. The mission of BHP’s Reside Services program is to help our residents pursue successful, productive and dignified lives by mobilizing resources for supportive and service-enriched housing by:

• Keeping residents housed and maintain safe and healthy communities.
• Promoting personal and economic success and increased resident involvement in the broader community.
• Engaging residents and the larger community in the maintenance and protection of affordable housing assets.

BHP has the unique opportunity to provide a link between residents and the essential services they need “to realize success in their lives”. Experience tells us that it is critical to provide essential connection between residents and human services in Boulder. Providing this linkage helps residents feel connected to and able to influence their community, reducing neighbor conflicts and property damage, reducing isolation and improving their sense of control over their environment. To address these needs, BHP continues to emphasize the importance of service enriched housing by the investment in and expansion of its resident services program. These services will be supported more sustainably by improved cash flow that will occur after conversion.

**Financing**

The approximately $12.91 million project will be funded with a combination of local, state, and federal grants, as well as state and federal Low Income Housing Tax Credits (LIHTC). The permanent sources include the following:
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<thead>
<tr>
<th>Source</th>
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<tbody>
<tr>
<td>LIHTC Equity</td>
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<tr>
<td>Solar Tax Credit Equity</td>
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<td>Colorado State Housing Tax Credits</td>
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<td>CDBG-DR Loan (potential &amp; possible decline)</td>
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<td>Permanent Debt</td>
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<td>City of Boulder (confirmed)</td>
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<td>Committed 2015</td>
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<td>City of Boulder (pending)</td>
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<td>Deferred Developer Fee (35%)</td>
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<td>Boulder County Worthy Cause</td>
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<td><strong>TOTAL</strong></td>
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</table>

**Bond Financing Structure**

- Total Bond Amount = $6,786,778
- Construction Period Bonds = $6,786,778
- Permanent Bonds = $2,497,134
- Bond Issuer = Boulder Housing Partners
- The bonds are anticipated to be a direct private placement likely with a bank acting as the bond purchaser.
- 100% of the Bonds will be tax exempt

**Flatirons Habitat for Humanity**

The cost to develop the nine Flatirons Habitat for Humanity homeownership units is not included in this application. Habitat will be responsible for contributing their pro-rata share (20.45%, or 9 out of 44) of the costs to develop the common site amenities and infrastructure, and therefore these costs have been removed from the development budget included in this application. BHP also anticipates that Habitat homeowners will pay their pro-rata share of operating expenses to maintain the common areas, and this is reflected in our operating budget.

**Project Timeline**

- **January 2015** – Community engagement begins with neighborhood focus groups
- **February 2015** - Design Team selected (STUDIO Architecture/Deneuve Construction)
- **February 2015** – City Council public hearing and approval of transfer of land to BHP
- **June 2015** – Community Visioning Workshop with neighborhood
- **July 2015** – Concept plan open house with neighborhood
- **September 2015** – Neighborhood BBQ to reveal preferred concept plan
• **September 2015** - Preliminary Concept Package and Request for Annexation/Zoning submitted to City  
• **November 2015** – Planning Board public hearing and review of concept plan and request for annexation  
• **November 2015** – Design team completes schematic drawings and submits for GC pricing  
• **November 2015** – Land transferred from City to BHP  
• **December 2015 and January 2016** – City Council public hearing and review of concept plan and final approval of annexation/zoning  
• **January 2016** - Letter of Intent Submitted to CHFA  
• **January 2016** - GC conceptual pricing completed  
• **February, 2016** - Submit Federal/State LIHTC and Disaster Recovery Applications  
• **March 2016** – Anticipated selection project lender and investor  
• **October, 2016** – Anticipated completion of City entitlement process  
• **November 2016** – Anticipated partnership closing  
• **November 2016** – Anticipated construction start  
• **December 2017** – Anticipated construction completion

**CDBG-DR Application and Flood Outreach**

BHP is applying for CDBG-DR funding concurrently with this application for LIHTC financing. The devastation caused by the 2013 floods to this area was distressing for the housing options in the Boulder community.

This project will deliver much-needed replacement housing for those Boulder County residents displaced by the flood, providing an opportunity for them to return to the community. BHP will work closely with city, county, state and federal agencies to identify households that are still in need of housing. Specifically, Boulder County Housing and Human Services (BCHHS) has provided significant community outreach and case management for flood victims, and maintains a database of people still in need of housing and services. BCHHS has offered to collaborate with BHP to identify potential residents. Flood victims will receive preference through lease up of the Palo Park Community.

BHP has been closely involved in the Long Term Flood Recovery Group to assess the greatest unmet needs of individuals in Boulder County and determine priorities for funding recovery efforts. The Palo Park project has been identified as a priority project to provide replacement housing for flood victims since 2014. The LTFRG anticipates providing an updated list of prioritized projects to CHFA and CDOH in mid-February.

**Identify which guiding principles in Section 2 of the Qualified Allocation Plan (QAP) the project meets and why it meets them:**

**To support rental housing projects serving the lowest income tenants for the longest period of time**  
The Palo Park Community will provide affordable rental housing to households with incomes at 30% to 60% of the Area Median Income. Due to the City of Boulder’s committed land and funding contribution, a permanent affordability covenant has been placed on the property.
To support projects in a QCT, the development of which contributes to a concerted community revitalization plan as defined in Section 5.A 4, Primary Selection Criteria
The project is not in a QCT but is in Boulder County, an area impacted by the 2013 Floods and a Federally Declared Natural Disaster area. In addition, the Palo Park project has been identified as a priority in the City of Boulder’s Comprehensive Housing Strategy.

To provide for distribution of housing credits across the state, including larger urban areas, smaller cities and towns, rural, and tribal areas
City of Boulder is the county seat and most populous city in Boulder County. There is a growing need for affordable rental housing in this mid-sized Colorado town.

To provide opportunities to a variety of qualified sponsors of affordable housing, both for-profit and non-profit
The project sponsor is a public housing authority.

To distribute housing credits to assist a diversity of populations in need of affordable housing, including families, senior citizens, homeless persons, and persons in need of supportive housing
The Palo Park Community will provide much-needed affordable housing to families and individuals.

To provide opportunities for affordable housing within a half-mile walk distance of public transportation such as bus, rail, and light rail
The Palo Park Community is located within ½ mile of public transportation (RTD’s 205 route), allowing residents’ to connect to RTD’s entire public transportation system. Residents of the new community will receive Eco Passes for a minimum of 3 years after completion.

To support new construction of affordable rental housing projects
The Palo Park Community will add 35 new units through new construction on an undeveloped parcel of land in a desirable area of Boulder. The project will be covenanted permanently affordable in perpetuity.

CHFA will give special consideration to projects in Counties impacted by a natural disaster such as the floods and fires that have occurred in Colorado in recent years. Projects located in counties that have been federally declared disaster areas.
The Palo Park Community is located in Boulder County which has been affected by flood and has been declared a federal disaster area. The loss of housing units throughout the county has led to an increased demand for rental housing in general. Utilizing the 4% and State credits with CDBG-DR funding will alleviate some of the difficulties in gathering the appropriate funding to develop housing.

Identify which housing priority in Section 2 of the QAP the project qualifies for (please select only one):

Projects in Counties impacted by a natural disaster.
This project is located in Boulder County, one of the counties impacted by the 2013 Floods.

Additional Eligibility Requirements and Priorities for State Tax Credits
BHP will be using 4% noncompetitive federal credits and State Credits for new construction.
**State Credit applications for projects in counties impacted by a natural disaster**

Projects must demonstrate eligibility for CDBG-DR funds. State Credit awards for these projects will be conditioned upon the receipt of an award of CDBG-DR funds

- BHP is submitting an application for CDBG-DR funds concurrently with the submission of this LIHTC application.

*Special consideration will be given to projects that can demonstrate how the proposed project will meet the needs of those who have been displaced by the natural disaster and provide a plan for identifying and reaching out to those who have been displaced.*

- BHP, as the housing authority for the City of Boulder, will prioritize residents that have been affected by the natural disaster.

**Market Conditions**

The following information is based upon the market study completed by James Real Estate Services (JRES) for this application and data from the Colorado Division of Housing:

**Market Conditions Summary:** As of 3rd quarter, 2015, the Boulder submarket has an overall multifamily vacancy rate of 4.3% and a 4.3% vacancy rate in apartment buildings containing 9-50 units. Vacancy and rent by unit type are 4.2% and $1,574 for one-bedroom units, 2.2% and $1,615 for two-bedroom/one-bath units, 5.9% and $2,016 for two-bedroom/two-bath units and 8.0% and $2,467 for three-bedroom units in the Boulder submarket as of 3rd quarter, 2015.

The Boulder MSA experienced generally positive employment trends over much of the last 20 years prior to the worldwide financial crisis in late 2008. Overall job growth during the last 12 months in the Boulder MSA is up 1.0%. As of the end of the third quarter, 2015, the Boulder area unemployment rate stands at 2.6%, down from 3.3% at yearend 2014, and well below the national average of 5.1%.

**Marketability of Palo Park Project:** The marketability of an affordable development at this site should be strong based on locational factors, unit mix, and age/condition/quality. It has a good location near central Boulder on the outskirts of a major commercial/retail area. It is located close to major employers in downtown Boulder, in surrounding cities, and along the Highway 36 corridor. In addition, the subject site is several blocks north of the new Boulder Junction public transportation hub and corresponding development. The subject site is also adjacent to parks, soccer fields and a pedestrian/bike path. The property also has a good mix of one-, two-, and three-bedroom units as well as a combination of flat-style and townhome-style floorplans. Finally, the new construction status of the property along with interior finishes consistent with other BHP properties in the area will be attractive to local renters.

Market data supports strong demand across all unit types, as evidenced by the full occupancies at nearly all of the peer group LIHTC units and lack of vacant units at nearly all of the Boulder Housing Partners’ other affordable projects throughout Boulder. Demand for affordable housing in Boulder has always been strong and growth controls have limited the housing options in the area. In addition to strong local...
demand, it is likely that significant in-migration would occur in this area if more affordable units were available.

**Readiness to Proceed**

This proposed development project meets and exceeds the readiness to proceed threshold requirements:

- *Evidence of current zoning status provided* – BHP has owned the land since November 2015, and has successfully received recent approval of annexation and zoning from the City of Boulder. BHP has also received positive feedback on the proposed concept plan from both Planning Board and City Council.

- *Phase I Environmental completed* – No recognized environmental conditions.

- *Schematic Drawings completed*

- *Cost estimate from third-party general contractor provided*

With appropriate zoning, funding and partnership commitments in place, interested equity partners, and broad community support, BHP believes the project is more ready than a typical tax credit project at this stage and will therefore be able to begin construction very quickly.

**Overall Financial Feasibility and Viability**

This development is intended to function as a 4% deal and utilizes the State housing credit and CDBG-DR funds as a tool to achieve project scale. With ever increasing construction costs and the limited availability of land remaining to build on in Boulder, developing a financially feasible project is a challenge. Utilizing the 4% and State credits with CDBG-DR funding will alleviate some of the difficulties in gathering the appropriate funding to develop housing. BHP feels confident in its ability to assemble the remaining funding necessary to complete a successful project.

- The project will take advantage of 4% LIHTC allocation to complete the project. The amount of federal and State tax credits requested are reasonable to complete the development.

- BHP is requesting a cost limit basis waiver for both federal and state credits in order to meet the construction cost needs of the project. With this waiver, BHP will be able to obtain additional equity to finance this project.

- Development cost per unit is $368,872. While BHP recognizes that this cost per unit is relatively high, we believe this to be the result of factors beyond our control, including rapidly rising construction costs in the City of Boulder and the Denver Metro Area. BHP continues to work with its Contractor and Architect to keep costs as low as possible while still meeting energy and market requirements.

- The project has already received significant contribution from the City of Boulder in the form of land donation and a preliminary award of $975,000.

- BHP anticipates filling the remaining gap with a combination of any of the following: Boulder County Worthy Cause Funds, Boulder Collaborative Tranche 3 CDBG-DR funds, additional City of Boulder funds, and BHP equity.
Experience and Track Record of the Development and Management Team

The Palo Park Community will be developed and managed by Boulder Housing Partners. BHP has nearly 30 years of experience building and managing affordable housing developments, including experience successfully managing 332 apartments financed through the Low Income Housing Tax Credit program. Together the Development Team has experience with development, stabilized lease-up, and management of seven LIHTC projects throughout the City. BHP is currently managing the $32 million Project Renovate, a RAD conversion project for 279 units of public housing.

The project consultant team - including the project’s architect, civil engineer, accountant, tax credit attorney, and cost estimator - has extensive experience with affordable housing, and housing development in the City of Boulder. Please see the development team’s résumés for more detailed information.

Cost Reasonableness

BHP strives to make per-unit costs competitive with any developer in the state. For this reason, BHP has been working with the General Contractor and Design Team to bring costs down. However, several factors have led to high construction costs, including the small nature of the project and demand for subcontractors in the area.

As previously discussed, the Boulder Valley Comprehensive Plan identifies this site as suitable for Medium Density Residential development, permitting 6-14 dwelling units per acre. BHP’s proposed development of this site is at the maximum of this density range, at 13.7 dwelling units per acre. Additionally, as a recipient of the donated land from the City of Boulder, BHP is required to ensure that the development of the site is compatible with the surrounding neighborhood. The residential development adjacent to this site is low to medium density, and for this reason, a high density development in this location would not be supported.

Based on the medium-density land use designation, the carrying capacity of the site is 44 dwelling units. BHP has partnered with Flatirons Habitat for Humanity to develop this site, which leaves BHP with 35 units. Though small in size, this project will require the construction of a circular private drive, site preparation, pedestrian connections, and utilities, which leads to a high cost per unit for site work. Additionally, the relatively small size of the project means that soft costs and City fees are higher per unit than other developments throughout the state.

Though costs to develop this site are high, BHP believes they are reasonable for this specific site and type of construction. Additionally, the City of Boulder has already committed land and funds to this project to help off-set the costs of development.

Proximity to Existing Tax Credit Developments

The Palo Park Community is more than one mile from the nearest LIHTC project. It is within five miles of seven other LIHTC projects developed and managed by BHP (Holiday, Foothills, Broadway West, Broadway East, Westview, 1175 Lee Hill, and Red Oak Park), all of which are fully leased and stabilize.
The newest LIHTC projects in Boulder include Ledges at 29th and Lumine on 28th, built in 2014 and 2015, and managed by Thistle Communities. The Ledges on 29th is a 61-unit project consists of 9 studio units, 36 one-bedroom units, and 16 two-bedroom/two-bath units, with all floorplans at 60% AMI. At Lumine, 67 one-bedroom and two-bedroom units are at 60% AMI and 2 three-bedroom units are at 50% AMI. Please refer to page 49 of the Market Study for more detail.

Two CHFA-approved 4% LIHTC projects are currently proposed for the Primary Market Area. The first is Eagle’s Nest, a small renovation project similar in size to the subject property, and the other is Residences at Sutherland Park (S’PARK), which will be new construction. The units at S’PARK will target 50% and 60% AMI, and Eagle’s Nest will be exclusively 60% AMI units.

**Site Suitability**

The City of Boulder identified this site as appropriate for affordable housing in 2006 when they purchased the land for this purpose. The proposed project conforms with the zoning and land use designation of medium density residential, and is compatible with surrounding residential uses. The construction of well-designed new housing units will contribute positively to the neighborhood.

**Justification for waiver of any underwriting criteria:**

BHP will be requesting a Cost Basis Limit waiver. Please see the attached waiver request letter for more details.

The PUPA for this project is relatively high compared to other properties. Due to the suburban character of this project, the Palo Park Community will have a significant amount of site amenities and infrastructure that will need a reasonable level of maintenance, including things like landscaping and snow removal. Additionally, the operating budget includes a per unit cost for resident services, which is standard for BHP properties (See Resident Services section for more detail). The operating budget was developed utilizing actual per unit operating expenses from 2015 for BHP’s Red Oak Park project, a similar property. (Please note that the $5,979 PUPA that is reflected in the Project Summary in the application takes into account upward trending in costs of 3% per year for the first four years before reaching the first full stabilized year of 2019)

**Address any issues raised by the market analyst in the market study:**

The market study provides that the Palo Park Community should be successful due to its location, unit mix, and strong affordable unit demand in this area. There are, however, some issues that are identified:

- **Low Walk-Score:** The project location is in a quiet, neighborhood in north-central Boulder, which has a low walk score. Though the walk score is low, the property is 0.5 miles away from public transit, and is immediately adjacent to the City’s bike path. Many retail options and services are about 1 mile away from the site. The property was donated to BHP by the City for affordable housing.

- **AMI Mix:** The market study identifies that 30% and 40% AMI levels are the least served sectors in the Boulder market, and therefore the project should focus significant effort at these levels.
BHP has made a concerted effort to include these units within the project, and believes that they are an important component of the project. The Palo Park Community will include five units at 30% AMI and eight units at 40% AMI. Due to the project finances and the high costs to develop the site, however, BHP believes that we have maximized our ability to include these lower income units at the currently proposed levels.

- **Second Bathroom in Two-Bedroom Units**: The market study recommends a second full bathroom in the two-bedroom floor plans at the subject would help them to be more competitive in the market. However, given the low capture rates, this project is already projected to be very competitive in market. The six 2-bedroom units that are located within the two-story townhomes along Palo Parkway include 1.5 bathrooms. The eight 2-bedroom units that are located within the stacked flat buildings only include 1 bathroom. BHP’s Westview property has twelve 2 bedroom/1 bath units and has experienced no issues remaining at full occupancy. BHP is working to keep the costs contained for the project, to the greatest extent possible, and the addition of an extra bathroom would increase the cost per unit significantly.

- **Green Building** – The market study suggests that the project incorporate green building concepts or initiatives into the final development. BHP intends to comply with both the City of Boulder’s Green Points program and Enterprise Green Communities 2015 Criteria. Please see Sustainability section for more information.

**Address any issues raised in the environmental report(s) submitted with your application, including how the issues will be mitigated, if applicable:**

The Phase I Environmental Assessment revealed no evidence of recognized environmental conditions in connection with the property. The Phase I did make note that the property is adjacent to (and contains a small portion of) the 100-year floodplain. The City of Boulder engineers have determined that the flood of 2013 has not changed the floodplain boundaries in this area, and development of this site is appropriate. BHP intends to build crawlspace with perimeter and lateral drain systems to protect the buildings from any high groundwater levels.

In response to neighbor concerns about natural resources on the site, BHP had a Natural Resources Assessment completed. This assessment identified no concerns related to the development of this site.

**Community Outreach and Local Support**

Boulder Housing Partners is committed to thoughtful, transparent, and inclusive community engagement. Outreach and communication related to this project began in early 2015. Over the past year, BHP has been working closely with residents of the surrounding neighborhoods to identify their greatest concerns, answer questions, and work together to design a conceptual plan for the site. BHP has engaged neighbors through nearly 30 meetings which include: focus groups, a visioning workshop, concept plan open house, property walks, public hearings, and one-on-one meetings. It is our intention to collaborate with the community throughout the predevelopment and development process. While disagreements with neighbors still remain over density of the site, BHP has worked diligently to address concerns about parking, setbacks, architectural character, amenities, and natural resources through the design of the concept plan.
The City of Boulder is a key partner in this project. The development of the Palo Park Community is listed as a priority in the City’s Comprehensive Housing Strategy. Both Planning Board and City Council have expressed initial support of this project through annexation and concept plan review. Additionally, the City has already donated the land for this project, as well as committed $975,000 in funding to help make this project a success.
Project Name: Park Avenue Apartments
Project Address: Corner of Park Avenue and E. 19th Avenue, Denver, CO 80218

Project Description:

GHC Housing Partners ("GHC") and its development team are excited to present this 4% LIHTC and State LIHTC funding application to CHFA for Park Avenue Apartments, a new five-story, 65-unit apartment building located in Central Denver’s City Park West neighborhood near the Five Points Area. The property will include 14 one bedroom units and 51 two bedroom units located above a 40-space covered parking garage with 12 surface parking spaces. The building will be elevator served and will include a community room and on-site laundry on the main floor. The second story will offer an outdoor community deck space with west facing views which will serve as a gathering space for residents and visitors. The building will be constructed with a mix of architectural metal panels, brick veneer, and fiber cement panel siding.

Park Avenue Apartments will be built on land that is currently home to one unoccupied residence and 42 units of existing Section 8 units, of which 24 may be demolished to make way for the new construction. The existing Section 8 units are part of what is called the “Trees Portfolio” around Denver which contains 354 Section 8 scattered site units. The Trees Portfolio’s units are aged and the decentralized nature of the properties makes it challenging to provide efficient management and services to residents. By redeveloping Park Avenue Apartments with a newly constructed building, GHC will not only preserve and enhance much needed affordable housing, but also establish a services “Hub” for the Trees Portfolio residents. Anticipated services to be offered at Park Avenue Apartments include:

- A computer lab with high-speed internet and computer classes
- Nutrition/Supplemental Nutrition Program (SNAP) Assistance
- Senior meal programs and onsite emergency food programs
- Library with a book swap program
• Neighborhood watch /crime prevention program
• Health and wellness educational programming
• Fitness programs

_Park Avenue Apartments will have a new project-based Section 8 Housing Assistance Payments (“HAP”) contract_ which will cover 100% of the units at the property, effectively replacing and preserving the 24 Section 8 units which may be demolished while adding at least 41 additional units. This new HAP contract is contingent on the complete construction of Park Avenue Apartments – the contract will have a 20-year term and ensure the long-term preservation of affordable housing in the Denver community.

It is anticipated that the majority of residents who live in the existing on-site units will move into the new units in Park Avenue Apartments when they are completed. During construction, GHC will make all appropriate arrangements to notice and relocate tenants at its cost, until the new units are ready for move-in. Affiliates of GHC own and operate several Project-Based Section 8 apartment buildings within a two mile radius of the construction site. If necessary and when possible, GHC will relocate tenants to similar Section 8 units within its portfolio. GHC has budgeted $50,000 for relocation expenses.

It is also worth noting that GHC has approximately 640 one and two bedroom households on the waitlist for other properties in the Denver area. Individuals and households on this waitlist will be eligible to move into the new units at Park Avenue Apartments.
Location Maps:

The Following is a Regional Map showing the Park Avenue Apartments Site in the Denver area:
The following is a map of Denver’s Five Points Area:
The Following is a Location Map Showing the Park Avenue Apartments Site:

Project Support:

Park Avenue Apartments has received wide-spread support from state and local agencies as well as several public officials. Our team has already met with Councilman Albus Brooks, Councilwoman Robin Kniech, State Representative Beth McCann, the Denver Housing Authority, and the Denver office of Economic Development’s Rick Padilla who stated in a letter to CHFA that “Based upon our knowledge and review of preliminary project information, we believe this project will meet our priorities and outcomes for housing projects in our community.” Councilman Albus Brooks has stated, “This City and this site need the preservation of affordable housing and the plans GHC Housing Partners has for this site will greatly enhance the neighborhood and the lives of the residents.” In addition, we plan on public several meetings as part of our neighborhood outreach.
Unit Mix & Amenities:

Park Avenue Apartments will include 14 one bedroom apartment units and 51 two bedroom apartment units that will be offered to households earning up to 60% AMI. The HAP contract will allow for a variety of income levels, including very-low income, to live in the new community. The one bedroom units will have an average of 620 square feet and the two bedroom units will average 825 square feet. All of the tenants will benefit from a 20-year HAP contract with the current payment standards underwritten in this application.

The overall unit mix information is displayed in the following table:

<table>
<thead>
<tr>
<th>Type</th>
<th>Unit #</th>
<th>Underlying AMI</th>
<th>Ave. Sq. Ft.</th>
<th>PBV PMT Standard</th>
<th>Max LIHTC Rent</th>
<th>% of Mix</th>
</tr>
</thead>
<tbody>
<tr>
<td>1BR</td>
<td>14</td>
<td>60%</td>
<td>620</td>
<td>$1,050</td>
<td>$900</td>
<td>22%</td>
</tr>
<tr>
<td>2BR</td>
<td>51</td>
<td>60%</td>
<td>825</td>
<td>$1,425</td>
<td>$1,080</td>
<td>78%</td>
</tr>
<tr>
<td>Totals:</td>
<td>65</td>
<td>50,755</td>
<td></td>
<td></td>
<td></td>
<td>100%</td>
</tr>
</tbody>
</table>

The programmed amenities for Park Avenue Apartments will include:

**Unit amenities**
- Central Air Conditioning
- Window Coverings
- Coat Closet
- E-star appliances including refrigerator, stove, dishwasher, and built-in microwave
- Cable and high-speed internet connections

**Common property amenities**
- Clubhouse/Community Room
- Second-story outdoor deck area
- 40 covered parking spaces, 12 surface
- Fitness/Exercise Room
- Library
- Computer Lab
- Laundry Room
- Picnic and BBQ area
- Controlled Access Entry
- Surveillance Cameras
Population Served:

All 65 units in Park Avenue Apartments will be restricted to low income households with the HAP contract allowing for very low income households. The median income for the Census Tract just to the north of Park Avenue Apartments is $52,775. The majority of individuals in the area around the proposed site work in the service and laborer industries, and the closest large employers are the two hospitals east of the site (Exempla Saint Joseph and Presbyterian St. Luke’s Medical Center). With a growing population, a strong labor market, and an economy geared toward higher wage jobs, both the apartment and housing markets in Denver have seen strong price appreciation and demand. The median home price increased 9.4% in 2014 to $306,900, over 48% greater than the national average. The rental market also continues to be tight. With net absorption of 8,631 rental units in 2014, vacancy rates fell to 4.7% in 4Q 2014, amongst the lowest in the country. Current average apartment rent in Metro Denver is $1,203 and rents have grown a staggering 12.2% year over year in 4Q 2014 and 12.1% in 1Q 2014. There is a great need for affordable housing solutions in the neighborhood surrounding the proposed Park Avenue Apartments.

Location/Neighborhood Description:

Park Avenue Apartments will be located on a triangular-shaped property near the convergence of E. 19th Ave., Emerson St., and Park Avenue in Denver’s City Park West Neighborhood (Five Points area). The neighboring property uses consist of single-family residences, multifamily dwellings and commercial properties. City Park West is one of Denver’s oldest established neighborhoods and includes a variety of low to medium density housing types, restaurants and other retail offerings. There are also two regional hospitals (Exempla Saint Joseph and Presbyterian St. Luke’s Medical Center) within a quarter mile of the site.

Multifamily dwellings and commercial properties are located to the north of the property. St Joseph Hospital and other commercial properties are located to the east of the subject. Commercial properties, single-family residences and multifamily dwellings are located to the south, and multifamily dwellings and commercial properties are located to the west of the site.
There are services provided nearby. The following table shows a summary of locational amenities within one mile of the site:

<table>
<thead>
<tr>
<th>Amenity</th>
<th>Distance from Site</th>
</tr>
</thead>
<tbody>
<tr>
<td>Polaris at Ebert Elementary</td>
<td>0.4 miles</td>
</tr>
<tr>
<td>Whittier K-8 School</td>
<td>0.4 miles</td>
</tr>
<tr>
<td>Colorado Calvert Academy</td>
<td>0.5 miles</td>
</tr>
<tr>
<td>Morey Middle School</td>
<td>0.7 miles</td>
</tr>
<tr>
<td>Montessori Academy</td>
<td>0.7 miles</td>
</tr>
<tr>
<td>Gilliam Youth Services Center</td>
<td>0.7 miles</td>
</tr>
<tr>
<td>Gilpin K-8 School</td>
<td>0.8 miles</td>
</tr>
<tr>
<td>Manual High School</td>
<td>0.8 miles</td>
</tr>
<tr>
<td>Loyola Grade School</td>
<td>0.9 miles</td>
</tr>
<tr>
<td>Denver Police Department</td>
<td>0.5 miles</td>
</tr>
<tr>
<td>Safeway Grocery Store</td>
<td>0.2 miles</td>
</tr>
<tr>
<td>Marcyk Fine Foods</td>
<td>0.3 miles</td>
</tr>
<tr>
<td>Capital Hill Market</td>
<td>0.5 miles</td>
</tr>
<tr>
<td>Argonaught Groceries</td>
<td>0.6 miles</td>
</tr>
<tr>
<td>Town Grocery</td>
<td>0.7 miles</td>
</tr>
<tr>
<td>7-Eleven</td>
<td>0.4 miles</td>
</tr>
<tr>
<td>Saint Joseph Hospital</td>
<td>0.2 miles</td>
</tr>
<tr>
<td>Children’s Medical Center</td>
<td>0.4 miles</td>
</tr>
<tr>
<td>19th Ave. Family Medicine</td>
<td>0.4 miles</td>
</tr>
<tr>
<td>Rocky Mountain Youth Clinic</td>
<td>0.4 miles</td>
</tr>
<tr>
<td>Children’s Hospital Colorado</td>
<td>0.4 miles</td>
</tr>
<tr>
<td>Presbyterian/St, Luke’s Medical Center</td>
<td>0.5 miles</td>
</tr>
<tr>
<td>Bank of Denver</td>
<td>0.3 miles</td>
</tr>
<tr>
<td>Wells Fargo Bank</td>
<td>0.6 miles</td>
</tr>
<tr>
<td>FirstBank</td>
<td>0.6 miles</td>
</tr>
</tbody>
</table>

The neighborhood where Park Avenue Apartments is located is very walkable and provides excellent access to public transportation options. According to walkscore.com, Park Avenue Apartments has a walk score of 87 (“Very Walkable”) and a transit score of 73 (“Excellent Transit”). The site is located 0.7 miles from stops on the Regional FasTracks Lightrail system. The site is considerably more walkable and transit friendly than the City of Denver on whole, which has a walk score of 56 (“Somewhat Walkable”) and a transit score 47 (“Some Transit”). Additionally, walkscore.com rates the neighborhood surrounding Park Avenue Apartments as a “Biker’s Paradise” (score of 98) due to its access to abundant bicycle infrastructure such as on-street bike lanes. Comparatively, the City of Denver as a whole has a bike score of 71 (Very Bikeable). The location of Park Avenue Apartments in an extremely bikable, walkable, and transit rich neighborhood will enable many residents of the property to live without a car, a key element of affordable living.
Park Avenue Apartments will have 40 covered parking spaces and 12 surface spaces for the 65 planned units, or .80 spaces per unit, which meets the requirement of local zoning. Parking will be offered free of charge on a first-come, first-served basis. The excellent location of the planned apartments, within walking distance of many jobs, services, and transportation options, will enable residents to live without a car if they choose.

Construction Description:

Park Avenue Apartments will be a five story structure with four stories of residential units situated above podium parking. The parking structure will be wrapped by first story units and amenity spaces including a lobby and community room on the south and east side which will hide the parking structure from street view. The building will be elevator-served and will include second story outdoor community deck space with west facing views which will serve as a gathering space for residents and visitors. The building will be constructed with a mix of architectural metal panels, brick veneer, and fiber cement panel siding.

Energy Efficiency/Green Build Description:

Park Avenue Apartments will meet all mandatory requirements for Enterprise Green Communities (2011). The project anticipates to manage over 50% construction waste recycling, and will incorporate storm water management strategies into the design of the building. Tenants will benefit from low-flow water and efficient energy use through the resulting lower utility bills. The site will have excellent access to public transportation with three bus lines within a quarter mile of the site and a light rail stop just over half a mile away. Services such as grocery stores, seasonal farmers' markets, restaurants and shops are within easy walking distance. Finally, the project will be built to be ready for future installation of solar photovoltaic panels.
Financing Description:

Park Avenue Apartments will be financed with equity from the sale of federal 4% LIHTC, Colorado State LIHTC, permanent mortgage proceeds, City of Denver funding, and deferred developer fee. Below is an anticipated (and approximate) sources and uses chart:

<table>
<thead>
<tr>
<th>Sources</th>
<th>Amount</th>
<th>% of Stack</th>
<th>Uses</th>
<th>Amount</th>
<th>% of Stack</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal LIHTC Equity:</td>
<td>$7,278,346</td>
<td>36%</td>
<td>Land Acquisition:</td>
<td>$3,019,500</td>
<td>15%</td>
</tr>
<tr>
<td>Colorado State Credit Equity:</td>
<td>$1,636,553</td>
<td>8%</td>
<td>Hard Costs:</td>
<td>$11,448,178</td>
<td>56%</td>
</tr>
<tr>
<td>Permanent Mortgage Proceeds:</td>
<td>$10,171,477</td>
<td>50%</td>
<td>Financing (Perm):</td>
<td>$537,702</td>
<td>3%</td>
</tr>
<tr>
<td>City of Denver:</td>
<td>$650,000</td>
<td>3%</td>
<td>Reserves:</td>
<td>$796,261</td>
<td>4%</td>
</tr>
<tr>
<td>Deferred Developer Fee:</td>
<td>$727,009</td>
<td>4%</td>
<td>Developer Fee:</td>
<td>$1,750,000</td>
<td>9%</td>
</tr>
<tr>
<td>Other:</td>
<td>$0</td>
<td>0%</td>
<td>Other Soft Costs:</td>
<td>$2,912,644</td>
<td>14%</td>
</tr>
<tr>
<td>Total:</td>
<td>$20,464,285</td>
<td>100%</td>
<td></td>
<td>$20,464,285</td>
<td>100%</td>
</tr>
</tbody>
</table>

Construction financing will be partially bridged by proceeds from the sale of private activity bonds in the approximate amount of $13,900,000. The total development costs are approximately $314,800 per unit, of which approximately $46,500 per unit is attributable to the acquisition of the land. The deferred developer fee represents approximately 42% of the total fee.

The bond financing structure includes the following assumptions:

- Total amount of bonds: approximately $13,900,000 paid down to $10,171,500 for permanent mortgage proceeds.
- We are seeking a CHFA conduit bond issue only with a “back-to-back” structure.
- Lender and bond sale structure will be private placement.
- 100% of the bonds will be tax exempt.

Summary of Strengths:

1. Park Avenue Apartments will preserve and enhance the supply of affordable housing in the Denver area in a neighborhood that demonstrates a strong need for additional housing resources. 24 aging units on site could be replaced with 65 new, safe affordable units, all of which will be covered by a new 20-year Section 8 HAP contract.

2. The subject site is extremely walkable and bikable, and has excellent transportation options nearby providing access to jobs and amenities throughout the Denver metro area. The proximity of amenities and services nearby such as grocery stores, schools,
and services, coupled with the nearby transportation options will enable many of the residents of the property to live without a car if they so choose. The option to live without a car further enhances the affordability of Park Avenue Apartments.

3. Park Avenue Apartments will become a key part of GHC Housing Partners regional service plan that will provide Park Avenue Apartment residents and the residents of other affiliated Section 8 properties opportunities to access high-quality services. Particularly, the Trees Portfolio and its hundreds of residents would benefit from the amenities and improved services that result from the construction of this project.

4. Park Avenue Apartments will be a newly constructed building with extensive interior and exterior common amenity spaces designed to provide residents with a place to socialize and take advantage of services provided by GHC and PK Management. This newly constructed space will replace an older, poor-quality building that cannot offer these types of common amenities or services. The common amenity spaces and services offered at the newly-constructed Park Avenue Apartments will foster community both within the new building and the larger neighborhood.

Guiding Principles:

1. Guiding principles met in Section 2 of the Qualified Allocation Plan (QAP):

   a. To support rental housing projects serving the lowest income tenants over the longest period of time. All of the units planned for Park Avenue Apartments will be restricted to low-income households with 100% of the units restricted to 60% of the AMI. Additionally, a new project based Section 8 HAP contract will cover 100% of the units at the property, thereby allowing for very low-income residents to live at the new site.

   b. To provide opportunities to a variety of qualified sponsors of affordable housing. The sponsor for the development of Park Avenue Apartments, GHC, focuses on acquiring, owning and managing affordable housing properties throughout the United States. With a long-term view and a focus on preservation, GHC utilizes top design and construction methods to create comfortable and high-quality living environments for its residents. GHC relies on PK Management, an affiliated property management company, to provide quality services to its residents and communities. In addition to the great work that GHC and PK Management do within their properties, GHC is committed to making positive changes in the
communities in which it has a presence – this mission is carried forward by the All Ways Up Foundation.

c. To distribute housing credits to assist in a diversity of populations in need of affordable housing. With the provision of 65 new affordable units, all of which will be covered by a project-based Section 8 HAP contract, Park Avenue Apartments will provide a much needed housing opportunity and preservation for very-low income households. Through PK Management, GHC will enact an innovative Affirmative Fair Housing Marketing Plan to ensure the property is marketed appropriately and as effectively as possible.

d. To provide opportunities for affordable housing within a half-mile walk distance of public transportation such as bus, rail, and light rail. RTD provides bus service for the site with the nearest bus stop on E. 20th Ave. and Clarkson St., a short walk from the property.

e. To support new construction of affordable rental housing projects. The construction of Park Avenue Apartments will refresh the affordable apartment inventory in the neighborhood and increase rental housing options for low-income residents of the community.

f. To reserve only the amount of credit that CHFA determines to be necessary for the financial feasibility of a project and its viability as a qualified low income housing project throughout the credit period. Particular to the State LIHTC, this project is applying for only 13% of the allowable 30% basis calculation. The annual amount of $454,598 represents $6,994 annual credits per unit.


g. For all State Credit applications, projects using 4% Federal Credits rather than 9% Federal Credits will be a priority. Park Avenue Apartments will pair 4% Federal Credits with its state credit application.

h. For all State Credit applications, new construction projects will be a priority. Park Avenue Apartments is a new construction project that preserves and upgrades existing affordable housing.
2. Describe how the project meets the criteria for approval in Section 2 of the QAP:

○ Market conditions:

All of the 65 units in Park Avenue Apartments will be restricted to low income households. According to the Rent Comparability Study, the median income for the Census Tract just to the north of Park Avenue Apartments is $52,775. The majority of individuals in the area around the proposed site work in the service and laborer industries, and the closest large employers are the two hospitals just to the east of the site (Exempla Saint Joseph and Presbyterian St. Luke’s Medical Center). With a growing population, a strong labor market, and an economy geared toward higher wage jobs, both the apartment and housing markets in Denver have seen strong price appreciation and demand. The median home price increased 9.4% in 2014 to $306,900, over 48% greater than the national average. The rental market also continues to be tight. With net absorption of 8,631 rental units in 2014, vacancy rates fell to 4.7% in 4Q 2014, amongst the lowest in the country. Current average apartment rent in Metro Denver is $1,203; rents have grown a staggering 12.2% year over year in 4Q 2014 and 12.1% in 1Q 2014. There is a great need for affordable apartments in the neighborhood surrounding the proposed Park Avenue Apartments.

○ Readiness-to-proceed:

Site Control: Affiliates of GHC Housing Partners own all of the parcels associated with the project site. The special warranty deeds, both recorded on September 2, 2015 are included with this application.

Zoning: The site is currently zoned G-MU-5, General Urban Multi Unit Office. The proposed multifamily apartments are a legal conforming use. A zoning change is not necessary for this site as envisioned.

Environmental: GHC commissioned Partner Engineering & Science to perform a Phase I Environmental Site Assessment (“ESA”) for the site, the effective date of which is May 26, 2015. This Phase I ESA discovered no Recognized Environmental Conditions on the site, but did recommend samples of asbestos containing material and lead-based paint be taken prior to demolition, which will be conducted after financing for Park Avenue Apartments is secured because the invasive nature of the survey will impact habitability for the current low-income residents and commercial occupants of the property. Included in the budget is a
$160,000 demolition expense category. We are comfortable with the environmental conditions at the site going forward.

**Schematic Drawings:** Davis Partnership Architects, the project architect, has provided a current site plan, schematic drawings, floor plans, and elevations for Park Avenue Apartments.

**Cost Estimates:** Pinkard Construction, the anticipated project general contractor, has provided both summary and details for the hard cost estimates on Park Avenue Apartments. This estimate is dated January 26, 2016.

- **Overall financial feasibility and viability:**

  Development of any kind in Denver can be expensive due to the high demand on construction labor and materials. However, we believe Park Avenue Apartments is financially feasible if awarded an allocation of 4% and State LIHTC. In addition federal and state LIHTC equity, we are assuming a reasonable permanent mortgage through Citi Community Capital with a conservative interest rate that is underwritten to a 1.15 DSCR and trends to 1.41. The City of Denver has expressed interest in this preservation project and GHC’s possibilities with their entire portfolio in Denver going forward. PNC Real Estate, the equity syndicator and the consultant, RCH Jones have also run the project through their tax credit financial models. Finally, we have received a letter of interest from Denver Housing Authority to potentially partner with us on the project. The resulting property tax abatement would further help leverage proceeds to cover any construction cost increase. This extensive up-front underwriting has shown that as conceived at this stage, there are minimal risk points.

- **Experience and track record of the development and management team:**

  **GHC Housing Partners:** Having completed recapitalization and substantial renovation of more than 6,000 units using bonds and tax credits as sources of debt and equity, GHC utilizes top design and construction methods to create comfortable and high-quality living environments for its residents. GHC’s development team is comprised of former leaders of non-profit and for-profit development companies. Team members are experienced in the use of multiple sources of financing and oversight of complex renovation plans.

  **RJ Miller:** As the senior vice president of acquisitions and development for GHC Housing Partners, Mr. Miller is responsible for overseeing the acquisition, debt
and equity structuring, and stabilization of new acquisition and rehabilitation projects. Mr. Miller has over 15 years of experience in the affordable housing industry, specializing in representing developers and nonprofits in the development and preservation of affordable housing. Mr. Miller has been responsible for structuring more than $1 billion in bond and tax credit financing transactions and analyzing and negotiating numerous development agreements and tax increment financings. Mr. Miller serves on the board of the Foundation for Affordable Housing, a national nonprofit specializing in affordable housing. He attended the University of Colorado, Boulder and graduated as a member of the dean’s honor list with a dual bachelor’s degree in business and urban planning.

**PK Management:** PK Management has more than 600 employees nationwide and a state-of-the-art platform that facilitates affordable housing regulatory compliance and superior property operations within all aspects of affordable housing.

**Davis Partnership Architects:** Davis Partnership Architects provides comprehensive project planning, design and management services to institutional, corporate, governmental and private clients. As one of the largest, most prominent multi-disciplinary design firms in the Rocky Mountain region, Davis has extensive experience with LIHTC projects in Colorado.

**Pinkard Construction:** In the past 53 years, Pinkard has constructed over 70 multi-family projects, including more than 4,300 units of HUD housing totaling over 3.5 million square feet. 15 of these HUD projects included Low Income Housing Tax Credits financing. Pinkard is a three-time winner of the ABC Rocky Mountain Chapter’s Contractor of the Year and the Construction Financial Management Association’s Contractor of the Year. Pinkard has also been honored by the American Public Works Association, Colorado Masonry Magazine, and Colorado Construction Magazine.

**RCH Jones Consulting:** As president of RCH Jones Consulting, Ryan Hibbard Jones has been in the affordable housing industry since 2003—first as a project manager for various affordable housing developments across the US (including three years as a lead project manager for Boulder Housing Partners in Colorado) and then as a senior underwriter for two LIHTC equity syndication firms where he closed over $130 million in LIHTC equity across the nation. In addition to serving on the CHFA Tax Credit Advisory Group, Ryan has closed four LIHTC
projects in Colorado and has underwritten dozens more. He received an MBA from the University of Colorado focusing on real estate finance and development in 2008.

- **Cost reasonableness:**

  The project costs for Park Avenue Apartments reflect the most current in hard cost information, and realistic underwriting in order to dial in certain soft costs (i.e. construction period interest). Construction costs in Colorado have been going up, by most accounts, by ½ a percent, monthly. In order to account for this volatile commodities and labor market, we have obtained up-to-date cost estimates using the limited schematic design information and have included a 5.0% hard cost contingency. In addition, the contractor has included cost escalation and GC contingency amounts. We will be working toward getting the design to the most cost effective place without deterring from the concept.

- **Proximity to existing tax credit developments:**

  Park Avenue Apartments is located in an area of Denver with many existing LIHTC properties. However, this project will not compete with any of these proximate LIHTC developments in terms of lease-up. This newly constructed 65-unit building with a new Section 8 HAP contract will pull from the over 630 one and two bedroom households on the Trees Portfolio waitlist and residents of the current Section 8 units onsite who may be relocated as a result of the construction of the project.

- **Site suitability:**

  The site offers great visibility along the intersection of Park Avenue, E. 20th and Emerson St. In addition to being adjacent to a bus stop, it is only 0.7 miles from RTD Lightrail stations. The site is also within 1.5 mile of most locational amenities and is very close to schools. Finally, the site offers a unique opportunity to apply a new HAP contract to a newly constructed building that will preserve and add to low-income affordable housing.

3. **Deviations from any underwriting guidelines in the QAP:**

   Not applicable.
4. **Any issues raised by the market analyst in the market study:**

There are no issues, however, per Section 7.A under Threshold # 3 in the 2016 QAP, we have not provided a formal market study. In addition to our discussion on the market characteristics in the narrative, we are providing the following related documentation:

- Rent Comparability Study with an effective date of April 30, 2015 prepared by Gill Group
- Amenities chart
- Walk score

The Rent Comparability Study (“RCS”) is for the existing Trees II Holly Apartments, which has 94 total units located in scattered sites, of which the Project site contains 42 units. In the RCS, the relevant addresses for the 42 units on site are 1939 Emerson St. and 842-846 29th Ave. The relevant information and rent comparability grids for one and two bedroom units start on page 53 of the RCS.

All of the Trees II Holly Apartments are under one existing HAP contract. For this 65-unit Project, we have a letter from the Denver Multifamily HUD office dated January 7, 2016 for new budget authority for the 65 new Park Avenue Apartment units. If this project is funded, there will be a 20-year HAP contract in place.

As part of the HAP Budget Authority process, we have proved market need by also obtaining the existing waitlist for one and two bedrooms in the Trees Portfolio. This waitlist contains approximately 635 tenants. As the waitlist contains private information, we are able to provide the actual waitlist upon request by CHFA.

5. **Address any issues raised in the environmental report(s) submitted with your application, including how the issues will be mitigated, if applicable:**

GHC Housing Partners commissioned Partner Engineering & Science to perform a Phase I Environmental Site Assessment (“ESA”) for the site, the effective date of which is May 26, 2015. This Phase I ESA discovered no Recognized Environmental Conditions on the site, but did recommend samples of asbestos containing material and lead-based paint be taken prior to demolition, which will be conducted after financing for Park Avenue Apartments is secured because the invasive nature of the survey will impact habitability for the current low-income residents and commercial occupants of the property. We are comfortable with the environmental conditions at the site going forward.
6. **In your own words, describe the outreach to the community that you have done and describe and demonstrate local support for the project (including financial support):**

   Park Avenue Apartments has received wide-spread support from state and local agencies as well as several public officials. Our team has already met with Councilman Albus Brooks, Councilwoman Robin Kniech, State Representative Beth McCann, the Denver Housing Authority, and the Denver office of Economic Development’s Rick Padilla who stated in a letter to CHFA that “Based upon our knowledge and review of preliminary project information, we believe this project will meet our priorities and outcomes for housing projects in our community.” Councilman Albus Brooks has stated, “This City and this site need the preservation of affordable housing and the plans GHC Housing Partners has for this site will greatly enhance the neighborhood and the lives of the residents.” In addition, we plan on public several meetings as part of our neighborhood outreach.

   For the State Credit application, we published a legal notice of our required public meeting that was held on January 22, 2016 at 1960 Clarkson St. (on the block where the site is located). The affidavit of the legal notice, the sign-in sheet and the recording of the meeting are included in the application.

7. **For acquisition/rehab or rehab projects, provide a detailed narrative that describes the rehab plan and tenant relocation plan (if applicable); addresses the 10-year rule; capital expenditures over the past two years; previous related party relationships; past local, state, or federal resources invested in the project; obvious design flaws; obsolescence issues; safety issues; and any significant events that have led to the current need for rehabilitation (i.e., fire, nature disaster).**

   Park Avenue Apartments will be a newly constructed apartment building in which substantially all units will be part of a Project Based Section 8 contract. The building will be a federally-assisted building within the meaning of Internal Revenue Code, Sections 42(d)(6)(A) and 42(d)(6)(C)(i). As such, the project is exempt from the 10 Year Rule.

8. **Additional information:**

   GHC affiliates own the block on which Park Avenue Apartments will be built. The current location of the project is zoned appropriately and no further zoning approvals would be required to build Park Avenue Apartments as planned. However, building at this location
will result in the demolition of approximately 24 Section 8 apartment units that are currently servicing low income residents in the neighborhood.

In an effort to avoid disturbing low income residents and demolishing Section 8 units, GHC is petitioning the city of Denver to rezone another part of the block which is currently zoned PUD. If GHC successfully rezones the property, Park Avenue Apartments could be moved to the western part of the same block, using the same building architecture and scope and would allow the construction of Park Avenue Apartments to be completed without displacing any of the existing Section 8 residents.

GHC has worked very closely with HUD to ensure newly constructed units would be reserved for Section 8 tenants with a new HAP contract. The Section 8 contract and budget authority will only be contracted if the project is completed. If this budget authority is not contracted it goes back to HUD national headquarters and is no longer available to benefit the Colorado community. The award of state and federal tax credits ensures the feasibility of the project as a new 100% project-based Section 8 development and keeps these scarce HUD section 8 rental subsidy dollars available to benefit the local community.

We are also providing the following documentation in this application to support this narrative:

3. Letter of Support for possible property tax abatement and partnership with Denver Housing Authority, dated January 26, 2016
4. Park Avenue Apartments Services Plan
Project Name: **Peakview Trails**

Project Address: **60th Avenue at 13th Street Greeley, CO 80634**

**Peakview Trails**, a project presented by Four Corners Development, LLC will be a newly-constructed, four-story structure in a planned residential community designed for moderately active, independent, seniors. **Peakview Trails**, an affordable tax credit apartment community in the City of Greeley, Colorado, will provide a total of 96 units with a mix of both one- and two-bedroom options. With only 53 existing senior low income housing tax credit units in the larger Greeley market, there is a shortage of quality affordable housing for seniors and as a result, there is a significant need for additional senior housing.
The attraction of Peakview Trails is that it offers ease of mobility and is within a short walking distance to grocery stores, medical care, local restaurants and public transportation which offers an easy commute to the heart of downtown Greeley. With the close proximity of walking trails and open space parks, Peakview Trails offers seniors the best of both worlds; the enjoyment of suburban life and the attraction of the urban downtown amenities.

Peakview Trails is designed to promote active engagement among the residents to help promote a sense of community and belonging. This philosophy is apparent throughout the property. The community room offers an inviting atmosphere with large windows and pockets of quaint seating for enjoying the warmth of the stone fireplace or a hand of gin rummy with a good friend. For those wishing for a more competitive gaming event, there is a separate room where residents will find board games, and tables which is large enough to host a weekly bridge tournament. For those looking to keep up with world events or escape into solving a mystery, they can take advantage of the on-site library or computer stations available. Additionally, residents can use the facility for hosting their family, friends and/or groups they belong to. Whether for a special event or merely because they want to, the entertainment kitchen and dining area will provide the necessary equipment and seating needs. A large patio with grills and picnic tables connect to the dining area, once again to promote a transitional and engaging opportunity to the outdoor amenities.

The design of the outdoor space is also unique in serving the needs of the residents. For those whom already have green thumbs, they will have the opportunity to work the dirt and foster the growth of a vegetable, herb and/or flower garden in the raised bed planters; perhaps even mentoring less experienced gardeners-to-be along the way. The flat, meandering walking path throughout the property will be useful for not only general enjoyment of the outdoors, but also as an opportunity for continued light exercise or help with rehabilitation after a minor surgery or health issue. If not physically engaged in one of the several sporting activities available; putting on the putting green, badminton, croquet or beanbag toss, residents have the opportunity to cheer their comrades on by watching from the shaded benches. The amenities and location of Peakview Trails are designed for supporting residents in outdoor activities.

Four Corners worked diligently to find a site best suited to support independent, active Seniors. The site is within walking distance (2-5 blocks north or south) of the Red Route bus stops which will provide residents with access to local neighborhood amenities (groceries, medical and restaurants) and downtown Greeley. The site’s proximity to single-family and multi-family residential neighborhoods and other apartment communities for people with disabilities and higher-income seniors may allow for inter-generational interaction. Seniors today are healthier and more active than ever before. By living in the ‘silver lining’, the area slightly outside of the
urban downtown area, these seniors will have the opportunity to experience all that life continues to offer them! *Peakview Trails* is the perfect choice. Every day they will be able to choose from a long list of options, all of which will be on the property of Peakview Trails. Without leaving *Peakview Trails*, they have the opportunity to garden, exercise, entertain a group, enjoy a challenging game or hand of cards, be entertained with friendly conversation by the fire, re-live childhood memories by engaging in a game of badminton, read a book, surf the internet or improve their putting. Yet, the option to run errands or enjoy other activities ‘off site’ is as close as a parking space or a short 2-block walk. This availability to transportation provides another key component to creating this paradise of ‘silver lining’ for the residents of *Peakview Trails*.

**Why seniors:**
While certainly there is a need for affordable housing among all segments, unquestionably one of the greatest needs will be among those aged 65 and older. A recent article *Housing America’s Graying Population* reported that, “housing will be the biggest challenge for the coming wave of aging baby boomers.” Additionally, not only will homeowners 65+ increase by 65% over the next 16 years, but renters in that same age group will increase by 100% (Urbanland, 6/3/13) Perhaps a better understanding of this information is to break it down to the daily impact: On January 1, 2011, the first baby boomer turned 65 and every single day thereafter, more than 10,000 have, and will continue to turn 65 for another nineteen (19) years. Not only are the baby boomers 'coming of age' but they are healthier, and more active in comparison to prior generations. With the advancements in health education, technology and medical breakthroughs, they will enjoy a longer life than any prior generation has experienced. At first glance, an additional thirty (30+) years of life sounds delightful, yet the reality of it delivers a host of challenges which among other things includes: limited financial resources to remain independent.

**Why Four Corners Development:**
The project will be developed by Four Corners Development, LLC, an entity comprised of individuals representing three firms experienced in affordable and senior housing development, design, construction, and management. Rita Baron is the principal of Baron Design and Associates, LLC, where she is involved in all aspects of project development. Baron has developed over 1,100 senior and multifamily housing units. Ryan Hamilton and Douglas Hamilton are the Vice President and Construction Compliance Supervisor of Hamilton Properties Corporation. Founded in 1968, Hamilton Properties Corporation has developed, built and managed over 2,500 low-income and senior housing units. Mike Hamra, an attorney, is the President and CEO of Hamra Enterprises, which has participated in the development of over 600 low-income and senior housing units. Four Corners Development, formed in August, 2011,
is an entity whose partners have 54 years of combined experience designing, developing, and managing LIHTC developments. Four Corners Development has developed five projects, which represent 254 units. Four Corners will partner with the Greeley Housing Authority (GHA), who will be a Special Limited Partner and will serve as the property manager. GHA owns and manages four LIHTC projects with a total of 114 units in addition to 86 units of Federal Public Housing.

Four Corners Development presents a capable, well-rounded team that is focused on serving the housing needs of the low to moderate income working families and seniors, developing communities, and providing jobs to the local economy. It shares CHFA’s value for quality housing, useful amenities and cost-effectiveness.

With the completion of each project, the team scrutinizes and evaluates it to determine what improvements, if any can be incorporated into future projects. Beyond the self-evaluation process, Four Corners Development actively seeks to keep abreast of segment specific changes and incorporate them into future projects as appropriate for the selected target.

Partnering with additional local organizations enhances the strength of the development team. Our mutual commitment to high quality facilities provided the platform to build our team. The Greeley Housing Authority will lend their experience, professionalism and understanding of the market; qualities that we believe are invaluable. We believe the combination of these 2 teams and resources will provide successful results over the next 40 years.

**Strengths**

- **Site ideal for Senior housing:** The site offers the quiet peaceful setting of a typical residential area but still has great walkability to groceries, dining, medical services and parks and recreation. It also provides close access to public transportation for errands that cannot be done within walking distance.

- **Readiness to proceed:** The site is properly zoned as R-H, or residential high-density. Four Corners has been working with a local development consulting group to assist with the entitlement process. They have had several planning sessions with the planning department and the City is very supportive of adding affordable senior housing in this location. Due do this support, Four Corners anticipates having site plan approval by June and being able to start construction in November of 2017.

- **Development team:** The combined experience of the partners who make up Four Corners Development, LLC have personally been involved in over 48 projects, which span five (5) states; MO, CO, NE, OK, and TX. Four Corners continues to build its
portfolio; currently five projects which represent 256 units. This team successfully closed their most recent Colorado LIHTC project, Oakshire Trails in a timely manner and that project is currently on schedule. The same development team has been assembled for Peakview Trails and will be able to deliver quality affordable housing to Greeley.

- **Desirable unit amenities:** Large windows to allow natural light. Balconies or patios to expand living space to the outdoors and allow for fresh air. Large closets to allow for plenty of storage. Vaulted 9' ceilings and full sized, energy star appliances. Washer and dryer provided in each unit.

- **Community environment:** The entire design of the common areas (indoor and outdoor) of Peakview Trails promotes a feeling of community with a strong focus on activity. The indoor common space offers a mix of quaint spaces with the warmth of a fire and also integrates larger areas for gathering to play games, or celebrate a special event. The outdoor space invites residents to enjoy activities to satisfy their mood; picnic with others, garden, take a leisurely stroll, play an outdoor game or utilize the connecting pathways to access adjacent neighborhoods.

- **Ease of mobility:** A bus-stop for the local transit service, which provides frequent service throughout Greeley, is within 2 blocks of the property. Required parking spaces (169) are provided for residents who own their own vehicles. A covered awning will allow for residents to unload guests and/or packages without being subjected to adverse weather conditions. Carts will also be available to assist with getting packages to their residence.

- **Answers a severe need:** The addition of these 96 units will increase the available units to low-income seniors from 53 to 149 and still return an overall capture rate of 8.5% for the project.

- **Promotes healthy lifestyle:** Fitness room, walking trail, outdoor games (badminton, putting, croquet, beanbag toss), and gardening are free to residents and their guests.

- **Strength in Partnership:** Four Corners plans to partner with the Greeley Housing Authority (Special Limited Partner) who will manage the project and provide an on-site activities coordinator. In addition to management it is anticipated that Greeley Housing Authority will commit to 20 Project Based Section 8 vouchers.

- **Sustainable:** Materials and design used for Peakview Trails utilize energy efficiencies.

**Weaknesses**

- Somewhat Car Dependent – based on the Walk Score, the site is labeled “Car Dependent”. Four Corners spent significant time and effort searching sites in Greeley and this location has a higher walk score than typical and provides more walkability than any other available site that Four Corners could locate in the area. Also, the site is located on Route 1 of the Greeley Evans Transit system which is the most frequent bus
route available; residents without a car should have little trouble running errands, getting to medical appointments, shopping, and enjoying recreational opportunities.

Type of Construction

The *Peakview Trails* project will be developed as one structure with 4 stories of wood framed construction serviced by 2 elevators. There will also be 169 surface parking spaces exclusively available to residents and guests.

- The building will be four (4) stories of wood frame construction.
- The roof will be pitched; a mix of composite shingles and metal roofing will be used.
- The exterior of the building will be a combination of stucco-appearance cement fiberboard siding and stone facade.
- All units will be accessible via an internal corridor and serviced by two (2) elevators and two (2) sets of stairs (one at each end of the corridor).
- There will be large windows throughout each unit consisting of windows in the kitchen, bedroom(s) and dining area.
- The units will have 9-foot ceilings, ceiling fans, washer/dryer and individually controlled heat and air conditioning.
- Kitchens will be equipped with full-sized, energy-star rated appliances; refrigerator, electric range/oven, dishwasher, and disposal.
- Each unit will have a useable balcony or patio.

Unit Mix

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Total Units: 96

Total Revenue: 851,316

Sources and Uses
The project site is located in the Fox Run subdivision, between W. 13th Street and W. 20th Street, on 59th Avenue in Greeley. The entire parcel is approximately 5.22 acres and is zoned Residential High-Density (R-H); appropriate for the proposed project. This classification use includes Residence, over four-family. All utilities are available at the site.

*Peakview Trails* is perfectly located in a ‘silver lining’ zone. With transportation virtually curb-side, residents have the option to travel throughout the city of Greeley with ease for daily errands or jobs, medical appointments, activities, or to enjoy any of the many recreational or cultural options available. Yet, when the resident is craving a more low-key day (or overall lifestyle) but still wants to ‘piddle’, they will have a host of choices in their ‘community’ to do so; indoor or outdoor.

Within two (2) miles of the site residents will find a Walmart Supercenter, Wells Fargo Bank, CrossFit Gym, casual and sit-down dining, several churches, golf course, Aimes Community College, Medical Center, and finally a gas station. Overall, the strength of the combination of amenities and location provides a highly desirable community for seniors.

**Amenities**

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<td>Land and Buildings</td>
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<td>Project Reserves</td>
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<td><strong>Total Uses</strong></td>
<td><strong>21,300,030</strong></td>
</tr>
</tbody>
</table>
• Community Room
• Community Kitchen
• Exercise Room
• Internet Cafe with self-serve beverage counter
• Library
• Walking trails
• Game room
• Putting green area
• Outside Event area (also artificial turf) for larger gatherings (private party) and/or activities such as badminton or croquet.
• Outdoor grill/picnic area
• Raised bed garden area (community garden)
• In unit washer and dryers
• E-star Appliances
• On site manager
• Library
• Smoke Free Building

Energy Efficiencies

• Compact Development
• Preservation of Open Space
• Close to Public Transportation
• Advanced Water Conserving Appliances and Fixtures
• Recycling Storage
• Environmentally preferable flooring and materials
• Energy efficient roofing

Bond Financing Structure

*Peakview Trails* will be financed using tax-exempt private activity bonds. The bonds will be issued through CHFA and the project will use the CHFA bond-financed loan product for construction and permanent debt. The anticipated bond amounts are $14,000,000 in construction period bonds converting to $5,950,000 in permanent bonds at stabilization. The bonds will not have any taxable tail.

Guiding Principles
• **To support rental housing projects serving the lowest income tenants for the longest period of time**

*Peakview Trails* has committed to providing ten units at 30% AMI, ten units at 40% AMI, fifteen at 50% AMI and the remainder at 60% AMI. It has also committed to extend the LURA a full 25 years.

• **To provide for distribution of housing credits across the state, including larger urban areas, smaller cities and towns, rural, and tribal areas**

With a population of over 100,000 but only 53 senior tax credit units, Greeley would be a well-deserved location for an award.

• **To provide opportunities to a variety of qualified sponsors of affordable housing, both for-profit and nonprofit**

*Peakview Trails* will be developed by a for-profit entity but will utilize the management expertise of the Greeley Housing Authority. With the Greeley Housing authority as the property manager, *Peakview Trails* benefits from having an experienced operator with local knowledge. Simultaneously, the Greeley Housing Authority benefits by adding to its management portfolio which helps support a primary advocate of affordable housing in Greeley.

• **To distribute housing credits to assist a diversity of populations in need of affordable housing, including families, senior citizens, homeless persons, and persons in need of supportive housing**

*Peakview Trails* will serve independent seniors aged 55 and over. The grounds and recreational amenities will appeal to the full range of ‘limited to moderately active’ independent seniors.

• **To provide opportunities for affordable housing within a half-mile walk distance of public transportation such as bus, rail, and light rail**

The site is just a few blocks from 2 bus stops which offer service to downtown Greeley for an abundance of options, in addition to those in walking distance such as the Senior Center, grocery store, church, banking, casual and sit down restaurants, medical facilities, as well as many other locations.

**Priorities**

• **Projects in Counties impacted by a natural disaster**

Weld County was affected by the floods of 2013. Greeley would be a well-deserved location for an award.
Describe how the project meets the criteria for approval in Section 2 of the QAP:

**Market conditions**
*Peakview Trails* will expand the offering of affordable senior apartment options to a community with a great need for additional housing for low-income seniors. There are currently only 53 existing senior low-income housing tax credit units in the greater Greeley area. There are few comparable affordable apartment units serving the Greeley area. *Peakview Trails* offers good-size units and amenities equivalent or superior to the selected comparable properties. All of the tax credit senior apartments selected as comparables report 100% occupancy rates with a total of 588 households on the wait lists. Wait lists range from 14 households at LaCasa Rosa to 449 at Mirasol II. The extensive waitlists indicate an immediate need for additional affordable senior housing. Given this evidence of demand, we believe an absorption rate of 16 units per month is reasonable.

**Readiness-to-proceed**
The site is properly zoned as R-H, or residential high-density. Four Corners has been working with a local development consulting group to assist with the entitlement process. They have had several planning sessions with the planning department and the City is very supportive of adding affordable senior housing in this location. Due to this support Four Corners anticipates having site plan approval by June and being able to start construction in November of 2017.

**Overall financial feasibility and viability**
*Peakview Trails* properly balanced the need to be financially feasible along with serving lower incomes. All sources of funding are in place and all CHFA required tests and ratios meet compliance criteria.

**Experience and track record of the development and management team**
The project will be developed by Four Corners Development, LLC, an entity comprised of individuals representing three firms experienced in affordable and senior housing development, design, construction, and management. Rita Baron is the principal of Baron Design and Associates, LLC, where she is involved in all aspects of project development. Baron has developed over 1,100 senior and multifamily housing units. Ryan Hamilton and Douglas Hamilton are the Vice President and Construction Compliance Supervisor of Hamilton Properties Corporation. Founded in 1968, Hamilton Properties Corporation has developed, built and managed over 2,500 low-income and senior housing units. Mike Hamra, an attorney, is the President and CEO of Hamra Enterprises, which has participated in the development of over 600 low-income and senior housing units. Four Corners Development, formed in August, 2011, is an entity whose partners have 54 years of combined experience designing, developing, and managing close to 500 senior LIHTC units. The combined experience of the partners who make up Four Corners Development, LLC have personally been involved in over 48 projects, which
span five (5) states; MO, CO, NE, OK, and TX. Four Corners continues to build its portfolio; currently five projects which represent 256 units.

Four Corners Development presents a capable, well-rounded team that is focused on serving the housing needs of the low to moderate income working families and seniors, developing communities, and providing jobs to the local economy. It shares CHFA’s value for quality housing, useful amenities and cost-effectiveness.

With the completion of each project, the team scrutinizes and evaluates it to determine what improvements, if any can be incorporated into future projects. Beyond the self-evaluation process, Four Corners Development actively seeks to keep abreast of segment specific changes and incorporate them into future projects as appropriate for the selected target.

The general contractor will be a joint venture of two highly qualified firms, Hamilton Builders LLC and CSI Construction. Both firms have significant experience in multi-family housing and are currently working together as the general contractor for Oakshire Trails in Pueblo.

Four Corners will partner with the Greeley Housing Authority (GHA), who will be a Special Limited Partner and the property manager. GHA owns and manages four LIHTC projects with a total of 114 units in addition to 86 units of Federal Public Housing.

Partnering with additional local organizations enhances the strength of the development team. Our mutual commitment to high quality facilities provided the platform to build our team. The Greeley Housing Authority will lend their experience, professionalism and understanding of the market; qualities that we believe are invaluable. We believe the combination of these 2 teams and resources will provide successful results over the next 40 years.

**Cost reasonableness**
*Peakview Trails* construction costs are estimated at about $150,000 per unit. The overall development costs are estimated at $220,000 per unit. The current budget has been vetted by Four Corners Development, Hamilton Builders and Colorado Structures Incorporated and very reasonable for the current construction climate. The same development and construction team has a similar type project under construction in Pueblo, Colorado which provide recent and relevant experience in the market resulting in efficient design and accurate estimates.

**Proximity to existing tax credit developments**
Chinook Wind is 1.4 miles away and is fully leased with a waiting list. Las Casa Rosa is 5.8 miles away and is fully leased with a waiting list. Mirasol II is 17.2 miles away and is fully leased with a waiting list.
Site suitability
The site is relatively flat and ready for development. All utilities exist on the site and the City of Greeley is extremely supportive of the project. With many amenities and services within just a few blocks, residents will be able to walk to a grocery store, medical services, a public park and bus stops; all of which are available within 2 blocks of the site. The site offers a generous area for green-space which has been designed to promote an active lifestyle. The location of the site fits our ‘silver lining’ definition: a place that provides the best that life has to offer; daily peaceful enjoyment with the opportunity to easily reach the urban center when you desire to.

Community Outreach and Local Support
Peakview Trails anticipates a special limited partnership with the Greeley Housing Authority which will provide a property tax exemption. It is also anticipated that the project will receive 20 project based section 8 vouchers from the Greeley Housing Authority. The Greeley Senior Activities Center has written a letter of support and is eager to provide services and activities for the future residents.

Additionally, Weld Recovers, the agency charged with coordinating the the post-flood recovery efforts for Weld County has reviewed our plans and indicated their support for this project. Even though the floods happened two years ago, there are still those who continue to be underserved, those whose current housing is unsustainable, and/or those who remain homeless. Quality affordable senior housing like Peakview Trails will help address this problem. Four Corners Development will be working with the Greeley-Weld Housing Authorities (the property manager) and Weld Recovers to reach out to flood victims and attempt to serve those residents. Mass mailings will be sent to know flood victims notifying them of the development and flood victims will be given priory status on the waiting list.
Project Name: RHF Sand Creek Apartments @ Stapleton

Project Address: Northeastern 2.24 acre corner parcel of vacant and undeveloped land on Moline Street and E 27th Ave. in the Stapleton Master Plan Community (to be created concurrent with the extension of MLK Jr. Blvd improvements). Address is to be determined.

1. Project Overview

RHF Sand Creek Apartments is a new 106 unit affordable family apartment community proposed by Retirement Housing Foundation (RHF), in collaboration with Forest City and the Denver Housing Authority, located in east Stapleton, about 5 miles northeast of Denver. Residents will enjoy a lushly landscaped setting complete with amenities for children and adults and convenient access to on-grade parking with 132 stalls. The current development plan is consistent with current zoning and will not require any further entitlements or discretionary approvals.

The proposed project will be located in the eastern portion of the Stapleton Master Plan Community bordering the City of Aurora. At 4,700 acres in size, Stapleton is the largest infill redevelopment project in the nation, offering residents a local community/recreation center, a multitude of shopping and dining options, miles of walking and bike trails and over 60 community events annually, such as bike races, concerts in the park and farmers’ markets. Stapleton began construction in 2001 and is slated to deliver thousands of detached and attached units, both affordable and market rate, with full build-out scheduled in 2022. Stapleton is an ideal location for and is in need of affordable housing, especially in the eastern portion. Sand Creek Apartments will have immediate access to the 38 miles of trails located within Stapleton including the Sand Creek Regional Greenway, Bluff Lake Nature Center, Bluff Lake Trail and Colorado Front Range Trail.
1. **Request Statement**

1. An inducement of Private Activity Bonds (PAB) by CHFA, as the Construction to Permanent source, in the amount of $16.1 million;
2. An initial determination of $705,424 in annual 4% Federal Low Income Housing Tax Credits (LIHTC);
3. An Award of $800,000 in annual Colorado State Tax Credit (STC);

2. **Project Highlights**

**Overview**
Sand Creek Apartments will include 106 new units of affordable housing for families in an elevator-served 3 and 4 story building, lushly landscaped with open spaces and indoor/outdoor amenities for both children and adults. Families can choose from spacious 1, 2 and 3 bedroom units with convenient on-grade surface parking. Sand Creek Apartments has been schematically designed with the existing character of the Stapleton Community in mind such as utilizing the façade and color schemes from the local elementary school, Isabella Bird Community School, located within walking distance. In addition, Sand Creek Apartments will be an Enterprise Green Community with energy efficient building standards and water wise landscaping.

**Bedroom and Unit Mix**
- 68 one bedroom/1 bath units (600 square feet)
- 20 two bedroom/1 bath units (830 square feet units)
- 6 two bedroom/1 bath units (1080 square feet corner units)
- 12 three bedroom/2 bath units (1100 square feet)

**AMI Target**
- 6 units at 0-30% AMI
- 4 units at 31-40% AMI
- 16 units at 41-50% AMI
- 79 units at 51-60% AMI
### Income and Bedroom Table

<table>
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<tr>
<th></th>
<th>30% AMI</th>
<th>40% AMI</th>
<th>50% AMI</th>
<th>60% AMI</th>
<th>Manager Unit</th>
<th>Total Units</th>
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<td>Total</td>
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<td>4</td>
<td>16</td>
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<tr>
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<td>15.1%</td>
<td>74.5%</td>
<td>0.9%</td>
<td>100.0%</td>
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</table>

### Unit Amenities
- Energy Star rated refrigerators
- Energy Star rated electric ranges
- Large insulated windows with low E coating
- Window covers and blinds
- Coat and walk in closets (in almost all units)
- Energy Star bathroom fans
- Garbage disposals
- Durable floor finishes, minimizing carpet
- Low flow plumbing fixtures
- LED and compact fluorescent light fixtures
- Elevator access x 2
- The 2 and 3 bedroom units feature a large storage closet

### Common Area Amenities
- Central courtyard with large garden trellis/rain shelter as central landmark
- Community Butterfly & Plant Garden
- Outdoor Play area with play equipment
- BBQ Area with tables and umbrellas
- Community room with flat screen TV and sink, dishwasher and microwave for social gatherings, educational activities, potlucks and games
- Media Room
- Safe, well daylit stairs to encourage physical activity and use
- Secured building with controlled key entry access
- Two elevators
- Owner paid hot & cold water, sewer and trash services. Residents will receive a monthly utility allowance for their electricity usage
• Centralized washer/dryer rooms that are well designed with natural daylight to encourage socialization and community health
• Trash/recycling chutes serving the upper floors
• Resident activities and services coordinated by RHF management personnel, including fitness, classes, pot-lucks, arts and crafts classes, health wellness seminars and children activities and seasonal events
• Leasing office

Location
Sand Creek Apartments will be located in the desirable Community of Stapleton, a master planned redevelopment of the former Stapleton Airport, approximately 5 miles from downtown Denver Metro. The flat, vacant subject site is located in the eastern portion of Stapleton, which is planned for additional single family homes & apartments (affordable and market-rate), parks, bike trails and convenient access to local services and retail shops all within walking or biking distance. Stapleton boasts a large network of parks, open space and supporting services including thirteen schools, churches, museums and other civic and institutional uses. Interstate I-70, the closest highway and primary access to the project, divides Stapleton into northern and southern components.

The Regional Transportation District (RTD) serves this neighborhood with numerous routes that connect with all of the Denver Metro area. The subject site is located in close proximity to the new R Line/ Aurora I-225 light rail line, due to open in mid-2016, ¾ of a mile south of the Peoria Station. This line will provide access to downtown Denver as well as the Denver International Airport. The closest bus stop is located two blocks south of the subject site at E. 25th Avenue and Moline Street. The Denver International Airport is located about 11 miles northeast of the property, while the Denver Core Business District, the economic and cultural center of the region, is approximately eight miles west of the property.

Construction Type
Sand Creek Apartments is designed with one building consisting of 3 and 4 floors of 68 one bedroom/1 bath units (600 sf), 20 two bedroom/1 bath units (830 sf), 6 two bedroom/1 bath corner units (1080 sf) and 12 three bedroom/2 bath units (1100 sf) with one of the two bedroom units slated for the on-site managers unit. The building will also house approximately 4,000 sf of interior amenity space, including a media room and community room with lounge and leasing office. Outdoor amenities include a community butterfly & planting garden, children’s playground area, BBQ area with tables and umbrellas, bike storage and a lushly landscaped central courtyard. The building is to be Type VB wood-
frame construction with NFPA 13R sprinkler system throughout. Each unit will be heated and cooled using a heat pump system with the landlord paying for hot & cold water, sewer and trash services. The Residents will only be required to pay for their electricity usage via individual electric meters, for which they receive a utility allowance towards their monthly rent.

**Sustainability Features**

RHF worked with the engineers at Group 14 to develop a sustainable and efficient energy program for Sand Creek Apartments. The project is expected to achieve a minimum of 36 points under the Enterprise Green Communities Guidelines by utilizing various green building techniques, including compact development, smart framing, high R-values, water conserving features, energy efficient appliances and lighting and compliance with Energy Star New Homes.

Landscaping will include mostly native xeriscaping. Native habitat and adaptive species will be emphasized. Site lighting will be energy efficient and designed to minimize light pollution. Though only schematic design has been completed at this point, RHF estimates that an Enterprise Green Communities compliant project is realistic and achievable.

**Financing**

The approximately $24.6 million dollar project will be funded with a combination of local, state and federal grants, as well as state and federal low income housing tax credits. This includes the following:

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<thead>
<tr>
<th>Source</th>
<th>Amount</th>
<th>Status</th>
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<tr>
<td>PAB First Mortgage</td>
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<td>Current Application</td>
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<tr>
<td></td>
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<td>LOI (Wells Fargo)</td>
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<tr>
<td>Owner Equity (Forest City)</td>
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<td>Angelus Trust Soft Loan</td>
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<td>Land Donation (Forest City)</td>
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<td>State Tax Credit Equity</td>
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<td>General Partner Equity</td>
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</tr>
<tr>
<td>Colorado Division of Housing</td>
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<td>Pending Application</td>
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<tr>
<td>Denver Office of Econ. Dev.</td>
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</tr>
<tr>
<td>Revolving Affordable Housing Loan Fund (RAHLF)</td>
<td>$400,000</td>
<td>Pending Application</td>
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</table>
Deferred Developer Fee
(RHF)  
$1,198,412  Committed  
TOTAL  $24,665,466  

RHF will commit $1.2 million of deferred developer fee to the project and a $1.0 million soft loan from its Angelus Trust Fund. The master developer, Forest City, will commit the land plus an additional $575,000 to ensure feasibility of this important project. RHF is highly confident that this project will perform better than the 7% vacancy used in the attached models.

**Project Timeline**
November 2015 – Design Team selected (ShopWorks Architecture, Group 14, Pinkard Construction)
December 2015 – Design Team Charrette and Conceptual Plans
December 1, 2015 – Submit Letter of Information to CHFA (Forest City)
December 29, 2015 -- Submit Letter of Intent to CHFA
January 4th – Meet with City of Denver to review Conceptual Design
January 4th – Meet with Colorado Division of Housing to review Conceptual plan
January 21st – Neighborhood Open House Public Meeting (Denver Post ad from 12/16/2015 attached)
January 21st – General Contractor conceptual pricing completed
January 29th – Finalize schematic drawings
February 1st – Submit Federal/State LIHTC Applications
January 2017 – Begin Construction
June 2018 – Complete Construction
December 2018 -- Complete Lease Up

**Bond Financing Structure**
It is anticipated that the bond financing structure will be a Freddie Mac tax-exempt loan through Wells Fargo Bank. Details are below:

- Total Bond Amount = $16,112,025
- Construction Period Bonds = $16,112,025
- Permanent Bonds = $8,373,705
- Bond Issuer = CHFA
- Lender and Sale Structure = Freddie Mac loan with Wells Fargo Bank
- 100% of the Bonds will be tax exempt
Identify which guiding principles in Section 2 of the QAP the project meets and why it meets them:

**To support rental housing project serving the lowest income tenants for the longest period of time.**

Sand Creek Apartments will provide affordable rental housing to households with incomes at 30% through 60% of Area Median Income (AMI) in Denver. The property will continue to serve households at these income levels through at least 2055 based on restrictive covenants that RHF will voluntarily put in place.

**To provide for distribution of housing credits across the state, including larger urban areas, smaller cities and towns, rural and tribal areas.**

Stapleton is a growing master planned redevelopment of the former Stapleton Airport. As this tremendously successful Community continues to establish its unique and diverse identity, any opportunity to integrate housing for those who are commonly underrepresented in the Stapleton Community deserves serious consideration. The new residents of Sand Creek Apartments will be given the opportunity to participate in that unique and diverse identity regardless of income class.

**To provide opportunities to a variety of qualified sponsors of affordable housing, both for-profit and nonprofit.**

Retirement Housing Foundation (RHF) is a nonprofit, 501(c)(3), based in Long Beach, CA. This year (2016) marks RHF’s 55 anniversary for developing, building, owning and managing affordable communities across the United States. Today, we have over 180 communities in 30 States housing nearly 20,000 residents comprised of seniors and families. RHF was founded in 1961 in Long Beach, CA by 2 Pastors of the United Church of Christ (UCC) and a lay person.

**To distribute housing credits to assist a diversity of populations in need of affordable housing, including families, senior citizens, homeless persons and persons in need of supportive housing.**

As supported by the market report, there is a steady demand for affordable housing by families earning between 30-60% of AMI. The significant regional amenities make the Stapleton Community exceptionally attractive to families looking for a place to raise children and attend some of newest schools in the Denver area. Moreover, RHF intends to build at least 5% of units catering to the mobility impaired and at least 2% of the units to visual and/or hearing impaired persons. Sand Creek Apartments will fully conform to all ADA and UFAS standards.
To provide opportunities for affordable housing within a half-mile walk distance of public transportation such as bus, rail and light rail:

The project is located less than a 1/4 mile from a Regional Transportation District (RTD) stop at 25th Street and Moline Street, two blocks south from the project or less than a 5 minute walk. This stop connects passengers to the entire Denver Metro RTD system. Also, the project is near the R-Line/Aurora I-225 light rail line, due to open in mid-2016, approximately 3/4 of a mile from the Peoria Station.

Market Conditions

As identified by the housing market study completed by Integra Realty Resources of Denver and using data from Colorado Division of Housing as well as Nielsen Company projections, the primary market area (PMA) for the project includes portions of the Cities of Denver, Aurora and Commerce City. A map showing the PMA is shown on page 23 in the market study report.

The market study suggests that the rental market in this area is in high demand with an overall existing capture rate in this PMA estimated at 10.9%. After including all planned/proposed projects, the capture rate is 18.1%. Both rates are on the low end of the reasonable range for capture rates. The average absorption rate for LIHTC properties in the PMA is 18 units/month. Although the market study suggests an absorption rate of 15 units/month for the subject project, we feel that the market study cannot properly account for the appeal of the regional amenities unique to Stapleton which is highly valued by families. Nevertheless, our Project Timeline assumes a lower absorption rate as suggested by the study, which study goes on to say that the project will be successful.

Typical vacancies were 0% to a high of 4.5% in this PMA, further reinforcing the need for affordable housing in this PMA and, specifically, in the Stapleton Community.

Readiness to Proceed

The proposed project meets and exceeds the readiness-to-proceed threshold with a variety of identified and committed sources of funding, including approximately $1.575 million in capital funding secured. The current zoning on the site, C-MU-20, allows for the development of the proposed project without the need for further discretionary or zoning approvals. The proposed development is "by right". RHF has met with and reviewed the conceptual design plans with the City of Denver and no objections were noted. The Phase 1 Environmental Study is complete which shows no further action is required for the proposed site. The funding sources, including the LIHTC equity investors, have expressed strong interest to participate in the project. RHF will
be able to meet all requirements and secure tax credit commitments and financing soon after receiving a LIHTC reservation. There are no other contingencies related to any of the funding sources. However, the Angelus Trust Fund’s offer of $1.0 million towards this project expires if a LIHTC reservation is not received before October 2016.

With appropriate zoning and funding and partnership commitments in place, and with interested equity partners and local community support, RHF believes the proposed project is well beyond where a typical tax credit project would be at this stage and will therefore be able to begin construction quickly.

RHF has met all requirements under Threshold #5 in section #7.A of the QAP:

- Evidence of current zoning status provided
- Phase 1 Environmental Study provided
- Schematic Drawings Completed
- Cost estimate from a third-party general contractor provided

Overall Financial Feasibility and Viability

The project has leveraged multiple sources to ensure economic success, thereby requiring only the minimum amount of state and federal credits needed for the financial feasibility of the project. The financial structure is based on obtaining layered financing sources, including the Angelus Trust and Forest City and bringing in Denver Housing Authority as an equity partner within the to-be formed Limited Partnership of the LIHTC structure. Although the average vacancy rates for affordable housing in the PMA are around 5% for all rental units (market and affordable), the financial models for Sand Creek Apartments show sustainable operations at the CHFA recommended 7% vacancy rate. However, RHF is highly confident that this project will achieve a much lower vacancy rate than the 7% as used in the models.

Experience and Track Record

The project will be developed by Retirement Housing Foundation (RHF) in partnership with the Denver Housing Authority. RHF has 55 years of experience developing, building, owning and managing affordable communities in the U.S. and beyond. RHF's management entity, Foundation Property Management, Inc. will manage the community after construction completion. RHF has acquired or developed over 180 communities in 30 States including Washington D.C., U.S. Virgin Islands and Puerto Rico. This represents over 18,000 units and nearly 20,000 residents who call a RHF community home. A comprehensive resume of key RHF employees is attached for convenience (please see Experience and Track Record.PDF).
**Design Team**
ShopWorks architecture is a Denver based architectural firm specializing in the design of attached residential housing and affordable housing. Shopworks Architecture was founded in 2012 by Chad Holtzinger and the primary focus of the firm is urban infill development with a particular interest in affordable housing, transit oriented and mixed use development and community-oriented projects. Chad has practiced architecture for 16 years and has been licensed in Colorado since 2001. His career has revolved primarily around affordable housing design and mixed used development in the City of Denver. His unique multi-disciplinary approach to design results in innovative high performing, enduring architecture.

Pinkard Construction is a Denver based general contractor who traces their local roots back 50 years in this marketplace. They have been involved in many local projects working for both private and public owners delivering the highest quality workmanship in a timely manner. RHF worked with Pinkard Construction on RHF’s HUD 202 property in Loveland Colorado several years ago (Harvest Pointe Community). Harvest Pointe has been very successful and currently has a wait list.

**Cost Reasonableness**

The total development costs for Sand Creek Apartments are $24,665,466, including land, soft costs and all development impact, financing and 3rd party fees. The construction cost estimate is $156,965/unit which includes all sitework, infrastructure tie-in, contingency, general conditions as well as overhead and profit to the general contractor. This meets the cost reasonableness test and is consistent with other projects being constructed by RHF.

**Proximity to Existing Tax Credit Developments**

The primary market area (PMA) has 20 existing LIHTC properties, plus three other projects that are nearing construction completion. Within a 5.5 mile radius of this proposed project, the market study identifies 7 projects that are most similar to Sand Creek Apartments. However, all of these projects are experiencing robust demand as evidenced by increasing rents and waitlists and little to no vacancies; all clear indications that the growing demand for affordable housing is quickly surpassing the rate at which we are able to deliver. We agree with the market study that this project will experience similar demand and vacancy rates as existing LIHTC projects in this PMA.
Site Suitability

Sand Creek Apartments is located in the eastern portion of the 4,700 acre Stapleton Master Plan, on the border with the City of Aurora, with convenient access to I-70, I-225, RTD bus stops and the future Rail Line. Stapleton offers a variety of shopping, dining and entertainment options as well as unparalleled regional amenities that other communities simply lack. The proposed project conforms with current zoning and is compatible with surrounding land uses as was the intent during the regional planning of Stapleton years ago.

Address any issues raised by the market analyst in the market study

The market study is in support of the project and identified many strengths and the need for affordable housing in the PMA. Most importantly, the report validated the need and support for affordable housing in the area. As such, this project is not the only recently proposed affordable housing project in Stapleton. However, we feel that our readiness to proceed, the formidable funding sources who have already committed or anticipate committing along with RHF’s significant experience and history in the affordable housing space, gives us a clear advantage to deliver a successful affordable housing project in the quickest time possible. SCA does not require any variances or discretionary approvals to proceed to building permits once the plan check process is complete by City of Denver. Furthermore, the Northfield @ Stapleton project will be fully leased and stabilized before SCA begins leasing operations and we do not foresee any lease-up competition among the two projects due to the different timing of the projects.

The report also identified the lack of an additional bathroom in the 2 bedroom units proposed for SCA. We note that the majority of the comparables identified by the report as having 2 bathroom units cannot compete with the abounding local and regional amenities that make Stapleton the most amenitized new development community in the area and possibly the nation. We feel that these area amenities and unparalleled quality of life offered by the Stapleton Community is a significant overriding factor, difficult to quantify, when comparing to other communities outside of the Stapleton area. Further, we noted that many of those projects offering a second bathroom lacked some of the other onsite amenities that SCA will be offering to their residents.

Although the capture rate for the 60% AMI is touching on higher than desirable levels, we feel that the unique quality of life offered by SCA and the Stapleton Community will be a significant draw compared to other options outside of the PMA. IE, we feel that the lifestyle offered to those who reside in Stapleton will be attractive enough to draw from a regional pool of candidates since no other regional community can offer the quality of life in such a well-
planned setting to such a wide spectrum of people. In addition, we feel that the close proximity to the local RTD stop (0.2 miles) that can connect riders to all of Denver Metro significantly improves the affinity towards this specific project location. The R line will also be located approximately .75 miles from the site upon its completion by 2017.

**Address any issues raised in the environmental report**

The Environmental Report completed by SCS Engineers revealed no evidence of recognized environmental conditions in connection with the property. Since the redevelopment of the Stapleton Airport began, there have been significant clean-up efforts undertaken to ensure that all environmental issues are mitigated.

**Community Outreach**

RHF posted an ad in the Denver Post inviting local residents to attend an informational hearing on January 21, 2016 regarding the Sand Creek Apartments. Although the turnout was not as robust as we would prefer, the attendees were all in favor of the project and mostly inquired as to when they can submit their application to live in a newly built RHF Community. RHF intends to conduct at least one more local community meeting as well as meet with the local Stapleton Review Committee to discuss the attributes of this project and how SAND CREEK APARTMENTS weaves well into the existing fabric of the Stapleton Community. RHF has garnered support from the City of Denver and the Denver Housing Authority who will have a partial equity ownership in the project.
Project Name: Southmoor Apartment Community

Project Address: Northeast corner of Southmoor Drive and Fontaine Boulevard

Project Description:

The Southmoor Apartment Community’s very small ask of State tax credits—a total annual ask of $375,000 or $1,563 per unit—is the necessary gap filler allowing this 240-unit project to move forward and increasing the affordability to include 50% AMI units.

The Southmoor Apartment Community is planned as a 240-unit affordable workforce housing development in Fountain, Colorado, about 20 minutes south of central Colorado Springs, near the I-25 and Highway 85 corridors, the main thoroughfares of the area. The project overlooks Fountain Creek with views of Pikes Peak to the west. The project is close to local retail including a Super Wal-Mart with surrounding variety of restaurants and small commercial shops.

Fountain was built in 1859 as a railroad shipping center for local ranches and farms. The town was named for Fountain Creek and was incorporated in 1903. The community is proud of its heritage and has legendary stories such as “The Blast”, a notorious 1888 train wreck with eighteen tons of explosives that was caused by a pair of unruly vagrants and created a loud explosion that could be heard from miles away. Today the community boasts the charming aspects of country living with the urban amenities of great restaurants and stores.

The City of Fountain’s Comprehensive Development Plan specifically sites “Principle 4” to “promote quality housing and a variety of residential units – both in terms of price and type of unit – allowing households with different incomes and needs to live in Fountain,” and specifically recommends “the construction of affordable housing” and to “encourage the establishment of ‘work force housing,’ or housing that is geared specifically to people working in the City of Fountain” (p. 24). Southmoor Apartment Community is specifically developed to meet this need with a mind toward workforce housing, and although about 11.2% of the population over the age of 16 years are part of the Armed Services, Armed Forces personnel do not dominate the housing market surrounding the Southmoor Apartment Community.

The need for housing is also demonstrated through the history of housing developed in and around the Southmoor Apartment Community market area. Specifically, Von Stroh has conducted Vacancy and Rental Surveys in the Colorado Springs area for over 30 years, and the
Department of Local Affairs has recently assumed and continued this activity. These efforts track a number of submarkets including a Fountain, Widefield, Security submarket, which shows that this area has been largely underserved with only 700 reporting units in comparison to 8,000 and 5,000 reporting units in the Far Northeast and Southeast submarkets, respectively. In fact, within a 0-2 mile radius of the Southmoor Apartment Community site, there has been very little residential development due to the lack of land and that most of the land is zoned commercial. Hence the Southmoor Apartment Community project brings new building stock to the community and especially to provide workforce housing in a strong location easily accessible and near a number of retail amenities, as seen in the graphics below.
The Southmoor Apartment Community project is planned as twelve walkup, 3-story buildings each of 20-units. The ground floors will be 10 garages and four units, with the upper floors 8-units each. There will be 120 garages attached to the buildings and an additional 385 parking spaces. The unit type and rental mix are:

<table>
<thead>
<tr>
<th>BR/BA</th>
<th>50% AMI - Units</th>
<th>Sq. Ft.</th>
<th>60% AMI - Units</th>
<th>Sq. Ft.</th>
<th>Total Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>1BR/1BA</td>
<td>6</td>
<td>600</td>
<td>78</td>
<td>600</td>
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<td>6</td>
<td>1,100</td>
<td>66</td>
<td>1,100</td>
<td>72</td>
</tr>
<tr>
<td>Totals</td>
<td>19</td>
<td>221</td>
<td>221</td>
<td>240</td>
<td></td>
</tr>
</tbody>
</table>

The Project responds to a very significant need for workforce housing in the South El Paso County area. The Fountain Valley Housing authority strongly endorses the project as a step toward helping families in the community find decent rental housing at affordable prices. The Fountain City Council voted to include the site in the City’s TIF district, US85 Urban Renewal Authority Plan for Fountain. This will be only the second multifamily development in the Fountain community in 15 years and the first Low Income Housing Tax Credit (LIHTC) development in the community since 2004.
The development team is composed of Tom Cone of the Olive Real Estate Group of Colorado Springs, Lee Edward Wolf of Colorado Springs and Mike Thibault of Fountain, Colorado.

Tom Cone was an early leader in re-igniting quality development in the Pikes Peak region after the recession and financial crisis. Mr. Cone is actively involved in the Colorado Springs community with organizations such as the YMCA, Ronald McDonald House, National Sports Center for the Disabled and Junior Achievement. Mr. Cone currently sits on the board of Sunny Vista Living Center.

Lee Edward Wolf, an individual with 40 year’s experience in all types of multi-family housing has been a resident of Colorado Springs since 1980. Mr. Wolf is active in many cultural, religious and social activities. His most recent effort has been serving as Board Chair of a local non-profit called The Friends of Cheyenne Cañon.

Mike Thibault, a native of Fountain, Colorado, founded and heads T-Bone Construction, a nearly 30-year-old firm that operates in the Mountain West. Mr. Thibault is very active in government, social and cultural affairs in Fountain.

The property manager will be nationally recognized Greystar, the nation’s largest apartment manager and Manager of two LIHTC family communities in Colorado Springs.

Way Architects, P.C. of Colorado Springs are designing and overseeing the engineering for the Project. Way Architects has designed and developed thousands of apartments including nearly 1,000 LIHTC communities.

**Project Strengths:**

- The project demonstrates a viable use of the State housing credit to increase affordability; on a 4% Federal only LIHTC basis with all 60% units, the project has a sizeable gap. **Using only $375,000 of annual State LIHTC, the project is viable and 19 units can be restricted to 50% rents.**

- Diverse range of unit types, 1, 2 and 3-bedrooms with some two-bedrooms with one bath and some with two baths to support the diverse variety of essential worker and related family needs in the community.

- The Project is located on a bluff overlooking Fountain Creek with panoramic mountain views; freeway and major arterial access is within several blocks. A major regional park is less than a mile away. Retail shopping, elementary school and public library are all also within a mile distance from the site.

- All units will have full kitchen appliance package with full-size washers and dryers, linen closets, walk-in closets, deck/patio areas, exterior storage closets and dead-bolt locks. A
4,000 sq. ft. clubhouse with WiFi, a gourmet kitchen, resident clubroom, fitness center, management office, pool/spa and generously landscaped deck areas.

Project strengths outlined in the market study include:

- Its location in a Qualified Census Tract (QCT);

- Strong demand for affordable units in the PMA with low overall vacancy. This demand is further demonstrated by the recent successful lease up of two LIHTC properties in the Primary Market Area;

- A diverse and appropriate unit and AMI mix in multiple buildings that will be well integrated into the surrounding uses and neighborhood fabric;

- Energy sustainability features will decrease resident utility costs.

**Project Weaknesses/Challenges:**

The market study indicates that any drawbacks of the existing development plans should not be considered significant deterrents to the project’s success. Potential weaknesses, which the development team has identified and have addressed in the development plan, include:

- The site is approximately two blocks west of Widefield Blvd. (U.S. Hwy 85/87) the primary arterial in South El Paso County as it passes through Fountain. While not readily visible from the Hwy 85/87, the project will be visible from I-25, which passes approximately one mile further west of the site. The developers have planned both effective signage and adjusted the design to make the property more appealing and park-like.

- The market study indicated, “The two LIHTC properties in closest proximity to the subject property (Fountain Ridge South and Fountain Ridge) are currently not able to attain rents near the maximum levels under both the 50% and 60% of AMI programs.” Fountain Ridge was developed in 1999 and Fountain Ridge South in 2004, so both are more than ten years old. The developers have included a sizeable marketing budget and lease-up reserve to ensure that it will successfully meet its lease up with the currently projected rents, which are slightly less than the max.

**Construction Detail:**

The site is an elongated rectangle of approximately 12.1-acres extending generally northwesterly to southeasterly parallel to but not on US 85/87. The site’s eastern boundary is the back of commercial businesses on the highway and the western boundary is a quiet residential street with single-family residences and open space. The site’s substantial size will
allow for twelve, non-massive apartment buildings of three floors with 10 garages and four units on the ground floor, and eight units each on the second and third floors laid out with pedestrian paths connecting to community amenities and adjacent roadways, landscaped community greenways with inviting seating, BBQ/picnic facilities and playgrounds.

Construction will be engineered post-tension slab on grade with upper floors pre-engineered wood trusses with plywood underlayment and gypcrete floor topping. Framing will be standard wood with insulation at exterior and party walls. Pitched, pre-engineered roof joists with plywood sheathing and class A dimensional composite shingles. All buildings will have gutters and downspouts. Exteriors will be fiber-cement siding with cultured stone accents with both fixed and operable vinyl frame windows. Interiors will be carpeted in the bedroom, living and dining areas, with entries, kitchens and baths using vinyl flooring. The kitchens feature a full complement of appliances including electric range, refrigerator, dishwasher, disposal, and microwave oven with range hood. Laminate counter top and shaker-style cabinetry will be provided in kitchens and baths. All units will have self-contained heating and cooling systems with temperature control. All electric services will be underground. All parking areas and drives will have concrete curbs with asphalt paving. Walks and paths will be constructed of concrete. All ground-floor units will be handicap adaptable (Type B) and five units will be constructed as handicap accessible (Type A).

**Population Served:**

This project is intended to target workforce households and families. Its AMI and unit sizes (from one-bedrooms to three-bedroom units with multiple bath configurations) are intended to provide housing options for a wide variety of households. In particular, the developers anticipate that the project will be especially attractive to adults working in surrounding retail, school and commercial businesses.

As mentioned above, there is a stated need for workforce housing and affordable housing in the City of Fountain Comprehensive Development Plan. Also located in a TIF district, this area is a priority for development in the community.

**Bedroom Mix:**

<table>
<thead>
<tr>
<th>BR/BA</th>
<th>50% AMI - Units</th>
<th>Rents</th>
<th>60% AMI - Units</th>
<th>Rents</th>
<th>Total Units</th>
</tr>
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<tbody>
<tr>
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<td>$616</td>
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<td>66</td>
<td>$1,042</td>
<td>72</td>
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<tr>
<td>Totals</td>
<td>19 (8% of Project)</td>
<td>221 (92% of Project)</td>
<td>221 (92% of Project)</td>
<td>240</td>
<td></td>
</tr>
</tbody>
</table>
Location:

The Project location is at the northeast corner of Southmoor Drive and Fountaine Boulevard in Fountain, CO. The City is strongly supportive of the project and has also applied for Community Development Block Grant (CDBG) funding to extend Fountaine Boulevard to link it to Southmoor Drive.
As seen in the above graphic, the Fontaine Boulevard road extension runs adjacent to the proposed housing project and creates better accessibility and provides substantial public health, safety and welfare benefits for all Southmoor Drive area neighborhoods including commercial, industrial, retail proprieties. The application will be reviewed in February 2016 by the City of Fountain and again by the Board of County Commissioners in April/May 2016 and includes a City of Fountain in-kind/cash match estimated at $79,500 (35.33% of the extension project).

Zoning is PUB (Multi-family). Project density is 19.8 units per acres. The Southmoor Apartment Community project is situated on a bluff overlooking Fountain Creek between US Hwy 85/87 and I-25 with prompt access to each. The neighborhood is an ideal location for this type of development:

- Its location in a QCT and an urban renewal area demonstrates strong commitment to targeted reinvestment by Federal and local government. The census tract has a poverty rate of 35.1%.
- The Fountain community has only one multi-family development in the past 15-years and this will be the first LIHTC development in the community since 2004.
- Shopping (Super Wal-Mart and variety of smaller retailers and restaurants) is within several blocks of the site. An Elementary school and public library are within a mile of the site, with middle and high schools served by district buses on nearby Hwy 85/87. A large regional park is located less than half mile south of the site.

**Amenities:**

- Project amenities include pedestrian paths connecting to community amenities and adjacent roadways, landscaped community greenways with inviting seating, BBQ/picnic facilities and playgrounds. A 4,000 sq. ft. clubhouse with WiFi, a gourmet kitchen,
resident clubroom, fitness center, management office, pool/spa and generously landscaped deck areas.

- Unit amenities will have full kitchen appliance package, a walk-in laundry room with full-size washers and dryers, kitchen pantry, linen closets, walk-in closets, deck/patio area, exterior storage closets and dead-bolt locks. 120 garages will be provided within the apartment buildings and additional 385 surface parking spaces will be located throughout the site.

**Services:**

Property management personnel will have referral information to the Housing Authority of the City of Fountain, home healthcare, Pikes Peak Community College offerings, and other resources for the Project’s residents.

**Description of Energy Efficiencies:**

The developers’ integrated design approach to sustainability focuses on the site as a whole as well as at the building and individual apartment scales to maximize overall energy efficiency. Sustainability features are chosen based upon cost-effectiveness, payback for residents and Project owners, and enhancing quality of life.

Additionally, the site’s very close to bus service and biking infrastructure that further minimizes resident’s energy and transportation costs since residents will have the option to access jobs, entertainment, and community amenities without relying on the automobile.

**Financing and Local, State, and Federal Subsidies**

The following financing sources will be used:

- 4% LIHTC and State LIHTC equity (Only $375,000 annual State credit request)
- Private Activity Bond financing
- Deferred Developer Fee

Note that while the market for State tax credits is around $.60, this project has a unique circumstance. In structuring a Federal and State deal, typically 1% of the Federal credits are purchased by the State tax credit investor. In this deal there is a small amount of State credits and a large amount of Federal credits and, in addition, there is high pricing on the Federal credits. Buying so many Federal credits compared to State credits lowers the yield for the State credit investor. Therefore, the State credit pricing on this project is necessarily lower than the average in the market.

**In addition, the narrative should address the following:**
Describe the bond financing structure and include the following:

a. Total amount of bonds with a breakout of construction period bonds vs. permanent bonds.
   - Total bonds: $33,786,000
   - Construction Period Bonds: $11,136,000
   - Permanent Bonds: $22,650,000

b. Bond issuer (please specify whether you are seeking a CHFA bond-financed loan, a CHFA conduit bond issue only, or bonds from another municipal source).
   - Bonds will be issued through El Paso County, Colorado as a conduit issuer.

c. Lender and bond sale structure (public sale, private placement, short-term bonds to be taken out by a FHA-insured GNMA securitized loan, etc.)
   - Anticipated to be private placement (Chase construction taken out by Freddie Mac direct placement permanent).

d. Portion of bonds that will be tax-exempt (i.e., will the bonds have a “taxable tail”).
   - The bonds will be 100% tax exempt

Identify which guiding principles in Section 2 of the Qualified Allocation Plan (QAP) the project meets and why it meets them.

a. To support rental housing projects serving the lowest income tenants for the longest period of time

This property will have 8% of the units at 50% AMI or below, and the remaining 92% of the units at 60% of AMI or below. Without the State LIHTC the project could not afford 50% AMI units.

b. To support projects in a QCT, the development of which contributes to a concerted community revitalization plan

The project is in a QCT and as well as the Fountain Urban Renewal Development Area. The Project’s census tract is designated as a QCT with a poverty rate of
35.1% and an area median income of 51.6%. The Fountain City Council has included the site in the City’s Urban Renewal District.

c. **To provide for distribution of housing credits across the state, including larger urban areas, smaller cities and towns, rural, and tribal areas**

This development is in a community (Fountain) that has seen only one new multi-family (market rate) apartment construction project in the past 15-years. In 2004, a family 4% LIHTC allocation was awarded. The area is in desperate need of affordable housing for essential working individuals and families.

d. **To provide opportunities to a variety of qualified sponsors of affordable housing, both for-profit and nonprofit**

The project sponsor is a highly experienced real estate development group long committed to the Pikes Peak region.

e. **To distribute housing credits to assist a diversity of populations in need of affordable housing, including families, senior citizens, homeless persons, and persons in need of supportive housing**

This property will focus on families and workforce households.

f. **To provide opportunities for affordable housing within a half-mile walk distance of public transportation such as bus, rail, and light rail**

This development is on a high-frequency bus corridor (Widefield Blvd., US Hwy 85/87) with a stop located with in two blocks the property.

g. **To support new construction of affordable rental housing projects as well as acquisition and/or rehabilitation of existing affordable housing projects, particularly those with an urgent and/or critical need for rehabilitation or at risk of converting to market rate housing**

This project meets this QAP guiding principle: it adds 240 new units through new construction.

h. **To reserve only the amount of credit that CHFA determines to be necessary for the financial feasibility of a project and its viability as a qualified low income housing project throughout the credit period**

This development, notwithstanding its location in a QCT, does not work as a stand alone 4% Federal LIHTC project. By using a small ($375,000 annual credit)
allocation of State LIHTC, the project is not only economically feasible but also can provide a portion of its units at 50% AMI rents.

**Identify which housing priority in Section 2 of the QAP the project qualifies for (please select only one):**

This property does not meet any of the four priorities outlined for federal credits. However, it does meet the additional eligibility requirements and priorities for State credits. It is a 4% LIHTC project that includes new construction and the application is being submitted prior to February 1, 2016. In addition, the project brings tax credits to an area that has not received tax credits since 2004, and which has a high demand and a stated priority for affordable housing.

**Describe how the project meets the criteria for approval in Section 2 of the QAP:**

i. **Market conditions:**

The overall capture rate of 22.3% for the subject property is being impacted upwards by the inclusion of Copper Creek Apartments, which has 216 units at the 60% of AMI level. This property is located at the far northern edge of the primary market area, which lessens the true impact of this comparable to the subject.

j. **Readiness-to-proceed:**

- The land is in control through a purchase option.
- The bond cap is in hand.
- The site is zoned for multifamily use, only the building permit process needs be completed.
- The architects can complete the construction drawings in 60 to 90-days while the credits are placed and the financing due diligence are completed.
- Closing can occur as early as end of October 2016.

k. **Overall financial feasibility and viability:**

- The project will take advantage of 4% LIHTC allocation to complete the project. The amount of annual federal tax credits requested at $6,263 per unit is low compared to other front range Colorado affordable housing.
• The amount of State LIHTC $1,563 per unit is minimized to be as low as possible while providing a lower AMI mix.

• Development cost per unit is $172,000 per unit which is significantly lower than most front-range Colorado affordable housing projects, helping to contribute to a low credit-per-unit ratio.

• All sources of funding are either available in the form of debt and equity providers. The development group is financially strong to provide the necessary guarantees.

• No waivers for CHFA underwriting criteria are being requested. All CHFA required ratios and tests are met.

I. Experience and track record of the development and management team:

The Olive Real Estate group is very experienced. Tom Cone the project leader has more than 35-years real estate development experience include recently completed 260-unit multifamily project apartment complex as part of the Park West Business Campus in Pueblo, CO. In addition Mr. Cone has developed the University Village Colorado Shopping Center, Park West Business Campus and the Union Medical Campus.

Lee Edward Wolf, another developer, has 40 years of apartment experience as:
- Owner of thousands of apartments over 40 years
- Developer of 1400 new apartments units, with 280 being LIHTC units
- Head of a Property Management firm with 1200 units
- Market Feasibility Analyst and Product Profiler for over 15,000 new apartment Units with 1650 units being LIHTC units

Mike Thibault, founder and President of T-Bone Construction is also a development Partner. Mr. Thibault’s construction company has been around for 30 years. His firm is a full service, turn-key architecture, construction and design firm. It works throughout the mountain west. Mr. Thibault is a native of Fountain, CO and active in many local affairs. Mr. Thibault has owned the land parcel to be utilized for many years and will be placing the parcel in the transaction.

These gentlemen have assembled a strong team of LIHTC experienced including tax credit consultant, CHFA qualified market study provider, affordable housing lender (Walker & Dunlop using a Chase Bank and Freddie Mac perm structure), architect and property manager.

m. Cost reasonableness:
The project cost is very reasonable with an all-in cost of $172,214 per unit. This low cost is due to the area’s construction market, an experienced multifamily developer, and the efficiencies of a large project.

n. **Proximity to existing tax credit developments:**

The subject property is the only LIHTC development proposed for the subject area, with no LIHTC properties currently under construction.

o. **Site suitability:**

- The slightly blighted nature and high-visibility location of this site offer a unique economic development and affordable housing creation opportunity.

- The site is located in close proximity to shopping, education, employment, recreation, youth activities, and transit, making this site ideal for workforce and family housing.

- The density and style of development is appropriate for its location on an urban commercial corridor. The design is also oriented toward creating a pleasant living environment for residents.

**Provide the following information as applicable:**

p. **Justification for waiver of any underwriting criteria (minimum operating reserve, minimum PUPA or high PUPA, first year debt coverage ratio below 1.15 or above 1.30, minimum replacement reserve, vacancy rate below CHFA’s minimum):**

   No waivers are being requested.

q. **Justification of the financial need for CHFA’s DDA credit up to 130 percent of qualified basis:**

   This project will receive a basis boost because of its location in a QCT.

**Address any issues raised by the market analyst in the market study submitted with your application:**

The market study indicated, “The two LIHTC properties in closest proximity to the subject property (Fountain Ridge South and Fountain Ridge) are current not able to attain rents near the maximum levels under both the 50% and 60% of AMI programs.”
Fountain Ridge was developed in 1999 and Fountain Ridge South in 2004, so both are more than ten years old. The developers have included a sizeable marketing budget and lease-up reserve to ensure that it will successfully meet its lease up with the currently projected rents, which are slightly less than the max.

Address any issues raised in the environmental report(s) submitted with your application and describe how these will be or have been mitigated:

There were no issues raised in the Phase I.

In your own words describe the outreach that you have conducted within the proposed community and demonstrate local support for the project (including financial support):

The developers have been working in the Fountain area for 15 years. The Southmoor Apartment Community project responds to the requests of the former and current Fountain Economic Directors and the current Fountain Valley Housing Director by providing affordable housing.

The developers presented their project in front of the Fountain Urban Renewal Board, which subsequently agreed unanimously to include the project in the district.

The developers have also met with Kimberly Bailey and Dave Smesrud with the City of Fountain and Kathy Roby with the Fountain Housing Authority, all of whom are strongly supportive of the project.

One of the developer partners, Lee Wolf, also helped create the only new market rate housing community in Fountain in the past 15-20 years, Mesa Ridge Apartments, which experienced the fastest lease up in 40 years, leasing over 60 unites per month. Hence the developers know the community well and are responding to the demand they see in the market area as well as the requests of the local government.

The local community has also supported the project financially. As mentioned above, the Urban Renewal Authority voted to include the project in the TIF district. The City is applying for CDBG funding to extend the road, which will serve the development. El Paso County has reserved bond cap and will be the bond issuer. The project is negotiating property tax exemption and will have such either through the Urban Renewal District or participation by the Fountain Housing Authority or the El Paso County Housing Authority as a special limited partner in the tax credit partnership.

For acquisition/rehab or rehab projects: N/A
Project Name: SPARK_west

Project Address: 3155 Bluff Street, Boulder, CO 80301

Project History and Description:

SPARK_west is Element Properties’ 45-unit permanently affordable multifamily project in Boulder, Colorado. It is being developed in conjunction with Sutherland Park (SPARK), an 11-acre mixed-use, mixed-income, and transit-oriented community in central Boulder. The planned SPARK_west neighborhood will offer housing for workforce residents and families in a location that enables a walkable and connected lifestyle. The project is located within Boulder Junction, a 160-acre mixed-use area plan to be developed by private property owners, the City of Boulder, and the Regional Transportation District (RTD). The Boulder Junction area plan prioritizes accessibility, pedestrians, and the integration of residential and commercial uses. This emerging neighborhood will also have many amenities for future residents, including excellent bicycle access and bus rapid transit service (BRT) to and from Denver and the rest of the US-36 corridor accessed from RTD’s recently completed bus station located just south of this property. In the future, the property will be within a block’s distance of RTD’s proposed Northwest light rail stop. In addition to the great transit connectivity, SPARK will be Boulder’s first eco-district with a high LEED-ND certification that has been designed as resilient housing for the flood impacted residents that the project has been planned to serve.

SPARK_west’s history represents Element’s commitment to providing permanently affordable housing within Boulder’s newest neighborhood. This quest began in 2012 when Element first began pursuing an affordable housing development in Boulder Junction and the first iteration of this project was an applicant for both rounds of competitive 9% LIHTCs in 2013.

Element’s activity in Boulder Junction expanded in 2013 when the development team was approached by the largest property owner in the neighborhood about a joint venture to prepare a plan for the former Sutherland Lumberyard property and future home of Boulder’s connection to RTD’s Northwest Passenger Rail Line. Not long after Element began working on the expanded project, the development team had the opportunity to present the affordable housing project to CHFA’s staff and board on the afternoon September 11, 2013. After concluding that presentation the Element team returned to Boulder in a treacherous rainfall. Later that evening flash flood warnings were issued for Boulder, flood sirens were activated and evacuations began for the many Boulder residents living in the storm’s path.
It was the beginning stages of what is now considered a 1,000-year rain event and a 100-year flood that hit Boulder County the worst with an additional 9 inches of rain on September 12, 2013.

In the following weeks the development team learned that the second 9% application for the project, then named Tandem, was unsuccessful in the competitive tax credit process. The lack of an award forced the development team to look for alternative strategies. The City of Boulder’s Housing Division asked Element to consider continuing the project with their financial support on the acquisition of an adjacent parcel of land. Element agreed and in June 2014 closed on the acquisition of 3155 Bluff Street that is combined with a portion of 3085 Bluff Street for the SPARK_west development.

When CDBG-Disaster Recovery funds were announced later in 2014 to replace some of the housing lost in the storm, SPARK_west became an early applicant. The Boulder County collaborative assembled to review the competing priorities for these funds and subsequently placed the SPARK_west project on the top of their list of projects that the various stakeholders from the County felt was best able to provide flood recovery housing. The project was successful in receiving an award of disaster assistance funds to be loaned into the tax credit partnership, which was a successful financing milestone for the project. When the project initially applied as a non-competitive 4% LIHTC project it did so without the request for Colorado State Tax credits that were recently approved by the legislature in part for their ability to rebuild those areas that lost housing in the 2013 floods.

While going through the CDBG-DR process and after having applied for 4% tax credit financing the development team learned from Boulder’s planning staff that they would require SPARK_west to go through the site review and approval process in the same application as the remainder of the SPARK project. The Planning Board and City Council wanted to review a cohesive project for this area of Boulder in which City was so heavily invested. This requirement disproportionately damaged SPARK_west, because this affordable portion of the project had already begun the approval process with two successful concept review hearings and much encouragement from Boulder’s Planning Board. This requirement caused delays for SPARK_west, but Element desired to be responsive to the City of Boulder’s request, as the City had already contributed $2,400,000 into the project making them the largest investor at the time.

The world is now much different from when Element began its affordable housing pursuit at the property in 2012. Construction costs throughout the region have grown dramatically in recent years while Colorado has recovered from the Great Recession at a rapid pace. Unemployment in the state is less than half of what it was when the project began three years earlier, and Colorado has seen a rapid increase in construction demand during that time. A shortage of labor and increases in building commodities have resulted in some of the highest costs to build that the Front Range has ever experienced. SPARK_west has attempted to mitigate these increasing costs but has not been able to fully avoid the rising costs that have impacted the entire region.

Today the project is finally ready to proceed on its own path. The City of Boulder has fully approved the project, which remains an excellent candidate to provide replacement housing for the region and for those impacted by the 2013 floods. The project approvals came in rare unanimous decisions by the
Boulder Planning Board in September 2015 and by Boulder’s City Council in October 2015. SPARK_west is a one-of-a-kind opportunity to bring together multiple components of affordable living including reduced-rent housing for families, low-energy homes, public transit, walkability, and employment opportunities. These characteristics contribute to the unique community benefit that makes SPARK_west deserving of State Tax Credits to supplement 4% LIHTCs, the project’s CDBG-DR loan, and the City’s investment. An award will secure the land as permanently affordable for the many future generations of Boulder residents who will have nearby access to the current and planned public transit options available in this location.

The history of SPARK_west is more complex than many that the selection committee will see in this round, but the financing is critical to a project with tremendous local support that has helped it overcome many hurdles to get to this point. Now, there is a clear path to groundbreaking in the summer of 2016. Along the way SPARK_west has become a better project and is now ready to provide the outcome desired by the financing it hopes to utilize.

**Construction:**

SPARK_west consists of a mix of townhomes and multifamily flats. The community facilities include a central community center, common outdoor spaces, and recreational amenities. The project is pursuing Enterprise Green Communities certification and will be constructed in accordance with Boulder’s Green Point and SmartRegs programs for energy efficiency in new construction. Particular attention will be given to tight building envelopes and the durability of the homes, as well as to other green building techniques including passive solar design. These features are in addition to the LEED-ND certification that the entire Sutherland Park neighborhood will receive. The residential buildings will be two- and three-story stick frame construction containing a mix of durable and low maintenance cladding. Due to the soil condition on the property, foundations will consist of a drilled pier/grade beam with a floating slab-on-grade over reconditioned fill.

**Population and Bedroom Mix:**

SPARK_west will include 8 two-bedroom and 16 three-bedroom flats as well as 18 two-bedroom and 3 three-bedroom townhomes. Thirty-six units will be restricted to 50% of Area Median Income (AMI) while nine will be restricted at 60% AMI.

The project will be leased to Boulder’s lower-income residents in compliance with the project’s income restrictions. The mix of resident types was thoughtfully deliberated between project stakeholders who determined that this unit and population mix was optimal and consistent with the intent of Boulder’s Transit Village Area Plan; that is, to provide housing at this site for Boulder’s workforce and lower income families.
Location:

The ability to provide affordable living to all SPARK residents is largely due to the project’s tax credit financing but also very much because of its desirable and transit oriented location. Tenants at SPARK_west will benefit greatly from the project’s location near the recently completed Bus Rapid Transit facility that opened in Boulder Junction in 2015 that provides bus service throughout the city, expedited service to Denver’s Union Station and the remainder of the region. Residents will also enjoy the project’s close proximity to the Goose Creek Greenway and bike path, helping the site achieve a Bike Score of 99. This trail corridor connects the property to Pearl Street, North Boulder, and East Boulder, as well as the 28th Street commercial corridor, the Twenty-Ninth Street Mall, and the public transportation center at Boulder Junction. In addition, all residents will receive a complementary, all-inclusive RTD EcoPass, which will allow them to ride all of RTD’s buses and light rail services free of charge.

Although RTD’s Northwest Rail line is not yet funded past Westminster, we believe this project meets the spirit of the CHFA’s definition of “Transit-Oriented Development,” especially with the implementation of Bus Rapid Transit service that became operational last year. Inclusion of an EcoPass for all residents ensures that these nearby transit options are truly affordable.

The project is located in a Severely Distressed Qualified Census Tract (QCT) adding vital development to this low-income neighborhood. The new residences’ central Boulder location is close to local employment opportunities with businesses located along both the 28th Street and Foothills Parkway corridors. The continued development of Boulder Junction over the next ten years will add many additional jobs to SPARK_west’s immediate surroundings through the planned development of retail, restaurant, and hotel uses that will arrive as Boulder’s Transit Village Area Plan comes to fruition. In the past year this build-out has been expanded to include a new Google campus on 30th and Pearl, which is now under construction and will soon provide many direct and indirect employment opportunities in the area.

The site is within easy walking distance to a major shopping and entertainment destination as well as grocery stores, retail and service outlets, medical and childcare facilities, and restaurants. Among the large retailers within walking distance are a Target, a Walgreens, and a Wal-Mart grocery market. The property is within two miles of two neighborhood elementary schools and two middle schools as well as Boulder High School, which will benefit the targeted family demographic.

Project Amenities:

SPARK_west will provide numerous resident amenities, of which many will contribute to the planned affordable and healthy living. The project will include interior and exterior community space for recreation and family programs facilitated by a non-profit partner who will occupy the community space. Also included in the community center will be a business center with shared computers, a library, common laundry facility and a kitchen for community events.

Units will include a dishwasher, refrigerator, stove/oven, built-in microwave oven, garbage disposal, and hook-ups for full-size washer and dryer units. Balconies or patios will be included to ensure that every unit has the ability to take full advantage of the incredible mountain views including those of Boulder’s Flatirons. Wireless internet will be available in each unit and included as part of rent, saving residents money throughout the year.
The residents at SPARK_west will also benefit from the nearby commercial amenities and the new public transportation center in Boulder Junction that was completed in 2015. As an added amenity, all residents will receive an EcoPass to allow for travel on all RTD bus and light rail services free of charge.

**Services:**

No service commitments have been made at this time. However, we are evaluating non-profit organizations to occupy the community center through a no-cost lease. The ideal social services partner will provide after-school programming and family activities as well.

**Energy Efficiencies:**

SPARK_west will be built to extremely sustainable standards that go beyond Boulder’s already stringent building code and allow for certification under the Enterprise Green Communities, ENERGY STAR for New Homes and LEED-ND programs. Located on a previously developed site, this infill project will not infringe on critical habitat or public parkland.

SPARK_west’s development team is working closely with C² Sustainability to maximize the opportunities for meeting sustainability metrics at cost effective levels. C² will also help to create and achieve an economically viable project focused on the mission of providing affordable living opportunities. Element has concentrated on a number of key areas, outlined in more detail in the Green Communities portion of this application, but include such highlights as:

- Well insulated building envelopes
- Certifying under ENERGY STAR New Homes Version 3 while using ENERGY STAR fixtures, roofing materials, and accessories where possible
- Installing individual sub-meters for each dwelling unit
- Providing water-conserving sink and tub fixtures throughout the dwelling units
- Creating a sophisticated plan to provide fresh air, comprehensive ventilation systems, mold prevention, vapor barriers, radon mitigation, and water drainage
- Managing construction waste by recycling wood, metal, cardboard, and household recyclables using the City of Boulder’s 50% minimum requirement
- Landscape with a minimum of 50% native or adaptive species
- The inclusion of photovoltaics to keep energy costs low for the residents

The project is fortunate to be located in an area that by itself meets many of the items that contribute to a green certification. As mentioned above, SPARK_west will provide superior walkability with access to the Goose Creek Greenway multiuse path, Boulder’s expansive trail system, and Boulder Junction’s Bus Rapid Transit facility. Through the receipt of complementary RTD EcoPASSES, the residents will have many opportunities to access shopping, recreation, and services surrounding the development via public transit, by foot, or by bike.

**Financing:**

The LIHTC financing allows this project to target 50% and 60% AMI workforce residents and families.
Both Federal and State Tax Credits serve as critical sources of financing for the project. Another major component of the project’s capital stack will be Community Development Block Grant-Disaster Recovery (CDBG-DR) funds that will allow SPARK_west to provide replacement housing for the homes lost during the flood events that affected Boulder County in 2013. The project is being further financed with support from the City of Boulder, and Element Properties is deferring a portion of the developer fee. The project’s debt financing will utilize a risk-share loan provided by CHFA to ensure that the additional debt proceeds will flow to the partnership, minimizing the project’s reliance on State LIHTCs. Also advantageous to the project is the extremely competitive federal tax credit pricing of $1.13 and state tax credit pricing of $0.60 that SPARK_west has been offered from our tax credit syndicator, Enterprise Community Investment.

In addition, the narrative should address the following:

1. Describe the bond financing structure and include the following:
   
   a. Total amount of bonds with a breakout of construction period bonds vs. permanent bonds.
      
      The total amount of bonds to be issued for construction and permanent debt is $8,860,000. Construction financing will be paid down to a permanent debt amount of $5,725,000.
   
   b. Bond issuer (please specify whether you are seeking a CHFA bond-financed loan, a CHFA conduit bond issue only, or bonds from another municipal source).
      
      CHFA will be the issuer of the bonds.
   
   c. Lender and bond sale structure (public sale, private placement, short-term bonds to be taken out by a FHA-insured GNMA securitized loan, etc.).
      
      The lender for the project will be CHFA with a credit enhancement provided from the FHA Risk Share program.
   
   d. Portion of bonds that will be tax-exempt (i.e., will the bonds have a “taxable tail”).
      
      One hundred percent of the bonds will be tax-exempt.

2. Identify which guiding principles in Section 2 of the Qualified Allocation Plan (QAP) the project meets and why it meets them:
➢ To provide housing opportunities for counties impacted by a natural disaster.
SPARK_west has been identified by Boulder’s Long Term Flood recovery Group as a top priority for providing replacement housing for families displaced by the flood events that damaged Boulder County in 2013. The project has also received an award of Community Development Block Grant – Disaster Recovery funds that will be loaned into the project. Additionally, the project is located in one of the counties most impacted by the 2013 flood event that are to receive the highest priority under this guiding principle.

➢ To support rental housing projects serving the low income tenants for the longest period of time.
SPARK_west has already committed to permanent affordability through a covenant recorded on the property that will require lease rates to be set at 50% and 60% of the AMI in perpetuity. An investment of State and Federal LIHTCs will ensure that many future generations of Boulder residents will benefit from affordable housing in the city’s most transit-oriented area.

➢ To support projects in a QCT, the development of which contributes to a concerted community revitalization plan as defined in Section 5.A 4, Primary Selection Criteria. The development is located in a Severely Distressed QCT and also specifically serves the City of Boulder’s community revitalization plans. The Transit Village Area Plan guides the redevelopment, and its intention for the area is to become “a lively and engaging place with a diversity of uses, including employment, retail, arts and entertainment, with housing that serves a diversity of ages, incomes and ethnicities.” SPARK_west’s focus on providing housing for the low-income workforce and families can help Boulder Junction achieve its stated vision of providing such diversity in housing. The commercial uses included in the adjacent SPARK neighborhood will also provide an array of employment opportunities in a census tract where 23.5% of residents are living below the poverty line.

➢ To provide opportunities for affordable housing within a half-mile walk distance of public transportation such as bus, rail, and light rail.

Boulder’s new Bus Rapid Transit station was recently completed within the Boulder Junction neighborhood just south of SPARK_west. The site is also the future home to Boulder’s connection to RTD’s light rail system that will provide passenger rail service throughout Boulder County and the Denver region. All residents will receive a complimentary RTD EcoPass for travel on any of RTD’s public transit options.

3. Describe how the project meets the criteria for approval in Section 2 of the QAP:

a. Market conditions:

Vacancy in affordable housing within the city of Boulder remains extremely low. Calculating the capture rates including the SPARK_west units with the existing and under construction units in the market area indicate 15.2% for the 50% AMI units and 7.0% for the homes to be leased at 60% AMI. The project is extremely responsive to the market’s demand. In
addition, the development’s market study found 0% vacancy in SPARK_west’s comparable properties, reflecting the clear demand for such units in the defined market. The study also suggests that the development is in an excellent location in terms of access to the property and proximity to employment, services and public transportation. An additional anecdote on the capture rates is that it’s estimated that over 60,000 workers commute into Boulder on a daily basis. A segment of the in-commuters are folks who are employed in Boulder, but have chosen more affordable housing options in the surrounding communities as well as may not be in the market area, but still desire to live in Boulder.

b. Readiness-to-proceed:

Element Properties is ready to begin construction on SPARK_west in August 2016. In an uncommon show of solidarity and support for a project, Boulder’s Planning Board and City Council both unanimously approved SPARK in the fall of 2015. After receiving environmental clearance from HUD last summer, Element Properties demolished the existing structure on the site, so construction will be able to start after closing. Additionally, in January 2016 Element submitted the project’s first Technical Review Document that is the first step in Boulder’s building permit process and will limit the time necessary to achieve the approvals needed for our project ground breaking date. The architect and general contractor have been working together to develop the design documents and construction documents and are prepared for a summer start. The project team is also working on an excavation and grading permit so that some of the infrastructure installation may begin earlier this summer before the building permit is issued which will reduce the overall construction length. As a result of these items, Element Properties has greatly reduced the timeline risk and is eager to start construction on SPARK_west when the building permit is approved.

c. Overall financial feasibility and viability:

In spite of the increasing cost of construction, Element Properties has managed to find enough sources of financing to make SPARK_west financially feasible. SPARK_west has lined up financial sources in addition to the 4% LIHTC equity and State Credit equity that will make this project viable and ready to proceed. The sources for the project include funds from the City of Boulder used to acquire the property, a CDBG-DR cash-flow loan, construction financing and permanent debt that utilizes a credit enhancement from the FHA Risk Share program, and some deferred developer fee.

The development team has found strong interest in this project from tax credit investors and has chosen to work with Enterprise Community Investment to syndicate the federal and state credits, providing for syndication efficiencies. The planned operating expenses in combination with the ongoing rental income anticipated is sufficient to maintain a well kept property with an ample debt coverage and cash flow level, and to reimburse the deferred developer fee within the 10-year credit period.

d. Experience and track record of the development and management team:

Element Properties is a social entrepreneurial development firm with a focus on fulfilling the
overwhelming demand for affordable housing on Colorado’s Front Range. Element Properties’ mission is to help meet critical affordable housing needs by drawing on its development expertise, market knowledge, access to capital markets, and strong community involvement. Element Properties successfully utilizes the diverse backgrounds of all four managing team members in multiple aspects of affordable housing and community development endeavors. The Element team has over 50 combined years of housing, real estate development, construction, and management experience. They have purchased, repositioned, and stabilized numerous multifamily and commercial real estate assets.

The management team consists of Scott Holton, Chris Jacobs, Kevin Knapp, and Catherine Bean.

Scott Holton was appointed a Commissioner of the Housing Authority of the City of Boulder (Boulder Housing Partners or BHP) in 2011 and is well versed in the affordable housing industry. Chris Jacobs worked as an analyst for Related Capital Company (now part of CharterMac (AMEX: CHC)), one of the nation’s leading developers and syndicators of affordable housing. He participated in the placement of more than $100 million in tax credit equity for affordable housing developments. Kevin Knapp worked in portfolio management and development for over four years in the affordable housing industry with BHP and was project manager of similar LIHTC developments during that time. Catherine Bean has spent her career in affordable housing, having worked at New Orleans Area Habitat for Humanity in the wake of Hurricane Katrina and as a Senior Advisor at the U.S. Department of Housing and Urban Development.

The Element team was able to close on the acquisition and rehabilitation of 238 multifamily units in Boulder in 2015. This project will preserve three separate housing assets in the Boulder community as permanently affordable. Element also plans to close on financing in early 2016 for the Trinity Commons project that will provide affordable housing for seniors in downtown Boulder. The achievements in affordable housing are complimented by the firms multiple other community development projects that have benefited the Boulder community in recent years.

Other members of the project team bring considerable experience in the successful completion of Colorado LIHTC projects. Among these are:

- **Sopher Architects – Architect**
  - Sopher Architects is the lead planner and architect for 3155 Bluff. Adrian Sopher, founder and principal, is a Colorado licensed architect who has over 30 years of architectural experience in a variety of building types, including affordable housing, commercial, institutional, multi-family, sports and entertainment, and health care.

- **Shaw Construction – Contractor**
  - Shaw Construction is a Rocky Mountain regional builder. Shaw has completed over 1,300 projects since their inception in 1962 and will continue to leave a footprint of performance for many years across the Rocky Mountain region.

- **C² Sustainability – Green Consultant**
  - C² Sustainability is a Denver, Colorado based company that enables projects
to achieve their environmental, cultural and economic goals. C2’s goal is to provide the best possible relationship between investment and value in order to create meaningful steps towards a more sustainable world.

- Interstate Realty Management (IRM) – Property Management Company
  - IRM is the largest manager of affordable housing in the country and is currently managing three separate LIHTC properties in Boulder that this project team has recently closed. IRM excels at LIHTC compliance and has extensive experience in the management of affordable housing.

- Winthrop & Weinstine – Tax Credit Attorney
  - Jon Peterson of Winthrop & Weinstine will serve as the project’s lead tax credit attorney. Jon has successfully worked with development clients to complete numerous LIHTC developments within Colorado including many in Boulder.

- Eide Bailly – Tax Credit Accountant
  - Eide Bailey brings extensive experience in the preparation of LIHTC cost certifications and carryover certifications. Their local office in Boulder will be completing those tasks for the SPARK_west development.

e. Cost reasonableness:

SPARK_west has undergone several major design and financing changes to contain the project’s reliance on LIHTC equity since the first iteration of the project was submitted for a competitive LIHTC award in March, 2013. Most importantly, Element Properties has worked to secure an array of financing sources, including funds from the City of Boulder, Federal Tax Credits, State Tax Credits, CDBG-DR funds, and a deferred developer fee.

The project does have some cost challenges that the development team has been successful in mitigating. Among these is the high value of the land due to its transit-oriented location and the limited in-fill development sites in Boulder. Another constraint is the requirement in the RH-6 zone for townhome developments as opposed to a more conventional multifamily building. Element Properties has worked in close partnership with the City of Boulder to receive additional project funding to offset these costs. The local support to date includes $2.4M to allow for the land acquisition and a Private Activity Bonds allocation necessary for the project’s debt financing. The local financial support for the project has been considerable and will allow Element to lease the land to the tax credit partnership for a nominal fee, saving the project over $300,000. It also allows for affordable housing to be built in Boulder’s most transit oriented location. In recent years we’ve seen similar examples of transit-oriented developments in Denver and throughout the Front Range that have quickly become too expensive for lower income families that could most greatly benefit from the affordability of the public transit options.

The development team continues to work with all partners and consultants to find efficiencies in the design to reduce cost and to build SPARK_west as responsibly as possible.

f. Proximity to existing tax credit developments:
Two other recently completed LIHTC developments and one currently under construction are in close proximity to SPARK_west. The first is a 69-unit project located at 2685 28th Street. The project contains mostly one- and two-bedroom units and a vast majority of the apartments will be leased at the 60% AMI level. The second new development is a 61-unit project located on 29th Street that contains studio units, 36 one-bedroom units, and 16 two-bedroom units. All units in the 29th Street project were leased at the 60% AMI level. Those two developments are 100% occupied with waiting lists for future residents. The third development is the Nest, currently under construction and developed by Element Properties. The 36-unit apartment building at 2995 Eagle Way has a studio and a three-bedroom unit, as well as one- and two-bedroom units.

Despite the proximity to these projects, SPARK_west should experience little competition in the way of occupancy with these developments. As explained in the market study, the capture rate for affordable units is incredibly low in Boulder. With such pent up demand, both the 28th and 29th Street projects leased up quickly and the Nest is already receiving applications for availability in April. In addition to overall affordable demand, SPARK_west will benefit from its income limits and its family-style housing. SPARK_west will only have nine of its 45 units leased at 60% AMI level, with the rest being leased at 50% AMI level. Also, with 24 two-bedroom and 21 three-bedroom units, SPARK_west offers a viable housing solution for low-income families.

One other nearby LIHTC development is Boulder Housing Partner’s Red Oak Park project completed in 2011. Red Oak Park has consistently remained at nearly 100% occupancy with leases ranges from the 30%-50% AMI levels.

g. Site suitability:

The SPARK_west site is ideal for a 4% LIHTC investment for several reasons. The attractiveness of the location is evident through the multiple market rate projects emerging in close proximity. The property is ready to develop and will be one of the first projects completed utilizing Boulder’s recently adopted Transit Village Area Plan. This provides SPARK_west an opportunity to begin creating the vibrant location Boulder has long envisioned for its transit hub.

One challenge of the location is the close proximity of active rail lines. Element Properties intentionally placed the commercial space closest to the rail lines, providing a buffer between the residential buildings and the sound of the trains. In addition, the project consultants have identified window and siding options that have been successful in reducing noise pollution. These noise abatement measures will be incorporated into SPARK_west’s construction. Directly to the south of SPARK_west is market rate housing that has been very successful with little noise mitigation effort. The project’s design team has researched best practices in reducing noise pollution from similar transit oriented projects in Denver and throughout the country. Building materials have seen rapid advancement in recent history, and these identified architectural solutions will create quiet interiors for SPARK_west.

4. Provide the following information as applicable:
5. **Address any issues raised by the market analyst in the market study:**

The market study contains just one recommendation for the project: to include washers and dryers for each of the units rather than just washer and dryer hookups.

The developer has taken this recommendation to provide washers and dryers under consideration. At this time the project seems responsive to the intended resident needs by having a central laundry facility while also making washer and dryer hookups available in each home for those residents who may want to provide their own in-unit washers and dryers. This decision allows for the inclusion of the washer and dryers down the road and helps to limit the project’s initial construction budget and the substantial operational expenses that often come with washer and dryer maintenance. The project team realizes the value of the washer and dryers and will work to find a place for them within the budget or target any remaining contingency funds that can be used for this amenity at the conclusion of construction.

The market study also lists a few other items as potential weaknesses, which include:

- The neighborhood is in transition
- Competing projects in that area being leased at the 60% AMI level
- Some design details have yet to be finalized

It is true that the neighborhood is in transition, but the development team sees this as an asset, not a weakness. This property and the adjacent areas are being converted from industrial to a mixed-use TOD setting which will be an amenity for the residents.

There are other low-income housing projects coming into the area, but the market study accurately points out that almost all units will be leased at the 60% AMI level. SPARK_west also will contain nine units with 60% AMI rents, but those lease rates will apply to the most marketable family town homes at SPARK_west.

Additionally, the project’s design has advanced since the market analysis was completed without any major changes to the program.

6. **Address any issues raised in the environmental report(s) submitted with your application, including how the issues will be mitigated, if applicable:**

The Phase I environmental report conducted by Pinyon Envrinomental Inc. revealed one recognized environmental condition (REC) in connection with the property. Chlorinated
solvents, including tetrachloroethene (PCE), a common degreaser and dry cleaning solvent, were detected in groundwater at the property. The contaminants appear to have originated from an upgradient source, possibly from a dry cleaner that was located approximately 300 feet northwest of the property in the 1970s and 1980s. The levels detected in 2011 had decreased significantly from prior tests and do not exceed the current Colorado Groundwater Quality Standard. In adherence with the Phase I, Element Properties has incorporated vapor barriers into the construction plan to prevent soil vapors from entering the buildings upon completion.

7. **In your own words, describe the outreach to the community that you have done and describe and demonstrate local support for the project (including financial support):**

The Element Properties team has met with many of the neighborhood stakeholders and all adjacent property owners have been notified of the development plan. Multiple newspaper articles disclosing Element’s plan for affordable housing were published in the *Boulder Daily Camera* and the *Boulder County Business Report*. Element Properties has yet to hear from a member of the public in opposition to the development plan, which in Boulder is rare, especially with the level of media exposure this project has received.

Element Properties has also hosted two public meetings. In August 2015, the Element Properties team welcomed the community to learn about the entire SPARK project and offer ideas for improvement and amenities. Then, in January 2016, Element Properties held a public meeting to discuss SPARK_west specifically and to receive public comment on the project as well as the finances sources including the state tax credits and CDBG-DR funds.

Additionally, the SPARK_west project has now appeared three times before Boulder’s Planning Board in public hearings. In the first public hearing only one neighbor spoke during the public comment period. This public participant gave an overwhelming and unsolicited message of support for the “smart growth” principles embraced by the project including the density, income mix, public transportation access and the road connections being built as part of the project. At the second public hearing, again, no vocal opposition for the project was made and this time many spoke in favor of SPARK_west. Finally, the September 2015 Planning Board hearing saw sixteen community members testify; all sixteen offered strong support for the project overall with many citing the importance of the affordable housing at SPARK_west.

Support for SPARK_west from community leaders has also been substantial. Many in Boulder recognize the need for any increase in affordable housing; especially for projects that voluntarily commit to affordability restrictions. Community leaders who have gone public with their support for SPARK_west include U.S. House Representative Jared Polis, former State Representative Claire Levy, current State Representative KC Becker, members of the Boulder City Council, business leaders and local housing advocates including Boulder’s Division of Housing and Boulder Housing Partners. The City of Boulder has gone further and contributed tremendous financial resources to ensure the project is completed.

8. **For acquisition/rehab or rehab projects, provide a detailed narrative that describes the rehab plan and tenant relocation plan (if applicable); addresses the 10-year rule; capital expenditures over the past two years; previous related party relationships;**
past local, state, or federal resources invested in the project; obvious design flaws; obsolescence issues; safety issues; and any significant events that have led to the current need for rehabilitation (i.e., fire, nature disaster).

N/A
Project Name: Stoneybrook Village Apartments

Project Address: TBD NW Corner of North 35th Avenue and C Street

Development Overview:

Summit Housing Group, Inc. (SHG) is submitting an application to CHFA and DOH for a combined affordable housing development which will utilize a combination of funding to include tax credits, state credits, and DOH funds. This development will provide the community of Greeley opportunities for housing solutions to those whose options are very limited from the combination of little to no vacancy in affordable developments and fewer options being available in Greeley because of the 2013 floods. With 76 multifamily units and 84 senior units, Summit Housing Group intends to develop housing that encourages an intergenerational, mixed-income community.

A. Strengths:

Community Need: The Greeley PMA has a particularly strong need for affordable housing. There are many reasons for this need. First, there have been only a few LIHTC awards in Greeley since 2006. With the population growth exploding from 60,536 to an estimated 98,666 in 2014, this is simply not enough affordable housing to keep up with this growth. Combining this and the extensive flooding in 2013 throughout the community that displaced hundreds of families, the problem is exacerbated by the low vacancy (1.6%) and higher rents in Greeley. Currently, any lower income tenants or people that were displaced from the flood have no alternatives for housing in Greeley and options for affordable housing are few because many that were displaced are currently living in the rental housing driving the vacancy rates to 0.0% and in turn increasing rents. Stoneybrook Village Apartments (SVA) will be providing 159 units of new affordable housing catered to seniors and families with a wide variety of AMI mixes ranging from 40%-60% AMI. 19% of those units will be targeted for seniors below 50% AMI. The project’s market study indicates that this project will only capture a total of
15% of seniors and 24% of families both of which are below CHFA’s 25% threshold. Also, the total project capture rate is 22%, also below the CHFA threshold.

**Serving Underserved Population:** SVA will address the highest need for affordable housing in Weld County. Currently, by adding 20 40%, 1150%, and 128 60% AMI units, the market study illustrates a high need and low capture rates for the project. Also, according to the market study, rents will be below market and currently there are no vacancies in affordable units in Greeley. Finally, it is important to note that not only are all low income projects full in Greeley, the waiting lists are up to two years long and have over 100 names needing housing today.

**Ideally Located:** The project’s location in north Greeley ensures that its residents will be able to take a genuine role in the community. Shopping, dining, education, medical services, public services, and outdoor and indoor recreation opportunities are available only a short car drive, bike ride or bus ride away. There are also employment centers, shopping, medical services, grocery, and other service providers located within a short drive or bus ride from the site. This is supported by the market study when it states, “the proposed site should be considered as good for this proposed project. It is located in a mainly residential area and is located on a city bus line. Also, as noted, the City is planning on widening N. 35th Avenue, adding bike lanes and sidewalks, this will add to the projects appeal.”

**Transit-oriented:** As some seniors and families cannot or choose not to drive, it becomes increasingly important to provide transportation alternatives. The Stoneybrook Village Apartments is a transit-oriented development, with a regular bus stop located on-site. There is also a time point bus stop located within 800 feet of the site. With the bus route, individuals will be able to take advantage of routes with frequent service that will connect them to the entire Greeley and Evans area.

**Marketable:** The combination of on-site and nearby amenities, plus the overall strong market demand for rental housing, ensures that this project will have strong market appeal. The project also offers intergenerational living. This development not only will incorporate a senior and family project on the same site, it will offer areas for them to intermingle. We have seen this to be a plus for marketing on our two properties in Wyoming which include senior and family populations. The project will lease-up quickly and stay leased for the long term.

**Development Experience:** The developer, Summit Housing Group, Inc., (SHG) has significant experience developing LIHTC properties with over 1334 units placed in service, awarded and/or under construction in 5 different states.
B: **Weaknesses:**

**Site Constraints:** While SHG believes the site is very appropriate, it does have some constraints. The location is in the northern section of town, while located close to all major services, many services are not walkable. However, as city is considered car dependent, we do not see this as a major concern. Summit Housing Group has helped address this issue by offering plenty of parking for the senior and multi-family housing. The site will have a total of 284 total parking spaces which will address the need to have a car and drive in the community.

Another small weakness of the project, according to the market study, are the economic conditions in the area have slowed in the past 12-18 months due to reduction in oil prices. Because of this, there has been a small uptick in vacancies, and rents have been decreasing slightly (in market rate projects). The majority of this has happened at higher end properties where persons in the oil and construction industries would tend to live. While this is a weakness, it is important to note that there has been no softness in the lower income properties and all are 100% occupied with waiting lists.

**Project Description and History:**

Stoneybrook Village Apartments (SVA) will be located on a 20.66 acre parcel on the northwest corner of N. 35th Avenue and C Street. The current zoning is R-H which allows for high density residential use and allows for over 160 units. After consulting with our market analyst, Property Dynamics, we concluded that 160 units with a mix of 76 family and 84 senior units is an appropriate development size for the City of Greeley. The market study concluded that there is a larger need for senior than family. There have only been two senior projects awarded in Greeley and both projects are 100% leased with waiting lists. While there have been two family projects awarded in the last 5 years, they are also 100% leased up with waiting lists. There are two more projects scheduled for completion in 2016 and 2017; however the total number is expected to be absorbed by the time SVA opens in 2018. A senior or family project any larger will have capture rate issues in the higher income bands where the need is much less.

This project will meet the following criteria for flood relief funds by:

- Replacing housing in the community where it was lost, but elsewhere in the county as close to that community as possible: **SHG has done this by finding a location in northwest Greeley where some of the flooding took place. Although SVA is not replacing specific housing that was destroyed in the floods, it is providing opportunities for those who were displaced by the floods to find new quality affordable housing in a great location.**
Considering the readiness/timing of projects: **Due the site being properly zoned and the limited development review process with the City of Greeley, SHG plans to break ground on or before March 1, 2017. The limited development review is a huge advantage for our site as a major development review can take up to 9 months. With the site under control, zoned properly and the initial steps of the development review complete, this site is truly shovel ready.**

Considering whether other resources are available, and leverages those resources where possible. **SHG is using all resources available. The development will use Federal and State LIHTC, Tax Exempt Bonds and DOH Disaster Recovery Funds to construct. We will also leverage our resources and the affordability of the development.**

Prioritizing projects that will provide the deepest affordability for the longest period of time. **SHG is providing 20 units at 40% AMI (project based vouchers), and will also have 11 units at 50%, for a total of 19% of our units at or below 50% AMI in the senior development. We also included 60% units because of the need identified in the study. According to the market study for the senior project, adding 53 units at 60% AM, gives us only a 15.5% capture rate demonstrating a strong need in that income band as well. In the family project, the capture rate in the 60% income band is 24.5%. The project will be affordable for the maximum affordability period of 15 Years of Compliance + 25 Years of Waiver.**

The total development will consist of 4 3-story garden style walk up apartments as well as a community building. Each of the buildings will be wood framed, type 5B construction, which consist of buildings below 4 stories. Some of the development amenities will include a large community room, on-site manager, community gardens, computer learning center/business center, fitness room, tot lot, and large green spaces as well as access to the Greeley trail system located across the street from the development. This will allow our tenants access to walking, running and biking activities.

The senior project has a total of 84 units including 62 one-bedroom units (659 SF) and 22 two-bedroom units (939 SF). The family project has a total of 20 one-bedroom units (659 SF), 20 two-bedroom units (939 SF), 20 three bedroom units (1082 SF) and 16 four-bedroom units (1310 SF).

The project will have a total of 159 LIHTC units. One three-bedroom unit will be set aside as a manager’s unit. The clubhouse will be centrally located on the site and will provide families and seniors unique opportunities for integration. With the site being so large, there will be plenty of green space, community gardens, and parking for all residents.
A. Population Served:

Stoneybrook Village Apartments targets low- and very-low income families. We have agreed to give priority to those displaced by the flood. Per the guiding principles of the CDBG-DR Collaborative, we believe there is a huge unmet need for 40%, 50%, and 60% units in the community and this project will serve that unmet need. With a vacancy rate of 0% in affordable units, there is currently nowhere for displaced or low income families to go.

In the development and management of its other LIHTC projects, SHG knows that the project will likely be home to veterans, formerly homeless individuals, or people with disabilities or other special needs. Although Stoneybrook Village Apartments is not setting aside units specifically for special population groups, the project will accommodate these residents. There are a minimum of 9 Type A accessible units and 4 units set aside for the sight and hearing impaired. Additionally all units within the senior building as well as all ground floor units in the family buildings will be type B accessible units.

B. AMI Mix:

The project will consist of 159 LIHTC units with one manager’s unit for a total of 160 units. There is a definite need in Greeley for more affordable housing which is demonstrated by a total vacancy rate of 1.6%. After consulting with our market analyst, and looking at the needs identified by the City of Greeley, we also added some 4 bedroom units. You will see that there are 325 households over 4 people in the market area, and currently there are no units serving those larger families. Even by adding the 16 proposed 4 bedroom units, the capture rate would only be 5.9%, thus showing a need for the 4 bedroom units. Large families consisting of 5 or more people are one of the most underserved renter populations in Greeley. In summary, the project targets and addresses the biggest need for affordable housing in Greeley. Please see a market study and summary below.

<table>
<thead>
<tr>
<th>Unit Rent and Mix:</th>
<th>Unit Description</th>
<th>Unit HSF</th>
<th>Unit Number</th>
<th>% of Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-BR SENIOR @ 40%</td>
<td>659</td>
<td>15</td>
<td>9%</td>
<td></td>
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<tr>
<td>2-BR SENIOR @ 40%</td>
<td>939</td>
<td>5</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td>1-BR SENIOR @ 50%</td>
<td>659</td>
<td>8</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>2-BR SENIOR @ 50%</td>
<td>939</td>
<td>2</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>1-BR SENIOR @ 60%</td>
<td>659</td>
<td>39</td>
<td>25%</td>
<td></td>
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<tr>
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<td>939</td>
<td>15</td>
<td>9%</td>
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<tr>
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<td>659</td>
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<td>13%</td>
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<td>2-BR FAMILY @ 60%</td>
<td>939</td>
<td>20</td>
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<td></td>
</tr>
<tr>
<td>3-BR FAMILY @ 60%</td>
<td>1082</td>
<td>19</td>
<td>12%</td>
<td></td>
</tr>
</tbody>
</table>
C. Location:

The location is perfectly situated for families and seniors as there are employment opportunities and most major services located within one mile of the site. Some of the services and employment opportunities include Safeway, Walgreens, Starbucks, Wells Fargo Bank and restaurants. Greeley West High School, Franklin Middle School, Fall River Elementary, and Madison Elementary school are all located within two miles. There are numerous parks in the area, as well as access to the Greeley trail system. As far as emergency services, Greeley Fire Station Number 3 is located 0.1 miles away, the police department is located 1.0 mile away, and North Colorado Hospital is located 2.9 miles away.

Locating this development close to viable transit opportunities enables families and seniors to continue to live as actively as possible without relying on car transportation, improving their quality of life and reducing isolation. Regarding public transportation, there is a bus stop on-site, and also other bus stops located within 0.5 miles allowing our tenants numerous bus routes which will give them access throughout the City of Greeley and Evans area. Also, 35th Avenue is a major arterial in Greeley which provides access to W. 10th Street which takes you downtown. Our site is also located 3.0 miles away from highway 263 providing access to Highway 85 for families commuting to the Denver Metro area.

D. Amenities:

Stoneybrook Village Apartments will be spacious, have high quality interior finishes, will be energy efficient and be quiet through noise reducing features. The units will come equipped with many amenities, including: in-unit washer/dryer, air conditioning, ample closet space, high-speed internet and cable TV infrastructure, microwave oven, garbage disposal, dishwasher, carpets, and ceiling fans. Common amenities include a community room with kitchen, a leasing office, a fitness center and a computer business/learning center. Residents will also be able to grow their own fresh produce at the on-site community garden. These amenities will not only provide a more comfortable living environment, but
will also be beneficial from a management and marketing standpoint. Also, we believe with the incorporation of a centralized community room, seniors and families will have an informal gathering space to encourage a strong intergenerational community.

E. Services
An on-site property manager will ensure that resident’s leasing and maintenance issues are promptly addressed. Since Stoneybrook Village is servicing both seniors and families and the needs for each population is different, we have not formulated a comprehensive service plan as of yet. SVA will work with various non-profit organizations as well Greely Weld Housing Authority to adopt a service plan in the future to provide all tenants with services that meet their specific needs.

F. Sustainability/ Energy Efficiencies:

Green Communities Criteria and Integrated Design Process

We are pleased to present a design for the Stoneybrook Village Apartments project that will exceed CHFA’s point requirements under Enterprise Green Communities. SHG’s integrated design process is the foundation of enhancing the building’s design and performance. SHG uses a consistent development/design/construction team for many of its projects. The team is made up of SHG staff, architect, civil engineer, building systems engineer, general consultant, and sustainability consultant that we have worked with on numerous projects. The team’s relationships ensure that the project goals for livability, long term maintenance, and building and site efficiencies are achieved. As the team begins to gather information from the site and project area, the team is able to collaborate on the most advantageous site layout, best systems from construction methods, materials used, advanced construction methods, waste management, and even the appliances installed. All of these are carefully selected to minimize the project’s environmental impact and maximize efficiencies and the health of the indoor living environment.

Below are some of the Green Building Characteristics we are looking to use during design:

- The project team designed a minimum of 15% of the dwelling units in accordance with ICC/ANSI A117.1, Type A, Fully Accessible guidelines, and the remaining ground floor units and elevator-reachable units with ICC/ANSI A117.1, Type B
- The project has a set aside of 30% of the total project acreage as additional open space
- The project will install all toilets @ 1.2 gpf or less, kitchen faucets @ 1.5 gpm or less, and bathroom faucets @ 0.5 gpm or less
The project will provide a dedicated, permanent, and accessible area for the collection and storage of materials for recycling

The project will enforce a no-smoking policy

Please see the entire Enterprise Green Communities workbook in Tab 19.

G. Type of financing: The project will be funded with 4% Federal LIHTC, State LIHTC, Tax Exempt Private Activity Bonds and DOH Disaster Recovery funds. The finance sources are as follows:

- PAB Permanent (Series A) Bond Debt $11,539,000
- PAB Construction (Series B) Bond Debt $12,441,986
- Federal Tax Credit Equity ($1.15 & $1,501,459 annually) $12,091,782
- State Tax Credit Equity ($0.62 & $1,632,700 annually) $6,073,643
- Disaster Relief Funds $3,500,000
- Deferred Developer Fee $1,378,793

SVA’s financing structure, will be a “simple straight forward” deal that will close quickly and allow each of these valuable funding resources to be placed quickly.

In addition, the narrative should address the following:

1. Describe the bond financing structure and include the following:
   a. Total amount of bonds with a breakout of construction period bonds vs. permanent bonds. The total amount of the bonds requested is $24,000,000 of which $11,539,000 will be used for permanent financing while the balance will
be used during construction. Currently the budget only requires $23,880,986 of total bonds, but we have found that it is best to request additional bonds at the time of issuance which explains the additional bond amount requested.

b. **Bond issuer (please specify whether you are seeking a CHFA bond-financed loan, a CHFA conduit bond issue only, or bonds from another municipal source).** CHFA will be the bond issuer; these bonds will then be purchased directly by Red Stone Capital. We have also reached out to the City of Greeley and the Greeley Weld Housing Authority who we’ve had initial discussion with and are interested in providing PAB bonds for this project. CHFA, the City of Greeley, and GWHA will act as the PAB Co-Issuer with CHFA being the Lender. The City of Greeley and/or GWHA may provide up to $4,933,000 in PAB cap. Also, according to Victoria Rinkle, assistant city manager, this bond would have a below market cost issuance.

c. **Lender and bond sale structure (public sale, private placement, short-term bonds to be taken out by a FHA-insured GNMA securitized loan, etc.).** Red Stone Tax Exempt Financing Capital will purchase the bonds directly.

d. **Portion of bonds that will be tax-exempt: 100% of the bonds will be tax exempt.**

2. **Identify which guiding principles in Section 2 of the Qualified Allocation Plan (QAP) the project meets and why it meets them.**

   - **To support rental housing projects serving the lowest income tenants for the longest period of time**

   Stoneybrook Village Apartments will provide 100% affordable units between 40% - 60% AMI including 20 units at 40% AMI (Project Based Vouchers) and 11 units at 50%. The affordability restrictions will be in place for the 15 Years of Compliance + 25 Years of Waiver. The project serves low to very low income family residents.

   - **To support projects in a QCT, the development of which contributes to a concerted community revitalization plan as defined in Section 5.A 4, Primary Selection Criteria**
Stoneybrook Village Apartments are not located in a QCT. However, the City of Greeley has confirmed that SVA will contribute to its Consolidated Plan (please see attached Consistency Letter). Also, the development is located in Weld County, which has been identified by the state as a high priority area because of the flooding in 2013.

- **To provide for distribution of housing credits across the state, including larger urban areas, smaller cities and towns, rural, and tribal areas**

The Greeley community has significant housing demand due to population growth and the flooding in 2013. The extremely low vacancy rate shows the tremendous need for housing credits and disaster relief funds to be distributed in Weld County.

- **To provide opportunities to a variety of qualified sponsors of affordable housing, both for-profit and nonprofit**

SHG and its affiliates are a highly experienced for-profit LIHTC developer who has or is in the process of developing over 1300 units across the Rocky Mountain region. Please see the attached résumé for more information about SHG and their integrated design team. GWHA is the public housing authority in Weld County and Greeley whose mission is to promote adequate and affordable housing, economic opportunity and a suitable living environment free from discrimination.

- **To distribute housing credits to assist a diversity of populations in need of affordable housing, including families, senior citizens, homeless persons, and persons in need of supportive housing**

Stoneybrook Village Apartments is a family and senior tax credit development. There is tremendous need for this project which is evidenced by Greeley’s low 1.6% vacancy rate. Additionally, SVA is incorporating 16 4-bedroom units into its project. According to the market study, “The subjects including of four-bedroom units will allow it to target renter households with up to six persons, which is a rarity in the PMA.”

- **To provide opportunities for affordable housing within a half-mile walk distance of public transportation such as bus, rail, and lightrail**

Stoneybrook Village Apartments is a transit-oriented development located less than 50 feet from a bus stop which will allow our tenants access to not only the Greeley Evans area, but also the entire Denver Metro area.

- **To support new construction of affordable rental housing projects as well as acquisition and/or rehabilitation of existing affordable housing projects**
particularly those with an urgent and/or critical need for rehabilitation or at risk of converting to market rate housing

Stoneybrook Village Apartments is a new construction project. It is intended to replace housing that was lost in the floods in 2013. SVA will not only be replacing these units, but it will add new units in the area which are desperately needed. This is evidenced by the 0.0% vacancy rate and high number of waiting lists in the current affordable housing units in Greeley. SVA will help alleviate this stress in the community and help families find new, safe, and affordable rental housing.

- To reserve only the amount of credit that CHFA determines to be necessary for the financial feasibility of a project and its viability as a qualified low income housing project throughout the credit period

On a per-unit basis, Stoneybrook Village Apartments will use a reasonable amount of tax credits in line with the median per-unit award from Round 2. This is especially true considering the level of affordability provided by the AMI mix, the affordability of rents offered and the quality of construction we are proposing. SHG decided to leverage CDBG-DR funds so it could target lower income families. SHG will work with the housing authority to receive a tax exemption on the senior units (only) which will reduce our operating cost ($3700 PUPA). Finally, SHG will defer its developer fee that will be repaid within 10 years. SHG has done everything possible to maximize all available resources in order to minimize the utilization of LIHTC, SLIHTC, and CDBG-DR funds.

- Recognizing the unique challenges of developing housing for certain populations and in certain geographic areas, CHFA has identified the following priorities:

Per CHFA, applicants for projects in counties impacted by a natural disaster that use noncompetitive credits, state credits, and CDBG-DR funds will be given priority. SVA is using all of these sources, and is being built in Weld County, one of the three counties impacted the most by the natural disaster, and should be given priority.

Criteria for Approval

The Committee will consider projects that are consistent with Code requirements, the Colorado Act, and the Guiding Principles and that meet the following criteria:

3. Describe how the project meets the criteria for approval in Section 2 of the QAP:
a. **Market conditions:**

According to our market study, there is a vacancy rate in Greeley of 1.6%. It is important to note, that all of those vacancies are in market rate projects. There are currently no vacancies in subsidized projects. Per our current market study there is a strong demand in Greeley for Stoneybrook Village Apartments with a capture rate of 22% for all units, including family and elderly. In fact, the capture rate in all AMI’s is below the 25% capture in all AMI bands for the senior and family projects. Seniors and Families within these income limits cannot find suitable housing, and are currently living in substandard housing.

- The overall average vacancy rate in the PMA was 1.6%, an amount well below the 4.0% CHFA defined vacancy threshold, indicating pent-up demand for rental units within the PMA.

- The existing LIHTC units in the PMA had 0.0% vacancy with substantial waitlists, suggesting that there is strong demand for low-income rental units.

- **Additionally:**
  - The PMA is projected to gain a higher percentage of senior and family households faster than the market can supply. There are only 3 new LIHTC projects in the development pipeline, to account for that demand. By 2018 if SVA is not awarded, all of this demand will be absorbed and with no affordable housing units in the pipeline, the City of Greeley will experience an even larger housing problem than it is seeing now.
  
  - The existing LIHTC projects within the PMA were built between 1998 and 2014, and are in average to above average condition compared to the project, and most with inferior amenity packages. Thus, there is a void for quality, new construction affordable housing that this project will help fill.
  
  - The project’s location in north Greeley provides a competitive advantage due to the shopping, services and a bus stop in 50 feet of the site.
  
  - The project is a transit-oriented development with above average linkage to the entire Greeley region, suggesting that it will attract tenants from outside the PMA, and the projected renter household growth is likely understated.
The rents are very achievable per the market study. Based on current AMI level rents, all income levels will be below the average market rent. It is noted in the market study that the rents will be at the higher end of the averages, but considering the amenities and the new construction as well as the location of the project the analyst concluded these rents are very achievable. **b. Readiness-to-proceed:**

If awarded credits in this round, construction on Stoneybrook Village Apartments will commence in March 1, 2017. The site is zoned H-R which allows the project’s height, density, and construction type with no changes or special approvals. Once final plans are complete, the project will receive City of Greeley plan approval in about 9 weeks. Black Hills Construction has been selected as general contractor and finalization of the contract will take place once final drawings are complete. Additionally, Boston Capital, one of SHG’s long-term investment partners, has provided preliminary equity commitments. The site is under contract with SHG and closing is expected to take place within 9 months of an award. Due to the site control, zoning and long term financial partners this project is clearly considered “shovel ready”.

c. **Overall financial feasibility and viability:**

The project is financially feasible for a number of reasons. We are leveraging the CDBG-DR funds which are critical for the success of the project. These funds cover about 10% of the total development cost. Without these funds, the development would not be feasible. The per unit cost for the CDBG-DR funds is $21,875 per unit. By using the CDBG-DR funds, we’re able to keep the debt low on the project. Please see the attached equity letter from Boston Capital who will be providing both the federal and state equity for this development. Also, Summit Housing Group is deferring a large portion of its developer fee to ensure the financial success of the project. Between the CHFA issued bonds, federal and state tax credit equity, and CDBG-DR funds, Stoneybrook Village Apartments is financially strong and meets or exceeds all of CHFA’s underwriting requirements. We would like to note that the operating expenses do go below the $3900 per unit CHFA requirement. This is due to the anticipated tax exemption (senior units only) we are to receive with our partnership with the Greeley Weld Housing Authority. All other operating expense line items are in line with our portfolio and industry standards. Without the exemption our operating expense would be closer to $4200 per unit, well exceeding the minimum requirement.

d. **Experience and track record of the development and management team:**
Summit Management Group, Inc. (SMG) is a Montana corporation and the parent company of two subsidiary corporations that engage in real estate development, Summit Housing Group, Inc. (SHG), and property management, Highland Property Management, Inc. (HPM). The primary focus of SMG and its subsidiaries is the development and management of LIHTC housing. However, the group has developed one market rate project (28 Units). SHG is a regional developer looking to provide additional housing in Colorado. It has developed over 880 units and has 200 units under construction and 308 units in the planning/pre-construction stage. These units are in 5 states including Montana (166 completed LIHTC units and 48 more currently under construction, and 28 market rate units), Wyoming (682 LIHTC units built, with 90 units under construction), South Dakota (32 completed LIHTC units), Utah (62 units under construction, 168 units awarded and beginning construction fall of 2016) and Colorado (140 units to begin construction in March of 2016). SHG is experienced and equipped to develop a project from conception through funding award, closing, design, and construction. HPM is experienced with LIHTC lease-up, compliance, and reporting, and currently manages 853 LIHTC units in Wyoming, Montana, and South Dakota.

By the end of the year, SMG and SHG will have placed more than $140 million of investor equity into multi-family housing. Please see attached résumé for more detailed information.

e. Cost reasonableness:

Stoneybrook Village Apartments meets the cost reasonableness test based on a couple of reasons. We believe the price we paid for land was at or below market. We believe the market for land is around the $3-4 per square foot cost, so we believe we paid a below market cost for the land. This site, if you exclude the raw water fee that has already been paid by the previous owner, comes in at $.75 per square foot. That helps the project substantially with overall cost. In Greeley, one of the most expensive developmental costs is the raw water fee. We have calculated that fee to be approximately $1,000,000 for a property this size. We have also allocated an additional $400,000 at the recommendation of Greeley Water and Sewer Board for irrigation cost for the site. Construction costs in the area have steadily increased over the last 14 months. SHG has chosen Black Hills Construction as its General Contractor. Black Hills Construction’s will leverage its experience and relationships in Colorado. They have a very good pulse on the cost of construction in this area since they are about to begin construction on Centennial Park Apartments, our 2015 Disaster Recovery award. We also are seeking to contain cost by including slightly smaller units than the average. We believe these smaller units will have the same appeal as any other units that come to market because of our amenities package (greater than most LIHTC projects) and our site location. Also, since we are
using the CDBG-DR relief funds to repay the bridge loan for the acquisition of the land and the City of Greeley development fees, we will have no Davis-Bacon wages to significantly increase cost.

f. **Proximity to existing tax credit developments:**

There are 7 other projects in Greeley financed under the LIHTC program containing 456 units. Of those projects none are located in census tract 14.07 or in the abutting census tracts. Currently, the closest LIHTC development that has been placed in service is La Cosa Rosa Apartments which is over two miles away. There are also two projects in planning and one under construction. The project under construction, Mission Village, is located the closest to SVA 1.4 miles away and not located in a census tract next to or abutting the proposed SVA. Mission Village will only have 8 family units that will directly compete with the proposed Stoneybrook Village which will be absorbed well before SVA is placed into service in mid-2018. The two projects that are in the planning stages are the Guadalupe Apartments and the Apartments at Meadowview. The Guadalupe Apartments are located over 2 miles away and are “Permanent Supportive Housing” and do not have any units that will compete with SVA. The Apartments at Meadowview are located on the south end of town almost 5 miles away from SVA. This project will include 80-60% units, 11-50% units, and 9-40% AMI units which will compete with the family units in SVA. However, this project is located on the extreme opposite end of town, and will be placed in service (mid-2017) well before SVA, and with the low capture rates and vacancy in the community, SHG does not see any issues with proximity to other projects. Furthermore, our project will be located in census tract 14.17; no other projects have been awarded or are planned in this tract. Finally, this would be the first LIHTC project located in the north central part of town, which should help with marketability and geographic distribution, and lessen the concentration of credits throughout Greeley. The presence of these planned, current or past LIHTC projects, will not adversely impact the Stoneybrook Village Apartments project during lease up.

g. **Site suitability:**

SHG chose this site for LIHTC family development because of its desirable location, nearby amenities, and the need for affordable family housing in the Greeley area. Additionally, the site is fully entitled and has access to all utilities. The density and style of development is appropriate for the location. A small portion on the northern end of the lot is located in a 100 year floodplain, however it is located in the 60 foot required setback of the lot, and none is located in the buildable area. According to our Phase I, there are no environmental issues with the site. The site
should be relatively easy to build on, considering the site has little topographical change. The style of development, 4-3 story buildings with ample parking for families and seniors, is well suited for new development. The planned improvements are within the allowable uses, scale, and height of the existing zoning, and together these factors indicate strong site suitability for this project.

4. **Provide the following information as applicable:**

   a. Justification for waiver of any underwriting criteria (minimum operating reserve, minimum PUPA or high PUPA, first year debt coverage ratio below 1.15 or above 1.30, minimum replacement reserve, vacancy rate below CHFA’s minimum):

   Summit Housing Group is requesting a waiver of any underwriting criteria. With the inclusion of the Greeley Weld Housing Authority, SHG will receive a property tax exemption on all senior units and in turn expects to underwrite at $3700 PUPA. Summit Housing group is in the final underwriting stages for the Centennial Park Apartments in Longmont, and has used Centennial’s lender and equity providers underwriting requirements along with the additional diligence done with the City of Greeley and believe this to be acceptable for the PUPA CHFA underwriting criteria.

   b. Justification of the financial need for CHFA’s DDA credit up to 130 percent of qualified basis:

   Summit Housing Group is not requesting a basis boost based on financial need.

5. **Address any issues raised in the environmental report(s) submitted with your application and describe how these issues will be or have been mitigated:**

   SHG is submitting a Phase I. No REC’s were found.

6. **In your own words, describe the outreach to the community that you have done and describe and demonstrate local support for the project (including financial support):**

   SHG has discussed the proposed project with the local community including the Greeley Weld-Weld Housing Authority and the City of Greeley. The applicant also published two notices in the Greeley Tribune in late January announcing a public hearing for public
comment on January 24th, 2016. This hearing took place at Franklin Middle School and there were no significant or negative comments.

We reached out to Tom Teixeira of the Greeley Housing Authority, and have a letter of support from him, mentioning he supports the projects because of the additional low income units it will bring to the market. The Greeley-Weld County Housing Authority will also be a special limited partner and with this partnership we will receive a tax exemption on the senior units which equates to roughly $1.1 million of additional loan proceeds. The Housing Authority will also provide Project Based Rental Vouchers for 20 of the senior units. This contribution equates to approximately $628,000 in additional loan proceeds.

We also reached out to the City of Greeley. And while the City does not have an established mechanism for contributing financial support, according to the Assistant City Manager Victoria Rinkle, the city would be interested in providing a private activity bond for the development. This bond could provide up to $4,933,000 in PAB cap and also bond would have a below market cost issuance. Please see the attached email from the city regarding the below market interest rate.
Project Name: The Suites Supportive Housing Community (SSHC)

Project Address: 2000 Sunset Way Longmont CO

Longmont Housing Authority (LHA) acquired the building from which they have created the Suites Supportive Housing Community (SSHC) in April of 2011 and has been operating it as a very successful supportive housing option in Longmont. Some of our accomplishments to date are:

- Decisive and swift acquisition with broad community support – Five months from initial discussion to closing.
- Adaptive re-use of existing hotel, highly conducive to providing permanent supportive housing with fully furnished units immediately.
- Integrated approach, utilizing best practices of Housing First, Transitional and Supportive Housing programs
- Aligned with strategic initiatives within the City of Longmont and Boulder County Homeless Plans
- Broadly supported on local, county and state level
- Flexibility to serve diverse populations along a broad continuum of housing needs
- Operational for over 4 years which has provided real life experience for LHA as to the needs to residents and the services and related costs to operate this supportive housing building.

- Fully project based voucher project. LHA received 35 PBVs from DOH, administered by Mental Health Partners. LHA then allocated 35 LHA PBVs. The building is currently 100% Subsidized which enables SSHC to serve its intended resident, extremely income households. An analysis of the current households shows that on average they have income of less than $10,000 a year.

SSHC provides much needed rental housing for very low income and homeless populations paired with supportive services identified as priorities in the Ten Year Plan to End Homelessness for Longmont and Boulder County as well as the City of Longmont Consolidated Plan. SSHC serves special needs and extremely low-income populations. The service model employs philosophies and policies taken from Housing First programs, Colorado Coalition for the Homeless, Bridges Out of Poverty and Longmont Housing Authority Briarwood Apartments. Staffed supportive services are cornerstone to the Supportive Housing Model.

LHA believes that providing safe and supportive housing is in the best interest of the community: prevents and manages vulnerability of the individuals and the community at large
from crime, emergency medical response, substance abuse and homelessness; provides efficiencies for service providers, medical and law enforcement entities; ensures dignity, safety, and opportunity for the community’s most vulnerable citizens.

LHA has been a leader in addressing community housing needs and collaborates with Longmont Housing Opportunities Team; a consortium of City Government, Private and Public entities, Non-Profit, Faith Community and Business in addressing Homeless issues for Longmont. LHOT’s 10 year plan to address Homelessness identified the need for affordable rental units and access to supportive services as priorities for the population at risk of, or recovering from homelessness and supported the acquisition and programming of the SSHC to serve Longmont’s lowest income, highest need population.

Five years into the operations, the SSHC continues to produce impressive outcomes and meet dire community needs, however our adaptive strategies and pleas to achieve fiscal sustainability remain unsatisfied. Because the property is in service and fully occupied with the targeted population, without obligated designations, and with a fairly low service PUPA (in comparison with other PSH programs) it does not fit the box for PSH eligibility. The Suites simply requires refinancing for a lower debt structure to complete needed rehab and achieve stability. The local community has supported the Suites unfaillingly, but only within the limitations of each organization, funds and mission. It is critical that this application be approved to achieve a sustainable financial structure for not only the property, but to permit the LHA and the local community to rely on that stability and move on to other pressing needs.

Location

The property is adjacent to the Village at the Peak redevelopment in the South West part of Longmont. Central to this part of town are the majority of retail, restaurants and light-industrial companies, offering appropriate employment and public transit opportunities to our tenant populations. It’s a short walk to Hwy 119/ Ken Pratt Blvd, a major transit line that runs east from I-25 through the South of Longmont and connects to Boulder and on to Denver.

Also within walking distance are various educational and employment services: Work Force Boulder County, County Veterans Services, Private and Non-profit Childcare and Preschools, and the St. Vrain Valley School Districts’ Career Development Center, Olde Columbine Alternative High School (the vocational trade program), and Sunset Middle School.

The SSHC adjacency to the Village at the Peaks redevelopment site, the most anticipated development in Longmont, provides significant upside to the residents and to LHA’s plans for future development on the site. The redeveloped mall opened in December 2015. The Dillard’s department store was the only existing retailer that will remain, with all other retailers being new. These new tenants include a Sam’s Club, Whole Foods Market, a 12-screen theater owned by Regal Cinemas, Sports Authority, Gold’s Gym, and Wilbur’s Wine & Liquor. Restaurant pads with mountain views and rooftop patios will be adjoining, including phase 2 sub anchors becoming available in 2016.

Zoning and Planning

The building is located in the “Mixed Use Industrial” Zone and stand-alone affordable multifamily residential housing is an allowed use.

The Building and Proposed New Unit Construction

The SSHC is a 72,650 square feet, three-story building, with double loaded hallway and two elevators (one currently is only available for staff and maintenance because of the layout). The
property has significant office and storage areas as well as meeting and community space. It was built in 1996 by a private developer as an extended stay hotel. There are laundry facilities with a washer/dryer and utility sink on each floor. The main floor has a large reception area with a fireplace, seating area, partial commercial kitchen (not used) and dining area. Also on the first floor are two common bathrooms, large storage room and six office spaces. A second floor community meeting room, boardroom, exercise, storage room, laundry room and 3 office spaces have been fundamental to the provision of services on site but are also underutilized space. The purchase included all existing furnishings, office equipment, and unit household items in the building.

There are 70 one-bedroom units with bathrooms. 12 of these units have an adjoining 350 square foot sleeping room, bathroom but no kitchen. Also, there is a large one bedroom presidential suite and a 2-bedroom executive suite. The large units used as executive and presidential during the hotel’s existence are currently being used for meeting space and are not occupied.

The units come fully furnished which assists in housing households that are in dire need for immediate housing.

All the units have
- Kitchen table
- Sofa
- Sitting chair
- Coffee table
- Bed- doubles, queen or king
- Night stands
- Desk and chair
- Dresser
- Two large closets
- Lamps
- Televisions

All the kitchens come complete with
- Microwaves
- Refrigerators
- Dishwashers
- Pots and pans
- Plates and glasses
- Utensils

The entire property is 6.7 acres divided into two parcels. Parcel one, where the existing building is situated is 2.61 acres and contains 96 parking spaces. Parcel Two is 4.17 acres of land which offers a wide variety of development opportunities for LHA in the future and makes the original
acquisition just that much more attractive. There are 259 existing parking spaces as the original developer created all the parking assuming they would build another hotel of the same size immediately but the market never developed sufficiently.

Proposed New Construction and Renovation

The most significant piece of the construction at the SSHC is the creation of 11 studio units in the building. These new units will arise from converting 10 of the 12 2nd Bedrooms to independent studio units and converting the executive unit to a studio and rehabbed community space to be used for a yoga room on-site. In the 10 converted units with lock offs the pass thru opening will be sealed and kitchens installed the now studio space. Two of the 2 bedroom units will remain as well as 68 one bedrooms. Increasing the overall unit count by 11 to 81 will serve additional households and better serve the household demographics of applicants seeking housing at SSHC, who are primarily single person households.

The remaining rehabilitation is critical to the refinancing and long-term stabilization of the property. It includes:

- Adding ovens to all units. Currently the kitchens do not have ovens, just two burner cooktops and microwaves. Adding ovens will enhance the kitchens and the tenancy of the residents. To allow this, we need to bring 220 power to all units to power the ovens.
- Counter modification must be made to accommodate the new ovens and still leave room for drawers and cupboards.
- Flooring replacement in the new units and all existing units. The current units have carpet, which is not ideal for the tenants or the management. The plan is to replace the carpet with high quality plank vinyl. The bathroom flooring will also be replaced with the plank vinyl for a consistent look throughout.
- The outdoor pool and hot tub will be decommissioned and filled in and a terrace for gathering will replace it. The pool has not been operational since 2013. The "sport court" and natural gas BBQs, and picnic tables will remain.
- Reconfiguring the office space to make it work better as an apartment building office instead of a hotel.
- Replacing/major rehab of the elevator hydraulics and electronics in both elevators. This will be a significant upgrade that will leave the building with basically new elevators once the renovation is complete.
- Creating a public hallway access to the service elevator to end up with two fully functioning and accessible elevators. The tenants only currently have access to one elevator. Creating access to the service elevator will much improve circulation and safety in the building.
- Purchase new appliances and unit furnishings for all units
- Creating the meeting and medical space out of the presidential suites. As mentioned this space is awkward and could not be reconfigured for a dwelling unit. It’s repurposing as an office for tenants to receive medical services will be so beneficial to residents. The executive suite will be converted into two spaces; one a studio rental unit mentioned
about and space to teach cooking classes, a space for yoga and meditation, as well as a space for more physical activities.

- Removing the unit natural gas fireplace inserts and refinishing the insert wall area. This removes a large natural gas demand, greatly increasing the efficiency and as well as the safety of the units.
- Finally, we will be remodeling the lobby so the Meals on Wheels delivery is more efficient and accessible to residents.

Green Communities
In late 2015 LHA replaced the roof with a more efficient white roof and all elements of the rooftop HVAC system including new rooftop units. This work earned LHA a rebate of almost $40,000 from Efficiency Works. The group estimates that these improvements will save the building $1,800 a year on their utility bills. Additionally, Xcel through Energy Outreach Colorado is providing an $18,000 rebate for the boiler replacement, faucet and shower head aerators and pipe insulation. LHA recently installed a new more efficient boiler (reducing the number of boilers from 3 to one). All the units were additionally equipped with programmable thermostats that allow management to set a range of allowable temperature.

Working with our Architect and taking into account the above work, LHA has been able to identify the necessary items to meet the Green Communities requirements.

Project Based Vouchers
In 2014, LHA adapted the leasing model to achieve 100% Project Based Vouchers, accepting 35 from DOH administered by local mental health center, Mental Health Partners (MHP) and allocating 35 of our own PBVs. MHP provides onsite staffing and forms a critical part of the collaborative team that staffs and administers the Suites. Fully project basing the SSHC was a huge achievement that took significant effort on the part of LHA, DOH and their partners. LHA will also project base the newly constructed 11 studios.

Income Set Aside **

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Unit mix and Amenities (once new construction of units is complete)

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<th>Sq ft</th>
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SUPPORTIVE SERVICES DESCRIPTION
SSHHC is committed to providing a supportive housing community that is a safe, supportive and affordable option for Longmont’s low-income and high-need residents. SSHHC serves low income populations, disabled, elderly and homeless individuals. SSHHC is providing a much needed, evidence-based intervention to help end homelessness in our area by providing safe, affordable housing and supportive services that help residents remain housed with dignity and improve their overall well-being while decreasing the consumption of other public resources.

The current resident population includes 72 residents. 12 current residents have an intellectual disability (17%); 45 have a mental illness (63%); 14 are 62+ (19%); 19 have a physical disability (26%); 5 are vets (7%) 15 have substance abuse history (21%); 3 are students (4%); 35 are previously homeless (50%). The resident community is characterized by high risk, hard to house, special needs populations. Chronic homelessness, severe mental illness, disability, recovery from substance abuse and reintegration into the community from detention facilities are frequent conditions of SSHHC residents. Many of these challenges overlap, so there are many residents with a mental illness and other disability or demographic. The vast majority of residents are living off of Social Security, Social Security Disability, or Supplemental Security Income as their only source of income.

The SSHC, in partnership with the City of Longmont, Mental Health Partners, and several other agencies, provides case management, psychoeducational and therapeutic groups, and social activities. Mental Health Partners provides the equivalent of 1.5 full time service providers on site for clients, and residents of the SSHC. Interaction and access to services that support residents’ stability and ability to maintain housing are critical to serving the population. The SSHC boasts a very low turnover rate, with 68% of residents being housed here since 2013, 50% since 2012, and 24% since opening in 2011.

The SSHC offers groups or activities almost daily. Once a week, residents are invited to take the Via bus to King Soopers or Walmart for grocery shopping. This is a valuable service, as most of our residents do not have cars, and many cannot walk to the bus stop, particularly with bags of groceries. We have weekly Art Group and coffee hours. According to recent research, adult coloring activities have shown similar results to meditation in stress relief and mindfulness, and have been shown to reduce symptoms of anxiety and Post Traumatic Stress Disorder (Dovey, 2015).

Monthly events include music group, BINGO, where residents win items for their apartments, birthday parties, and community meetings. Community meetings are an important part of The SSHC programming. They offer a chance for residents to hear about updates on building rehabilitation or other events and to have their concerns heard by staff and other residents. We also offered a companion animal class from the Longmont Humane Society to help residents understand how to care for their animals. The supportive services manager led stress management and managing depression groups, which had limited participation.

Regular unit inspections are scheduled to ensure the health and safety of each unit and resident compliance with the lease. Frequency of inspections varies from daily or weekly, to monthly or quarterly at the least and provides an invaluable opportunity to assess the physical condition of the unit and address maintenance work orders or other service needs that are exhibited in the condition of the residents’ unit.

Provisional residency agreements (PRAs) have been effective at times when residents do not follow the house rules or the requirements of their lease. In supportive housing, we present lease violations along with supportive services to help the resident meet the terms of their lease.
Every lease violation is paired with offers of support, whether it is to review housekeeping skills, provide mediation and conflict management, or other services. Barring a substantial violation, residents are allowed opportunities to comply with the lease. After a second violation for the same matter, staff must ensure that the resident understands the gravity of the situation and that getting another violation could result in eviction. Because of the trauma history and/or mental illness of many of our residents, this needs to be done in a way that maximizes the likelihood of success.

SSHC enjoys strong and collaborative partnerships with entities that recognize that LHA is contributing to the strategic vision of the homeless plan, and the community needs; DOH, City of Longmont and multiple service organizations continue to be very supportive of SSHC. SSHC Supportive Service Program has developed mutually beneficial collaborations that promote program quality and sustainability. These partnerships range from contractual agreements, to formal collaborations and other informal yet vital agency interactions.

**Contractual partnerships**
Via Mobility Services: LHA contracts with Via to provide fixed weekly scheduled rides to all LHA properties and provides mobility coaching to LHA residents.

**Formal Collaborations**
- Krupnick Counseling: Residents have access to Krupnick Counseling Services as part of the Housing First component of their agreement with the City of Longmont.
- Longmont Police Department: Participating member in Crime Free Multi Housing Program
- Mental Health Partners provides 1.5 FTEs dedicated on site staff to the SSHC and provide direct services to MHP clientele who are residents at the SSHC.

**Service Collaborations**
- Meals on Wheels: 19 residents benefit from daily food delivery,
- St. John’s the Baptist Church: 2 residents benefit from weekly food delivery
- Humane Society: 2015 training on caring for companion animals
- Guaranty Bank: 2015 Financial planning class
- Total Transit: frequent medical rides Medicaid eligible residents
- CSU : 1 BSW intern placed in 2016 under supportive services manager supervision
- Senior Services: monthly coordination of services for eligible residents over 55.
- Workforce: offers paid internships, employment; SSHC has made 3 referrals in 2015
- Probation department: coordination of services as needed for eligible residents.
- Bridge House of Boulder and OUR center offer rental deposit and rent assistance, approximately 6 over the past 6 months.

In addition, the narrative should address the following:

1. Describe the bond financing structure and include the following:
   a. Total amount of bonds with a breakout of construction period bonds vs. permanent bonds.
      
      Total bond amount is estimated to be $7,000,000. $3,650,000 will be permanent and $3,350,000 will be for construction.
b. Bond issuer (please specify whether you are seeking a CHFA bond-financed loan, a CHFA conduit bond issue only, or bonds from another municipal source). We plan on using CHFA as conduit bond issuer.

c. Lender and bond sale structure (public sale, private placement, short-term bonds to be taken out by a FHA-insured GNMA securitized loan, etc.). The bonds will be privately placed with Citi Community Capital. The Tax-exempt Loan will have two distinct phases: (1) Construction Phase - an initial phase during which funds will be advanced to Governmental Lender and loaned to Borrower (directly or through a Fiscal Agent, at Governmental Lender’s discretion) on a “draw-down” basis. Payments on the Tax-exempt Loan during the Interim Phase will be interest only. (2) Permanent Phase - a subsequent phase when, upon completion of construction and achievement of stabilized operations, no additional funds will be available to Borrower. Payments during the Permanent Phase will include principal reduction payments as well as interest.

d. Portion of bonds that will be tax-exempt (i.e., will the bonds have a “taxable tail”). All of the bonds will be tax-exempt.

2. Identify which guiding principles in Section 2 of the Qualified Allocation Plan (QAP) the project meets and why it meets them:

• To support rental housing projects serving the lowest income tenants for the longest period of time

Residents of the SSHC have an average annual income of $10,000. LHA is so committed to this development that they project based 35 of their section 8 vouchers to make sure that the SSHC could serve the most needy population.

• To distribute housing credits to assist a diversity of populations in need of affordable housing, including families, senior citizens, homeless persons, and persons in need of supportive housing.

The SSHC serves the mentally ill, individuals in recovery from substances, seniors, people with physical disabilities, formerly homeless and Veterans in a supportive housing community.

• To support new construction of affordable rental housing projects as well as acquisition and/or rehabilitation of existing affordable housing projects, particularly those with an urgent and/or critical need for rehabilitation or at risk of converting to market rate housing

The SSHC is providing 11 new units and renovating an existing building to make it sustainable for another 30 years.

• To reserve only the amount of credit that CHFA determines to be necessary for the financial
feasibility of a project and its viability as a qualified low income housing project throughout the credit period

The SSHC financing has been structured to utilize as many sources as possible and keep our requests to those sources as low as possible. Our State Credit request is less than $500,000 or less than $6000 per unit. Our DR request is $200,000, acknowledging the limited amount of those resources in this funding round.

The SSHC is in a County impacted by a natural disaster, a priority for credit, and LHA has been actively involved in the planning around how the county could best effect recovery.

3. Describe how the project meets the criteria for approval in Section 2 of the QAP:

  a. Market conditions:
The SSHC meets a need not being met anywhere in the Longmont Market. Additionally, the project has 100% PBV virtually assuring that it will continue to serve its extremely low income residents for as long as needed.

  b. Readiness-to-proceed:
The SSHC has been preparing for this refinancing for over a year. All the pieces are in place. Additionally, there is added pressure due to the fact that the existing CHIF loan has already been extended a year and is due again this summer. LHA is primed to move the SSHC forward. LHA has weighed all the financing options and has been working closely with DOH and CHFA. We believe that this combination of State and Federal Credit, DR and CHIF funds will make for the most financially stable project.

  c. Overall financial feasibility and viability:
SSHC is applying for 4% LIHTC, State Credits and Disaster Recovery funds. LHA is leveraging every possible source for the rehab refinancing of the SSHC. The project already has a HOME grant from the Division of Housing for the acquisition so no additional HOME funds can be used in the project. LHA has been awarded $375,000 in CDBG from the City of Longmont and should hear about an additional $500,000 from the City Affordable Housing Fund by early February. SSHC currently has a CHIF loan of $2 million that is due this summer. The refinancing would allow the SSHC to repay the CHIF loan and replace it with a $1 million CHIF loan with a 17-year term.

At the time of acquisition, LHA and LHDC both committed significant funds, in addition to the countless hours of staff time it has taken to create the supportive housing community at the SSHC.

The SSHC has been very successful at providing housing to a wide variety of hard to house populations. But that success has come at the cost of higher operating expenses and LHA bearing a great share of the service provision than they do in other buildings. Attempts to secure additional grants were not successful despite our best efforts.
• National Housing Trust fund – This has still not yet come to be. We had hoped in 2011 it would be an option but politics has not gone our way.
• HUD Hearth funds- We reviewed the possibility of applying through the Continuum of Care but this project would not qualify as retiring of debt is not a permissible use of funds.
• HOME – ineligible to projects that closed previously allocated HOME loans.

d. Experience and track record of the development and management team:
Michael Reis has been in the affordable housing industry for over 28 years, which included 25 years with housing authorities were he has influenced and carried out board policies to expand affordable housing opportunities throughout Boulder County and in Longmont.

Michael has been with the Longmont Housing Authority (LHA) since 2003 as the Development Director, and since 2007, the Executive Director. He also serves as the Executive Director of Longmont Housing Development Corporation (LHDC), an independent 501c3 nonprofit. He leads a staff of nineteen people managing nine housing programs with a $6.2 million annual operating budget, and real estate assets worth nearly $60 million. From 1990 until 2003 he was the Development Director for Boulder County Housing Authority/Louisville Housing Authority.

Krystal Winship Erazo has been with the Longmont Housing Authority since 2007, as Family Resource Coordinator and since September 2014 as Director of Operations and has been instrumental in developing the Supportive Housing Programs for LHA. She has 10 years experience in the housing and human services industry in the Longmont Community. Her background in cultural anthropology and work with Latin American cultures brings perspective and knowledge to working with diverse populations and human services institutions.

Sarah Batt has been active in the affordable housing arena for almost 20 years. She has worked as a developer for non-profits and housing authorities as well as holding positions as affordable housing lender and syndicator of LIHTC. She has been consulting to a variety of non-profit and housing authority clients for the past 9 years putting together funding applications of all kinds as well as acting a project manager for affordable housing transactions.

LHA owns, manages and administers Affordable Housing Properties and Programs with the highest standards of performance, integrity and service. LHA staff is a dedicated and cohesive team and has been managing agent of a portfolio of 350 units since January of 2014. The portfolio is predominantly publicly funded with HUD, DOH, COL, FHLB funding and LHA Property Management consistently meets or exceeds their compliance requirements of each property, as well as the LIHTC investors and private lenders.

e. Cost reasonableness:
The nature of this project is that it is extremely cost effective. The SSHC building was an excellent investment in 2011, providing a sturdy structure that lends itself well to supportive housing. The necessary renovations to extend the property’s useful life are not extremely costly but will make a significant difference to operations of the property.

f. Proximity to existing tax credit developments:
Although there has been a great deal of LIHTC housing approved in the Longmont market there is nothing like the SSHC. Additionally, it is fully leased up except for units being held for renovation and there is a sizeable waiting list (478 households last time LHA opened it up)

g. Site suitability:
The site has proved to be perfect for this project. It’s close to the newly redeveloped mall, on a transit corridor (119- the diagonal) and it is far enough from any single family development that it has faced no NIMBY issues.

4. Provide the following information as applicable:

h. Justification for waiver of any underwriting criteria (minimum operating reserve, minimum PUPA or high PUPA, first year debt coverage ratio below 1.15 or above 1.30, minimum replacement reserve, vacancy rate below CHFA’s minimum):

The PUPA is relatively high but the QAP does not specify what level is too high. LHA has been operating SSHC for over 4 years and understands the expense required to operate the property. Understating the expenses for the purposes of the application would not serve the building in the long run.

The debt service coverage is well above 1.30 for a couple of reasons. The property has a must pay second position loan from DOH. Additionally, the assumption that the HAP rents will increase by 3% annually has not been borne out by LHA’s experience. If we run a more conservative 1% increase in annual HAP payments the DSC decreases to 1.24 by year 17 when the CHIF loan is fully repaid.

Finally, the SSHC supportive housing model is supported by the cash flow from the voucher rents. Service dollars are extremely hard to come by, especially for a long-term commitment such as what is needed at the SSHC. The City of Longmont has been supportive over the past few years but has been clear that they are not willing to be the long-term source for the services at the Suites. The expectation is that LHA will, through the refinancing of the Suites, identify a long-term source to support the services at the project.

5% developer fee boost for service reserve
We have looked at creating a service reserve for the project using the 5% developer fee boost available in the QAP. It could potentially generate over $700,000 in equity for a service reserve for the SSHC. We would be glad to have additional conversations with CHFA about how this might work for the project. We have attached a spreadsheet with a preliminary calculation to start the conversation.

5. Address any issues raised by the market analyst in the market study:
Not Applicable

6. Address any issues raised in the environmental report(s) submitted with your application, including how the issues will be mitigated, if applicable:
Not applicable
7. **In your own words, describe the outreach to the community that you have done and describe and demonstrate local support for the project (including financial support):**

   For 5 years, since the then named, Hawthorne Suites Hotel came on the market, LHA has directly engaged and targeted outreach efforts to the local community. The proposition of a Supportive Housing development was a direct response to the overwhelming local cry for supportive housing from service agencies, the Longmont Housing Opportunities Collaborative, the Longmont Homeless Plan, County Homeless Plan, CDBG priorities and Affordable Housing Plan. Every step of the way, from acquisition through occupancy and refinance has met generous support of the community within the capacities available to each entity. The opportunity of repurposing an existing, underutilized asset to this dire need couldn’t be passed by. CDGB/HOME leveraged the acquisition, has annually funded supportive services with grants and has funded rehab in the 2016 funding cycle. The original model of master leasing with local service agencies to provide critical subsidy and services fell short, not for lack of desire, but due to financial limitations of annually privately funded non-profit organizations. While in service, the SSHC has met and exceeded expectations to meet the needs of some of our communities most vulnerable in a permanent, independent, supported environment. Service agencies, city officials have repeatedly praised the outcomes while struggling with outstanding unmet needs for additional affordable and supportive housing.

8. **For acquisition/rehab or rehab projects, provide a detailed narrative that describes the rehab plan and tenant relocation plan (if applicable):**

   This year, the Longmont Housing Authority completed a roof replacement and HVAC installation at The SSHC. This work was preceded by community conversations with residents about how to help mitigate the stress they might experience with noise, interruptions, and having contractors and others in the building every day. SSHC staff distributed written updates and notice for any access required to residential units, as well as daily written updates on a white-board in the lobby of the scheduled work, location and impact for the day.

   In preparation for the upcoming rehab we have developed a plan to promote effective and efficient schedules for contractors while minimizing the impact to the residents. In-unit rehab will impact every resident in every unit. Elevator and common space rehab will affect the community and flow, but will not prohibit access or impact existing residential units. Exterior rehab to decommission the pool and develop the terrace will have the least impact on residents and the building.

   We will have extra community meetings regarding the building renovations with guests to include LHA staff, contractors, project managers, and others who can answer questions that arise. Additionally, we plan to have activities available for people to engage in when the noise is unpleasant in their apartment. We are also working to ensure that everyone who comes into the building understands that this is a vulnerable population and that we need to provide advanced notice of any disruption and minimize those disruptions as much as possible.
Sequencing and prioritization are critical for a successful rehab. The Elevator rehab is the first and most critical priority to ensure safety, as both elevators are currently compromised. Completing the Studio rehab prior to the In Unit rehab will benefit the residents by offering a temporary and upgraded unit to relocate to while their unit is being rehabbed. The exterior and common space rehab will have minimal impact to residents, although our approach with vendors, and methods of communication will remain consistent and fundamental to a successful project.

**Elevator rehabilitation**
The elevator rehab will be scheduled on one elevator at a time, completing rehab on the first prior to beginning work on the second. No anticipated interruption to flow is expected. Residents currently have use of one elevator and the rehab and access to the second will be a great improvement.

**Studio conversion**
SSHC staff has been preparing for this conversion and has already transitioned all 10 2BR leases. All residents previously residing in 2 BRs scheduled to be converted have either leased 1 BR leases, or voluntarily moved to another community following the term of their lease. 3 households with children have leased with PBVs at a family site, Aspen Meadows Neighborhood and others chose different housing options with case management. The adjoining room that will be converted to a studio unit is locked off from the primary unit to allow for this conversion. The 2 residents of the remaining 2 BRs have been notified that when work is scheduled to begin, they will be asked to remove belongings from their 2nd BR to enable electrical, plumbing and other trades to complete work in units above and below them.

**In-unit rehab**
Flooring replacement, fireplace removal, paint and cabinet modification has been completed in 7 units over the past 3 months during an increase in unit turns. The remaining 61 units will require tenants vacate their unit temporarily. Each complete rehab includes 4 trades including electric, carpentry, flooring, drywall and paint. We anticipate each complete rehab to take 10-14 days, and expect to work with contractors to complete 5 units simultaneously. Ideally, the in unit rehab would be scheduled following the completion of the studio units. Residents would be temporarily relocated to a studio unit, and their belongings securely stored on site for the 2 weeks required completing their units. Returning residents to their original units is important because of the administration of Project Based Vouchers and the sensitive and intentional placement of some residents in the physical building or in proximity to other residents. Folks are very attached to their units and expect to return to their homes, rather than move to a new unit.

**Exterior rehab.**
Exterior rehab will impact residents the least. No relocation or mitigation plans necessary.

**Common Space rehab.**
The features of this rehab will benefit the entire community, but will present minimal impact to residents. Updates, community meetings will keep the community informed. Staff will relocate their offices to the 2nd floor office space 2 weeks prior to scheduled work to allow for transition.

**Previous related party relationships**- LHA purchased and currently owns the SSHC. They will sell it to the LLLP at closing.
Addresses the 10-year rule; The property currently has 100% project based vouchers which qualifies it for an exception to the 10 year rule.

Capital expenditures over the past two years; - Roof, Roof top units serving all units and common space, new boiler, removal of natural gas lines to unit fire places, seven units flooring completed and fireplace insert removed. There has been substantial work on elevators to keep them operating.

Address obvious design flaws; obsolescence issues; Obvious design flaws; the units have cooktop, not stoves, service elevator not accessible to public. In 2011 the interior was made more secure by isolating the lobby and making it a controlled assess entry to the rest of the building, surveillance cameras were installed, There is little need for two-bedroom units with this population. The building has a controlled entry airlock as well giving it two points of entry control. The renovation will finally address all the issues with the property such converting the vast amounts of office and common space into useful spaces for service provision

Safety issues There are no significant safety issues with the SSHC. The addition of the other elevator and upgrade of the existing elevator will greatly improve the circulation in the building. Removal of the unit fireplaces reduces risk of fire.

Any significant events that have led to the current need for rehabilitation (i.e., fire, nature disaster). The 2013 floods exacerbated the need for new units in the market, and the conversion of two bedrooms into studios achieves a couple goals – new studio units that the market and population needs and a reduction of unnecessary two-bedrooms.

Past local, state, or federal resources invested in the project The project has HOME funds from State DOH, a CHIF loan from DOH and CDBG from City of Longmont.
The Village at Westerly Creek 3 (VWC3) is the third and final phase of the redevelopment of the Aurora Housing Authority's (AHA) former Buckingham Gardens Senior Public Housing development. Upon completion, VWC3 will have a total of 74 new, affordable rental units for families and seniors. Of these 74 units, 6 units (8%) will be new public housing units, which will subsequently be converted to project-based units utilizing HUD's RAD process.

The Aurora Housing Authority had amazing success in leasing and occupying VWC1 & VWC2 within 45 days of opening. We have maintained a waiting list for these senior properties, which currently holds 73 qualified senior prospects. The AHA waiting list for Housing Choice Voucher tenants has been closed since 2005, and currently holds over 5 years' 'supply' of potential future residents. There are no NEW construction LIHTC units for families in the Aurora portion of the market study area since the inception of the LIHTC in 1986. The market study concurs that there is a great need for this housing, in this neighborhood, and soon!

*The need for these units to be developed NOW is significant:*
• **LIHTC allocation with State tax credits is urgent to avoid losing nearly $1 million in remaining public housing operating capital funds as a result of the removal of the former public housing units.**

As a result of the successful disposition and demolition of the former Buckingham Gardens, there are remaining HUD Public Housing Capital Funds of $1 million. The HUD Special Applications Center (SAC) has approved the use of these remaining funds if we submit a Mixed-Finance Application to HUD by July 20, 2016 (180 days from the approval of disposition dated January 22nd). If we do not expend these funds then, the monies will be returned to the U.S. Treasury (not to HUD), and permanently lost. These funds represent a significant part of the overall budget, and reduce our requests for other tax credit or federal funds. In return for these funds, AHA will be required to provide six new public housing units, with rents at the ACC/Public Housing levels. Subsequent to approval of the Mixed-Finance application, we shall use the HUD RAD to convert these 6 units to project-based Housing Choice Voucher units.

• **AHA has leveraged significant funds for the redevelopment**

Of the $22 million TDC, AHA’s participation is worth $2.92 million (in land, cash, and public housing funds) which has leveraged $2.11 million of federal, state, and local resources. Additionally, the six, new public housing units will provide a 10 year rent subsidy of approximately $756,000. The total value of this leverage is nearly $5.8 million investment in a $22 million project. AHA’s leverage, therefore, provides 26% of the total development cost.

The combined value of the financial support from cash, HOME funds, land donation, fee exemptions, and Public Housing Capital Funds in this project are significant:

<table>
<thead>
<tr>
<th>Source of funding</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land value (donation by AHA)</td>
<td>$600,000</td>
</tr>
<tr>
<td>AHA Cash/Deferred Dev Fees</td>
<td>$1,324,094</td>
</tr>
<tr>
<td>AHA Public Housing Cap Funds</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>City of Aurora Permit &amp; Fee Waivers</td>
<td>$610,000</td>
</tr>
<tr>
<td>HOME Funds (State, City, County)</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>6 PH/Vouchers for 15 yrs (@$700/unit/mo subsidy)</td>
<td>$755,880</td>
</tr>
<tr>
<td><strong>Total AHA Leverage</strong></td>
<td><strong>$5,789,974</strong></td>
</tr>
</tbody>
</table>

26% of TDC
This final piece of the development will complete the largest public housing redevelopment in the country without accessing the HOPE VI funds.

AHA has used a different approach to revitalize its aging public housing community. The site was ineligible for HOPE VI funding, a typical approach to public housing redevelopment. HOPE VI requires that the site be in an area of concentrated poverty, the public housing be severely distressed, and that the redevelopment create opportunities for residents to gain access to employment. AHA’s Buckingham Gardens were not in a low income tract, AHA had continued to maintain its public housing units (it had high REAC scores), and its public housing participants were elderly and/or disabled who were unlikely to seek employment opportunities.

As a result, AHA has successfully looked to other sources and funding in order to reinvent the public housing site. This third and final phase completes the vision of what can be done with an obsolescent development by leveraging AHA resources to create an attractive (and award-winning!) development. We have been able to create a new living environment without displacing any public housing participants by phasing the construction to ensure that they could stay safe and secure in their own homes until we were able to move them to their new apartment homes.

The first two phases of The Village at Westerly Creek house 120 very low-income seniors/disabled households, the majority of whom were residents of Buckingham Gardens (BG). The former BG residents were given the option of taking the Housing Choice Vouchers and moving anywhere they wished. Of 120 households, six chose to leave. While waiting for the completion of VWC2, there were five VWC1 residents who either passed away or were moved to assisted care facilities. The units in VWC1 were easily ‘backfilled’ by then residents of BG. Hence, when VWC2 was completed, we needed to find only 11 new qualified residents. AHA opened a waiting list, and the units were filled within one month. There is currently a waiting list of over 70 participants, which will be useful when we open this third phase of the senior component of VWC3.

For the family component, the need is huge. There have been no new multifamily units constructed in the market area in over a decade. The Aurora Housing Authority has not opened its Housing Choice Voucher wait list since 2005, and still have enough people on the list to last an estimated five years. We are exceedingly confident that the family units will be in demand and quickly occupied.

The combined total costs and sources of all phases of The Village of Westerly Creek are as follows:

<table>
<thead>
<tr>
<th>COSTS (Rounded)</th>
<th># units</th>
<th>Cost/Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>VWC1 $13,394,960</td>
<td>55</td>
<td>$ 243,545</td>
</tr>
<tr>
<td>VWC2 $15,988,410</td>
<td>65</td>
<td>$ 245,976</td>
</tr>
<tr>
<td>VWC3* $22,095,450</td>
<td>74</td>
<td>$ 298,587</td>
</tr>
<tr>
<td>$51,478,820</td>
<td>194</td>
<td>$ 265,355 avg</td>
</tr>
</tbody>
</table>

*estimated
The $7 million financial commitment of the Aurora Housing Authority is considerable, unusual, and demonstrates our intent to ensure the development of attractive, sustainable, and affordable units in this community. In addition, AHA also brings significant leverage when the value of the payments for the project-based vouchers are included. Village at Westerly Creek 1 and 2 currently receive $1 million per year in rental subsidy for our low-income residents. The addition of 6 more public housing units will add over $50,000 annually to the income of the property.

### Additional AHA Leverage

<table>
<thead>
<tr>
<th></th>
<th>Annually</th>
<th># Units</th>
<th>PUPM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value of HAP Payments VWC1</td>
<td>$471,276</td>
<td>55</td>
<td>$714</td>
</tr>
<tr>
<td>Value of HAP Payments VWC2</td>
<td>$534,864</td>
<td>65</td>
<td>$686</td>
</tr>
<tr>
<td>Estim. Value of PH at VWC3*</td>
<td>$50,392</td>
<td>6</td>
<td>$700</td>
</tr>
<tr>
<td><strong>ANN’L AHA LEVERAGE</strong></td>
<td><strong>$1,056,532</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>15 YEAR VALUE</strong></td>
<td><strong>$15,847,980</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*based on current avg subsidy/unit

### PROJECT DESCRIPTION

The site is divided into two, separate components – a family and a senior component. There is demonstrated need for both types of housing, and each will have its own, unique architecture and ‘feel’.

To the east side will be 24 senior (age 62+) one-bedroom ‘flats’. These flats will face each other around a central courtyard, and also have raised garden beds along one side of the site. Similar to VWC1 and VWC2, there will be ‘snowmelt’ sidewalks to allow for safe passage in inclement weather. The residents in these units will work with the management and maintenance of VWC1 and VWC2, and be included in activities/events held as part of the existing senior community. The architectural style will incorporate elements found in VWC1 and VWC2 to complete the senior community. The individual flats will appeal to those seniors who want greater independence. We believe that these flats may also serve as a ‘feeder’ to be future residents of the apartments of VWC1 and VWC2 if/when their assets decrease or they wish the additional security provided by an apartment community.

On the north side of the site, 50 townhome and stacked flat style units will be located in four buildings. This family portion of the site will be comprised of 24 2-bedroom units, 22 3-bedroom units, and four 4-bedroom units. The site plan allows for ample open space for recreation and outdoor activities for the family. There will be attached, covered and surface parking, as required by City of Aurora code. Younger children in these households will be able to walk to the nearby Highline Elementary School, which is in the Cherry Creek School District. We believe this will be an advantage when leasing. It is our intent to create a new “brand” and identity for these townhomes, so that they will not be confused with the additional senior-only residences. A small leasing/management office will be located here for the convenience of the families.
Also located on the site will be a detached maintenance facility that will serve both the family and senior components. VWC1 and VWC2 have their own, separate maintenance shop, located in VWC1.

**DETAILED TYPE OF CONSTRUCTION:**

All of the proposed buildings will be wood-frame over slab-on-grade.
- Building exteriors clad in a combination of masonry, pre-colored corrugated metal, and cementitious siding.
- Flat roofs with parapets, sheathed in heat reflective TPO white membrane surface.
- All units will be accessed by individual entrances with small patios at front stoop.
- The senior units will be on one level; the family units will have some 2-story units and single-level ‘flats’.
- Family units will have interior stairs, including individual stairs to 3rd floor flats. This saves the cost of providing elevators.
- Cost efficient PTAC units will be used for heating the senior units. Forced air furnaces and condensers will serve the family units.
- All electric utilities reduce the cost by not providing gas lines to the senior portion of the property.
**POPULATION BEING SERVED:**
The 74 units will serve those at 30% and 60% of the Area Median Income.

<table>
<thead>
<tr>
<th>AMI</th>
<th># BR/BA</th>
<th>UNIT TYPE</th>
<th>POPUL</th>
<th>#</th>
<th>GSF</th>
</tr>
</thead>
<tbody>
<tr>
<td>30% AMI</td>
<td>1BR/1BA</td>
<td>Row House</td>
<td>Senior</td>
<td>1</td>
<td>645</td>
</tr>
<tr>
<td>30% - PubHsg</td>
<td>1BR/1BA</td>
<td>Row House</td>
<td>Senior</td>
<td>2</td>
<td>645</td>
</tr>
<tr>
<td>30% - PubHsg</td>
<td>2BR / 1 ¾ BA</td>
<td>Flat</td>
<td>Family</td>
<td>2</td>
<td>1,019</td>
</tr>
<tr>
<td>30% AMI</td>
<td>3 BR / 2 BA</td>
<td>Flat</td>
<td>Family</td>
<td>1</td>
<td>1,254</td>
</tr>
<tr>
<td>30% - PubHsg</td>
<td>3 BR / 2 BA</td>
<td>Flat</td>
<td>Family</td>
<td>2</td>
<td>1,254</td>
</tr>
<tr>
<td>60% AMI</td>
<td>1BR/1BA</td>
<td>Row House</td>
<td>Senior</td>
<td>21</td>
<td>645</td>
</tr>
<tr>
<td>60% AMI</td>
<td>2BR / 1 ¾ BA</td>
<td>Flat</td>
<td>Family</td>
<td>22</td>
<td>1,019</td>
</tr>
<tr>
<td>60% AMI</td>
<td>3 BR / 2 BA</td>
<td>Flat</td>
<td>Family</td>
<td>9</td>
<td>1,254</td>
</tr>
<tr>
<td>60% AMI</td>
<td>3 BR / 2 BA</td>
<td>Townhome</td>
<td>Family</td>
<td>10</td>
<td>1,534</td>
</tr>
<tr>
<td>60% AMI</td>
<td>4 BR - 2 BA</td>
<td>Townhome</td>
<td>Family</td>
<td>4</td>
<td>1,702</td>
</tr>
</tbody>
</table>

Total Units 74 77,132

<table>
<thead>
<tr>
<th>Unit Distribution</th>
<th>Affordability Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 BR/1BA Senior</td>
<td>30% AMI</td>
</tr>
<tr>
<td>24</td>
<td>2</td>
</tr>
<tr>
<td>32.4%</td>
<td>3%</td>
</tr>
<tr>
<td>2 BR/1 ¾ BA Family</td>
<td>30% PubHsg</td>
</tr>
<tr>
<td>24</td>
<td>6</td>
</tr>
<tr>
<td>32.4%</td>
<td>8%</td>
</tr>
<tr>
<td>3 BR/2BA Family</td>
<td>50% AMI</td>
</tr>
<tr>
<td>22</td>
<td>0</td>
</tr>
<tr>
<td>29.7%</td>
<td>0%</td>
</tr>
<tr>
<td>4 BR / 2 BA Family</td>
<td>60% AMI</td>
</tr>
<tr>
<td>4</td>
<td>66</td>
</tr>
<tr>
<td>5.4%</td>
<td>89%</td>
</tr>
</tbody>
</table>

74 100% 74 100%

**LOCATION:**
VWC3’s location will provide its residents with easy access to the services, amenities and employment opportunities that the residents will want and need.

**Neighborhood Description:** The area to the east and immediate south of the site is almost entirely residential consisting of mainly 1970s construction, modest, single-family homes. Slightly further south, along Tennessee Avenue is a mixture of residential and commercial areas with a variety of services. Two blocks to the west of the site is Havana Street. This thoroughfare is almost exclusively commercial consisting primarily of car dealerships, auto repair shops, small commercial and restaurants. To the north of the site are older multifamily rental and condominium properties as well as the Aurora Stables – a livery and boarding stable founded in 1947.

**Public Schools:** VWC3 is located in the award-winning Cherry Creek School District. Elementary age students will attend Highline Elementary which is within walking distance of the site (0.3 miles); middle school students will attend Prairie Middle School which is 2.8 miles away; and Overland High School which is 2.9 miles away. Both middle and high school students have access to the district school buses for transportation to school.
Access and Transportation: The nearest major streets to the site are East Mississippi Avenue and Havana Street. Mississippi Avenue is two blocks south of the site and Havana Street is two blocks west of the site. The RTD #105 serves Havana, and the #11 serves Mississippi. Both of these lines are high frequency with service at least twice per hour. In late 2016, the #11 Mississippi bus will provide transportation directly to the new Florida Light Rail Station on the “R” line.

Shopping: The Gardens on Havana is a regional mall located two blocks south of the site along Mississippi Avenue. This site includes a Sprouts Farmer's Market, Dick's Sporting Goods, Kohl's Department Store, a Super Target, Babies “R” Us, several restaurants and various small retail and specialty stores. There is a King Soopers supermarket within a ¼ mile southwest of the site and a Safeway 1.2 miles to the east. A Costco Warehouse is 0.9 miles from the site, and the new and large Pacific Ocean Marketplace is 1.2 miles to the east. Several major banks are located within a ½ mile radius of the site. A WalMart is two miles away and a special “Shoppers' Special” Regional Transportation District (RTD) bus visits Village at Westerly Creek twice monthly to take our senior residents directly to the store.

Hospitals and Doctors: VWC3 is located very close to many medical centers. The nearest full-service hospital is the Medical Center of Aurora (1.8 miles) from the site. A Kaiser Permanente outpatient facility is located within ¼ mile of VWC3. The Fitzsimons Medical Campus is located 3.2 miles from the site and includes Children’s Hospital and the University of Colorado Health Sciences Center; Spalding Rehabilitation Hospital is 2.8 miles away; and Concentra Urgent Care Center is located 3.5 miles southeast of the site. Senior residents of VWC who are members of InnovAge PACE (Programs of All-Inclusive Care for the Elderly) are picked up each Tuesday at the site and transported to their facility at 3551 North Chambers Road (8 miles away).

Recreation/Culture: The Expo Recreation Center is located within 0.3 mile of VWC and offers a variety of classes. Expo Recreation Center is located within a 57 acre public park that has walking paths, tennis courts, playground, and a disc-golf course. About two miles north of the site is the Aurora Center for Active Adults (ACAA) which provides a plethora of both free and charged events for adults over 50 year and older. Twice monthly a special RTD bus takes VWC senior residents to the ACAA. Utah Park, which includes an indoor swimming pool, is 1.1 miles from VWC. The MLK Jr. Library and the Aurora Fox Theatre are both located 3.3 miles north of VWC.

Government Offices: The Aurora City Government offices are located approximately two miles northeast of the site, including the central office of the Aurora Police Department. The nearest fire station is located 1.2 miles east of the site on Mississippi Avenue and Peoria Street. A United States Postal Service store is located one block south of the site on South Ironton Street. There is an active Neighborhood Watch in the community.

Places of Worship: There are over 50 places of worship located within a five mile radius of the site. The Protestant church is located within three blocks, a Catholic church is located within 1.4 miles, a mosque is located within 1.7 miles, and a synagogue is 2.7 miles from the site.
AMENITIES
The development will have the following amenities:

- Private entrances with small patio
- Individual unit heating/air conditioning controls
- Individual domestic water heaters
- E-star rated appliances
- All lighting will be energy-efficient LED
- Washer/Dryer hook-ups
- Photo-Voltaic ready, for future installation
- On-site leasing, maintenance, and management offices
- Mixture of garages and carports for 35% of parking

Family Area Amenities
- Play areas with covered shelters
- Picnic area
- Bike racks

Senior Community Amenities:
- Access to all amenities provided at VWC1 & VWC2
  - Large community room of 2900 SF, with seating capacity of 130
  - Coffee bar/ Living Room lounge in VWC1
  - Private office for visiting health professionals
  - Computer lounge
  - Exercise center
  - Secured access and video cameras
- Additionally, the 24 senior units will have the following amenities:
  - Common courtyard and raised garden beds
  - Carports
  - ‘Snowmelt Sidewalks’ to provide safe walkways during inclement weather

On-Site Services:
The Village at Westerly Creek community will have on-site leasing, management and maintenance services. In addition, the seniors enjoy access to AHA’s Senior Community Builder, as well as to visiting nurses and other health professionals who visit at Village at Westerly Creek 1.

Description of Energy Efficiencies:
- Energy-Star rated appliances
- Insulation levels above code level
- Energy efficient PTAC units in the senior units
- Individual high efficiency domestic water heaters
- High SEER rated furnaces for family units
- LED lighting for all units and exteriors
- Photo-voltaic ready
- Programmable thermostats
- Low-flow showerhead and water faucets
- Heat reflective TPO white membrane roofs
- Low-E, multiple pane, Energy Star qualified windows
- Low Volatile Organic Compound (VOC) interior paint
- Green Label certified floor coverings
- Radon Barrier

**TYPE OF FINANCING**

AHA will be using approximately $16.0 in Private Activity Bonds (PAB) to be used during the construction of the site. The bonds will be issued from the City of Aurora’s PAB allocation. $7.8M in 2015 bond cap has already been awarded to AHA, and $8.2 in 2016 bond volume cap will be transferred to AHA in early 2016.

**Sources of Funding:**
The chart below outlines the sources and uses of the funding:

<table>
<thead>
<tr>
<th>Costs</th>
<th>Amount</th>
<th>% of Total</th>
<th>Sources</th>
<th>Amount</th>
<th>% of Total</th>
<th>Grouped by Type</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction/Site Work</td>
<td>$16,053,789</td>
<td>73%</td>
<td>Federal LIHTC Equity</td>
<td>$9,751,354</td>
<td>44%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tap Fees/Utility Costs</td>
<td>$1,110,000</td>
<td>5%</td>
<td>State LIHTC Equity</td>
<td>$2,520,000</td>
<td>11%</td>
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<td></td>
</tr>
<tr>
<td>Professional Fees</td>
<td>$731,100</td>
<td>3%</td>
<td>Permanent Debt</td>
<td>$6,000,000</td>
<td>27%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Soft Costs/Mkt,Envir,Studies</td>
<td>$223,119</td>
<td>1%</td>
<td>Aurora HOME funds</td>
<td>$600,000</td>
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<td></td>
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<tr>
<td>Construction Interim Costs</td>
<td>$1,124,365</td>
<td>5%</td>
<td>Arapahoe County HOME funds</td>
<td>$150,000</td>
<td>1%</td>
<td></td>
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<td>Permanent Financing Costs</td>
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<td>State of Colorado HOME funds</td>
<td>$750,000</td>
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<td>Project Reserves</td>
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<td>Deferred Developer Fee</td>
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<td>TOTALS</td>
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<td>TOTALS</td>
<td>$22,095,447</td>
<td>100%</td>
<td></td>
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</tr>
</tbody>
</table>

All 74 units will be covered by a Land Use Regulatory Agreement (LURA) outlining the term of the affordability, eligible rent and household incomes as required by both the Federal and State LIHTC programs. The LIHTC LURA will require long-term affordability of 50 years. The HOME covenant will require that the units also meet the HOME Affordability requirements for 20 years. AHA will be leasing the ground to VWC3 through a 65-year lease which will also assure long-term affordability. The HUD Declaration of Trust requires a 20-year affordability period.
CHFA Guiding Principles:

To support rental housing serving the lowest income tenants for the longest period of time:

The Use Agreement between HUD and AHA for the federal funds requires that the property remain affordable for 20 years. There will be a Land Lease in place between AHA and VWC3 LLLLP for 65-years which will keep the property affordable for many years to come. Eight of the units at VWC3 will be set aside for households earning up to 30% of the AMI, of which six will be new public housing units that will convert into project-based Housing Choice vouchers. The remaining units will be affordable to households earning up to 60% AMI.

The need for affordable housing in Aurora cannot be overstated. A November 4, 2015 article in the Aurora Sentinel stated that “In Aurora, apartment construction has been non-existent this year with zero permits issued in 2015 for multi-family units, according to the city building department’s monthly report.” As it is throughout much of the metropolitan area, there are few entry-level or affordable housing units in the pipeline to accommodate the overwhelming need.

On January 26, 2016, Meadows at Dunkirk (in Aurora) had overwhelming responses to the announcement of the opening of their 204-unit LIHTC property. Some people waited overnight in their cars, and the police were contacted to control the crowds. The demand in Aurora is crushingly urgent.


To support projects in a QCT, the development of which contributes to a concerted community revitalization plan as defined in Section 5.A4 Primary Selection Criteria:

VWC3 is located in a designated QCT. The area has undergone significant changes in the past few years, with the redevelopment of the former ‘Buckingham Gardens’ regional mall into the ‘Gardens on Havana’ open plan mall. The mostly vacant mall located two blocks to the south of the site has been transformed into a lively center with a Sprouts Market, Super Target, Kohl’s, Dick’s Sporting Goods, Babies “R” Us, and many other ‘fast casual’ restaurants, services, and goods. A mile to the east was a long vacant Albertsons grocery store, which has been completely transformed into the Pacific Ocean Marketplace, with a large grocery store and several specialty stores. About a mile north of the site on Havana Street at 4th Avenue, the City of Aurora purchased, abated and razed the former ‘Fan Fare’ mall. The Fan Fare was a discount shopping center built in the 1960s, and which had been vacant and an eyesore for over 50 years. The City has been reviewing submissions by developers for transforming the area.

Both the 2009 Comprehensive Plan and the 2015-2019 Consolidated Plan from the City of Aurora support the need for affordable housing. In the 2015-2019 Consolidated Plan, the first priority listed is to “Provide safe, decent, affordable housing”. Under that heading, the most important goals are listed as:

Priority 1.1: Maintain and improve the existing supply of affordable housing to meet the need of low and moderate income residents.

Priority 1.2: Increase access to affordable housing options for Aurora residents.

In the 2009 Comprehensive Plan, the City includes several specific items related to affordable housing in its vision statement:

When the goals of the city are achieved...
• In the existing city, infill development enhances and helps revitalize neighborhoods.
• Aurora maintains an equitable mix and distribution of affordable housing.
• Aurora’s neighborhoods continue to be composed primarily of single-family, owner-occupied homes, but as neighborhoods are revitalized and new ones are built, various housing options are provided.
Various efforts by the city, together with private and non-profit partners, continue to work to meet the housing needs of lower income families and residents with special needs including persons with disabilities.

The City of Aurora has also ‘put its money where its mouth is’. The City of Aurora Community Development office is committing $600,000 of its HOME funds to the project (out of a total allocation of $827,149, or 73%). Additionally, as indicated in the support letter by Mayor Stephen Hogan, the waiver of City permitting fees and sales taxes are worth an estimated $610,000.

To provide for distribution of housing credits across the state, including large urban areas, smaller cities and towns, rural and tribal areas:

Although we have been very grateful to have received 9% allocations for our Village at Westerly Creek 1 and 2, there have been no award for new construction LIHTC family units in the market area since 2002, and none in the Aurora portion of the market area. Of the 12 tax credit properties listed on CHFA’s website in the market area, the three most recent awards for new construction were the two awards for VWC1 & 2, and a 2003 award for another senior project, Pinewood Lodge. Seven of the 12 were acquisition/rehab which preserved existing housing, yet provided no new units to the area to meet the increasing demand.

Of the 23 total tax credit developments in Aurora, only 10 have been new construction. There have been only 571 new units for families, which represents only 27% of the 2,118 total tax credit units in Aurora. There are no NEW construction LIHTC units for families in the Aurora portion of the market study area since the inception of the LIHTC in 1986.

To distribute housing credits to assist a diversity of populations in need of affordable housing, including families, senior citizens, homeless persons, and persons in need of supportive housing:

VWC3 will provide housing opportunities for both families and seniors. On the same campus with VWC3 are VWC1 and VWC2 which provide housing for 120 senior/disabled households. The on-site Community Builder provides referrals and support to the seniors of VWC1 and VWC2. The seniors at VWC3 will also be able to take advantage of the Community Builder. AHA has found that the Community Builder provides a critical piece of the puzzle in allowing seniors to age in place. The Community Builder also organizes group activities such as the Christmas party, the monthly birthday party, the weekly Bingo game, and movie nights. Bringing the seniors together has allowed the residents to become a part of a thriving community.

VWC3 will also provide an opportunity for senior and family residents to collaborate; VWC3 will have new garden beds adjacent to the seniors’ garden areas. We believe that this will create a mixed generational community of gardeners and foster greater cooperation and understanding.

To provide opportunities for affordable housing within one-half mile walking distance to public transportation such as bus, rail, and light rail:

Residents of VWC3 will have access to public bus service on both Havana and Mississippi which are both just two blocks away from VWC2. The #11 (along Mississippi) and #105 (along Havana) are high frequency buses with service two to three times per hour. The #11 bus will have direct transportation to the future light rail line stop at Florida on the “R” line when it opens in late 2016.
Criteria for Approval:

Market Conditions:
The Market Study prepared by The Gill Group strongly demonstrates the need for this affordable housing in our community. The overall capture rate for the development is listed at 0.3%, with no stated weaknesses. Although VWC1 and 2 are adjacent, and serve seniors, the senior component of VWC3 would be complementary and not a competitor. We see the independent senior component of VWC3 as a natural extension of the increasing need for independent senior living options.

There is a high demand for the 50-unit family portion as well. The market study indicates a capture rate of 0.1% for the 30% AMI units and a 0.6% capture rate for the 60% AMI units. The ONLY new construction LIHTC family property in the market study area was awarded in 2002. The site also has very good visibility and the access to services and employment will create a strong demand.

Readiness to Proceed:
VWC3 is owned by the Housing Authority of the City of Aurora, the developer of the property. The entire site was re-zoned as a Planned Development, approved by the City of Aurora in December 2009. There are no liens on the property and AHA has received permission for HUD to move forward with the redevelopment. Development of the property is governed by General Development Plan (GDP) for multi-family development approved in 2009, and verified in a letter dated December 29, 2015 from the City of Aurora’s Planning and Development Services. The architect, Studio Completiva, was chosen in July 2015 and has completed the schematic design. In October 2015, the general contractor, Pinkard Construction, was selected, and is working collaboratively with the architect and developer to fine tune the design and costs. Upon an award of tax credits, we will direct the architects to complete the drawings for submittal to the City, while contemporaneously refining our lending and investing proposals. We would fully expect to close on the loans/equity and begin construction in 1Q2017.

Overall financial feasibility and viability:
AHA has been working with the architect and general contractor to ensure that the quality of development and costs are met. The Aurora Housing Authority has roots that are both wide and deep in the community and a mission and vision that supports the project. Our maintenance staff have been working since the beginning helping us to identify long-term maintenance issues and how to incorporate our best maintenance practices into the development. Property management staff brings to the project a significant information regarding amenities that will be required to attract residents and what the operating expenses are of similar properties so that we may correctly identify what the on-going operating expenses will be.

Experience and track record of the development and management team:
The development team (AHA development staff, financial consultant, and owner’s representative) for VWC3 is the same team that developed VWC1 and VWC2. The lessons learned during these previous developments are incorporated into VWC3. AHA has sustained itself through varying market conditions for 38 years; AHA owns and manages nearly 700 units of affordable housing in Aurora; AHA units have a median occupancy of 97.1%; VWC1 was preleased within seven hours and fully occupied within 25 days of the TCO; VWC2 was preleased in one day and fully occupied shortly thereafter. AHA has had a consistently positive track record with CHFA, lenders, equity investors, and City officials.
Cost Reasonableness:
Developments in Aurora continue to struggle with the stringent building requirements in the development of affordable housing; 60% of the exterior building materials must be brick with the balance of the exterior in either stucco or metal materials. The tap fees in Aurora are some of the highest in the metropolitan area. Thirty-five percent of the required parking must be in either garages or covered parking. With these requirements front and center, AHA is still able to develop an attractive community. AHA has learned over the years that having the entire development team in place early (including the architect and general contractor) allows for critical selection of the elements to be incorporated. We have learned that value engineering is not an exercise to be undertaken after the plans have been completed; it must begin when the first concept has been developed. We discuss some of these cost items below.

City of Aurora Construction Standards/Ordinances and Water Tap Fees:
➢ The 2005 City “Residential Masonry Standards” requires that brick or stone be used to cover at least 60% of building façade, or 80% must be a combination of brick/stone and plaster. Other materials, such as cement paneling, may only be used to cover a maximum of 20% of the building façade. These standards create a highly appealing and durable – if more costly – appearance. We have asked the City to consider a modest reduction in brick. This request is pending.

➢ The “Unified Development Ordinance” dated December 2015 requires 2 spaces for each family dwelling unit, 1 parking space for each senior unit, plus an additional space for every 5 dwelling units for guest parking. (Total parking requirement of 145 spaces!) Additionally, at least 35% of the parking must be in garages or carports, and at least 50% of these garages/carports must be attached to the residential structure. All garages must be clad in materials similar to the structures, with the appropriate masonry standards. We have complied with the garages/carports, yet will be asking a modest waiver of the parking requirements when we submit the final Site Plan for approval. We will be requesting a waiver of the total parking requirements to 105 spaces to allow for greater open space/play areas for the site. AHA has successfully achieved parking waivers in the past and we believe we have the justifications for the reduction.

➢ The water tap fees for the City of Aurora are significantly higher than Denver and other communities. The estimated cost for water and sewer lines and connection fees is estimated at $15,000 per unit ($1.11 million). Although AHA is exempt from the payment of real estate taxes and permitting and licensing fees, there is no exemption from the payment of water tap fees or connection fees. AHA has also requested a deferral of tap fees, which was denied.
**TAP FEE ESTIMATES**

*City of Aurora "Fee Schedule 7"*

<table>
<thead>
<tr>
<th>Indoor Use Fee (per unit)</th>
<th>Sanitary Sewer Connection Fee (per unit)</th>
<th>TOTAL, per unit</th>
<th># units</th>
<th>TOTAL COST</th>
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</thead>
<tbody>
<tr>
<td>$8,814</td>
<td>$1,224</td>
<td>$10,038</td>
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<td>$742,812</td>
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Wastewater Sewer Connection Fee (2 inch meter) $79,200

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<tr>
<th>Irrigation Meters/ SF of landscaped area</th>
<th>Cost /SF</th>
<th>Approx. # Acres</th>
<th># SF</th>
<th>TOTAL</th>
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<td>Non-Conserving</td>
<td>$2.75</td>
<td>1.80</td>
<td>78,408</td>
<td>$215,622</td>
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**GRAND TOTAL** $1,108,071

In the application, we have rounded this number to $1,110,000.

**Proximity to existing tax credit developments:**

VWC3 is the final phase of the Village at Westerly Creek. VWC1 was completed in May 2012 and VWC2 was completed in February 2015.

The market study prepared by The Gill Group identified the following LIHTC properties:

<table>
<thead>
<tr>
<th>Property</th>
<th>Units</th>
<th>Resident Type</th>
<th>Distance from VWC</th>
<th>LIHTC Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residences at First Avenue (AHA)</td>
<td>181</td>
<td>Family</td>
<td>1.6 miles</td>
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</tr>
<tr>
<td>Arapahoe Green Townhomes</td>
<td>60</td>
<td>Family</td>
<td>1.6 miles</td>
<td>9%</td>
</tr>
<tr>
<td>Aspen Meadows</td>
<td>100</td>
<td>Senior</td>
<td>4.7 miles</td>
<td>4%</td>
</tr>
<tr>
<td>Aurora Village</td>
<td>100</td>
<td>Senior</td>
<td>6.1 miles</td>
<td>4%</td>
</tr>
<tr>
<td>Pinewood Lodge</td>
<td>103</td>
<td>Senior</td>
<td>1.2 miles</td>
<td>9%</td>
</tr>
<tr>
<td>Willow Street Apartments</td>
<td>80</td>
<td>Family</td>
<td>2.1 miles</td>
<td>9%</td>
</tr>
<tr>
<td>Village at Westerly Creek 1 &amp; 2 (AHA)</td>
<td>120</td>
<td>Senior</td>
<td>adjacent</td>
<td>9%</td>
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</table>

**Site Suitability:**

The site is currently owned by AHA and will be leased to the partnership/ownership for a nominal fee during the partnership period. The site is flat and has all infrastructure in place. Roadways and all surface detention ponds for the site have already been built, so there is no additional cost for these items.

As indicated above and in the market study, the site is in close proximity to schools, parks, a variety of shopping options, regular and frequent public transportation, and services. There are several medical facilities nearby, along with houses of worship. The site is flat, and the adjacent Westerly Creek is encased in concrete to provide the site with protection from the 100-year floodplain.
The surrounding neighborhood is a mix of uses. To the east of the site are modest, single-family homes that are generally well maintained. To the west of the site are commercial uses along Havana Street, with retail automotive showrooms as a predominant use. Directly north of the site are older multi-family, as well as the 70-year old Aurora Stables. Our designs for the buildings will be complementary to the existing VWC1 and 2 buildings for the senior component, utilizing the same brick and color hues. For the family component, we will create buildings that harmonize with the neighborhood, yet which will have a signature style, character, and branding to provide a different context for the families.

**Justification for Waiver of any underwriting:**
In order to minimize our need for the limited State of Colorado tax credits, we have requested that the Federal LIHTC credit request be based on the actual eligible basis of the project and not be limited by the basis limit test. The application as submitted reflects these calculations.

**Address any issues raised by the market study:**
No issues have been identified in the market study.

**Address any issues raised in the environmental report:**
No issues have been identified in the environmental report.

**Describe the outreach that you have conducted within the proposed community and demonstrate local support for the project:**
In 2008-9, AHA held 12 separate meetings with residents of Buckingham Gardens; another five meetings with area residents and business groups; and three meetings with Aurora City Council. These meetings allowed AHA to garner valuable information and had a positive effect on the design and materials used in VWC1 and VWC2. As a result of these meetings, there was no public or elected official opposition to the zoning change (to the Planned Development) in 2009.

Our application has letters of recommendation and financial support from the City of Aurora Community Development, Arapahoe County Community Development and the State of Colorado Division of Housing. We will be requesting $1.5 million in HOME funds from these groups for the project.

On January 29th, AHA held a public meeting at the Community Room at Village at Westerly Creek for the purpose of discussing the new development and the use of State LIHTC in the project. The meeting was attended by 19 people, all of whom are current residents at VWC1 & 2. The transcript of meeting is in the application package. In general, the audience was quite pleased with the concepts and design, and many wanted to know greater detail about both the family and senior components of the site. They wondered if they might be able to take their voucher and move to either the senior component, or if their relatives or friends would be able to move to the family component.

Additionally, the letter of support from Mayor Stephen Hogan indicates that there is strong local support for the project, and has estimated cost of the permit fee exemption alone has a $610,000 value. The City of Aurora Community Development office supports our application for HOME funds. The Board of Commissioners of the Housing Authority of the City of Aurora has approved the expenditure of $2.32 million of its own funds – including $1,000,000 in Public Housing Capital Funds -- toward the project in addition to the donation of land.
The Housing Authority of the City of Aurora is proud of its accomplishments and developments, and believe that the completion of this final phase of Village at Westerly Creek will thrive. There is a high demand for these units, and CHFA may be assured that the property will be built to the same high quality and attractive standards set in Village at Westerly Creek 1 and 2.
Project Name: Village on Horsetooth

Project Address: 1506 W. Horsetooth, Fort Collins, CO 80526

Project Overview

The Fort Collins Housing Authority is seeking Federal Low Income Housing Tax Credits, State Low Income Housing Tax Credits, and CDBG Disaster Recovery Funding to help create 96 new units of affordable housing in southwest Fort Collins at the Village on Horsetooth. This project is a unique opportunity to partner with the City of Fort Collins to activate their Horsetooth Land Bank property to create much needed relief to the City’s affordable housing rental shortage. The affordable community will assist the local workforce, as well as truly low-income residents, in meeting the housing needs of their families in a county severely impacted by recent natural disasters. Village on Horsetooth will include 96 new units of affordable housing separated into 10 individual buildings surrounding a large community green with community gardens, playground and walking paths. The mix of unit types includes apartment homes with one, two, three and four bedrooms. There site will provide 175 vehicle parking spaces and convenient bike parking will be available at each building. The design of the community will be focused on health, sustainability, and neighborhood compatibility.

With a unique opportunity to be the selected developer of the City of Fort Collins Land Bank property with strong City Council support, FCHA is ready to move the Village on Horsetooth project forward to help address a critical community need. FHCA plans to commit both Rental Assistance Demonstration (RAD) vouchers and proceeds, as well as Project Based Vouchers (PBV) to help ensure the lowest income populations are served at the Village on Horsetooth while ensuring a sustainable income source.

Village on Horsetooth will offer much needed relief to strained housing market as a result of damaged and destroyed housing due to the High Park Fire and the Larimer County floods and prolonged rental housing shortage. This project will assist in providing priority housing for households displaced by the flood and fires, as well as low-income individuals and families.
Program Overview

The proposed Village on Horsetooth will include 96 new units of affordable housing separated into 9 individual buildings surrounding a large community green with community gardens, playground and walking paths. The mix of unit types includes apartment homes with one, two, three and four bedrooms. The residential buildings will be broken into (6) 8-plex buildings and (3) 16-plex buildings. There will be 175 vehicle parking spaces and convenient bike parking will be available at each building. The design of the community will be focused on health, sustainability, and neighborhood compatibility. It will assist the local workforce, as well as truly low-income residents, in meeting the housing needs of their families.

The community clubhouse will include a leasing office, programming space (for Resident Services and Kids’ Club), community room, fitness room and kitchen. The gross density will be 12 units/acre in compliance with the Low-density Mixed Neighborhood (LMN) zone district. The traditional design includes 2-story buildings with gabled roofs, covered balconies, and pronounced entryways to ensure compatibility with the surrounding neighborhood. The character of the single-family neighborhoods to the east and north includes traditional two-story homes constructed in the 1980s and 90s. All of the residential buildings proposed will be two-story to blend into the surrounding context. The eclectic design of the newer townhomes to the west will help provide transition from the LMN zoning down to the surrounding Residential Low-density (RL) District.
Bedroom and Unit Mix

- (6) one-bedroom/1 bath
- (66) two-bedroom/1 bath
- (22) three-bedroom/2 bath
- (2) four-bedroom/2 bath

Area Median Income Target

- 43 units at 0-30% AMI
- 53 units at 51-60% AMI

Income and Bedroom Table

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<th></th>
<th>30% AMI</th>
<th>40% AMI</th>
<th>50% AMI</th>
<th>60% AMI</th>
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<tr>
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<td></td>
<td>54.6%</td>
<td>1.1%</td>
<td></td>
<td>100%</td>
</tr>
</tbody>
</table>

Use of Rental assistance Demonstration (RAD)

FCHA has been chosen to participate in HUD’s Rental Assistance Demonstration (RAD) program to reposition its public housing portfolio. RAD is FCHA’s long term plan to providing more healthy and stable affordable housing in the community with sustainable funding sources. The proceeds from the sale of 19 public housing units will be committed as equity, and the Village on Horsetooth will include 19 RAD vouchers for households transferred from public housing.

Unit and Project Amenities

Unit amenities include:

- In-unit washers and dryers
- Energy Star appliances – dishwasher, range, microwave
- Energy efficient heating and air conditioning
- Open floor plan
- Balconies or patios
Common area project amenities include:

- Community building with two offices for property management and resident services, a fitness room, kitchen, great room with seating, patio and wireless connectivity
- Covered and uncovered bike parking
- A large playground
- A community green sufficiently large for various games and other activities
- A pedestrian/bike path that loops throughout the site
- Bicycle storage and parking
Location

The location of the Village on Horsetooth property is ideal for multi-family housing. Located within a healthy neighborhood and strong access to transit and recreation, the residents will have the opportunity to thrive in a healthy and stable community. The property is also located close to FCHA’s Village on Cunningham Corner property, just a half-mile to the east, making this ideal for FCHA to be able to effectively manage and provide services for residents. The property provides great access to community amenities, such as:

- One mile from Fort Collins newest 100-acre community park, Spring Canyon, with lighted tennis courts, picnic shelters, playground, splash pad, ball and sports fields, basketball courts, horseshoe pit, bike course, volleyball courts, a skate park and hockey ring, and a dog park. It is directly accessible via public transportation
- About one mile from elementary, middle and high schools
- Just over one mile from the MAX Horsetooth Station
- Less than two miles from the newly redeveloped Foothills Mall
- Additional shopping and services nearby at the intersection of College Avenue and Horsetooth Road

FCHA believes that providing affordable housing in a strong, healthy, and stable neighborhood such as this will help promote the health and success of residents.

Construction Type

The Village on Horsetooth includes 10 buildings consisting of (6) 2-story 8-unit flats, (3) 2-story 16-unit flats, and (1) clubhouse with a leasing office, open area, fitness room, and kitchen. All residential buildings will be type VB wood-frame construction with R-2 occupancy and NFPA 13R sprinkler system. The clubhouse will be a 1-story Type VB wood-frame construction with A-2 and B occupancy and no sprinkler system.

Each residence will be heated and cooled with an aquatherm fan coil unit to move air through supply and return duct work to each room. A sealed combustion gas-fired water heater will be provided for each unit, and units will have individual electric meters.

Sustainability Features

The Project is expected to achieve a minimum of 36 points under the Enterprise Green Communities Guidelines by utilizing various green building techniques, including compact development, smart framing, high R-values, water conserving features, energy efficient appliances and lighting, and compliance with Energy Star New Homes.

Landscaping will include mostly native xeriscaping. Native habitat and adaptive species will be emphasized. Site lighting will be energy efficient and designed to minimize light pollution. In estimating the project cost, FCHA considered all strategies for the mandatory and identified optional criteria.
Though only schematic design has been completed at this point, FCHA estimates for an Enterprise Green Communities compliant project is realistic and attainable.

All FCHA functions are operated with attention paid to a triple bottom line:

- Maintaining the fiscal viability of the organization
- Achieving a social goal through the provision of affordable housing and supportive services
- Achieving environmental sustainability

As an experienced developer and advocate of green building design, FCHA has an excellent record of utilizing construction and design techniques that are sensitive to the use of green building materials and practices during and after construction. We have staff certified as Leadership in Energy and Environmental Design Accredited Professionals (LEED AP). These professionals have advanced knowledge in green building and expertise in the design and construction phases of green buildings.

Financing

The approximately $24.3 million project will be funded with owner equity and a combination of state, and federal grants, as well as state and federal low income housing tax credits. The land cost included in the budget also reflects a 10% discount from fair market value per the city of Fort Collins Land Bank Ordinance. The financing sources include:

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>CDBG Disaster Recovery</td>
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<td>Current application</td>
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<tr>
<td>Federal Tax Credit Equity</td>
<td>$8,103,058</td>
<td>Current application</td>
</tr>
<tr>
<td>State Tax Credit Equity</td>
<td>$4,246,556</td>
<td>Current application</td>
</tr>
<tr>
<td>Owner Equity</td>
<td>$2,990,000</td>
<td>See Narrative and LOI</td>
</tr>
<tr>
<td>PAB First Mortgage</td>
<td>$6,350,000</td>
<td>LOI</td>
</tr>
<tr>
<td>Deferred Developer Fee</td>
<td>$679,892</td>
<td>Committed</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$24,369,506</strong></td>
<td></td>
</tr>
</tbody>
</table>

FCHA plans to commit approximately $2.9 million of its own equity to the project from proceeds of the sale of public housing units under HUD’s RAD Program. FCHA will also contribute an equity contribution in the form of deferred developer fees of approximately $679,892.
Village on Horsetooth Development Timeline

<table>
<thead>
<tr>
<th>LIHTC APPLICATION STEPS</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Letter of Intent &amp; Market Analyst Engagement Letter to CHFA</td>
<td>12/28/2015</td>
</tr>
<tr>
<td>• Submit LIHTC Application &amp; Market Study to CHFA</td>
<td>2/1/2016</td>
</tr>
<tr>
<td>• LIHTC Application Approval/Reservation</td>
<td>4/15/2016</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>POST-LIHTC RESERVATION APPROVAL STEPS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Close Acquisition (if applicable)</td>
<td>2/1/2016</td>
</tr>
<tr>
<td>• All Loans Closed</td>
<td>2/1/2017</td>
</tr>
<tr>
<td>• Execute Partnership Agreement</td>
<td>2/1/2017</td>
</tr>
<tr>
<td>• Submit LIHTC Carryover Application to CHFA</td>
<td>4/1/2017</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PRE-CONSTRUCTION STEPS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Select General Contractor</td>
<td>6/1/2016</td>
</tr>
<tr>
<td>• Complete Construction Drawings approved by Planning/Building Dept.</td>
<td>1/1/2017</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CONSTRUCTION STEPS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Construction Begins/Building Permit issued</td>
<td>2/1/2017</td>
</tr>
<tr>
<td>• Complete Construction &amp; Place-In-Service (Obtain Certificates of Occupancy)</td>
<td>4/1/2018</td>
</tr>
<tr>
<td>• Enter Estimated Construction Period in months</td>
<td>14 Months</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>POST-CONSTRUCTION STEPS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Submit LIHTC Place-In-Service Application for LURA to CHFA</td>
<td>5/1/2018</td>
</tr>
<tr>
<td>• Stabilization/Lease up</td>
<td>11/1/2018</td>
</tr>
<tr>
<td>• Convert to Permanent Loan</td>
<td>2/1/2019</td>
</tr>
<tr>
<td>• Submit LIHTC Final Application for 8609s to CHFA</td>
<td>11/1/2018</td>
</tr>
</tbody>
</table>
Bond Financing Structure
The bonds will be issued by the Fort Collins Housing Authority. It is anticipated the bond financing structure will be a private placement through Citibank. Details are below:

- Total Bond Amount = $17,000,000
- Construction Period Bonds = $17,000,000
- Permanent Bonds = $6,350,000
- Bond Issuer = Fort Collins Housing Authority
- Lender and Sale Structure = Private Placement with Citibank
- 100% of the Bonds will be tax exempt

Identify which guiding principles in Section 2 of the Qualified Allocation Plan (QAP) the project meets and why it meets them:

To support rental housing projects serving the lowest income tenants for the longest period of time.
The Village on Horsetooth will provide affordable rental housing to households with incomes at 30% to 60% of the Area Median Income. The property will continue to serve households at these income levels through at least 2056 based on restrictive covenants that will be in place.

To provide for distribution of housing credits across the state, including larger urban areas, smaller cities and towns, rural, and tribal areas.
Fort Collins is the county seat and most populous city in Larimer County. There is a growing need for affordable rental housing in this area of northern Colorado.

To provide opportunities for affordable housing opportunities within a half-mile walk distance of public transportation.
The nearest transit stop to the Village on Horsetooth is TransFort Route 12, just 500 ft away at Seneca Street and Kunz Court. Route 12 runs east west along Horsetooth with service every half hour from 7AM to 7PM and hourly at night. The route provides multiple transfer opportunities, as well as direct access to the South Transit Center.

CHFA will give special consideration to projects in Counties impacted by a natural disaster such as the floods and fires that have occurred in Colorado in recent years.
Projects located in counties that have been federally declared disaster areas.
The Village on Horsetooth is located in Larimer County which has been affected by flood and fire over the past three years and has been declared a federal disaster area. The loss of housing units throughout the county has led to a lower vacancy rate and increased demand for rental housing in general.
Market Conditions

The following information is based upon the Housing Market Study completed by Rees Consulting for this application and data from the Colorado Division of Housing.

The Primary Market Area (PMA) for the project is the city of Fort Collins where a strong demand for rental units exists. The site is considered very marketable and in a highly desirable location. Rents in Fort Collins have been generally increasing since 2010 and vacancy rates have dropped sharply since 2010 and are now extremely low. According to the Colorado Division of Housing Rent and Vacancy Survey, in the third quarter of 2015, average rents in Fort Collins ranged from $1,121 for a 1-bedroom apartment, up to $1,455 for a three-bedroom unit. Vacancy rates were very low, averaging 2.2% overall. The southwest sub-market area where Village on Horsetooth is located has performed well since 2010.

In 2015, rents increased 6.6% in Fort Collins over the previous year. Property managers of LIHTC units anticipate raising rents as soon as increases in rent restrictions are published. Village on Horsetooth offers an attractive range of bedroom options, with one through four-bedroom units. The unit mix is consistent with a family targeted site, and the bedroom mix is supported by the demand demonstrated in the market. The proposed project will face little competition. There are few vacant units in comparable properties and no new LIHTC units in the horizon other than Village on Redwood located in north east Fort Collins.

Demand is more than adequate for lease up and continued occupancy of Village on Horsetooth. The current overall capture rate is 17.76%. Completion of the 72 units at the Village on Redwood and the proposed Village on Horsetooth will increase the capture rate to 19.54%. Overall, rental market conditions are tight with very low vacancy rates and rising rents.

Readiness-to-proceed

The proposed development meets and exceeds the readiness-to-proceed threshold with a variety of identified sources of funding. FCHA has been selected as the developer by the City of Fort Collins whose intent is to have this property developed as affordable housing under the City Land Bank program. The “by-right” zoning allows for the proposed use. A similar site design and building elevations for Village on Redwood were utilized and approved unanimously Planning and Zoning Board with zero community opposition. The Phase I Environmental Study is complete which shows no further action is required. The funding sources, including LIHTC equity investors, have expressed strong interest to participate in the project. FCHA will be able to meet all the carryover requirements and secure tax credit commitments and financing soon after receiving a LIHTC reservation.

The owner equity commitment of $2.9 million is part of FCHA’s Rental Assistance Demonstration program application approved in May 2015. If the timing of the RAD closing and unit sales does not align with a tax credit partnership closing, FCHA will identify a bridge financing source. A Letter of Intent
from FirstBank for a short term, $2.9 million loan demonstrates the ability of FCHA to move this project forward without any delay related to RAD.

With appropriate zoning, funding and partnership commitments in place, interested equity partners, and broad community support, FCHA believes the project is more ready than a typical tax credit project at this stage and will therefore be able to begin construction very quickly.

FCHA has met all requirements under Threshold #5 in Section 7.A. of the QAP:

- Evidence of current zoning status provided
- Phase I Environmental completed
- Schematic Drawings completed
- Cost estimate from third-party general contractor provided

**Overall financial feasibility and viability**

The project has leveraged multiple sources to ensure economic success, thereby requesting only the minimum amount of state and federal credit needed for the financial feasibility of the project. The financial structure is based on obtaining layered financing sources, and the $2.9 million owner equity demonstrates FCHA’s commitment to the success of the project.

**Experience and track record of the development and management team**

The Project will be developed and managed by the Fort Collins Housing Authority in partnership with the Villages, Ltd., a nonprofit organization that was formed to extend the capabilities of FCHA beyond the scope of federal programs. FCHA has 41 years of experience building and managing affordable housing developments, including experience successfully managing 130 apartment financed through the Low Income Housing Tax Credit program. Together the Development Team has experience with development, stabilized lease-up, and management of over ten (10) LIHTC developments throughout the state.

**Development and Management Team**

**Design Team**

**OZ Architecture** is a Denver based architecture, design and planning firm. Founded in 1964, the firm has designed thousands of affordable, market rate, student and senior housing across Colorado, including tax credit projects in Denver and Loveland. The firm is also a leader in sustainable, LEED and Enterprise Green Communities projects. OZ has brought their talent and experience to the creation of quality design concepts for the Village on Horsetooth.
**Deneuve Construction** is a Boulder based full service general contractor and has guided FCHA staff on the cost estimating and construction concepts for the Village on Horsetooth. The team at Deneuve has provided valuable guidance along with the third party cost estimates for the project. Deneuve has been in place since 1971 and has an excellent reputation for quality workmanship, experienced personnel, productive working relationships, and a dedication to excellence. Deneuve is experienced in multifamily housing construction, estimating and budgeting, coordination and management of construction, and green building principles.

**Management Team**

FCHA is led by a strong executive management team with extensive experience in affordable housing development and management. The Executive Director is assisted by a team of five senior managers, who in turn oversee the work of the remainder of the staff.

**Julie Brewen, Chief Executive Officer**, leads the organization with over 20 years of affordable housing development and asset management experience. She is in charge of all facets of the agency’s affordable housing and resident services programs. Julie is a certified Public Housing Manager and has a great deal of experience and knowledge of acquisition, development and management of affordable housing. Being a national leader has culminated in Julie being a big-picture thinker. She has created and continues to develop an organizational culture that attracts and engages a dynamic workforce at all levels of the organization. She currently serves on numerous boards including the Colorado Housing and Finance Authority Board of Directors and is the Vice President for International Research and Global Exchange for the National Association of Housing and Redevelopment Officials (NAHRO).

**Duane Hopkins, Chief Financial Officer/Deputy Director**, leads the financial and business operations with over 25 years of experience in managing development funding, capital acquisition, financial recovery, and operational restructuring. Prior to joining FCHA in 2010, he was a partner in a national firm that provides financial guidance to owners of emerging and mid-market businesses. He also owned a national consulting company focused on financial turnarounds for Native American tribal governments. Duane has extensive experience in banking and financial institutions ranging in size from $50 million to $2.9 billion in assets. He currently serves as the Chair of the Professional Development Committee of NAHRO, member of the Finance and Underwriting Committees for the Housing Authority Insurance Group (HAI Group) and as a Planning Commissioner for the Town of Parker, Colorado.

**Chadrick Martinez, Director of Real Estate Development**, leads the development team with over 20 years of affordable housing development and portfolio management experience. Before joining the staff in 2010, Chadrick served as Executive Director of CARE Housing in Fort Collins for 10 years. Chadrick’s projects have included single family, multi-family, commercial, adaptive re-use, and infill developments. He has worked with both for-profit and nonprofit organizations in the housing industry, including serving as a Principal for Community Growth Solutions in Loveland, Executive Director of the Gunnison County Housing Authority, and Housing Director for Community Action of Laramie County in Cheyenne. Chadrick brings a unique combination of experience and recognized real estate development success to his position at the Housing Authority. He is an expert in all areas of real estate development utilizing
private and public financing, a skilled manager of the full range of construction processes, and a passionate advocate for affordable housing.

**John Tuchscherer, Director Federal Programs**, has over 20 years of experience supervising staff for numerous housing programs, including Housing Choice Vouchers, Single Room Occupancy and Public Housing, and in monitoring compliance for projects utilizing HOME funds, CDBG funds, Low Income Housing Tax Credits and RTC/FDIC land-use restriction agreements. John keeps current in the constant changes at the federal level that affect funding and regulations of the FCHA programs. John has completed numerous training programs on Assisted Housing, including Low Income Housing Tax Credits, Housing Quality Standards Inspections, Housing Choice Vouchers, Public Housing and Section 8 Project-Based Rental Assistance.

**Nancy Stafford, Director of Property Operations**, joined the staff in 2010. Nancy has extensive experience as a director of property management and as an asset manager. Her background includes work with both for-profit and nonprofit companies, including the Aurora Housing Authority. She has developed community partnerships to achieve the goals of decent, safe and affordable housing. Her range of expertise covers all aspects of property performance, including tax credit compliance, occupancy, market position, operations, budgeting and financing. She has successfully trained and guided staff to improve property operations and upgrade employee performance standards. Nancy is a Certified Property Manager (CPM) through the Institute of Real Estate Management and a Housing Credit Certified Professional (HCCP) through the National Association of Home Builders.

**Michele Christensen, Director of Program Development**, is a Licensed Clinical Social Worker with over 25 years of experience working in child and family welfare and working with homeless families. She has overall responsibility for formulating innovative designs and collaborations to meet FCHA’s goal of providing service enriched housing. Michele maintains relationships and interacts regularly with service delivery partners and negotiates agreements on service delivery/designs and monitors contractual arrangements. She is responsible for a wide range of programs and services to promote and enhance residents’ quality of life. Michele was an integral part of the development team of FCHA’s Redtail Ponds permanent supportive housing development and has researched best practices and visited supportive housing developments around the country.

**Development Team**

FCHA takes pride in its high quality developments that strengthen neighborhoods and boost property values. Its Development Team brings a broad range of development, construction, planning and real estate experience to its innovative housing partnerships.

- Chadrick Martinez, Director of Real Estate Development
- Julie Brewen, CEO
- Duane Hopkins, CFO
- Kristin Fritz, Senior Project Manager/Planner
- Darcy McClure, Project Manager
• Nancy Stafford, Director of Property Operations
• Michele Christensen, Director of Program Development
• Josh Suppes, Manager Maintenance Department
• Project Manager (1) to be hired 2016
• Project Assistants (2)
• Licensed General Contractor (1)
• Ballard Spahr, LIHTC Counsel
• Ballard Spahr, Bond Counsel
• James Martell, Real Estate Legal
• Morgan & Associates, LIHTC Consultant
• FCHA and Villages Ltd. Board Members (3)

Property Management Team

FCHA utilizes industry standard management policies and procedures to ensure that properties are leased and maintained in a manner that meets partner performance and investment goals. As “management agent,” FCHA provides the staffing resources, expertise and administrative infrastructure to the Villages, Ltd. 501(c)3 and other affiliated and managed entities through formal management and fee agreements. Many of these managed properties are marketed under the broad branding strategy and term “Villages.” Management staff is proficient in LIHTC development and federal programs and have a high level of knowledge, skill, and ability with regard to project lease provisions and prohibitions, occupancy standards, and admission policies.

Our property management team has advanced credentials and certifications that include

• Six members of the Institute of Real Estate Management:
• 3 Certified Property Managers (CPM) on staff
• 1 Accredited Resident Manager (ARM), 2 ARM applicants
• Six members of the National Association of Home Builders:
• 1 Housing Credit Certified Professional (HCCP)

Resident Services Team

People are at the core of all that we do. Though every business needs to pay attention to the bottom line, for FCHA the bottom line is about the people we help and the community we strengthen as a result. A home with an affordable rent is a stepping stone. To help residents take the next step, FCHA provides targeted programs and services that help improve the community one resident at a time. Through coaching and education, residents learn skills and are supported in making their dreams of stability and hope a reality.
FCHA provides services to residents through several means including the Family Self-Sufficiency Program, onsite programming, and crisis intervention. These services will be part of the support system provided to our residents at Village on Horsetooth.

**On-Site Programming**

FCHA provides opportunities for residents at its various properties. Included in the operating budget for Village on Horsetooth is 0.5 FTE Service Coordinator position. This position will foster and coordinate the services needed at the community and identify partners to bring programs to residents as well. We tailor programs directly to resident needs and coordinate classes and workshops from a central location, keeping staffing costs lower. These include educational opportunities, and various community services, and social activities designed to build community. Examples include:

- Weekly Kids’ Club where children can come to learn and create. This year we are working with the food bank to provide free healthy lunches and/or snacks to the children of our community.
- Educational classes: budgeting, tax preparation, tutoring for children, community gardening, crafting and CSU extension classes on healthy cooking and nutrition
- Safety seminars: self-defense classes and Fort Collins Police seminars on safe neighborhoods
- Community building events: monthly movie nights, Neighborhood Night Out event, pot-luck dinners, holiday parties
- Education Days where the local community college and university come on-site to provide information on enrollment and financial aid.

In addition to the educational aspects, these activities and events all help the residents get to know one another and then look out for each other. The strengthening of these community bonds creates a sense of pride and respect for the community and results in a safer environment for all.

**Crisis Intervention**

Staff is also available to assist families in accessing resources in the event of a personal emergency. Property management and resident services staff work together to support families in working through difficult situations and brainstorming options and resources to assist the family. Our own staff of trained social workers are able to step in and help assess a situation and provide a bridge to the most helpful resources in the community.

**Cost Reasonableness**

The total development costs for Village on Horsetooth are $24,369,506, including land, soft costs, and $1.7 million in City fees. The construction cost estimate provided by Deneuve is $166,630/unit, including all site development costs, general conditions, contractor contingency, insurance, Payment and Performance Bond, and OH&P. This meets the cost reasonableness test and is in line with other new construction properties of this scale.
Site Suitability
The Village on Horsetooth is located on the southwest side of Fort Collins with excellent access to public transportation, recreation, schools, shopping, medical services, and parks. The proposed project conforms with zoning and is compatible with surrounding uses. The construction of well-designed new housing units will contribute positively to the neighborhood.

Address any issues raised by the market analyst in the market study
Overall, the market study demonstrated strong demand and minimal competition for the Village on Horsetooth. Although the capture rate for the 60% AMI units 24.95%, it is still considered moderate and is likely mitigated by the strong market, new construction, high quality design, and large units of the proposed project relative to comparables.

Address any issues raised in the environmental report
The Phase I Environmental Assessment completed by ERO Resources Corporation revealed no evidence of recognized environmental conditions in connection with the property that would require further action.

Community Outreach
Fort Collins Housing Authority is committed to thoughtful, transparent, and inclusive public outreach. Utilizing national best practices and tools developed specifically for affordable housing development, FCHA works to uncover any key issues and stakeholder desires at the beginning of the process.

In its most recent developments, Village on Redwood and Redtail Ponds, FCHA exceeded the City’s requirements for community involvement. During the Redwood planning process, FCHA reached out to neighbors well beyond the required notification area of 800 feet, electing to extend notification to nearly 3,000 feet for all meetings. This area included over 1,000 properties. FCHA hosted a neighborhood meeting early in the process to gather feedback for the site layout and design and held a second meeting as the design advanced to keep the community informed about the project. Neighborhood comments were incorporated into the final site plan.

FCHA will involve the community in its planning process for Village on Horsetooth just as it did with these previous developments. It will use community meetings to address any concerns with neighbors and gather their input for refining the site plan and community design.

Good Neighbor Policy
FCHA is committed to not only providing safe and affordable housing, economic opportunity, and living environments free from discrimination, but promoting these opportunities as well. FCHA believes that one of the best ways to promote affordable housing is by being a Good Neighbor to the community at large.
Our Good Neighbor practices are present throughout all FCHA properties as we strive to make our sites as valuable to our neighbors as they are to our residents, and embrace the following principles:

**Commitment to Attractive Neighborhoods**

FCHA is committed to the long term preservation of our properties through our preventive maintenance and ongoing curb appeal enhancement programs. We strive to make our properties positive assets to their neighborhoods and to foster a sense of neighborhood pride among all residents in the area. All FCHA properties receive weekly landscaping maintenance and daily trash patrols to help us keep our facilities attractive and neat.

**Commitment to Safety**

FCHA recognizes that safety and security are essential for people to live peacefully and free from harm and we promote Good Neighbor relationships with the community at large. All FCHA properties incorporate elements that promote safety, such as sufficient lighting, safe walkways, etc. FCHA responds to all complaints concerning residents immediately and has strong working relationships with local police, in case their assistance is ever needed.

**Commitment to a Respectful Standard of Conduct**

FCHA understands that a peaceful community hinges upon mutually respectful behaviors and conduct; thus, we enter into lease agreements with all of our residents that stipulate behaviors and conduct that will not be tolerated, particularly those that are unlawful and/or infringe upon the rights of others.

**Commitment to Open Communication**

Feedback is important to FCHA, and we welcome it. FCHA ensures that our neighbors are informed about construction or maintenance work that may affect them, as well as policy changes and program development, as appropriate. We provide neighbors with our contact information so they can communicate their concerns with us at any time.
Project Name: The Vistas at Panorama Pointe

Project Address: West 83rd Way and Alcott Street in Westminster, CO

Project History and Description:

The Vistas at Panorama Pointe integrates creative site planning with well-established resident services to bring 69 units of enriched affordable senior housing to the Westminster community, to be developed and managed by M.E.M. Westminster Property LLP. The design, shaped to maximize the number of available units on a constrained site, incorporates the existing campus Senior Center directly within the building. Future residents will be able to walk down the hall to access the Senior Center, its clubhouse amenities, services and daily programming along with seniors currently living on the Panorama Pointe campus.

The Vistas is the capstone project for the greater Panorama Pointe Senior Campus and is well-located for senior housing in proximity to community amenities and transportation options. Under the ownership of M.E.M., a team of highly committed and skilled on-site staff members have been providing a significant amount of activities, neighborhood events and gatherings, and personal attention to residents of the Panorama Pointe Senior Campus for many years, making the M.E.M. team and staff one of the primary providers of service-supported senior housing in the Westminster and north metro-Denver area.

The Vistas is being developed with the renewed support of and long-term partnership with the City of Westminster, enabling the project to increase its affordability and incorporate the Senior Center. The Vistas includes 45 one-bedroom and 24 two-bedroom units to respond to the diverse needs of senior households who are looking for modern senior housing in a gracious and social environment. Residents will also enjoy spectacular views of the Denver metro area to the south and Rocky Mountains to the west. The attractiveness of affordable units at Panorama Pointe is demonstrated by a very long waiting list and a strong market study.

This is the third time this project has been presented to CHFA for a LIHTC award. With each application, M.E.M. Westminster Property LLP refined the size, design, and program to bring more affordable housing to the community while being responsive to CHFA’s considerations for a senior housing property. A 2016 award of State and 4% LIHTC will ensure that the energy and enthusiasm for the project expressed by the City of Westminster, the M.E.M. team and staff, and future residents will propel the project toward successful completion. The time is right for
the project to take advantage of local funding opportunities, guaranteed availability of water and sewer taps, and a quick entitlement process, enabling a rapid closing and construction initiation timeline. Having to apply in future rounds will dilute the project’s momentum and jeopardize its completion.

**Project Strengths:**

- **High demand:** At this time, there are no units within the market area that are restricted at 60% AMI. Including the 65 subject 60% AMI units, the capture rate at the 60% AMI level will be 18.5% showing strong demand for the proposed units. The two existing income-restricted tax credit senior apartments properties within the Panorama Pointe development currently have waitlists with over 700 households further demonstrate the strong demand and need for additional affordable senior units within the area. The project’s overall capture rate is low, at 15.1% and comparable properties within the primary market area report no vacancy.

- **Local partnership:** Since 1996, the City of Westminster has participated with the members of M.E.M. in developing senior housing options on this site. M.E.M. is pleased to continue the collaboration with the City for The Vistas, where it is planned that the City will convey property tax exemption to the project in order to allow for more affordable rents at the site. The design and program respond to community need and feedback from City staff and we anticipate a quick, smooth building permitting process.

- **30%-40% AMI units:** An allocation of State LIHTC and other public funding sources allow The Vistas to offer units at 30% and 40% AMI, responding to the need for more deeply affordable units in the market area. Residents with these lower incomes will be supported within the community and on-site services provided at the Panorama Pointe Senior Campus, ensuring that these households receive necessary services and coordination to successfully meet their basic needs and sustain a high quality of life.

- **Discounted 60% AMI units:** Although capture rates reflect a high need for 60% AMI units, M.E.M.'s existing waitlist for the project shows that many interested senior households have incomes more appropriate for 50% AMI housing. In order to be responsive to both, the rents for many 60% AMI units have been discounted to levels closer to 50% AMI, which will allow waitlisted households to better afford these units. With these rent discount, The Vistas’ rents are superior to other comparable properties according to the market study.

- **Good location for seniors:** As described in detail below, the project’s direct incorporation of the existing Senior Center and on-site services as well as its amenity package, proximity to transit options (including the new Westminster Station light rail stop), shopping, outdoor recreation, medical services, and other community amenities
make it an ideal choice for senior housing. The site is also more walkable and transit oriented than an average Westminster location.

- **Experience of Developer**: The Vistas will be developed by M.E.M. Westminster Property LLP, a private, for-profit partnership between Elkco Properties Inc. and Mendel Development Company. These companies have over 60 years of combined experience in real estate development and management, collectively owning and operating over 2,500 units that includes seven (7) affordable, senior and multifamily housing tax credit properties in Colorado. The partnership has extensive experience developing projects financed with 9% tax credits, 4% tax credit and private activity bonds, Project Based Section 8, and city revenue bonds.

**Project Weaknesses:**

- The market study did not indicate any significant weaknesses with this project. Please see section below in how M.E.M. will address recommendations in the market study.

**Construction:**

The project will be built as a single apartment building with interior hallways and elevator access, oriented roughly north-south from the existing Senior Center building, which will be integrated into the construction. The design will complement the traditional architectural style found across the Panorama Pointe Senior Campus’ four existing phases, with the exterior facades made up of alternating panels of lap siding and smooth stucco. The interior includes many comfortable and home-like features including recessed doorways, sunny gathering and meeting spaces on each floor, and activity rooms for larger activities and gatherings. Inside, apartments will range in size from 607 square feet for one-bedroom units to 800 square feet for two-bedroom units. The unit design incorporates highly desirable features including:

- Patio/balcony for each apartment
- Washer/Dryer stacked units in each apartment (a common laundry room will also be provided on-site)
- Individually-controlled heat and air conditioning as well as ceiling fans
- Full electric kitchens with self-cleaning range, Energy Star dishwasher and refrigerator

All units will be Type B accessible with one of each unit type designated as Type A fully accessible. Unit and building design will incorporate the best practices and features observed by the Panorama Pointe on-site staff, who will contribute to the final decisions regarding layout, finishes and features.
Surface parking is available for all residents immediately adjacent to the project entrances and the parking lot contains multiple convenient drop-off areas. Covered parking spaces are also available.

Since the project was last presented to CHFA, construction costs per unit have been significantly contained through the elimination of podium parking in favor of surface parking. Including a higher number of units has reduced the overall per-unit construction cost. In addition, the incorporation of the Senior Center allows the new apartment building to utilize its existing spaces, reducing the amount of common areas needing to be provided within the rest of the building.

**Population and Bedroom Mix:**

The City of Westminster is a growing community that is redeveloping and redefining itself as a city focused on the arts, historic preservation, outdoor and open space recreation, and business and retail development. Its quality of life attracts new residents who are looking to belong to a distinct community that is still located within the Denver-Boulder metro area. The Vistas will serve resident age 62+ who are:

- Looking to remain living independently within the community
- Eliminating the hassles of living in a single-family house (e.g. yard work) and
- Interested in living close to family members, shopping and senior-oriented services within a feeling of community.

Based on the existing waitlist for units and the overall Front Range rental market, it is also anticipated that new residents will be drawn to Westminster from other parts of the metro area as well as senior residents looking to live in Colorado for the first time. The bedroom and AMI mix are intended to make The Vistas at Panorama Pointe responsive to the needs of a diverse group of senior residents. It is expected that many residents will be in their mid-60s to mid-70s, some of who will be working and others retired. The AMI mix makes apartments available to residents earning a variety of incomes as well as residents on fixed incomes. Many 60% AMI units will have significantly discounted rents, a choice made in order to be affordable to the several hundred senior households on the Panorama Pointe waiting list who have indicated their incomes are somewhat less that 60% of AMI.

The mix of one- and two-bedroom units anticipates the needs of single individuals, couples, and other types of senior households, some of whom will be downsizing from living in single-family houses. Overall, the market study indicates that this project is responsive to the future resident population.
Location:

The project is well-located to provide affordable senior living. The Vistas will be located on the Panorama Pointe Senior Campus, which is a thriving, well-established senior campus offering a broad spectrum of housing options (from market-rate patio homes to Section 8 housing to LIHTC multifamily housing) with an established schedule of services and programming provided at the Senior Center. The site has beautiful panoramic views of the mountains to the west, southwest, and northwest and the Denver skyline to the southeast.

Residents living at The Vistas will live within half a mile of several shopping centers and other community amenities. Residents will be able to go out to eat, bank, worship, shop for groceries, fill prescriptions, work out, take care of personal needs, and visit local government offices, police and fire services, and the library within a short drive or bus ride from the project site. The MAC Recreational Center and Community Senior Center is located 1.5 miles south of The Vistas and offers fitness and other classes and programs to the senior community. The Senior Hub is located 1.5 miles north of the site and provides Meals on Wheels, food bank, medical in-home care, and service coordination counseling.

The project is also immediately adjacent to a major medical hub. The 84th Avenue Health Center (formerly St. Anthony’s North Hospital), St. Anthony Seniors Health Center, Provident Adult Healthcare, Clinica Colorado, North Metro Internal Medicine, kidney/dialysis specialists, optometrists, dentists, and other medical providers are located within a ¼ mile of Panorama Pointe, immediately across 84th Avenue.
The site has immediate access to local transportation corridors connecting Westminster to Denver, Boulder, and surrounding areas. Residents will be able to access US-36 by car within a two-minute drive, and access local RTD transit just a short walk or drive from the site.

In order to expand transit options for residents, The Vistas will be actively connected to the soon-to-be complete Westminster Station transit-oriented development. The M.E.M. team will schedule complementary shuttle service to and from the Westminster Station light rail station, making it easy for residents to travel to downtown Denver. Residents taking the scheduled shuttle will be able to rely on one or more staff members to be available to provide information on using transit, transit schedules, etc. and will be available to ensure that residents feel confident making transit connections to and from the site. This new train service will connect Westminster to Denver with a quick 12-minute ride.
Project Amenities and Services:

Since this project was last presented for LIHTC consideration, one of the largest changes to the project is the integration of the existing Senior Center. Constructed in partnership with the City of Westminster, The Vistas will directly incorporate the Senior Center into the south end of the apartment complex, making its physical amenities (like lounges, dining room, activity room, salon, and exercise room) and schedule of programming easily available to residents of The Vistas, just a short walk and elevator ride away from their apartments.

As part of its long-standing partnership with the City of Westminster, M.E.M. Westminster Property LLP holds a long-term lease to the Senior Center, giving M.E.M. authority to manage the physical
improvements and manage the center’s programming.

Senior Center staff offers and coordinate a significant number of services and activities, including:

- Exercise Area
- Gathering space/great room for classes and programs
- Media center
- Kitchen
- Large outdoor deck
- Business office
- Ice cream parlor and socials
- Monthly potlucks
- Weekly bingo and card games
- Weekly coffee klatches centered on current events
- Free blood pressure testing (monthly)
- Out to Lunch Bunch (transportation and car pooling coordination)
- Monthly crafts
- Weekly health and wellness programs
- Quarterly lectures

Please see the attached monthly schedules and newsletters offered by the Senior Center. The on-site staff at the Senior Center are dedicated to fostering community and care of all residents and visitors to the Senior Center.

Inclusion of the Senior Center as a project component means that additional common areas do not need to be included in the project construction, reducing costs and the risk of under-utilized common spaces. Most of the senior center will remain intact: the new structure will be joined to the east wall of the top floor of the senior center. Underutilized spaces on the bottom floor of the senior center will be refurbished into new active spaces to suit the needs of the residents.

Other amenities offered at The Vistas include resident raised garden beds, a patio area adjoining the ground floor resident lounge complete with a gas barbeque grill and picnic tables,
landscaping and a gazebo, and meandering sidewalks and walking paths with benches located along the perimeter. The apartments will also encourage healthy living with a non-smoking environment and exercise classes and fitness center. Residents will enjoy close proximity to large city parks (Cobblestone Park and Bishop Square Park, which includes sport facilities). The campus has a series of walking paths that connect all of the buildings on the campus (including the proposed) directly to the park which features additional walking paths, play equipment for children and grandchildren, a pond, benches, and shade structures.

All programming offered at the Senior Center will be available to The Vistas residents at no additional charge. In addition, on-site staff provide additional resident services that enhance the quality of life at Panorama Pointe:

- Full-time campus manager will ensure the effective operation of the property.
- Management will facilitate residents’ access to additional services and resources offered by local senior services providers and resource centers.
- Campus manager and resident and management assistants will be responsible for providing and coordinating activities and services for the residents.
- Management will provide a full-time, on-campus maintenance person for upkeep and repairs to the facility.

**Energy Efficiencies:**

The construction of the building will comply with the environmental and energy conservation guidelines established by Enterprise Green Communities. It will use products that are extracted, processed, and manufactured within 500 miles of the project for a minimum of 50%, based on cost, of the building materials’ value. In addition, the heating and air conditioning system will be a hydronic fan coil split system with energy efficient condensers for air conditioning of each unit and common area. Each apartment will have individual thermostats to control both heating and cooling, Energy Star appliances, and water conserving kitchen and bathroom faucets.

Panorama Pointe will also embrace a non-smoking policy, a policy which has been specifically requested by interested residents. Currently, in the Residences at Panorama Pointe LIHTC development, only two out of 72 units have a preference for smoking in the building. The non-smoking policy planned for The Vistas is not only beneficial for environmental sustainability, but is also supportive of the numerous residents using oxygen. In all, this policy aligns with the priorities of the Panorama Pointe Senior Campus. Property Manager John Revels shared his direct experience toward this social trend citing that one out of every five applicants inquire and request a non-smoking community.

**Financing:**
In order to finance the construction of the project, M.E.M. is requesting a modest allocation of State LIHTC in addition to 4% Federal LIHTC and a private-activity bond direct placement. The State LIHTC allocation, in combination with funding from the City of Westminster and the State of Colorado allows the project to include units with deeper affordability than would typically be possible in a 4% Federal LIHTC only project. In addition, M.E.M. is bringing significant funding to the project, including a land carryback note, deferred developer fee, and an additional funding contribution. Please see the LIHTC worksheets for greater detail about the financing.

The project’s State LIHTC request is equal to $6,957 per unit, representing a modest request of State LIHTC relative to the basis eligible amount. This modest request will enable the project to be built with the proposed program and affordability.

**Bond Financing Structure:**

- **Total amount of bonds with a breakout of construction period bonds vs. permanent bonds:** Construction bonds will total approximately $9.5 million with the permanent portion totaling approximately $5.5 million.

- **Bond issuer (please specify whether you are seeking a CHFA bond-financed loan, a CHFA conduit bond issue only, or bonds from another municipal source):** The project is seeking a CHFA conduit bond issue as part of this application.

- **Lender and bond sale structure (public sale, private placement, short-term bonds to be taken out by a FHA-insured GNMA securitized loan, etc.):** M.E.M anticipates a private placement of the bonds.

- **Portion of bonds that will be tax-exempt (i.e., will the bonds have a “taxable tail”):** Bonds will be 100% tax exempt.

**Identify which guiding principles in Section 2 of the Qualified Allocation Plan (QAP) the project meets and why it meets them:**

- **To support rental housing projects serving the lowest income tenants for the longest period of time:** Using State LIHTC and other public funding sources allows the project to include units at 30% and 40% AMI, lower rent units that are often not available in strictly 4% LIHTC-financed developments. The project will remain affordable for a minimum of 40
years.

- **To support projects in a QCT, the development of which contributes to a concerted community revitalization plan as defined in Section 5.A 4, Primary Selection Criteria:** Although The Vistas at Panorama Pointe are not located in a QCT, it is responding to a prominent stated community priority for affordable housing and is the culmination of a 20 year long development plan for the campus.

- **To provide for distribution of housing credits across the state, including larger urban areas, smaller cities and towns, rural, and tribal areas:** The project is located in Westminster, one of the outlying communities of the Denver metro area.

- **To provide opportunities to a variety of qualified sponsors of affordable housing, both for-profit and nonprofit:** M.E.M. Westminster Property LLP and its staff is a long-standing Colorado developer, manager and senior housing service provider, serving Westminster, Arvada, Castle Rock, and other communities for the past 20 years.

- **To distribute housing credits to assist a diversity of populations in need of affordable housing, including families, senior citizens, homeless persons, and persons in need of supportive housing:** This project will serve 69 new senior households with service-enriched housing.

- **To provide opportunities for affordable housing within a half-mile walk distance of public transportation such as bus, rail, and light rail:** Local RTD bus service is offered on Federal Boulevard and 84th Avenue immediately adjacent to the site. Additionally, resident services staff will provide free scheduled shuttle service to and from the future light rail service offered at Westminster Station that will be completed before the project is constructed.

- **To support new construction of affordable rental housing projects as well as acquisition and/or rehabilitation of existing affordable housing projects, particularly those with an urgent and/or critical need for rehabilitation or at risk of converting to market rate housing:** This is a new construction project.

- **To reserve only the amount of credit that CHFA determines to be necessary for the financial feasibility of a project and its viability as a qualified low income housing project throughout the credit period:** The project is made feasible with 4% LIHTC and a relatively modest amount of State LIHTC.
o To reserve credits for as many rental housing projects as possible while considering these Guiding Principles and the Criteria for Approval: The relatively modest amount of State LIHTC requested ensures that more projects are able to receive this scarce resource.

o Recognizing the unique challenges of developing housing for certain populations and in certain geographic areas, CHFA has identified the following priorities:

- Projects serving Homeless Persons as defined in Section 5.B 5
- Projects serving persons with special needs as defined in Section 5.B 5
- Projects in Counties with populations of less than 175,000
- Projects in Counties impacted by a natural disaster Applicants for projects in counties impacted by a natural disaster that use noncompetitive credits, (4% Federal Credits), State Credits, and Community Development Block Grant Disaster Recovery (CDBG-DR) funds rather than competitive credits (9% Federal Credits) will be given a higher priority. Projects in the counties of Boulder, Larimer, and Weld will be given the highest priority in this category.

The Vistas at Panorama Pointe does not specifically address these priorities.

Additional Eligibility Requirements and Priorities for State Credits

o For all State Credit applications, projects using 4% Federal Credits rather than 9% Federal Credits will be a priority: This project uses 4% LIHTC.

o For all State Credit applications, new construction projects will be a priority: This is a new construction project.

Describe how the project meets the criteria for approval in Section 2 of the QAP:

- Market conditions:

The market study indicates that market conditions are very strong for the creation of The Vistas. Comparable senior properties in the primary market area report 0% vacancy and a combined 700-person waitlist. The project will only capture 15.1% of the available senior households. The project will be able to fully lease up in approximately 6 months with absorption recently assessed at just over 11 units/month.
• **Readiness-to-proceed:**

The project demonstrates a high level of readiness. M.E.M. owns the land and a leasehold interest in the Senior Center. The use and number of units are allowed under the P.U.D. zoning and existing Development Agreement by-right, eliminating the need for additional approvals. City of Westminster Community Planning staff have indicated that full approvals will take no longer than 12 weeks. Additionally, the City, in order to be supportive of this development’s competition for funding, advised the M.E.M. team that zoning standards will consider this development as a “build-out” phase of the existing Panorama Pointe development, eliminating the need for the project to go through the City’s highly competitive process to receive water and sewer taps and accelerating the timeline of the project compared to other new developments in Westminster.

• **Overall financial feasibility and viability:**

The project retains its financial feasibility using a relatively modest amount of State LIHTC. Other public capital source amounts included in the project financing are feasible based on conversations with these sources regarding funding availability and priority. M.E.M. is prepared to contribute its significant funding contribution in order to complete the funding package. Both investors and lenders have indicated support for the underwriting and pricing assumptions included in this application.

• **Experience and track record of the development and management team:**

Since 1996, the M.E.M. team has worked together in the development and creation of the Panorama Pointe campus and Senior Center and has been responsible for the overwhelming success of its different housing components and senior services.

**Developer Experience:**

Mendel Development Company, owned by Lee Mendel and Neal Mendel, and Elkco Properties Inc., owned by Steve Elken, are the current owners of the land and will work together to develop the site. The developers have more than 60 years of combined development experience using multiple means of financing (including 9% LIHTC, federal funding, Fannie Mae/Freddie Mac/HUD financing). Between them they own and manage seven affordable housing projects in Colorado. The developers’ specific resumes and statements of real estate owned are included in the LIHTC application. In addition, the developer was a general contractor licensed in the state of Colorado for 35 years.
Management Experience:

Mendel Management Co., a subsidiary of Mendel Development Company, has over seven years experience managing LIHTC properties and also currently manages Section 8 properties in the Denver metro area.

Elkco Properties, similarly, has extensive experience and has managed a full senior campus of 289 units ranging from independent senior living to assisted living and also units serving seniors with dementia or Alzheimer’s, has managed 191 units of retirement housing, 44 units of Section 8 housing, 103 units in mixed-use settings, and a total of 1,580 general units. Elkco Properties continues to actively manage over 1,000 of these listed units.

In addition to this experience, the development team will be retaining Barbara Cook for consulting services and to oversee and coordinate project preleasing and stabilization as well as all LIHTC compliance for the lease up and the first year of operations.

Cost reasonableness:

Construction costs for the Vistas at Panorama Pointe, estimated by Shaw Construction, reflect current market conditions, are in line with other metro-area LIHTC projects, and accurately reflect the product type. Please see the Development Budget and cost estimate for more detailed information.

Proximity to existing tax credit developments:

The Vistas has only three comparable senior LIHTC properties in the primary market area. As discussed elsewhere in this narrative, the demand for the Residences at Panorama Pointe is extremely strong and will help to propel the marketing for the Vistas. The market study indicates that only one other approved LIHTC will be competitive with The Vistas, which will begin construction in April and May 2016. However, the capture rates, waitlists at the other properties, and other market indicators listed in the market study suggest that The Vistas will not be impeded in lease up or occupancy based on any of these properties.

Site suitability:
This project is the last parcel of land to be developed on the Panorama Pointe Senior Campus. The site plan’s creative design conveniently allows the campus to accommodate an additional 69 units of senior housing that can take advantage of the features that make this campus successful in providing senior housing. This development will be the final capstone element for the campus completing the city’s development plan for this site that has been in place since 1996. With an award of State/4% LIHTC, the Panorama Pointe campus will be a truly unique senior community offering a variety of housing types and affordability, from Section 8 subsidized units to LIHTC units to market rate units. This range of options makes the Panorama Pointe campus unique amongst senior campuses across the country. The site has no environmental issues.

Provide the following information as applicable:

- **Justification for waiver of any underwriting criteria (minimum operating reserve, minimum PUPA or high PUPA, first year debt coverage ratio below 1.15 or above 1.30, minimum replacement reserve, vacancy rate below CHFA’s minimum):**

  This project is requesting no waivers.

- **Address any issues raised by the market analyst in the market study:**

  The market study indicates that The Vista’s higher 60% AMI rents will have to compete with other comparable properties offering rents at 40% and 50% AMI. However, the market study goes on to say that:

  “[w]e are convinced there is strong demand for high-quality, moderately-priced senior apartments; in fact, we have studied several new, market-rate senior apartment properties in the Denver area that have successfully leased similar apartments for considerably higher rents than will be charged at the subject. We believe that the subject’s 60% AMI units can compete successfully in this market, but we recommend that the subject provide a strong and effective marketing campaign, similar to the marketing campaigns of market-rate properties.”

  The M.E.M. team will provide the recommended marketing.

  In addition, the market study indicates:
“The planned units are smaller than many recent senior tax credit properties, and may be less marketable to some potential residents, particularly to 2-person households. We note, though, that Panorama Pointe has had no trouble leasing virtually the same units in the adjacent building. Also, we have noticed a recent trend toward smaller units in properties recently awarded tax credits, with at least two new properties with all units at 60% AMI that will offer 1-BR units that are smaller than the subject.”

Therefore, M.E.M. believes the unit sizes do not affect project marketability.

- Address any issues raised in the environmental report(s) submitted with your application, including how the issues will be mitigated, if applicable:

  Not applicable - there are no environmental issues associated with the site.

- In your own words, describe the outreach to the community that you have done and describe and demonstrate local support for the project (including financial support):

  Since the project was last presented to CHFA in 2013, the size, configuration, and program for The Vistas at Panorama Pointe have been creatively reconfigured to strengthen the project with an eye toward the needs of the community and the possibilities embodied in the site. The site’s long-standing Development Agreement allows a greater density of units to built on a relatively small site and the City of Westminster (partner in the Development Agreement) is in support of maximizing the amount of units provided on the site. M.E.M. has spent time in conversation with Community Development staff at the City to cement a new partnership for The Vistas to include future property tax exemption to support affordability. The attached letter of support from the City of Westminster clearly demonstrates this level of local support.

- Senior Center Acquisition:

  Please see the 10-year Rule Opinion and valuation as part of this application, for use of acquisition credits in regards to the Senior Center.
Please see attached letters of support for the project.
Windmill Ranch Apartments
Project Narrative Description
Page 1

General Project Narrative

The proposed project, Windmill Ranch Apartments, will be a 96-unit, family apartment property, to be located in the City of Brighton. The subject site is located on the west side of 8th Avenue, just south of Bromley Lane. The owner and co-developer of the proposed project will be the Brighton Housing Authority. The other co-developer will be MJT Properties, Inc.

Creating a Strong, Viable Housing Authority in the City of Brighton

The asset base of the Brighton Housing Authority is relatively small, consisting of a few rental homes and the recently added first phase of the Libretto Apartments (an independent senior property that opened in November, 2013) and Brighton Village Phase II (a senior project that’s scheduled to start construction within a matter of days). Because the City of Brighton is experiencing significant growth, it’s important for its housing authority to increase its asset base and cash flow. It’s also important for the Authority to enhance its level of property management expertise and ability to develop affordable housing in the future.

Upon completion and stabilization of Windmill Ranch Apartments, the asset base of the Housing Authority will increase dramatically within a short period of time, from a small number of rental units to the ownership of 151 independent senior apartments (28 units at Libretto, 60 units at Brighton Village I and 63 units at Brighton Village II) and 96 family units at Windmill Ranch. In addition, they’ll have new opportunities to increase their cash flow through ownership of the properties and the ability to generate property management and development fees in the future. While these developments will help the Housing Authority increase its asset base, more needs to be done, in order to address the need for more affordable housing in Brighton, particularly for families.

The Authority will be the owner of the Windmill Ranch Apartments, as they’ll be a 100% interest holder and limited partner in the project sponsor, Windmill Ranch 2016 L.P. The participation of MJT Properties, Inc. will be as a fee developer, with no long-term ownership position. In addition, MJT and its owner will provide all guarantees for financing and completion of the project.

“Career and College Launch” & “Biz Launch”
Brighton Housing Authority - Community Assistance Programs
The Brighton Housing Authority has established a number of successful programs that assist the community. Two highly recognized programs, administered by the Authority, will be of significant value to Windmill Ranch residents, including Career and College Launch (CCL) and Biz Launch (formerly known as the award winning Applicant Assistance Program). These programs, which have already been highly successful in the community, are designed to help post-secondary youth obtain college or technical training, and for community residents to gain assistance for establishing their own businesses. The purpose of these programs is to provide to young people, and other community residents, the necessary education, tools and resources to move beyond their secondary education and achieve career goals in their chosen fields.

Currently, the Housing Authority conducts orientations and workshops for these programs in the Housing Authority offices. Windmill Ranch Apartments will offer dedicated space that can be used for training and the administration of these programs.

With the development of the Windmill Ranch Apartments, a great synergy will be created by having affordable housing and valuable program administration in the same location. The administration of the programs will be coordinated by the Housing Authority. All administrative costs associated with the programs will be borne directly by the Authority, and will not be added to the normal operating costs of the apartment property.

Market Conditions
The market for the proposed project is excellent. There are five other family tax credit properties in Brighton, however, no new family tax credit properties have been constructed since 2003. There are other tax credit properties in the area, and one under development, however, these are all senior properties.

The project Market Study indicates an overall capture rate of 19.5%. This consists of a capture rate of 8.0% for the 30% AMI units, 6.9% for the 40% AMI units, 10.3% for the 50% AMI units and 27.1% for the 60% AMIs.

When establishing the AMI mix for the proposed project, the most important consideration was to serve people with the lowest incomes while preserving the financial feasibility of the project. To this end, 15 units at 30% AMI (3-bedroom units) will be offered through project based vouchers. There will also be 12 units at 40% AMI and 32 units at 50% AMI. Also, of the 37 60% AMI units, 21 will be one bedroom units, therefore available at attainable rental rates.

Readiness to Proceed
The site has the proper zoning designation for the intended use. It’s a fully developed and improved site, with in-place street access, curb and gutter, site utilities, and overlot grading. The
site approval process is well under way, with the project having been presented to the Brighton City Council, and having received unanimous support. It’s anticipated that final site plan approval, through the planning department, will be completed within 90 to 120 days. While the site plan is being finalized, the project architect, Miles-Lambert Architecture, Inc., (who has designed all of the residential projects developed by MJT), has started the construction documents for the residential buildings. These will be completed when the project receives an allocation of bonds and tax credits, and will then be submitted to the city for acquisition of a building permit.

Windmill Ranch Apartments
Project Narrative Description (continued)
Page 3

The site is owned by the Brighton Housing Authority. Shaw Builders LLC, the general contractor on numerous projects developed by the sponsors, has been selected to build Windmill Ranch.

Zoning Status
The property is zoned R-3 (multi-family) in the city of Brighton. An approved use in this zone is multi-family apartments. As indicated above, the site plan approval process is currently under way.

Site Suitability/Location
As previously mentioned, the subject site is located just south of Bromley Lane, one of the major thoroughfares in the City of Brighton, which extends east-west from I-76 to Highway 85.

The neighborhood surrounding the property consists of a mixture of multi-family dwellings, undeveloped land, a local farm store and new and mature commercial and retail developments. The property immediately to the west is the Palizzi Farms store. Immediately to the west of Palizzi’s is the Palizzi Marketplace, a shopping center anchored by King Soopers.

In addition to King Soopers, other retailers include Starbucks, FirstBank, T-Mobile, dental offices, Farm Bureau Insurance, UPS store, nail salon, hair salon, H&R Block and a number of fast food and casual dining establishments. In addition, a Super Wal-Mart is located west on Bromley Lane, within easy walking distance of the property. A Kaiser Permanente medical office is located just a couple of blocks away, at 4th Avenue and Bromley Lane.

In addition, the location of the site near downtown Brighton provides many opportunities for residents to easily access area services and entertainment.

Also, a bus stop, located at Bromley and 4th Avenue, provides transportation throughout Brighton, and to Denver and Denver International Airport. The site is also located in a “Call ‘N Ride” zone, so that public transportation will be available to the doorstep of the property.

The site is a short distance to area schools, including the following: Firstart Preschool – 8th Avenue and Voiles
South Elementary School – 5th Avenue and Southern
Vikan Middle School – 8th Avenue and Jessup
Brighton High School – 8th Avenue and Southern

Parking
The project will meet all city requirements for the number and types of units. There will be 189 free, open parking spaces at the property.

Windmill Ranch Apartments
Project Narrative Description (continued)
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Unit Mix – AMI Mix
The 96 units to be developed will consist of 36 one-bedroom/one-bath units, 30 two-bedroom/two-bath units and 30 three bedroom/two bath units. The units will range in size from approximately 704 square feet for the one-bedroom units, to approximately 960 square feet for the two-bedrooms and 1,088 square feet for the three-bedroom units. The affordability mix will include 15 units at the 30% AMI level (three-bedrooms), 12 units at the 40% AMI level (4 one-bedroom units, 6 two-bedroom units and 2 three-bedroom units), 32 units at the 50% AMI level (11 one-bedrooms, 15 twos and 6 threes), and 37 units at the 60% AMI level (21 one-bedrooms, 9 twos and 7 threes).

Amenities & Services Provided
In addition to the meeting spaces available to the Brighton Housing Authority for administering the programs referenced above (“Career and College Launch” and “Biz Launch”), the Windmill Ranch clubhouse will provide amenities such as a fitness center, a community room, two management offices and other amenities. A free wi-fi connection will also be provided.

The project will also offer organized gatherings, a community newsletter and bulletin board and an on-site manager who will serve residents, organize activities and coordinate service providers from the area. Services provided by the management company will be tailored to meet the specific needs of residents.

Individual unit amenities will include nine-foot high ceilings, provided washers and dryers in each residence, a full appliance package including self-cleaning oven, Energy-Star rated dishwasher and frost-free refrigerator, walk-in closets, cable television hookup and a private individual balcony or patio.

Community Outreach and Support
MJT Properties, as one of the project co-developers, has not only reached out to the community, it has established a 10-year relationship and partnership with the City of Brighton and the Brighton Housing Authority. It’s been a successful public/private partnership that will soon start construction on its 3rd property, Phase II of Brighton Village Apartments. Other properties
developed with, or for the Housing Authority, include the first phase of Brighton Village, and the Libretto Apartments.

Monetary Support by the City of Brighton & the Project Sponsors
As detailed in the bond/tax credit application, the city of Brighton has agreed to make significant financial commitments to the development of the Windmill Ranch Apartments, including a waiver of entitlement fees in the amount of $1,439,092.

Windmill Ranch Apartments
Project Narrative Description (continued)
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Other significant monetary contributions include a commitment by each of the project co-developers (the Brighton Housing Authority and MJT Properties) to donate $100,000 in cash to the development, for a total cash contribution of $200,000.

Further, the development team has agreed to defer a significant portion of its development fee, in the amount of $422,200.

The city has also agreed to waive property taxes for the completed project. The development team has also requested that the Colorado Division of Housing provide a HOME funds grant in the amount of $400,000. A letter of support for the project has been provided by the DOH.

Ownership Structure
The ownership structure between the co-developers is identical in scope to the one used for the successful development and ownership of the recently completed Libretto Apartments. The sponsorship entity, Windmill Ranch 2016 L.P., has been formed and all agreements have been fully executed by the parties. The agreements call for the Housing Authority to have a 100% ownership interest, with MJT Properties and its principals to have primary development responsibilities. MJT’s responsibilities will include all guarantees for development, completion of construction, loan guarantees, lease-up guarantees and long-term tax credit compliance guarantees. The Housing Authority is a limited partner with a 100% ownership interest, and will not be taking on any financial or development risk or liability.

Financing
The project will be financed through the sale of Low Income Housing Tax Credits and State Tax Credits. A preliminary reservation of 4% credits in the amount of $554,635 and State Credits in the amount of $404,795 is being requested. Solar tax credit equity, in the approximate amount of $137,000, will also be available. The project tax credits will be sold to an institutional investor (several have expressed specific interest in purchasing the credits). Construction and permanent financing will be provided by the Colorado Housing and Finance Authority, in the amount of $9,595,000, which is detailed in the application. The sponsors would like to specifically request that CHFA provide such financing. US Bank has also provided a letter of interest in providing gap financing. It’s anticipated that grant funds, in the amount of $400,000, will be provided by
the Division of Housing. Additionally, the co-developers will defer developer’s fees in the amount of $422,200 and will also provide a direct cash contribution to the project of $200,000 ($100,000 from each of the co-developers).

The sponsors, prior to submitting an application for tax credits, evaluated the project with bond-only financing. They determined that the project was most viable with bonds and the state credits.

Windmill Ranch Apartments
Project Narrative Description (continued)
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Overall Financial Feasibility and Viability
As indicated in this Narrative and elsewhere in the application, the project is viable for a number of reasons, primarily because of the high need for affordable family housing in the City of Brighton.

Financial feasibility is further enhanced by the significant monetary contributions that will be made on the part of the city, the Colorado Division of Housing, and the project sponsors (in the form of cash contributions and significant development fee waivers).

Project viability is mostly demonstrated on a long term basis, because the property will be owned by the Brighton Housing Authority, enhancing their viability, cash flow, future prospects and ability to have a location and audience for administering their successful assistance programs. In addition, as an Authority-owned property, Windmill Ranch will be permanently affordable.

Construction
Project construction will be wood-frame on a post-tension foundation system. Exterior materials will include hardboard siding and stone veneer. Landscaping will be extensive in accordance with City of Brighton specifications. The project will be designed to meet all required local, state and federal guidelines for accessibility. In addition, every attempt will be made to design, construct and manage the project utilizing “green” guidelines and materials. More details on the specific “green” materials to be used and management guidelines that will be implemented, are included in the Green Communities Intended Methods Worksheet attached to the application.

Energy Efficiencies
As indicated above, the project will be developed in compliance with the Enterprise Green Communities 2011 Criteria. It will meet all mandatory requirements and will score an additional 59 optional points. To this end, the developer has contracted with Lightly Treading, a local building performance design and analysis firm, for their design, inspection, testing and certification services. They’ll provide projected rating reports to ensure that the development will be in conformance with Green Communities energy efficiencies.
Lightly Treading has been a consultant on three other projects developed by the co-developers of Windmill Ranch (Caribou Apartments II, Libretto I and Brighton Village II). Integrative meetings and communications between Lightly Treading and the development team are ongoing, wherein the consultant has reviewed the preliminary design drawings with the team, and has provided comments and adjustments to the plans. Following their initial review, they’ve determined that we’ll meet or exceed the requirements of the 2011 Enterprise Green Communities Criteria.

Windmill Ranch Apartments
Project Narrative Description (continued)
Page 7

The project will receive additional points in most sections of the Green Communities Criteria, including the following areas: 1) increased water saving measures through more restrictive fixtures in bathrooms and kitchens, 2) greater energy efficiencies through the reduction of HERS rating scores below the baseline performance standard and 3) implementation of construction procedures and practices that will reduce waste, make use of recycled products, and by using locally produced products. The project will be a smoke-free property, and is located within 1/4 mile of a Farmer’s Market that’s open at least one day a week for at least 5 months each year.

Solar Energy Installation
The project has been designed to include DOW (DOW Chemical Corporation) solar panels as part of the construction systems. The DOW panels are installed as part of the asphalt shingle installation, so as to have a minimal effect on the appearance of the completed project. The costs of the solar components, which are all manufactured in the United States, are included in the construction cost estimate that’s been provided with the application. Those costs were generated in conjunction with DOW and Shaw Construction, the selected project contractor.

The development team has completed significant research on the DOW solar panels, including viewing in-progress installation of the systems, held meetings with users of the installed panels and organized numerous meetings over the last several years with the engineers and representatives of DOW. Recent research and coordination has been particularly significant since the same development team for Windmill Ranch is within days of starting construction on Brighton Village II, which will include the DOW solar shingles as part of the completed building.

In addition, United Power, who provides energy for the City of Brighton, has been consulted on the installation of the system. The system has been used in other developments served by United Power, so they’re familiar with the details of the solar installation, including the interface of the solar energy system with the primary electric panels at the property.

Engineers with DOW, who designed the system, in conjunction with the project architect and accountant, have determined that the panels to be used at Windmill Ranch will generate a federal...
solar tax credit. The tax credit purchasers, who will be considered as investors in the project, have expressed an interest in purchasing the solar credits.

A copy of the solar panel design for Windmill Ranch is included with the bond/tax credit application, along with a copy of a DOW brochure.

**Solar Savings Fund for Residents**
Electricity cost savings generated by the use of the panels have been estimated to be $8,000 per year. This can be monitored on a daily basis as part of the equipment that’s provided with the panel installation. Because this is an estimate, the savings haven’t been used in the project’s financial analysis, as a means of reducing operating costs. However, to the extent that savings are generated, they’ll be split equally between the property owner (the Brighton Housing Authority) and a resident’s fund that the Authority will monitor. The fund will be used, at the direction of the Authority, to provide financial assistance to residents, in the form of rental assistance, special programs, or to be used in conjunction with the other programs to be administered by the Authority at Windmill Ranch.

**Development and Management Team Experience**
The project principals include an experienced group of individuals who have been involved in the Denver area construction, development and property management business for almost 40 years. One of the co-developers of the project will be J. Marc Hendricks and MJT Properties, Inc. In addition to other projects, Hendricks has developed 17 successful tax credit properties over the last 20 years. The projects have been completed on time and under budget, and have consistently leased up in less time than anticipated.

The other co-developer will be the Housing Authority of the City of Brighton. The Authority, as indicated above, will have a 100% ownership interest as a limited partner, with no development, financial risk, or liability.

The completed property will be managed by Terra Management Group LLC, however, the long-term plan is for the Housing Authority to take over management, once it’s been able to sufficiently increase the size and expertise of its staff. General oversight of Terra Management is provided by Debi Robertson, who has been with MJT Properties for over 20 years. Debi has extensive experience in the management of affordable housing properties. All properties managed by Terra perform exceptionally well, maintaining high occupancies, high revenues and low expenses. Lydia Smith, who operates the company day-to-day, has been with Terra for 8 years. In addition to her responsibility for daily operations, she is responsible for staff and resident relations, crisis intervention and communications between staff and upper management. Heather Aguirre is an asset manager who has extensive experience with tax credit properties.
She is primarily responsible for managing file compliance, management reviews and investor/lender inspections and requests. Sheri Wagner, the on-site property manager at Brighton Village and Libretto Apartments, is the regional manager for Terra in the Brighton area. Sheri will be primarily responsible for management of the Windmill Ranch Apartments.

All properties managed by the management team have provided timely reporting and have remained in compliance with all tax credit requirements throughout their compliance periods and beyond (for those properties that have reached the end of their initial compliance periods).

Windmill Ranch Apartments
Project Narrative Description (continued)
Page 9

Identification of Guiding Principles in the QAP that the project meets and why it meets them

Guiding principle 1 – To support rental housing projects serving the lowest income tenants for the longest period of time.
Windmill Ranch Apartments will provide affordable housing to low income residents at a range of AMI levels from 30% to 60%, with the majority of units (a total of 59 or approximately 61% of the residences) offered to residents at AMI levels below 60%.

These will be attractive rents for a more diversified population of applicants. While the options are more skewed toward lower AMI levels, where the capture rates indicate an underserved market, there are also units available for young professionals and young families with modest incomes. Also, because the Housing Authority is a co-developer of the project, and the long-term owner, project affordability will continue far beyond the maximum Extended Use Period selected in the Scoring section of the application.

Guiding principle 3 – To provide for distribution of housing credits across the state, including larger urban areas, smaller cities and towns, rural and tribal areas
Windmill Ranch will provide much needed affordable housing in the City of Brighton. While there are other family tax credit properties in the city, there has been no new development of family tax credit units since 2003. During the last 13 years, since the completion of the most recent family tax credit project in Brighton, there has been a steady increase in the city’s population. According to the US Census Bureau, the increase in population from 2010 to 2014 was 8.8%, (an annual average of over 2%) which was higher than the Colorado population increase of 6.5%. The market study indicates a low vacancy rate in Adams County and high occupancy with waiting lists at the other tax credit properties in Brighton. This project is expected to help meet the demand for additional affordable projects in the area, particularly for families.
Guiding principle 4 – To provide opportunities to a variety of qualified sponsors of affordable housing, both for-profit and non-profit.
The development of this project will provide the best of both worlds. The Brighton Housing Authority, headed by Joseph Espinosa, is striving to become a viable owner, developer and operator of affordable properties, so that it may better serve the community. The for-profit co-developer, MJT Properties has an excellent track record in the development and management of both senior and family tax credit properties throughout the Colorado Front Range. In addition, as previously indicated, the participation of the two co-developers, through their

Windmill Ranch Apartments
Project Narrative Description (continued)
Page 10

partnership, will provide not only an excellent source of cash flow and stability for the Authority, it will also allow the Authority to enhance their skills as a developer and manager of affordable housing. This will allow them to develop and expand their portfolio of affordable housing in the future.

Guiding Principle 5 – To distribute housing credits to assist a diversity of populations in need of affordable housing, including families, senior citizens, homeless persons, and persons in need of supportive housing.
Since this project will target applicants of all age groups and household types, it clearly meets this principle. While the emphasis will be on young professionals and families, the unit and project amenities, the sustainable and energy-saving elements and the proximity to shopping, services, and transportation, will be attractive to a wide range of persons in need of affordable housing, but also wanting to contribute to the global trend toward sustainability and energy efficiencies.

Guiding Principle 6 – To provide opportunities for affordable housing within a half mile walk distance of public transportation, such as bus, rail and light rail.
The project is within 1/4 mile or less of a bus stop that provides transportation around Brighton, to Denver and to DIA. The project is also located within a Call ‘N Ride zone, so that public transportation will be available at the front door of the property.

Guiding principle 7 – To support new construction of affordable rental housing projects as well as acquisition and/or rehabilitation of existing affordable housing projects, particularly those with an urgent and/or critical need for rehabilitation or at risk of converting to market rate housing.
The proposed project meets this principle as it will provide new construction of a high quality, needed affordable family rental housing project. The development will be constructed and managed by an experienced team, the units and common spaces will be spacious and beautiful,
and designed to meet the specific needs of residents of all ages, who will become part of an inclusive and supportive community.

Guiding Principle 8 – To reserve only the amount of credit that CHFA determines to be necessary for the financial feasibility of a project and its viability as a qualified low income housing project throughout the credit period.
As indicated in the application and this Narrative, the proposed project has been carefully planned to maximize available resources and to provide the best possible housing at a reasonable cost. The project is only requesting $554,635 in federal credits and $404,795 in state credits.

Windmill Ranch Apartments
Project Narrative Description (continued)
Page 11

The financial support provided by the City of Brighton in the form of over $1,400,000 in fee waivers and reductions, the Colorado Division of Housing in the form of $400,000 HOME fund awards, the additional solar credits available to the project for the installation of a solar roof system, the willingness of the developer to defer a significant portion of its developer fee, and the commitment by the co-developers to provide additional equity of $200,000, all demonstrate a strong belief in the financial feasibility and long term viability of the project.

Guiding Principle 9 – To reserve credits for as many rental housing projects as possible while considering these Guiding Principles and the Criteria for Approval.
The project meets this principle by provided funding and incentives from multiple sources to supplement project costs, and therefore reduce the amount of State Tax Credits needed, making the project financially viable, leaving more credits available to finance other affordable projects.

Guiding Principle 10 – Recognizing the unique challenges of developing housing for certain populations and in certain geographic areas, CHFA has identified the following priorities:

1) Projects serving persons with special needs as defined in Section 5.B.5
The proposed project will meet this principle, through the provision of counseling and resources offered by the Housing Authority Biz Launch and Career and College Launch programs. These highly successful programs will provide opportunities for the youth, as well as other members of the Windmill Ranch community, to complete higher education programs and establish their own businesses.
**Project Name:** Wintergreen Apartments  
**Project Address:** Approx. 21771 U.S. Highway 6, Keystone (Summit County), Colorado 80435

**Project Description**
Gorman & Company, Inc. is pleased to submit a 2016 Low-Income Housing Tax Credit (LIHTC) application to the Colorado Housing and Finance Authority (CHFA) for Wintergreen Apartments, a 76-unit affordable housing development in Summit County. If funded at this time, critically needed affordable housing units can be added to Summit County to relieve an unprecedented housing shortage.

This application is worth the investment of very scarce State LIHTC resources because of the following:

- Summit County has a severe shortage of affordable housing. Only five LIHTC awards have been made in the County; most recently in 2014 (Pinewood Village II, 4% PAB for 45 units) and 2012 (Sierra Madre II, 9%, 64 units), with the remainder in the mid-1990s. Overall there are only 266 LIHTC units in Summit County.
- Land opportunities from the private market are very difficult to find in Summit County. High land costs in core centers make most affordable housing projects infeasible. This proposal is based on a 99-year ground lease structure for the Wintergreen site; this removes the barrier of expensive land from the financing equation.
- We have heard repeatedly from community members, town and County officials, and employers that affordable housing is desperately needed. Existing rental housing units are more and more often occupied by excessive numbers of roommates because of sheer demand and the very high rents charged for a decreasing supply of rental units.
- The Wintergreen site location will eliminate long commute times for workers.

We are partnering with the Summit County Combined Housing Authority (SCCHA) on the project. The Property Tax Exemption offered by the SCCHA for Wintergreen Apartments helps make the financing of this development feasible. Without this exemption, the property taxes would add about $1,000 per unit in Operating Expenses which would mandate rents much higher than allowed for a tax credit project or require a much larger State Credit request.

**Project Location**
Wintergreen Apartments is located between Keystone and Dillion along Highway 6. The site location provides central access to many employers in the County: the outlet malls in Silverthorne (6 miles away), Summit County Government (8 miles away), and the ski hills of Keystone Resort (2 miles) and Arapahoe...
Basin (6.7 miles). Access is good to the County Schools (1.8 to 6 miles) and grocery/retail shops in Dillion (5 miles). The site is also within reasonable proximity to the retail and accommodation businesses that support Keystone, Frisco, Silverthorne and Breckenridge (all within 12 miles of the subject site). The accessibility of employment from the subject site enhances its desirability.

The Wintergreen site is on a small part of a 61-acre tract, most of which is not developable. A large portion is required to remain as open space; there are wetlands to be avoided and some steep grades that would challenge a development budget. We propose to optimize the site by developing both the Wintergreen LIHTC project, the subject of this application, and a second location in the same large tract. This second location is amenable to a Workforce Housing project targeting employees who work in the County for 30+ hours a week and generally are in the 80% to 100% AMI income levels. With two adjacent projects we will gain efficiencies in construction (bulk order of materials), more competitive bidding from subcontractors (because we can either increase the scope of work to attract larger subs, or divide the scope of work into smaller pieces to attract local subs), reduced overhead, and the ability to spread the costs of General Requirements from the General Contractor over a larger number of units than just the LIHTC project alone.

**Project Need and Urgency for Funding**

We have obtained a commitment of Summit County land available for a long term lease structure (instead of outright acquisition). This is an extraordinary opportunity because of the cost savings it offers for financing affordable housing development. Importantly, this tract of land in the heart of an area with employees working for $10.00--$15.00/hour is significantly underserved with affordable housing.

If we cannot proceed in this round of LIHTC funding there is a significant chance that we will lose control of this land for rent-restricted development. It will be committed to other forms of development. Many alternative developments would only make the affordable housing shortage more difficult. Losing this opportunity because of a delay in the tax credit funding will mean, in all probability, that the opportunity to add LIHTC units to this market will be lost.

Put simply, this unique opportunity for Summit County is time sensitive.

The Summit County economy that paused following the Great Recession has since recovered and added more jobs than existed in 2008. Simultaneously, many rental housing units have been removed and then relisted as “Airbnb” or “VRBO” rental units, shrinking the housing stock in several County communities. This has created a larger and larger gap between what wage earners can afford to pay and the housing available for rent. The problem is getting worse and worse.

“Now, employers are losing employees because they can’t find housing. We’re talking about everyone from small businesses to restaurants, all the way up to the hospital.”

Alan Nazzaro, Town of Vail housing manager

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i. Source: Town of Vail

ii. Source: Town of Silverthorne
In 2013, the County commissioned a housing-needs assessment from Rees Consulting, the results of which showed that up to 960 rental units needed to be added for the Summit County workforce. The study pointed to a tight rental market, in-commuting employees, job growth, and the loss of rental homes from the rental pool.

The Town of Breckenridge (in the Upper Blue River Basin submarket of the PMA) has been aggressively trying to fill their housing gap, noted as up to 370 units short of demand. Even with an estimated $40 million committed over the next three years to four affordable housing projects in the Town of Breckenridge, they will still fall short by between 70 and 240 rental units per the 2013 Housing Needs Assessment targetiii.

<table>
<thead>
<tr>
<th>5-Year Workforce Housing Needs: Summit County</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
</tr>
<tr>
<td>Catch Up – immediate, existing needs</td>
</tr>
<tr>
<td>Keep Up – needs that will be generated over 5 years</td>
</tr>
<tr>
<td>Total Needs</td>
</tr>
<tr>
<td>Gap</td>
</tr>
<tr>
<td>Rental Gap</td>
</tr>
<tr>
<td>Ownership Gap</td>
</tr>
</tbody>
</table>

The shortage of affordable housing in the County has reached a critical level.

**Population Being Served**

Local housing complexes have long waiting lists (over 200 persons); there is high demand for affordable housing. The development will attract neighborhood residents who, in many instances, now live in substandard or overcrowded housing. Units will be restricted to very low- and low- income individuals and families. 71 of 76 units (90%) will be restricted to households at or below 50% AMI, with 4 units at 60% AMI (and 1 unit as a non-LIHTC manager’s unit). The 60% AMI units are set at the 55% AMI rent level.

| “After paying $200 a week to sleep on couches in Breckenridge and turning down the chance to share an R.V. for $600 a month, he ended up in a cheap rental trailer in Leadville, 40 miles from work.” |

**Unit Mix and Amenities:**

The one- and two- bedroom units will average 625 and 850 square feet respectively, with the three bedrooms averaging 1,100 square feet.
Each unit will have:

- Mini-Blinds
- Self-Cleaning Stove/Oven
- Carpet
- Resilient flooring
- Dishwasher
- Refrigerator
- Disposal
- Microwave
- Ceiling Fan
- Walk-in Closet
- Cable TV Hook-Up
- High Speed Internet Hook-Up

The property will have the following common amenities, security features and tenant services:

- BBQ/ Picnic area
- Play area
- Surveillance Cameras
- Exercise Room
- On site management
- Within 0.1 mile of Summit County bus route
- Good access to abundant services and employment centers
- Excellent value and good location
- Very low- and low-income housing in a central location
- Central Laundry Facility

The 76 units will be provided as follows:

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>AMI %</th>
<th>Square Feet</th>
<th># of Units</th>
<th>% of overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Bedroom</td>
<td>30%</td>
<td>625 SF</td>
<td>4</td>
<td>5%</td>
</tr>
<tr>
<td>1 Bedroom</td>
<td>40%</td>
<td>625 SF</td>
<td>4</td>
<td>5%</td>
</tr>
<tr>
<td>1 Bedroom</td>
<td>50%</td>
<td>625 SF</td>
<td>20</td>
<td>26%</td>
</tr>
<tr>
<td>2 Bedroom</td>
<td>50%</td>
<td>850 SF</td>
<td>39</td>
<td>51%</td>
</tr>
<tr>
<td>2 Bedroom</td>
<td>60%</td>
<td>850 SF</td>
<td>4</td>
<td>5%</td>
</tr>
<tr>
<td>3 Bedroom</td>
<td>50%</td>
<td>1,100 SF</td>
<td>4</td>
<td>5%</td>
</tr>
<tr>
<td>2 Bedroom</td>
<td>MANAGER</td>
<td>850 SF</td>
<td>1</td>
<td>1%</td>
</tr>
</tbody>
</table>

Type of Construction

Wintergreen Apartments will be in two (2) free standing, three-story walkup buildings with a Hardi-panel and stucco exterior, varied elevation and pitched roof. It will be constructed on a site that is approximately 3.8 acres (within the larger tract that is nearly 61 acres). Units will have private entrances located along both sides of interior hallways. Units will have views of the surrounding mountains. Indoor and outdoor community spaces will offer many opportunities for social interaction.

Parking will be in surface lots that meet the County’s parking requirements. As evidenced by the zoning letter, the project must and will have 128 on-site parking spaces. The rent will include reserved parking spaces. Any unallocated spaces will be available on a first-come, first-served basis.
**Energy Efficiency and Green Building**

The building will employ Enterprise Green Communities best practice standards for energy use. The building will also utilize best practices from LEED and Healthy Living goals. Plans include:

- Energy Star appliances, LED and florescent lighting, and electrical controls on lighting.
- High performance windows, increased wall and roof insulation.
- Plumbing systems with low flow fixtures.
- Smart HVAC systems to reduce energy reliance and increase tenant comfort.
- Smart site location (orienting the building to use passive solar heating/cooling).
- Reduction of heat-island effect.

**Cost Saving Measures at the Project**

We have worked very hard to reduce the cost to construct the project to ensure CHFA can support more LIHTC projects with this critical source of tax credits. Our approach includes:

<table>
<thead>
<tr>
<th>Cost Saving Measure</th>
<th>Impact to Budget</th>
<th>Does this Negatively Impact Marketability?</th>
<th>Financial Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Three story walk up buildings</td>
<td>No Elevators</td>
<td>No. This design is common for the market area.</td>
<td>2 X $90,000 = $180,000</td>
</tr>
<tr>
<td>No balconies</td>
<td>Reduced exterior costs</td>
<td>No. With trails immediately outside and common play area, outdoor space is plentiful. This design feature also allows for increased interior storage.</td>
<td>76 X $6,000 = $456,000</td>
</tr>
<tr>
<td>VTACs for heating system</td>
<td>Less piping and duct work from a centralized heating system</td>
<td>No. A VTAC is common in the marketplace. Gas fired VTACs, as designed, will reduce energy costs for tenants.</td>
<td>Varies depending on different systems – could be up to $400,000</td>
</tr>
<tr>
<td>No Air Conditioning</td>
<td>Reduced HVAC cost</td>
<td>No. Air Conditioning is not common in the market.</td>
<td>76 X $2,000 = $152,000</td>
</tr>
<tr>
<td>Level Site Selection</td>
<td>Less earthwork and fewer retaining walls</td>
<td>No. Accessibility and visibility to the site will be very good.</td>
<td>Varies – could be up to $500,000</td>
</tr>
<tr>
<td>Minimizing the Road Network</td>
<td>Reduced site work costs</td>
<td>No. The site plan is still appealing to the market.</td>
<td>Varies – could be up to $500,000</td>
</tr>
<tr>
<td>A second site on the same tract will house a “Workforce Housing Project” targeting 80-100% AMI levels</td>
<td>Economies of Scale for subcontractors, scheduling, and ordering materials.</td>
<td>No. The addition of another housing product will contribute to the ‘sense of place’ for the site and be self-sufficient from a parking and budget standpoint.</td>
<td>Varies – could be upwards of $300,000</td>
</tr>
<tr>
<td>TOTAL COST SAVINGS THROUGH DESIGN</td>
<td></td>
<td></td>
<td>Up to $2,488,000 ($32,737 per unit)</td>
</tr>
</tbody>
</table>
Type of Financing
The project will use 4% and State Low Income Housing Tax Credits, HOME funding from the State, and permanent and construction debt financing. The project is helped significantly by saving upfront land-acquisition costs. These saved dollars will leverage the tax credits and help offset other unavoidable fees (such as water and sewer tap fees well over $800,000 for the project). We will defer 37% of developer fee on a 13-year pay back schedule to assist in funding a financing gap on the project. We have letters of interest from Enterprise Community Partners for 4% LIHTC equity, Sugar Creek Capital for the State LIHTC equity, and Citibank for construction and permanent debt.

Sources and uses are as follows:

<table>
<thead>
<tr>
<th>SOURCES</th>
<th>USES</th>
</tr>
</thead>
<tbody>
<tr>
<td>LAND*</td>
<td>FEDERAL LIHTC EQUITY</td>
</tr>
<tr>
<td>NEW CONSTRUCTION</td>
<td>STATE LIHTC EQUITY</td>
</tr>
<tr>
<td>SOFT COSTS + FINANCING</td>
<td>FIRST MORTGAGE</td>
</tr>
<tr>
<td>DEVELOPER FEE</td>
<td>STATE OF CO HOME</td>
</tr>
<tr>
<td>RESERVES</td>
<td>DEFERRED DEVELOPER FEE</td>
</tr>
<tr>
<td>TOTAL</td>
<td>TOTAL</td>
</tr>
<tr>
<td>$18,472,065</td>
<td>$18,472,065</td>
</tr>
</tbody>
</table>

*Long Term Lease or Leasehold Interest Structure

Bond Structure
We will be seeking a CHFA conduit bond issue; the total amount of construction period bonds is $11,200,000.

- Total amount of bonds with a breakout of construction period bonds vs. permanent bonds:
  - Construction period: $11,200,000
  - Permanent Period: $4,920,000

- Bond issuer:
  - We will be seeking a CHFA conduit bond issue.

- Lender and bond sale structure:
  - Our proposed structure is the Citibank Back-to-Back Tax Exempt Loan Structure. Citi will make a Tax Exempt construction and permanent loan to the project via CHFA who will serve as Governmental Lender for the financing.

- Portion of bonds that will be tax-exempt:
  - 100% of the bonds will be tax exempt.
Guiding Principles

- To support rental housing projects serving the lowest income tenants for the longest period of time.
  - Wintergreen Apartments offers 71 of its 76 units to those earning 50% AMI or less. Of these, 4 are to households at or below 30% AMI and 4 are to households at or below 40% AMI. One will be a non-LIHTC manager’s unit.

- To provide for distribution of housing credits across the state, including larger urban areas, smaller cities and towns, rural, and tribal areas.
  - An award for Wintergreen Apartments will distribute credits geographically to the mountains and a small town.

- To provide opportunities to a variety of qualified sponsors of affordable housing, both for-profit and nonprofit.
  - The proposed project includes Gorman as the qualified sponsor and a partnership with Summit County Combined Housing Authority as a local governmental jurisdiction.

- To distribute housing credits to assist a diversity of populations in need of affordable housing, including families, senior citizens, homeless persons, and persons in need of supportive housing.
  - The proposed project will provide needed affordable housing in two and three bedroom units for families in Summit County, as well as a large number of one bedroom units.

- To provide opportunities for affordable housing within a half-mile walk distance of public transportation such as bus, rail, and light rail.
  - The Wintergreen site is within 0.1 miles from the Summit Stage bus service which offers services to employment, services and shopping throughout the County.

- To support new construction of affordable rental housing projects as well as acquisition and/or rehabilitation of existing affordable housing projects, particularly those with an urgent and/or critical need for rehabilitation or at risk of converting to market rate housing.
  - The proposed project tackles the severe housing shortage that exists in Summit County. Many units formerly available as rentals have been converted to Airbnb or VRBO and have been lost to the long term rental pool. In addition, new residents and new employers have increased the demand for additional housing.

- To reserve only the amount of credit that CHFA determines to be necessary for the financial feasibility of a project and its viability as a qualified low income housing project throughout the credit period.
  - The proposed project is being built in an expensive area known for above average construction costs. We have structured the deal to minimize costs where possible (ex: a
ground lease versus an outright land acquisition) and are using design characteristics that allow for reduced construction costs (walkup buildings, no balconies, private entrances from interior hallways, a level site, joint efficiencies with a simultaneous Workforce Housing project nearby, etc.). We are only seeking the amount of federal and state credits necessary to complete the project.

- To reserve credits for as many rental housing projects as possible while considering these Guiding Principles and the Criteria for Approval.
  - As noted above, the proposed project’s cost-saving approach lowers the credit request, allowing more credits to be available for other projects in the application round.

Recognizing the unique challenges of developing housing for certain populations and in certain geographic areas, CHFA has identified the following priorities:

- Projects in Counties with populations of less than 175,000.
  - Summit County has a population of just over 28,000 people.

- For all State Credit applications, projects using 4% Federal Credits rather than 9% Federal Credits will be a priority.
  - The new construction project will utilize 4% Federal Credits.

Criteria for Approval

- Market conditions: The market is desperate for new affordable housing units, evidenced by very long waiting lists at existing properties and the fact that may employees in the County live in substandard housing or drive for an hour to get to their jobs (each way).

  As noted by the Market Study, the conditions are extremely favorable for this project:
  - The subject’s rents will be up to 65% lower than market rate rental units in the PMA.
  - Unencumbered rents in the PMA have increased 5% per year between 2011 and 2015.
  - 97% of all employees in Keystone commute in to their jobs due to the severe lack of affordable housing.
  - The site has good access to the County Bus System (with a stop 0.1 miles from the subject site), childcare, schools, retail, jobs and recreation.
  - On top of the existing housing shortage, the PMA will add another 114 renter households by the time this project will come online.
  - The PMA can absorb 327 new affordable units in the next 2 years.

- Readiness-to-proceed: The project is ready to proceed. The site is entitled for up to 243 units, of which this application is for 76 units. It will take 4 months for a site plan approval from the County. We have initiated our design process now and have targeted a placed in service date of late 2017.
Overall financial feasibility and viability: The project requires an award of State Low Income Housing Tax Credits. Employment income levels in demand in the County do not support the debt needed for a straight 4% deal. The addition of the Property Tax Exemption from the SCCHA and the structure of a ground lease payment (rather than a loan acquisition at closing) are keys to feasibility. Units are needed as soon as possible, and being able to identify a privately held land parcel and then reduce the construction cost burden makes this project feasible and incredibly unique.

Experience and track record of the development and management team: Multi-family developments in mountain communities are not easy deals to put together. The development project team has experience implementing projects in similar areas, including Lion’s Ridge in Vail, a workforce housing development with two buildings completed in the fall of 2015 and two more buildings to be completed in the spring of 2016. We believe we are the best suited team for the project at this site.

Gorman & Company will serve as Developer and Architect of Record on the Wintergreen project. We will also utilize O’Bryan Partnership Architects as the Summit County based Design Architect. Gorman General Contractors, LLC, an affiliate of Gorman & Company, will serve as General Contractor. As a “vertically integrated” development firm with in-house architecture and construction staff, Gorman & Company has the capacity to produce affordable, multifamily development projects from concept to delivery. Norris Design’s Summit County office will lead Entitlements and Landscape Architecture and will work closely with the Summit County office of Terta Tech for Civil Engineering. The Property Management will be led by Corum Real Estate. We have a working relationship with Corum, as they are the property manager for our Lion’s Ridge development in Vail, Colorado.

Gorman & Company, Inc. has 30 years of experience in developing some of the nation’s highest quality workforce housing and neighborhood revitalization projects. Gorman & Company works closely with local governments and community groups to meet their development, planning, economic and social goals. With over 70 community revitalization projects in their portfolio, Gorman has utilized the LIHTC program since 1989 and worked with other financial tools, such as EB-5, to accomplish revitalization goals for communities. Gorman’s staff brings a broad range of development, construction and real life experience to the development process and applies those skills to solve problems and help communities bring plans to reality. Of the 70+ projects that Gorman & Company has completed over the past 30 years, the company has never had a foreclosure, never defaulted, and never has had the general partner replaced by the investor.

Gorman & Company Architecture and Design was formed in 1998. It has designed over 35 innovative affordable multifamily developments in 6 states. Gorman’s architects have specialized in historic adaptive reuse; mixed use, mixed income; and the preservation of existing affordable housing. Projects designed by Gorman & Company have won many awards and have attained the highest standards of sustainable/green design and accessible design.
**O'Bryan Partnership** will offer local design architecture for the project to ensure smooth interactions during the building permitting process. Since 1999, O’Bryan Partnership’s consistency, efficiency and thoroughness have created a legacy of repeat clients. One of the most valuable assets O’Bryan Partnership brings to this project is active problem solving capability during all phases of design and development while ensuring that the design focuses on efficient operations.

**Gorman General Contractors, LLC** serves as General Contractor on Gorman & Company, Inc. development projects. We believe that the best way to ensure high quality and timely construction is to internalize the construction function of development. This ensures higher accountability and leads to greater attention to detail and the ability to support each construction phase. We continually improve our construction practices with each successive development through lessons learned and cross-discipline communication. Gorman & Company, Inc./Gorman General Contractors, LLC has been serving as its own General Contractor for nearly all Gorman developments in the last 15 years.

**Corum Real Estate Group** has been providing property management services in Colorado for over 30 years. We have a working relationship with Corum, as they are the property manager for our Lion’s Ridge development in Vail, Colorado.

**Kimball Crangle**, Colorado Market President for Gorman & Company, Inc., started the Colorado group in 2014. Since then Gorman has successfully broken ground on the Terraza del Sol mixed-use project (funded by a 9% LIHTC award, as well as funds from DURA, State HOME and City Home). The project began construction in August 2015 and is running on time/on budget with an expected completion in November 2016. Gorman is also acting as Turnkey Developer for the Adams County Housing Authority on their development site at 71st and Federal, scheduled to close and begin construction in June 2016. Kimball was formerly Senior Developer for Denver Housing Authority (DHA), the largest Public Housing Authority in Colorado and the Rocky Mountain Region. While at DHA, she directed the redevelopment of a 17.5-acre distressed Public Housing site into Mariposa, a nationally-acclaimed mixed-income, mixed-use, transit-oriented community. She helped leverage over $150 million in funding for six phases of development at the site. She previously was the Director of Development for the ACHA; the Executive Director of the Colorado Community Land Trust; and Senior Analyst at Paramount Financial Group. Her career has focused on synthesis of all elements of affordable housing development – from policy through financing, construction, stabilization and implementation of master plans. Kimball holds an M.S. in Urban Planning from the University of Colorado – Denver and a B.S. in Economics from the University of Kansas. She is a Certified Commercial Investment Manager (CCIM), and Board Member of the Women’s Bean Project and Colorado NAHRO.

*Please see the resumes included with this application for more information on our development team.*
• **Cost reasonableness:**
The costs submitted for this LIHTC application are realistic and reflect the current state of the construction market. Knowing that mountain communities face higher construction costs due to project location, transportation, and worker housing, we worked very hard to reduce the cost to build Wintergreen Apartments to ensure CHFA can support more LIHTC projects with this critical source of tax credits. Specific cost-saving measures are detailed earlier in this narrative.

• **Proximity to existing tax credit developments:** There are no existing tax credit properties in Keystone. Additional tax credit properties exist in the County in Silverthorne, Breckenridge and Dillon. As evidenced by the Market Study, all existing LIHTC projects have very long waiting lists and are essentially 100% occupied. More projects are needed in Summit County. If we account for the expected Breckenridge 9% application in 2016 we still show a serve housing shortage for the County. The market study noted that the PMA can absorb 327 new affordable units in the next 2 years. As stated by Jennifer Kermode, Executive Director of the Summit County Combined Housing Authority “we need as many units as we can add, as quickly as possible, to alleviate our severe workforce housing shortage in the County”.

• **Site suitability:** The site for Wintergreen Apartments is superb for development. It is relatively level, has excellent access to Highway 6 and employment opportunities within a dozen miles, offers great visibility, receives a lot of sun for the area and is part of a larger tract with non-developable wetlands and open space attractive to renters.

**Additional Information**

• **Justification for waiver of any underwriting criteria:**
  - N/A – we are not requesting any waivers from underwriting criteria.

• **The Market Analyst raised the following concerns:**
  - **Concern:** The subject’s location is slightly inferior to surveyed comparables because it is farther from shopping and services.

    **How we are Mitigating:**
    a. The subject site is within 0.1 miles of a bus stop, which offers transit for free to destinations throughout the county, providing convenient access to nearby towns.
    b. The subject’s proposed 60% AMI rents are set 9% below the maximum allowable amounts, offering a good value to potential tenants. Given that there are large waiting lists and 0% vacancy in the 60% AMI units, this will attract tenants to these units at the subject site.
    c. The PMA does not have any existing 30% AMI units. By providing this unit type, the subject will cater to an underserved market.
    d. The subject offers great visibility and access to neighboring communities.
e. Its project amenities and unit sizes are generally comparable to its primary LIHTC competitors, which will enable it to remain competitive over the long-term.

- **Concern:** The subject’s in-unit amenities are inferior to other competing projects because we are not including an in-unit washer/dryer or patio/balcony.

  **How we are Mitigating:**
  There has been a conscientious decision of the project team to reduce cost burdens to the project. We will provide a central laundry facility in each of the buildings and enhance the access to adjacent walking paths and trails for immediate access to outdoor spaces.

- **Concern:** The market study indicates a high capture rate for the 60% AMI units proposed at the subject.

  **How we are Mitigating:**
  The market study goes on to explain that the analysis is overstated as evidenced by the long waiting lists (up to 227 persons) at nearby LIHTC projects. This includes a 99-person wait list for two-bedroom 60% units (which are equivalent to the Subject’s 60% AMI units). This points to pent up demand that is not being captured in the demand analysis.

- **Concern:** The Market Analyst also indicates that the high 60% AMI capture rate pushes the overall capture rate above 25%.

  **How we are Mitigating:**
  Again, as evidenced by long wait lists there is clearly pent up demand and the capture rate appears to be overstated. While the overall capture rate for the project is at 31.5%, this includes accounting for bedroom and AMI mixes we are not offering. When we adjust for the bedrooms at the subject property, the Market Study indicates that the overall capture rate is lowered to 20.5%.

- **Address any issues raised in the environmental report(s) submitted with your application, including how the issues will be mitigated, if applicable:**
  A Phase I ESA for the site is included with this application. There were no issues raised in the environmental report.

- **In your own words, describe the outreach to the community that you have done and describe and demonstrate local support for the project (including financial support):**
  We hosted a Community Meeting for the proposed project on January 27, 2016. Participants offered overwhelming support for affordable housing. In speaking with the Town Managers and Elected Officials it was noted time and time again that affordable housing is scarce and that new housing is needed quickly. The Board of the Summit County Combined Housing Authority has discussed the project and determined to support it with their partnership.
For acquisition/rehab or rehab projects, describe the rehab plan.
NA - this is a new construction project.

Additional Documentation: Recent news articles from The New York Times and Vail Daily are included as additional evidence of housing demand.

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