

pab lihtc application narrative



Project Name: Alkonis-Louisville Combined Affordable Housing Project

Project Address: 245 North 96th Street, Louisville, CO 80027

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.

Development Overview

Boulder County Housing Authority (BCHA), a division of Boulder County Department of Housing and Human Services (BCDHHS), is pleased to present this application for the Alkonis-Louisville Combined Affordable Housing project. This project will be a combination of multifamily and senior housing located in a brand new development in an area that was severely impacted by the September 2013 flooding in Boulder County. With 120 multifamily units and 70 senior units, BCHA will develop housing that encourages an intergenerational, mixed-income community. The development will further invigorate the community by promoting a vibrant artistic hub within the development.

For close to 30 years, BCHA had managed a relatively small portfolio for the Louisville Housing Authority. With several aging properties and a refinance looming, the two housing agencies came together with the support of the City and County leadership to partner and create operating efficiencies. One outcome of this four-party inter-governmental agreement (IGA) was a commitment that BCHA would increase the affordable housing stock in Louisville over the next five years (no additions had been made since 2000). Following the execution of this IGA, BCHA has completed all of its obligations, including transferring the properties, refinancing and rehabilitating properties, providing a dedicated seat for a Louisville representative on the Housing and Human Services Advisory Board, providing annual reports to the Council, and pursuing additional affordable housing development for the community.

Boulder County purchased the Alkonis site on behalf of BCHA in 2013. Since that time BCHA has collaborated with the City and its residents to build local support for our new development. The site purchase provided the catalyst to begin to fulfill the obligation between BCHA and the City that originated in the consolidation IGA.

Initial work on community design for the development was in the form of a charrette at the 2013 Housing Colorado NOW! Conference, led by a team of graduate students of CU Denver Urban and Regional Planning who teamed with Boulder County Development staff; City of Louisville Planning staff and local professional advisors to develop preliminary recommendations for the community.

Community-based partner agencies are supportive of this project, as it will provide much-needed housing for their clients, including those who have been displaced by the flood. Two agencies in particular, Mental Health Partners of Boulder and Broomfield Counties and Imagine!, will work with BCHA to house their clients in 20 permanent supportive housing units at the development. BCHA will provide the housing and voucher management and partner agency staff will provide case management for the clients. BCHA currently partners with these agencies in a similar fashion to provide 18 PSH units at Aspinwall at Josephine Commons in Lafayette, which is now fully leased. This has been a successful joint venture that we are excited to build upon.

Boulder County and BCHA are deeply involved in the leadership and implementation of for the area's Flood Recovery Plans. BCHA is working closely with city, state and federal agencies to provide immediate and long-term housing and human services assistance for our residents.

Transforming this empty parcel of land in a flood-impacted area of Louisville into a thriving community will have a tremendous positive influence for Louisville and will begin to meet the dire need for new housing in Louisville and Boulder County as a whole. Low and moderate income households have been disproportionately displaced and affected by the flood. This project offers opportunities for housing solutions to those who have found themselves with fewer housing options after the flood.

Project Summary

BCHA will build 190 units as part of this dynamic new housing project in Louisville, Colorado that will include a variety of affordable housing types as part of a mixed use, intergenerational, sustainable neighborhood. This includes 120 units of multifamily housing and 70 units of senior housing. Developed with a forward-thinking vision, this master planned community will include opportunities for education, wellness, food access, creative expression, use of renewable energy sources, and opportunity for intentional intergenerational interaction. The principles that guided design of the neighborhood and programming of services include the following:

- Integrate **healthy living design principles** into the neighborhood design with easy connectivity, pedestrian-friendly routes, places for **neighborhood connection** at multiple scales, and the kind of **variety and interest** that keep people walking even when they don't have to.
- Promote the **longevity of independent living** through designing for easy orientation, environmental legibility, and the integration of healthy living elements.
- **Integrate the arts** into the life of the neighborhood with artist-friendly bedroom lofts, great day lighting, and neighborhood 'art yards'.
- Support the long-term stability of Boulder County Housing Authority's operational resources and dedication to environmental stewardship.

The neighborhood design mimics the scale of the original block pattern of the historic city center. There are street, sidewalk and multi-use path connections that provide good access to many nearby amenities, including parks, trails, grocery stores, a bank, gas station, restaurants, shopping, public transportation, and the historic downtown. The character of the site is inspired in part by its previous agricultural use and includes an orchard of fruiting and flowering trees as a buffer between the homes and North 96th Street as well as edible landscape elements and community garden plots throughout.

The neighborhood will include 190 well-designed, highly sustainable LIHTC rental units for seniors, individuals with special needs, and families. Neighborhood amenities include multiple community gardens, a 1/4 mile "complete street" circulation loop, a central neighborhood park, seven pocket parks with varying themes, and local and regional trail connections. Throughout the neighborhood, as well as in the senior building, units are designed with artist-friendly spaces, superior natural light, nine foot ceilings, and durable materials. The arts can be woven into the daily life of the community.

The site will have ideal parking for the senior and multifamily housing; an item especially important in the vehicle-oriented city. The parking responds directly to the area's desire to develop a community that supports the economic activities adjacent to the site and will have



401 parking spaces including 68 below-grade garage parking, for residents, visitors, and staff.

Strengths

The market study identified the following summary of strengths of the senior housing portion of the project:

- Centrally located within Boulder County
- Excellent site visibility and easy access
- A 15-minute walk or three-minute drive from Downtown Louisville, the cultural and social center of the city.
- Downtown provides a number of entertainment, dining, and shopping options and serves as a gathering spot for the citizens of Louisville
- The 68 underground parking spaces are a highly-prized amenity
- A 330-foot long circular walking path
- A mud room for washing bikes, skis, and pets
- As most of the affordable senior apartment inventory in the market area is restricted to households with incomes less than 50% of AMI, there are very few senior apartment options available to those who have too much income to qualify for those units, but are not able to afford market-rate rents.

The market study identified the following summary of strengths of the multifamily housing portion of the project:

- The area is gaining significant renter households annually and there are no family income-restricted units in the development pipeline
- In-unit amenities exceed the market standard and are superior to most surveyed rental projects.
- The proposed two- and three-bedroom rents are 3% and 5% lower than the highest LIHTC rents in the PMA, which provide a good value to prospective tenants

Weaknesses

First, the nearby railroad tracks and possible locomotive noise could be loud. BCHA is currently conducting on-site acoustical testing and, if appropriate, will make enhancements to the building to mitigate any noise.

The market study noted a walk score of 39, indicating a “car-dependent” area. However, the market study notes this score is similar to the overall walk score for the city of 36.

The total Development cost is \$334,444 per unit. This is a high amount, driven by the demand for construction in the area and the site work for an area impacted by floods. With the immense amount of destruction and damage caused by the floods, construction demand and, consequently, construction costs, have risen to an almost prohibitive level. The development of well-designed quality housing units is a crucial societal need, especially in an area that has lost as much housing as Boulder County did as a result of a natural disaster. However, this demand

for housing construction is seen across the Front Rant and as a result, construction costs are higher than in years past. BCHA stands behind the quality of its housing for the benefit of its residents. Therefore, BCHA has worked tirelessly with its General Contractor to balance quality-housing units with an affordable budget, but realizes that in a demanding subcontractor market, this still results in unavoidably higher than normal costs.

Type of Construction

The multifamily buildings will be two- and three-story wood-frame construction with slab-on-grade and shallow foundation systems. The construction type is currently projected as type V-B with NFPA 13R sprinkler systems. The project consists of multiple buildings based on seven distinct floor plans. Ground floor units are generally intended to be fully accessible or convertible to full accessibility, easily exceeding the number of accessible units required by code.

The senior building will be a 3-story wood-frame building over one story of below-grade concrete parking podium. The construction type is currently projected as a type V-B with full NFPA 13 sprinkler system. The form of the building is of two residential ‘wings’ around a courtyard that is open to the south, overlooking the adjacent garden space and trail. For ease of access and orientation, the wings are linked by a highly transparent ‘connector’ zone where most of the building common areas are located. Each story of the building has informal gathering spaces to encourage the formation of a strong neighborhood community.

Population Served/Bedroom Mix

The unit mix across the project and by building type is below:

Unit Type	Multi-Family	Senior	Total
1 bedroom	57	47	104
2 bedroom	38	23	61
3 bedroom	25	0	25

The higher provision of one-bedroom units responds to the extreme need for units that are attractive to individuals over 60 years. Rather than concentrating all of these units within a single senior building, they are also scattered throughout the neighborhood to provide opportunities for generation integration. Additionally, six of the one-bedroom units include 205 square foot lofts that allow them to function as live/work units.

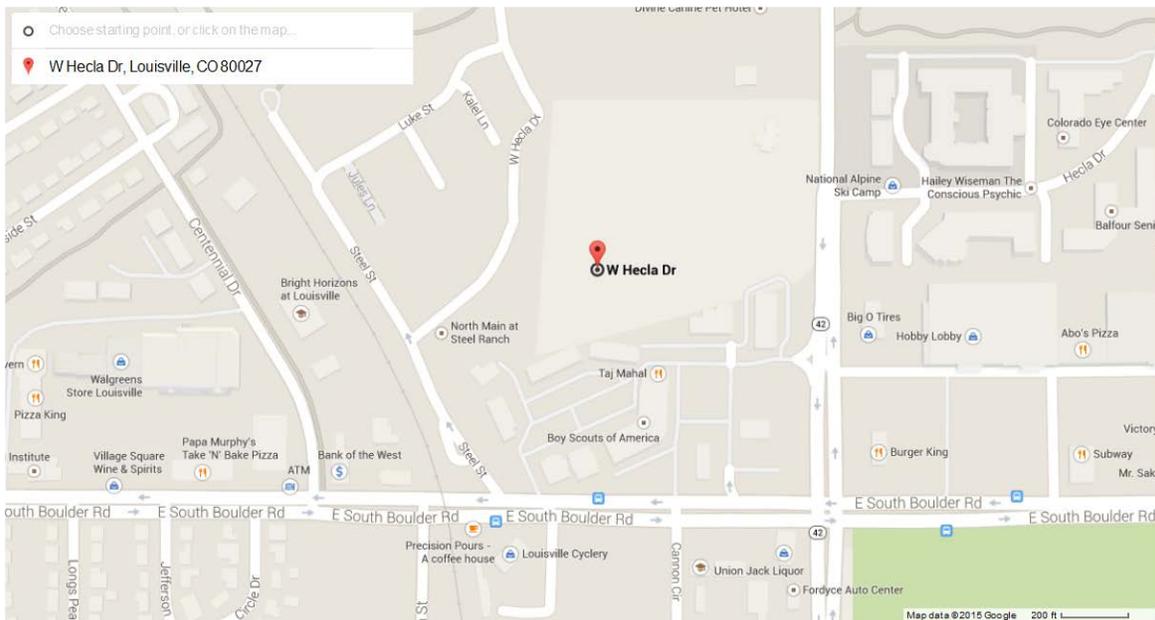
Twenty units will be supported by project-based vouchers and geared towards permanently supportive housing in a program similar to the successful implementation at Aspinwall.

Location

The site is located just northwest of 96th Avenue and South Boulder Road in Louisville. It is a County enclave surrounded by the City of Louisville, and annexation is imminent. As the last undeveloped parcel in the area, the City's comprehensive plan identifies that this site is strategically positioned to be the keystone that brings the disparate surrounding land uses together and helps to recreate an urban grid with superior trail connectivity to the surrounding community and regional trails systems.

Within a quarter mile of the site, there are two grocery stores, a bank, gas station, medical offices, and multiple shops and restaurants. Historic downtown Louisville, the primary community hub, is a half mile to the south of the site and includes the library, municipal offices, cultural center, restaurants, and shopping. Good Samaritan and Avista Adventist Hospitals, both full service facilities, are less than three miles from the site.

Currently, the site is serviced by two RTD bus routes. A high-frequency route with stops ¼ mile south of the site travels east-west between the Cities of Lafayette and Boulder along South Boulder Rd and a moderate-frequency route with stops less than ½ mile to the east of the site travels between Louisville and Superior and provides access to the US-36 and McCaslin and the US-36 Broomfield Park-n-Rides as well as to Flatirons Mall. BCHA will work with VIA vans service to develop regularly scheduled service to shopping for residents over 60 years, and also help coordinate free of charge medical transport through Boulder County Care Connect.



Resident Services

To help residents move toward self-sufficiency and to facilitate opportunities for community interaction and cohesion, two resident service case workers will be on-site to help those in need of supportive services connect with resources and to coordinate community activities.

The service delivery includes partnerships with Boulder County Division of Housing and Human Services (BCDHHS) and other County offices to utilize expertise when possible, plus the 12 municipalities that comprise the County, the private sector, local community-based organizations and trusted contractors.

Services Provided by BCDHHS and Boulder County:

- Within the BCDHHS and other County offices, we ensure that our residents' needs are assessed, and as eligible, provided access to housing, food assistance, social services funding, child care, and health care. This unique integration and alignment of resources within our structure allows residents a greater degree of services in a more "one-stop

shop” manner, increasing communication between divisions (and decreasing client staff) and efficiently offering timely advocacy for our clients.

- Our client base and waitlisted applicants from our (Section 8 Housing Choice Voucher) Occupancy offices offer prospective, pre-screened tenants for our units, providing a stream of occupants which minimizes the high cost of filling vacancies.
- Our Housing Counseling Program, a HUD-approved agency, provides one-on-one guidance in the areas of budget, credit, homeownership preparation and offers homeownership education and financial management courses. These are designed to promote housing stability (and reduce turnover) and assist residents in their transition from rental to market-rate housing, if/when ready.
- Our Housing Stabilization Program provides a financial safety net for eligible residents at risk of losing their home. Through this assistance, in the form of security deposits and rent payments, they benefit from a bridge to find work, develop better household budgets, and recognize and overcome barriers to their success.
- Our Flood Recovery Resource Navigation Team provides community outreach, case management, referrals for financial assistance resources, community coordination and housing location services, enabling us to use our internal expertise and proximity to flood recovery efforts to more efficiently serve our residents.

Community Partners

BCHA is working with multiple community partners to bring additional resources to the residents of this project. Swing offices, meeting spaces, and classrooms located in the senior building and community center are available for use by partner providers. (BCHA is working to understand how and which portion of these items are includable in the tax credit eligible basis.)

Mental Health Partners and Imagine! will work with BCHA to house their clients in 20 permanent supportive housing units at the development. BCHA will provide the housing and voucher management and partner agency staff will provide case management for the clients.

Unit Amenities

The following amenities will be a part of each unit throughout the project:

- 9’ ceilings
- Carpet and luxury vinyl tile floor coverings
- Ceramic tile kitchen backsplash
- Electric range
- Over-range microwave
- In-unit washer and dryer
- Dishwashers

- Fully vented range hood
- Refrigerator/freezer
- Coat and linen closets
- Horizontal blinds
- Whole-house 'green switch' with color coded outlets
- Ceiling fans

Amenities specific to the multifamily units include the following:

- Roof decks at many 3rd story bedrooms
- Built in shelving and "creative" work spaces in the live/work lofts
- Oversized storage lockers available in many multi-family buildings

Amenities specific to the senior units include the following:

- Electric range with self-cleaning oven
- Transfer-type showers with roll-in showers provided in all Type A units
- 'Juliet' balconies at kitchen/dining areas

Site Amenities

Each the senior and multifamily components of the project will include common amenities that are designed and programmed to support and integrate the neighborhood as a whole. The ¼ mile "alley loop" is a central organizing design theme for the project. This loop is a "complete street" providing pedestrian, bike, roller skate, and vehicular circulation through the neighborhood.



The outdoor common areas are identified on the annotated site map, and further described below. The design goal is to provide multiple opportunities for outdoor activities and neighborly interaction that are different in theme and proximal to each cluster of multifamily buildings and the senior building.

The 'pocket parks' are based upon the following concepts:

- **Central Park:** a neighborhood-wide gathering space with natural play features, informal seating, and an 'amphitheater' berm.
- **Art Yard:** a simple gravel space with shaded seating intended for arts fairs, display, and occasional use as outdoor workspace
- **Community garden** with permaculture planting beds
- **Back Yard:** a small, informal space for family use with a courtyard-like feel.
- **Play Yard:** with equipment for ages 2-5 and a 'tree house' for ages 5-10
- **West Pocket Park:** with natural play features and seating for parents
- **Play Garden:** a community garden with kid-friendly features to support outdoor education and build healthy living habits.
- **Orchard:** a multi-use recreation, storm water detention, and food production area with fruit bearing trees and vines, and community greenhouse and picnic area that is connected to a 2,400 square foot maintenance facility.

The community center has a prime location at the central intersection of the site. There is an outdoor seating area adjacent to the main entrance that is protected with a roof overhang. Mailboxes for the multifamily units will be located on the north end of the building on Hecla Drive. These spaces are designed to encourage community interaction; they are covered and protected from the elements, but maintain high visibility to support safety. Recycling containers and a small working shelf in the mailbox area will maximize potential for recycling paper waste. Along Kaylix Avenue the sidewalk right next to the building is also protected by a long roof overhang and the windows on the street give the passerby a view to the activities in the community center. A special pedestrian alleyway between the community center and the mixed use building to the east connects pedestrians to the 'back yard' outdoor space.

Site amenities that are specific to the senior building include the following:

- 'Mud room' for washing bikes, skis, pets, etc.
- Community garden with raised planting beds and integrated seating
- South-facing courtyard with chess/checkers tables, outdoor dining furniture, and ornamental plantings.
- Drop-off lane with sheltered entry canopy
- Woodland garden at building entry

- Conditioned underground parking area
- 'Inner Loop' - a 330' long circular path that uses the courtyard and building common areas as a way to support the health and activity of the building's most elderly inhabitants.

Energy Efficiency

Passive sustainable design strategies:

- Windows placed above eye level and tall ceilings provide natural daylighting deep into living spaces
- 25% Window to wall area ratio to support natural ventilation in hot weather
- Multi-family buildings will be oriented east-west as often as possible with larger windows facing south to allow for passive solar heat gain

Energy efficiency:

- Vertical geothermal ground loop with ground source heat pump for HVAC heating and cooling.
- High efficiency water heaters (minimum energy factor of 0.93)
- Corridor occupancy sensors to dim lighting when the corridor is not in use
- 100% LED lighting package
- Whole house green switch with color-coded outlets
- Energy star rated appliances
- Panasonic Whisper Green fan exhaust ventilation
- 30% of multi-family roof area will be dedicated to photovoltaic panels
- 50% of the senior building roof area dedicated to photovoltaic panels
- Solar light tubes at 3rd floor corridor of the senior building

Building thermal envelope:

- R-20 spray foam insulation in roof cavities provides air seal and condensation control
- R-38 total attic insulation is provided by blow-in insulation in addition to the spray foam
- Double pane low-e low SHGC glazing with insulated vinyl frame and air fill
- 2ft R10 XPS slab foundation insulation (ground floor units only)
- The senior building walls will be constructed with R19 fiberglass batt in 2x6 24" OC advanced framing, R3 ZIP sheathing
- The multi-family buildings will have advanced R29 wall systems with continuous R5+ exterior insulation.

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
- Non-paper faced gypsum board on all walls in bathrooms with showers to prevent mold

Exterior site improvements:

- Multiple parks encourage active lifestyle
- Site-wide trail and path system connects to city and regional park and trail systems
- Bicycle racks located throughout the site
- Community gardens and common mailbox locations community interaction
- Fruit bearing trees and other edible landscape planting enhance access to fresh food
- Access to public transportation ¼ mile south of the site on South Boulder Road

Waste Management

- Low maintenance exterior materials will include fiber cement siding, stucco, CMU, and brick with composite decking and railings
- Building materials from the original ranch buildings will be recycled and used as interior and exterior design elements, including salvaged barn wood and iron beams, and reuse of the greenhouse
- BCHA will maintain a goal that a minimum of 55% total project waste shall be diverted from landfill
- Multi-family buildings will be served with shared trash, recycling, and compost bins
- The senior building will include in-building trash, recycling, and compost chutes accessible from each floor

Security

The design of the site and buildings encourages “eyes on the street” and passive crime prevention. The senior building will include afterhours key-card entry.

Financing

The timing of this application is critical to the success of the project financing. An award of LIHTC during this round allows the project to take full advantage of CDBG-DR funding being offered during this funding round as well as 4% LIHTC and State LIHTC set-aside for disaster relief projects. In addition, Boulder County, and BCDHHS have all provided preliminary commitments for funding this project. BCHA also plans to apply for funding from the City of Boulder/Boulder-Broomfield HOME Consortium in 2015. BCHA is deferring a portion of their developer fee.

CDBG-DR Application and Flood Outreach

BCHA will apply for CDBG-DR funding concurrently with this application for LIHTC financing. The devastation caused by the 2013 floods to this area was devastating for the housing options in the community. Local community-based partner agencies are supportive of this project, as it will provide much-needed housing for their clients, including those who have been displaced by the flood. Mental Health Partners of Boulder and Broomfield Counties and Imagine!, will work with BCHA to house their clients in 20 permanent supportive housing units at the development. BCHA will provide the housing and voucher management and partner agency staff will provide case management for the clients.

BCDHHS serves the County’s vulnerable residents, those most susceptible to homelessness, individuals and families with low and moderate income, including many seniors and people with disabilities. In “ordinary” circumstances, the County’s high rents and lessening buildable areas make the need for affordable housing and services imperative. In the wake of the unprecedented and devastating 2013 Flood, this need becomes even more pronounced, with an estimated 1,185 households displaced, temporarily or permanently. Although Louisville homes were comparatively less affected by the storms than homes in some other parts of the County, this development will provide an opportunity for some of these displaced residents, many of whom have had to leave the county, to return to their community. The housing will also provide further resources for resiliency and income diversity in the housing market, should another disaster occur.

BCHA is working closely with city, state and federal agencies to provide immediate and long-term housing and human services assistance for our residents. Immediately following the Flood, Boulder County set up Disaster Assistance Centers (DAC) in Boulder and Longmont (and set up smaller assistance centers as needed in our hard hit mountain communities) with our County staff, our partner governmental municipalities and state offices, national emergency responders, community basic needs organizations, and a multitude of volunteers to provide a one-stop clearinghouse of services and information for residents affected by the flood.

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: \$40,311,853
 - Construction Period Bonds: \$19,411,853
 - Permanent Bonds: \$20,900,000

- 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 Boulder County as a conduit issuer on behalf of the Alkonis-Louisville LIHTC Project.

- 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 are anticipated to be a direct private placement likely with a bank acting as the bond purchaser.

- 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**

BCHA will commit to an additional 25 year affordability period for a total 40-year affordability period. BCHA is also project-basing 20 vouchers to serve very low-income individuals.

- b. **To support projects in a QCT, the development of which contributes to a concerted community revitalization plan**

The project is not in a QCT but is in an area impacted by the 2013 Floods and a Federally Declared Natural Disaster area. In addition, the Alkonis-Louisville project is part of the City of Louisville's small area plan to develop the South Boulder Road corridor per the Boulder County comprehensive plan.

- 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 an urban area that has seen less housing development than other parts of Boulder County.

- 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 senior citizens along with providing a collaborative live/work space and encourage community interaction.

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

RTD-Denver provides bus service within a half-mile to the area where the project is located. The nearest Bus Station is on E. South Boulder Road and provides service to the Boulder Transit Center.

- 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 will add 190 new units through new construction on an undeveloped parcel of land in a desirable area of Louisville.

- 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 and CDBG-DR funds as a tool to achieve project scale. With ever increasing construction costs and the severe destruction caused by the 2013 floods, the ability to rebuild is a significant financial and logistical 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.

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

- a. **Recognizing the unique challenges of developing housing for certain populations and in certain geographic areas, CHFA has identified the following priorities:**

- **Projects in Counties impacted by a natural disaster.**

The Louisville project is located in Boulder County, one of the counties impacted by the 2013 Floods.

Additional Eligibility Requirements and Priorities for State Credits

BCHA will be using 4% Federal Credits and State Credits for New Construction.

State Credit applications for projects in counties impacted by a natural disaster

- b. **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**

BCHA will be submitting an application for CDBG-DR funds concurrently with the submission of this LIHTC application.

- c. **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.**

BCHA, as the housing authority for the affected county, will be accepting tenants already residing in the area, including those who have been affected by the loss of housing.

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:

- The overall capture rate is 30.9% for the Family project (before adjusting for the 20 PBVs) and 24.3% for the Senior project. However, the market study concludes that the demand for affordable housing significantly enhances the attainability of this project and lists the following:
 - Surveyed LIHTC units were 99% occupied and had waitlists with 25 to 200 applicants for Families, and 80 applicants for comparable Senior housing, indicating significant pent-up demand for low-income rental housing.
 - The PMA is projected to gain 120 renter households annually and there are no income-restricted units in development.
 - The subject's in-unit features are superior to current offerings, with comparable offered amenities, thereby placing it at the top of desirability for competing tenants. The broad range of amenities promote health, activity, and engagement of both the senior and family population.
 - The Project's attractive design of townhouses and carriage houses will allow it to appeal to a wider segment of the population. The 330-foot circular walking path, courtyard, and

building common areas supports healthy activities.

- The subject's proposed two- and three-bedroom LIHTC rents are lower than the highest surveyed 60% AMI rents in the area, suggesting that it will be able to match the performance of competing tax credit properties.
- Overall, the market study indicates a rental vacancy rate of 2.0% in the PMA.
- Proposed rents have a comparable rental rate to surrounding LIHTC properties

b. Readiness-to-proceed:

- The land is owned by BCHA.
- The site is expected to be zoned for conversion of the site to multifamily use in March following final annexation approval from City Council.
- BCHA will provide a subordinate debt note for project costs, which will be lent 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 \$334,444 which is high but is a result of the environment of rapidly rising construction costs in the flood-impacted area. BCHA has worked with our Contractor to keep costs as low as possible. The addition of multiple public soft funding sources helps 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). For our development projects, we often receive incentives from Boulder County to help us leverage costs. For previous and current projects, the County has

provided debt-free title to land, predevelopment grants and Worthy Cause funds, a taxpayer.

- BCHA will be requesting a Basis Waiver for both Federal and State credits in order to meet the construction cost needs of the project. With this waiver, BCHA will be able to obtain additional equity to finance this project.

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

Please see BCHA's resume attached to this application.

- BCHA is a separate political subdivision of the State of Colorado and a Colorado county housing authority organized pursuant to C.R.S.29-4-501, et seq., whose mission is to create and sustain healthy communities that promote individual responsibility, safe and stable families, economic growth, strong community partnerships and human dignity.
- BCHA has owned and managed close to 600 units of affordable housing located throughout Boulder County, with its most recent project, Aspinwall LLC, currently having achieved full lease up.
- BCHA has a mix of projects serving both families and seniors.

e. Cost reasonableness:

BCHA strives to make per-unit costs competitive with any developer in the state. For this reason, BCHA has been working with the General Contractor, Milender White, in bringing costs down. However, the demand for subcontractors in the area, both as a result of the demands of the Energy industry and the post-flood development, has led to extremely high construction costs. In addition, the site itself requires a sizable amount of Infrastructure costs due to the flood damage.

Combining the multifamily housing project with the senior housing project, BCHA will be substantially saving money and avoiding duplicative expenditures.

There has been no previous development of any sort on this parcel of land. Infrastructure costs are therefore the main reason for such high per unit costs of this project. The Louisville project will require the addition of a circular road, site preparation, improvement, and utilities. Developing the site as one large project

instead of two will help spread the costs and take advantage of efficiencies in the simultaneous construction of all units.

The Housing Authority's developments have often received incentives from Boulder County to help leverage costs. For previous and current projects, the County has provided debt-free title to land, predevelopment grants and Worthy Cause funds, a taxpayer.

f. Proximity to existing tax credit developments:

No projects in the primary market area have received tax credit allocation over the past two years that have not already been placed in service. Currently, there are no rental projects planned or under construction in the area. For the Senior Housing, the only units available are in the City of Boulder, managed by Boulder Housing Partners, and Josephine Commons, a senior living project also managed and developed by BCHA, located in Lafayette.

g. Site suitability:

The site is located in close proximity to shopping, education, employment, places of worship, recreation, youth activities, and public transit, and the fully developed site will encourage walkability not just in its own community, but the city of Louisville as well.

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):

BCHA will be requesting a Cost Basis Limit waiver. Please see the attached waiver request letter for more details.

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

This project as a 4% LIHTC project is not eligible for a DDA boost.

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

For the Senior Project, the market study indicated that the nearby railroad tracks and possible locomotive horn signals can be quite loud. BCHA is currently conducting on-site acoustical testing and, if appropriate, will make enhancements to the building to mitigate any noise. In addition, the market study noted the comparably small size of the average 1-BR units. BCHA believes the units are satisfactory size and will continue to evaluate within the constraints of the construction costs.

For the Multifamily Project, the market analyst also noted the possible noise issues regarding the nearby train tracks, which BCHA will address if need be based on the acoustical testing. The market study also noted the walk score of 39, indicating a “car-dependent” area. However, this is similar to the overall walk score for the city of 36. BCHA hopes the development of this land with walking paths and outdoor amenities will promote walkability, and the nearby bus stop provides access to the RTD-Denver system.

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

The only issue raised in the Phase I environment report concerned the lack of records before 1948 detailing the site use. Before 1948, aerial photographs show the site was used for agricultural purposes. Therefore, the Phase I preparer did not view this as a Recognized Environmental Condition (REC).

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):

Initial work on community design for the development was in the form of a charrette at the 2013 Housing Colorado NOW! Conference. Including Louisville staff and former Louisville Housing Authority Board members at the beginning of the process was helpful to both BCHA and the City, creating immediate feedback from the City, and allowing the project to better understand ascertain its parameters as they relate to municipal requirements. City staff also had an opportunity to help guide the design to help meet their planning goals, which included engaging the community to provide their input.

The local community-based partner agencies are supportive of this project, as it will provide much-needed housing for their clients, including those who have been displaced by the flood. Two agencies in particular, Mental Health Partners of Boulder and Broomfield Counties and Imagine!, will work with BCHA to house their clients in 20 permanent supportive housing units at the development. BCHA proposes to will provide

the housing and voucher management and partner agency staff will provide case management for the clients.

9% lihtc application narrative



Project Name: [Apartments at Meadowview](#)

Project Address: [Meadowview at West T-Bone Lot 8, Greeley, CO 80634](#)

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.

[Apartments at Meadowview](#) is a proposed new construction development located in Greeley, CO. The proposed community will supply needed, affordable rental units for families who have been impacted by the 2013 floods. New central-Greeley rental housing will serve to provide housing opportunities to those displaced or currently living in substandard or overcrowded housing due to flood impact in surrounding areas.

The proposed project will consist of five three-story walk up residential buildings and a 3,000 square foot leasing office and community building. The site includes 200 parking spaces for residents and guests. The 100-unit development will primarily offer two and three-bedroom apartments and will be rent-and income-restricted, with 100% of the units designated at maximum 60% of the Area Median Income. The project units will include 16 1BR/1BA (708 sq. ft.), 44 2BR/2BA (950 sq. ft.) and 40 3BR/2BA (1,084 sq. ft).

The site location is ideal for new, affordable rental housing. The surrounding area is mostly built up with existing single family and condo/patio housing, with major retail and restaurant establishments just down the road. This surrounding mix creates a sense of community, while also offering proximity to many services and amenities. The site is fully zoned for this intended use, and is shovel-ready upon funding approval.



The proposed development represents a wonderful opportunity to best utilize public and private resources to produce the largest number of units to house displaced and struggling families. Based on the applicant’s conversations with recovery, city, and housing leaders in the area, many of those impacted by the flood would be interested in moving to a more central Greeley location if the rental rate were affordable to them.

The proposed development will benefit from economies of scale by providing a larger number of units in a desirable, central location in the county. The proposed unit density will maximize the impact of invested resources to produce the most possible units to meet housing needs. Our expert construction management staff estimates that per-unit materials and labor cost typically decreases approximately .25-.35% per unit added. So a 60-unit development would cost about 10-15% less than the proposed 100-unit development on this site. There are also hard costs related to site work (including site amenities and landscaping, as well as construction of the clubhouse) that are not impacted by a reduction in the number of units. The table below illustrates the per-unit impact of a 100-unit development versus a 60-unit development.

	100 Units	Per Unit (100)	60 Units	Per Unit (60)
Total Hard Cost (total hard costs reduced by 15%)	\$ 13,540,133	\$ 135,401.33	\$ 11,509,113.05	\$ 191,818.55
Total Hard Cost (reduced by 15%, except site work, landscaping, and clubhouse)	\$ 13,540,133	\$ 135,401.33	\$ 11,889,159.00	\$ 198,152.65

As you can see, even without an adjustment for site work and project amenities, a dollar goes further per unit on a larger development. Given the funding objective to increase housing opportunity across the county for flood-impacted residents, a larger number of units in a central-Greeley location will help produce more housing opportunities than devoting more resources per unit to much smaller developments.

In addition, it is clear that the existing housing market in Greeley needs new units. Vacancy in the city is 2.3%, and rents are rising. Market analysis and feedback from housing leaders in the local community all indicate that Greeley is in dire need of more rental housing to serve the proposed income-levels, and there is a strong existing market of renters for this proposed development within the PMA.

This development will remain rent-restricted for at least 30 years. Apartments at Meadowview will provide a quality, affordable housing resource in Greeley for years to come. Requested funding sources include Colorado State and Federal Low Income Housing Tax Credits allocated by Colorado Housing and Finance Authority, as well as \$4 million in Community Housing and Development Block Grant – Disaster Relief funds administered by the Colorado Division of Local Affairs – Division of Housing.

The proposed development will provide a number of community-rich amenities, including a tennis/basketball court, splash pad, plenty of open space/outside gathering areas, community center with event space, and computer lab. Residents will benefit from an onsite laundry facility. Each unit will contain a range/oven, refrigerator, garbage disposal, dishwasher, microwave, washer/dryer hook-ups, carpet, tile, blinds, ceiling fans, walk-in closet and patio/balcony. The development will meet Colorado Housing and Finance Authority's Enterprise Green Communities standards for sustainable building.

Marketing outreach will prioritize individuals and families throughout Weld County who experienced direct or indirect loss or hardship as a result of the 2013 flood. Leasing preference will be given to applicants who resided in damaged or destroyed modular homes or MHUs, as well as households with special needs, elderly, homeless population and those suffering from domestic violence. Any person or individual who meets all applicable program criteria will be eligible to apply for housing, though direct efforts will be made to market specifically to those impacted by the floods. These criteria will be tracked in the property manager's leasing system. The development will also help meet Greeley's overall high housing demand, as further discussed below.

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:

Apartments at Meadowview will meet the following guiding principles:

- The proposed development will help to provide opportunities to a variety of qualified sponsors of affordable housing, both for-profit and nonprofit. The developer of this project last received an award of credits in 2011 for the development of Glenwood Green Apartments.
- The project will help to assist a diversity of populations by serving families in Greeley and surrounding areas by providing housing opportunities at stable, affordable rents in a booming market. The population in Greeley will increase this year almost 7% since 2010. Vacancy is currently 2.3%, and demand continues to increase, as do area rents. Families need stable, affordable rental options as rents continue to increase more rapidly than area incomes. The housing will specifically serve those families impacted by the 2013 floods, who would benefit from affordable, central-Greeley housing opportunities.
- Though Greeley does not offer the most robust public transit system, the site location offers moderate proximity to local transit. The site is just about a .7 mile walk to the Greeley-Evans Transit Gold Line for local commuting.

- The project fulfills the goal of supporting new construction of affordable rental housing. 100% of the new units will be rent and income restricted at 60% of the Area Median Income.
- The project will meet CHFA's goal 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 has maximized all other project sources and will utilize only the amount of State and Federal LIHTC as is needed to support the project development.
- By constructing 100 new units in a central location that will assist several surrounding markets with housing opportunities, the project will help CHFA to reserve credits for as many rental housing projects as possible.

The project proposal is for 100 units of rental housing on 9.96 acres in Greeley, CO. The proposed project leverages multiple funding sources, including nearly 35% deferral of developer fee, while only utilizing the amount of credit needed for the feasibility of the project. Throughout conversations with City staff, the Weld-Greeley Housing Authority, and Weld Recovers, the developer has learned that Greeley serves as a vital central housing hub for the entire county. Central Greeley housing was identified as a priority for all of these groups, who indicated that many families in surrounding areas would be interested in moving to a more central Greeley location if the rental rate were affordable to them. Additionally, the existing market within Greeley is in need of affordable rental opportunities where rents are increasing and vacancy remains very low amidst significant population growth.

The proposed development represents a wonderful opportunity to best utilize public and private resources to produce the largest number of units to house displaced and struggling families. The location is ideal to meet the housing needs of the disaster recovery efforts while benefitting from the economies of scale presented with higher density development. All funding sources for the project are highly leveraged and will produce a larger amount of units for a smaller dollar investment than smaller developments in surrounding areas – all while meeting the housing priorities of the program.

- The State Credit application will utilize 4% Federal Credits rather than 9% Federal Credits.
- The State Credit application is for a new construction project.
- The proposed development is located in Weld County, which has been determined to be a county impacted by a natural disaster by the Colorado Division of Housing. The project is eligible, and has applied for, \$4 million in CDBG-DR funds.
- The project has been determined a priority by Weld Recovers, the long term recovery organization for Weld County, as well as by the City of Greeley to meet the local housing demand. Letters from Weld Recovers and the City of Greeley are included in this application.

This project will specifically meet the needs of those who have been displaced by the 2013 floods. Property leasing operations will adhere to an established plan for identifying and reaching out to those who have been displaced. Details of this plan are attached to this narrative.

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

The proposed project meets the following housing priorities:

- Projects in Counties impacted by a natural disaster. The project is located in Weld County, which has been impacted greatly by the 2013 Colorado floods. The project has been determined a priority by the long term recovery organization in Weld County, who has determined central Greeley housing as a priority to meet housing needs of those displaced, or living in substandard conditions due to the impact of the floods.
- The proposed project uses noncompetitive credits, (4% Federal Credits), State Credits, and Community Development Block Grant Disaster Recovery (CDBG-DR) funds rather than competitive credits (9% Federal Credits).

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

a. Market conditions:

There is a strong demand for 100 new units in the Primary Market Area (PMA) for this project. There are currently four existing Low-Income Housing Tax Credit (LIHTC) family developments located within five miles of the proposed site, all of which range from 0-3% vacancy.

Though the project intends to market specifically to populations in surrounding areas that have been impacted by the 2013 floods, all market indicators point to a strong, existing demand within the project PMA.

The market analyst has determined the project presents a capture rate of 10.3 percent. The market analyst determined that the increase between the existing capture rate and the rates required to absorb planned units is a minimal amount of 1.9 percent.

The proposed rents for the project are at or below the competing rents in the primary market area, especially below comparable market rate units. The market analysis determines the proposed rents to be achievable given existing market conditions.

b. Readiness-to-proceed:

The proposed project is ready to proceed upon notification of funding awards.

- The project has garnered a lot of interest from potential financial partners. Construction funding includes \$10.7 million in construction-period tax exempt bond financing placed through Citi (commitment is attached), to be issued by CHFA. Of that, \$6.23 million will convert to the permanent first mortgage. The remaining \$4.47 million will be paid off with state and federal LIHTC equity after construction, once the project achieves stabilized operations.

\$4 million in CDBG-DR funds will be used during construction, and remain as permanent soft debt for the project with an anticipated term of 40 years.

Project equity proceeds include \$3,227,451 in State LIHTC equity. The State Member will be a 1% partner in the partnership, and will contribute \$59,631 in federal LIHTC equity as well. The remaining equity includes \$5,902,873 in federal LIHTC proceeds, and \$596 from the General Partner.

All sources are committed except for CDBG-DR funds, and all equity commitments are contingent upon pending award of state and federal LIHTC allocations.

Commitment letters for the tax exempt bond financing, state LIHTC and federal LIHTC are attached. A copy of the application to DOH is submitted with this application.

- The site is under control with a Purchase and Sale Agreement submitted as an attachment to this application.
- Multi-family is a use by right on this lot, so an administrative Site Plan Review (planning and zoning) and Building Plans Review (building code) are all that are required. This process takes approximately 3 months to complete with the City of Greeley. The lot is shovel-ready as determined by the City of Greeley. No zoning or plat changes are required for the proposed project.

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

The project utilizes only the amount of credit needed for the feasibility of the project, while meeting all underwriting criteria of the program. Funding commitments confirming pricing and rates have been submitted in this application.

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

Steele Properties LLC is a highly experienced developer and owner of affordable housing across the country. Steele has developed over 4,500 units in fourteen states, including 28 tax credit developments. Steele's property management partner, Monroe Group, was founded in 1978 and manages a portfolio of 41 affordable, multifamily communities across the country. Steele and Monroe's resumes are included as attachments to this application.

e. Cost reasonableness:

The project has leveraged all available funding sources and will utilize only the amount of Federal and State Credit needed for the feasibility of the project, including nearly 35% deferred fee. A cost estimate is provided with this application indicating construction costs for the development.

f. Proximity to existing tax credit developments:

See page 57 of the Market Study:

There are currently four existing Low-Income Housing Tax Credit (LIHTC) family developments located within five miles of the subject. West Park Village is a 192-unit property targeting families at 60 percent of the area median income. The property was placed in service in 2003 and is currently 97 percent occupied. Creek Stone Apartments is a 200-unit property targeting families at 50 percent of the area median income as well as market-rate tenants. There are 160 market units and 40 LIHTC units at this complex. The development was placed in service in 1997. Currently, this property is 99 percent occupied. Meeker Commons is a 104-unit property targeting families at 50 and 60 percent of the area median income as well as market-rate tenants. The development was placed in service in 2001. The current occupancy rate was not available. Stagecoach Gardens is a 30-unit property targeting families at 40, 50 and 60 percent of the area median income. The development was placed in service in 1998. Currently, this property is 100 percent occupied.

There is one property that received a LIHTC allocation in 2013. Mission Village of Greeley will contain 50 units and will target families at 30, 40, 50 and 60 percent of the area median income. It is anticipated that the property will be placed in service in 2016.

g. Site suitability:

The proposed site is ideal for this development. The City of Greeley has a very low overall vacancy rate and high demand for new rental units. The project will prioritize families who have been impacted by the 2013 Colorado floods. New central-Greeley rental housing will serve to provide housing opportunities to those displaced or currently living in substandard or overcrowded housing due to flood impact in surrounding areas.

The proposed development represents a wonderful opportunity to best utilize public and private resources to produce the largest number of units to house displaced and struggling families. The applicant's conversations with recovery and housing leaders indicate that many of those impacted by the flood would be interested in moving to a more central Greeley location if the rental rate were affordable to them.

The location is ideal to meet the housing needs of the disaster recovery efforts while benefitting from the economies of scale presented with higher density development. All project sources are highly leveraged and will produce a larger amount of units for a smaller dollar investment than smaller developments in surrounding areas – all while meeting the housing priorities of the programs.

The surrounding site area is mostly built up with existing single family, senior complex, and condo/patio housing, with major retail and restaurant establishments just down the road. This surrounding mix creates a sense of community, while also offering proximity to many services and amenities.

The site is fully zoned for this intended use, and is shovel-ready upon funding approval. There are no known environmental factors that would impact development.

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:

None.

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:

None.

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 applicant has discussed the proposed the project at length with members of the local community, including City of Greeley staff, our Ward 3 City Council representative, Weld County staff, the Greeley-Weld County Housing Authority, and Weld Recovers. In addition, the applicant published a notice in the Greeley Tribune on February 11, 2014 for a public hearing that was held on February 19th at 10:30 am at the Centennial Park Library in Greeley.

The project has been discussed in detail with Councilmember John Gates, who expressed strong support of the new housing development. Included in this application is a letter of support from the City of Greeley for the development.

The applicant also met with Sandi Meier, Manager, Special Projects/Weld Recovers with the United Way. As indicated in the attached letter of support from Weld Recovers, the proposed development meets the long term recovery priority to house those impacted by the 2013 floods.

In particular, our conversations with Weld Recovers suggest that many of those impacted by the flood would be interested in moving to a more central Greeley location if the rental rate were affordable to them. New central-Greeley rental housing will serve to provide housing opportunities to those displaced or currently living in substandard or overcrowded housing due to flood impact in surrounding areas. Apartments at Meadowview will provide a quality, affordable housing resource in Greeley for years to come.

The applicant has discussed potential local government financial participation at length with the City of Greeley staff, local representatives, Weld County and the Greeley-Weld Housing Authority. Unfortunately, as indicated in the letter of support submitted from the Community Development Director, the City of Greeley does not have an established mechanism for contributing direct or indirect financial support, nor in-kind contribution to development in Greeley.

The City did consider the possibility of deferring tap and permit fees for an in-kind savings on capitalized interest during construction. However, unfortunately the City ultimately determined that the legislative authority to do so had been withdrawn and the City would not be able to consider the idea any further.

Attached is a letter stating that the Greeley Urban Renewal Department will accept an application for local HOME or CDBG funds. However, City staff has indicated that these streams are already overextended, and CDBG funds are typically not used for housing development. In any case, the application cycle would not be finalized until spring of 2016, shortly before CDBG-DR funds need to be fully spent, so the timing of these funds would not be feasible for the project.

The applicant has made the best possible effort to partner local public financial support but unfortunately it appears that there is little to no opportunity. City staff has been

very supportive of the project plan in general, and we expect a positive and swift administrative permitting and plan review process.

8. For acquisition/rehab or rehab projects, provide a detailed narrative that describes the proposed rehab plans and relocation plan (if applicable). Address 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).

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.

Attachment A: Procedure for Disaster Relief Outreach

The property will prioritize individuals and families throughout Weld County who experienced direct or indirect loss or hardship as a result of the 2013 flood. Leasing preference will be given to applicants who resided in damaged or destroyed modular homes or MHUs, as well as households with special needs, elderly, homeless population and those suffering from domestic violence. Any person or individual who meets all applicable program criteria will be eligible to apply for housing, though direct efforts will be made to market specifically to those impacted by the floods.

Outreach will be directed to Weld Recovers, the United Way, Greeley-Weld Housing Authority, Colorado United, etc. to encourage referrals of flood-impacted clients to the housing community. The development will be publicized throughout the county to serve individuals and families in outer-Greeley, Evans, etc. who have been displaced, or live in substandard housing due to the floods and wish to move to an affordable, central Greeley location.

Though Weld Recovers is expected to dissolve towards the end of 2015, leasing operations will continue to target flood-impacted populations through direct work with the United Way and the Greeley-Weld Housing Authority – the primary establishments expected to take over recovery case management. The community manager will request that Apartments at Meadowview be listed as an available housing resource to those seeking flood recovery assistance. The criteria used to determine flood impacted households will be an existing or previous application for FEMA or other flood relief assistance through Weld Recovers, United Way or another recovery-related organization. These criteria will be tracked in the property manager's leasing system and the property will follow all DOLA and CHFA requirements for record-keeping, reporting and compliance.

The applicant's Affirmative Fair Housing Marketing Plan submitted to Division of Housing will include outreach objectives for disaster impacted households.

pab lihtc application narrative



Project Name: Centennial Park Apartments

Project Address: TBD SE Corner of Mountain View Ave. and Pace St.



A. Strengths:

Community Need: The Longmont PMA has a particularly strong need for affordable housing. There are many reasons for this need. First, there has only been one LIHTC award in Longmont since 2009, and that was a senior deal awarded last year. Second, in 2013, Longmont had extensive flooding throughout the community that displaced hundreds of families. According to Stephanie Walton, manager at the Boulder County Flood Recovery Group, there were over a 1000 families on her initial waitlist looking for housing. Although at the current time about half had found housing, there are still over 500 families in need. The problem is exacerbated by the low vacancy and high rents in Longmont. According to our market study, there is a 2.6% vacancy rate. Additionally

the market study goes on to say that all of those vacancies are in market rate units. Currently, any lower income tenants that were displaced from the flood have no alternatives for housing in Longmont. Centennial Park Apartments (CPA) will be providing 155 units of new affordable housing with a wide variety of AMI mixes ranging from 40%-60% AMI which will target many of the families who are still in need of housing. Furthermore, 44% of those units will be targeted for large families (3BR or more). The project's market study indicates that this project will only capture 20.6% of the total demand for family housing which is below CHFA's 25% threshold

Serving Underserved Population: CPA will address the highest need for affordable housing in Boulder County. Currently, if you look at our market study (Tab 17, pg. 3), by adding 53-40% units, it demonstrates the lowest capture rates in the project, 11% respectively. Obviously by the low capture rates, we will be targeting the most underserved population in Longmont.

Ideally Located: The project's location in central Longmont ensures that its family residents will be able to take a genuine role in community life because the shopping, dining, education, public services, and outdoor and indoor recreation opportunities available only a short walk, bike or bus ride away. Also, there is a high school, two elementary schools, and one junior high school all located within one mile. Similarly, other employment centers, shopping, medical services, grocery, and other service providers are located within a short drive from the site. The location has a walk score of 58, quantifying the somewhat walkable nature of the area. According to the market study (tab 17, pg. 16), the City of Longmont has an average walkscore of 35, so this site is substantially (40%) more walkable than most other apartment projects in the area. In fact there is only one other project in Longmont (Glen Ridge Apartments) that is considered more walkable. A more detailed description of location and amenities is provided later in this narrative.

Transit-oriented: As some families cannot or choose not to drive, it becomes increasingly important to provide transportation alternatives. The Centennial Park Apartments is a transit-oriented development, with a bus stop located within 50 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 Longmont area as well as Boulder and the Denver metro 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 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 1026 units placed in service, awarded and/or under construction in 4 different states.

B: Weaknesses:

Site Constraints: While SHG believes the site is very appropriate, it does have some constraints because of the large Greenway setback requirement on the site (approx. 2.95 acres). That does take away some buildable space. Although it can be seen as a weakness, it also provides the site with large green spaces which will be very marketable to our tenants. The Greenway runs along the Rough and Ready Trail, which provides our tenants access to walking, biking, and outdoor activities. Another small weakness of the project is, according to the market study, (Tab 17, pg. 55) “the subjects unit’s two- three- and four-bedroom unit sizes are slightly smaller than average. However, surveyed LIHTC properties were 100% occupied with waitlist, indicating pent-up demand for affordable units. Additionally there are only two four-bedroom LIHTC dwellings in the PMA, according to CHFA.”

Project Description and History:

Centennial Place Apartments (CPA) will be located on a 15 acre parcel on the southeast corner of Mountain View Avenue and Pace Street. The current zoning is MR-2 which is medium density residential and allows for over 181 units. After consulting with our market analyst, Prior and Associates, we decided that the development size is appropriate for Longmont. A project much larger could have capture rate issues in the higher income bands where the need is much less. The project is being developed by Summit Housing Group, Inc. with Highland Property Management as the property management team. The major focus of this development is to help displaced families from the floods that ravaged Longmont in

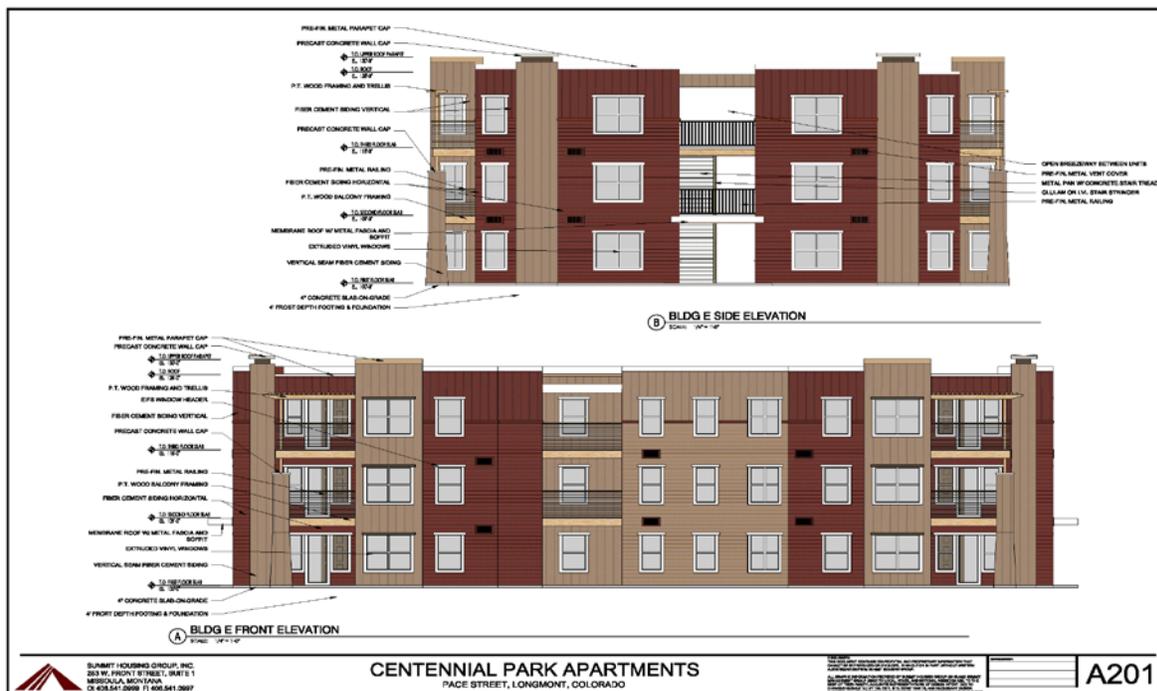
2013. To accomplish this, we have reached out to the Long Term Flood Recovery Group of Boulder County. This is a group which includes all the local governments of the three counties most impacted by the flood. The Action Plan of the first allocation of BG-DR funds has been approved for \$62.8 million and must be allocated within two years. Additionally, \$199 million has been appropriated by the federal government which will most likely have the same stipulations attached. The Boulder County Long Term Flood Recovery Countywide Collaborative has prioritized the following needs for the allocation of its CDBG-DR funds. These needs include the following:

- 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 central to southern Longmont where most of the flooding took place. Although CPA 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.***
- Considers the readiness /timing of projects: ***Due the site being properly zoned and the limited development review process with the City of Longmont, SHG plans to break ground on or before October 1, 2015. 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.***
- Considers 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 to receive significant development fee waivers from the City of Longmont.***
- Supports projects with a strong nexus between flood victims' housing needs and the project's housing (by income, population and type of housing. ***SHG has been in contact with Stephanie Walton of the Long Term Flood Recovery Group of Boulder County and Tim Rakow of The Inn Between, and both agreed that there is a need***

for affordable housing in the community for lower income individuals (40% - 60%) who were displaced by the floods.

- ***Prioritizes projects that will provide the deepest affordability for the longest period of time. SHG is providing 53 units at 40% AMI, and will also have 42 units at 50%, for a total of 61% of our units at or below 50% AMI. We also included 60% units, because according to the market study, adding 60 units at 60% AMI, gave us only a 17.6% capture rate for our 60% units, demonstrating a strong need in that income band as well. Furthermore, we reduced the 60% unit rents by an average of \$173 for all income bands to make the project even more affordable. SHG strove to hit all AMI bands with the most need in Longmont. The project will be affordable for the maximum affordability period of 15 Years of Compliance + 25 Years of Waiver.***

The development will consist of 13- 3 story garden style walk up apartments as well as a community room. Each of the 13 buildings will include 12 units, 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, a community garden, a computer learning center, a fitness room, a tot lot, and large green spaces as well as access to the Rough Ready Trail, which will allow our tenants access to walking, running and biking activities. There will be a total of 156 units including 18 one-bedroom (844 SF), 70 two-bedroom (968 SF), 50 Three-bedroom (1128 SF), and 18 four-bedroom (1310 SF). One three-bedroom unit will be set aside as a manager's unit. Each unit will have quite a few amenities that are not typically seen in affordable housing units in Longmont. These major amenities include: balcony for each unit, efficient gas furnace, air conditioning, dishwasher (Energy Star or equivalent), microwave oven, refrigerator with freezer, garbage disposals, self-cleaning ovens, and washers and dryers in every unit, and a no-smoking policy on site. More amenities will be covered in the amenities section later in the narrative.



The location is perfectly situated for families as there are employment opportunities and all major services located within one mile of the site. The site is a TOD site, with Public transportation (a bus stop) located 50 feet away on Mountain View Avenue, and also ten other bus stops located within .5 miles. The site is zoned for MR-2 Residential Medium Density with an allowable density of 181 units according to the ordinance which will assist SHG in moving this project forward quickly if awarded. The project is shovel ready, in fact, with the site already zoned, and having started the preliminary application review process, the site will only need to go through the minor development review process. At our pre-application meeting with the City of Longmont, the City was clear that affordable projects will be given priority in the planning timeline. We project to start construction on October 1st, 2015.

Centennial Park Apartments is sponsored and developed by Summit Housing Group Inc. (SHG) who is bringing its extensive LIHTC development experience to Colorado to help provide a high-quality family housing option to meet the pressing need for housing in Longmont.

A. Population Served:

Centennial Park Apartments targets low- and very-low income families. Our project is first and foremost targeting those who have been displaced by the floods in 2013. We have agreed to give priority to those displaced by the flood and those on the Long Term Flood Recovery Group of Boulder County list. Summit has agreed to provide outreach and notify the Long Term Flood Recovery Group of Boulder County wait list and other potential residents of possible housing opportunities. According to Stephanie Walton (please see Tab 9 for communications with her), there are over 1050 names registered for housing. Although she noted about half of them had found housing, there were still as many as 551 families looking for affordable options. Out of those 101 were mobile homes, 38 condo/duplex, and 49 apartments. All of those people most likely would qualify for our apartments. Per the guiding principles of the CDBG-DR Collaborative, we believe there is a huge unmet need for 40%, 50%, 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 families to go. While the Spring Creek Apartments will satisfy the need for displaced seniors, there are currently no affordable units that can house displaced families.

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 Centennial Park Apartments is not setting aside units specifically for special population groups, the project will accommodate these residents. We have reached out to Tim Rakow, Interim Executive Director of The Inn Between of Longmont, and will be in constant communication per our MOU, and provide 40% units to possible applicants that have successfully completed the transitional housing program. In turn, they will provide on-site services which include life skills training, parenting, and financial management, nutrition, and resume workshop classes. (Tab 9) There are a minimum of 8 Type A accessible units and 4 units set aside for the sight and hearing impaired. Additionally all ground floor units will be type B accessible units.

B. AMI Mix:

The project will consist of 155 LIHTC units with one manager's unit for a total of 156 units. There is a definite need in Longmont for more affordable housing which is demonstrated by a vacancy rate of 2.6%. With the help of our market study, we were able to target the income levels which have the most need in the community. After reviewing the study, we saw the most need was in the 40% AMI range, so we targeted 53-40% AMI units, giving the project extremely low capture rates, 11.0% for this income band. The study also showed a need for 50% units and 60% units. The summary stated that there is more need in the 60% income band (with a capture rate of 17.6%) than the 50% income band (capture rate 24.8%). Please note that we will be reducing the 60% AMI unit rents below the Boulder County rents as recommended by the study. It is evident that the Boulder County 60% rents were slightly inflated because of the high rents in the city of Boulder and ever increasing rents in Longmont due to the lack of housing units. We reduced our rents by an average of \$173 across all income bands below the max 60% rents. After consulting with our market analyst, and looking at the needs identified by the City of Longmont, we also added some 4 bedroom units. You will see from the attached study that there are only two 4 bedroom units serving the community currently. You will also see that there are 1331 households over 4 people in the market area, and currently there are only 4 4-bedroom units serving those larger families. Even by adding the 18 proposed 4 bedroom units, the capture rate would only be 1.4%, 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 Longmont. In summary, the project targets and addresses the biggest need for affordable housing in Longmont. Please see a market study and summary below (Tab 17).

Unit Rent and Mix:

Unit Description	Net Rents	Unit HSF	Unit Number	% of Units
1-BR @ 40%	\$648	844	5	3%
2-BR @ 40%	\$781	968	23	15%
3-BR @ 40%	\$901	1128	18	12%
4-BR @ 40%	\$926	1310	7	4%
1-BR @ 50%	\$828	844	6	4%
2-BR @ 50%	\$996	968	19	12%
3-BR @ 50%	\$1,151	1128	13	8%
4-BR @ 50%	\$1,273	1310	4	3%
1-BR @ 60%	\$902	844	7	4%
2-BR @60%	\$996	968	28	18%
3-BR @ 60%	\$1,232	1128	18	12%
4 -BR@ 60%	\$1,352	1310	7	4%
Mgrs. Unit		1128	1	1%
			156	100%

C. Location:



The location is perfectly situated for families as there are employment opportunities and most major services located within one mile of the site. Skyline High School, Trail Ridge Junior High, Fall River Elementary, and Rocky Mountain Elementary school all located within one mile. There is also two children's day care centers (Bright Horizons and Shining Stars) located within 0.9 miles of our site. This is a very important resource for the working families we're targeting as is the YMCA for recreation which is located 0.75 miles away. The YMCA provides memberships to low-income families at discounted rates. Shopping and other services are located less than .5 miles away from the site which includes, Safeway, Walgreens, Starbucks, and a Wells Fargo Bank and other restaurants. There are also playfields right across the street from our site, Clark Centennial Park is 0.4 miles away, Centennial Pool and Recreation Center is 0.5 miles away, and Stephen Day Park 0.6 miles away. Also, the Longmont Athletic Club is less than a mile away. As far as emergency services, Longmont Fire Station Number 3 is located 0.1 miles away, the police department is located 2.7 miles away, and Longmont United Hospital is located 2.9 miles away on Mountain View Avenue. Additionally, on the western end of the site, there is the Rough Ready Trail, which provides families access to walking, running, and biking and other exercise opportunities.

Locating a family property very close to viable transit opportunities enables families 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 50 feet away from site on Mountain View Avenue, and also ten other bus stops located within 0.5 miles allowing our tenants numerous bus routes which will give them access throughout the City of Longmont, Boulder and the Denver Metro Area. Also, Mountain View Avenue is a major arterial in Longmont which provides access to downtown. Our site is also located 1.3 miles away from highway 119 providing access to Highway 25 for families commuting to the Denver Metro area.

D. Amenities:

Centennial Park 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 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.

E. Services

An onsite property manager will ensure that resident's leasing and maintenance issues are promptly addressed.

Centennial Park Apartments, LP and The Inn Between have partnered to provide services for the residents of Centennial Park Apartments. A comprehensive service plan will be formulated and implemented prior to lease-up to address the specific services that will benefit the residents of Centennial Park Apartments the most. Some of those services will include but are not limited to:

- Life Skills

- Parenting
- Financial Management
- Effective Communication
- Nutrition
- Resume Workshops

F. Sustainability/ Energy Efficiencies:

Green Communities Criteria and Integrated Design Process

We are pleased to present a design for the Centennial Park Apartments project that will exceed CHFA's point's requirement 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 with a project 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, 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
- Provide the net density and net density calculation for the project.
- 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 Bond Debt	\$15,488,000
Federal Tax Credit Equity (\$0.95 & \$895,436 annually)	\$8,506,646
State Tax Credit Equity (\$0.50 & \$1,399,119 annually)	\$4,197,358
Disaster Relief Funds	\$3,500,000
Deferred Developer Fee	\$888,084

CPA’s financing structure, will be a “simple straight forward” deal that will close quickly and allow each of these valuable funding resources to be place 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 \$23,975,000 of which \$15,488,000 will be used for permanent financing while the balance will be used during construction. Currently the budget only requires \$23,669,787 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 Citi Community Capital.*
- 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.). Citi Community Capital will purchase the bonds directly.*
- d. *Portion of bonds that will be tax-exempt (i.e., will the bonds have a “taxable tail”). We are not assuming a taxable tail at this time.*

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***

Centennial Park Apartments will provide 100% affordable units between 40% - 60% AMI. 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”***

Centennial Park Apartments are not located in a QCT. However, CPA is located in Boulder 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 Longmont community has significant housing demand and has not received a competitive family tax credit award in since 2009. Although a senior project was awarded in 2014, it's catering toward 55 and up and will not help families currently displaced by the flood and looking for housing. Furthermore, Longmont has not had any bond placement deals since 2009.

- ***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 1000 units across the Rocky Mountain region. Please see the attached résumé for more information about SHG and their integrated design team.

- ***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***

Centennial Park Apartments is a family tax credit development. Not only will CPA be providing to smaller families in need, CPA is incorporating 18 4-bedroom units into its project. According to the market study strengths of our project, "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***

Centennial Park 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 Longmont area, but Boulder and 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***

Centennial Park Apartments is a new construction project. However, it is intended to replace housing that was lost in the floods in 2013. According to the market study, “Kathy Fedler, Longmont’s Housing and Community Investment Manager, there were 49 owner units and 28 rental units destroyed in Boulder County because of the flooding. Additionally, approximately 513 households were displaced from units that were severely damaged in the PMA, with the highest concentration of damage in low-income neighborhoods. As stated by the most recent draft of the city’s Unmet Needs Assessment (see attached at end of narrative), approximately 28% of displaced households had incomes under 30% AMI, 20% were between 31% and 50% AMI, 14% were between 51% and 80% AMI, and 29% were over 80% AMI. Additionally, 51 mobile home units were destroyed and 393 were damaged. The City of Longmont is replacing these units. Kathy stated that the only rental units in Longmont that were affected by the flooding were in the Park Manor apartment complex, where some dwellings were damaged, but none were destroyed. These units have already been rehabilitated and re-leased at higher rents. As of February 2014, at least six households displaced from Park Manor could not return because of the increase in rents.” Additionally, when you consider that there is a 0.0% vacancy rate in all affordable housing in Longmont, the problem is exacerbated for people who may have been displaced to find suitable, safe, affordable housing. CPA will help alleviate this stress in the community to 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, Centennial Park Apartments will use a reasonable amount of tax credits in line with the median per-unit award from Round 1. 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 more CDBG-DR funds so it could target lower income families that were displaced by the flood

- ***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. CPA is using all of these sources, and is being built in Boulder County, the county that was 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 Longmont of 2.6%. It is important to note, that all of those vacancies are in market rate projects. There is currently no vacancy in subsidized projects. Our market study demonstrates a strong demand in Longmont for Centennial Place Apartments with a capture rate between 20.6%. According to the study, the highest need for affordable housing is in the 40% AMI Income band. Even by us adding the planned 53 units to the total of 116 currently serving the area, our capture rate is at 11.0%. In our conversations with Tom Rakow of The Inn Between, one of their biggest struggles is placing people into affordable housing once they have been through the transitional housing program. These individuals and families are typically on the lower income side, and housing in Longmont currently just isn't available or has waiting list that are very long.

- The overall average vacancy rate in the PMA was 2.6%, 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 228 renter households annually and there are no new LIHTC units in the development pipeline, other than the project, to account for that demand.
 - The existing LIHTC projects within the PMA were built between 1998 and 2011, , and are in average to above average condition compared to the project, and inferior amenity packages, and no new affordable multifamily developments have been completed in the PMA during the past four years. Thus, there is a void for quality, new construction affordable housing that the project will help fill.
 - The project's location in central Longmont 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 Longmont region, suggesting that it will attract tenants from outside the PMA and the projected renter household growth is likely understated.
 - The capture rate analysis is based on the maximum allowable gross LIHTC rents, per CHFA guidelines. The project's proposed net rents, which are 1% to 8% less than the gross maximums, will allow it to appeal to more income-qualified tenants than the number used in the capture rate analysis.

b. Readiness-to-proceed:

If awarded credits in this round, construction on Centennial Park Apartments will commence in October 2015. The site is zoned MR-2 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 Longmont plan approval in about 9 weeks.

Colorado First 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 a preliminary equity commitment. The site is under contract with SHG and closing is expected to take place within 5 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. The City of Longmont has shown support by giving us a letter to reduce tap, permit and development fees in the amount of 30% which should equal approximately \$250,000. Also, we are leveraging the CDBG-DR funds which are critical for the success of the project. These funds cover about 11% of the total development cost. Without these funds, we would not be able to target the 40% AMI households in the community which according to are market study, are the most underserved population in Longmont. The per unit cost is for the CDBG-DR funds is \$22,435 per unit. Again, we could ask for less, but you would have to eliminate the most of 40% units, which according to the market study is the very underserved with a current capture rate of 7.5%. Even with the addition of our units, those capture rates will only change to 11.0%, which is significantly below the required 25% threshold CHFA requires. Without the CBGB-DR funds, you would have to target *mostly* all 50% and 60% units. While the need is there, you can see, the lower incomes are not being served currently in Longmont. Also by using the CDBG-DR funds, we're able to keep the debt low on the project. Please see the attached equity letters from Boston Capital and Sugar Creek Capital. Between the CHFA issued bonds, federal and state tax credit equity, and CDBG-DR funds, Centennial Park Apartments is financially strong and meets or exceeds all of CHFA's underwriting requirements.

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. The group also develops market rate product (28 Units). The group is a regional developer looking to provide housing in Colorado. It has developed housing in Montana (166 completed LIHTC units and 48

more slated for construction in April 2015, and 28 market rate units), Wyoming (634 LIHTC units built, with 36 about to start construction in March), South Dakota (32 LIHTC units) and Utah (62 units starting construction in March). 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 \$116 million of investor equity into multi-family housing. Please see attached résumé for more detailed information.

e. Cost reasonableness:

Centennial Park Apartments meets the cost reasonableness test based on a couple of reasons. First, we believe the price we paid for land was at or below market. SHG looked at a couple different sites, one which was asking \$15 PSF, and another that was over \$5 PSF. We believe the market for land is around the \$5 per square foot cost, so we believe we paid an appropriate price for the land. This site, if you exclude the raw water fee that has already been paid by the previous owner, comes in at \$4.51 per square foot. That helps the project substantially with overall cost. In Longmont, one of the most expensive developmental costs is the raw water fee. We have calculated that fee with help from Wes Lowrie, the Water Resources Analyst of Longmont to be approximately \$492,382 for a property this size. Construction costs in the area have steadily increased over the last 18 months. SHG has chosen CFC as its General Contractor. They have substantial experience building multifamily units and have built apartment projects in Colorado. We also are seeking to contain cost by including slightly smaller units than the average. However, according to the market study, "Compared to the weighted average unit sizes at surveyed LIHTC projects, the subject's one-bedroom floor plan is 15% larger, its two- and three-bedroom unit sizes are 4% and 5% smaller, respectively, and its four-bedroom floor plan is 17% smaller. The subject's smaller than average four-bedroom unit size should not have a detrimental effect on its ability to absorb this unit type, considering there are only two four-bedroom LIHTC units in the PMA" (Tab 17, pg. 59). We believe these smaller units will have the same appeal as any other units that come on the market because of our amenities package and our site location. Also, because we are using CDBG-DR relief funds, we are also required by law to use Davis-Bacon wages which will increase cost. However, we believe because we

didn't pay a premium for land, that we are able to absorb some of those increased construction cost by utilizing smaller units and paying less for land than the market.

f. Proximity to existing tax credit developments:

There are 13 other projects in Longmont financed under the LIHTC program containing 920 units. Of them, three are age-restricted projects with 202 units which CPA will not be directly competing with. There is one project that was awarded last year Spring Creek Apartments, a planned 60 unit senior project. However, this project is age restricted and over 1.3 miles away. Spring Creek Apartments are located in a different census tract, and will be finished with lease up by the time we plan on finishing construction in October 2016. According to our market study, there is another 115 unit project in planning located on 550 Crisman Drive, 2.1 miles away from CPA in the northern part of town. As stated before, 61% of our units will be at or below 50% AMI, which is where most the need is in Longmont. Furthermore, our project will be located in census tract 135.07; no other projects have been awarded or are planned in this tract. Finally, the closest LIHTC project located near CPA is Mountain View Plaza, which is 2.4 miles away. This would be the first LIHTC project located in the southeast part of town, which should help with marketability and geographic distribution, and lessen the concentration of credits throughout Longmont. The presence of these planned, current or past LIHTC projects, will not adversely impact the Centennial Park 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 Longmont area. The City of Longmont supports affordable rental housing creation as part of affordable housing development which is demonstrated by the waiver of fees/permits. Additionally, the site is fully entitled and has access to all utilities. The density and style of development is appropriate for the location. According to our Phase I included in Tab 14, 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, 13 –3 story buildings with ample parking for families, is well suited for new development. The planned improvements are within the allowable uses, scale, and height of the existing zoning. Also, the site is 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 not requesting a waiver of any 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 by the market analyst in the market study submitted with your application:

According to our market study, “The subject’s two-, three- and four-bedroom unit sizes are slightly smaller than average. However, surveyed LIHTC properties were 100% occupied with waitlists, indicating pent-up demand for affordable units. Additionally, there are only two four-bedroom LIHTC dwellings in the PMA, according to CHFA” (Tab 17, pg. 57). While we understand this, we are building on a cost per square foot basis, and to increase the unit sizes only increase the cost. To keep our cost down, we chose to go with smaller units with higher quality finishes and amenities. Per the study above, because there is so much pent-up demand, this should not hurt with the marketability of CPA.

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:

SHG is submitting a Phase I. No REC's were found.

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):

SHG has done plenty of outreach to the community. First and foremost, SHG contacted the Long Term Flood Recovery Group of Boulder County to see how to better provide outreach to people who were displaced by the flood. We have agreed to pay for any outreach cost associated to the Long Term Flood Recovery Group of Boulder County and will continue to do outreach to these flood victims during construction and as units become available. We have also provided outreach to non-profits in the community. We were able to come to an agreement with The Inn Between. As previously mentioned we will provide units for their qualified transitional tenants in return for life skills services. Furthermore we have reached out to Michael Reis of the Longmont 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.

We feel we have a great working relationship with the City of Longmont as well. We have sat down with Don Burchett and gone through our site plan and elevations and they gave us recommendations which were included in the site plan. We also have a great working relationship with Kathy Fedler, the Housing and Community Investment Manager. Attached at the end of the narrative is Certification of Consistency with the Consolidated Plan. This plan certifies that we are following the plan by providing much needed rental housing for families and individuals with incomes at or below 50% AMI. Also, the City of Longmont reduces development fees based on how affordable the project is. For Centennial Place Apartments, we will get 30% reduction of fees which will provide the development savings of approximately \$250,000. See Tab 36 for documentation. In discussions with the city, they also plan on providing an expedited review for all affordable housing developments, which is why we expect to break ground in October.

Attachment One: Unmet Needs Assessment

Attachment Two: Certification of Consistency with the Consolidated Plan for Longmont

pab lihtc application narrative



Project Name: Copper Peak Apartments

Project Summary

The Copper Peak Apartments project (“Copper Peak”) is proposed new construction of a 240-unit family apartment community located at northwest corner of Erfert Street and Park Ridge Avenue in Longmont, Boulder County, Colorado. The project site is immediately north of a Wal-Mart anchored shopping center and at the transportation crossroads of Highway 287 and Highway 66. It is an excellent and rare site, combining immediately adjacent shopping and services with open space as the land area to the north and east are designated as Boulder County open space and will not be developed in the future. The crossroads of Highway 287 and Highway 66 mentioned means easy access to I-25 to the east, the diagonal to Boulder to the south, or any destination north or south along Highway 287.

Copper Peak includes a mix of 48 one-bedroom units, 138 two-bedroom units, and 54 three-bedroom apartment homes. At least 11% of the community’s units will target individuals and families with incomes at or below 50% of the local area median income, with the balance of the units affordable at 60% of area median income. Every apartment home will include a fully equipped kitchen, individual HVAC, full size washer and dryer, plush carpeting in living areas, wood vinyl in kitchen and bath(s), laminate countertops, patio/balcony, and ample storage throughout (walk-in closets in most master bedrooms).

The approximately 12.1-acre site will provide a total of 240 units comprised of ten 24-unit buildings and a community club house. Type V-B construction is proposed and building exteriors will be finished with board and batten style siding or stucco, complemented by energy-efficient vinyl windows and composite roofing. Detached garage structures with pitched roofs provide some buffer to the future commercial and planned RTD Park ‘N Ride lot to the east.

In addition to the residential buildings, the project will include a fully furnished clubhouse (leasing offices, resident lounge, business center, game room, and fitness center), heated outdoor swimming pool, playground, walking trails, and parking to include reserved garages, carports and surface parking.

Energy efficiency standards will be met or exceeded, including utilization of low flow faucets, high efficiency rated insulation, intermediate roof trusses and insulation, .30 U factor windows, Energy Star dishwashers, and recycled content carpet and pad. The sustainable building directives of the Enterprise Green Communities will be followed as noted in detail in this Application.

Financing Summary

The application includes a request for CHFA's underwriting of PAB in an amount up to \$23,800,000. The bonds are to be privately placed with Citi Community Capital for both the construction and permanent phases and their requirements for conversion to permanent phase are standard for institutional lenders for affordable housing.

QAP Guiding Principals Met

- Copper Peak is the only non-senior apartment community of substantial size proposed in Longmont that has units set-aside at 50% and 60% of AMI (several proposed apartment communities may target seniors or lower income households)
- Copper Peak is sponsored by a for-profit developer, with support from the Longmont Housing Authority
- Copper Peak provides housing for families
- Copper Peak is new construction
- Copper Peak is an efficient design utilizing the site to its maximum potential to create 240 rental housing units as efficiently as possible with LIHTC resources

Criteria for Approval Met

- Market conditions – as indicated in the provided Market Study, the capture rate in the primary market area is just over 22%. The Market Study indicates very high demand for units, and confirms a good location, good amenity package and good overall marketability.
- Readiness to proceed – The Concept Plan Modification was approved by the Planning and Zoning Commission on February 17, 2015 and will go before City Council for first reading on March 17, 2015 with final approval expected March 31, 2015. A Site Development Plan will follow with full building permit submittal targeted for July 1, 2015. Building permits will be available to pick up no later than the week of 9/28/15.
- Experience of Development & Management Team – As detailed in the Application, the Development Team has substantial experience in several western States with bond/4% tax credit development. Additionally, the team has substantial multifamily development experience, including several types of multifamily products constructed both for third parties and for our own account. That 30-year track record has resulted in principals with a strong reputation in the affordable housing finance arena as well as substantial financial strength from the Developer.

- **Project Costs** – As a developer of multiple types of multifamily housing, the Developer is well-versed in developing and constructing a high-quality, durable rental housing product at an efficient cost. Starting with a proven building design and layout, and working through construction methods, the developer enjoys efficiencies from its experience and knowledge. The typical multifamily project for the developer ranges from 200-250 units, further creating economies of scale.
- **Site Suitability** – As indicated herein, Copper Peak is very well located at the crossroads of Highway 287 and Highway 66, allowing excellent access to transportation in all directions. Additionally, with RTD’s planned Park ‘N Ride lot immediately adjacent to the west of the site, public transportation will be expanded beyond the existing stop in Park Ridge Avenue.

Outreach to the Community

A neighborhood meeting was held prior to submittal of the Concept Plan Amendment Application. Approximately 17 neighbors were present and learned more about the proposed development. There were some concerns over traffic, but overall no significant opposition. In fact, at the Planning and Zoning Commission, no public opposition was noted during the public hearing.

pab lihtc application narrative



Project Name: Crisman Apartments

Project Address: 550 Crisman Drive, Longmont, CO

1. Project Overview

Crisman Apartments (Crisman) is a new construction, 114 unit apartment community ideally located one block west of Main Street in the northern portion of the city of Longmont, Boulder County, CO; this area has been designated a Flood Disaster Recovery zone. The property is within a redevelopment area as defined by the city of Longmont, and is well-located on a very desirable infill site with access to employment, shopping, daycare, schools, trade schools (across Crisman Drive from IBMC's Longmont Campus), parks and high frequency RTD regional bus service.

2. Request Statement

Crisman Apartments LLC (Crisman LLC) as Applicant and Solvera Developers LLC (Solvera), as Sponsor/Managing Member, request the following:

1. An inducement of Private Activity Bonds (PAB) by CHFA, as Construction to Permanent Lender, in the amount of \$18.0 million including Co-Issuance with Longmont Housing Authority of their currently held bond cap of \$6.15 million;
2. An Initial Determination of \$873,320 in annual 4% Federal Low Income Housing Tax Credits (LIHTC);
3. An Award of \$1,350,563 in annual Colorado State Tax Credit (STC);

3. Project Highlights

- **Disaster Relief Recovery Priorities:** Crisman Apartments ("Crisman") would provide 114 new units with deep affordability located less than 10 miles from Lyons, which was the most flood impacted community in Colorado. Crisman is centrally-located in the city of Longmont which, as officially documented, has become the location where families most impacted by the 2013 Floods have come to find replacement housing.

- **Readiness to Proceed:** Appropriate zoning is in place. The project would be under construction by the end of 2015, well ahead of the CDBG-DR funding requisite timeline.
- **Enhanced Affordability:** Crisman will provide deep affordability with 46 units set aside at 40% AMI rents, and 25 units at 50% AMI rents. Of the 114 units, 71 units will be affordable at 50% or lower AMI rent levels.

AMI Level	<u>40% Units</u>	<u>50% Units</u>	<u>60% Units</u>	<u>Total Units</u>
1 BR /1 Bath	20	10	18	48
2 BR/1 Bath	14	9	13	36
<u>2 BR/2 Bath</u>	<u>12</u>	<u>6</u>	<u>12</u>	<u>30</u>
TOTAL	<u>46</u>	<u>25</u>	<u>43</u>	<u>114</u>

- **Public Private Partnership:** The project will be sponsored and developed by Solvera Advisors LLC, however, the Longmont Housing Authority (“LHA”) will be an owner in the project, and LHA will ultimately own the Managing Member interest in the project.
- **Local Monetary Support:** In support of the project, LHA will provide approximately \$6,150,000 of its previously allocated Private Activity Bond cap and will act as Co-Issuer of the bonds. In addition, LHA will project-base up to ten Section 8 housing choice vouchers. Finally the city of Longmont will provide a 30% fee waiver on all city fees and a fee reduction for water and sewer taps as statutorily allowed in exchange for the lower AMI affordability thresholds.
- **Efficient Use of CDBG-DR Funds:** Located in a QCT, Crisman is efficiently capitalized in terms of its request for soft funding of CDBG-DR funds of \$2,500,000 (\$21,930 per unit), especially given the very deep affordability. Crisman represents a rare opportunity to immediately deliver a significant number of new, deeply affordable units in a market characterized by dangerously low vacancy, especially within the very low AMI rent restricted units.

4. Project Summary

- **Ownership Structure:** Crisman LLC is a Colorado Limited Liability Company and Sponsor ownership entity of Crisman. A “to be formed” entity comprised of Solvera and Longmont Housing Authority (LHA) will be the Managing Member. The Longmont Housing Authority (“LHA”) has approved its ownership participation through the mutual execution of a Letter of Intent regarding the ownership of Crisman Apartments, and LHA

has identified the project as its highest new construction priority for 2015. LHA will ultimately control the Managing Member interest through a discounted purchase option to buy Solvera Advisors out of their ownership interest post stabilization of the project.

Solvera is a for-profit affordable housing developer who is committed to assisting, supporting and building the capacity of non-profit affordable housing organizations and housing authorities in under-served areas of the State of Colorado. Solvera will be responsible for all development activities, all applicable project-related guarantees and all management oversight at Crisman.

Longmont Housing Authority's mission is to provide housing and related services to low and moderate income families, elderly and disabled households and to relieve the community of substandard housing.

LHA pursues four objectives to fulfill their mission:

1. To create affordable housing opportunities for the community.
2. To protect and enhance the property and programs they operate.
3. To develop our organizational infrastructure so that it can efficiently manage our operations.
4. To develop, enhance and strengthen external relationships with key partners, other agencies, and the larger community.

LHA manages housing programs that ensure low and moderate income residents of Longmont have safe, decent, and affordable housing. LHA is governed by a five-member volunteer Board of Housing Commissioners appointed to five-year terms by the City Council. They are dedicated, passionate, and knowledgeable affordable housing advocates.

As a partner in the project, LHA will provide waitlist management through their access to the F.E.M.A. household waitlist, and LHA will certify the waitlist applicants to the management company.

- b. Location:** Located less than 10 miles from Lyons, Longmont has been challenged to find temporary and long-term housing solutions for displaced residents following the 2013 flood. As documented in the city of Longmont CDBG-DR Needs Assessment (Published July 2014), Longmont has become the location where those most impacted by the flooding have gone to find replacement housing. This is creating more pressure in an already dangerously low vacancy rental market.

As a housing community partially funded by Disaster Recovery subsidy, Crisman Apartments will provide well-located, deep affordability rental options to households that have lost housing or have been unable to find reasonable housing options since the 2013 floods. Given the central location of Crisman Apartments, this community will serve Lyons, Longmont and the greater flood-impacted communities of Boulder, Weld and Larimer counties.

Crisman is located at 550 Crisman Dr., Longmont, Boulder County, CO. The location is southwest of the intersection of Colorado State Highway 66 and US Highway 287 (Main St.) in the northern portion of Longmont. Currently, the City of Longmont has identified this area as a priority for redevelopment of the retail shopping along US 287 as a means of increasing residential density and reducing the amount of low density retail. The parcel is considered a TOD site being located adjacent to a bus stop and received the highest walk score of all comparable apartments.

- c. **Land:** The land is within Census Tract 133.06, which is designated as a Qualified Census Tract. The site is bordered by Highway 66 and vacant land to the north, older retail shopping to the east, newer commercial including a day care and medical/professional offices to the south and single-family residential to the west. The land is zoned PUD-R, HDR which is designated for multi-family residential at the proposed density.

The following is a list of nearby community amenities:

<i>Service or Facility</i>	<i>Distance from Subject</i>
Supermarket	0.2 miles
Convenience Store	Adjacent
Main Street Commercial Corridor	300 feet to 1.15 miles
Natural Grocer	1.7 miles
Community Shopping Center	1.7 miles
Walmart	0.2 miles
Mall	16 miles
Elementary School	0.6 miles
Middle School	1.4 miles
High School	1.7 miles
College	4.5 miles
University	16.0 miles
IBMC Career Training	0.2 miles
Bus Stop	75 feet
Future Light Rail Station	2.6 miles
Hospital	1.8 miles
Medical Clinic	0.2 miles
Library	2.4 miles
City Hall	2.5 miles
Child Care (Existing)	0.1 miles

Head Start	1.6 miles
Park	0.6 mile
Recreation Center	3.8 miles
Police	2.5 miles

- d. **Site Plan:** See attached exhibits. All infrastructure assets are currently available to the site including City of Longmont water and sewer, public electric and natural gas utilities, and are subject only to usual tap fees and permits. The site is zoned for the proposed 114 multifamily units. There is no commercial space planned within this LIHTC application. As planned, the project exceeds parking levels required by the city of Longmont with 1.5 parking spaces per unit.

- e. **Construction type:** Crisman will consist of three, three story wood frame walk-up buildings, with breezeways and controlled entry/access. Construction will be wood frame over a post tension slab on grade with a skin comprised of a combination of stone, stucco and siding. The roof will be pitched, asphalt shingles. Windows will be vinyl, dual pane, Low-E, energy efficient and include vertical window blinds. Floor coverings will include laminate plank 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, microwave oven, and in-unit, washers and dryers. The HVAC system will be an individual Aqua-therm gas forced air heating system with central air conditioning. Construction will include completion of all interior roads and water detention requirements, certain exterior common area amenities and parking.

- f. **Environmental Efficiencies:** The buildings will be designed to be energy efficient and comply with the Green Communities program. The buildings will be physically situated and architecturally detailed to take advantage of passive heating and cooling opportunities. The buildings enclosures will be energy efficient with Energy Star windows and doors, R-30 insulation in the attic, R-20 insulation in the walls, and R-14 insulation at the foundation. Energy Star appliances will include in-unit clothes washers, dishwashers, refrigerators, bath fans and air conditioning. Heating and cooling equipment will all be sized according to best practices and balanced for the most efficient operation. All lighting and light fixtures will be Energy Star. To encourage residents to conserve energy electrical will be individually metered for each unit.

g. Building(s):

- 1) Number:** Three buildings will be constructed containing 114 one and two bedroom units, common areas, controlled access and ample storage.
- (2) Parking:** A total of 174 surface parking spaces, including the required number of handicap parking spaces will be provided at Crisman. These figures have been approved by the City of Longmont.
- (3) Unit Type and Mix:** Crisman will contain 48 one-bedroom/one bath units (622 sf), 36 two-bedroom/one bath units (825 sf), and 30 two-bedroom/two bath units (929 sf). Crisman will include a minimum of three fully accessible ADA units which meets requirements.
- (4) AMI Mix:** Crisman will serve individuals and families with 46 units at 40% Area Median Income (AMI), 25 units at 50% AMI and 43 units at 60% AMI.
- (5) Amenities:** Crisman will provide a very competitive amenities package:

Unit Amenities include central air conditioning, patio or balcony, walk in closets, ample closet space, cable TV hookup, high-speed Internet access, window coverings/blinds, E-Star refrigerator and dishwasher, stove/oven, garbage disposal, microwave ovens and in-unit E-Star clothes washer and dryer, pantry, and carpet in bedrooms.

Project Amenities include controlled entry access, community room, business center with Wi-Fi and computer availability, fitness center, picnic areas, and the property will be served by an on-site manager and maintenance staff. A 0.57 acre pocket park will be located on the property and include a covered picnic area with BBQ, a play structure and tot lot and a community garden.
- (6) Services, if applicable:** Crisman will work with various local non-profit organizations as well as LHA to provide resident services including, but not limited to, job skills services, financial assistance, and other social support and counseling services.
- (7) Financing Structure including all Federal, State, Local support:** Crisman will be financed by a CHFA FHA Risk Share "Pass Through" Loan Structure - Construction to Perm loan utilizing PAB provided by CHFA and LHA, equity from both the Federal 4% LIHTC and Colorado STC, CDBG-DR funds from the Colorado Division of Housing, and a reasonably sized deferred developer fee and owner equity.

- a. **Total amount of bonds with a breakout of construction period bonds vs. permanent bonds:** Total amount of PAB is currently estimated at \$18.0 million, with the following usage breakdown:

1. Construction Period:

Amount: \$18.0 million
Term: 24 months
Interest Rate: Fixed at 3.75% including MIP
Payments: Monthly interest through Interest Reserve

2. Permanent Period:

Amount: \$ 8.133 million
Term: 40 year
Amortization: 38 year
Interest Rate: Fixed – 4.70% including MIP.
Payments: Monthly interest and principal

- b. **Bond issuer:** CHFA and LHA will act as the PAB Co-Issuer with CHFA being the Lender. LHA will provide at least \$6.15 million in PAB cap for the transaction.
- c. **Lender and bond sale structure:** Lender will be CHFA utilizing the FHA Risk Share “Pass Through” Loan Structure – Construction to Perm loan, and will provide the loan servicing and asset management functions.
- d. **Portion of bonds that will be tax-exempt:** 100% of the loan will be tax exempt.

3. Guiding Principles

- **To support rental housing projects serving the lowest income tenants for the longest period of time:** Solvera and LHA, as Sponsor/Applicant, commits to maintain 100% of the units at 60% AMI or less, including 46 units at 40% AMI and 25 units at 50% AMI, for a minimum of 30 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:** Crisman apartments is located in Qualified Census Tract 133.06. The city of Longmont has confirmed that Crisman would contribute to its Consolidated Plan, see attached Consistency Letter

- **To provide for distribution of housing credits across the state:** City of Longmont is located in the north central portion of the Front Range of Colorado on the eastern edge of Boulder County.
- **To provide opportunities to a variety of qualified sponsors of affordable housing, both for-profit and nonprofit:** Solvera is a for-profit affordable housing developer that is committed to assisting, supporting and building the capacity of non-profit affordable housing organizations and housing authorities in under-served areas of the State of Colorado. LHA is the public housing authority for the City of Longmont whose mission is to provide housing and related services to low and moderate income families, elderly and disabled households and to relieve the community of substandard housing.
- **To distribute housing credits to assist a diversity of populations in need of affordable housing, including homeless persons, persons in need of supportive housing, senior citizens, and families:** Crisman will provide much needed ‘work force’ housing targeting families displaced by the flood in an area with tremendous pent up demand that is experiencing and will continue to experience growth. Further, as outlined in the Market Study, this area is expected to grow by more than 228 renter households annually.
- **To provide opportunities for affordable housing within a half-mile walk distance of public transportation such as bus, rail, and light rail:** Crisman is located 75 feet from a public bus stop.
- **To support new construction of affordable rental housing projects as well as acquisition and/or rehabilitation of existing affordable housing projects, particularly those at risk of converting to market rate housing:** Crisman will provide 114 new construction affordable rental housing units to the city of Longmont and Boulder County, CO. Further, the Crisman Market Study highlights the need for additional affordable rental units.
- **To reserve credits for as many rental housing projects as possible while considering the Priorities and Criteria for Approval in the following sections:** See details listed below.
- **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:** Crisman utilizes Federal 4% LIHTC, including the Federal Qualified Basis Boost because the project is located in a Qualified Census Tract. The initial pricing of the LIHTC equity is estimated at \$1.05 per Federal LIHTC. This figure exceeds CHFA minimum standards. Crisman also utilizes approximately \$1,350,563 in annual Colorado STC which will provide over \$4,051,690 in cash equity and \$2,500,000 of CDBG-DR funds which is only \$21,929 per unit, a very reasonable figure considering the deep affordability of the project. The permanent loan will be a CHFA Tax Exempt structure as previously described. The terms and conditions of

this program allows the loan to be sized at a maximum level that balances the percentage of 40% and 50% AMI units (71 total units) and the attendant lower revenue stream from these units with the estimated higher operating costs (\$4,600 PUPA before Replacement Reserves, including Boulder County's real estate taxes, and accounting/compliance reporting costs associated with Tax Exempt financing). The resultant loan sizing creates a permanent loan financial coverage factor necessary for prudent operation over the thirty year Compliance Period. Further the deferred developer fee that can be repaid with the first 10 years. In summary Crisman maximizes the available resources in order to minimize the utilization of the CDBG-DR funds.

- **Recognizing the unique challenges of developing housing for certain populations and in certain geographic areas, CHFA has identified the following priorities:**
 - **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.** Crisman is being financed through the use of 4% Federal Credits and CDBG-DR funds and is located in Boulder County a DR zone and should be given the highest priority.

4. Housing Priority

Crisman Apartments meets all of the following CHFA priorities:

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.

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: LHA will provide waitlist management through their access to the FEMA household waitlist, and LHA will certify the waitlist applicants to the management company.

5. Criteria for Approval

a. Market Conditions including any issues raised in the Market Study:

(1) AMI strata with Capture Rates in excess of 25%: Pursuant to the current Crisman Market Study the overall capture rate slightly exceeds the 25% level by a de minimus 0.2%. The 50% AMI capture rate exceeds the 25% level by 4.4%. These units are needed because as stated in the attached CDBG-DR Unmet Needs Assessment there is “a deficit of over 3,000 units for households at 0-50% AMI, it was an extremely tight market before the flood that was only exacerbated by the disaster.” The market study also indicates that the units are needed because;

- Surveyed LIHTC projects are 100% occupied, and two maintain waitlists with up to a one year wait for a unit, indicating that there is substantial pent-up demand for income restricted dwellings in the PMA.
- The PMA is projected to gain 228 renter households annually and there are no family income-restricted units in the development pipeline, other than the subject, to account for demand from growth.

Note the market study does not take into account any in migration.

It should be also be noted that with respect to the capture rate analysis, our market analyst calculated capture rates for the proposed project if there was a single three bedroom unit provided, and the overall capture rates dropped dramatically to 20.7% overall. Only the 50% AMI strata remotely approached the 25% capture rate, and the other strata were well below this threshold. This is due to the fact the qualified population drives down the capture rate. The specific reason we did NOT propose three bedroom units is due to feedback from LHA, and they specifically advised to steer away from three bedroom units. This LHA feedback is driven by their position that three bedrooms in the market are the most difficult to rent, the market has a reasonable number of large three- and four-bedroom units, and also due to fact that the market study does not take into account single family rental homes that are direct competition to three-bedroom units. LHA as an owner and operator in the market was weighted as a better source of guidance than the market study.

- (2) **AMI strata with Capture Rate increase greater than 6%:** Pursuant to the current Crisman Market Study, no AMI strata capture rate or the Crisman overall capture rate increases more than 6%.
- (3) **Point in Time Study for Homeless units:** N/A
- (4) **USDA Study for Farmworker Housing:** N/A
- (5) **In-migration as specified within the Market Study:** N/A
- (6) **Achievability of proposed rents within the PMA:** Based on current AMI levels, Crisman's proposed 40% AMI rents are 1% to 4% below the surveyed weighted average effective 40% AMI rents, while its pro forma 50% AMI rents are comparable to or 4% lower than the weighted average effective 50% AMI rents, and its 60% AMI rents are comparable to or 8% lower than the average 60% AMI rents. Further, the subject's pro forma 40% AMI rents are 29% lower than the weighted average effective Class B market-rate rents, its 50% AMI rents are 22% lower and its 60% AMI rents are 16% to 19% lower and the subject's proposed 40% AMI rents are 21% to 32% below the surveyed effective Class C market rents, its 50% AMI rents are 13% lower to 1% higher, and its 60% AMI rents are 6% lower to 1% higher.

b. Readiness to Proceed including application timeline discussion:

- (1) **LIHTC Application Steps:** This application has met or exceeded the timeline criteria for this section and also meets or exceeds the timeline for CDBG-DR Funds.
- (2) **Post-LIHTC Reservation Approval Steps:** Land is currently controlled by Solvera Advisors LLC through a Land Purchase and Sale Agreement dated February 24, 2015. The partnership will close by Dec. 18, 2015.
- (3) **Pre-Construction Steps:** Discussions with BC Builders, the general contractor, corroborates meeting the Dec. 21, 2015 construction start target. Because the architect and the building plans are very similar to other properties developed by current partners in Solvera, complete construction drawings will be completed by Sept, 18, 2015. The local approval process would then have approximately 3 months for completion; a timeline that the local building department believes is achievable. The city of Longmont provides expedited review for affordable housing developments. The land is currently zoned PUD-R, HDR, allowing up to 30 units per acre and no changes or exceptions are present.

- (4) **Construction Steps:** Permit processing is estimated at approximately 90 days after submission of the permit architectural and construction drawings, a timeline the local building department believes is achievable. A construction period of 12 months is typical for these building types and number of units.
- (5) **Post-Constructions Steps:** Solvera will be primarily responsible for monitoring construction progress, but will use Parikh-Stevens Architects, to assist with construction administration. Solvera will be assembling the necessary information to submit the Place-in-Service Application to CHFA within 30 days after construction completion/Certificate of Occupancy. Given the market and demand information assembled in the current Market Study, Lease Up/Stabilization is estimated to take six months. Based on discussions with all lenders, no significant or unusual Loan Closing terms or conditions are expected, thus indicating that the Loan Closing timeline should be achievable. Solvera will manage all information and documentation to assure submittal of the LIHTC Final Application by the Nov. 30, 2017 target.

c. **Financial Feasibility including analysis of:**

- (1) **AMI and Rent positioning:** Both Solvera and third-party Market Study analyses of the AMI targets and Rent Positioning indicate that Crisman is very responsive to market needs, and the rents should be achievable within the market.
- (2) **Vacancy Rate:** Both Solvera and third-party Market Study analyses of the Vacancy Rate indicate extremely low vacancy rates, which has led to increases in rents and further stress on limited income individuals and families. Based on a Jan. 23, 2015 LIHTC Property Comparison Chart performed by Prior & Associates, the market study analyst, vacancy in LIHTC properties in Longmont has fallen to 0.0%, and overall vacancy rate is 2.6% overall. Crisman will rapidly add 114-units of new affordable rental housing to help address that need. Further, in conformance with CHFA Qualified Allocation Plan (QAP) standards, the Crisman pro forma uses the standard 7% vacancy rate, a full 4+ percentage points higher than current market vacancy levels.

- (3) **Operating Expenses:** Operating Expenses have been estimated at \$4,600 PUPA, this amount is \$700 higher than the CHFA's QAP standards because it includes Boulder County's estimated property tax of \$800 PUPA and a provision for tax exempt reporting and HUD audit compliance expenses.
- (4) **Debt Service Coverage Ratio (DSCR):** DCR on the 15 Year Pro Forma begins at 1.20:1 ratio and is estimated to increase over the first 15 years to a 1.34:1 ratio. This level of DCR creates a reasonable cushion for operations, allows for the CHFA QAP standard repayment of any Deferred Developer Fee within the first 10 years. This conservative DCR also enables the project to achieve higher tax credit equity pricing, and the project should be able to attract pricing of \$1.05 per Federal credit.
- (5) **Absorption/Lease Up Schedule:** Based on the very low market vacancy rates, long affordable rental 'wait lists', competitive rents, and attractive project amenities, the third-party Market Study analyses estimates lease up and stabilized absorption within 6 months.

d. Development/Management Team:

- (1) **General Partner/Managing Member:** Solvera was founded to provide reliable, proven affordable housing development and financing expertise primarily to housing authorities and non-profit organizations seeking real estate development and finance assistance. Solvera, through its principals, Greg Glade, Lisa Mullins, Mike Gerber, and Bob Munroe, has significant experience in the development and financing of affordable multifamily rental housing. Over the last 11 years, MGL has developed more than 1,400 multifamily units, including more than 900 affordable rental housing units. Please see the attached exhibit for a list of completed affordable rental housing projects by Solvera.
- (2) **Developer:** Solvera Developers LLC.
1553 Platte Street, Suite 208
Denver, CO 80202
303-554-0500
- (3) **Contractor:** Mr. Bob Thayer
BC Builders
7108 S. Alton Way, Building E, Unit 1
Englewood, CO 80112
303-863-0889
- (4) **Management** Ms. Barb Briggs

- Company:** TEAM Asset Management Corporation
4105 E. Florida Ave., Ste. 100
Denver, CO 80222
303-756-8583
- (5) **Consultant:** N/A
- (6) **Legal Counsel:** Mr. J. William Callison
Faegre Baker Daniels (LIHTC)
1700 Lincoln Street, Ste. 3200
Denver, CO 80202
303-607-3770
- (7) **CPA:** Mr. Michael Morrison
Novogradac & Co.
246 First Street, Second Floor
San Francisco, CA 94105
415-356-8025
- (8) **Architect:** Mr. Harsh Parikh
Parikh Stevens Architects
3457 Ringsby Court, Ste. 209
Denver, CO 80216
303-825-2596
- (9) **Environmental/
Phase I Preparer:** Mr. Patrick Lee
Strategic Environmental Management LLC
5030 S. Fulton Street
Greenwood Village, CO 80111
720-841-2200
- (10) **Capital Needs
Preparer:** N/A
- (11) **Cost Estimate
Preparer:** BC Builders (see above)
- (12) **Green Consultant:** Parikh Stevens Architects (see above)

- d. Cost Reasonableness Analysis:** Based on the construction ‘hard cost’ estimate provided by BC Builders, said estimate reviewed and analyzed by Solvera staff, and based upon recent experience of BC Builders in constructing similar buildings in the Denver Metro

Area, this estimate is considered reasonable, including prudent contingency allowances. Solvera believes these estimates will hold from the time of an approval to the construction start in December 21, 2015.

Market Study, there are 13 existing, family LIHTC properties in the primary market area. Overall, the Market Study indicates that Crisman will compete very favorably with these properties in terms of amenities, unit types, AMI and rent levels, and location, and that all the properties have very low vacancy levels with wait lists. As noted in the Vacancy Rate section of the Financial Feasibility Analysis, there is now an acute shortage of affordable rental units in Longmont.

- f. **Site suitability and environmental issues discussion:** Pursuant to the Market Study analysis, the site is completely compatible for the intended use.

Strategic Environmental Management conducted a Phase I review at Crisman and has submitted its report dated February 2, 2015. Based upon the report, there were no findings or RECs and the consultant has issued a No Further Action statement. A copy of the Phase I and all exhibits are included with this application.

Pursuant to the Zoning Letter from the city of Longmont the property is properly zoned and approved for this multifamily use. Solvera has conducted a Pre-Application meeting with the City of Longmont Planning Department, and is proceeding with the comments and recommendations discussed therein. Based on this information, Solvera has received a letter of support from the City and believes its Application Timeline estimate of final Construction/Design plan approval by the City of Aurora by Dec. 18, 2015 to be achievable.

6. Special Requirements:

- a. **Formal STC Public Meeting Requirement:**

This application includes documentation of the required Public Meeting conducted by Solvera on Wednesday, Feb. 25, 2015 at 5:00pm at the Longmont Public Library Conference Room. Public notice was filed in accordance to requirements. Summation of the meeting denotes no significant or appreciable complaints or negative comments.

7. Strengths and Challenges:

Strengths:

- The subject's age and condition, project and unit amenities, and location will make it competitive or superior compared to the existing LIHTC and Class C market-rate projects in the area.
- LHA will be an owner in the project and bring significant value and resources to the project.
- Crisman would provide 114 new units with deep affordability located less than 10 miles from Lyons, which was the most flood impacted community in Colorado
- The subject's location provides very good access to nearby shopping, services and employment centers, and very good linkage to the PMA's primary arterial roadways.
- The PMA is projected to gain 228 renter households annually and there are no income-restricted units in the development pipeline, other than the subject, to account for demand from growth.
- The subject's proposed rents are up to 8% lower than the surveyed weighted average effective Class B LIHTC rents, providing a competitive advantage.

Challenges:

- The subject's smaller than average unit sizes may provide a competitive disadvantage.

Response: The perceived disadvantage of the smaller unit sized will be overcome by the above strengths and well-designed, functional modern units with efficient living spaces. Unit sizes in new construction projects tend to be smaller than the existing product because of increasing construction costs.

MGL/Solvera Developers – Affordable Housing Project

1. Westmeadow Peaks Apartments - 216 units
Colorado Springs, Colorado
*Developed while at Black Creek Communities but owner of part of general partner owner
2. Paloma Villas I - 44 units
4200 Morrison Road, Denver, Colorado
3. Paloma Villas II - 36 units
3901 Morrison Road, Denver, Colorado
4. Towne Center Apartments - 94 units
Thornton, Colorado
*Acquisition/rehab in partnership with Adams County Housing Authority
5. Villas at the Sloans Lake - 63 units

1551 Wolff Street, Denver, CO

6. Paloma Villas III - 50 units
4225 Morrison Road, Denver, Colorado
7. Los Altos de Alameda - 50 units
5100 Alameda Road, Denver, Colorado
8. Villas at the Bluff - 48 units
Bluff Street, Delta, Colorado
9. Brubaker Place - 48 units
2001 East Empire, Cortez, Denver
10. Nebo Villas - 50 units
12005 E. 13th Ave., Aurora, Colorado
11. Westminster Commons - 130 units
3180 W. 76th Ave., Westminster, Denver
* Acq./rehab in partnership with Volunteers of America
12. Villas at the Bluffs II - 32 units
Bluff St., Delta, Colorado
13. Lumien Apartments - 50 units
E. 32nd Ave., Durango, Colorado

9% lihtc application narrative



Project Name: Guadalupe Apartments

Project Address: 1442 North 11th Avenue Greeley CO

Project Overview:

Archdiocesan Housing, Inc., in partnership with its parent company, Catholic Charities, are pleased to present for consideration a permanent supportive housing project designed to serve homeless households in Greeley, including those made homeless by the 2013 floods. Catholic Charities is a leader in the provision of homeless and flood relief services in Weld County and Greeley. Combined with Archdiocesan Housing's expertise in real estate development and property management, we are uniquely positioned to successfully develop and operate permanent supportive housing targeted to flood victims still experiencing homelessness. This project will address the most acute housing needs created by the 2013 floods, and will be uniquely operated to provide the ongoing support services needed to help victims regain independence.

Catholic Charities operates the largest and only general population emergency shelter housing in the city. Immediately after the floods of 2013 and continuing to today we have played a significant role in responding to the needs of flood victims, while identifying and planning for the long term needs of victims through our continued participation on the local long term flood recovery group, Weld Recovers. The proposed project will meet the needs of the homeless in Greeley, whether made homeless by the floods or some other unfortunate circumstance.

Working first hand with the homeless community, we know that many of our clients have difficulty finding appropriate housing upon their departure from shelter housing. A new resource is needed to help our clients break the cycle of homelessness and find permanent, affordable housing. The proposed Guadalupe Apartments will be that resource, providing 47 units of permanent supportive housing to clients of the existing shelter system in Greeley.

The proposed project will be developed on a 12 acre site we currently own. In 2011 a 13,000 SF community center and homeless shelter, called the Guadalupe Community Assistance Center, was constructed on this site. The vacant 5 acre northern portion of the site is the location of the proposed project, which will provide 47 apartment homes in a three story elevator serviced building. Units will be a mix of studio, one and two bedrooms. Common area amenities will include laundry facilities, computer room, resident TV lounge, shared decks, and a landscaped courtyard area. Offices will be provided for property management and case management staff. A multipurpose community room will be available for residents, service providers, and events.

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.

Section 2 Guiding Principles:

- The proposed project will be affordable at 30% of AMI for the longest period of time allowed, 38 years.
- The proposed project will be developed in a QCT
- The project sponsor is a Colorado not for profit corporation
- The project will assist homeless persons

Section 2 Housing Priorities:

- The project will serve Homeless Persons
- The project location is in an area impacted by a natural disaster.
- The project proposes to use 4% Federal and State credits, rather than 9% credits.

Section 2 Criteria for Approval

Market conditions: This will be a permanent supportive housing project; 100% of the units will be set aside for homeless households and made affordable through project based section 8 vouchers.

Readiness-to-proceed: The project is ready to proceed immediately upon receipt of an award of funding. The project sponsor owns the site, and in 2011 successfully developed a 13,000 sf homeless shelter and community center on the site. As a result, we enjoy a good working relationship with the City, and fully expect the proposed project to be approved by the City in a timely fashion. The project is located in a C-L zone district, which allows multifamily as a use by special review. Having already been through that process when the existing shelter was built, we are familiar with the process and how to expeditiously advance through it to completion. Initial meetings with staff have been very positive.

Overall financial feasibility and viability: The project involves a number of different sources of funding. The vast majority of funding will come from the tax credits being requested with this application, as well as another concurrently submitted application to the State CDBG-DR program. The project will apply for a federal home loan bank AHP grant in their March – April application round. In June we will apply for a local CDBG grant. The project sponsor will donate the land for the project, estimated at \$300,000 in value. A local general contractor has agreed to waive its fees if it were to be selected to build the project, an estimated \$300,000 in value.

Experience and track record of the development and management team: Project Team: The proposed project will be developed and operated by Catholic Charities in conjunction with two wholly owned and controlled housing affiliates, Archdiocesan Housing, Inc. and Housing Management Services. The role of each of each entity follows:

- Archdiocesan Housing, Inc.: lead real estate development company, financial guarantor, general partner of ownership entity
- Housing Management Services: property management company (staffing, leasing, maintenance, accounting, compliance)
- Catholic Charities: provider of case management and supportive services to be included in the project budget. Catholic Charities operates the existing Guadalupe

Community Assistance Center, which provides shelter housing to men, women and families, along with an array of services for both residents and members of the general public in need. Some of these services will be made available to the Guadalupe Apartment residents at no charge, as described more fully in the supportive service plans submitted to the State Division of Housing and being reviewed concurrently with this application.

Experience:

Catholic Charities has been providing shelter and shelter services for over 30 years. The agency established and operates six homeless shelters: Samaritan House, Father Ed Judy House, St. Joseph's Home for Veterans and Holy Rosary in Denver; The Mission in Fort Collins; and Guadalupe Community Center in Greeley. Samaritan House, The Mission and Guadalupe Center all serve individual men and women as well as families and veterans. Father Ed Judy House serves single women with children, while Holy Rosary provides overnight shelter to single women. As its name indicates, St. Joseph's Home for Veterans serves U.S. military veterans only, many of whom are dealing with serious mental health issues. Our portfolio of shelters offer an array of program types including emergency overnight housing, four month extended stay programs, and 2 year transitional programs. Throughout all of the shelters, Catholic Charities serves approximately 2,500 people each year. Many of the clients have multiple barriers to becoming self-reliant, and each shelter offers programming to help them overcome these barriers so that they can establish an income and savings and move into stable housing.

Archdiocesan Housing, Inc. was formed in 1968 and merged with Catholic Charities in 2010. During its history it developed 1,400 units of housing in 26 locations throughout Colorado and Wyoming. Beginning in the early 1990's AHI began to develop housing through the tax credit program and today operates several family workforce projects in the Denver metro area along with 300 units on the western slope. Prior to that, AHI developed 7 other projects using HUD financing. Its housing portfolio includes HUD financed Section 8, 202, and 811 housing serving families, seniors and the disabled. A significant portion of these residents face significant challenges to maintaining their housing, whether it be very low incomes, disabilities, age related infirmities, or fractured household structures. To assist these residents in maintaining their housing and independence AHI hires case management services from Catholic Charities to work on-site with residents. Working collaboratively with site managers, we help residents keep

and succeed in their housing. This structure will be replicated within the proposed Guadalupe Apartment project.

Housing Management Services was formed in 1986 to provide property management services to all of the housing within the AHI portfolio. HMS also provides fee management services to the Catholic Diocese of Cheyenne, operating its two Wyoming senior projects. HMS has an excellent compliance track record with HUD, CHFA, and USDA Rural Development. Its portfolio is very well maintained and efficiently operated. Above all, HMS is compassionate to the needs of our residents.

As stated earlier, these entities are all owned and controlled by Catholic Charities. While ownership and control has been consolidated, each entity remains focused on its core competency. The development of the proposed Guadalupe Apartments represents an exciting opportunity to combine the expertise of each entity into a project that helps address a significant gap in our continuum of housing options. While we have shelter, transitional, and permanent housing options, a permanent supportive housing project will fill the need for housing appropriate for our homeless clients who require continuing support services in order to successfully maintain their housing.

Cost reasonableness: Project costs are generally consistent with today's marketplace. The land is being donated by the project sponsor, which represents a significant savings. Construction costs are slightly higher as a result of the need to pay Davis Bacon wage rates. A large number of smaller unit types have increased our square foot construction costs, and a significant reserve deposit, funded by an increase to the development fee, has added to the costs. That said, these latter two expenses appropriate costs for the nature of the population we intend to serve with this project.

Proximity to existing tax credit developments: The nearest tax credit projects are Meeker Commons and the Stagecoach Inn. Both projects have been in service for several years, and maintain strong levels of occupancy. There are no permanent supportive housing tax credit projects in Greeley.

Site suitability: This is an excellent location for a permanent supportive housing project. The majority of the services to be provided our residents will be an extension of the same services

currently provided to the shelter residents at the adjacent facility. Therefore, the location of both projects on a single campus provides a significant benefit in terms of service delivery. Across the street from this location are the offices of our local mental health service provider, North Range Behavioral Health (NRBH). NRBH is a significant service provider to our existing residents, and will expand this partnership to include residents of the new apartment project. A few blocks south of the project is the Weld County Department of Human Services. Many residents will receive benefits and services through that office. A bus line runs adjacent to the project location, providing access south to downtown Greeley. Many current residents of the shelter use bikes to access downtown, and a partnership we have with a local non-profit to provide free bikes to residents will include the new apartment residents. One-half mile from the site is Island Grove Regional Park, which includes open space, the local fairgrounds, picnic areas, etc.

Underwriting Criteria

1. 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 above the threshold because of the inclusion of resident support services into the budget.
 - DSC does not apply; the project has no permanent debt.
2. Justification for Cost Limit Waiver: The project has requested a waiver of the basis limit test. Using the cost limits will generate an additional \$115,000 in annual federal credit. The sales proceeds from this additional credit will allow the project to be financed without 9% credits. It will also allow the project to be financed without permanent debt, which is very important for permanent supportive housing projects.
3. Development Fee boost: we are requesting an increase to the developer fee of 5% (from 15% to 20%). The additional 5% increase will be used to fund a Services Reserve, which will be used to offset any unforeseen costs associated with the provision of supportive services in the project.

Market Conditions: 100% of the units in this project will serve homeless households, with a preference for those made homeless by the floods. These households will be referred to the project by the adjacent homeless shelter operated by the project sponsor, as well as other local

homeless service providers. Our shelter serves an average of 35 unique visitors per month; *there is never a vacant bed at our shelter*. The most recent point in time study for Greeley identified 261 homeless individuals. The need for more housing for the homeless in Greeley, including those made homeless by the floods, is great. Of equal importance, these needs are urgent. This project is ready to proceed, and can be open to the public within 19 months of a tax credit award.

Environmental: There are no environmental concerns identified in the Phase I. The project sponsor has owned the property for 10 years, and operated a facility on site for the past 4 years.

Community Outreach and Local Support: The project sponsor is the lead homeless service provider in Greeley / Weld County. The existing Guadalupe Community Assistance Center receives donations and volunteer support for hundreds of individuals, churches, non-profit partners, and government agencies. It is the number one referral agency for the local United Way 211 call-line, receiving 80% of its referrals. We are not able to address all of these needs ourselves; only an extensive network of partners make it possible to meet the needs of our clients. This local support will be extended over to the residents of the new supportive housing project. Our most notable partner is the North Range Behavioral Health Center, the mental health provider for Weld County (and located right across the street from our site).

We have also been a leader in the local flood receiver efforts. Starting immediately after the floods we set up emergency distribution centers at several local churches. During those essential weeks we made contact with, registered names and contact information and provided approximately 493 families (1,774 individuals) with some of their immediate needs. From October 2013 – July 2014 we undertook flood survivor personal assessments including emergency hotel, rent, utility, using more gift card for food and gas assistance as well as housing search help and other agency referrals. We have provided disaster case management to approximately 233 households. Many families were helped through a cash grant provided by Catholic Charities USA. We have continued to facilitate paperwork for flood survivor assistance requests from the offices of Weld Recovers case managers. Throughout this time we have participated with the Weld County Long Term Recovery Group (Weld Recovers). We have also worked with the State and FEMA. During that time we have played an integral role in helping to

develop and identify community priorities for disaster recovery. In so doing we have identified housing as a critical need for households made homeless by the floods.

The proposed project will rely heavily on the local support we have developed for our existing work in Greeley. In addition to these existing relationships, the proposed project will receive an allocation of project based vouchers from the local housing authority (for half of the units). We also plan to apply for a CDBG grant from the City in its next round. The City supported the shelter with a CDBG grant, and we expect continued success with this next phase. Unique to this project is the support we will receive from a local contractor, Hensel Phelps. Based on Greeley, Hensel Phelps is a national contractor. They have offered to waive their fees should they be selected to build this project; an arrangement that we previously enjoyed when they built the shelter and community center in 2011.

While we are confident that the housing authority would participate in the project in order to gain property tax exemption, we do not believe that is necessary. As a project serving homeless households earning less than 30% AMI we should qualify for exemption under the applicable state statute.

pab lihtc application narrative



Project Name: The Residences at the Ice House

Project Address: 517 12th St., Greeley, CO

The Residences at the Ice House is a proposed affordable multifamily development to be located at 517 12th Street, Greeley, Colorado. The development will be financed with tax-exempt private activity bonds, equity from the sale of federal and state LIHTC and CDBG DR funds. It will consist of the new construction of a mid-rise immediately east of the old Ice House building which will consist of 49 units, consisting of 1, 2 and 3BR units. (In a separately financed transaction, independent of the subject, there will be the adaptive re-use of the old Ice house to market rate rental apartments.) The City of Greeley has approved zoning for the project. The City is very supportive of development in this designated Redevelopment District, where performance options can allow alternative compliance for design standards. The developer will work with the High Plains Development Corporation, a 501c3 affiliate of Weld County-Greeley Housing Authority, to provide referrals to social services to the residents.

Amenities include surface parking, community room, on-site leasing office, fitness center and a playground. Additionally, all units will have a range, dishwasher, refrigerator, ceiling fans, washer/dryer hookups, and central heat/air conditioning.

The units will be available to households earning 60 percent of the area median income or less. The units will be offered at approximately the following rental rates:

1BR: \$600

2BR: \$700

3BR: \$800

These rents are below the maximum low income housing tax credit rents for families at 60% of the AMI and the 2BR and 3BR rents are below also below the HUD Fair Market Rents for Greeley.

The affordable rental market is especially tight in Greeley. The latest reports have the overall vacancy at 1.6% through the amazing oil and gas employment gains in the area. That is the lowest vacancy rate in the state by a large margin.

Project costs will total approximately \$13.2 million dollars, to be made possible by the equity generated from the sale of federal and state Low Income Housing Tax Credits, the use of State Division of Housing

CDBG DR funds to address the loss of housing from the Flood of September, 2013, a construction loan from a private lender and a permanent loan from the Colorado Housing and Finance Authority. The project developer is Garrison L. Hassenflu. Mr. Hassenflu is Managing Member of MW Development Enterprises, LLC, the development entity. He is also President of Garrison Management Company. These companies along with other affiliated companies make up the umbrella entity, Garrison Companies (www.garrisoncompanies.com). He has over twenty five years of experience in development, having developed over \$140,000,000 in affordable and mixed income living units totaling over 1300 units. Currently, he has a portfolio of seventeen projects totaling approximately 700 apartment units that he has built and managed in the last twelve years.

The project will be designed by E + A Architecture, St. Louis, MO, and will be constructed by Building Project Solutions, formerly, Fauss Wygo Construction, an Omaha, NE company. The development will comply with all of the mandatory requirements of the Green Communities Criteria.

The project is located in a Qualified Census Tract and redevelopment area which meets the criteria of the QAP that states: "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"

Located in Weld County, a locale impacted by natural disaster, the project meets the housing priority that states:" Projects in Counties impacted by a natural disaster"

The bond financing structure will include the following :

- a. Total amount of bonds will be \$5MM with \$2.68 in construction period bonds and \$2.32MM in permanent bonds privately placed with a conventional lender..
- b. The Applicant is seeking a CHFA bond-financed loan.
- c. It is expected that CHFA will be the permanent Lender using recycled funds.
- d. It is expected that all of the above referenced bonds that will be tax-exempt in order to meet the 50%.

The project meets the criteria for approval in Section 2 of the QAP as described below:

- a. Market conditions: Per the market study, because of the floods and other economic conditions, both the affordable and market rent segments of the rental market are very tight with very low vacancy rates and rising rents.
- b. Readiness-to-proceed: The project is not in a high readiness to proceed state at this time but the City has expressed its commitment to accelerate approvals to the extent possible.
- c. Overall financial feasibility and viability: The project has a high degree of feasibility and viability with rents set well below the current maximum affordable 60% rents.
- d. Experience and track record of the development and management team: Gary Hassenflu has successfully developed, owns and operates over 1,300 units of affordable housing in the Mid-west.
- e. Cost reasonableness: The cost of the subject is reasonable in comparison to other new construction LIHTC projects in Northern Colorado given the costs of land, labor, material and infrastructure.
- f. Proximity to existing tax credit developments: There are five other LIHTC projects in the same Primary Market Area as the subject; all have zero vacancies and have extensive waiting lists.

Homes Again	204 14th Street	Greeley	80631
La Casa Rosa	1011 W. C Street	Greeley	80631
Meeker Commons	911 6th St.	Greeley	80631
Stagecoach Gardens	1126 3rd St.	Greeley	80631
University Plaza	1534 11th Avenue	Greeley	80631

- g. Site suitability: The site is flat and easy to build on. The proximity to the railroad tracks to the west of the site has necessitated design features to mitigate noise. The site is very well-located with schools, parks and public buildings including city offices, library and other facilities and within walking distance of less than a mile.

Mr. Hassenflu has met with the local Housing Authority, Weld Recovers, Downtown Greeley, Inc. and the City Community Development Department to build support. All agencies and

organizations are supportive as evidenced by letters from them in the application. A public hearing was held announcing the intent to apply for the DR funds. The hearing was advertised in the Greeley Tribune to provide the community an opportunity to meet with the developer to learn about the project. Though only two individuals showed up, they were very supportive.

He has also met with Bob Hinderaker, representing Weld Recovers, an advocacy group for the flood victims of 2013. A project summary was provided to them that resulted in a support letter that is part of this application.

Mr. Hassenflu has also met with Tom Teixeira of the Greeley-Weld housing Authority who is supportive and offered a letter from his organization that appreciates our efforts to address the flood victims.

The local government has given us a credit towards the existing taps at the site to lower our tap fees. (See letter). Through their downtown Development District standards, they have relaxed parking and setback requirements which saves the project money. The site is small, being an infill site, so there was not a lot of room for a lot of parking and setbacks typical to greenfield development.

In addition, the narrative should address the following:

2. Identify which guiding principles in Section 2 of the Qualified Allocation Plan (QAP) the project meets and why it meets them:
3. Describe how the project meets the criteria for approval in Section 2 of the QAP:
 - h. Market conditions:
 - i. Readiness-to-proceed:
 - j. Overall financial feasibility and viability:

- k. Experience and track record of the development and management team:
 - l. Cost reasonableness:
 - m. Proximity to existing tax credit developments:
 - n. Site suitability:
4. Provide the following information as applicable:
- o. 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):
5. Address any issues raised by the market analyst in the market study:
6. Address any issues raised in the environmental report(s) submitted with your application, including how the issues will be mitigated, if 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):
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).

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.

pab lihtc application narrative



Project Name: Lyons Flood Recovery Housing

Project Address: 199 2nd Ave, Lyons, CO 80540

Introduction

Boulder County Housing Authority (BCHA) is pleased to submit the Lyons Flood Recovery Housing project for consideration. This vital project represents an opportunity for healing, recovery, and a chance to rebuild for one of the communities hardest hit by the 2013 floods. Just six short weeks ago, BCHA was selected by the Town of Lyons to be the developer of its affordable flood recovery housing, and BCHA's team is proud to submit the following application. This project meets the full intent of CHFA and CDOH's special disaster recovery round by providing new, affordable housing to assist in replacing housing destroyed in the 2013 flood and providing viable housing options to return displaced Lyons residents to the community. Our team is intensely focused on bringing home as many of the displaced residents as possible.

Project History

In the early morning of September 12, 2013, following several days of record rainfall totaling 17 inches, the North and South St. Vrain Creeks flooded their banks. Stream flows within the Town of Lyons crested above 26,500 cubic feet per second (CFS) easily surpassing the previous record set in 1941. Typical stream flows for the St. Vrain average 67 CFS for the month of September. With roads and bridges washed out or under water, the 2,050 residents of Lyons were cut off from the world and isolated on six different 'islands'. The entire town began evacuation on September 13, 2013 with the assistance of the National Guard. Every household and business was impacted as a result of flood waters, heavy rain, and/or destruction of infrastructure. All services including roads, bridges, access, water distribution, sewer collection, gas, electric, telephone, cell phones, cable, internet, gas stations, groceries, fire protection, law enforcement, bus service and ambulance were all simultaneously unavailable for a period of time ranging from six to twelve weeks depending on the location and extent of the damage. It is estimated that Lyons has sustained damages totaling nearly \$100 million. Prior to the flood, the Town of Lyons operated on a budget of less than a \$1.6 million annually.

With 20% of the housing stock significantly damaged, Lyons is now faced with multiple housing problems, both due to the impacts of the flood and the rising housing costs relative to incomes. The flood fundamentally affected the community in many ways, including the long-term displacement of 185 households from the homes they occupied prior to the flood due to:

- Destruction of approximately 70 homes, including 43 mobile homes that provided affordable options for low income households;
- Damage to approximately 98 other homes, some of which are unsuitable for occupancy, requiring repairs to be made before residents can return;
- Being forced by landlords to leave;
- Being required to sign long-term leases for housing elsewhere upon being displaced by the flood.

With the destruction of two mobile home parks and much of the Confluence neighborhood, the low income population in Lyons was particularly hard hit:

- 90% of the Town's low-income housing was severely impacted;
- The 2014 Housing Needs Assessment found households that have been unable to return earn much lower household incomes than Lyons households as a whole – about 50% less on average. The median income for still displaced households is only \$35,000, compared to about \$70,000 for all Lyons households.

In the months following the flood, the Town formed many recovery working groups, including a Housing Recovery Task Force dedicated to replacement housing. This group met for several months, analyzed 26 sites, and made a recommendation of three potential sites for new housing to the Board of Trustees. The work was tabled while the Board completed additional planning, goal setting, and community engagement. Part of this work included the Board passing a resolution affirming the goal of providing 50-70 units of recovery housing. In late October 2014, the Town of Lyons hired Trestle Strategy Group as a consultant to provide a Housing Site Analysis Study identifying the most viable parcels of land where flood recovery housing could be developed. The Housing Site Analysis Study analyzed over two dozen potential sites in Lyons, including many of the sites previously considered by the Housing Recovery Group. The analysis culminated with a presentation to the Board of Trustees on January 5, 2015 of the top two sites to consider for affordable replacement housing, Bohn Park, and the Williams Property. The properties were recommended based on meeting four threshold criteria and

sixteen compatibility and feasibility considerations. The Board of Trustees voted to move forward with the Bohn Park property for replacement housing.

The Town of Lyons subsequently released a Request for Proposals (RFP) for a master developer for the flood recovery housing project. Two development teams submitted proposals through this competitive process, BCHA and Element Properties. On January 20, 2015, the Town selected BCHA's team to design, finance and build the affordable replacement housing at Bohn Park. BCHA's team includes Habitat for Humanity, Workshop 8, Millender White Construction Company, and Trestle Strategy. We have branded ourselves Lyons Housing Collaborative. We anticipate the site will include 6-10 Habitat for Humanity homes, which are excluded from this application.

Bohn Park consists of 25.66 acres, of which approximately six acres will be used for this project. Bohn Park's proximity to Lyons' town center, local schools, an adjacent existing neighborhood park and greenway, and RTD stops are all excellent. The parcel also comes with many challenges. The most immediate challenge is that a vote of the people in Lyons is required for the Town to dispose of, sell, lease or otherwise use the property for non-park purposes. The question of the sale/disposal/lease and the "terms and consideration" must be presented as part of special election scheduled for March 24, 2015. BCHA presents this application to CHFA with the understanding that the project is contingent upon Town of Lyons voter approval.

On February 23, 2015, the Lyons Board of Trustees approved a development agreement between BCHA and the Town. On February 26, 2015, the BCHA Board approved the agreement as well. The agreement spells out the roles and responsibilities of the parties, the anticipated timeline for the project, and establishes site control through the form of a ground lease. The Board also agreed to contribute \$25,000 to pay for predevelopment expenses. Upon approval of the project by the voters, the Town of Lyons is committed to expedite the entitlement process and negotiations with existing covenant-holders on the property. The property was purchased using Great Outdoors Colorado Organization funding, who holds a covenant on the existing property. The Town of Lyons proposes to replace the existing six acre parcel with 12 acres of new dedicated park space, allowing Great Outdoors Colorado Organization to release its covenant. Additionally, the land is encumbered by a private agreement with an adjacent land owner. This agreement generally restricts all land uses except for education, passive

recreation and open space purposes and can only be modified by a mutual agreement of the parties. The Town and BCHA expect a positive outcome to this negotiation considering the urgency and need for the proposed housing use.

Project Strengths and Weaknesses

Strengths

- The Lyons Flood Recovery Housing project will directly address the critical need for new housing to serve low-income households who were displaced from Lyons during the 2013 flood.
- The project has significant support from the Town of Lyons, evidenced by the provision of a 99-year ground lease of Town owned land to support the project as well as a \$25,000 contribution to the project, partial property tax exemption, an early indication to waive some portion of the tap and impact fees due, and a commitment to be a partner to BCHA in accomplishing project goals.
- The developer, Boulder County Housing Authority, has significant experience in developing and managing LIHTC projects.
- Lyons Housing Collaborative has engaged in a robust community process, which has informed a site plan and project design that are responsive to the needs of displaced residents, adjacent neighbors, and the community at large.
- The building type, site design, and unit and affordability mix respond to the needs of displaced residents. The design also allows the project to fit into the residential fabric and is appropriate for the community layout.
- Units are large with good amenities and energy-efficiency on an attractive and well-located site.

Weaknesses

- The project is dependent upon voters affirming the use of the site for housing; this presents an obvious risk and weakness to the project.
- The proposed site requires extensive infrastructure improvements, and the local context and Town planning constraints require a fine grain, small scale approach to building, both of which are driving high per unit costs. With the immense amount of destruction and damage caused by the 2013 floods, construction demand and, consequently, construction costs, have risen to an almost prohibitive level. BCHA has identified multiple and significant sources of public financial support to help pay for this project.
- The project has a high capture rate. Since this project is specifically intended to target a specific resident group i.e. former Lyons residents displaced by the flood, initial lease up will not necessarily be affected by the higher capture rate.
- Footbridges destroyed by the flood will need to be reconstructed to ensure connectivity. This work will be undertaken as part of the nearby park and site development.

Construction Type

The Lyons Recovery Housing project will be made up of 24 buildings ranging in size from detached single-family homes to 6-plexes. Construction will be classified as Type VIB (non-rated) Construction under the 2012 IBC. All units will be fully sprinkled (NFPA-13R). All buildings will be stick-framed with blown-in fiber-glass insulation with an additional R-3 ridged on the exterior of the buildings. The windows will have minimum U Values of .30. The exterior of the structures will have a mix of cementitious, stucco and metal siding, all of which are very durable. All appliances will meet Energy-Star and all light fixtures will be either compact-fluorescent or LED. All plumbing fixtures will be low-flow.

Population Served

The primary population to be initially served by this project will be households who were displaced from their homes as a result of the 2013 flood. BCHA has worked closely with the Lyons Emergency Assistance Foundation (LEAF) to identify and communicate with these households. LEAF has been maintaining a list of displaced households interested in returning to

Lyons, should this project proceed. This list will become the basis of BCHA’s interest list for the project. On February 4, 2015, BCHA hosted a specific outreach meeting targeting displaced residents, residents of the Confluence neighborhood (the hardest hit neighborhood in Lyons) and current Lyons renters. These groups expressed strong interest in the project. BCHA is hosting another meeting on March 11, 2015, and will be continuing to keep these important potential residents informed of project updates and engaged in informing the design of the community.

BCHA has developed a preference policy designed to meet the flood displaced residents needs as well as workforce housing needs of the local Lyons community. The preference policy will target qualifying households displaced by the flood, as well as households who are current residents of the Lyons Area (defined as the 80540 zip code), municipal and school district employees, local business employees, those who are moving to the Lyons Area to be in proximity to immediate family among others. BCHA’s draft preference policy is attached to this application. While BCHA doesn’t usually implement preference policies for our site based housing, the preference policy has been a deeply important value to the local stakeholders, and we believe it is appropriate in the context of this small, tightly knit, flood ravaged community.

Units will be affordable to those earning between 30% - 60% AMI, as illustrated in the following bedroom mix chart.

	30% AMI	40% AMI	50% AMI	60% AMI	Manager Unit	total units	% of total	avg. size	Type (Flats, THs)
1 BR	1		8	7		16	26%	700	THs,2,3,4 plex
2 BR	2		14	12		28	48%	900	THs,2,3,4 plex
3 BR	1		8	7		16	26%	1250	THs,2,3,4 plex
4 BR									
Total						60	100%		
% of total						100%			

Location Amenities and Services

When voting to pursue using this property for replacement housing, the Lyons Board of Trustees put significant weight on the fact that the Bohn Park site was most integrated into the existing community fabric of Lyons. The property is in close proximity to Main Street, providing access to retail, shopping, grocery stores and other amenities. The site is also located within a 1/2 mile of an RTD public transportation stop providing service to the City of Boulder. All residents will receive a free EcoPass through the Town of Lyons. The site will have tremendous open space and park access with three sides of the parcel being surrounded by open space. This will include potential flood-damaged properties purchased through the FEMA 404 buyout program to remain vacant, as well as new open space located across the St. Vrain from the site and connected by footbridges. The project is also adjacent to the Lyons Middle/High School, providing ideal access for families with school-aged children.

Amenities

Individual units as well as the project as a whole will have exceptional amenities to serve the needs of displaced residents as well as the Lyons community as a whole.

Plans call for the following unit amenities:

- Patios and/or porches
- Energy Star appliances
- In unit washer and dryer
- Superior day lighting in units
- Recycled building materials
- Low VOC paints
- 9' ceilings
- Coat and linen closets
- Horizontal blinds
- Ceiling fans
- Fully vented hood range
- Dishwashers

Walking paths will integrate the site into the greater Lyons community and provide easy access to the surrounding park space as well as into central Lyons. The site will integrate public art into common spaces and provide a community center for residents. Lyons is a deeply creative community, with a high concentration of artists, musicians, and writers. We anticipate the community center as a hub for small performances and art space. Community gardens will be located on site, allowing residents the ability to grow food and garden.

Services

To meet the needs of our low-income residents, BCHA often provides a resident services coordinator who works with housing clients to provide resources and help connect them with beneficial services. A resident services coordinator can provide assistance obtaining other benefits offered through the County's Human Services. BCHA hopes to have a ½ time onsite resident services coordinator for the Lyons recovery housing.

Our service delivery includes partnerships with Boulder County Division of Housing and Human Services (BCDHHS) and other County offices to utilize our expertise when possible, plus the 12 municipalities that comprise the County, the private sector, local community-based organizations and trusted contractors.

Services Provided by BCDHHS and Boulder County:

- Within the BCDHHS and other County offices, we ensure that our residents' needs are assessed, and as eligible, provided access to housing, food assistance, social services funding, child care, and health care. This unique integration and alignment of resources within our structure allows residents a greater degree of services in a more “one-stop shop” manner, increasing communication between divisions (and decreasing client staff) and efficiently offering timely advocacy for our clients.
- Our client base and waitlisted applicants from our (Section 8 Housing Choice Voucher) Occupancy offices offer prospective, pre-screened tenants for our units, providing a stream of occupants which minimizes the high cost of filling vacancies.
- Our Housing Counseling Program, a HUD-approved agency, provides one-on-one guidance in the areas of budget, credit, homeownership preparation and offers homeownership education and financial management courses. These are designed to

promote housing stability (and reduce turnover) and assist residents in their transition from rental to market-rate housing, if/when ready.

- Our Housing Stabilization Program provides a financial safety net for eligible residents at risk of losing their home. Through this assistance, in the form of security deposits and rent payments, they benefit from a bridge to find work, develop better household budgets, and recognize and overcome barriers to their success.
- Our Flood Recovery Resource Navigation Team provides community outreach, case management, referrals for financial assistance resources, community coordination and housing location services, enabling us to use our internal expertise and proximity to flood recovery efforts to more efficiently serve our residents.

Energy efficiencies

Boulder County Housing Authority strives to design and build our projects to be as energy efficient as possible, and the Lyons Recovery Housing project is no different. Energy efficient design is something that has been heard continuously through our public engagement process and is clearly an aspect to the development that is highly valued by the Lyons community.

Energy efficient design and technology will include:

- Passive solar orientation and maximization
- All units will be photovoltaic ready
- Potential for geothermal heating and cooling system
- All units will feature Energy Star appliances
- LED and compact fluorescent light fixtures
- Low flow plumbing fixtures

Financing

The timing of this application is critical to the success of the project financing. An award of LIHTC during this round allows the project to take full advantage of CDBG-DR funding being offered during this funding round as well as 4% LIHTC and State LIHTC set-aside for disaster relief projects. In addition, the Town of Lyons, Boulder County, and BCDHHS have all provided preliminary commitments for funding this project. BCHA also plans to apply for funding from

the City of Boulder/Boulder-Broomfield HOME Consortium in 2015. BCHA is also deferring developer fee.

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 project will issue \$15,704,114 in private activity bonds at closing. The bonds will pay down post construction to \$6,030,000.

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).

The project has assembled private activity bond cap from Boulder County and the State of Colorado. Boulder County will issue the bonds at closing as conduit issuer on behalf of the tax credit partnership.

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.

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

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.

The project will be 100% affordable with rents ranging between 30% - 60% AMI to serve those households displaced by the 2013 flood. Through a ground lease from the Town of Lyons to BCHA the project will remain affordable for the duration of the 99 year ground lease.

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

The Lyons Flood Recovery Housing project will be a great opportunity for CHFA to distribute housing credits according to their goals. The Town of Lyons has never received an allocation of housing credits and this application seeks to secure this valuable resource for a rural community recovering from disaster.

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 Lyons Flood Recovery Housing project will serve families, individuals, seniors and households who were displaced by the 2013 flood. This project allows CHFA the unique opportunity to directly assist low-income households who were significantly affected by the 2013 flood.

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

The Bohn Park site is located within a half-mile radius of a public transportation stop with service to the City of Boulder. Through a community-wide EcoPass program, all Lyons residents receive a free RTD EcoPass.

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 Lyons Flood Recovery Housing project will support the new construction of affordable housing in a community with an urgent need for such housing. The 2013 flood damaged approximately 20% of Lyons housing stock, and disproportionately

displaced low and moderate income residents. This presents an urgent and critical need for new housing to help replace what was lost and provide affordable housing options for Lyons.

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

- a. Market conditions:** Market information in Lyons is very limited, and challenging to gather. Given the small size of the Primary Market Area, the market-study for the project indicated a high capture rate. BCHA believes that several unique factors suggest a high demand for the proposed units. The unique purpose of serving households who were displaced by the 2013 flood provides a significant advantage to the marketability of the project. The Lyons Emergency Assistance Fund hired a Displaced Resident Advocate to work directly with those most impacted by the flood. The Resident Advocate has been able to make contact with all but one displaced household. She reports that a majority of displaced households have a desire to return to Lyons, and demographics indicate that these households are very likely to income qualify. Through our community engagement process, we have met many local residents who are rent burdened, or in low quality or insecure housing situations. They are often deeply committed to living in Lyons and have made extensive personal sacrifices to do so. Additionally, BCHA's current properties in Lyons have a combined vacancy rate of 1.75%, indicating a strong demand for affordable rental units in Lyons. There are no LIHTC properties in the Primary Market Area.
- b. Readiness-to-proceed:** The Lyons Flood Recovery Project will proceed in a timely manner once the use of the site for housing has been affirmed by the Lyons voters on March 24, 2015. The site is currently owned by the Town of Lyons, and a development agreement has been executed between the Town of Lyons and BCHA, ensuring site control upon an affirmative vote on March 24, 2015. The ballot language for the vote also includes the rezoning of the site. BCHA has met with Town planning staff to map a course for entitlements in advance of September 2015, with financial closing and start of construction in October/November 2015. This aggressive timeline will ensure that the hard hit community receives the benefits of the valuable CHFA and DOH resources brought to the project as timely as possible.

- c. Overall financial feasibility and viability:** The project will be financially viable due to the commitment of local funding sources to the project as well as receipt of CDBG-DR funds. These funds will help to keep the debt on the project low enough to enable BCHA to serve those residents with the greatest need. Additionally, the provision of a \$1/year land lease from the Town of Lyons helps ensure financial feasibility of the project long into the future. This mechanism will also ensure that the project remains affordable for the longest period of time; 99 years.
- d. Experience and track record of the development and management team:** BCHA is well equipped to bring this project to fruition. Over the last four years, BCHA has successfully completed two substantial projects financed with LIHTCs and a variety of other federal, state and local funding sources. BCHA owns and manages 611 units of affordable housing in seven Boulder County communities, and BCHA's development staff has a combined 75 years of experience in the affordable housing industry. BCHA has six full-time professional property managers that oversee management of the BCHA portfolio, along with 13 maintenance staff responsible for the upkeep of the portfolio.

In addition, BCHA administers over 800 Housing Choice Vouchers. BCHA receives direct oversight from the Boulder County Commissioners, a three-member elected Board who also sit as the BCHA Commissioners.

BCHA is working with highly experienced design, construction, consulting, legal, and other team members to ensure the success of project implementation.

- e. Cost reasonableness:** The costs for the Lyons Flood Recovery Housing project are responsive to the unique needs of this disaster recovery project. Displaced residents as well as the Lyons community have indicated a desire for small scale buildings that minimize the number of attached units to help integrate the community into Lyons existing fabric. The site requires a significant infrastructure investment including long segments of roadway and utility extensions. These factors, combined with an escalating construction labor market have combined to create a project with a relatively high per unit cost. In response to these numbers BCHA worked diligently to find additional financing sources including, Boulder County Worthy Cause, City of Boulder HOME funds,

CDBG-DR and a significant investment from Boulder County Housing and Human Services.

- f. **Proximity to existing tax credit developments:** No tax credit developments currently exist within the Primary Market Area.
- g. **Site suitability:** The Bohn Park site was selected after a comprehensive analysis of over two dozen sites within the Lyons area. As stated in Project History, this rigorous study was performed by an independent third party consultant and presented to the Lyons Board of Trustees. Upon considering all of the options presented the Board of Trustees voted to pursue locating recovery housing on the Bohn Park property due to its proximity to central Lyons, Town ownership, access to infrastructure and close integration into existing neighborhoods. The site has a minimal slope (less than 2%) and is considered very constructible.

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):**
BCHA is underwriting a relatively high PUPA as a result of two factors: the design of the site and buildings and the inclusion of a payment in lieu of property taxes. The design of the project contemplates several smaller buildings designed to fit into the surrounding context. This may increase maintenance and upkeep costs and BCHA has increased these operating expenses as a result. Additionally, the Town of Lyons has requested a payment in lieu of property taxes for the project. This is currently underwritten at \$200/unit per year and included in the PUPA.

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

The market analyst made several recommendations in the market study, and are addressed below:

- Offer a Combination of townhomes, flats and single-family units: This recommendation has already been implemented into the design of the project. At the time the market-study was being completed, building types had not yet been determined. The current design offers a variety of building and unit types to match

demand and the recommendations of the market study.

- Unit Mix: The current unit mix responds to the needs and preferences of displaced Lyons residents. Upon an affirmative vote, BCHA will model an iteration with additional 1-bedroom units.
- Rents and Income targeting: The project offers units at between 30% AMI as well as other units at 50% and 60% AMI. Maximum affordability is a goal of the project and is reflected in the present unit and affordability mix. To the extent additional soft sources, or more favorable funding terms become available, BCHA will prioritize lowering rents.
- Adding porches or patios on all units: BCHA will evaluate the construction cost tradeoffs associated with adding porches to all units while still maintaining affordability.
- Work with the Town to ensure that a pedestrian bridge is re-installed over the St. Vrain to connect the site with the Confluence neighborhood and downtown area: After an affirmative vote, this work will be undertaken as part of the nearby park and site development.

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 Assessment conducted by ALTUS Environmental in February 2015 found four recognized environmental concerns. These are:

1. The imported fill used to restore areas of the park eroded by the September 2013 flood is considered a REC because the source of the fill is unknown and impacts to the soil may exist.
2. The construction materials, temporarily stored on the site, represent a REC because the source of the material is not known, and whether the soil beneath

the stored materials has been impacted.

3. Preserved wood power poles are being stored adjacent to the construction material storage at the site. The wood poles are most likely preserved with creosote, pentachlorophenol, or arsenicals, therefore, are considered a REC.
4. There is an unregulated AST located on the adjacent, upgradient property. Since the tank is unregulated, the history of the tank is unavailable. A visual observation may not reveal any potential for, or impacts to, the site.

The Town of Lyons staff has given verbal indication to BCHA that items 1-3 do not represent substantial risk. BCHA will investigate the mitigation necessary for these issues upon an affirmative vote to use the site for recovery housing. Upon further investigation, if any items present concern, BCHA will mitigate any environmental hazards according to industry best practice.

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):

BCHA has performed extensive public outreach to the community for this project. Beginning immediately after the flood, BCHA began supporting Lyons in their emergency response and recovery efforts. Our support included providing technical guidance to the Housing Recovery Task Force, a group of appointed citizen volunteers tasked with making recommendations on how to best replace the housing lost in the flood. Through this process BCHA attended over three dozen meetings and heard the thoughts, concerns and issues of Lyons residents as they relate to flood replacement housing. BCHA coordinated and funded the 2014 Housing Needs Assessment to help the Town assess the impact of the flood on the housing situation. This document has informed many of the conversations regarding the housing crisis that resulted from the flood and also drew attention to the fact that there was a significant dearth of affordable housing in the community prior to the flood.

In support of the Housing Recovery Task Force's efforts to narrow possible housing sites, BCHA and WORKSHOP8 provided detailed site analysis for several of the parcels under consideration at the time, including Bohn Park. This analysis included estimates on the cost of development, a

legal analysis of all restrictions on a given parcel, regulatory issues faced by each site, among others. BCHA also presented the results of the analysis to the Board of Trustees. Providing this work prior to being selected as the master developer for the site gave BCHA a unique familiarity with many of the opportunities and constraints that the Bohn Park site presents as well as the community's concerns regarding view sheds, loss of park land, and integration of new development in the existing neighborhood.

Once selected as the master developer, BCHA immediately began working with a consultant, Trestle Strategy Group, to implement a robust and inclusive public engagement plan. This plan has included several key components:

- **Storefront:** BCHA and Trestle Strategy Group staff a small storefront located on Main Street in Lyons three times per week to provide a space for interested community members to learn about the project. The space includes community planning documents, interactive maps, inspiration/visioning imagery, comparable affordable housing project information, and additional resources. The storefront has encouraged many one-on-one dialogues between BCHA and the community and has helped to address many of the concerns around the project.
- **Weekly walk-about:** Every Monday afternoon a combination of BCHA, Trestle, Habitat for Humanity, Workshop8, and Town of Lyons staff host a 'walk about' on Bohn Park. This allows for interested community members to walk the site with the Lyons Housing Collaborative team to help envision the possibilities as well as get direct answers to questions they may have. The informal setting has encouraged a meaningful dialogue about context, integration into the surrounding community and other important site planning considerations.
- **Community meetings:** BCHA has hosted six community open houses, forums and presentations to gather feedback and provide updates to the Lyons community. These community meetings have been highly interactive and engaged a wide variety of community members, including displaced residents.
- **Facebook updates:** BCHA and Trestle created a Lyons Housing Facebook page to update the community of upcoming meetings, design documents, and provide fact-based information related to recovery housing, site planning and the funding process.

- Newsletter updates: BCHA and Trestle utilized a weekly newsletter to distribute timely updates related to the housing development process, timeline, design, meetings, opportunities for input and funding process.
- Website: BCHA and Trestle created a Lyons Housing Collaborative website to provide additional information and resources for community members.
www.lyonshousingcollaborative.com
- FAQ: we have provided written answers to over 100 questions in an FAQ, also available at www.lyonshousingcollaborative.com.

The community has demonstrated a high level of interest and engagement in the site and the opportunity for recovery housing, participating extensively in all of the above forums.

- 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.

pab lihtc application narrative



**Project Name: OAKRIDGE SENIOR APARTMENTS
FORT COLLINS, COLORADO**

NARRATIVE

Introduction:

Oakridge Senior Apartments will help meet the tremendous growing need for affordable senior housing in Fort Collins and Larimer County.

Oakridge Senior should be selected because:

- The natural disaster of September 2013 impacted all housing in the county. Residents with the lowest incomes were most affected. This includes seniors.
- The Fort Collins vacancy rate is the lowest in 13 years at 1.7% in the first quarter, compared with 5.2 % statewide.
- All existing affordable senior apartments are full and no projects, except for Oakridge Senior, are planned.
- The senior population continues to grow, out-pacing increases in all demographic groups. The need for Oakridge Senior would exist if there was no flood.

This Narrative provides a complete description of the project, the neighborhood, the development team, the overwhelming local support and the services that are available for future residents.

This exciting new senior community deserves a reservation of tax credits.

1. Bond Financing Structure:

The bond financing structure will include the following:

- a. Total amount of bonds will be \$13.9MM with \$4.0MM in construction period bonds and \$9.90MM in permanent bonds.
- b. The Applicant is seeking a CHFA conduit bond issue only.
- c. The Lender will be a commercial bank with a private placement, short-term bonds to be taken out by tax credit equity and CDBG/DR funds.
- d. It is expected that all of the above referenced bonds will be tax-exempt in order to meet the 50% test.

2. Meeting Guiding Principles:

Oakridge Senior Apartments is unique in that it meets seven (7) of CHFA's guiding principles.

Guiding Principle: To support rental housing projects serving the lowest income tenants for the longest period of time

Oakwood Senior will serve very low income seniors who earn no more than 30% AMI, 40% AMI 50% and 60% AMI.

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

McDermott Properties analyzed affordable housing needs across the state. CHFA's priority emphasis on areas impacted by a natural disaster directed us to Larimer County. We found serious housing devastation, displaced people including many seniors and a rapidly growing senior population.

Guiding Principle: To provide opportunities to a variety of qualified sponsors of affordable housing, both for profit and non-profit

McDermott Properties, LLC, a for profit sponsor, and it's non-profit co-developer, the American Community Experience, Inc. appreciates the opportunity to provide affordable senior homes in Fort Collins.

Guiding Principle: To distribute housing credits to assist a diversity of population in need of affordable housing, including families, senior citizens, homeless persons and persons in need of supportive housing

Oakwood Senior Apartments will provide quality affordable apartment homes for lower income seniors, thus meeting the diversity of population principle.

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

Oakwood Senior Apartments is located 4/10 of a mile from a TransFort Bus Service stop, where 25 buses are available daily.

Guiding Principle: 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

Oakwood Senior is asking for an allocation of credits (Federal and State), which when coupled with Disaster Relief Funds, will create adequate financing for the project. Oakwood Senior will operate with a 1.15 debt service coverage ratio thus providing low income housing throughout the credit period.

Guiding Principle: To support new construction of affordable rental housing projects

Oakwood Senior Apartments will provide 126 newly constructed senior apartments with supporting amenities including a physical fitness center, library, pool hall and crafts room. This new construction will be built from the ground up on land that is currently vacant.

3. Housing Priority: Projects in counties impacted by natural disaster

This year CHFA is prioritizing projects in counties impacted by a natural disaster. Oakwood Senior Apartments is located in Larimer County, Colorado, an area severely impacted by the 2013 flood.

The Disaster

During the week of September 9, 2013, a slow moving cold front stalled over Colorado, clashing with warm humid monsoon air flow from the south. This resulted in heavy rains and catastrophic flooding along the Front Range, from Fort Collins south to Colorado Springs.

The flood waters spread across a range of almost 200 miles, affecting 17 counties. Governor John Hickenlooper declared a disaster emergency on September 12, 2013 for 17 counties, including Larimer County. Federal emergency declarations covered these counties on September 15, 2013.

Larimer County was hard hit with 1,120 square miles affected by flooding and 1,500 homes and 200 businesses destroyed. An additional 4500 homes and 500 businesses were damaged. Three dams failed and major as well as minor roads and bridges were destroyed or severely damaged.

Displaced Seniors

Thousands of Larimer County citizens were displaced, losing homes and belongings. Many of these citizens were seniors. Oakwood Senior is being developed to assist seniors affected by this natural disaster, as well as other seniors that make up the surging Larimer County senior population which has increased to 12.9% of the total population.

Impact of the Disaster

The full impact of the natural disaster and the response to the need created by the catastrophic damage is detailed in the Colorado Partial Action Plan for Disaster Recovery. This 118 page plan is available on line at:

http://dola.colorado.gov/ckbg-dr/sites/dola.colorado.gov.cdb-r/files/cdbg-dr_docs/Colorado%20Partial%20Action%20Plan%2021_14FV.pdf.

The Action Plan states that the impact on rental housing was severe. This impact was greatest on people with low to moderate incomes, particularly those earning less than \$30,000 per year.

The Plan also states:

"Vacancy rates have gone down in Larimer and Weld Counties while rent prices have gone up. This contraction in the housing market post-flood identifies a recurring need that will be addressed by constructing more affordable units." (Page 22)

Oakridge Senior Apartments is a response to CHFA's Housing Priority and the Action Plan's demand for construction of affordable units.

4. Criteria for Approval

a. Market Conditions:

The Fort Collins/Loveland vacancy rate hit a 13 year low of 1.7% in the first quarter 2014, compared with 5.2% statewide.

The demand for affordable senior housing in Fort Collins has intensified because of the flood and the growing senior population.

Flood Impact

The flooding of September 2013 put more pressure on rental units due to the destruction and/or damage of apartments, single family houses and mobile homes.

Unfortunately, as described in the State of Colorado's "Partial Action Plan for Disaster Recovery," lower income individuals and families were hardest hit by the disaster.

This situation is substantiated by the occupancy reported by the five (5) comparable senior properties identified in the Market Study. **Each comparable senior community is 100% leased.**

Due to September's floods, all rental apartments in Larimer County have been impacted. Displaced renters, homeowners and mobile home occupants have migrated to existing apartments that were undamaged. This migration has lowered the capture rate for Oakwood Senior Apartments.

Aging Population

The steady, continuing growth of the U.S. senior population, which is mirrored by increasing numbers of Fort Collins/Larimer County seniors, warrants the construction of new affordable senior housing even if there had been no flood.

This need will continue as the U.S. elderly population is projected to more than double by the year 2030 to 78 million.

A report by the AARP Foundation states that,

"... today, approximately 13 million low-income 50+ households in America cannot afford their housing costs and/or live in inadequate housing. Many are paying over 30 percent of their household income to maintain housing that barely meets their physical needs. Many find themselves forced to choose between paying their mortgage or rent and buying groceries or medicine.

The AARP Foundation report also states that,

"...with insufficient new construction of rental housing, affordability is likely to remain an issue...with supply remaining low, rents will only continue to rise..."

Capture Rate

The Existing Capture Rate is 14.5%.

When Oakridge Senior (126 units) is added to the market, the rate is 23.1%, below the 25% rate benchmarked in the QAP. Because the rate changed by 6.0%, additional information is needed to support new apartments.

Oakridge Senior is needed because:

- **No other affordable senior projects are planned in the area**
- **The other affordable senior communities in the area are 100% occupied**
- Larimer County was one of the three hardest hit in the state (Weld and Boulder were the other two)
- 28,363 dwellings impacted, 1,852 destroyed (estimate found in Colorado Partial Action Plan for Disaster Recovery)
- 2,500 rental properties sustained physical damage (FEMA Full Verified Loss Data)
- Seniors and families had to abandon their homes
- Those with low to moderate incomes were most impacted
- Larimer County has largest population of people with low incomes, particularly those earning less than \$30,000 (compared to Boulder and Weld, page 22 of the Plan)

Superior Location

Oakridge will benefit from being across the street from the very high end MacKenzie Place senior development where the monthly charge for shelter, food and services averages over \$3,000 per month. Being in the same location but with markedly lower rents can only help attract seniors who make too little to live in McKenzie House and too much to qualify for Section 8 or Public Housing.

Fort Collins Attracts Seniors

Fort Collins attracts seniors. The city has ranked as high as Number 1 (in 2006), 6th (in 2010) and 70th (2012) on *Money Magazine's* list of the top 100 Best Small Cities in which to live in America. In 2003, *AARP The Magazine* named Loveland/Fort Collins at the top as "The Best Place to Reinvent Your Life."

Fort Collins received the following honors and recognition:

- 2013 Best Towns in America: [Outside Magazine](#) - Oct 2013
- 4th Healthiest Mid-Size City in U.S.: [2012 Gallup-Healthways Survey](#) -
- Ranked 3rd on Allstate America's Best Drivers Report: [AllState](#) - Sep 2012
- One of the Top 10 Best Places to Retire: *CBS Money Watch* - Feb 2012

- One of the Top Ten Places to Retire in the Nation: *Charles Schwab's On Investing* - Apr 2011

b. Readiness-to-Proceed:

McDermott Properties is ready to develop and construct Oakridge Senior Apartments.

- ✦ The site is zoned for apartments (see enclosed Zoning Letter from the City of Fort Collins Planning Office).
- ✦ The Phase I Environmental Report indicates that the site is environmentally "clean," with no present hazards.
- ✦ Initial schematic drawings have been prepared by the project architect. Oakridge Senior Apartments will be similar to our Dahlia Square Senior Apartments and Conter Estates Senior Apartments in design, construction and operations. Oakridge expands and improves on the Dahlia and Conter apartment design.
- ✦ Our construction cost estimates are competitive and the General Contractor is experienced.
- ✦ An experienced tax credit investor (RBC Capital Markets) has offered to purchase the credits; construction and permanent financing is available (CHFA, Bank of America, CitiBank).

c. Overall Financial Feasibility and Viability:

Our development team has worked hard to improve the feasibility and viability of Oakridge Senior Apartments. Use of State Tax Credits and Disaster Relief funds help to create feasibility.

Project financing has been structured to maximize debt to the extent possible and reduce the amount of tax credits necessary for sound project feasibility.

By using an experienced, qualified Fort Collins based General Contractor, we reduced hard construction costs significantly.

We have effectively controlled costs and closely managed the construction process. Our costs are lower, our credit request is lower.

- ✦ Permanent financing will be requested from CHFA or CitiBank, once it is determined which offers the most affordable interest rate and terms.
- ✦ If necessary, a portion of the Development Fee could be deferred to further reduce any gap between sources and uses to a level that will permit the fee to be paid within 15 years.
- ✦ Competitive tax credit pricing from RBC Capital and Boston Capital helps create strong financial feasibility for Oakridge Senior.

McDermott Properties has a long history of developing and operating affordable housing complexes in a highly efficient and responsible manner that has earned industry recognition and praise from investors, lenders, local communities, state and federal agencies and above all, satisfied, happy residents.

d. Experience and Track Record:

McDermott Properties is one of Colorado's leading tax credit developers. Serving as a General Partner/Developer in 20 projects, including new construction and acquisition/rehabs, McDermott Properties has developed 2,017 affordable apartment homes for individuals, families and seniors.

ComCap Asset Management, Inc., owned by McDermott Properties, has proven its experience and capacity in marketing, lease up, management and compliance for thousands of affordable housing units.

ComCap currently manages 2,306 tax credit units and has a stellar track record with no compliance issues. Further, the number of units managed by ComCap creates significant operating cost efficiencies and economies of scale resulting in lower operating expenses.

Phase One of Dahlia Square Senior Apartments, a prime example of ComCap's experience, was 100% leased three (3) months ahead of schedule. Phase II of Dahlia was leased in 30 days. Compliance performance has been timely, precise and correct.

Our Development Team includes seasoned and industry recognized professionals in the legal and accounting areas.

Legal: Faegre, Baker, Daniels, Bill Callison

Accounting: Novogradac and Company, Mike Morrison

e. Cost Reasonableness:

The "hard cost per unit" for Oakridge Senior Apartments, a project virtually identical to our Dahlia Square, is currently budgeted at \$109,876 per unit and is pricing forecasted through year 2016 when the project is proposed to be constructed. When comparing the cost of construction for Dahlia Square in 2010 with that of Oakridge Senior proposed for 2016 the cost per unit has increased a modest 15% over a 6 year period, or about 2.5% per year, (a very reasonable increase in the overall hard costs of construction.)

Our selected General Contractor is a local Ft. Collins contractor using local subcontractors which allows for pricing well below that received from comparable Denver based General Contractors who are currently quoting a "hard cost per unit" around \$127,746 per unit, an increase over 35% or annual increase of approximately 6% over the costs to construct Dahlia Square Senior in 2010. Our decision to select a local Ft. Collins General Contractor experienced in multifamily apartment development has resulted in a reasonable cost escalation which was not obtainable when considering the use of a General Contractor from the Denver Metro area. This in turn has resulted in a need for fewer tax credits in order to make this a viable project.

f. Proximity to Existing Tax Credit Projects:

In the primary market area, there are five (5) existing tax credit properties with units designated for low income seniors.

These are:	<u>Distance from Oakridge</u>
✦ Reflections Senior Apartments	1.8 miles
✦ Woodbridge Senior Apartments	6.8 miles
✦ Legacy Senior Residences	6.9 miles
✦ Windtrail Park (10 units designated for seniors)	5.3 miles
✦ Mirasol	12.3 miles

All of the surveyed properties were 100% occupied with the exception of 1 vacant unit at Reflections.

No other senior tax credit projects are proposed or planned for the Ft. Collins market area. Since all existing senior communities are 100% leased, Oakridge Senior will not compete with the existing projects.

g. Site Suitability:

The Oakridge Senior site is extremely well suited for an affordable senior community. Additionally, the site qualifies as a transit oriented site (TOD).

Located on McMurray Avenue, a few hundred feet south of a major east-west arterial street (Harmony Road), Oakridge Senior is across the street from MacKenzie Place, a large market rate senior community consisting of independent living apartments, assisted living units, memory care facilities and senior cottages.

MacKenzie Place took the lead in establishing the area as a desirable place for seniors to live. This market rate community is completely full, contains 147 units, and has a waiting list.

Because of the high rents charged by MacKenzie Place it is doubtful people on their waiting list will be income eligible for Oakridge. However, MacKenzie Place has caused the location to be identified as a "senior area", which will enhance the marketability of Oakridge Senior Apartments. The development of Oakridge Senior will complete the spectrum of senior living options by adding an affordable component to the housing mix.

Nearby dining and shopping options add to site suitability. Six restaurants (not fast food) are within one (1) mile of the site. A Safeway super market is one (1) mile away. Sam's Club, Office Depot and Staples are one (1) to one and one-half (1½) miles from the site.

A hospital is located 6/10th of a mile away (1 minute). This is the Poudre Valley Hospital Harmony Campus.

Good public transportation enhances the suitability of this TOD site. Regular transit bus service is available throughout the day.

State Credit Requirement: Public Hearing

A Public Hearing was held. See state credit section of Application for details.

State credit requirement: Local Government Contribution

See state credit section for details.

5. Waivers

a. PUPA Waiver

Waivers are requested for a PUPA that is below the CHFA \$3900 PUPA for senior properties.

Expenses are Below Required PUPA

Oakridge Senior Apartments annual operating expenses, as of the end of the first full year of operation, are estimated to be \$3652 per unit (excluding replacement reserves). This is \$248 per unit below CHFA's requirement of \$3900 per unit.

The 2015 Qualified Allocation Plan allows senior projects to present lower expenses based on actual expenses from an existing senior property.

Additionally, a lower PUPA may be accepted for projects exempted from real estate (property) taxes.

Oakridge Senior Apartments is estimated to have lower operating expenses due to:

1. Lower expenses based on actual expenses from Conter Estates and Dahlia Square Senior Apartments.

2. An exemption from real estate taxes.

b. Utility Allowance Waiver

Oakridge Senior Apartments will be designed as a Green Community. The architectural, structural, electrical and plumbing systems will be the same, if not improved, over the design of Dahlia Square Senior Apartments.

Oakridge plans to use the Energy Consumption Model (Option 3) of the IRS Treasury Regulation regarding utility allowances for tax credit properties. This Model was submitted to CHFA and approved for Dahlia Square.

Because the construction drawings for Oakridge Apartments will not be completed until the project receives a reservation of tax credits, it is not yet possible to complete the Energy Consumption Model. Based on experience with Dahlia Square Apartments, McDermott Properties is asking CHFA to allow a submission of Oakridge utility allowances based on the Dahlia Energy Consumption Model.

6. **Market Study:** No issues were raised in the Market Study.

7. **Phase One Environmental Study:** No issues were raised in the Study.

8. Outreach and Local Support

There has been strong interest and support for Oakwood Senior Apartments. The need for additional affordable senior housing became particularly acute due to the September 2013 floods that caused Larimer County and surrounding areas to be categorized as "natural disaster" areas.

Newspaper Stresses Need for Affordable Housing

In March, April and May 2014, the Coloradoan, Fort Collins' major daily newspaper, ran a series of articles focusing on the need for affordable housing in Fort Collins. The newspaper characterized the lack of affordable housing as a "crisis."

Each article dealt with a different aspect of the crisis and were titled:

- ✦ "Seniors with Limited Incomes Seek Security Amid Rising Costs"
- ✦ "Working Class Moves Out"
- ✦ "Hundreds Displaces as Mobile Home Parks Disappear"
- ✦ "Rental Market Gets Even Tighter"
- ✦ "Higher Land, Labor, Permit Costs Send Housing Prices Up"
- ✦ "Middle Class Pushed to Fringe"
- ✦ "Housing Shortage Threaten Spirit of Fort Collins"

These articles stimulated much discussion and even public embarrassment because Fort Collins citizens and the government see themselves as supportive of all income groups. The article dealing with seniors follows. All articles are available upon request to McDermott Properties.

McDermott Properties Invited to Participate in City Workshops

McDermott Properties was honored to be asked to participate, along with other stakeholders, government officials and concerned citizens, in a series of workshops sponsored by the Fort Collins Office of Social Sustainability. The workshops were held in March, April and concluded in early May 2014. Each workshop was attended by approximately 100 people and explored, discussed and developed possible solutions to the Fort Collins affordable housing crisis.

The end result of these professionally conducted workshops was a decision of the Fort Collins City Council, led by Mayor Weitkunat, a strong affordable housing advocate, to develop a Fort Collins plan to solve the problem.

The proposed Oakridge Senior project was discussed extensively during the workshops, and gained much support.

City Meetings

Meetings have been held with the City of Fort Collins Office of Social Sustainability, the Planning Department, Building Department and members of the City's Affordable Housing Committee. Each meeting confirmed the urgent need for Oakridge Senior Apartments and offered support. The Office of Social Sustainability provided direction and guidelines for City financial support in the form of CBDG and/or HOME funds. The City provided information on possible waivers of City fees in order to cushion the financial burden.

Actual commitments cannot be made until Oakridge receives a reservation of tax credits and becomes a reality. Fort Collins recognizes the particular need for affordable senior housing, due to the growing senior population which makes up 12.9% of Larimer County's population.

City financial support would come in the form of the waivers of certain City fees.

Citizen Input

McDermott Properties conducted a survey of Fort Collins residents in the vicinity of the proposed Oakridge Senior Apartment site. Going door-to-door in the area on June 18th, 19th and 22nd, the project was introduced to residents.

Of the 146 residents:

- 69 signed in support of Oakridge
- 31 stated they supported the need for more affordable senior housing in the City, but needed more information in order to support the specific project
- Only four residents stated they did not support the project
- The other 42 contacted residents that did not sign indicated they were "too busy", had "no opinion", "don't sign anything", etc.

The signatures may be found in the Correspondence Section.

Other Support

Meetings were held with the Fort Collins Housing Authority which encouraged us to proceed with the project and provided a letter of support and a letter indicating they would refer potential residents to Oakridge Senior.

The Fort Collins Senior Center has been approached and Oakridge Senior residents will be able to participate in the center's many programs for seniors.

It is gratifying to work with a community that recognizes the plight of lower income citizens. Fort Collins Office of Social Sustainability is unique in its mission and represents the attitude of the City regarding the well-being of all citizens.

Community Letters: Overwhelming Support

Our out-reach into the community has produced many letters of support, all of which are included in the Correspondence section of this application.

To summarize:

Jared Polis, Congress of the United States, 2nd District, Colorado

Representative Polis is a strong supporter of the tax credit program. He points out that many seniors in his District cannot find affordable housing. He urges support.

John M. Kefalas, State Senator, Fort Collins, District 14

Senator Kefalas saw first-hand that thousands of citizens, including seniors, were displaced by the flood. He urges support for displaced seniors and other seniors that make up the growing Fort Collins population.

Denise Selders, Colorado Division of Housing

Ms. Selders, who is working in flood ravaged Larimer County urges support of Oakridge Senior Apartments, and notes that, if needed, CDBG disaster funds are available. Due to careful project planning, Oakridge Senior will not need disaster relief funding.

Sue Beck-Ferkiss, Social Sustainability, Fort Collins

Ms. Beck-Ferkiss is a Fort Collins leader with responsibility for increasing the supply of affordable housing. Urging support of Oakridge Senior, she points out that our project aligns with the City's affordable housing goals.

Julie Brewen, Executive Director, Fort Collins Housing Authority

Ms. Brewen urges support, pointing out that Fort Collins has the lowest vacancy rate in the state at 1.7% vs. 5.2% statewide. The devastating impact of the September 2013 floods has made affordable housing a higher priority.

Scott Beethe, President, Larimer County Foundation on Aging

Mr. Beethe points out that Larimer County is experiencing a senior affordable housing crisis. Projections show the county will have 20% of its population over the age of 60 by 2020, compared to 13% for the rest of the state. He urges approval of Oakridge Senior Apartments.

Samuel G. Betters, Executive Director, Loveland Housing Authority

Mr. Betters supports Oakridge Senior and offers to add the property to their list of communities eligible for Section 8 vouchers.

Helen Davis, Committee Chair, Office on Aging, Larimer County

Ms. Davis and the entire committee unanimously endorsed Oakridge Senior, pointing out that the committee has been seeking solutions to the senior housing shortage for some time, due to the acute lack of affordable housing.

Guy Mendt, Larimer County Regional Director, Catholic Charities

Mr. Mendt, on behalf of Catholic Charities, carefully studied the proposed project and offered full support due to the critical unmet need for affordable senior housing.

Pastor David J. Niquette, Christ Center Community Church

Pastor Niquette is well aware of the shortage of affordable senior housing in Fort Collins. He points out there is "serious need" and offers "heart-felt support" for Oakridge Senior.

Pastor Bert Wright, Council Tree Covenant Church

Pastor Wright notes the high cost of living in Fort Collins and the impact this has on low income seniors. He and his church "strongly supports" construction of Oakridge Senior Apartments.

Pastor Melissa St. Clair, Heart of the Rockies Christian Church

Pastor St. Clair points out that it is extremely difficult for lower income seniors to find a decent place to live in Fort Collins. She appreciates the proposed location and urges support.

Crystal Day, President/CEO, Rehabilitation and Visiting Nurse Association

Ms. Day is pleased to see Oakridge Senior Apartments is proposed for Fort Collins. As northern Colorado's only non-profit community based home healthcare agency, the Association is prepared to serve Oakridge residents.

Diane M. Stobnicke, Division Director, Northern Colorado, Volunteers of America

VOA definitely supports the development of affordable senior housing to ensure safe homes for the most vulnerable in Fort Collins. VOA services will

be available to our residents.

Lynda Meyer, Program Manager, Office on Aging, Larimer County

Ms. Meyer states that the lack of affordable senior housing is a difficult and ongoing challenge. Because of the critical need she hopes Oakridge Senior will be approved.

Joanne Vande Walle, Executive Director, Elderhaus

Ms. Vande Walle pledges the services of Elderhaus to Oakridge Senior Apartments, should it become a reality.

Linda Gabel, Owner, Seniors Helping Seniors

Ms. Gabel points out the acute need for affordable housing in Fort Collins. Her organization supports the approval of Oakridge Senior Apartments.

pab lihtc application narrative



Project Name: Village on Redwood

Project Address: Parcel #9701200021, Redwood Street, Fort Collins, CO 80524

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 72 new units of affordable housing in north Fort Collins at the Village on Redwood. 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. Centered on a large community green, the Village on Redwood offers opportunity for recreation as well as peaceful retreat with the adjacent pond and natural area. Townhomes will line Redwood Street, creating a strong connection with the surrounding community, and all units will have outdoor space to enjoy the views. With significant financing sources already committed and schematic design completed, FCHA is ready to move the Village on Redwood project forward to help address a critical community need.



With so many homes damaged, destroyed or made inaccessible by the High Park Fire and the 2013 Larimer County floods, the already strained rental market is now a serious problem for the Fort Collins area. Many of those impacted by the disasters are faced with having to choose very expensive housing options in order to stay in the community. Long term rentals are scarce and affordable options are extremely limited.

Village on Redwood will offer much needed relief to the affordable housing rental shortage situation. It will assist the local workforce, as well as truly low-income residents, in meeting the housing needs of their families. This project will both assist the flood victims and those residents displaced by the High Park Fire.

Program Overview

Village on Redwood will include 72 new units of affordable housing with 36 “townhouse” units and 36 “flats” units separated into 12 individual buildings surrounding a large community green. The mix of unit types includes 1, 2, 3, and 4—bedroom units.

Bedroom and Unit Mix

Townhomes

- 30 two-bedroom/1.b bath
- 4 three-bedroom/2 bath
- 2 four-bedroom/2 bath

Flats

- 9 one-bedroom/1 bath
- 12 two-bedroom/1 bath
- 15 three-bedroom/2 bath

AMI Target

- 13 units at 0-30% AMI
- 10 units at 31-40% AMI
- 19 units at 41-50% AMI
- 29 units at 51-60% AMI

Income and Bedroom Table

	30% AMI	40% AMI	50% AMI	60% AMI	Manager Unit	Total units
1 BR	2	3	3	1		9
2 BR	11	6	10	14	1	42
3 BR		1	6	12		19
4 BR				2		2
Total	13	10	19	29	1	72
% of total	18.1%	13.9%	26.4%	40.3%	1.4%	100%

The 13 units at 0-30% AMI will serve households holding Rental Assistance Demonstration (RAD) vouchers and relocating from Public Housing. The RAD voucher rents are higher than the 30% AMI rents, and these units will be occupied by households that will be relocating from Public Housing and receiving vouchers through HUD's RAD program. The Fort Collins Housing Authority has 154 units of Public Housing that it will be selling, a decision based on the inefficiency of managing scattered units and a preference to replace units with higher quality housing. Households that are being relocated are participating in the Family Self Sufficiency program.

Unit amenities include:

- In-unit washers and dryers;
- Balconies or patios;
- Microwaves;
- Energy efficient heating and air conditioning;
- Exterior storage lockers (located next to the stairs for the flats and off of the patios in the townhomes); and
- Great room floor plan.

Common area project amenities include:

- Community building with two offices for property management, a fitness room, kitchen, great room with pool table and seating, entrance/lobby area, WiFi and patio;
- Covered and uncovered bike parking, with one space per unit;
- A large tot lot;
- A community green sufficiently large for various games and other activities;
- A community garden with raised beds and a tool shed;
- A pedestrian/bike path that loops throughout the site; and
- Bicycle storage and parking areas.



Location

The Village on Redwood is located in desirable north Fort Collins, less than 1.5 miles from the heart of downtown Fort Collins. The flat vacant site is surrounded by an established single-family neighborhood with parks, schools, bike trails, and convenient access to the services and retail on the North College Corridor. A bus stop with regular and direct service to the MAX Bus Rapid Transit line is less than 0.2 mile from the site.

Within ½ mile of the property (Comfortable 10-minute walking distance)

- Food Bank of Larimer County
- JAX Outdoor Gear
- Redwing Marsh Natural Area
- Greenbriar Park
- Redwood Bike Trail
- Salud Family Health Clinic
- 2 Transfort bus routes (#8, #81)
- Department of Human Services

The North College Marketplace is just 0.7 mile from the site and includes the large format King Soopers Marketplace offering both general merchandise (clothing, electronics, etc.) and a traditional grocery market. A pharmacy, restaurants, bank, dentist, and gas station are also all located within the Marketplace.

Transfort Bus Routes #8 and #81 stop at the corner of Redwood Street and Conifer every 30 minutes, 6 days/week, and the trip to the Downtown Transit Center is less than 10 minutes. The Downtown Transit Center is the northern hub for bus routes in Fort Collins, including MAX, and offers full service customer service counter and the Bike Library for check-out bike for community use.

As stated in the Market Study, The location for Village on Redwood is ideal in many aspects. There are comparatively few LIHTC projects within the northeast area of Fort Collins yet the area is growing and has vacant land available for additional development. It is convenient to the downtown area and to I-25 for commuters. The site offers a quiet, safe, attractive residential setting with convenient access to grocery shopping, other commercial services, public transit and recreation

The pond on the west side of the property is within a dedicated drainage easement. The easement will be taken over by the City of Fort Collins Natural Areas Department with goals to preserve and protect the pond as a community amenity. The long term maintenance and liability of the pond will be the responsibility of Natural Areas. FCHA has been coordinating with Natural Areas since the acquisition of the property, and an Intergovernmental Agreement is being developed to solidify the agreement.

Construction Type

The Village at Redwood includes 12 buildings consisting of (3) 2-story 8-unit flats, (1) 3-story 8-unit flats, (4) 2-story 6-unit townhomes, (4) 2-story 3-unit townhomes, and (1) clubhouse with a leasing office, open area, fitness room, and kitchen. The residential buildings will include 2 story “townhome” apartments and 2-3 story “flats” buildings. 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.

Financing

The approximately \$18.35 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. This includes the following:

Source	Amount	Status
City of Fort Collins CDBG and HOME	\$1,312,745	Committed 2014
City of Fort Collins CDBG and HOME	\$1,407,255	Pending
CDBG Disaster Recovery	\$2,200,000	Current application
Federal Tax Credit Equity	\$5,462,492	Current application
State Tax Credit Equity	\$2,903,708	Current application
Owner Equity or Bridge Financing	\$2,000,000	See Narrative and LOI
PAB First Mortgage	\$2,775,000	LOI
Deferred Developer Fee	\$285,309	Committed
TOTAL	\$18,346,509	

FCHA plans to commit \$2 million of its own equity to the project. The source of this equity will come from proceeds of the sale of public housing units under HUD's Rental Assistance Demonstration Program. FCHA's preference will be to have this funding come into the deal towards the end of the construction period to allow maximum time for the sale of units and accumulation of proceeds for this portion of the financing. Should receipt of these proceeds be delayed for any reason FCHA has arranged for a bridge financing mechanism to be put in place. FirstBank of Northern Colorado (FirstBank) has issued the attached Letter of Intent and will be ready to advance the entire \$2,000,000 for this portion of the financing should the need occur. The structure of this financing will be a loan from FirstBank to the FCHA. The proceeds of this loan will be invested into the partnership as owner equity with no liability passing to the partnership for the underlying loan. Repayment of the bridge loan will be the sole responsibility of the FCHA which will use proceeds from the disposition of public housing units to retire the debt when they are available

Project Timeline

July 2014 - Design Team selected (OZ Architecture/Deneuve Construction)

August 2014 – Concept meetings with City and North Fort Collins Business Association

August 28, 2014 - Design Team Charrette

September 4, 2014 – Voluntary neighborhood open house meeting

September 21, 2014 - City Conceptual Review meeting

December 15, 2014 - Preliminary Concept Package completed for pricing

December 31, 2014 - Letter of Intent Submitted to CHFA

January 15, 2015 – General Contractor conceptual pricing completed

January 2015 – Finalize schematic drawings

March 2, 2015 - Submit Federal/State LIHTC and Disaster Recovery Applications

May-June, 2015 - Complete City entitlement process

July 2015 – Partnership closing

August 2015 - Begin construction

November 2016 - Complete construction

Bond Financing Structure

It is anticipated the bond financing structure will be a private placement through Firstbank.

Details are below:

- Total Bond Amount = \$10,000,000
- Construction Period Bonds = \$10,000,000
- Permanent Bonds = \$2,775,000
- Bond Issuer = Fort Collins Housing Authority
- Lender and Sale Structure = Private Placement with Firstbank

- 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 Redwood 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 2055 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 Village on Redwood is located less than ¼ mile from two Transfort bus routes, allowing residents' easy connection to the city's entire public transit system.

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 Redwood is located in Larimer County which has been affected by flood and fire over the past two 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. According to the Colorado Division of Housing Rent and Vacancy Survey, in the fourth quarter of 2014, average rents in Fort Collins ranged from \$928 for an efficiency apartment, up to \$1,355 for a three-bedroom unit. Vacancy rates were very low, averaging 1.2% overall. Two-bed/two-bath units showed the highest vacancy rate (2.2%). Vacancy rates

for all other units were below 1%. In the Northeast submarket, the average vacancy rate declined from 6% in 2010 to under 2% in 2013. The rate increased slightly to 2.4% in 2014, but still remains very low.

Village on Redwood will have little competition to fill units under the present market. There are few vacant units in comparable properties – only three in the northeast region of Fort Collins where Village on Redwood is located.

Demand is more than adequate for the initial absorption and long term occupancy of Village on Redwood. The overall capture rate required for it and all other LIHTC properties in Fort Collins to achieve 100% occupancy is moderate at 17.7%. The completion of the LIHTC project now under renovation and construction of the proposed project will increase the capture rate by only 1.8 percentage points.

Occupancy of the 19 units restricted at 30% AMI for households relocating from Public Housing with RAD vouchers should be almost immediate since the households are already working closely with the Fort Collins Housing Authority through Project Self Sufficiency. The absorption rate for the remaining 52 units should be at least equal to the rate achieved by a private developer at Caribou II of eight units per month. At this rate, it should take no longer than 6.5 months for Village on Redwood to be fully occupied.

Readiness-to-proceed

The proposed development meets and exceeds the readiness-to-proceed threshold with a variety of identified sources of funding, including over \$1.3 million dollars in capital funding secured. FCHA has owned the land since 2010, and the “by-right” zoning allows for the proposed use. The site design and building elevations have already gone through Conceptual Review at the City of Fort Collins. 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 million is contingent on the approval of FCHA’s Rental Assistance Demonstration program application, submitted to HUD in October 2014, and subsequent sale of public housing units. HUD leadership has indicated strong commitment to the success of the RAD program and intent to move applications through rapidly. FCHA believes a RAD application approval is imminent; however, if the timing of the RAD closing and unit sales does not align with a tax credit partnership closing, FCHA has identified a bridge financing source as discussed previously in the *Financing* section of this narrative. A Letter of

Intent from FirstBank for a short term, \$2 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 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

FCHA's senior management is experienced in development and management of affordable housing. Executive Director, Julie Brewen has led FCHA for 15 years. Prior to this position she was the Executive Director of the Minot North Dakota Housing Authority. Ms. Brewen is a certified Public Housing Manager and has a great deal of experience with and knowledge of the acquisition, development and management of affordable housing. Chief Financial Officer, Duane Hopkins, joined FCHA in March 2010 to lead financial and business operations. Mr. Hopkins has over 25 years experience in top financial roles that include managing development and funding, financial recovery and operational restructuring. Portfolio Manager, Nancy Stafford, 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. She 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. Chadrick Martinez, Development Director, has over 15 years of affordable housing development, acquisition rehabilitation and property management experience. Mr. Martinez is an expert in all areas of real estate development utilizing private and government financing opportunities and a skilled manager of the full range of construction processes. Kristin Fritz, Senior Project Manager, joined FCHA in October 2011. Kristin was recently the project manager for FCHA's Redtail Ponds development, a 60-unit permanent supportive housing community using 9% LIHTC. Ms. Fritz has ten years of city planning and project management experience. Her background includes work with small communities and large metropolitan agencies managing partnerships for affordable housing projects and sustainable development. She is a member of the American Institute of Certified Planners since 2007.

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 Redwood.

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 Redwood. 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.

Cost Reasonableness

The total development costs for Village on Redwood are \$18,346,509 million, including land, soft costs, and nearly \$2million in City fees. The construction cost estimate provided by Deneuve, including contractor contingency, is \$165,420/unit, including all site development costs, general conditions, and OH&P. This meets the cost reasonableness test and is in line with other new construction properties of this scale.

Proximity to existing tax credit developments

The primary market area has 26 existing LIHTC projects with a total of 1,887 units. Of these, 1,490 units are in family projects. There are also 379 age-restricted units in seven senior

projects, plus another 10 units in Windtrail Park that are restricted for seniors. Village on Redwood will compete with the existing family LIHTC units restricted at 30% AMI (48 units), 40% AMI (263 units), 50% AMI (465 units) and 60% AMI (714 units). Additionally, two LIHTC projects with a total of 154 units are under construction in the PMA. Redtail Ponds, which is a deeply-subsidized 60-unit project that will serve the homeless and homeless veterans. This project will not compete for the same market as Village on Redwood. Village on Plum, which is a rehabilitation of a Section 236 project that was built in the 1970's and since renovated with HOME and Community Development Block Grant funds. The project is being rehabilitated with LIHTC assistance and will retain its pre-renovation mix of ten 30% AMI units and eighty 50% AMI units upon completion. These units will compete with Village on Redwood

The PMA is experiencing a tight rental market, as evidenced by its overall low vacancy rate, increasing rents and waitlists. Strong projected renter household growth will further increase demand for rental housing. The Village on Redwood will be well-positioned to absorb a portion of the demand.

Site Suitability

The Village on Redwood is located on the north 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

The market study was strongly supportive of the project and primarily identified strengths of the project. One of the few weaknesses mentioned was related to the amount of parking being provided. FCHA surveyed similar properties in the portfolio and found that many households at or below 40% AMI do not own a vehicle. The City of Fort Collins Land Use Code has very high parking standards with no relief for affordable housing. Although a variance is needed, the parking planned for the target population will be more than adequate. The study also recommended extending the fence along the wetland boundary and adding a gate. FCHA will work with the City of Fort Collins Natural Areas Department and the Landscape Architect to develop a solution that ensures safety while balancing preservation with access to the pond.

The closet space was also identified as a potential design weakness, but the closets are standard size for apartments, and additional storage units are being provided for each individual unit. Although the walk score for the property is qualified as "car dependent," the bike score is extremely high. FCHA finds that many residents are bike dependent within the portfolio, and the Fort Collins community has a strong bike culture. The transit access is also

very good with a stop less than 0.2 mile away with convenient service to the Downtown Transit Center.

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.

Community Outreach

The 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.

The public outreach process for Village on Redwood is underway. Notices have been sent to over 600 surrounding property owners, and the first public open house was held on September 4, 2014. Over 50 neighbors attended the open house and learned more about the project while providing valuable feedback that has been incorporated into the site plan and design process. FCHA has also met with the North College Business Association who is excited to demonstrate support for the project.

Larimer County Long Term Recovery Group has identified the Village on Redwood as a priority project for CDBG-DR funds as it will help both assist the flood victims as well as those residents still displaced from the High Park fire.

pab lihtc application narrative



Project Name: **The Edge**

Project Address: **Boyd Lake Avenue and 15th Street - Loveland, CO**

PROJECT OVERVIEW

The Loveland Housing Authority requests an allocation of 4% LIHTC and State LIHTC for the development and construction of a 70-unit, affordable, multi-family project named “The Edge”. Upon completion, the Edge will provide much needed workforce housing as well as serve 2013 flood victims and formerly homeless veterans now in transitional housing. The Edge will consist of one, two and three bedroom units (15 units serving residents of very low – 30% AMI income levels), a clubhouse, sports court, tot-lot and playground. Continuing our efforts to create quality affordable design and insure that our developments are operationally sustainable over time, this project will meet or exceed the Enterprise Green Community standards.

The site for the Edge Apartment homes offers a superior location for the future residents of this project as it is close to many employers and amenities such as the Centerra Promenade shops, Rocky Mountain Outlet Stores, local banks, Mountain View High School, Medical Center of the Rockies, McKee Hospital, Orthopedic Center of the Rockies and more. Public accessible transportation is very close to the site just 2 blocks away on Highway 34 which offers public bus transportation (COLT – City of Loveland Transportation as well as very easy and quick access to the interstate highway system via I-25. The Edge will have immediate access to the intra-city trail (bike/hike) systems located contiguous to the site.

A second strength of this project is the Loveland Housing Authority’s (LHA) experience in development and management of LIHTC housing. During the past fifteen years, LHA has developed over 400 units and is currently working with the Windsor Housing Authority in the construction of Windsor Meadows Phase II and with Artspace, a national non-profit developer of a 30 unit project for those employed in the creative sector in Loveland. LHA has an excellent reputation for design, construction & management of Section 42 properties.

Additionally, as part of this development, the Loveland Housing Authority plans to offer ten (1) bedroom units in an individually designed building to veterans who are transitioning from homeless status to permanent supportive housing. Included in this “Vets” building is a common area meeting room, small public kitchen, and case management office and laundry facilities. As voiced by both the Colorado Coalition for the Homeless and the Veterans Administration, there is a strong need for permanent supportive housing for veterans who are presently residing in transitional homes. Veterans in transitional housing have not only



expressed their desire for permanent affordable housing, but have worked in securing the necessary assistance to address individual barriers. They now have skills and a need to move from a “transitional” status to permanent housing thus allowing movement in the continuum of care from the streets to transitional to permanent. LHA will partner with the Veterans Administration and the Rocky Mountain Human Services to receive referrals of veterans currently in transitional homes. Ongoing support services to this group will continue while living at the Edge in the form of group counseling, budget/life skills and well as job referral and training from various agencies in Loveland such as Touchstone Mental Health partners, House and Neighborly Services, Habitat for Humanity on homeownership opportunities, and more. The Loveland Housing Authority will utilize proceeds we acquired through the sale of our Public Housing portfolio as part of the financing of The Edge. In addition we will project base (10) Section 8 Vouchers for the Vets units to insure their affordability and help promote the success of these formerly homeless veterans.

Another strength of this application is the tremendous amount of financial and community support it has received. The Loveland City Council (2/2015) has approved over one million dollars in fee waivers for the construction of this complex. We have attached the Fee Waiver Resolution to this application for your review. Housing Authority will utilize \$3,000,000 of Public Housing Disposition money which must be used before October, 2016. Use of the disposition money will allow for the project basing of Section 8 Vouchers.

In addressing any weakness of our application, as noted in the Market Study completed by Community Strategies Institute we have experienced a shortage of documentation for the need of homeless veterans to obtain permanent housing. Understanding that obtaining statistics on the homeless population has always been a challenge, we have found that this need is not as documented as well as we had hoped. However, our conversations with both the Veterans Administration and the Colorado Coalition for the Homeless allow us confidence that our plan will be successful with referrals from these agencies of homeless veterans whom have graduated to transitional housing and are determined to be ready for a permanent form of assistance and housing.



PROPOSED UNIT MIX

Unit Breakdown and Income Levels

10	1 Bedroom	30%
4	2 Bedroom	30%
1	3 Bedroom	30%
8	2 Bedroom	40%
2	3 Bedroom	40%
10	1 Bedroom	50%
14	2 Bedroom	50%
3	3 Bedroom	50%
2	1 Bedroom	60%
13	2 Bedroom	60%
3	3 Bedroom	60%
TOTAL		70

DETAILED TYPE OF CONSTRUCTION:

Construction for the Edge includes: Three (3) story wood frame construction with stucco, stone, and cementous siding. Roofing will be EPDM. Buildings are designed to meet 2013 Energy Star Rating utilizing aqua-therm heating and cooling systems

ENERGY EFFICIENCES:

The Edge will incorporate many **energy efficiencies and provide** residents with the most up to date systems allowing for a wide variety of energy savings. The details of our efficiencies are found in this application under “Green Communities Intended Methods Worksheet”.

CHFA 2015 QAP Guiding Principles:

- To support rental housing projects serving the lowest income tenants for the longest period of time
- To distribute housing credits to assist a diversity of populations in need of affordable housing, including homeless persons, persons in need of supportive housing, senior citizens, and families



- 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)

As shown in the Edge unit mix attached to this application, these tax credits, combined with our Project Based Section 8 Vouchers, will assist us in creating housing to serve the very lowest income residents of our community. Thirty-six percent (36%) of our total requested units (25) will serve the lowest income tenants @ 40% AMI and below, and will distribute credit to a population in serious need of housing. The lower level rental units are extremely important to the Loveland community as our current waiting list (2/2015) indicates a total of 2,780 active applications. We completed our last waiting list purge in 2014. The percentage of very low income applicants (30% AMI) and below is a stunning 68%. The 50% and below percentage is 26% with a remaining 6% at 50% AMI and above. The use of lower income rents to applicants 40% and below is critical to meeting this community's current need and in following the mission of the Loveland Housing Authority.

MEETING THE CHFA PRIORITIES

Homeless

The plan for support for the previously homeless veterans includes a designed meeting space in which to host peer group counseling, outside job training, budgeting classes, career exploration and development, credit counseling, etc. Loveland Housing Authority will establish working partnerships with community organizations such as House of Neighborly Services, Touchstone Mental Health, etc. to develop a menu of services which will address both group and individual barriers to self-sufficiency. An attached kitchen area to this meeting room will allow for group functions and meeting space as well as a private office to be shared by the various community agencies and a designated laundry room to be used by the residents of this building. The ultimate goal of the service program for homeless veterans is to encourage, support and maintain a self-managed atmosphere and group of residents who have responsibility for their building, community space and immediate neighborhood. Ultimately, the long range goal for this program is to assist veterans with individual and group needs to allow for homeownership opportunities in their future as they request.



Flood Victims

The Edge Apartment complex will offer survivors of the 2012 High Park Fire and 2013 floods a preference on the Edge affordable housing waiting list. During the screening process this preference will be verified by leasing staff as to the amount of FEMA dollars utilized or received and a case management letter from the Long Term Recovery Group or a similar resource if LTRG has terminated existence. Direct or indirect services and funding will further be identified for each applicant claiming a Flood Relief preference. Documentation will be kept in the resident files.

READINESS TO PROCEED

The Loveland Housing Authority is the owner of record for the property in which the Edge is planned, therefore, eliminating any time required for land acquisition or purchase. Presently, the property is zoned and approved for this 70 unit development. Our construction and design plans have been submitted and approved by the City of Loveland. The building permits are ready for pick-up and the site is now shovel ready subject to final bids (which we cannot obtain until we are within 60 days of closing because the contractor cannot hold prices firm beyond this 60 day period) and financing. Attached are the architectural drawings created by our design firm OZ Architects. Because of how far along the in the development process we anticipate beginning construction in July of 2015 and delivering the first units starting in March of 2016.

OVERALL FINANCIAL FEASIBILITY AND VIABILITY

Our operating budget and development budgets were constructed utilizing current data from comparable properties owned and /or managed by the Loveland Housing Authority. We utilized, Pinkard Construction, which has recently been involved as the general contractor on several multi-family projects in Northern Colorado as our estimator. Pinkard has been involved with the design team from the beginning offering advice on constructability and ultimately providing the cost estimates for the Edge project.

Our market study from Community Strategies Institute (CSI) states that the property will meet demand in the PMA for new affordable rental housing. Vacancies at comparable properties are .7%, and the market rate vacancy rate is 2.8%. Vacancy rates have stayed low in the area for the past three years. Based on the Colorado State Division of Housing Multi-family survey the average vacancy rate for 2014 in Loveland was under 2% at 1.75%. The Housing Authority has waiting lists of over 1,000 households at 50% or less of the AMI per property, and almost 300 more total in the 50 – 60% AMI ranges for its four owned family tax credit properties.



EXPERIENCE AND TRACK RECORD OF THE DEVELOPMENT/MANAGEMENT TEAM:

Executive Director, Samuel G. Better:

Samuel G. Better has worked for the Housing Authority of the City of Loveland since 1971 serving as Executive Director of the agency since 1981. The Housing Authority has developed a wide variety of housing and resident service programs under Mr. Better's leadership. This includes Low Income Housing Tax Credit (LIHTC) properties, HUD Section 221 (d) 3, HUD New Construction properties, Project Based and Tenant Based Section 8 Voucher programs, Public Housing along with Project Self-Sufficiency, Family Self-Sufficiency, Home Ownership opportunities, Larimer County Home Improvement program, and the first Green House skilled nursing project in Colorado currently under construction. Sam holds a Bachelor of Science degree in Community Development from Penn State University and a Master's Degree in Business Administration from the University of Colorado.

Director of Operations, Sharlet Lee:

Sharlet Lee has worked for the Housing Authority of the City of Loveland since 1985. During this time, Sharlet has been responsible for all aspects of accounting for the Housing Authority. Currently, her responsibilities include financial management budget development, internal controls, development of key performance data tracking and analysis, Management Information Systems, Risk Management and Corporate Compliance. Sharlet has experience in managing accounting and development cost for LIHTC properties. Sharlet received her Bachelor of Science Degree in Accounting from Colorado State University.

Director of Housing, Moofie Miller:

Moofie Miller has worked for the Housing Authority of the City of Loveland since 1988. Moofie Miller worked previously with the Colorado State Division of Housing, as well as the Lakewood Housing Authority in Lakewood, Colorado. Moofie has experience in managing and program compliance with LIHTC properties and is Housing Credit Certified through the National Association of Homebuilders Association. Additionally, Moofie is a NAHRO certified Public Housing Manager experienced in managing HUD 236, 221(d3), public housing, new construction



and Section 8 Voucher programs. Ms. Miller has a Graduate Degree in Management and an Undergraduate Degree in Business Administration.

Director of Development, Richard Ekwall:

Rich Ekwall has been with the Housing Authority of the City of Loveland since October 1999. Since joining the Housing Authority, Mr. Ekwall has managed the development and construction of 14 major projects including 8 LIHTC projects exceeding \$60,000,000. Prior to joining the Housing Authority, Mr. Ekwall was a single family home and commercial tenant finish contractor. Mr. Ekwall spent 15 years in the healthcare industry providing project management services to national healthcare organizations designing and building Physical Office Buildings, Emergency Rooms, and Urgent Care facilities. Rich is a licensed general contractor, International Code Council (Building Code) certified in single and multifamily construction, and is a LEED Associate.

Development Project Manager, Jeff Feneis:

Jeff Feneis began working for the Loveland Housing Authority in 2007 as Special Projects Manager. In this position, Jeff was responsible for the disposition of the Housing Authority's public housing inventory, implementing energy efficiency projects at the Housing Authority's properties, grant writing, identifying cost savings opportunities, and assisting with the strategic planning process. From 2009-2014 Jeff held the position of Housing Supervisor. In this capacity, he was responsible for the supervision of Housing Department staff, asset management, budget management and housing program management. Jeff is now working in Development as a Project Manager, supporting new property develop opportunities. Prior to working for the Loveland Housing Authority Jeff worked for Hewlett Packard for 17 years, holding positions in Manufacturing Engineering and Program Management. Jeff has a Bachelor of Science degree in Industrial Technology from Colorado State University.

Larimer Home Improvement and Larimer Homeownership Program Manager, Amy Irwin:

Amy Irwin has worked for the Housing Authority of the City of Loveland since 1996. She is a licensed mortgage broker and has managed the Larimer Home Ownership Program since its inception in April 1997; this program provides down payment assistance to first time home



buyers purchasing in Larimer County. In 2004 she took over the management of the Larimer Home Improvement Program a program which assists area home owners with health, safety, and energy efficient repairs to their home. Amy is also responsible for management of the section 8 Home Ownership Program and works with the development and construction of home ownership opportunities for low to moderate income families. In November 2013 in response to the floods of September 2013 she joined the Long Term Recovery Group as Co-Chair of the construction committee and is on the executive team. She is the Community Development Block Grant-Disaster Recovery manager for the individual assistance funds, managing \$7 million dollars of CDBG disaster dollars.

COST REASONABLENESS:

Because of the requirement to incorporate Davis-Bacon wage rates and the incredible construction activity in our local market, we believe our costs are well within reason and reflective of the current market conditions.

PROXIMITY TO EXISTING TAX CREDIT DEVELOPMENTS:

The Edge complex is planned to be within one mile of the Reserve at Centerra apartment townhomes. It is within five miles of the Brookstone Apartment homes and the Madison Avenue Apartment complex. Remaining tax credit properties in the Loveland area are outside of a five mile radius of the planned community represented in this application.

SITE SUITABILITY:

The site suitability is excellent for its immediate access to public transportation via the "COLT" public bus system which runs directly in front of the site on Highway 34. Additionally, the Edge offers very close access to I-25 Interstate highway and contiguous access to the Loveland hike/bike trail system. The site is located near centers of employment for both retail and food industries as well as medical centers, urgent care and orthopedic centers. The site is free of environmental hazards and is shovel ready based on level conditions.



FINANCING

Below is a summary of the Financing:

Sources of Financing	
PAB Mortgage	4,000,000
HACOL Disposition Funds	3,000,000
City Fee Waivers	1,247,170
CDBG DR FUNDS	2,800,000
Deferred Developer Fee	443,858
Federal Tax Credit Equity	5,614,429
State Tax Credit Equity	2,984,474
Total Sources	20,089,932

Bond Financing Structure

It is anticipated the bond financing structure will be a private placement through Firstbank.

Details are below:

- Total Bond Amount = \$11,500,000
- Construction Period Bonds = \$11,500,000
- Permanent Bonds = \$4,000,000
- Bond Issuer = Housing Authority of the City of Loveland
- Lender and Sale Structure = Private Placement with Firstbank
- 100% of the Bonds will be tax exempt

pab lihtc application narrative



Project Name: **Windsor Meadows Phase II**

Project Address: **1500 Tipton Drive – Windsor, CO 80550**

Windsor Meadow Phase II is a planned two story multi-family 36 unit apartment project to be located in Windsor, Colorado, on a 2.4 acre site. The Windsor Housing Authority, in partnership with the Loveland Housing Authority will develop and manage the project for the Windsor Housing Authority. Based on the success of the Windsor Phase I project all same development team and ownership/investor structure is contemplated. The Windsor Housing Authority plans to house individuals and families with incomes between 30 and 60% Area Median Income (AMI) at the property. Preference and special outreach will be provided to 2013 floor survivors for housing at Windsor Meadows Phase II. The subject property includes approximately 2.1 acres at the east end of the Windshire Park Subdivision in Windsor, Colorado. The subject property and surrounding properties were historically agricultural. The Windsor Meadows Apartments (Phase I) were constructed immediately to the north in 2013, and at that time Tipton Drive was constructed across the northeast corner of the subject property. The rest of the property is currently vacant and covered with grasses and weeds.

The Windsor Meadows Phase II application hosts several strengths: The following is a list of the proposed property strengths and weaknesses:

STRENGTHS

- The property has an excellent location near shopping, open space and recreation, employment, and services. The surrounding neighborhood is attractive and Windsor Meadows I and unit plans for Windsor Meadows II fit well within the neighborhood development.
- Except for the Windsor Meadows Phase I project, there has been little new development in the PMA of income restricted rental developments in the last decade.
- The proposed property will help fill a need for newer units in Windsor.
- There are few LIHTC properties in the PMA that will compete with Windsor Meadows II.
- Vacancy rates in the three large metro areas near the PMA are low, ranging from 2.3% in Fort Collins to 4% in Greeley.
- The capture rate of 11% for the property indicates strong demand.



- Strong lease up at Windsor Meadows I, and the current waiting list indicate that lease up at Windsor Meadows II will be quick.

WEAKNESSES

- Windsor is an auto reliant community, and residents will most likely need a car to get from the property to work, school, and to nearby amenities.

MARKETABILITY

In conducting the market area survey and examination of comparable properties in the market area, the Windsor Meadows property is the most appealing of any of the rental developments. The architecture and unit configurations produce a very appealing appearance. The overall condition of the property is excellent and is being well maintained. The added benefit to residents of not having to pay an electric bill will be an added incentive to seek a residence in the Property. Some of the older properties in Windsor have inferior access to conveniences such as shopping, schools.

Each unit in the property will have the following amenities:

Energy Efficiencies: Green Communities Standards Aqua-Thermal fan coil units with gas fired hot water heaters for heat and traditional 17; SEER condensing units for air conditioning in each unit; large windows E-star Appliances including water heaters, window coverings and blinds; E-star ceiling fans; coat closets and storage closets, garbage disposals, dishwashers, range hoods, E-star washer and dryer; cable and internet access, as well as satellite connections.

Other common amenities include a community room, community kitchen, common area with a living/activity/game room, cable and internet access. An on-site management office will be located in the clubhouse building, and the property will have a basketball court. The new phase of Windsor Meadows, like the earlier construction, will also include roof top photo voltaic solar collectors that will supply electricity into the grid. Presently, Phase 1 of the project has a zero footprint energy consumption for electricity. The rooftop collectors supply more electrical energy than the phase 1 units and common areas consume. A similar pattern is expected for the second phase units once those collectors are wired into the grid.



The Windsor Meadows II site is in a newer growth area of Windsor. The general quality of construction of structures in the adjoining areas is high quality contemporary. The present design of the Windsor Meadows I and Windsor Meadows II (see elevations) will also be a high quality farmhouse style which will blend well with surrounding buildings and historic structures but also stands out with a unique design that is attractive to potential renters and residents. There are many shopping outlets within a mile of the subject property, including grocery stores, a pharmacy, hardware store, and gas. The Grand View Elementary School is less than a mile from the property. The Windsor Middle and High Schools are less than three miles away. There are many medical choices for residents, including the Banner Urgent Care in Windsor. Windsor does not have a Hospital, but the Medical Center of the Rockies is 10 miles away in Loveland and the North Colorado Medical Center is in Greeley. Fort Collins is also home to multiple hospitals and medical practices, and is only 16 miles away.

There are many parks, trails, and open spaces near the project site. Windsor Lake is just over two miles away and has a beach and other recreational opportunities. Windsor has a large recreation center that is available to the public, located a mile from the site. Most municipal services are located at City Hall, just over three miles from the site. The Windsor Police Department is only a mile from the site. The subject property is about a mile from the main shopping and business district of Windsor, along Highway 392. This route connects Windsor to I-25 to the west, leading to Loveland, 10 miles to the southwest and Fort Collins, 16 miles to the northwest. County Road 64 connects Windsor to Greeley, 17 miles southeast of Windsor. There currently is no scheduled public transit service serving the Windsor area.

The following lists the unit mix, income targets, sizes and type of units at the proposed property.



UNIT BREAKDOWN

1 Bedroom	6 units
2 Bedroom	26 units
3 Bedroom	4 units
30% AMI	4 units
40% AMI	6 units
50% AMI	6 units
60% AMI	20 units
Total	36 units

PROJECT DESIGN

The subject property will be a series of five freestanding, two story apartment buildings with 36 units, targeting 30% to 60% AMI. The buildings will occupy most of the site, with a density of 11 units per acre. Approximately 25,500 feet of parking and drive are included on the site. The property will include a total of 63 parking spaces, and will share the 2,108 square foot community building as well as the toddler playground and basketball court.



Windsor Meadows Phase II Site Plan:

SITE PLAN

The site will have a total of five residential buildings, and parking. The site is immediately adjacent to and part of Phase I of Windsor Meadows, and will share the community building, playground, picnic area, and site amenities.





EXPERIENCE/DEVELOPMENT TEAM

The Windsor Housing Authority in partnership with the Loveland Housing Authority has successfully built, leased and managed Windsor Meadows, a 44 unit complex located in the same site and the requested Phase II will be located.

Executive Director, Samuel G. Betters:

Samuel G. Betters has worked for the Housing Authority of the City of Loveland since 1976 serving as Executive Director of the agency since 1981. The Housing Authority has developed a wide variety of housing and resident service programs under Mr. Better's leadership. This includes Low Income Housing Tax Credit (LIHTC) properties, HUD Section 221 (d) 3, HUD New Construction properties, Project Based and Tenant Based Section 8 Voucher programs, Public Housing along with Project Self-Sufficiency, Family Self-Sufficiency, Home Ownership opportunities, Larimer County Home Improvement program, and the first Green House skilled nursing project in Colorado currently under construction. Sam holds a Bachelor of Science degree in Community Development from Penn State University and a Master's Degree in Business Administration from the University of Colorado.

Director of Operations, Sharlet Lee:

Sharlet Lee has worked for the Housing Authority of the City of Loveland since 1985. During this time, Sharlet has been responsible for all aspects of accounting for the Housing Authority. Currently, her responsibilities include financial management budget development, internal controls, development of key performance data tracking and analysis, Management Information Systems, Risk Management and Corporate Compliance. Sharlet has experience in managing accounting and development cost for LIHTC properties. Sharlet received her Bachelor of Science Degree in Accounting from Colorado State University.

Director of Housing, Moofie Miller:

Moofie Miller has worked for the Housing Authority of the City of Loveland since 1988. Moofie Miller worked previously with the Colorado State Division of Housing, as well as the Lakewood Housing Authority in Lakewood, Colorado. Moofie has experience in managing and compliance of LIHTC properties and is Housing Credit Certified through the National Association of Homebuilders Association. Additionally, Moofie is a NAHRO certified Public Housing Manager experienced in managing HUD 236, 221(d3), public housing, new construction and Section 8 Voucher programs. Ms. Miller has a Graduate Degree in Management and an Undergraduate Degree in Business Administration.



Director of Development, Richard Ekwall:

Rich Ekwall has been with the Housing Authority of the City of Loveland since October 1999. Since joining the Housing Authority, Mr. Ekwall has managed the development and construction of 14 major projects including 8 LIHTC projects exceeding \$60,000,000. Prior to joining the Housing Authority, Mr. Ekwall was a single family home and commercial tenant finish contractor. Mr. Ekwall spent 15 years in the healthcare industry providing project management services to national healthcare organizations designing and building Physical Office Buildings, Emergency Rooms, and Urgent Care facilities. Rich is a licensed general contractor, International Code Council (Building Code) certified in single and multifamily construction, and is a LEED Associate.

Development Project Manager, Jeff Feneis:

Jeff Feneis began working for the Loveland Housing Authority in 2007 as Special Projects Manager. In this position, Jeff was responsible for the disposition of the Housing Authority's public housing inventory, implementing energy efficiency projects at the Housing Authority's properties, grant writing, identifying cost savings opportunities, and assisting with the strategic planning process. From 2009-2014 Jeff held the position of Housing Supervisor. In this capacity, he was responsible for the supervision of Housing Department staff, asset management, budget management and housing program management. Recently Jeff joined our Development team. In his new position as Project Manager, he will be supporting new property develop opportunities. Prior to working for the Loveland Housing Authority, Jeff worked for Hewlett Packard for 17 years, holding positions in Manufacturing Engineering and Program Management. Jeff has a Bachelor of Science degree in Industrial Technology from Colorado State University.

Larimer Home Improvement and Larimer Homeownership Program Manager, Amy Irwin:

Amy Irwin has worked for the Housing Authority of the City of Loveland since 1996. She is a licensed mortgage broker and has managed the Larimer Home Ownership Program since its inception in April 1997; this program provides down payment assistance to first time home buyers purchasing in Larimer County. In 2004 she took over the management of the Larimer Home Improvement Program a program which assists area home owners with health, safety, and energy efficient repairs to their home. Amy is also responsible for management of the section 8 Home Ownership Program and works with the development and construction of home ownership opportunities for low to moderate income families. In November 2013 in response to the floods of September 2013 she joined the Long Term Recovery Group as Co-Chair of the construction committee and is



on the executive team. She is the Community Development Block Grant-Disaster Recovery manager for the individual assistance funds, managing \$7 million dollars of disaster dollars.

READINESS TO PROCEED:

The Windsor Housing Authority is the owner of record for the property in which Windsor Meadows Phase II is planned, therefore, eliminating any time required for land acquisition or purchase. We have contracted with same development team utilized on the phase one project. Aller-Lingle-Massey architectural firm and they have worked with us through the design stage as shown in the attached architectural drawings included in our application. Building permits will be ready by March 15th, 2015. Because of our contractor's familiarity with this product we expect an accelerated construction time. Upon successful notification of award we will begin notifying contractors and architects. Our estimated time schedule for this complex is attached and will reflect a ground breaking projection of July 1, 2015. First units will be ready in February, 2016.

CONSTRUCTION SCHEDULE:

	<u>Start</u>	<u>Finish</u>
Construction	7/1/15	1/14/16
Site Work	7/1/15	1/14/16
Building #1	7/20/15	2/22/16
Building #2	8/3/15	3/14/16
Building #3	8/17/15	3/21/16
Building #4	8/31/15	4/18/16
Building #5	9/15/15	4/6/16

COST REASONABLENESS:

Because of the design requirements and the current construction market, our costs are well within reason.

DETAILED TYPE OF CONSTRUCTION:

The project is of wood frame, 3 story, slab-on-grade construction designed to meet the 2012 International Energy Code requirements with upgraded ceiling and wall insulation and will qualify as an Energy Star III Rated building.



FINANCING SUMMARY:

Below is a summary of the Financing:

Sources of Financing	
PAB Mortgage	1,900,000
Fee Waiver Grant to WHA	172,100
CDBG DR FUNDS	2,900,000
Deferred Developer Fee	627,443
Solar ITC Equity	101,850
Federal Tax Credit Equity	2,899,224
State Tax Credit Equity	1,541,147
Total Sources	10,141,764

BOND FINANCING STRUCTURE:

It is anticipated the bond financing structure will be a private placement through Firstbank. Details are below:

- Total Bond Amount = \$6,500,000
- Construction Period Bonds = \$6,500,000
- Permanent Bonds = \$1,900,000
- Bond Issuer = Housing Authority of the City of Loveland
- Lender and Sale Structure = Private Placement with Firstbank
- 100% of the Bonds will be tax exempt



SECTION TWO OF THE QUALIFIED ALLOCATION PLAN

CHFA 2015 QAP Guiding Principles:

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

As shown in unit mix Windsor Meadows Phase II will be delivering affordable units that serve a broad range of AMIs. With four units at 30% AMI and 6 units at 40% AMI, Windsor Phase II will provide much needed housing at the lowest income levels.

MEETING THE CHFA PRIORITIES

Flood Victims

Windsor Meadows Phase II will offer survivors of the 2012 High Park Fire and 2013 floods a preference on the affordable housing waiting list. During the screening process this preference will be verified by leasing staff as to the amount of FEMA dollars utilized or received and a case management letter from the Long Term Recovery Group for Weld County. Direct or indirect services and funding will further be identified for each applicant claiming a Flood Relief preference. Documentation will be kept in the resident files.