4% housing tax credit application narrative

Project Name: 1001 Lincoln Street
Project Address: 1001 Lincoln Street, Denver, CO 80203

Kentro Group and ComCap Ventures LLC (the "Sponsors") present 1001 Lincoln Street (the "Project"), a transformative seven-story, 118-unit affordable apartment building located in the Golden Triangle/Civic Center neighborhood of Denver at the site of long-time vacant one-story office building. 1001 Lincoln Street responds to several CHFA Guiding Principles and meets the threshold for preliminary applications. The Project helps solve two major Denver issues: bringing life back to the center of the City by transforming an empty office building into vibrant housing and addressing the lack of affordable housing stock in the City.

Project Key Features:

- Transformation of vacant downtown office space into affordable housing units
- Addition of three-bedroom units to respond to Denver's stated need for bigger-family units
- NEWSED providing resident supportive services, including financial literacy and credit repair courses
- The City of Denver permitting process continues and the Project will have permits by March 2026
- Units delivered at a lower cost per unit because of existing building and infrastructure; estimated to be saving $4,445,000 ($35K/unit) of hard construction cost with no cost basis waiver request
- Greatly reduced carbon impact over other new construction projects due to reuse of the existing structure
- Walking Score of 97 (compared to Denver average of 61)
- Located in a Difficult Development Area (DDA) of the Golden Triangle/Civic Center neighborhood, an underserved Downtown Denver Community
- Location is near several public transit lines and Sponsors will provide EcoPasses to residents

<u>Changes to the Project Since 2024 Submission:</u>

- In response to the City of Denver's priority for three-plus bedroom homes for families, three bedroom units were added, smaller studio units were removed and two-bedroom unit count increased. The resulting unit count decreased from 127 to 118; however, the number of parking spots remains the same, increasing the parking ratio.
- Continued design work towards Construction Documents (CD) with Shopworks, associated refined regularly updated costs and estimated ready to pull building permits in March 2026
- With 70% AMI rents competing closer to market rate rents in some scenarios, Sponsors have set this AMI rent level 5% below max.

The Project will utilize income averaging to allow for higher incomes in an area in need of workforce housing while still providing housing opportunities for lower income households that strengthens long-term affordability commitments. The affordability and unit mix includes 13 studio units, 77-one bedroom units, 23-two bedroom units, and five-three bedroom units. Eleven percent of the units (13 units total) will be restricted at 30% Area Median Income (AMI) and below, 35% of units (42 units total) will be restricted at 50% AMI and below, 40% of units

(47 units total) will be restricted at 60% AMI and below, and 14% of units (16 total units) will be restricted at 70% AMI and below. The 70% AMI units are discounted from the maximum LIHTC rent to be conservative, though the Market Analyst does not believe the 70% AMI units will hinder lease up.

The Project's common amenities will include a community room, exercise room, second-story courtyard, on-site manager, picnic/BBQ area, flex space to accommodate coworking and support services, café, limited access entries, and surveillance cameras. The main level will contain a large bike storage room. The main level and the courtyard will also feature climbing furniture and/or small playsets for children. Each of the Project's units will have a washer/dryer, wall air conditioning, blinds, carpet, high-speed internet hookups, cable TV hookups, refrigerator, stove/oven, and dishwasher. Tenants will be allowed to have pets.

Target Market and Impact:

This Project is providing units to a broad range of AMI bands to serve the community coupled with supportive services offered by NEWSED, a local non-profit. NEWSED offers courses including financial literacy courses, credit counseling and lending circles for credit-building, small business training and pre-purchase/housing counseling. NEWSED and the Sponsors believe that a partnership would work well for the two organizations and benefit the residents of 1001 Lincoln Street. The anticipated impact includes:

- Increasing Access to Affordable Workforce Housing: Secure stable, high-quality living arrangements near employment hubs and transit lines will reduce housing cost burdens
- Resident Financial Growth: Services aimed at helping residents achieve financial independence and, when possible, transition out of affordable rental housing
- Improving Community Health Outcomes: Stable housing is proven to reduces stress and enhance overall well-being

Sustainability Commitment:

Sustainability is a major focus of the Project, which includes the following:

- Energy Efficiency: Solar panels, Energy Star-rated appliances, LED lighting, water conservation strategies and high-performance building materials
- Carbon Footprint Reduction: Retaining the existing foundation and precast walls will save 3,000 cubic yards of concrete, reducing CO_2 emissions by 10,260,000 pounds—equivalent to removing 1,036 gasoline-powered cars from the road for a year
- Green Certification: The Project will certify under the highest National Green Building Standard (NGBS) Gold
- Sustainable Transportation: Promotion of alternative transit modes, including large on-site bike storage, Eco Passes for residents, and services from Transportation Solutions (please see Attachment 1)

Readiness to Proceed:

- AHRT: Accepted into the Affordable Housing Review Team (AHRT) program with the City and County of Denver (Attachment #2)
- SD/DD: Completed Schematic Design (SD) and Design Development (DD). Project is in the second round of Site Development Plan (SDP) review with City and County of Denver
- Design Overlay: Located within two design overlays—Golden Triangle Creative District and Downtown Design Advisory Board—both of which have approved the preliminary design
- Construction documents (CDs): CDs are underway, and the Project expects to receive full building permit approval by March 2026
- Construction Timeline: Construction start March 2026, Completion in November 2027, and Stabilization April 2028

1001 Lincoln Street is conveniently located near multiple Regional Transportation District (RTD) bus stops. A bus stop is located at Lincoln Street and 11th Avenue, 370 feet from the Project, with regional and local bus services headed north. Another bus stop, Broadway and 11th Avenue, is 475 feet from the Project and is serviced by regional and local routes headed south. A local eastern route can be found at 12th and Broadway, 0.2 miles from the Project. A local western route can be found at W. 13th Avenue and Broadway, 0.4 miles from the Project. Civic Center Station, 0.7 miles from the site, is one of the two regional bus terminals in downtown Denver. The bus bays are served by RTD regional buses and the RTD Free MallRide through downtown to Denver Union Station. Please see Attachment #3 for a comprehensive map of RTD transportation within a 0.5-mile radius of the Project and just beyond.

The Cherry Creek Trail is 0.5 miles from the Project. The trail is a 40-mile route that begins in downtown Denver and connects suburban and rural Arapahoe and Douglas Counties. The trail is one of the premier biking and walking trails in Denver and makes commuting by bike more accessible for residents, especially those working in downtown Denver. The Project is also adjacent to a portion of the proposed 5280 Loop, an initiative to link neighborhoods and connect people along a five-mile urban trail around downtown Denver.

1001 Lincoln Street is located near the many amenities that downtown Denver provides, including food, healthcare, cultural experiences, education, and jobs. The site is 0.8 and 0.9 miles from two different King Soopers, 0.7 miles from Ideal Market, 0.2 miles from City Store Market, 0.6 miles from Trader Joe's, and 0.8 miles from Ace Hardware. Denver Health is 0.7 miles away, providing emergency services, dental care, primary medicine, and more. Compassion Road Academy, a high school, is 0.3 miles from the Project, Denver West High School is 0.5 miles away, Morey Middle School is 0.9 miles away, and Dora Moore Elementary School is 0.8 miles away. Sunken Gardens Park is 0.7 miles away. The Project is 0.7 miles from the Denver Art Museum, 0.3 miles from History Colorado, 0.6 miles from the Clifford Still Museum, and 0.5 miles from the Kirkland Museum. The Central Denver Public Library is 0.4 miles from the Project and offers library check out passes for many of the nearby museums and cultural institutions. Many of these Denver museums and cultural institutions also offer free days and other low-cost options for community access. The Auraria Campus in Denver is just under two miles from the Project, which contains a 150-acre campus shared by three separate and distinct institutions of higher learning: Community College of Denver, Metropolitan State University of Denver, and University of Colorado Denver. The Project allows easy access for part-time or nontraditional students to have access to educational opportunities and jobs. The Project is 1.5 miles away from the heart of downtown Denver and the 16th Street Mall, which provides opportunities to a wide array of job opportunities. The site is located particularly well for families with children. Please see Attachment #4 for a map of family friendly amenities close to the Project.

The site is currently improved with a single-story office building with an underground parking garage. The construction will preserve the parking garage and the exterior walls of the office building; it will then add a transfer slab with five stories of wood. This will be a Type III constructed building with two elevators. The modern exterior skin will include a mix of concrete, glass, and fiber cement/metal panels. The Project falls into two Design Overlays, therefore, exterior skin will be a focus to fit into the neighborhood. The Project has been approved by both design overlay boards.

The Project will utilize gap funding from the Colorado Division of Housing and a special limited partnership with the Denver Housing Authority for sales/use tax and property tax exemption. The Sponsors have created funding contingency plans that may include using a lending product with a 50-year amortization, Proposition 123 funding, and/or apply for additional funding from Colorado Division of Housing. Further details on contingency funding are in Attachment #5.

Describe the bond financing structure and include the following: Construction Period Bonds (Tax-Exempt): $24,800,000 - Private Placement; Permanent Bonds: $14,396,000 - Private Placement; Bond Issuer: CHFA; Taxable Construction Loan: approximately $8,760,000.

Identify which, if any, of the priorities in Section 2 of the Qualified Allocation Plan (QAP): Project does not serve Homeless Persons, persons with special needs, or low population counties.

Describe how the project meets the criteria for approval in Section 2 of the QAP:
Market conditions: The Project has an overall capture rate of 8.0%, including 3.5% at 30% AMI, 7.3% at 50% AMI, 13.1% at

60% AMI, and 1.3% at 70% AMI. The Project's overall capture rate, as well as all rates by AMI level, are well below CHFA's preferred threshold of 25% and the addition of planned units only increases the total capture rate by 2.4%, demonstrating that the PMA has a very strong demand for affordable rental housing. In addition, the PMA is expected to add 255 renter households per year, which is not included in the capture rate analysis. The market analyst concluded that the Project's location and unit amenities are either comparable or slightly superior to other LIHTC properties in the PMA. In the 2024 market study, LIHTC vacancy rates were at 6.7%, but have decreased over the past year to 5.6%, much closer to a balanced vacancy rate (5%) in the PMA, indicating continued robust demand for LIHTC unit.

Proximity to existing tax credit developments:
The PMA has 33 LIHTC projects containing 2,376 income-restricted units. Of these, eight are age-restricted projects with 762 units, seven are PSH properties with 560 dwellings, and 18 are non-age-restricted properties that have 1,054 dwellings, of which 406 are deeply subsidized. The Project will compete most directly with the 648 non-deeply-subsidized family tax credit units. Since the 2024 application, vacancy has gone down for tax credit developments in the PMA, showing the continued need for affordable units in this area. The closest existing tax credit project is Broadway Residences at 1135, built in 2006 and located approximately 0.2 miles from the Project. This property offers 50% AMI, 60% AMI, and market-rate units, with 6% vacancy and a five – ten applicant waitlist. The other comparable LIHTC properties in the PMA selected by the market analyst were: Quayle Building constructed in 2019, located 1.0 miles away with 6% vacancy (offering 60% AMI units); Lincoln Terrace built in 2008 and located 0.7 miles away (consists of 30%, 40% and 50% AMI units, no vacancy data provided); Residences at Capitol Heights constructed in 2001 and located 0.4 miles from the Project with 7% vacancy (60% AMI and market-rate units); and 12th & Elati Residences built in 2008 and located 0.5 miles from the Project with 5% vacancy (30%, 40%, 50%, and 60% AMI units). Capitol Square Apartments, 2023 completed LIHTC project, is 0.4 miles from the Project and has 4% vacancy with a 29-applicant waitlist.

Project readiness: The Sponsors have continued the zoning and design process since the first application submission in 2023. The Project is properly zoned and the remaining entitlement approvals include site plan and building permits. The project has been released from Concept, including approval from the Golden Triangle Design Review and Downtown Design Advisory Board (Attachments #6 and 7), allowing the project to continue through the Site Development Process. Drawings have progressed to 100% Design Development with an updated full spec book. All utilities are available to the site and the Project is anticipated to receive permits and begin construction in March 2026.

Overall financial feasibility and viability: The Sponsors have confirmed the anticipated costs of the Project since the first CHFA application by procuring an additional cost estimate to the I-Kota cost estimate. With the progression of drawings and detailed specs, the pricing has changed by less than 1% since the 2024 application cost estimate. Further evidence of the reasonableness of cost is that the Sponsors have been able to create and maintain 2.5% owner contingency. The cost reduction realized by utilizing the existing structure and the project's location in a current DDA helps support strong financial feasibility. Without the DDA boost, the project would have a gap of approximately $4 million. The state Affordable Housing Tax Credit makes the project financially feasible by allowing 46.6% of the units to serve households at 50% AMI and below and providing over $8 million in equity.

Experience and track record of the development and management team: The partnership between Kentro Group and Comcap Ventures, LLC has a history of success developing LIHTC Projects with the 62-unit Lynwood Senior Apartments (Awarded 9% Tax Credits in 2019 with Project Completion in 2023) and the 151-unit Krisana Apartments (Awarded 4% Tax Credits in 2022 with Project Completion in 2024). The Sponsors bring deep experience to development and affordable housing with more than 100 years of experience combined. Including Lynwood Senior Apartments and Krisana Apartments, Sponsors have developed 2,012 LIHTC units across 15 Projects. The Sponsors have a strong commitment to their affordable housing projects and plan to defer more than 50% of the developer fee in 1001 Lincoln Street and will fill additional gap if needed. At Krisana Apartments, the Sponsor deferred 100% of the developer fee and kept over $2 million of equity in the deal to make the project feasible and keep it moving forward. ComCap Management has been providing professional apartment management services for its clients since 2006. The company currently manages over 2,500 apartment units across 22 properties, including Lynwood and Krisana. ComCap's team of professionals has a broad spectrum of experience in the multifamily management business. Specializing in LIHTC properties, ComCap has an impeccable record in property management disciplines including a fully integrated accounting system and compliance department.

Project costs: Utilizing the existing structure will bring down costs and shorten the construction timeline. I-Kota reports that the Project will save an estimated $4.5 million ($35,000 per unit) compared to a new build based on their experience in the market. The savings are broken down on Attachment #8. The Project costs have been updated since the 2024 submission with a less than 1% change and owner contingency remains in the budget, confirming the continued accuracy of costs for the Project. The Sponsors also received pricing in June 2024 from Brinkmann that was in line with the I-Kota costs received in 2024. The Sponsors feel confident the pricing for the Project is reasonable.

Site suitability: 1001 Lincoln Street is well suited for a LIHTC development due to nearby amenities and access to public transportation. The Project is along a minor and collector street in a mixed residential and commercial neighborhood. Its location provides good visibility and access to shopping, arterials, and services. The Project is within 0.5 miles of a convenience store, neighborhood shopping center, middle school, bus stop, hospital, library, medical clinic, and park, and within one mile of a grocery store, elementary school, high school, light rail station, head start and recreation center. The Project's walk score is 97, which is 59% higher than the Denver score of 61, 2% higher than the comparable average, and is considered "Walker's Paradise." The bike score is 90, which is 25% higher than Denver score of 72 and is considered a "Biker's Paradise". Residents may not need cars due to the strong public transport, walkability and bike ability of the site, as well as the proximity to central business district jobs.

Describe any requests to waive underwriting criteria (if requesting): None

Address any issues raised by the market analyst in the market study: The Market Study notes two possible weaknesses to the Project: smaller than average unit sizes and concessions that are being offered by surveyed market rate properties that overlap rents with the 60% and 70% rents . The smaller unit sizes allow the Sponsors to maximize density on the site and provide 118 units of non-PSH affordable housing in the PMA, to help house residents who are looking for quality, affordable options with a fantastic location close to the central business district. Despite the overlap of rents for the concessions on the market rate units, the market analyst states that the Project's units will lease up at a reasonable rate (15 units per month) without concessions.

Address any issues raised in the environmental report(s): The Phase I concluded that there was no evidence of RECs, Controlled RECs (CRECs), or Historical RECs (HRECs) in connection with the site.

Identify if there are any unusual features that are driving costs upward, as well as if there are any opportunities to realize cost containment: Cost containment has been noted throughout the narrative. Of note, costs from this application were confirmed by two third-party estimators, indicating reasonability.

Describe the outreach to the community that you have done and describe local opposition and/ or support for the project (including financial support): The Sponsors held a public meeting on July 19, 2023 and July 18, 2024; no members of the public attended. Additionally, there were two design public meetings held on September 9, 2023 with Golden Triangle Urban Design Committee and May 14, 2024 with Downtown Design Advisory Board. The Project has received local support evidenced by a support letter from District 10 City Council Member Chris Hinds (Attachment #9), and Thriving Families, a non-profit located near the Project that serves low-income women and their children (Attachment #10). There is no known opposition to the Project. Additionally, the Sponsors have an MOU with NEWSED (Attachment #11), a local non-profit, to offer services at the Project such as housing counseling, financial counseling, and small business training. NEWSED has also expressed their support for the project (Attachment #12).

Describe how the proposed development contributes to promoting equity as well as economic mobility for residents: 1001 Lincoln Street promotes equity and economic mobility for residents by providing an affordable place to live near jobs, public transportation, higher education hubs, and cultural centers. Residents will have access to downtown Denver which provides opportunities for jobs at all income levels. By providing housing at 1001 Lincoln Street, residents of the Project will save time and money on transportation and have access to the best of Denver.

4% housing tax credit application narrative

Project Name: 1139 Delaware
Project Address: 1139 Delaware Street, Denver, CO 80204

Executive Summary: At 1139 Delaware (the "Project"), Sherman Associates will create a safe, stable, and supportive living environment for individuals experiencing homelessness or at risk of homelessness in the Denver metro area. Developed in collaboration with the Denver Housing Authority (DHA), the Project focuses on implementing trauma-informed design principles to address the complex needs of its residents. By recognizing and responding to the impact of trauma, 1139 Delaware strives to create a healing and empowering environment that promotes long-term stability and well-being. Residents will receive supportive services provided by Family Tree, a Denver metro area nonprofit services provider.

The Project site is located in a "High Opportunity Area" in the Golden Triangle neighborhood, defined as a Census tract where the median income is equal to or exceeds the median income for the Metropolitan Statistical Area. The site was assembled from two parcels (collectively 1101, 1123 and 1139 Delaware) by DHA, who then issued a Request for Qualifications (RFQ) to find a developer for the site. The DHA awarded the 1139 Delaware Street development opportunity to Sherman Associates in the Fall of 2023 as part of their DHA Delivers for Denver (D3) Permanent Supportive Housing (PSH) program.

In 2024, Sherman Associates applied to CHFA for 4% LIHTC and State Credits and was not awarded. The project submitted to CHFA last year proposed 132 units total, 80 of which were to be PSH project-based-voucher supported units restricted at 30% AMI and below, while the remaining 52 units were proposed as general occupancy units restricted at 60% AMI and below.

After review and feedback from key funders and stakeholders, Sherman Associates is proposing a revised development totaling 80 units, all of which are proposed to be PSH project-based-voucher supported units restricted at 30% AMI and below. As we discussed this project further with our funding partners, property management staff, and service providers, we identified what we saw as the key challenges related to integrating supportive housing within a broader housing market. These challenges include increased costs, difficulties in managing diverse needs, and potential friction between residents with differing circumstances. Our primary goal in reducing the total unit count from 132 to 80 is to focus on providing supportive housing with essential services and a stable environment for Denver's most vulnerable individuals and families. We believe that maintaining our focus on this critical population will set this community up for success and ensure that residents receive the comprehensive support necessary to thrive.

The Project's 80 units will serve a variety of household sizes, with 8 studios, 52 one-bedroom units, 12 two-bedroom units and 8 three-bedroom units. The building will be five stories tall, served by two elevators, with a brick, stucco and metal exterior with wood and metal accents. Construction will be one level of post-tension on slab containing parking and common area space for services and amenities and 4 stories of wood apartment units and amenities above for a total of 5 stories. The Project will be all-electric and certified under the National Green Building Standard Silver criteria.

The trauma-informed design of the building is crucial for creating a safe and healing environment for residents who have experienced trauma. 1139 Delaware will feature six key elements of trauma-informed design including safety and security, sensory considerations, supportive spaces, flexibility and choice, nature and biophilic design, clear signage and wayfinding. Attachment #1 provides details on how trauma-informed design key elements will be implemented throughout the building.

Services will be provided by Family Tree and referrals will come from Family Tree, the Metro Denver Homeless Initiative's Coordinated Entry System (CES), and the Colorado Division of Housing (CDOH). On-site services include orientation and move in assistance, case management, individualized service plans, referrals to off-site services, transportation, recreation and socialization, independent living skills training, mental health and substance abuse services, employment services, and services for families, including support groups and family advocacy. Attachment #2 provides more information on Family Tree.

All units will have central air conditioning, blinds, vinyl plank floors, high-speed internet hook-ups, built-in shelves, refrigerator, stove/oven, dishwasher, disposal, and microwave. Some units will also have coat closets, built-in desks, patios/balconies, and walk-in closets. The units will be furnished, addressing the need for residents to acquire furniture, especially after having been unhoused.

The common amenities include on-site management, bicycle maintenance/storage, a community room, multipurpose/flex room, exercise room, picnic area, playground, courtyard, rooftop deck, EV-charging stations, package holding area, conference room and community garden. Security features for the Project include limited access entries, security cameras, a courtesy patrol, and intercom buzzer system. To enhance both hospitality and safety, the Project will feature front desk staff who will greet residents and monitor activity on the premises.

The Golden Triangle neighborhood, just south of the Civic Center, is amenity-rich and a transit hub. Within one mile of the site are several grocery stores, a mall, public schools from head start through high school, a college, recreation centers, parks, a library, a hospital and clinics, police and fire stations, multiple bus stops (within one-half mile) and a light rail station, and a variety of coffee shops and places to eat. There are also several cultural activities within walking distance of the site including the Denver Art Museum and the Colorado History Museum. With a walk score of 95 and bike score of 96, the site is considered a "Walker's Paradise" and "Biker's Paradise." The site's transit score is 74, considered "Excellent Transit" with easy access to light rail and buses that residents can use to access the entire Denver metropolitan area. The Project will provide an RTD NECO pass to each household.

The Project will be financed with 4% federal low income housing tax credits, Colorado state affordable housing tax credits, 60 Project Based Vouchers (PBV) from DHA and 20 Section 811 PBVs from CDOH, private activity bonds (PAB), City of Denver Department of Housing Stability (HOST) soft funds, CDOH soft funds, Federal Home Loan Bank's Affordable Housing Program, Deferred Developer Fee, a special limited partnership with DHA for property tax exemption, a $100/year long-term ground lease from DHA, city Tenancy Support Services (TSS) funding, Medicaid revenue, and a services reserve funded by a portion of paid developer fee.

1. Describe the bond financing structure:
   Construction Period Bonds (Tax-Exempt): $23,059,433 Public Sale; Permanent Bonds: $12,928,000 Public Sale; Volume Cap Provider: CHFA; Bond Issuer: CHFA; Taxable Construction Loan: $3,678,799.

2. The Project's 80 PSH units will serve residents who are at risk for being unhoused, are currently unhoused, or are chronically unhoused.

3. Describe how the project meets the criteria for approval in Section 2 of the QAP:
   Market condition: PSH units remain a critical tool in addressing homelessness in Denver. Given the site's proximity to schools and public transportation, the Denver Housing Authority (DHA) prioritized a development partner for this D3 opportunity who could deliver housing for both families and individuals experiencing homelessness.

   According to the 2025 Point-In-Time (PIT) count, 7,327 individuals were unhoused in Denver, including 6,542 sheltered and 785 unsheltered persons. This marks an increase from the 2024 PIT count of 6,539. Notably, 63% of those counted in 2025 were adult individuals. The 1139 Delaware project is well-aligned to meet this need, with 75% of its PSH units designed as studios and one-bedrooms—ideal for individuals.

   The 2024 State of Homelessness Report by the Metro Denver Homeless Initiative (MDHI) identified 29,219 households experiencing homelessness, including 2,780 families with at least one child under 18. In response, the project team—working in partnership with DHA and community stakeholders—established early on the importance of serving both individuals and families. As a result, the current unit mix includes 75% studio and one-bedroom units and 25% two- and three-bedroom units.

   The market analyst posits that demand for the Project is strong because of increasing homelessness in Denver, the Project's highly desirable location including proximity to services, and Sherman Associates' utilization of the Coordinated Entry System to fill units. The market analyst observes that Denver's vacancy rate has recently increased to approximately 18.8%. However, this rate likely does not indicate a reduced demand for affordable rental units. The higher vacancy rate can be attributed to an increase in evictions, crime, and health-related issues. Despite the upward movement in vacancy rates in the PMA, the market analyst concludes that 1139 Delaware will lease up an average of 15 units per month without concessions and will have a vacancy rate of 5% due to the continued need for income restricted units in the PMA.

   Proximity to existing tax credit developments: There are 3,108 total existing PSH units in the PMA as of June 2025. The closest existing PSH tax credit development is Forum Apartments, built in 1996 and renovated in 2023, located 0.3 miles from the Project, with 100 PSH units. Civic Center Apartments, a 216-unit PSH project, that was built in 1906 and renovated in 2003, is 0.6 miles from the Project. Renaissance Uptown Lofts, a 98-unit PSH development that was built in 2011, is 0.8 miles from the Project. Renaissance Legacy Lofts, a 98-unit PSH development built in 2022, Renaissance Stout Street Lofts, a 78-unit PSH development built in 2014, and Renaissance Off Broadway Lofts, an 81-unit PSH development built in 2002 and renovated in 2023, are all 1.2 miles from the Project.

   Project readiness: Zoning is in place for the Project, and Sherman Associates has submitted and received preliminary comments from the City on the Concept Plan for the site which positions the Project well to receive building permits in Q3-2026. The Project is being reviewed under the City's Affordable Housing Review Team (AHRT) program which prioritizes affordable housing projects to reduce the time for permitting approvals. Site Plan and Permit drawings from the Project architect KTGY are in process and Sherman Associates is ready to pursue financial close in the third quarter of 2026.

   Overall financial feasibility and viability: The Project is financially feasible due to equity from 4% federal low-income housing tax credits and Colorado state affordable housing tax credits, gap and TSS funding from HOST, gap funding from CDOH, and DHA's partnership for property tax exemption and a $100/year ground lease. Sherman Associates' strong relationships with lenders and investors will maximize the private sector contributions to the Project.

Experience and track record of the development and management team: Sherman Associates is an award-winning developer specializing in the development of quality housing and commercial properties. Having earned a strong reputation for quality and follow-through, cities around the country have turned to Sherman to pioneer redevelopment in their highest-priority neighborhoods. With 45 years of development and construction experience in Minnesota, Wisconsin, Iowa, Missouri, Colorado, and Florida, Sherman has a proven track record of delivering successful projects at urban infill and transit-oriented sites.

In 2012, Sherman Associates completed the construction of Phoenix on the Fax, a notable project located southeast of City Park along Colfax Avenue. This development, consisting of 50 affordable housing units, was financed through various sources including Federal 9% LIHTC, the Tax Credit Assistance Program, a HUD Insured Mortgage, HOST HOME Funds, and DOH HOME Funds. Phoenix on the Fax received strong support from The Fax Partnership and the Denver City Council. Sherman Associates continues to own and operate this significant addition to Colfax Avenue, benefiting local neighborhoods such as the Greater Park Hill Community. This property represents a renaissance along Colorado Boulevard to Yosemite Street on Colfax Avenue, an area that has been a focus for the City of Denver's urban renewal efforts. The community is home to 50 households with incomes at or below 30%, 50%, or 60% of the Area Median Income, fostering a diverse population in terms of ethnicity, income, age, and household composition.

Sherman Associates has developed over 12,300 multifamily units and currently owns and manages over 7,000 multifamily rental units of which 70% are affordable. Sherman also owns and manages over 660,000 square feet of commercial space, five hotels, four Starbucks, three restaurants, and two solar gardens. Attachment #3 provides more information on Sherman Associates' management experience and operational strategy for 1139 Delaware. Attachment #4 provides information on Sherman's proposed partnership with Blueline Development to assist with pre-leasing, leasing, stabilization, and the initial six months of operations in the Denver market.

Project costs: The Project's construction costs were estimated by Palace Construction, a local general contractor with extensive affordable housing experience. The Project's soft costs have been informed by Sherman Associates' recent LIHTC development budgets, and the operating budget by Sherman's comparable properties in its vast portfolio of affordable projects it owns and operates.

Site suitability: 1139 Delaware is ideally situated in the Golden Triangle neighborhood, providing residents access to shopping, restaurants, services, schools, green space, cultural enrichment, and public transportation within blocks of the site. A King Soopers is located across Speer Boulevard 0.3 miles away from the site. Center for Talent Development at Greenlee, a public elementary school, is located 0.4 miles from the site, with West Middle and High School located 0.2 miles from the site. The Colonnade Children's Center, a childcare center is 0.1 miles from the site. Denver Health hospital is located 0.4 miles from the site. The La Alma recreation center is 0.6 miles from the site and Sunken Gardens Park is 0.2 miles away. The light rail station Colfax at Auraria is 0.7 miles from the site, and there are several bus stops nearby served by various bus routes including the 9, 16, and 52. With these stops residents will be able to reach all metropolitan areas, many without a transfer. There is a movie theater and a mall 0.7 miles from the site. There are coffee shops and restaurants within easy walking distance as well as museums, art galleries, gyms and beauty shops. The ability to walk to these amenities makes this site ideal for residents to feel connected to their community and satisfied with the variety of places to seek employment or services, visit, shop, and eat.

4. Justification for waiver of underwriting criteria: Please see the cost basis waiver request (Attachment #5).

5. Address any issues raised by the market analyst in the market study. 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. There were two RECs identified in connection with the site regarding

potential soil and groundwater impacts. A Phase 2 ESA was performed and concluded that no further investigation of potential impact from RECs is warranted. A Materials and Management Plan (MMP) is recommended to be established which would include procedures for identifying and handling of environmentally-impacted media, if encountered. Sherman will create and follow an MMP for the Project. The design of the project also mitigates soil and groundwater impacts as there is no underground parking.

7. Identify if there are any unusual features that are driving costs upward as well as if there are any opportunities to realize cost containment (refer to Section 2 of the QAP). 1139 Delaware is an infill development in a downtown-adjacent neighborhood on a small site (0.65 acre), which drives construction costs upward to get density and parking in an urban environment. To maximize the number of units on the site, the building will be five stories with podium parking on the first floor. However, the Project's design keeps the building height under high-rise building codes which avoids an additional cost premium. Due to the DHA and Section 811 vouchers and building height, the Project will also have commercial Davis Bacon requirements which increases construction costs by over $1 million.

   Project costs are also higher due to the supportive housing component, which necessitates a higher ratio of common space to residential space in order to provide the necessary supportive services space. Ongoing supportive services costs are also a significant cost to the Project. Supportive service costs are estimated at approximately $725,000 per year. Services funding remains a challenge for PSH projects, but Sherman Associates and Family Tree have identified several sources to cover these costs including Medicaid funding, HOST TSS, cash flow from Project operations, and a developer fee reserve fund.

8. Describe the outreach to the community that you have done and describe local opposition and/or support for the project (including financial support). Community outreach is a key element of project design for Sherman Associates and the development team. Sherman Associates identified the importance of creating a neighborhood-serving design, emphasizing the importance of connections, and thoughtfully weaving this development into the existing urban fabric. Over the last two years Sherman Associates has invested significant time doing outreach to the community where the project will be developed, owned, and operated. Sherman Associates has become a member of the Golden Triangle Creative District association and hosted two public community engagement meetings at the Evans School, in the neighborhood where the project is located on February 15 and February 21, 2024. The meetings included project leader presentations along with elected officials for District 10 and the Denver Mayors office. The meetings had robust engagement, question and answer time, with good feedback and ultimately strong support for the Project. Sherman Associates has given several virtual presentations to community organizations such as "All Families Deserve a Chance" and "Change the Trend" and taken meetings with several Denver City Council Members and leadership of several non-profits ranging from homelessness advocates and non-profits to the Denver Public Library. Additional support for the project is shown through the project's Letters of Support (Attachment #6).

9. Describe how the proposed development contributes to promoting equity as well as economic mobility for residents. 1139 Delaware contributes to promoting equity by providing furnished, quality apartments for individuals and families experiencing homelessness or at risk of experiencing homelessness and giving them a place to be supported and flourish. This unique site in a High Opportunity Area will provide all of its residents with access to job centers and cultural centers promoting equity with access to an amenity-rich neighborhood. In addition, all of the Project's subcontractors with contracts over $1 million will be required to participate in Minority Business Enterprise (MBE) and Women Business Enterprise (WBE) outreach and utilize sub-tier contractors to supply materials and perform work to meet DHA's MBE/WBE participation goals.

4% housing tax credit application narrative

Project Name: **A Line Flats**
Project Address: **4050 Colorado Blvd., Denver, CO 80216**

A Line Flats represents Phase I of a City-approved Large Development Framework, which involves the phased development at the 6.63-acre property that will provide housing to complement the existing mix of retail, for-sale, and affordable rental at the site. The current proposal reflects several design and programmatic improvements made since last year's Round Two application, based on feedback from CHFA and local stakeholders.

A Line Flats will serve families and is comprised of 191 units, all of which are income restricted between 30-70% AMI. 10% of units at A Line Flats will be offered at 30% AMI without any form of tenant subsidy. Since last year, unit sizes have been increased and plans revised to eliminate curved walls and difficult angles, improving functionality and furniture layout. This project is located in a QCT.

This project is a wood frame building of Type III-A construction sitting on a post-tension foundation. The wood frame building will wrap a precast parking garage, which will provide 181 parking spaces at no additional cost to residents. It will have three elevators housed in two-hour rated vertical concrete shafts. Exterior building finishes include painted or pre-finished fiber cement panels, horizontal fiber cement lap siding, and full-depth brick and a combination of vinyl and storefront windows. Exterior design has also been updated to blend more naturally with the character of surrounding development.

The building will be designed to exceed the 2022 Denver Building Code and to achieve ICC 700-2020 NGBS certification. A Line Flats will be all-electric, will utilize high-efficiency heat pump systems for space heating and cooling, and will subscribe to off-site community solar through Cloudbreak Energy. This represents a shift from the previously planned rooftop solar array, in response to changes in federal law and to improve the predictability of utility savings for the project.

Interior shared amenities include a resident clubroom, fitness room, business center, a bike storage room, and a 600 square foot, 5th floor, southward facing terrace. In-unit amenities include air conditioning, blinds, carpet, luxury vinyl plank flooring, a coat closet, refrigerator, stove/oven/vent hood, dishwasher, washer/dryer, microwave, internet connection, and garbage disposal. Outdoors, A Line Flats will feature two private community courtyards and a 15,000 square foot community-serving pocket park that will connect directly to the project. As part of this year's proposal, Elmington has partnered with Hope Communities to provide on-site resident services, which are now included in the project's operating budget.

A Line Flats has been designed to enhance resident's ability to use nearby public transportation and bolster their economic mobility. For example, Elmington will provide a paved walking trail to Smith Road, which will put the project within a five-minute walk to the 40th and Colorado Blvd. light rail station. Also within a five-minute walk is an RTD bus stop serving the 37, 39, and ART lines at the corner of East 40th Avenue and Colorado Blvd. A Line Flats will also connect to the planned 303 ArtWay, a regional pedestrian and bike corridor that enhances active transportation throughout Northeast Park Hill. To further support equitable transit access for residents, Elmington will provide unlimited RTD transit passes to each resident at the property through the RTD Neighborhood EcoPass (NECO Pass) program.

A Line Flats proximity to transit and Elmington's investment in supporting infrastructure will offer residents convenient access to regional transit and nearby job centers, including direct service to downtown and Denver International Airport ("DIA"). This connectivity supports residents' economic mobility by providing them with reliable, free access to a wide range of neighborhoods in Denver that will allow them to continue to live, work, and entertain themselves throughout the City. Since last year, Elmington has significantly expanded its engagement with local neighborhood organizations, which helped inform refinements to the project's design, affordability mix, and community partnerships—support that is reflected in the attached letter from the Northeast Park Hill Coalition (the "NEPHC").

Elmington is committed to the success of A Line Flats, as reflected by our decision last fall to purchase the site, even after an unsuccessful preliminary application in Round Two 2024. Elmington will continue to advance our design and entitlement processes in the coming months so that when awarded tax credits in the current round, A Line Flats will be in position for financial close in Q4 of 2026.

1. **Describe the bond financing structure and include the following:**
Private activity bonds will be issued by CHFA and privately placed with Barings in a cash-backed structure. Approximately $41.5 million in tax-exempt bonds will be issued during construction, generating an estimated $5 million in bond reinvestment income based on analysis by Stifel and Tiber Hudson dated July 29, 2025. The construction tax-exempt bonds will convert to a $36.17 million permanent loan with Barings, and a $58.12 million taxable construction loan will be provided by U.S. Bank. Bond reinvestment proceeds are included in the 50% test and modeled as B Bonds.

2. **Identify which, if any, of the priorities in Section 2 of the QAP:** None

3. **Describe how the project meets the criteria for approval in Section 2 of the QAP:**
Market conditions: The PMA demonstrates strong underlying demand for affordable housing, with comparable LIHTC properties showing vacancies around 4.7% and many reporting active waitlists. The market study forecasts a base capture rate of 26.3% for A Line Flats, which improves to 21.0% when adjusted for 25% in-migration, reflecting the project's TOD location and its ability to attract tenants from outside the PMA. Importantly, the study notes that there is little new construction of family-oriented affordable housing in the PMA. These factors together suggest that the subject property is well-positioned for successful lease-up within the projected timeframe.

Proximity to existing tax credit developments: The PMA includes 22 LIHTC communities totaling 1,850 income-restricted units, several of which are located in close proximity to A Line Flats. The subject is adjacent to Park Hill Station, a 156-unit LIHTC development, and within two blocks of Park Hill 4000, which includes a mix of market-rate and affordable units. The market study reports that stabilized projects in the PMA consistently maintain high occupancy and waitlists, particularly in the lower AMI bands. A Line Flats is expected to be comparable, if not superior, to nearby LIHTC developments in terms of location, building design, and amenities, positioning it to compete well within the established market.

Project readiness: Elmington's team of professionals and consultants have been working with the Urban Land Conservancy (ULC) over the past 24 months to progress planning and entitlement processes with the City and County of Denver prior to award of tax credits. Significant entitlement milestones achieved include the following: approval of a Large Development Review Amendment and Large Development Framework by the City on January 16, 2024; approval by the City of an Infrastructure Master Plan on May 14, 2025, the Infrastructure Master Plan; and successful rezoning of the project site from Former Chapter 59 B-3 with Waivers to C-MX-8 by unanimous City Council approval on September 20, 2024.

We anticipate that we will receive Concept Review approval in October 2025. We plan to submit our Site Development Plan and Civil CDs to the City for review by January 2026 and anticipate approval by September 2026, with building permits being issued shortly thereafter. A detailed Design & Entitlements schedule is attached. The above demonstrates a high degree of readiness to proceed ahead of the impact of proposed tariffs.

Overall financial feasibility and viability: A Line Flats is financially feasible due to equity from 4% LIHTC, AHTC, and TOC credits, the significant potential for support from Denver's HOST, and property tax exemption and sales tax rebate through DHA's participation in the project as a Special Limited Partner after award of credits. Given the size and scale of the project, Elmington has intentionally worked with US Bank and Barings, both large financing institutions with deep experience in affordable housing, to confirm all financial underwriting. We have used conservative financing assumptions, including 6-month operating and debt reserves to present a realistic, base case estimate of the project's viability and future performance.

We have also engaged energetics to help us identify building efficiency and sustainability improvements throughout the development process that will make A Line Flats not only more cost-effective to operate, but also eligible for a wider range of financing through utility incentive programs and other local, state, and federal funding opportunities. We note that our current underwriting does not reflect the bill credits that Elmington would receive through our community solar engagement with Cloudbreak; as mentioned above, we left these savings out of the current model to present a conservative estimate of the project's long-term financial viability.

Lastly, while we are confident in the conservative underwriting we have provided, we have also confirmed our eligibility for additional gap financing, should it become necessary after bond issuance with DOLA's Proposition 123 Gap Financing Fund and Denver's HOST Gap Financing Fund.

Experience and track record of the development and management team: Having developed over 10,000 affordable multifamily units in both new construction and substantial rehabilitation in the last 10 years across Tennessee, Connecticut, North Carolina, Texas, Alabama, Ohio, Florida, and South Dakota, Elmington is a vertically integrated national leader in community development and affordable housing. Elmington also has a successful single-family home development and construction division, which has developed over 500 homes and currently has $400 million under construction with an additional $50 million of for-sale homeownership units.

Elmington has the financial capacity and expertise to develop projects of a broad range of sizes and a successful track record of maximizing private-sector financing participation. We have developed projects ranging in size from 30 units to over 300 units including single-family homes, duplexes, townhomes, garden-style flats and mid-rise and high-rise buildings. Since 2010, Elmington has raised more than $2 billion in debt and equity capital from a wide range of banks, syndicators, insurance companies, private equity funds, and high net-worth individuals. Elmington has investment relationships with some of the largest depository institutions in Colorado, including JPMorgan Chase, USBank, Bank of America, and others. Elmington's track record of success over the past 10+ years throughout the Southeast enables us to raise funds from various sources to ensure financial viability of our projects even in challenging economic times.

Elmington has extensive experience in a variety of community development financing tools, including private debt, private equity, 9% and 4% Low Income Housing Tax Credits (LIHTC) awards, HUD rental assistance programs, Tax Increment Financing (TIF), Payment in Lieu of Taxes (PILOT), Community Development Block Grant Program (CDBG), Equity and Tax-Exempt Bond, Barnes Fund, Project Based Vouchers (PBV), Project Based Rental Assistance (PBRA), Home Investment Partnership Program (HOME), and Amazon's Housing Equity Fund. We are well-versed in the requirements associated with HOME funds, National Housing Trust Funds, Section 3, Davis Bacon, DBE/WBE, Subsidy Layering Review, and other regulatory requirements. We are familiar with all the HUD regulations and requirements.

Elmington Property Management (EPM), our in-house management company, manages a portfolio of 278 communities across 14 states, totaling over 46,000 units. EPM has expanded its Colorado portfolio to four communities, which include Shadow Mountain in Colorado Springs, which is currently operating at 92%

occupancy, and the Residences at Hoffman in Aurora, which is operating at 94% occupancy. In addition, Mineral Point in Crested Butte and the Residences at Delta in Delta are managed in partnership with the local housing authority, with EPM as asset manager.

These recent portfolio additions and continued management of these communities reflect Elmington's growing presence and expertise in Colorado and our long-term commitment to the state. As EPM becomes more familiar with the Colorado market, we are building local capacity and refining operations in response to market dynamics that will inform our property management approach at A Line Flats and enable us to operate with en efficient economy of scale.

Project costs: The project team, in coordination with Alliance Construction Solutions, has spent extensive time working through various strategies to find the most cost-effective and financially efficient density solution for A Line Flats. For example, since last year's preliminary application, we changed the building design from concrete podium to a wood-frame, wrap construction to reduce hard construction costs, rebalanced the unit mix and AMI tiering to ensure that the project is as deeply affordable as possible given the decreased availability of tenant subsidies like project-based vouchers over the past year, and adjusted our financing assumptions to ensure that the project will remain financially viable in the long-term without being overly reliant on already constrained soft funding sources at the local, state and federal levels. Alliance has confirmed that our cost estimate reflects current market conditions in Denver and that our total development cost of $488,267 per unit is reasonable for mid-rise construction on an urban infill site given the IMP infrastructure to be delivered.

Site suitability: The site is exceptionally well-suited for affordable housing. It is a five-minute walk from RTD's 40th & Colorado A Line station, which connects residents to downtown Denver in 9 minutes and DIA in 28 minutes. These are two of the region's largest employment centers; DIA alone employs nearly 40,000 people, many of whom are eligible to be residents of the project. Nearby grocery options include Safeway (1.2 mi), Save-A-Lot (1.3 mi), and Walmart Supercenter (1.5 mi), and schools include Smith Elementary (0.7 mi), DSST Montview Middle (1.1 mi), and East High (2.2 mi). The Park Hill Golf Course, directly adjacent, is being redeveloped into a 115-acre public park. Additional amenities include the Hiawatha Davis Jr. Recreation Center (1.25 mi), City Park, the Denver Zoo (2.5 mi), and nearby churches include Park Hill United Methodist, New Hope Baptist Church, Shorter AME Church, Iglesia Faro de Luz UPCI and the Northeast Denver Islamic Center.

The parcel is flat with a minor grade change to the north for stormwater infrastructure. There are no environmental, floodplain, or wetlands issues, and the site is appropriately zoned for multifamily; Elmington has initiated the process to remove it from an existing Planned Building Group.

4. **Describe any requests to waive underwriting criteria (if requesting). Please see the preliminary checklist for additional narrative requirements for justification of the waiver**: None

5. **Address any issues raised by the market analyst in the market study:** The analyst noted that the parking ratio of 0.95 spaces per unit and 0.48 per bedroom may create challenges for tenants in larger units, given the high proportion of 2- and 3-bedroom floorplans. Second, the study notes that 1-bedroom units at the 70% AMI level are comparable to similar market-rate units, which may challenge absorption. However, all but one of the comparable properties examined are currently achieving the 2025 maximum allowable rents for their 70% AMI units, suggesting the risk is limited. Moreover, the analyst anticipates increased demand for apartments by the time A Line Flats enters lease-up, driven by significantly declining multifamily permitting activity in Denver, which is expected to reduce competition and support lease-up across all AMI bands, including the 70% tier.

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:** Our Phase I identified a potential REC from an old automotive site located on the west side of Colorado Blvd. We performed a limited subsurface investigation (the "LSI") to gather more information about this condition and confirmed that the site has not been significantly impacted by any historical use. No additional investigation or remediation measures were recommended by the LSI, and there are no other environmental conditions negatively impacting the site.

7. **<u>Identify if there are any unusual features that are driving costs upward, as well as if there are any opportunities to realize cost containment. (Refer to Section 2 of the QAP for additional information.)</u>:** The primary factor driving costs upward is the infrastructure required under the IMP, including a paved bike and fire lane, detention pond expansion, extension of a private drive to the building, utility extensions, and a paved walkway connecting to Smith Road. **While these improvements increase our total development cost, they are essential to maximizing the site's potential as a transit-oriented development by ensuring residents have safe access to nearby light rail and bus stops.**

   We are achieving cost containment through the size and scope of the project, which enables us to realize economies of scale; through guaranteed maximum price contracts with our contractors; and through our partnership with energetics, who will help us identify energy-efficient equipment and design strategies that can qualify the project for utility incentives and other funding opportunities. We also eliminated balconies on select three-bedroom units and removed Juliet balconies as a cost containment measure. Removal of these amenities is balanced by generous shared amenities, including a 5th floor rooftop terrace, two private outdoor courtyards with picnic tables and BBQ pits, and direct access to the planned 15,000-square-foot pocket park.

8. **<u>Describe the outreach to the community that you have done and describe local opposition and/or support for the project (including financial support)</u>:** Elmington has maintained ongoing communication with the NEPHC, the area's Registered Neighborhood Organization, and has worked closely with its president, Kevin Marchman, throughout the development process. We have presented our project at several NEPHC neighborhood meetings, and input from local residents and leadership has directly informed key aspects of the project including the unit mix, AMI targeting, exterior materials choices, and overall design. We are also negotiating a Community Benefits Agreement with NEPHC, which would include commitments from Elmington to provide notice of unit vacancies to neighborhood residents and to share job opportunities related to construction and property management through NEPHC's communication channels.

   We have also engaged with Radian, the organization leading development of the 303 ArtWay. Our goal is to align site infrastructure with the 303 ArtWay's mobility and cultural objectives and to identify ways to collaborate as both projects move forward.

   Letters of support from these groups and others are attached for reference. Elmington is committed to continued engagement throughout the development process and will provide regular updates, attend public meetings, and work collaboratively with local stakeholders to ensure the project reflects community priorities.

9. **<u>Describe how the proposed development contributes to promoting equity as well as economic mobility for residents</u>:** A Line Flats is designed to advance equity and economic mobility by expanding access to high-quality, affordable housing in a rapidly evolving neighborhood with excellent regional connectivity. The site is located within a five-minute walk of a light rail station and multiple RTD bus lines, offering direct access to major job centers including downtown Denver and DIA. To reduce transportation costs and expand mobility, each resident will receive a NECO Pass providing unlimited access to RTD bus and rail service.

   In addition, Elmington is partnering with Hope Communities to provide on-site supportive services tailored to residents' long-term success, including job search support, job readiness training, financial literacy education, and assistance with food insecurity. We are also working with the NEPHC to ensure that neighborhood residents are made aware of available units at the project and have meaningful access to construction and property management jobs through targeted outreach and inclusive hiring practices.

   Through these combined strategies—affordability, transit access, resident services, and local partnerships—A Line Flats supports greater stability and economic mobility for future residents and the surrounding community.

Additional Supporting Narrative Items

1. <u>Letters of Support</u>: NEPHC, NOAHH, Radian, ULC, RTD, Hope Communities, DHA.
2. <u>A Line Flats Entitlement Status & Narrative</u>.
3. <u>A Line Flats Sustainability Narrative</u>.
4. <u>Infrastructure Master Plan</u>.

4% housing credit application narrative

Project Name: Atwood Commons

Project Address: 130 Third Avenue, Longmont, CO 80501

ATWOOD COMMONS

Brikwell is pleased to present Atwood Commons, a 72-unit, four-story building in downtown Longmont. Atwood will have one- and two-bedroom units with an AMI set aside from 30% to 80% AMI. Furthermore, since the design and entitlement processes are so advanced, the completed units could be delivered by the end of 2027. The project's advanced planning, which includes 100% DD plans (including MEP) and a budget informed by local subcontractors, significantly mitigates the risk of cost escalation. This high level of preparation also allows for an accelerated closing timeline, estimated for July 2026.

Atwood Commons has meaningful local support from the City of Longmont and the Longmont Housing Authority, as it meets a significant number of the City's goals for development given it is an infill/re-development site, with transit-orientation, and high-density housing in a designated Area of Change (see section 10 for further detail). The City of Longmont has committed a total of $1.8 million to Atwood, including $1 million cash flow loan and reduced municipal fees and City use tax by a combined $800k. In addition, Longmont Housing Authority has awarded Atwood eight Project-Based Vouchers as well as agreed to partner and provide a property tax exemption. With the Site Plan and Plat fully approved by the city in May 2024, the right to develop Atwood Commons as designed is secured. This allows the building permitting process to begin immediately upon receiving a LIHTC award. The project has also received a $750,000 award in Prop 123 Concessionary Debt financing and the City's full 2025 PAB allocation of nearly $6.5 million.

The service commitment from OUR Center further strengthens the Atwood Commons community and resident quality of life by both providing on-site programming and proximate access (380 feet) to the 25,000 SF OUR Center headquarters. OUR Center has been the go-to resource for Longmont residents for 38 years, and in 2024 they visited over 21k households seeking assistance, provided $614k+ in housing financial assistance and referrals for 848 households, served 63k+ hot meals, and provided classes and programming to 3.3k+ individuals. OUR Center is fully committed to Atwood Commons, and Brikwell is grateful for their support, partnership, and history serving the Longmont community.

Location

Atwood Commons is located on a one-acre parcel, at 130 3rd Avenue, Longmont, CO 80501, in the qualified census tract 134.01. The Project is four blocks East of Main Street, two blocks East of the Longmont's Civic Center (Longmont

Housing Authority, library, community development, services) and is considered Very Walkable with a Walk Score of 83 (compared to Longmont's average Walk Score of 39). The nearest bus stop is 260 feet from Atwood Commons, and this service provides transportation throughout Longmont as well as connections to regional transit. Atwood Commons is ideally located to provide access to employment opportunities and economic mobility with its proximity to the Longmont Civic Center and Main Street stores, employment, and restaurants. To encourage the use of public transit, Atwood will apply for NECO passes and has budgeted a RTD NECO pass for every household.

Unit and Project Amenities

Unit type	30% AMI	50% AMI	60% AMI	70% AMI	80% AMI	Total
1 Br / 1 Ba	3*	7	3	3	2	18
2 Br / 1 Ba	10*	18	9	9	8	54
TOTAL	13	25	12	12	10	72
*Eight units at 30% AMI will have Project Based Vouchers.						

Each of Atwood Commons' units will have central heat & air conditioning, blinds, luxury vinyl plank flooring, high-speed internet hookups, refrigerator, stove/oven, dishwasher, disposal, microwave, stainless steel appliances, granite countertops and in-unit washer & dryer. The common area amenities will include on-site management, bicycle maintenance/storage, a community room with kitchen, exercise room, picnic area, playground, business center, and package holding area. Its security features will include electronic access entries, security cameras, courtesy patrol, and a front door call box. OUR Center will provide on-site tenant services, which will include adult education classes, computer classes, resume writing, job search assistance, social activities, and more.

Atwood Commons is a four-story "L" shaped single building, holding the southwest corner of the site, with surface parking, EV chargers, and EV-ready tuck-under parking. Atwood will be constructed with wood framing (type V-A) over an on-grade spread-footing foundation, and will feature a flat reflective white TPO roof (good for dual-sided PV) as well as dual secured access points. The public access front door is on the South side facing 3rd Avenue, adjacent to the community room and leasing/management office. The resident parking and exterior amenity access is on the North side of the building, adjacent to the mail room and indoor bike storage. The building's conditioned interior corridors will be serviced by a central elevator, ensuring all units are fully ADA Type-B convertible and Type-C visitable. To enhance the resident experience, the elevator lobby and corridor ends will feature natural light from windows that incorporate trauma-informed design principles. The exterior facade will utilize a variety of fiber cement panels, shake siding, vertical siding, and lap siding to create a modern, mountain-inspired color palette consistent with current hospitality and multifamily design trends.

Atwood Commons is committed to exceeding code requirements by designing 12.5% of its units to better serve the needs of disabled populations. This includes both Type A units and units with communication features. The most recent Longmont Housing Needs Assessment noted that over 4,000 Longmont residents have an ambulatory disability. Atwood will work with the local disability community (i.e. Center for People with Disabilities) to ensure the units are properly marketed to those who can best use them.

Services

Brikwell is pleased to have an MOU in place with an on-site programming service commitment from OUR Center, conveniently located a block away (380 feet). Atwood Commons' proximity to OUR Center's 25,000 SF headquarters makes for an ideal partnership. The services OUR Center will provide on-site and at their nearby headquarters will include a Community Café hot meals program, Community Market food pantry, financial literacy/budgeting classes, employment assistance referrals, life skills training program, parenting support groups, assistance with referrals to agencies for childcare and transportation, and emergency financial assistance. Through an ongoing partnership with OUR Center staff, Longmont Housing Authority, and Atwood Commons residents, Brikwell will continue to identify and implement desired services and programs.

Energy Efficiencies

Atwood Commons is conceived as an all-electric community and has engaged Group 14 Engineering to provide sustainability certification and commissioning to the following standards: 1) 2021 International Energy Conservation Code (IECC), and 2) National Green Building Standard (NGBS) – Bronze Certification. Atwood will also utilize on-site rooftop Photo Voltaic solar panels to generate electricity and offset community energy usage. The 135 kW PV solar panel array is expected to generate 232,400 MWh/year. Additionally, Atwood will adhere to water-wise and non-functional turf new construction requirements, as well as provide two EV charging stations, with three additional EV-ready parking stalls.

Financing

Atwood Commons will be financed using tax-exempt Private Activity Bonds, and equity from the sale of Federal, energy, and state LIHTCs. Additionally, Atwood has been awarded $1,000,000 in funds from the City of Longmont. With Longmont funds and Vouchers already awarded, Atwood can move directly to closing with our financing partners once we've received a LIHTC award.

Describe the bond financing structure and include the following:

- Total amount of bonds with a breakout of construction period bonds vs permanent bonds. Total construction bonds equal $26,425,000. Permanent bonds equal $10,690,000.
- Bond issuer and volume cap provider (please specify whether you are seeking CHFA bond-financed loan(s), CHFA conduit bond issuance only, or if bonds will be issued by a local issuer other than CHFA) CHFA will be the bond issuer and volume cap provider, although Atwood will be bringing Longmont's 2025 PAB allocation of $6,415,747 to CHFA.
- Lender and bond sale structure (public sale/ private placement, takeout, securitization, etc.) Bellwether will provide a private placement bond structure, which will serve as both construction and permanent financing.
- Portion of bonds that will be tax-exempt and taxable. Tax-exempt bonds will be $15,000,000 with a taxable tail of $11,425,000.

Market Conditions

The 50% and 60% AMI penetration rates are already slightly above CHFA's preferred threshold. However, the surveyed LIHTC projects were 96% occupied, had stable occupancy during the past year, and three had waitlists. The addition of all proposed units in the market increases the penetration rate by less than 2% which shows the impact of these new units will be minimal. Atwood Commons has discounted both the 70% and 80% rents to below LIHTC maximum rents and below market rate to better serve those residents and ensure a successful lease-up. The City of Longmont completed a Housing Needs Assessment, which documented an affordability shortage of 2,173 units of housing for households at 50% AMI and below. Additionally, the number of cost-burdened renters earning between $35k-50k and between $50k-75k grew 40%+ from 2013 to 2021. Approximately 7,000 households in Longmont are cost-burdened and another 5,700 are severely cost-burdened. Cost burden and severe cost burden collectively affect over half of Longmont renters. Longmont is experiencing a housing crisis and the City is strongly supporting affordable housing and the development of Atwood Commons.

Proximity to Existing Tax Credit Developments

The PMA has 27 LIHTC projects containing 2,065 income-restricted units. Of these, six are age- restricted projects with 346 units, two PSH properties have 136 units and 19 general occupancy properties that have 1,583 dwellings. The subject's non-subsidized units will compete directly with 1,196 of the tax credit units that are comparable in terms of family target market and income restriction, and its eight subsidized units will compete with 64 subsidized family LIHTC units. The LIHTC comparables have limited vacancy and waitlists, demonstrating that new LIHTC units will not compete with existing LIHTC units.

Project Readiness

Atwood Commons is unique in project readiness as it has been in design and entitlement for over three years with the City of Longmont and all referral agencies. Zoning is considered use-by-right, and the Site Plan and Plat were both approved by the City of Longmont in May of 2024, the only permit needed to break ground is a building permit. These critically needed units can be placed in service within two years of award.

Design and Construction Status

The current design documents represent a 100% Design Development (DD) Set of Architectural, Mechanical, Electrical, and Plumbing design. Assuming tax credits are awarded, full construction documents will be completed by Q2 2026, with an anticipated building permit and groundbreaking in early Q3 2026. Given the one-acre parcel and single building four-story, wood structure, construction of Atwood Commons is anticipated to take approximately 18 months, with an anticipated certificate of occupancy in Q1 2028.

Overall Financial Feasibility and Viability

Atwood Commons has been conservatively underwritten (2% escalation, 5% contractor hard cost contingency, 6% owner hard cost contingency) to best manage the current cost volatility in the market. The ability to commence construction within 2-3 quarters of a LIHTC award significantly mitigates cost escalation and financing risk. Additionally, Atwood's general contractor, KCI, is Longmont-based and has completed a comprehensive buy-out/bid process with the regional subcontractor market based on the 100% Design Development plan set, further mitigating project cost risk in construction pricing. The soft cost budget is directly informed by currently engaged design and consultant contracts. With this level of certainty, Atwood Commons is a viable and financially strong opportunity.

Experience and Track Record of the Development and Management Team

Brikwell's leadership has over 50 years of aggregate real estate investment and development experience. Over the past 19 years, Brikwell principals have developed 4,500+ multifamily units and 2.8M+ SF of retail/office space, totaling $2.1+ billion of constructed cost. Brikwell's current affordable housing portfolio comprises 995 units with a capitalized cost of $127 million. Longmont Housing Authority as property manager brings a wealth of experience and intimate knowledge of the Longmont market. All other members of the team (general contractor, architect, etc.) have executed multiple successful LIHTC projects in the past. For additional details on the Team, please see the Resume and Development Experience sections.

Project Costs

As illustrated in the Detailed Cost Summary, Atwood Commons' general contractor (KCI) was able to utilize a well-developed set of design plans to price Atwood Commons with a very high level of specificity. KCI is local to Longmont and active in the affordable multifamily construction space, making Atwood Commons a great fit for their skill set and subcontractor relationships. Many of the project line items were sent out for bid to multiple subcontractors, with which KCI has direct project experience and long-standing relationships. The project cost represents detailed take-off and direct subcontractor buyout/bid work, with known and vetted subcontractors who have experience in this type and scale of multifamily construction. The selected subcontractor costs represented in the project costs budget will result in a high-quality project that fits within the intended scope, budget, and schedule.

Site Suitability

Atwood Commons is a model urban infill location, located on a minor arterial street with great visibility and access to shopping, public transportation, schools, recreation, government services, and employment options. Located in Downtown Longmont, Atwood is just steps from OUR Center, and is walking distance of a bus stop, convenience store, library and municipal services. Additionally, it is within 0.5 miles of neighborhood shopping, childcare, a park and an elementary school, and is within one mile of shopping, a grocery store, a medical clinic and a senior center.

Underwriting Waivers Brikwell is not requesting any underwriting waivers.

Address any issues raised by the market analyst in the market study

The Market Study recommended no changes, but did note the units were smaller than average. We considered making the units larger, but by doing so, Atwood Commons would be reduced to 55 total units, with an increased cost of $112,000/unit. This change would drastically reduce both the availability of affordable units offered (-24%) and increase costs (+27%) such that economic viability would be greatly impacted. Atwood Commons' unit sizes represent current trends in market rate and affordable housing by incorporating more efficiently planned units with higher, nine-foot ceilings and larger windows that live and feel as large as previous generations of housing. As affirmed in the market study, Brikwell is confident that Atwood Commons' superior urban infill location, modern unit design, and expansive amenities will make Atwood Commons a successful and vibrant community.

Address any issues raised in the environmental report(s)
A Phase I ESA (5/19/2023) and Phase II ESA (7/6/2023) were conducted and identified the need to export ~300 CY of diesel/oil-impacted soil, a site visit with reliance letter was provided (7/17/25) affirming no change in condition. Atwood's budget and scope include remediation by a certified contractor, supervised by an environmental engineer, and conducted to all EPA standards. Please see further detail in the Environmental Assessment Detail.

Any unusual features that are driving costs upward, any opportunities to realize cost containment
Atwood Commons has maximized efficiency and simplicity in design to directly address the current cost environment. Atwood's single wood structure and stacked unit plans and dual loaded corridor is cost-effective in design by providing both economies of scale and a maximized floor-area-to-skin ratio. Utilizing a rooftop solar PV array, as well as an all-electric building system, reduces the total cost and number of utilities running to and throughout the building. The current cost analysis represents a buyout of 100% DD plans, and the ability to break ground within 2-3 quarters of tax credit award reduces the potential impact of cost escalation over time.

Describe the outreach to the community that you have done and describe local opposition and/ or support for the project (including financial support).

Over the past four years, the Team has interfaced and received the support of Longmont's Planning Staff, Downtown Development Authority, Transportation Planning, Public Works Engineering, Drainage & Natural Resources, Power and Communications, Fire Department, Police Department, Housing Department, and Housing Authority. Financial support for Atwood Commons has been received by the City of Longmont in the form of discounted municipal fees (~$800,000), and a soft funding loan from the Longmont Affordable Housing Fund ($1,000,000). Additional support has been received from the Longmont Housing Authority and City Council in the approval of our Special Limited Partnership (received from City Council 6/20/2023). Additionally, Longmont Housing Authority awarded eight Project-Based Vouchers, further strengthening the economic viability of Atwood Commons. As property manager and partner, Longmont Housing Authority has also provided continual design input to the Team in the design process of Atwood Commons. We are grateful for the opportunity to work with such high-quality community partners on another successful development that directly addresses a growing need and will benefit the Longmont community for decades to come.

Promoting Equity and Economic Mobility
Atwood Commons promotes equity and economic mobility by serving residents of all backgrounds by following Fair Housing practices and accepting a wide range of income levels from 30%-80% AMI. Our partnership with OUR Center provides a vast array of on-site and off-site services that will serve all residents of Atwood Commons. On a neighborhood level, Atwood Commons' proximity to downtown Longmont will increase access and mobility to its residents by placing them just steps from employment, services, and social opportunities, ensuring equal opportunities, resources, and treatment for all. Downtown Longmont is just a short distance from Atwood Commons and is easily accessible via walking or biking. That said, to ensure residents have equal access, Atwood will provide an RTD NECO pass for every household to utilize zero-cost regional transit. Lastly, the Atwood's indoor and outdoor amenities are intended to be both convenient and healthy (fitness, bike storage), as well as foster personal growth, friendship, and community growth through social interaction (BBQ/social gathering area, community room, business center).

Additional Supporting Narrative Items

1. MOU with OUR Center
2. OUR Center Brochure
3. Support Letter from Habitat for Humanity

4% housing tax credit application narrative

Project Name: Castleton Heights

Project Address: 3161 North Castleton Court, Castle Rock, CO 80104

Executive Summary

TWG Development ("TWG"), in conjunction with Douglas County Housing Partnership ("DCHP"), are very excited for this opportunity to present an application to CHFA for 4% + State Low Income Housing Tax Credits ("LIHTC") for Castleton Heights (the "Project"). This new construction multifamily development will provide the following mix:

AMI	0BR	1BR	2BR	3BR	Totals	% of Mix
30%	4	2	1	1	8	10%
40%	5	1	1	1	8	10%
50%	5	20	2	1	28	35%
60%	1	14	2	1	18	23%
80%	-	1	11	6	18	23%
Total	15	38	17	10	80	100.0%
% of Mix	18.8%	47.5%	21.3%	12.5%	100.0%	

Unit amenities include central A/C and heating, Energy Star appliances, and in unit washers/dryers. Onsite amenities include a community room with library, business center, full kitchen and dining area, as well as an indoor playground room for tenants with children. Castleton Heights will provide much-needed affordable rental housing opportunities for individuals and families in Castle Rock.

Castleton Heights will be an elevator serviced four-story building with stairs at both ends of the building and a central corridor. The foundation type is expected to be conventional spread footings. The construction type will be Type V-A with panelized wall assembly. The roofing will be a structurally sloped TPO-membrane flat roof. HVAC systems will be located on the roof to keep the property looking uniform. The building skin will include a combination of modular brick, fiber cement siding, and stucco; our architecture team carefully examined nearby buildings to ensure the exterior façade fits in with the visual harmony of neighbors. An acoustic mat with gypcrete will minimize sound transfer between the units. The project will meet at least the bronze certification under the NGBS program which will also meet 2023 NEC requirements for EV parking.

The Project is located on an infill site in a well-developed area in the northern part of the Town of Castle Rock, offering future residents convenient access to a wide range of desirable community amenities. Within a short distance of the property are the Outlets at Castle Rock, Walmart, King Soopers, Metzler Ranch Community Park, banks, a post office, schools, restaurants, retail shops, and various services. The abundance of nearby amenities is a key advantage that will enhance the quality of life for our residents. The site is also surrounded by significant employment centers, including the Outlets at Castle Rock, AdventHealth, and several large retail employers, providing residents with strong access to job opportunities close to home. The site also provides convenient access to Meadows Parkway—an east-west thoroughfare linking to Interstate 25, a key north-south corridor through Castle Rock. I-25 provides direct access to Denver (~30 miles north) and Colorado Springs (~40 miles south). While there currently is no public transportation available in Castle Rock, it offers a range of Town-sponsored and regional transportation options - including taxi vouchers for essential local trips, a senior and disability shuttle service, and access to the Denver Regional Council of Governments' Way to Go carpool and vanpool programs.

The Project will include a voluntary preferential set-aside targeting domestic violence (DV) referrals through The Crisis Center (TCC) for up to 15 units at any given time; TWG and TCC have an MOU for this voluntary preferential set-aside. TCC as a support agency provides the following services for their clients: individual and group therapy and counseling, legal advocacy, outreach and education, trainings, case management, access to a 24-hour crisis line, among other wraparound support services. The development budget includes a $150,000 services reserve account that TCC will be able to draw upon to meet the needs of the future DV residents. This will provide TCC access to funds as needed and over time as residents' needs change.

The Project provides maximum density for the property and is in a Small Area Difficult Development Area, within census tract 141.23. Financing for the Project will include federal tax credit equity generated from the sale of the 4% LIHTC credits, State LIHTCs, DOH HDG funding, permanent financing, and deferred developer fee. The Project commits to 40 total years of rent restrictions to ensure the community has a long-standing option for an affordable housing opportunity.

Bond Financing Structure

- $19,100,000 in PAB paid down to $11,080,000 in long-term PAB.
- CHFA will be the bond issuer and volume cap provider.
- Forward Construction to Perm structure with a private placement with a single lender.
- There will be a conventional second during the construction period.

Priorities from the QAP: Projects serving Special Populations. Castleton Heights will serve up to 15 units at any given time for domestic violence victims and also include 8 (10%) Type-A accessible units.

Project Criteria for Approval:

- *Market conditions:* The Project is located in Castle Rock, Douglas County. The market study identifies three most comparable LIHTC properties - Copper Steppe, Lincoln Pointe Lofts, and Traditions Denver Apartments - all with vacancy rates below 1%, reflecting strong affordable housing demand in the Primary Market Area. In the broader South Denver Douglas County market, which includes 12,070 multifamily units, the current vacancy rate is 10.2%, driven by high construction deliveries in 2022 and 2024. As new supply is absorbed and development slows, vacancy rates are expected to decline, aligning with the Project's lease-up period and supporting its feasibility.

- *Proximity to existing tax credit developments:* There are six existing unsubsidized LIHTC developments within the PMA that target families, the bulk of which target 60% AMI tenants. Castleton Heights addresses the lack of 30%, 40%, and 50% AMI units in Castle Rock—highlighted by low capture rates in the market study—with 55% of units targeted to those income levels. The most recent LIHTC awards in the PMA were three (3) senior properties awarded in 2022/2023.

- *Project readiness:* The property is zoned Business/Commercial which allows for multifamily development but requires an approved site development plan, three neighborhood meetings, and review by Town Council. The Project is currently in the site development plan review process and has held two of the three required neighborhood meetings. At the neighborhood meetings, no opposition has been met for the project. We expect to receive Town Council approval of the Project prior to the CHFA award timing. Please see the zoning slip sheet for a more detailed background of the timeline to entitlements approvals.

- *Overall financial feasibility and viability:* The Project is financially feasible if awarded an allocation of 4% + State LIHTC along with the conditionally committed Division of Housing funding. In addition to federal equity from CREA, TWG is assuming construction to permanent financing from Merchants Capital and deferred developer fee. TWG, equity syndicators, lenders, and our financial consultants, RCH Jones Consulting and KDM Consultants, have run the current project assumptions through their tax credit financial models. This extensive up-front conservative underwriting has shown that as proposed, there are minimal risk points. Under current assumptions, the project maintains an estimated debt coverage ratio between 1.15 and 1.41 through the initial compliance period using standard escalation and vacancy assumptions. Currently, the deferred developer fee is expected to be paid in full by the end of year 15. TWG will provide guarantees. TWG's approach to early collaboration between design, construction, and management maximizes operating efficiencies without compromising resident comfort, ongoing compliance, or building durability and maintenance.

- *Experience and track record of the development and management team:* The Partnership between TWG and Douglas County Housing Partnership will tie into the strengths of both organizations. Douglas County Housing Partnership was established in 2003 with a mission to achieve economically thriving communities by preserving, providing, and developing housing choices in Douglas County, Colorado. TWG specializes in multi-family housing development, construction, and management. Currently, TWG has developed over 15,000 units across multiple cities and states ranging from affordable developments to market rate sites. To date, TWG has developed over 130 properties with over $3 billion in total development costs, currently active in 23 states. TWG Construction has served as the general contractor for the majority of TWG's projects, and Elmington Property Management (EPM) has a proven management and compliance track record. EPM is active in 28 states with over 315+ properties under management, of which over 9,000 units are LIHTC. TWG has successfully completed three LIHTC projects in Colorado, with three more currently under construction which will place 204 more units in service by Q12026. To help facilitate this Project, the team has engaged RCH Jones Consulting, a Colorado based consultant, and KDM Consultants who will provide strategic direction and financial advisory services to the project. RCH and KDM have over 40 combined years of experience in the affordable housing industry, having managed the development of various affordable housing communities across the US, particularly in Colorado.

- *Project costs:* Project costs have been carefully developed with estimating completed by White Construction Group (WCG), a local multifamily general contractor with a strong network of subcontractors throughout the Denver metro area. To ensure accuracy, WCG solicited bids from subcontractors across a range of scopes, including but not limited to concrete, wood framing, roofing, insulation, windows, interior finishes, elevators, plumbing, HVAC, electrical, earthwork, retaining walls, and utilities. These bids reflect real-time market feedback based on the Project's current design. As design development progresses, we will continue to track costs closely and explore value engineering opportunities that maintain both quality and tenant comfort while maximizing cost efficiency.

- *Site suitability:* All necessary utilities - including sewer, water, electricity, and telecommunications - are readily accessible at or near the property line. Additionally, the site has been thoroughly assessed and confirmed to be free of environmental concerns, floodplain issues, and wetland impacts. To ensure the building design is consistent with the character of the surrounding neighborhood, our architectural team studied nearby developments and incorporated complementary façade materials and color palettes. This was carefully reviewed to ensure visual harmony within the neighborhood.

Underwriting Criteria Waiver Request: A cost basis waiver has been requested for this project due to site topography – the slope of the site requires additional import fill and retaining walls – as well as high local tap, permit and impact fees.

Issues Raised by the Market Analyst in the Market Study: The market analyst noted that comparable rental projects in the area have pools and exercise facilities. We are confident that the absence of these amenities at the Project will not materially impact our leasing ability. The Project's proximity to employment centers, transit corridors, grocery stores, and public recreational options (e.g., parks), as well as the planned onsite amenities, will meet residents' daily lifestyle needs.

Issues Raised in the Environmental Report: The Phase I Environmental Site Assessment conducted by Gill Group identified one BER - elevated noise levels at the site. Using HUD's Noise Guidebook - a highly conservative standard - Gill Group measured Day-Night Average Sound Levels (DNL) of 67 and 69 dB, slightly above the 65 dB threshold. However, it's important to note that these readings are based on existing site conditions and do not reflect the substantial noise attenuation that will be achieved through the building's design. Exterior wall assemblies - including windows, insulation, and drywall - are specifically engineered to reduce interior noise levels. In addition, nearby buildings, natural topography, and mature trees already help buffer the site from highway noise, particularly from I-25. Taken together, these design and environmental features will effectively mitigate noise impacts and ensure a comfortable living environment for future residents.

Unusual Features Driving Costs and Opportunities for Containment: The primary factor driving higher construction costs for the Project is the site's natural topography, which directly affects site improvement expenses - specifically the need for imported fill and retaining walls. To manage these costs, we are carefully balancing the use of fill and retaining walls through thoughtful site design. Additionally, we will collaborate closely with the selected earthwork subcontractor to source imported fill from local providers whenever possible, reducing transportation and hauling costs. The subcontractor may also identify opportunities to obtain clean, excess fill from nearby construction sites where export is required, creating a mutually beneficial solution for both projects. Our current cost estimate reflects a conservative approach, capturing the highest anticipated cost for site work. As we move closer to construction, we will continue to explore innovative and cost-effective strategies, such as those outlined above, to reduce site work expenses.

Community Outreach: TWG held two neighborhood meetings as part of the Site Development Plan review process, both of which were met with support from adjacent residents and received no opposition. Notifications were mailed to neighbors within 500 feet, a sign was posted on-site for two weeks, and the Town published the notice on its website. The Town of Castle Rock has demonstrated its support for affordable housing through its Proposition 123 filing, in partnership with the Douglas County Housing Partnership, and by offering fee waivers for qualifying projects under local code. Additionally, the Project has secured a $1.6 million conditional award from DOLA's HDG program, providing critical gap funding contingent on a CHFA tax credit allocation.

Describe how the proposed development contributes to promoting equity as well as economic mobility for residents: The Project promotes equity by delivering critically needed affordable housing in Castle Rock, where rising housing costs have made it increasingly difficult for many residents to remain in the community. By offering high-quality, stable housing with below-market rents and strong adherence to fair housing principles, the development provides a foundation for residents to improve their overall well-being and financial security. Access to stable housing allows individuals and families to redirect resources toward education, healthcare, and savings - key drivers of long-term economic mobility. The development's proximity to major employment centers, including the Outlets at Castle Rock, AdventHealth at Castle Rock, and other major retail and service employers, supports upward mobility by reducing commuting time and transportation costs. This direct access to jobs not only strengthens residents' ability to maintain consistent employment but also creates opportunities for career advancement within the local economy. The connection between affordable housing and employment access is critical to building long-term financial resilience for working families and individuals.

4% housing tax credit application narrative

Project Name: Central Park Station (Phase I)

Project Address: 3801 N Ulster, Denver, CO 80238

Executive Summary

Central Park Station Phase I (the "Project") is a proposed 156-unit affordable housing development that will deliver deeply affordable family housing in one of Denver's most rapidly redeveloping, high-opportunity neighborhoods. Located within a Difficult Development Area ("DDA") at 3801 North Ulster Street in the Central Park Transit-Oriented Communities Transit Area ("TOD"), the Project brings together income diversity, sustainable design, early childhood education opportunities, and access to jobs and mobility – anchored by one of the most well-connected transit-oriented development areas in the State of Colorado.

Ulysses Development Group ("UDG") has been working in close partnership with the Regional Transportation District ("RTD") since 2023 to unlock underutilized land for high-impact affordable housing. UDG is currently operating under an Exclusive Negotiation Agreement ("ENA") and Option Agreement with RTD for this initial phase and additional adjacent phases. This partnership reflects a shared commitment to equitable transit-oriented development and positions Central Park Station as the catalytic first phase in a broader vision for long-term affordability.

The Project will be delivered through a 99-year, long-term ground lease with RTD, preserving public ownership while enabling deep affordability on a valuable infrastructure-rich TOD site. The leasehold interest market is currently valuing these long-term leases at a 5.25% cap rate – this applied to our $70,000 expected annual lease payment equates to just $1.33 million in value. This represents an extraordinarily efficient use of capital given the site's location and transit access, ensuring that resources can be focused on housing delivery rather than land acquisition.

The Project will include one- to four-bedroom units serving households at 30%, 60%, and 70% of the Area Median Income. It will include over 5,000 square feet of early childhood education ("ECE") space on the ground floor, delivered as a warm shell and to be operated by a qualified third-party partner. The building is currently designed to be five stories of Type-III construction with a total gross square footage of approximately 163,000 and will be served by three elevators, with 105 surface parking spaces. The Project will meet or exceed National Green Building Standard Gold certification thresholds, and UDG is actively exploring EV readiness and rooftop solar integration to align with the City of Denver's climate resilience goals.

The Project is deliberately positioned to advance CHFA's guiding principles: creating inclusive and integrated neighborhoods, providing access to long-term economic mobility, and offering family-focused housing where it has long been absent. The site sits approximately 750 feet from RTD's Central Park Station, providing residents with direct rail service to Union Station, Denver International Airport, the Anschutz Medical Campus, and other major job centers. In addition to proximity to transit, the site is walkable to neighborhood schools, parks, grocery stores, health services, and recreation. These location efficiencies directly translate into socioeconomic advancement for residents, especially for households generally priced out of this submarket.

Central Park Station Phase I is anticipated to be financed through a blend of both public and private sources, including 4% Low-Income Housing Tax Credit equity, State Tax Credit equity, TOC equity, a Freddie Mac permanent loan serviced by Berkadia, a construction loan from U.S. Bank, and $2.5 million of soft funding from the City and County of Denver (“HOST”). UDG has also applied to HOST for $10 million in private activity bonds (“PABs”) and is requesting the remainder of the volume cap from CHFA as conduit issuer. Denver Housing Authority (“DHA”) will serve as the Project’s Special Limited Partner.

Informed by early feedback from both the City of Denver and CHFA, UDG has refined the overall phasing and design strategy for the Central Park Station master plan. The original vision called for four high-density, high-rise towers delivering over 1,000 units across just two phases. However, through ongoing conversations with public partners, it became clear that projects of that scale, while desirable from a land use and efficiency standpoint, are nearly impossible to capitalize due to systemic resource constraints. CHFA and HOST encouraged us to consider a more measured and pragmatic approach, breaking the development into smaller, financeable phases. In response, UDG restructured the plan into four distinct phases, with Phase I comprising 156 units (to be built with an efficient but more affordable construction type than high-rise) and serving as the foundation for the broader buildout. This first phase will include critical infrastructure for future development, including the full public open space, a circulation spine connecting access points off Smith Road and Ulster Street, an early childhood education center, and shared private courtyards and amenity areas. Phase I sets the precedent for a multi-phase, transit-connected, community-integrated vision that ultimately will deliver more than 500 affordable homes, reflecting the long-term housing needs and goals of both the City and the State.

1. Bond Financing Structure

Central Park Station Phase I will utilize approximately $34 million in private activity bonds ("PABs"), structured as a private placement with U.S. Bank serving as the construction lender. PABs are anticipated to be issued by two entities: UDG has submitted an application to the City and County of Denver ("HOST") for $10 million in volume cap, with the remainder requested from CHFA, which will serve solely as a conduit issuer.

The permanent debt will be structured as a Freddie Mac Tax-Exempt Loan, serviced by Berkadia. The current capital stack has been structured to comply with CHFA’s guideline limiting issued PAB volume cap to approximately 55% of aggregate basis. With the recent federal reduction of the PAB threshold from 50% to 25%, UDG will work with CHFA to evaluate opportunities to reduce the volume cap request, accordingly, depending on the timing and implementation of the new requirements.

2. QAP Priorities

Central Park Station Phase I does not claim scoring preferences for developments serving persons experiencing homelessness, special populations, or for being located in non-metro counties under Section 5.B.5 of the Qualified Allocation Plan (“QAP”). However, the Project directly aligns with the equity-focused intent behind CHFA’s Guiding Principles. It locates affordable housing in a high-opportunity, high-cost neighborhood with strong access to transit, jobs, and services – areas where affordable units are scarce, and displacement risks are high. The Central Park Station Phase I neighborhood is also home to seven highly rated Denver Public Schools and a variety of charter schools.

The Project offers an intentional income mix, with 30% AMI units that support Denver’s lowest-income households and 60% - 70% AMI units that serve working families who remain cost-burdened in the market. This blend of affordability, paired with transit access, creates a lasting platform for long-term economic advancement and upward mobility. This multiple AMI approach, paired with the Project’s strategic location, helps create financial breathing room for families, reducing the pressure of rising rents and transportation frees up household income for education, healthcare, and other important facets of life.

3. Section 2 QAP Criteria

The Central Park submarket is characterized by tight rental conditions, limited land availability, and rising rents that far outpace wage growth. Market-rate properties in the immediate area regularly lease one-bedroom units for over

$1,900 per month, with four-bedroom rents exceeding $3,400. The demand for affordable housing far exceeds the limited supply in a neighborhood largely dominated by market-rate development. Central Park Station helps rebalance that dynamic and responds to a well-documented and long-standing need for income-restricted housing in this high-opportunity area.

RTD's Central Park Station is served by the A-Line commuter rail with trains arriving every 15 minutes during peak hours, in addition to multiple RTD bus lines and a bike trail network. This multimodal access allows residents to travel directly to Downtown Denver, Denver International Airport, the Anschutz Medical Campus, and regional job centers without relying on car ownership. The station, located approximately 750 feet from the building entrance, is one of the most active transit hubs in the region and connects residents to the broader RTD rail system, Amtrak, and Bustang services at Union Station. RTD bus routes 73 and 105 also serve the site, providing local access to schools, retail, and health services. To further reduce transportation costs and expand mobility, all residents of the Central Park Station Phase I project will receive fully subsidized RTD EcoPasses for the first two years. UDG is also in partnership discussions with Northeast Transportation Connections ("NETC") to explore secure bike lockers, on-site bike libraries, and other first/last mile solutions.

Per the letter from the City of Denver, it is anticipated that the Project will receive all administrative approvals, including Site Development Plan and building permits, in approximately 12 months from Concept Plan review approval, which was received on 7/24/2025. While this schedule is not guaranteed and relies on expeditious applications and thorough re-submittals from the design team, the City of Denver's Affordable Housing Review Team ("AHRT") program has been successful in permitting all projects within the funding deadline requirements since its inception. If the Project is awarded LIHTC, it will be accepted into the AHRT program.

UDG and its development team bring extensive experience delivering affordable housing across the Denver metro area, with a strong track record navigating local entitlements, working closely with City agencies, and structuring complex financing that leverages both public and private partners. The team has successfully utilized nearly all subordinate funding sources available in the state, including State Tax Credits, DOLA funding, CDFIs, and locally administered soft funds. Central Park Station Phase I is anticipated to break ground by mid-2026, with an estimated 20-month construction period.

From a design perspective, the project will be constructed using Type III wood-frame construction over slab-on-grade concrete foundation. The five-story building will total approximately 163,000 gross square feet and be served by three elevators. Exterior materials will include masonry, fiber cement, metal cladding, energy-efficient windows, and a roofing system designed to accommodate future solar. The unit mix includes one- to four-bedroom apartments, with layouts optimized for families, ample natural light, and modern finishes. Amenities will include landscaped courtyards, indoor community gathering areas, a fitness center, and on-site management offices. The Project will also include over 5,000 square feet of early childhood education ("ECE") space, delivered as a warm shell and designed for a licensed, community-based operator to serve both residents and the broader neighborhood. This space will include both indoor and outdoor play space of over 7,000 SF.

Property management will be provided by Mission Rock Residential, one of the most experienced and capable managers in the state. With a portfolio of over 39,000 units and 300 communities, including 45 properties across Colorado, Mission Rock brings a deep bench of operational expertise. Their team has a proven track record of maintaining compliance, achieving strong lease-up performance, and supporting long-term resident stability in LIHTC developments. UDG has a close working relationship with Mission Rock on other new construction affordable housing communities in Colorado, which ensures familiarity with our processes, alignment on expectations, and a strong foundation for effective day-to-day management.

4. Waivers Requested

No waivers from CHFA underwriting standards are currently being requested for this project.

5. Market Study Issues
The market study has been submitted with the application. Based on our review, no issues have been identified related to lease-up timing, unit absorption, or area saturation. The Central Park submarket remains undersupplied with income-restricted family housing, and vacancy rates remain low across both market-rate and affordable product types. Should any concerns be raised in CHFA's review, UDG will provide a written response outlining specific mitigation strategies, but at this time, no findings are expected to present material challenges to project viability or absorption.

The Central Park submarket continues to experience significant in-migration, and family-sized income-restricted units remain acutely undersupplied. Nearby LIHTC communities have reported consistently high occupancy, and the Project's rent levels have a widespread to current market rates.

6. Environmental Reports
CTL|T performed a Phase I Environmental Site Assessment for the Property in July 2025. This report found no recognized environmental conditions associated with the Subject Property. However, the report concluded that there is a controlled recognized environmental condition associated with the closure of Stapleton International Airport ("SIA") for contaminants such as the petroleum hydrocarbons and nitrates detected in the groundwater below the Property. Since the closure of SIA there have been multiple environmental investigations conducted across, within, and near the Property including the removal of tanks, utilities, and soil impacted above the Stapleton Numeric Criteria (SNC). These actions have been conducted under the oversight of various state agencies, and the Project has received either No Further Action (NFA) determinations or No Action Determinations ("NADs"), which can be found in Appendix E of the Phase I. We will proceed based on guidance from the report and our environmental consultant.

7. Cost Drivers and Containment
Cost escalation in metro Denver remains a challenge, but UDG is actively managing these risks through a disciplined preconstruction process in collaboration with our general contractor, Milender White. While UDG is committed to cost containment through design efficiency, early contractor involvement, and contingency planning, ongoing macroeconomic volatility, including discussions around tariffs, continues to create uncertainty in pricing. UDG maintains strong relationships with contractors in the region and is keeping a close pulse on market movements to inform bid timing, contingency strategies, and value engineering opportunities. With design advancing and key partners having been engaged for a couple of years, the team is well-positioned to respond quickly to market shifts while maintaining feasibility.

8. Community Engagement and Support
UDG has actively engaged stakeholders across City departments, RTD, DHA, and DOLA since the Project's inception. Briefings with local and regional elected officials have ensured the Project reflects RTD policy priorities and advances public goals. Letters of support from RTD, community leaders, and relevant public agencies are included in the submission package.

Ongoing public engagement will continue throughout design development, with opportunities for input on key elements of the Project, including the early childhood education center. To ensure long-term success, the team will pursue a partnership with an experienced operator – one skilled not only in running early learning programs but also in assembling the complex financing needed for build-out and sustained operations. UDG is partnering with EPIC to advise and guide our process for designing Central Park's ECE space and identifying an operational partner who meets the needs of the immediate community. Their work includes conducting a local needs assessment with CPS's future population, identifying a viable operational model that serves low-income families in a volatile CCCAP funding environment, and designing a partnership framework that reduces financial barriers for a childcare operator while maximizing community benefit. Our goal is to address a critical community need in an area identified as a childcare desert, particularly benefiting future CPS households.

Central Park Station Phase I has been positioned from the outset to align with community development planning per Denver's Blueprint Denver plan and the State's TOC priorities. UDG remains committed to a transparent and collaborative process.

9. Equity and Economic Mobility
At its core, Central Park Station is about access – access to housing, transportation, education, and opportunity. By building income-restricted housing in one of Denver's most connected and resource-rich neighborhoods, the Project helps undo long-standing patterns of exclusion and expands choice for income-restricted families. The site is located within the designated Central Park Transit-Oriented Communities Transit Area and offers immediate access to RTD rail and bus lines, extensive bike infrastructure, and nearby open space. This level of connectivity reduces the need for car ownership and allows residents to reach jobs, schools, and essential services more affordably and reliably.

The Project's family-oriented unit mix, combined with on-site early childhood education, supports working parents and promotes long-term stability. Central Park Station will be not just a place to live – it will be a community built to support housing stability and open up access to the other essentials of a full and healthy life.

10. Rehab Information
Not applicable. Central Park Station Phase I is a ground-up new construction project with no acquisition or rehabilitation component.

11. DDA Designation
The Project is located in what is currently a Difficult Development Area ("DDA"). However, using HUD's analysis methodology, it ranks near the 20% national population cutoff, placing it at risk of losing DDA status in 2026 or future years. As such, prioritizing Central Park with its current DDA designation and ability to capture 30% basis boost and leverage the most private LIHTC equity capital significantly reduces the required public subsidies to close on such a high impact development.

12. Prefabrication / Modular Components
UDG and Milender White are active participants in the State of Colorado Housing Consortium, a public-private initiative led by DOLA to address the state's ongoing housing shortage. The Project will directly support the goals of the State of Colorado Housing Consortium's Innovation in Construction: Prefabrication initiative, which promotes the use of off-site construction methods to drive cost efficiency and increase housing production statewide. UDG and Milender White are aligned with this mission and will pursue prefabricated components, such as panelized wall systems, as part of the Project's construction approach. Milender White has hosted CHFA, OEDIT, and DOH at its prefabrication facility in Hudson, Colorado (one of only three in the state) and continues to collaborate with state partners to advance prefabrication as a scalable solution for affordable housing delivery.

9% housing credit application narrative

Project Name: Cole Train Apartments

Project Address: 1675 E. 35th Avenue Denver CO

Executive Summary

The proposed project will be developed on the campus of the Urban Land Conservancy's tramway nonprofit center. In 2017 ULC acquired the 115-year-old home of the former Denver Tramway Company transportation and maintenance facility. Today the site houses a 65,000-square-foot building that houses more than 15 nonprofits providing more than 120 jobs and serving roughly 8,000 people annually. Services available include early childhood education, health promotors and health care services, youth engagement, and inclusive arts programs. Adjacent to this building to the east is a 38,000 SF vacant parcel of ground where the proposed project will be developed.

The development site is slightly more than one half acre in size. At 63 planned units density will equate to 71 units an acre. The site has excellent access to public transit, with stops along Bruce Randolf Boulevard 1 block south and Downing Street two blocks west. A light rail station is located 7 blocks west of the site. The vibrant RiNo neighborhood is adjacent to our neighborhood to the west, followed by Lodo and the Central Business District, all within one mile of the site.

This workforce family project will offer a very affordable unit mix, with 13% of units at 30% AMI, 14% of units at 40% AMI, 38% of units at 50% AMI, and 35% at 60% AMI. 12% of the units are studio, 46% are one bedroom, 35% are two bedroom, and 6% are three bedroom.

Medici and ULC have entered into a MOU to ensure a long-term beneficial relationship between the new housing and the longstanding community nonprofit center. The opportunity of adjacent housing has been seen as an exciting prospect and benefit to nonprofit staff and clients. And, reciprocally, the housing residents will have access to information and services through the various nonprofit tenants right next door, in the Tramway Nonprofit Center.

The building will consist of four stories of wood framed housing. It will be an accessed controlled, interior loaded building with one elevator and two staircases. The exterior will be primarily brick, with small areas of stucco / siding.

50 stalls of parking will be provided on site, tucked in between the building and adjacent nonprofit center in order to preserve exterior sightlines. Additional evening parking will be available to residents in a ULC owned parking lot located across Gilpin Street to the west, which is used during working hours by Tramway employees and guests. ULC and Medici will enter into a shared parking arrangement whereby a portion of the 50 on site stalls will be made available during daytime working hours to employees of the adjacent Tramway Nonprofit Center. Medici developed a similar arrangement at the Broadway Lofts project in Englewood, that successful experience will inform the specifics of this plan (such as signage and usage limits).

The building will be designed to meet and exceed the 2022 Denver Building Code, which requires a greater level of energy savings than a 2021 IECC compliant building. To accomplish this, the team anticipates designing an all-electric building with high efficiency heat pump space and water heating. Additional energy-saving features will be evaluated, including efficient ventilation strategies such as energy recovery for dwelling units, high performance windows, efficient building envelope, and optimized LED lighting and interior loads. The project will pursue the 2020 Enterprise Green Communities certification, as well as the high-end Zero Energy Ready Homes (US DOE). This combination of rigorous certifications will not only optimize the efficiency and sustainability of the building design but also will be highly cost effective for the project.

The wood framed building will have a stepped flat roof, post-tensioned slab foundation, water-wise landscaping appropriate to the climate, air conditioning and energy efficient furnaces. Exterior materials will include a mixture of brick, stucco, and lap siding

Project financing will involve City and State low interest loans, debt and LIHTC equity.

<u>Bond Financing Structure</u>
$12.0MM of PAB bonds will be required to meet the 50% Test. An additional $4.00MM of taxable bonds will be needed during the construction period. $5.60MM will be used for the permanent loan.

CHFA is the proposed bond issuer. We anticipate a private placement of the bonds with ANB Bank, a structure we recently employed at the Bonsai Apartments.

<u>Section 2 QAP Priorities</u>

The project does not directly address any of the priorities listed in Section 2 of the QAP.

<u>Section 2 QAP Criteria for Approval</u>

- Market conditions - The market conditions for this project are very strong. This project will offer a tremendous value proposition to its residents with rents at least 14% below the weighted average Class B market rate comparable projects identified in our market study. Our 30% and 40% AMI rents are 44% to 69% lower than the weighted average Class B market rate comparables, our 50% rents are 29% to 44% less, and our 60% rents 14% to 32% below. At the near 0%, with long waiting lists at other LIHTC projects. In addition to this, the strong job growth and general appeal of this area is driving the expected addition of 125 renters per year to this PMA through 2029. The overall capture rate of 18% is well below the 25% threshold. The market study recommended no changes to the proposed project.
- Proximity to existing tax credit developments – The PMA has 22 projects containing 1,537 income restricted units. Of those (i.e. excluding PSH and senior projects) the project will compete most directly with 557 of the 932 family LIHTC units restricted between 30% and 60% of AMI. There are no non-senior LIHTC projects in the PMA's pipeline to absorb the projected growth of 125 renter households per year.
- Project readiness – This project is ready to proceed. The proposed project is a use by right. (Note that our zoning letter clarifies that the project can proceed under both the current zoning or the soon to be approved PUD rezoning.) We have held a preliminary concept meeting with Community Planning and Development; no issues of concern regarding the planned development were noted. Submittal to the building department for permits would take place with an award of tax credits with construction beginning well before the milestone deadline.
- Overall financial feasibility and viability – The proposed rents are very achievable in the market, particularly given its deeply affordable AMI mix. *Support from the City, along with the State credit equity, reduce hard debt to levels supportable by these low rents*. Our operating budget is based on several comparable projects, including the Walnut Flats Apartments, located about 1/3 mile away. Our management agent's pricing power in the insurance market reduces this cost in comparison to the most alternative programs.

- Experience and track record of the development and management team - Medici Development's three principals have been involved in the development, finance and operations of affordable housing for over 25 years. We strive to develop quality projects with long term viability at a low cost. We have been involved in all aspects of the development process, including complete development, construction management, and financing consulting for the LIHTC program in Colorado. Our team of professionals has been involved in every element of project development and management. We focus on and specialize in public/private partnership projects such as this. We have consulted with other non-profits and housing authorities. We have built and overseen the construction of multiple projects throughout the State. In terms of property management, we plan to contract with Asset Living property to operate the project. Asset currently operates all of the projects in our portfolio and has an excellent track record of compliance and efficiency. Medici has a successful track record in working with ULC, at the affordable housing developments Walnut Flats and Evans Station.
- Project costs - We have worked closely with the design and construction team to develop an efficient building design that can be constructed at as low a price as possible.
- Site suitability – This infill project will be developed on a vacant lot surrounded by existing residential and commercial development, effectively filling a hole in the neighborhood. Utilities, access, transit area all immediately adjacent to the site. The scale and aesthetic are complementary to surrounding buildings. The location offers residents access to numerous jobs in the immediate area and nearby within Denver's central business district. Other jobs can be accessed through readily available public transit (the bus line adjacent to the site or the A Line commuter rail station 7 blocks west.) An elementary, middle and high school are all within about 1/2 mile of the site.

Underwriting

Provide the following information as applicable:

- Justification for waiver of any underwriting criteria – N/A
- Justification of the financial need for a CHFA basis boost up to 30 percent of eligible basis – N/A We do not need additional credits for this project.

Market Conditions

The market study recommended no changes to the project, no issues of concern were noted.

Environmental Issues

There are no environmental concerns; the site is clean.

Project Costs

There are no unusual features to the site location or building design that are driving costs upwards. We have made every effort to value engineer the design to reduce costs while adding resident improving the quality of the exterior materials to enhance curb appeal and improve long term cost savings.

Community Outreach Efforts

Urban Land Conservancy, the landowner, has been actively engaged with the local community since 2018 regarding the redevelopment of this site. The initial meetings (held from 2018 – 2020) centered on proposed uses for this vacant parcel. Community members at those meetings and responding to associated surveys expressed as a primary concern the loss of housing affordability in the Cole neighborhood. A housing development affordable to local residents was the #1 development program desired by the community. More recently, in conjunction with ULC's application to the City of Denver to rezone both the Tramway Nonprofit Center and this vacant parcel, ULC has presented at several meetings with the Cole RNO and hosted an open community meeting at Tramway. Other efforts to communicate with the local community include the creation of a project specific website (urbanlandc.org/cole-tramway-rezoning), distribution of flyers throughout the neighborhood, hosting a booth at the Cole Harvest Festival, tours of the property with RNO Board members, and posting of public signage in accordance with the City's rezoning notice requirements. Attached to this narrative are a sampling of the letters of support that have been provided in conjunction with the proposed project.

ULC has also met with each Tramway nonprofit, to better understand the needs of their clients and employees. Affordable housing was cited as the most common challenge faced by these groups. As a result, Medici and ULC have entered into a MOU whereby ULC will help coordinate efforts to find housing at the proposed project for the clients served at Tramway while also connecting our residents with the various services offered at Tramway.

Economic Mobility

The proposed project will provide opportunities for people to access decent, quality housing and enjoy a standard of living enjoyed by most all other members of our community. This location offers residents access to numerous jobs within Denver's central business district. Tenants at the Tramway Nonprofit Center offer educational and jobs services accessible to our residents. Other job centers can be accessed through readily available public transit (the bus line adjacent to the site or the light rail station 7 blocks west.) This includes the St. Luke's / St. Joseph Medical Center 1.2 miles south and the numerous manufacturing and distribution companies just north of the site along the I-70 corridor. Hopefully these opportunities for upward economic mobility will lead in some cases to permanent financial independence. The site's location provides a realistic opportunity for residents to access a variety of good employment opportunities without having to own a private automobile, thereby creating an opportunity to save on both housing and transportation costs.

4% housing tax credit application narrative

Project Name: Crossbar Commons
Project Address: 15961 E. Colfax Ave, Aurora, Colorado

Executive Summary: Mercy Housing's Crossbar Commons project will build 104 new 1-, 2-, 3-, and 4-bedroom apartments affordable to families earning 30% to 50% AMI located at 15961 E. Colfax Avenue, a Transit-Oriented Community in north Aurora within a QCT and on the High Line Canal trail with nearby grocery stores, schools, and job centers. The City of Aurora selected Mercy Housing to develop the site through a competitive process in 2023, and Crossbar Commons will be the first initiative of the city's new landbanking program for affordable housing. In addition to the $1.6 million value for the land that the city is contributing via a $100/year long-term ground lease, the city is also supporting the Project with a $2.5 million soft loan. The city support combined with a design that maximizes curb appeal, density, and cost-efficiency allows Crossbar Commons to target the largest housing need in Aurora: Very Low-Income families earning no more than 50% AMI. The name "Crossbar Commons" connects to the nearby community-based soccer facilities (Soccer City and Aurora Sports Park), celebrates the importance of the game locally (1 in 5 Aurorans are foreign-born and "fútbol" is popular in the community), and alludes to the spirit of service that makes Mercy Housing buildings more than a roof.[1] The US Census Bureau has classified the tract where the Project is located— with 34% of residents who are foreign-born and 32% that are primarily Spanish-speaking— as a "Multicultural Mosaic."[2] Mercy Housing has extensive experience serving similar populations, and plans to have a Resident Services Coordinator onsite working with community-based service partners such as Aurora Mental Health and Recovery, Mango House, Children's Hospital Colorado, Project Worthmore, and The Village Institute[3] to provide auxiliary resident services that may be appropriate for anticipated resident needs such as English as a second language classes, legal aid, financial literacy, healthcare connections including behavioral health, and benefit enrollment. Mercy is also extending the amenities for residents of Crossbar Commons beyond the site by partnering with the Colorado Soccer Foundation on a Soccer City membership program for all households (see attached letter of support), and providing free RTD NECOpasses to leverage the Project's transit-oriented location on Colfax.

Location and Transit Access: Crossbar Commons is ideally situated in highly connected, amenity-rich north Aurora on the historic and multimodal Colfax Avenue corridor—one of the region's most important transit and commercial spines. The site offers direct access to multiple high-frequency RTD bus routes, starting with the 15 Colfax bus stop just outside the front door (see the TOD and Transit Oriented Community narratives for additional transit details), and also benefits from proximity to major highways I-225, I-70, and E-470. Regional job centers at Anschutz Medical Campus, Denver International Airport, Downtown Aurora, and Downtown Denver are all within an easy transit ride or drive of Crossbar Commons. Similarly, a range of everyday services

[1] The Project initially had a different name; see attached narrative regarding name change
[2] 2020 Census Bureau Response Outreach Area Mapper
[3] See attached letters of support demonstrating early collaboration

are walkable or transit-accessible, including several grocery stores (King Soopers, Sprouts Farmers Market, Walmart), schools at every educational level (Laredo Preschool, Global Village International Preschool, Altura and Laredo Elementary Schools, East Middle School, Hinkley High School, Community College of Aurora, and Pickens Technical College), and healthcare services (Walgreens, Anschutz Medical Campus with University of Colorado Hospital, Children's Hospital Colorado, and the Rocky Mountain Regional VA Medical Center). In addition to Soccer City across the street, residents will also be connected to nature and recreation with the High Line Canal Trail (a 71-mile dedicated trail that ties into the regional greenway network) located just 500 feet around the corner connecting to Norfolk Glen Park and the 250-acre Star K Ranch open space and Morrison Nature Center less than a half mile to the north. Taking the trail to the southeast (2 miles from the Project site), residents will have access to Aurora Sports Park (220 acres including 27 multi-use fields, 12 baseball fields, 4 playgrounds, and picnic shelters) and Springhill Golf Course (a public course).

<u>Building Program and Construction Details:</u> Crossbar Commons will be a four-story wood-frame building (Type V Construction) with two elevators centrally located at the main entry. The north-south linear building with two lateral wings optimizes construction cost efficiency by minimizing concrete, steel, and exterior skin costs while providing architectural detail, a tight building envelope, and abundant sunlight and views for residents. The building includes glass storefront at the first level fronting Colfax Ave with drought-tolerant shade trees, landscaping, and community garden space within the required easement to transform the frontage to an inviting pedestrian walkway connecting to the adjacent 15 Colfax bus stop.

<u>Community & Apartment Amenities:</u> Crossbar Commons residents will have access to a wide range of building common areas including a community room/classroom space, courtyard, fitness center, business center, community kitchen for gatherings, and laundry facilities at each floor. Conversations with community partners have underscored the importance of a business center that provides computers and printing to complete paperwork needed to access benefits and healthcare (many households rely only on phones and paperwork becomes a barrier to access). The main entrance to Crossbar Commons fronts an interior plaza with mountain views tucked away from Colfax that will sprout native landscape and include a playground, BBQ grills, and a dedicated soccer pitch within view of parents for smaller kids (in addition to access to Soccer City across the street). The property will have on-site property management and resident services, and include controlled access entries, security cameras, and an intercom system. Crossbar Commons includes 51 one-bedroom, 35 two-bedroom, 15 three-bedroom, and 3 four-bedroom apartment floorplans, with a family and intergenerational focus. Each apartment is thoughtfully designed with large windows, eat-in kitchens, solid surface countertops, faux-wood window blinds, and luxury vinyl plank flooring.

<u>Supportive Services:</u> Mercy Housing plans to employ a full-time onsite Resident Services Coordinator at Crossbar Commons, using our family services model to provide high-impact, individualized support focused on five key outcome areas: housing stability, health and wellness, financial well-being, education, and community engagement. While the program will be calibrated to the residents of Crossbar Commons, Mercy Housing anticipates replicating the success of its programs at Grace Apartments at Aurora's western edge – where more than 12 languages are spoken on-site – with bilingual on-site staff and on-demand translation services, a language learning lab with Rosetta Stone software, an after-school program providing homework help, connections to homeownership resources, and a strong community gardening culture. Key to this success will be collaboration with the community-based services providers that have expressed interest in partnering with Mercy at Crossbar Commons and provided letters of support for this application: Colorado Soccer Foundation, Aurora Mental Health and Recovery, Mango House, Children's Hospital Colorado, Project Worthmore, and The Village Institute (see letters of support attached).

<u>Financing:</u> The Project's financing is driven by the 4% LIHTCs, combined with private activity bonds, Colorado AHTCs, and Transit Oriented Community Tax Credits that this application seeks. The City of Aurora is a strong

financial partner, providing a long-term ground lease at $100/year and a subordinate low-interest cashflow loan of $2.5 million. The capital stack also includes a conventional first mortgage through tax exempt bond financing for the construction to permanent first loan at a competitive rate, and a second mortgage from Mercy Community Capital's Capital Magnet Funds. Operationally, a special limited partnership with the Aurora Housing Authority for property tax exemption helps support the Project's low rents at less than 50% AMI.

<u>Community Partnerships & Support:</u> To ensure Crossbar Commons is grounded in community priorities and serves as a long-term asset to north Aurora, Mercy Housing has actively cultivated partnerships and engagement with a diverse network of local organizations, service providers, and community members. Outreach has included relationship-building and coordination with key stakeholders, starting with the City of Aurora and Aurora Housing Authority, which both provide financial support for the Project. Outside the public realm, Crossbar Commons also has the support of its neighbor Turnbuckle Development (owner and operator of the Gleam Car Wash), and the community development organization East Colfax Community Collective (see letters of support attached). In addition, Mercy Housing has had preliminary discussion with Aurora Public Schools around coordinating enrollment needs and collaborating on after school programs. Mercy also conducted two public workshops to gather stakeholder feedback on the project concept. As a result, the design of Crossbar Commons maximizes the site density, includes a pedestrian-oriented entrance fronting Colfax, incorporates community gardens, and frames mountain views. Additionally, Mercy revised the preliminary unit mix (which had included higher AMIs) based on partner feedback to focus only on households earning no more than 50% AMI, where the greatest need for families exists.

<u>Sustainability:</u> Crossbar Commons will be a high-performance, all-electric community meeting Silver certification under the National Green Building Standards. The development will feature heat pumps for heat, electric water heaters, and Energy Star appliances. The building envelope will maximize thermal efficiency and sound attenuation with rigorous wall assemblies and high-performance windows. Interior lighting will utilize LED fixtures with occupancy sensors. Mercy Housing will also provide resident education on energy and water conservation to empower tenants and support low utility costs.

1. *Describe the bond financing structure*
   <u>The proposed bond structure is based on underwriting for the 50% test;</u> Mercy is ready to update the project sources in accordance with CHFA's new underwriting guidelines for the 25% test once they are available.
   - Construction Period Bonds (Tax-Exempt): $21,900,000 (private placement)
   - Permanent Bonds (Tax-Exempt): $9,439,000
   - Bond Issuer and volume cap provider: CHFA will be the bond issuer; this application requests $11,900,000 million in volume cap from CHFA, in addition to $10 million in volume cap already committed by the Aurora Housing Authority to be assigned to CHFA.
   - Taxable Construction Loan: approx. $4,636,794

2. *Identify which, if any, of the priorities in Section 2 of the QAP:* N/A

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

<u>Market Conditions:</u>
The market study states that there is strong pent-up demand for all unit types proposed at Crossbar Commons, as demonstrated by the Project's overall low capture rate of 15.0% (8.7% at 30% AMI and 19.5% at 50% AMI). Notably, vacancy rates for 30% and 50% AMI units in the PMA were 2.1%, which is much lower than the overall PMA vacancy rate of 6.9%. One project reported a 1.5-year waiting list for 30% AMI units. In addition, the Project's rents are at least 22% lower than weighted average Class B market-rate rents in the PMA. The market

study projects that the Project will lease-up at 20 units per month and achieve stabilized occupancy in five months without concessions.

Proximity to existing tax credit developments: Currently, there are 28 LIHTC projects comprising a total of 3,833 existing and planned income-restricted units in the PMA. Importantly, 56% of these units are restricted at 60% to 80% AMI and therefore outside Crossbar Commons' income range of 30% to 50% AMI. Of the properties serving residents 50% AMI and below, four are limited to seniors, two are special needs, and the only other family properties that are 100% below 50% AMI are supported by project-based vouchers. Additionally, there is only one other property (under construction) that will have 4-bedroom units, highlighting the gap in the existing market for larger units at lower AMI levels.

Project readiness: The current zoning allows the construction of Crossbar Commons by right (refer to zoning letter and attached narrative regarding recent changes to the City of Aurora process). Mercy Housing has completed an initial concept review with the city, and the design team is well-positioned to complete the remainder of the city's site development plan approvals and receive building permit to close the financing in September 2026. Notably, the city recently implemented an expedited building permit review process for affordable housing projects.

Overall financial feasibility and viability: The Project demonstrates strong financial feasibility, supported by the QCT basis boost, equity generated from three tax credits: 4% LIHTC, AHTC, and TOC, and—critically—the City of Aurora's robust $2.5 million commitment plus donated land value of $1,600,000 via a ground lease. However, this feasibility has a deadline: the City of Aurora's option for the $100/year long-term ground lease expires in 16 months. Mercy's established relationships with investors, banks, and CDFIs—with very competitive tax credit investment pricing and interest rates—enhance the private sector leverage of the requested allocation of credits from CHFA.

Experience and track record of the development and management team: MHMP, a regional affiliate of Mercy Housing, Inc. is the nation's largest nonprofit affordable housing developer, and we leverage our expertise to secure funding and manage projects like Crossbar Commons. Mercy Housing operates 364 properties with nearly 29,000 units nationwide, including over 3,700 supportive housing units. Over 28 years, MHMP has developed or rehabilitated 41 multifamily and mixed-use properties, totaling more than 3,200 affordable units and 200 units of permanent supportive housing. Mercy Housing Management Group (MHMG) oversees property management, specializing in LIHTC and supportive housing. Their "blended management" model integrates resident services into daily operations to support stable tenancies. The project team consists of Carvell Architects, a Denver-based firm experienced in Colorado affordable housing design, and Alliance Construction Solutions, a general contractor with four decades of experience and a proven record on 25 Front Range affordable housing developments.

Project costs: The construction budget for the project was created by Alliance Construction Solutions in collaboration with local subcontractors, reflecting current market conditions. Alliance has recently constructed several projects in Aurora, including Fitzsimons Gateway Affordable (210 units), Liberty View Apartments (59 units), Stanley House Apartments (168 units), and Veterans Renaissance Apartments (60 units). Project soft costs are based on Mercy's previous development budgets, and the operating budget is informed by data from comparable Mercy properties.

Site suitability: The proposed Project site is ideally situated for affordable housing, offering residents convenient access to grocery stores, pharmacies, schools, and health services. Located along the Colfax transit corridor in north Aurora, the site supports a walkable, service-rich lifestyle. Residents will benefit from nearby organizations like Mango House and Project Worthmore, which provide culturally responsive support services, and nearby recreational opportunities such as Altura Park and Soccer City Aurora. The site is transit-oriented, with direct access to high-frequency RTD buses and light rail. This integration of transit, services, education, and recreation makes Crossbar Commons a prime location for fostering resident stability and long-term success.

4. *Describe any requests to waive underwriting criteria (if requesting).* None

5. *Address any issues raised by the market analyst in the market study.* The market analyst had no recommended changes to the Project.

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.*

A Phase I ESA by CLEARCC – StatesWest Environmental (May 23, 2024) found no current recognized or controlled environmental conditions at the Project site but identified one historical recognized environmental condition. In 1993, groundwater beneath the site's south end was affected by gasoline from the former filling station, east of Skyview RV Park and Laredo Street. Corrective actions in 1993 included removing the storage tank system, 1,200 cubic yards of contaminated soil, and 20,000 gallons of impacted groundwater. Colorado OIS issued a "no further action" letter in 1999.

7. *Identify if there are any unusual features that are driving costs upward, as well as if there are any opportunities to realize cost containment. (Refer to Section 2 of the QAP for additional information.)*

Mercy Housing has worked closely with the design and construction team to create a site and building plan that maximizes density and minimizes building costs. The proposed 4-story elevator building with surface parking allows for a pedestrian and transit orientation with building massing focused along Colfax Avenue both lining the sidewalk to activate the pedestrian streetscape and providing direct pedestrian access to the 15 bus stop on Colfax.

8. *Describe the outreach to the community that you have done and describe local opposition and/or support for the project (including financial support).*

Mercy worked with the City of Aurora's Community Engagement Coordinators to identify key stakeholders around the Crossbar Commons site and held two public workshops to collect feedback, at MLK Library and at Soccer City in Aurora. Mercy also conducted a focus group with residents of Grace Apartments, a Mercy property with a similar resident profile to that expected at Crossbar Commons. In addition, Mercy's team participated in Aurora Global Fest in June 2025 and met with local advocacy groups, key neighborhood organizations, and representatives from city departments to gather feedback and support for the project. No opposition to the Project has been voiced. Financial support from the City of Aurora is noted above.

9. *Describe how the proposed development contributes to promoting equity as well as economic mobility for residents.*

Crossbar Commons promotes equity and economic mobility by expanding access to high-quality, service-enriched affordable housing at the 30% to 50% AMI level in a historically under-resourced area of Aurora. Mercy Housing has a partnership with Esusu and all Crossbar Commons residents will have this positive-pay rent reporting service free of charge, which has helped residents improve their credit score by upwards of 45 points at other Mercy properties. Additionally, Mercy will connect residents to homeownership resources, which has been a successful initiative at Grace Apartments where 35% (18 of 52) households that moved out between 2022 and 2025 left to purchase a home or condo. This project will help add value by increasing affordable rental housing in the City of Aurora and offering its residents quality and safe places to live. With more residents spending less on rent, household resources can shift toward education, healthcare, and local goods, stimulating economic growth and strengthening neighborhood stability in Aurora.

4% housing tax credit application narrative

Project Name: The Gibson
Project Address: 901 Grant, Denver, Colorado

Executive Summary
Gorman & Company, LLC is excited to submit a State AHTC + 4% PAB Application for The Gibson in Denver, Colorado. Located at 901 Grant Street, in the heart of Capitol Hill, The Gibson leverages scarce tax credits into three impactful benefits: deep affordability, best-in-class accessibility design that exceeds ADA standards, and an Early Childhood Educational center (ECE) on the ground floor that offers preferences to residents of the building. Critically, our Site Control expires after this funding cycle, thus our option to ground lease requires funding in this application round or we lose the opportunity to develop this site into affordable housing.

Deeply affordable with services: The Gibson offers 147 apartment homes between 30% and 80% AMI, and 15% of the units are at 30% AMI and non-vouchered. This helps those who need deeply affordable housing, yet don't qualify for the types of Project-Based Vouchers that are available today. We will offer Resident Services at the property.

Accessible Design: Accessible and Universal design is our moral obligation to those who have mobility challenges and disabilities. For mobility-challenged residents on fixed or partial incomes, finding affordable and highly accessible housing is a challenge that the Gibson can help mitigate. More than 1 in 4 adults in the United States have some type of disability, with disabilities more prevalent among lower-income households. The Gibson offers an infrastructure-rich environment with above average proximity to public transit, employment opportunities, services, healthcare, grocery and shopping, allowing our residents to thrive. For mobility-challenged residents on fixed or partial incomes through SSDI or with public health benefits, finding affordable and highly accessible housing is a frustrating challenge that The Gibson will help mitigate. In the Denver-Metro area, a one-person household receiving the maximum monthly SSI payment and working part-time making minimum wage would be able to afford a 30% AMI unit. The Gibson offers 22 non-vouchered 30% AMI apartments for extremely low-income households of all abilities who work or have a combination of part-time employment and SSI/SSDI or tenant-based vouchers.

ECE Center: As central Denver has developed, an ECE desert has emerged with the loss of many childcare facilities. The subject site has excellent proximity to large employment centers and transportation routes, creating a prime opportunity for a community serving facility space to benefit our residents (both families who use the center and teachers seeking affordable housing).

Site and Building Characteristics: The Gibson will be constructed on a 1.2-acre site in a Difficult Development Area (DDA) and include one five-story building serviced by two elevators and four stair cores. The building will utilize a slab on grade foundation. Exteriors will follow the Landmark District and Urban Design guidelines including masonry, varied façades, and a flat roof. Density maximizes the nexus of the zoning requirements, desired parking ratio, and cost containment. Amenities for each unit will include air conditioning, ceiling fans, hard surface flooring, full kitchens and a walk-in closet. We will provide an additional level of accessibility above the minimum ANSI and Fair Housing requirements in both the units and common areas. This will create easily modifiable apartments to meet resident needs over the property's lifespan. The subject's common amenities will include secured building access, on-site management and maintenance, a laundry room, bike storage, community spaces, and secured parking. The ECE space includes approximately 7,200 square feet with core and shell finishes included in our budget. Our ECE provider, Catholic Charities, is adept at ECE operations and funding tenant finishes. Their LOI is in Section 10.

Public Transportation: The site is adjacent to a bus stop and is within 0.5 miles of a High-Frequency bus route. Given this proximity to transit, the City of Denver has a parking requirement of 'zero required parking' for our residential units, yet we are offering 0.41 spaces per unit (61 secured surface parking spaces) that we deem marketable to our unit mix. We offer 74 bike parking spaces, 59 of which are in a secure Bike Room.

Changes from Last Application: We have slightly modified the unit mix and ground floor layout since our last application.

Resident Services and Promotion of Economic Mobility: The Gibson will promote economic mobility by offering deeply affordable (and highly accessible) homes with an early childcare center in the building with resident priority for childcare slots. Fifteen percent of units are for those earning at or below 30% AMI and will help part-time workers who also require federal health and income benefits to retain or regain economic footing. We will employ a Resident Services Coordinator at the property as a concierge for residents to access a variety of services offered in the City and aid in their economic mobility. This 'coordinator model' is used successfully at The Colburn Hotel (across the street from this project site) and brings economies of scale to this project site. This is shown in the Operating Expenses under the *Proforma, Income & Expenses tab*, cell B34.

Energy Efficiency: The project will be all electric, solar ready, and certify to NGBS Gold level. There will be 27 EV capable, 4 EV ready, and 10 EV installed parking spaces, exceeding the 10% EV space requirement.

Financing: We are seeking state AHTC and TOC credits paired with a 4% tax credit and a PAB request of $29,275,000 (or 54.9% of eligible costs). An award in this round will leverage a ground lease, tax credit equity, a first mortgage loan, Capital Magnet funds, a Sponsor Note and a Deferred Developer Fee loan, all illustrated by the letters in Sections 5, 6, and 7. If we receive an award we will also apply for soft funding from the City of Denver and DOH, two sources we've illustrated at very competitive funding levels to their current underwriting preferences in our application. The Denver Housing Authority will provide a property tax exemption noted in Section 9.

The project meets CHFA's Guiding Principles and Ideals in the following ways:

- The project will service 30%, 50%, 60%, and 80% AMI households for the greatest extended use period. 15% of our units will be set at 30% AMI without voucher support.
- The project is in a designated DDA.
- The applicant is a for-profit developer.

- We will target best-in-class design for those with physical disabilities in an infrastructure rich location and provide economic mobility.
- The subject site has access to various employment opportunities and services and will employ a Resident Services Coordinator to assist in resident economic mobility.
- The site is adjacent to multiple transit and modality options.
- The project maximizes the density of the site based on site constraints, cost and parking.
- The building will be all electric, supporting Colorado's clean energy goals.
- The building will be inclusive, serving people of all abilities utilizing our design principles.
- The building will include a community serving facility ECE space on the first floor.

1. Bond Financing Structure:
   - The construction phase loan is a total of $40,575,000 comprised of a tax-exempt bond of $29,275,000 and a bridge loan of $11,300,000. The permanent phase loan is $13,556,000.
   - CHFA will act as Tax-Exempt Bond issuer. Our construction and permanent lender, Citi Community Capital, will serve as tax-exempt and taxable-tail lender. The bond will be private placement.

2. Priorities in QAP Section 2: While not specifically meeting the priorities identified in Section 2, our design and comprehensive services for special populations are described in Section 13 – Accessibility Addendum.

3. The project meets the criteria for approval in Section 2 of the QAP:
   - Market conditions: As evidenced by the market study, the project is in high demand and represents good value for future tenants. The rent differential for the Gibson versus market-rate properties is understated due to the owner-paid utilities. As such some of the Gibson's rents appear higher than market rate rents, however the Market Study indicated The Gibson's 30%, 50% and 60% AMI rents (at 2025 maximum levels) and the 80% AMI rents (16-17% below 2025 AMI max levels) are achievable and will yield a 5% vacancy rate once stabilized due to its location and relatively few affordable rentals in the PMA. The rents are below the net Payment Standards for Denver, which allows tenants with tenant-vouchers to occupy The Gibson. The 8.5% total penetration rate for planned or under construction units, including The Gibson, illustrates high demand for affordable housing in the PMA and emphasizes the importance of awarding funds in this round to avoid losing site control.
   - Proximity to existing tax credit developments: Given the central Denver location, there are several planned market-rate developments in the neighborhood, yet only two family LIHTC developments planned that have received an award and are not placed in service (page 58 of the market study). The very low penetration rate for all planned and existing units illustrates the need for affordable housing in the PMA.
   - Project readiness: The project is ready to proceed and will financially close and begin construction in November 2026. We have zoning in place and have had positive reviews with the City and County of Denver and the local Registered Neighborhood Organization (RNO), Capitol Hill United Neighborhoods (CHUN). We have accounted for permanent relocation of the existing parking leases in cell B93 of the Development Budget Tab and have engaged with Revival Development Services to oversee this effort.
   - Site Control: We are excited to partner with the Colorado State Land Board (SLB) on a ground lease for The Gibson following the award of their competitive RFP process. As an incredibly high-value land asset, we couldn't afford to buy the land (with an estimated value of $12,500,000) and make an affordable housing project financially feasible. The ground lease payments during our

15-year tax credit period are half of what they would be with an outright purchase. We have shown the lease payments in the Proforma, Income & Expense tab in row 7. This valuable option to ground lease expires after this funding application round.

- Overall financial feasibility and viability: The project is viable and has letters of support from lenders and investors, uploaded in Sections 5, 6, 7 and 9. We are confident that these sources are realistic.
- Experience and track record of the development and management team: We are very proud of our track record and team. We have successfully completed CHFA-funded LIHTC projects as shown in Tab 12. Our Colorado team has been led by Kimball Crangle since 2014, we have used our Colorado-based Architecture team since 2018, and our Gorman Property Management team since 2020.
- Project costs: Our hard costs are in line with our cost expectations and parallel to pricing escalations that we have seen recently. We are containing costs as we can with an economical building design (ground lease versus outright purchase of land, surface parking, maximized density) and construction methods. Our team will minimize known cost risks and address unknown risks as they arise (related to commodities or supply chain issues, for example) as proven in our other recent developments.
- Site suitability: The site is zoned and suitable for our project concept. We have easy access to utilities, roads, and existing neighborhood amenities. The multi-modal transportation opportunities and proximity to parks, schools, various job centers, services and amenities make the site a desirable location for new accessible, deeply affordable housing with community serving facility space.

4. Describe any requests to waive underwriting criteria: Please see Section 0 – DDF and DCR Addendum in our file for more information on application clarifications. We are requesting to override the application and reflect (i) the accurate cash flow in the pro forma to show an accurate Debt Service Ratio *and* (ii) that we can repay DDF within 15 years.
5. Issues raised by the market analyst in the market study:

The market study concludes that there are 'no recommended changes for the subject property' yet does point to the following, which we are mitigating as shown:

A. Weakness: The LIHTC units in the PMA were 6.2% vacant overall (and 7.9% for all product type in the PMA),

Mitigation: The Market Study reports that vacancy rates are trending down since reports collected in 2024 (on page 5) with wait-lists re-emerging. As noted on page 71 of the market study, The Gibson is expected to stabilize at 95% occupancy. The 1.7% penetration rate in the 80% AMI income range illustrates this demand.

B. Weakness: The subject's parking arrangement, unit features and project amenities are generally slightly inferior to most surveyed LIHTC and mixed-income properties.

Mitigation:

- While parking is limited at The Gibson, it is right sized for the location and unit mix and is far above the City of Denver Zoning requirements. The project will charge for secured car parking, noted as inferior to its primary LIHTC competitors. As we've experienced in our existing properties in core locations, with above average transit and multi-modal options, deep affordability, smaller bedrooms counts, and excellent bike storage, our project will not demand 1:1 parking. The minimal parking charge will mitigate issues that arise in a first-come, first-serve parking arrangement for a parking ratio of less than 1:1. By charging for parking, we will assign parking spaces to those with cars.

- Unit and project features: We have designed our units to maximize livability through efficient design of square footage, interior storage closets and above average accessibility features. Our project amenities are right sized for the population we will be serving (and shown to be larger in our studios on Page 67 of the Market Study), include an appropriate unit mix (as shown in the market study on page 68), include an ECE option with preference for residents, security features, and above average access to services, jobs and community amenities. While this may be inferior to some older LIHTC and market rate projects, we have balanced 2025 cost levels with a superior location, high demand for affordable units, design for units that are marketable and in demand.

C. Weakness: The market study indicates that concessions are being offered at all surveyed market-rate projects. As a result, the subject's proposed 60% and 80% AMI rents overlap with Class A and Class B market-rate properties.

   Mitigation: As noted on page 70 of the market study, the analyst concludes the Subject's 'proposed rents are attainable'. While there are market concessions being offered, this is due to the very large amount of supply that was brought online in the market rate sector in 2024. The analyst notes on page 5 that LIHTC vacancy rates are trending down overall. In addition, our deeply affordable units and 80% AMI rent below maximum AMI levels are marketable in Denver in our experience.

6. Environmental report issues: The Phase I ESA identified two RECs due to previously demolished structures that are expected to have been buried following demolition in 1974; and Historical auto use at the property. A Phase II report identified debris and minor asbestos. To mitigate these risks, we have set aside $500,000 as shown in the Development Budget Tab cell B24 for remediation. Our General Contractor has confirmed this allowance to be adequate.
7. Describe unusual features that are driving costs upward: We have minimized costs with a ground lease versus outright land purchase, efficient building design in floor layout and unit square footage, and right-sized parking counts. We are holding funds aside for exporting potentially contaminated soils, which is not atypical for central Denver sites and issues we have experience navigating.
8. Describe the outreach to the community that you have done: We have had several meetings with the City and County of Denver, of which we have received positive feedback. Our site is zoned and will follow all existing setbacks and height requirements. The location in the Sherman-Grant Historic District requires a Landmark (administrative) review. We do not expect any concerns given our design sensitivity to the historic district and architectural design. Although not a requirement, we have also shared our project concept with Capitol Hill United Neighborhoods, the local RNO and immediate neighbors of the site with favorable feedback.
9. Describe how the proposed development promotes equity and economic mobility for residents: The project is promoting equity and economic mobility by 1) providing deeply affordable housing at the project to allow those utilizing SSDI the option to live within their means, typically at 30% AMI, 2) designing the project to include accessible features that allows for long-term livability for people of all abilities, ages, and a range of incomes, 3) offering an ideal location for increasing access to transit, education, employment, and other resources that reduce barriers to economic mobility and equity, 4) staffing a Resident Services Coordinator to assist residents with accessing a variety of services offered in the City and aid in their economic mobility and 5) an income-based ECE facility with preference for Gibson residents.
10. This is not an acquisition or rehab project.

4% housing tax credit application narrative

Project Name: High Point Apartments
Project Address: 6850 Argonne St, Denver, CO 80249

Executive Summary: High Point Apartments (the "Project") is a proposed 204-unit, new construction, fully affordable rental housing project on an 7.48-acre undeveloped parcel located at the northeast corner of Argonne St. & High Point Blvd in the High Point Master Association. The site is located within Qualified Census Tract (QCT) 158 per HUD's 2025 QCT Map and zoned C-MU-20. C-MU-20 Allows for a building area of 330,000 SF but is further restricted under the High Point Master Association CC&Rs to 225,000 SF.

The site is located in Denver's fast growing DIA neighborhood and is mid-point between Downtown Denver and Denver International Airport. The site provides access to newly built schools, coffee shops, restaurants, retail and shopping centers as well as providing excellent proximity to employment for the 30k employees of DIA and those working in an additional 155k indirect jobs. The High Point site provides exceptional transportation access due to its location being (i) just north of I-70, the primary east/west arterial of the Denver MSA, (ii) adjacent to E-470, the MSA's beltway that connects the site with all points east and west of Denver, including those traveling to Denver International Airport (DIA), (iii) within 1-mile of the 61st and Peña Light Rail Station which connects area residents and commuters to Metro Denver - including Union Station and Denver International Airport (DIA) and (iv) <u>within 1-block from the 169L RTD Bus Route to commute to employment at DIA where 500 job openings were just announced via 9news.</u>

High Point Apartments will be designed to serve a Families population. There will be a total of 102 two-bedroom units and 102 three-bedroom units, including one two-bedroom unit reserved for the on-site property manager, for a total of 204 units. The two- and three-bedroom floor plans are approximately 888 square feet and 1,195 square feet respectively. Unit affordability will be restricted to households earning between 30% and 60% of the area median income 21 units (10.29% of the mix) will be reserved for households earning 30% of area median income, 182 units (89.2% of the mix) will be reserved for households earning 60% of area median income and the remaining two bedroom unit will be reserved for an onsite property manager.

The onsite community amenities and floor plans will be <u>designed to appeal to households with children</u>. The community will feature a standalone building containing leasing and management offices, a fitness center, co-working lounge, and a community room for events, training and classes. Outdoor amenities will include a tot-lot playground, central great lawn, sport court, dog park and a BBQ & picnic area. The community room will consist of a gathering space with a flat screen TV, tables, chairs, and couches as well as restrooms and a kitchen. The community room will be designed to accommodate resident events, classes, and general socialization among the Project's residents. The units will have the following amenities: stove, oven, vent hood, refrigerator, dishwasher, in-sink disposal, microwave, AC/HVAC system, in-unit washer/dryer, modular cabinets, water-efficient plumbing fixtures, solid surface countertops, vinyl plank flooring, and vertical blinds. Parking will be provided at no additional cost on a first-come, first-served basis for residents and guests.

The Project will consist of 7, 3-story, garden designed buildings spread across the site and a stand-alone community building to host a variety of resident services and leasing offices for on-site management. Buildings will be constructed on top of a post-tension concrete slab-on-grade foundation and will be wood-framed with Type-V, wood construction. Building construction and design elements are aligned with the High Point Master Association guidelines which include the following materials: cement lap siding, fiber cement hardie panel, hardie panel trim fascia gutters, and brick masonry elements. Each of the seven buildings will contain two enclosed stairwells accessed by electronic security fobs leading to the upper residences. The buildings will feature pitched roofs.

In recognition of CHFA's Guiding Principles, Denver's Green Building Ordinance, and the State of Colorado's renewable energy goals, the Project will be an all-electric development. Chelsea Housing Group will elect to pursue the Enterprise Green Building Certification for the development and provide the required EV and EV-ready parking spaces. The buildings will be designed to be photovoltaic system ready.

Onsite services will be provided fee of charge to the residents and held in the community room. Portfolio Resident Services ("PRS"), a non-profit organization will coordinate community services and activities onsite for residents which include Educational Services, Family Skills, Personal Development, Health and Nutrition, Neighborhood Advancement and Civic involvement, and recreational activities. Financing for PRS's services will be provided through High Point Apartments' operations budget.

The project will be financed with tax-exempt and taxable construction loans, a permanent loan, 4% federal low-income housing tax credit equity, state of Colorado Affordable Housing tax credit equity, a private placement junior bond, and deferred developer fee.

1. Bond Financing Structure:
    - Construction and Permanent Bond Financing will be provided through the CHFA PAIRABLE program with Citibank serving as Construction Lender. Construction Period Tax-Exempt Bonds in the amount of $42,400,000 structured as $38,700,000 in Senior Bond and a $3,700,000 Junior Bond (all placed through Private Placement with CHFA as Bond Issuer) together with a Taxable Construction Loan of approximately $26,505,203. Permanent Period Tax-Exempt Bonds of $40,750,000 structured as $37,050,000 Senior and $3,700,000 Junior Bond (all placed through Private Placement with CHFA as Bond Issuer).
    - CHFA will be the bond issuer and volume cap provider.
    - Citi Construction loan to be refinanced with a permanent loan from CHFA through the PAIRABLE program. Bonds will be issued through a private placement process.
    - $42,400,000 of the bonds are expected to be tax exempt. We are assuming a $26,505,203 taxable tail during construction.

2. Identify which, if any, of the priorities in Section 2 of the QAP:

CHFA Priorities: The Project does not serve Persons experiencing Homeless or Special Populations and is not located in a non-metro low population county.

CHFA Guiding Principles: The project concept aligns the Guiding Principles by:

- Providing over 10% of the units to households earning 30% AMI for an additional 50 Years over the initial 15-year compliance period for a total compliance period of 65 years.
- The project lies within a QCT and contributes to a Community Revitalization Plan
- The site allows for a location diversification of the distribution of Housing Tax Credits.
- Our company provides diversification of CHFA's application pool.
- Our concept provides CHFA the opportunity to assist households with children.
- The development will contribute to Colorado meeting is renewable energy and reduction in greenhouse gas emission goals by:
    - Pursuing Enterprise Green Communities and ENERGY STAR Multifamily New Construction certifications,
    - Complying with the 2022 Denver Energy Code,
    - And having an all-electric utility systems approach and provide the required EV parking.
    - Being designed to be photovoltaic ready.
- The development will add new construction affordable housing.
- The development's 3-story garden design provides the most cost-effective means of producing new housing and will result in efficient use of Housing Tax Credits.
- Because the development is large and is in an economical garden design we are able to provide more affordable housing for the tax credit request than proposals that are smaller or are in more expensive building designs.

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

Market conditions: The Market Study Analyst, Newmark, determined the following:

- Five of the top 20 employers in the overall Denver MSA are located within the subject's market area. These include United Airlines, Amazon, Southwest Airlines, United Parcel Service, and Frontier Airlines, with two additional employers, University of Colorado Hospital and Children's Hospital Colorado located just outside the market area. Together, these seven employers provide over 39,000 jobs in the subject area.
- Within the past four quarters, there have been 594 units completed in the submarket with 884 units absorbed.
- From a long-term perspective, the subject property is well positioned in a growing suburban area.
- The subject property also has a good quality and competitiveness with similar properties in its area.
- Based on the current market conditions, comparable absorption statistics with emphasis on the LIHTC properties, and considering the subject's location, occupancy at comparable properties, new construction of affordable properties near the subject, and affordable requirements, we estimate an absorption rate of 15 units per month.

Proximity to existing tax credit developments: The Market analyst identified 12 existing tax credit projects located in the primary market area totaling 1,772 LIHTC units. The AMI mix is heavily weighted towards 60% AMI. High Point Apartments will help meet the needs of families earning below 40% AMI and above the 50% AMI levels. There are numerous new commercial developments planned and under construction in the subject's area, indicating significant growth in the area. Over 1,350 new jobs/employees are expected to be added from these new developments, with even more jobs expected to be added from future expansions at DIA.

Project readiness: The Project is on-track to achieve financial closing within 12 months of tax credit award. The site has zoning in-place that permits High Point Apartments as designed. Site investigation work has been completed, and all utilities are available and easily accessible from the property. AHRT has reviewed the first Concept design and Concept Plan review approval is expected within the next 60-90 days. Based upon permitting timeframes that have been confirmed by Denver's Community Development Dept. within the zoning verification letter they provided for the Project we are targeting a closing and construction start date of Nov. 2026. The current estimated construction schedule is approximately 18 months.

Overall financial feasibility and viability: High Point Apartments is financially feasible if awarded the requested allocations of 4% Federal LIHTC's, tax-exempt Private Activity Bonds and State AHTCs. As an established and vertically integrated developer, CHG is able to bring additional resources to the table to fill the gap and make this development financially feasible, including deferring a portion of the developer fee and having access to a private Jr. Bond facility which is captive and available to only CHG projects. All sources are reasonably expected to be obtained based upon strong indications of interest from CHG's financing partners as evidenced by the accompanying documentation.

Experience and track record of the development and management team: Charles Schmid, manager of Chelsea Housing Group, has extensive experience having developed over 8000 units in California, New Mexico and Utah in his career. Many of these developments are actively managed by CONAM Management Corporation ("CMC") CMC Manages over 400 properties in 26 different metropolitan areas, including Denver. Jason Martin, Senior Development Manager for Highpoint Apartments, has two decades of multifamily experience, previously serving as the Development Officer at Fairfield Residential. Jason oversaw the development of multiple market rate, mixed income and mixed-use multifamily projects from site acquisition through entitlement, permitting, financing, construction, lease up, and sale. Additional team resumes are included in #11 – Development Team Resumes.

Project costs: Chelsea Housing Group LLC has engaged KTGY as the architecture firm and Shaw Construction as the general contractor, both of which are well-respected in the Denver community for executing efficient and cost-effective buildings. Shaw construction has completed approximately 90 projects across the Rocky Mountain region and 30+ LIHTC developments over 20 years. The SOV provided by Shaw Construction included in item #4 Cost Estimates estimated per unit costs at $240k/unit and total hard costs of $48,995,326. The plans for this development were used by Shaw Construction to fully-vet real time costs for this project with their extensive subcontractor base and appropriate contingencies are in place to account for volatility of construction pricing based on current market conditions

Site suitability: The site is conveniently located to multiple forms of public transit including the newly constructed 61st & Peña station and within 1 block of the 169L bus stop. The site is located in close proximity to a variety of schools supporting needs of all students from K-12, including Legacy Options Highschool which neighbors the site directly to the north. Sprouts Farmers Market and King Soopers are located 1.32 miles and 2.27 miles away, respectively, to support grocery shopping needs. The project is near daycare centers including Little Brownies Learning Center and The Learning Experience which are 0.7 and 1.27 miles from the project. The project is near public parks and open spaces to support a variety of recreational activities, including The Grove Neighborhood Park, approximately 0.84 Miles away and Honeysuckle Park approximately 1.39 miles away. This development will be a complement to the newly built single-family communities across the street and the numerous parks and schools that have been built in the neighborhood. A full list of locations is provided in document #14 Location Maps

4. Describe any requests to waive underwriting criteria (if requesting). Please see the preliminary checklist for additional narrative requirements for justification of the waiver.

Not Applicable

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

Newmark, the market study analyst, found the unit sizes at the subject property appear to be market oriented. However, since there is no rent difference between a 2 BR/ 1 BA unit type and a 2 BR/ 2 BA unit type, a potential resident may be more likely to seek out a 2 BR/ 2 BA unit type, as they would be paying the same rent for a larger space. Thus, Nemark recommended the subject property consider having 2 BR/ 2 BA unit types.The development team will evaluate the ability to offer 2 BR/ 2 BA unit types over the coming months.

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

The Phase I Environmental Site Assessment conducted by CTL Thompson did not find evidence of a recognized environmental condition in connection with the site.

7. Identify if there are any unusual features that are driving costs upward, as well as if there are any opportunities to realize cost containment. (Refer to Section 2 of the QAP for additional information.)

The High Point Apartments are being designed in high density, 3-story, slab-on-grade buildings, which achieve a high density that allows for the amortization of fixed costs over a greater number of apartments as well as allows for the utilization of lower cost Type-V, wood framing. In our experience, 3-story garden style apartments are the most cost-effective design for multifamily housing compared to similar 2-story product or higher density designs such as wrap or podium.

8. Describe the outreach to the community that you have done and describe local opposition and/or support for the project (including financial support).

The project team has held concept presentation meetings with both HOST and the Denver Housing Authority which resulted in obtaining a letter of support/interest from each of them. Denver High Point at DIA Metropolitan District has also provided a letter of support for High Point Apts. Additionally, a public hearing notice for the project was provided in the Denver Post on July 23, 2025. Mr. Jason Martin hosted a Public Hearing for the project on July 31st. There were no questions or comments from the public during the presentation.

9. Describe how the proposed development contributes to promoting equity as well as economic mobility for residents.

High Point will provide quality, safe and affordable housing serving households with incomes between 30-60% AMI. The Project's below market rate rents will lessen the financial burden on low-income households to secure housing allowing a greater share of their income to be used for other essentials including education, food, healthcare and transportation. Additionally, resident services will be provided free of charge and tailored to the residents' needs including improving financial literacy job and readiness.

4% housing credit application narrative

Project Name: Metro Caring Housing
Project Address: 1100 E 18th Avenue, 1726, 1728, and 1736 Downing Street, Denver, CO 80218

Executive Summary: Metro Caring is a leading anti-hunger nonprofit organization that has served the Denver Metro area community for over 50 years. Through our free grocery-store-style Fresh Foods Market, we distributed over $7 million in culturally relevant food to more than 33,000 community members last year. Demand for our services continues to grow: in fiscal year 2025, over 40,000 individuals accessed our services reflecting the urgency of food insecurity in our area.

In response to persistent need and strong community direction, our mission has evolved to not only meet immediate hunger needs but to also address root causes—chief among them, the lack of affordable housing.

Through years of listening sessions (Attachment A) and surveys—including feedback, from over 1,100 individuals (Attachment B) and a bilingual Community Advisory Board (CAB)—housing emerged as a top priority. Informed by this process, we are proposing an 8-story, mixed-use development at 18th Ave. and Downing St., including 139 affordable apartments and about 73,000 sq. ft. of expanded program space designated as a Community Service Facility (CSF).

The project site lies in a rapidly gentrifying neighborhood within a designated Qualified Census Tract (QCT), retaining the designation last held in 2022. This status enables CSF eligibility and supports a $7.2 million tax credit equity boost. Since our 2023 application, we've closed our capital campaign gap, advanced design approvals, and positioned the project for success with a 2025 award.

Our commitment to co-creation with the community is foundational. Metro Caring's CAB—composed of members with lived experience of food and housing insecurity—continues to guide design, programming, and advocacy. Members represent a range of our programs and lead initiatives like Voices at the Table, where housing has consistently emerged as a core concern.

Since 2023, our housing justice work has deepened. Our Lead Organizer now co-chairs the Organizing Subcommittee of Colorado Homes for All and helped shape a statewide housing justice strategy. Our Community Organizing team also co-developed with community Metro Caring's 2025 Legislative Agenda, identifying unaffordable housing as the top root cause of hunger and supporting HB25-1032, which would reinvest real estate filing fees into housing and homelessness solutions.

Community input shaped the project's housing mix. In response to the high demand for multigenerational housing, 49 of the 139 units will be 3- and 4-bedroom homes. These units support cultural and familial continuity, particularly in neighborhoods experiencing displacement. CAB members and residents emphasized the role of multigenerational households in caregiving, food sharing, and maintaining community resilience. We're also working with the Denver Early Childhood Council to support tenants operating licensed home-based childcare using on-site amenities.

To support a diverse and intergenerational resident base, the remaining 90 units will include 65 one-bedroom and 25 two-bedroom apartments, offering options for elders, younger adults, and small families who want to remain rooted in their communities. The specific unit and affordability mix is pictured below:

Unit and Affordability Mix							
Area Median Income (AMI)	**0BR**	**1BR**	**2BR**	**3BR**	**4BR**	**Total**	**AMI %**
30% AMI	-	8	2	3	1	*14*	10.1%
40% AMI	-	4	2	3	1	*10*	7.2%
50% AMI	-	14	3	4	3	*24*	17.3%
60% AMI	-	33	16	18	12	*79*	56.8%
70% AMI	-	6	2	2	2	*12*	8.6%
Total	-	*65*	*25*	*30*	*19*	*139*	100.0%
Bedroom Mix Percentage:	0.0%	46.8%	18.0%	21.6%	13.7%		

The development will serve up to 70% AMI units with an average income of 54.7%. The 70% units will be set at a 60% AMI rent level. Our community has a range of incomes; to promote food access and dignity, our programming and free market have no income restrictions. In addition to the intentional mix of unit size, our CAB prioritized a building that allowed us to reduce our environmental impact as much as possible and provided access to green spaces for residents and community.

Metro Caring's commitment to sustainability is deeply embedded in our daily operations and long-term vision. We actively reduce food waste by composting all expired items from our Fresh Foods Market. Through robust food rescue practices, we divert high-quality surplus food from landfills and ensure it reaches people who need it. These values and practices are reflected in our plans for this project by committing to going above the average energy efficiency standards by including a 2025 Denver Energy Code compliant envelope as well as EGC 2020 criteria, ENERGY STAR Multifamily New Construction Criteria, Denver Green Code, Denver Green Buildings Ordinance, and designed to comply with Energize Denver performance requirements. As a part of our commitment to being compliant with those environmentally responsible standards, with support of our CAB, we plan to have all-electric, high efficiency heat pumps for space heating and cooling of dwelling units and residential common areas, energy recovery ventilators for residential and commercial spaces and central heat pump water heating plant for residential areas.

At Metro Caring, our commitment to environmental responsibility is rooted in addressing the climate-related factors that worsen food insecurity—especially for communities of color. As noted in *National Geographic*'s "How 'nature deprived' neighborhoods impact the health of people of color," lack of green space harms multiple social determinants of health. (Article in Attachment H). For our community, including our CAB leaders, these impacts are lived experiences and informed their advocacy for sustainable building features.

Our new site will include amenities like access to 3 green spaces, which will include gardening space, our greenhouse, outdoor cooking amenities, lounge furniture, and active play equipment, compost and recycling, infrastructure to support electric car usage with EV charging stations and bike usage like safe onsite bike storage. Metro Caring is proud to maintain strong partnerships with urban agriculture organizations such as Mo' Betta' Green and Urban Symbiosis. These partners actively use our green spaces and greenhouse to advance food sovereignty and deliver community-based education programs. We are committed to maximizing the use of our spaces to support community organizations that promote urban agriculture and food justice, as a complement to Metro Caring's food sovereignty programs. Together these environmentally conscious amenities will not only let us reduce our environmental footprint but also combat poor social determinant of health outcomes.

The program space will be financed as a CSF using LIHTC equity and Metro Caring's capital campaign (a breakout of the source and use for the residential and CSF is included in Attachment C). The portion of the CSF not eligible for LIHTC basis will be fully covered by the capital campaign. Key updates include a modernized Fresh Foods Market and warehouse to meet rising demand for our services (see Attachment D), new commercial kitchens to support local food entrepreneurs (Attachment E), and expanded space for our Nutrition & Health programs (Attachment F). Trauma-informed design is central to the project. Guided by our CAB, special attention has been paid to the needs of parents, children, elders, individuals with disabilities, and veterans. Design strategies, particularly in the warehouse and program areas, minimize noise and disruption to nearby housing units—an important consideration for residents with PTSD.

Metro Caring has been rooted at our current location for 25 years and in the same neighborhood since our founding. Over this time, the area has undergone significant change. The Urban Displacement Project, from the University of California Berkeley and University of Toronto, identifies our neighborhood as experiencing 'advanced gentrification,'[1] with some of the highest displacement rates in the metropolitan area and insufficient affordable housing to mitigate this trend. Among those we served last fiscal year, the majority were people of color, nearly all reported housing insecurity, and almost 100% were low- or very low-income.

We are consistent with the QAP's Guiding Principles: minimum 60 year affordability per the City covenant with Metro Caring's mission being to maintain this affordability in perpetuity; with 17% of the units at 40% AMI or below; a diverse development team; within a quarter-mile walk of public transport including the new Colfax BRT line; maximized density to the extent possible as requested by community; and the residential portion of the project is electrification ready (see the Sustainability Narrative submitted, Folder 23).

The structure will consist of one level of underground parking with eight levels of superstructure. Foundations will be drilled piers with mild reinforced concrete foundation and core walls and a concrete slab-on-grade. The exterior is designed to be warm and inviting. The corner of E. 18th and N. Downing is anchored with masonry and the base references the masonry of the existing Metro Caring building. The upper-level housing spaces are clad in metal panel along the west and south façades and cementitious stucco in the alley. The north stair cores and shared space have punctured windows to bring natural light into the space. The residential lobby, with two elevators, will be accessed from N. Downing. The character of the lobby will be open, transparent, warm, and welcoming, encouraging social interactions between residents. Greater detail on all construction items can be found in the Architectural Narrative (Folder 4) and the Schematic Drawings (Folder 15).

Community amenities include a reception and lobby with space for informal residential meetings. A community room with a residential kitchen sits on the third floor with three outdoor spaces dedicated to gathering, active space, and contemplative space. The gathering space is connected to the community room and includes a greenhouse, planters, outdoor fire pit, outdoor seating and tables and grilles. The active spaces include amenities such as a swing, stump hop, seating, and dog run. The contemplative space includes seating, pathways, and plants to encourage relaxation. Unit design is based on feedback from the CAB and amenities include in-unit washer/dryer, range with hood, microwave, dishwasher, refrigerator, and A/C. Units were designed to have well-lit spaces with ceiling fans and decorative pendants above the island. In addition to washers and dryers in the units, a community laundry room is provided for larger items and to serve as a social space.

This project will directly address a leading cause of hunger in our community, demonstrate how co-creating with community can lead to long-term positive change to reverse a rapidly gentrifying neighborhood, and position Metro Caring and Denver as a national leader in the anti-hunger movement.

[1] https://www.urbandisplacement.org/maps/denver-gentrification-and-displacement/

Bond financing structure: The development uses $52.45 million in CHFA-issued, privately placed PAB comprised of $33.6 million short term and $18.9 million long term bonds. There will be a must-pay subordinate loan from Mercy Community Capital of $2.78 million. The cash flow subordinate debt assumes $2.8 million in State or City funding, and a $7.6 million carryback loan for 100% of the land value. There will be a capital campaign funded sponsor subordinate loan of $21.95 million and a significant $5.9 million deferred fee. The Federal LIHTC, State AHTC and TOC credits provide $40.8 million in equity.

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

- Market conditions: The overall capture rate is 17.5%. The 30%, 40%, 50%, 60% and 70% AMI units have respective rates of 10.3%, 16.5%, 20.2%, 24.2% and 1.8% meeting the CHFA threshold in all categories. Much of the new market-rate construction in the PMA is luxury-oriented, and the project will provide affordable rental housing to households who cannot afford to live in these new projects but still want to live in a desirable and central location.
- Proximity to existing tax credit developments: The PMA has 70 LIHTC projects containing 5,025 income-restricted units. The market analyst noted that the project's LIHTC units will compete most directly with the 2,124 family LIHTC units restricted at 30% to 70% AMI. The market study found Metro Caring Housing's unit and project features superior to its most competitive LIHTC properties. The only affordable project currently under construction within the PMA has 58 units with total unmet demand totaling over 11,000 households without considering future growth.
- Project readiness: The origin of Metro Caring Housing is with community Dream Sessions that were held in early 2020. The development team was selected in September 2020 and that team has continued to work diligently on the project concept for the last 5 years. The project design has gone through three rounds of concept review with the City and County of Denver, and we are confident that our current design and budget address all of the City's major requirements. We are working with Denver's AHRT team and anticipate site approvals and permits on December 1, 2026. The site is currently partially owned by the sponsor, and the balance of the site is under contract to close shortly.
- Overall financial feasibility and viability: Each step, we've worked to raise up and hear community voice to build directly responsive housing and programming. Metro Caring has already raised more than $12 million of its $21.95 million capital campaign, and a generous donor has agreed to a guarantee to bridge up to $10 million, if necessary, to ensure the capital campaign is available for construction closing (further discussed in the Capital Campaign Letter in Folder 7). We are working with Denver Housing Authority for property tax exemption. Cost estimates use a nearly complete Schematic Design ensuring cost accuracy.
- Experience and track record of the development and management team: We have a diverse tax credit experienced development team and community-driven leadership. Years ago, we developed our first facility using NMTC finance. We selected FLO Development Services LLC as the developer for this development. John Huggins has over three decades of Colorado experience working in affordable housing and LIHTC finance. Studio Completiva and Group14 Engineering bring local, affordable housing focused teams to the design and engineering aspects of the building. I-Kota Construction provided the cost estimate. Selected due to their compliance expertise and ability to respond to community voice, Brother's Redevelopment rounds out the team as the Property Manager.
- Project costs: I-Kota has reviewed the project design and provided cost estimates. Based on their recent experience with very similar building types and the level of construction drawings, the development team has a high degree of confidence in the current estimates and in the reasonableness of the overall project costs. The project's per-unit hard cost reflects larger unit sizes to serve our multi-generational families. More detail on cost containment measures is included in question 7 below and in Attachment C: Cost Basis Waiver Request.

- Site suitability: Metro Caring is centrally located to essential transportation, including the new Colfax BRT line, major bikes routes and two RTD bus route stops on our street corner. Metro Caring's community successfully advocated for keeping one of those adjacent bus stops when RTD proposed removing it in 2018, demonstrating the community's interest and reliance on those public transportation routes. Metro Caring is also located near elder services, employment opportunities, educational resources, healthcare, and other essential services not present in other suburban and urban areas that may have more affordable housing options. When discussing alternative locations for this project, the CAB felt strongly that redeveloping Metro Caring's existing site was important because the current location—with its excellent public and service access—is what many consider to be Metro Caring's home.

Justification for waiver of underwriting criteria: See Attachment C: Cost Basis Waiver Request

Address any issues raised by the market analyst in the market study. In response to the market study, 70% AMI rents have been reduced to 60% AMI maximums to match more closely to properties in the PMA. The market study also mentions that several of the surrounding LIHTC projects are providing minor concessions for their 60% AMI units. We will pay close attention to ensuring a timely lease up of the project, with the help of our experienced Property Manager Brothers Redevelopment. The Rent Up Reserve has been sized to take on the additional expense of concessions, should they be necessary.

Address any issues raised in the environmental report(s) submitted with your application and describe how these issues will be or have been mitigated. No RECs reported.

Identify if there are any unusual features that are driving costs upward as well as if there are any opportunities to realize cost containment (refer to Section 2 of the QAP). See Attachment C.

Describe the outreach to the community that you have done and describe local opposition and/or support for the project (including financial support). Beginning with five community "dream sessions," hosted by our CEO-Visionary (Attachment A), 97 individuals from across the organization (staff, donors, volunteers, market shoppers, class/club members, partners) discussed opportunities for strengthening Metro Caring's space to meet our community's needs and see out our mission to end hunger. Top desires included affordable housing and greater community connection and growth. We then conducted a site development survey in 2022 that received over 1,100 responses, 10% of which were Spanish speaking respondents (Attachment B). Finally, we assembled an 8-member CAB, which meets periodically to drive decisions in the development and design process.

A significant demonstration of community support is the successful capital campaign. Please also see Attachment G, which includes 25 letters of support, including a letter from the Mayor of Denver.

Describe how the proposed development contributes to promoting equity as well as economic mobility for residents. According to data prepared by City of Denver's Office of Economic Development, a majority of the community members we serve live in zip codes that experience higher rates of poverty and unemployment, have more adults without high school diplomas, among other measurable factors than City of Denver averages. For many of our community members these indicators are driven by the systemic barriers they face such as gentrification and the resulting displacement, cultural isolation, and food insecurity. This project will allow community members to root in place with their families and community, build wealth and connect with critical programs and resources of Metro Caring and our partners.

4% housing tax credit application narrative

Project Name: Miner Street Apartments

Project Address: 1300 Colorado Blvd, Idaho Springs, CO 80452

Executive Summary

Miner Street Apartments is a thoughtfully designed new construction redevelopment located in the heart of Idaho Springs, Colorado. Situated on the former Carlson Elementary School site, this three-story, garden-style walk-up community will deliver 65 high-quality rental units for low-income households earning between 30% and 80% of the Area Median Income (AMI). The development includes a balanced mix of one-, two-, and three-bedroom apartments to address the growing demand for affordable housing in the region—particularly among teachers, healthcare professionals, and service industry workers. Developed in strategic partnership with the Clear Creek School District, this project directly supports local workforce retention and strengthens the social and economic fabric of the community. Miner Street Apartments will offer residents a comprehensive suite of amenities tailored to enhance quality of life, including a spacious community clubhouse with a kitchen, TV lounge, and business center with free high-speed Wi-Fi. Outdoor spaces will include a playground, BBQ and picnic areas, a dog park, raised garden beds, and a gazebo, all complemented by on-site management and maintenance services. The site is located within walking distance of downtown Idaho Springs, affording residents immediate access to essential services, public transportation, and regional employment centers along the I-70 corridor. The site lies within an Opportunity Zone and is zoned C-2, which permits multifamily residential development by right. The building will feature all-electric infrastructure, energy-efficient systems, and solar readiness—aligning with CHFA's sustainability priorities and future energy goals.

Located at the intersection of Miner Street, 13th Avenue, and Colorado Boulevard, the project benefits from excellent vehicular visibility and access to Interstate 70 and State Highway 103. The City's "Somewhat Walkable" walk score of 58 (versus the city average of 63) and two Roundabout Transit Solution bus stops within 0.2 miles underscore its connectivity. Miner Street will feature robust resident amenities—clubhouse, dining room, exercise room, business center, computer room, picnic area, playground, dog park, community garden, gazebo, bike storage, EV-charging, gated entry with video surveillance, and on-site management/maintenance. Each apartment will include energy-efficient appliances, in-unit washer/dryer combo, vinyl plank flooring, blinds, ceiling fans, patios/balconies, and high-speed internet hookups. By delivering deeply affordable family units in a historically disinvested mountain community, Miner Street Apartments advances racial and economic equity.

Project Description and Construction Details

Located at 1300 Colorado Boulevard, the 1.48-acre site is ideally suited for multifamily development. It is not subject to historic preservation constraints and benefits from existing C-2 zoning, eliminating the need for rezoning and supporting full redevelopment. The site enjoys exceptional walkability to key community amenities such as grocery stores, libraries, restaurants, schools, parks, and public transit stops. Its proximity to I-70 provides residents with seamless regional access to Denver, Summit County, and other employment hubs, enhancing both livability and commuter convenience.

The unit mix is tailored to meet the needs of working individuals and families, consisting of 18 one-bedroom units, 32 two-bedroom units, and 15 three-bedroom units. All units will be income-restricted between 30% and 80% AMI average income development, ensuring a diverse yet targeted housing solution that accommodates a range of household types. Each apartment will include Energy Star-rated appliances, including a range, refrigerator, microwave, dishwasher, and all-in-one washer/dryer unit. The buildings will be constructed using slab-on-grade wood-frame design, with durable Diamond Kote siding, brick, and metal finishes to reflect the region's architectural character and ensure long-term resilience. The entire development will be electrification-only, prepared for future solar photovoltaic installation, and will integrate energy-efficient HVAC and lighting systems to reduce operating costs and environmental impact. Together, these features make Miner Street Apartments a model for sustainable, community-driven, affordable housing in Colorado's rural mountain regions.

The building will feature punched-window elevations, pitched roofs, and a material palette that includes Diamond Kote siding, metal panels, and brick accents—all selected to complement the historic character and aesthetic of Idaho Springs and to withstand the mountain climate. This configuration also maximizes the efficient use of the compact 1.48-acre infill site, helping to accommodate the full program of 65 units without the need for structured parking or costly vertical circulation. The site plan includes 85 surface parking spaces, ensuring adequate parking for residents while preserving open space and promoting walkability. The parking layout includes six ADA-accessible spaces and seven EV-ready spaces, meeting and exceeding CHFA's sustainability and accessibility guidelines under the QAP. Circulation patterns, setbacks, and landscape buffers have been integrated to support neighborhood compatibility, pedestrian access, and safe, user-friendly navigation throughout the site. This construction approach not only delivers cost-effective, high-quality housing but also aligns with CHFA's emphasis on design durability, long-term operational sustainability, and appropriate contextual response in rural and mountain communities.

Bond Financing Structure

Miner Street Apartments will be financed through CHFA-issued private activity bonds in conjunction with 4% federal LIHTC equity, State Tax Credit equity, 45L credits and IRA, providing a blend of construction-period and permanent financing to optimize both cost efficiency and long-term affordability. The total bond issuance consists of $22,000,000 in construction-period bonds and $10,176,105 in permanent take-out bonds. CHFA will act as both the conduit bond issuer and the volume cap provider, with private activity bonds capped at approximately 50% of the project's aggregate basis to preserve maximum permanent debt capacity under IRS and CHFA guidelines. Construction financing will be structured as a private placement of CHFA bonds purchased by Churchill Stateside Group at a floating rate during the build-out phase. Upon stabilization, Churchill Stateside will securitize the permanent bonds in a private placement, with a 40-year amortization and term; no public bond sale is planned, ensuring a faster closing timeline and reduced issuance costs. All CHFA conduit bonds—both construction and permanent—will carry tax-exempt status under private activity bond rules. A small "cleanup" tranche of approximately $1 million will be issued as taxable bonds to cover issuance expenses and satisfy IRS arbitrage regulations.

Projects in non-metro counties (pop. <180,000)

Miner Street Apartments qualifies for CHFA's "non-metro county" priority under Section 2.B ("Projects in non-metro counties with a population of 180,000 or fewer") because Clear Creek County's population (~9,000) is well below the limit, provided it also satisfies the Section 5.B.3.b requirements for density, zoning, and local support.

Alignment with CHFA Section 2 Approval Criteria

A. Market Conditions: Clear Creek County exhibits deep unmet demand for affordable family housing. The independent Market Study (July 2025) shows a countywide vacancy rate of just 2.3% for comparable LIHTC properties and primary market rents that are 25–30% above levels affordable to 80% AMI households. Capture-rate analysis indicates Miner Street's 65 units would absorb within 4-5 months of stabilization, underscoring strong market support for income-restricted homes in Idaho Springs.
B. Proximity to Existing Tax Credit Developments: Within a 3-mile radius of the site, there is only one LIHTC property, and fully occupied. No recent pipeline projects exist in Clear Creek County, demonstrating Miner Street's role as the first modern, all-electric family community in the region. This limited competition enhances both the project's market stability and its contribution to expanding affordable supply in the non-metro setting.
C. Project Readiness
    a. Zoning & Approvals: The site is zoned C-2 (multifamily) with no variances required.
    b. Local Support: Idaho Springs' Affordable Housing Review Team granted an expedited review letter in June 2025, confirming entitlements and permitting timelines. With support from the County, Housing Authority and School District.
    c. Financing Commitments: CHFA private-activity bonds and 4% LIHTC equity letters of interest are in hand; waiver requests (APR override) and State tax credit applications have been submitted.
    d. Environmental Clearance: Phase I and II reports are complete with minimal concerns that have a plan for mitigation.
    e. Construction Documents: Schematic drawings and cost estimates from a third-party contractor support a realistic 14-month build-out schedule, with start of construction scheduled for Q1 2026.
D. Overall Financial Feasibility & Viability
    a. Pro Forma Performance: Under conservative underwriting (1.15 DSCR, 5% vacancy), debt service coverage exceeds 1.17 within year 2 post-stabilization.
    b. Capital Stack: Layered financing of CHFA bonds, federal/state LIHTC equity, conventional permanent financing, and modest deferred developer fee creates a balanced structure with a 12% equity yield.
    c. Cost Containment: Slab-on-grade foundations, wood-frame construction, and competitive contractor bids ensure per-unit hard costs align with CHFA median benchmarks, with adequate contingency and reserves for cost-overrun protection.
E. Experience & Track Record of Development & Management Team: DW Development Group has a combined 23 years' experience delivering Market Rate, Workforce Housing and LIHTC projects. The team has Key partners included with an experienced contractor and property management company in the LIHTC industry.
F. Project Costs: Total development cost is budgeted at $25,661,379 (all-in). Third-party cost estimates (July 2025) align with internal budgets. The APR override waiver request supports financing feasibility given current material and labor market escalation.
G. Site Suitability
    a. Physical Characteristics: The 1.48-acre parcel is flat, previously developed, with no sensitive habitat or wetlands. Geotechnical review confirmed suitable soils for slab-on-grade foundations.
    b. Infrastructure: On-site water, sewer, and electrical capacity are available; utility allowances follow CHFA's Area 3 schedule.
    c. Community Access: A Walk Score of 58 and two bus stops within 0.2 miles connect residents to job and service centers. Schools, healthcare, grocery, and recreation lie within a one-mile radius.
    d. Environmental: Phase I/II investigations returned with recognized environmental conditions, and there are no FEMA floodplain or other regulatory constraints. These conditions have a mitigation plan in course which will not be costly or impede on the development.

Underwriting Waiver: APR Override & Cost Basis Method 3

CHFA has granted Miner Street Apartments a waiver of the Applicable Percentage Rate (APR) and approved the use of the Cost Basis Calculation Method 3 for state tax credit purposes, as documented in our July 14, 2025, waiver request package. This override reflects the project's high-cost, non-metro mountain location—where site remediation and limited subcontractor availability drive up development expenses—and supports deep targeting of households at 30%–80% AMI by capturing the true eligible basis needed to bridge the financing gap and maintain a sustainable debt service coverage ratio over the 40-year compliance period.

Addressing Market Study Analyst Issues

The Gill Group market study noted two primary concerns for Miner Street Apartments: an elevated local crime rate and a modest population/household decline in Clear Creek County. However, both issues are effectively mitigated and reframed as opportunities: Elevated Crime Rate: While Idaho Springs' crime statistics exceed regional averages, comparable LIHTC properties in the area maintain high occupancy and waiting lists despite these conditions. Miner Street's design incorporates a secured perimeter—with limited-access gate, fencing, and 24/7 video surveillance—to deter criminal activity and foster resident confidence, ensuring crime does not undermine marketability. Population & Household Decrease: Although the primary market area has seen a slight population and household decline, this trend coincides with severe shortages of affordable rental options. Existing developments report waiting lists, indicating pent-up demand. Consequently, supply-constrained conditions bolster Miner Street's capture-rate projections and support a rapid lease-up timeline, affirming the project's viability despite demographic headwinds.

Environmental Report Findings & Mitigation

Phase I and II environmental assessments identified historic fill soils with localized elevated levels of petroleum-range organics and select metals in discrete areas of the site. After review with Gill Group's environmental specialist and consultation with the Colorado Department of Public Health & Environment (State EPA), we have adopted a protective, on-site mitigation strategy. Contaminated soils will be retained beneath the building slab and under the parking area—encapsulated by an engineered cap—thereby preventing any direct exposure or leaching. Clean, certified fill will be imported to establish all open-space, landscaping, and playground areas, ensuring that no impacted material remains in resident-accessible zones. A site-specific Soil Management Plan will govern all earthwork, including daily air-monitoring, dust control measures, and confirmation sampling. This approach fully mitigates the environmental risks while avoiding off-site hauling, minimizing construction costs, and preserving the project schedule.

Unusual Cost Drivers & Cost-Containment Strategies

Miner Street Apartments' cost profile reflects a series of site-specific challenges that elevate baseline development expenses. First, the project's mountain-terrain setting, and former school use have necessitated extensive soil remediation and engineered foundations to address historic fill materials, driving up both earthwork and geotechnical fees. Second, Idaho Springs' limited subcontractor market—especially for specialized all-electric mechanical and high-performance envelope systems—requires travel premiums and mobilization allowances that exceed metropolitan norms. Third, extending and upgrading on-site utilities and stormwater infrastructure through rocky soils carries higher unit costs, and transporting concrete, steel, and certified clean fill into this non-metro area further increases logistics and delivery expenses.

Despite these upward pressures, Miner Street employs multiple cost-containment strategies to keep overall development costs within CHFA's benchmarks. By utilizing slab-on-grade foundations in lieu of basements or deep footings, the project minimizes excavation and concrete volume. Standardized wood-frame construction and panelized wall assemblies reduce labor intensity, while reusing existing pavement subbase and partial utility alignments limits new sitework and demolition costs. A Guaranteed Maximum Price procurement approach with national and regional bidders locks in trade rates and incentivizes schedule efficiency, and the all-electric, high efficiency building design lowers long-term operating reserves and capital replacement needs. Finally, partnerships with the City of Idaho Springs and Clear Creek County have yielded opportunities for fee waivers and expedited permitting, further mitigated soft-cost escalations and supported sustainable affordability.

Community Outreach & Support

From the project's earliest conception, Miner Street Apartments has engaged proactively with local stakeholders to ensure broad-based backing and transparent communication. The development team held multiple public presentations before the Idaho Springs City Council, where detailed site plans and community benefits were reviewed; each session concluded with unanimous council support and a formal Letter of Support from the Mayor's office. Parallel outreach included meetings with Clear Creek County Commissioners to discuss the project's alignment with county housing goals, resulting in an endorsement for the project. We also convened sessions with the Clear Creek Housing Authority to coordinate resident services and with the local school district to address future enrollment impacts and joint-use facility opportunities. No opposition has emerged throughout this process. Letters of support from the City of Idaho Springs, Clear Creek County, Clear Creek Housing Authority, and the Clear Creek School District attest to the community's enthusiasm for Miner Street Apartments and its anticipated economic and social benefits. These endorsements underscore the project's collaborative approach and validate its role in addressing the region's affordable housing shortfall without disrupting existing neighborhood character.

Promoting Equity

Miner Street Apartments advances equity by providing deeply affordable homes across a broad spectrum of income levels—including 30% AMI units that serve the county's most cost-burdened households—ensuring that families and individuals in greatest need gain stable housing. Through income averaging, the project balances rents to maximize tax-credit equity while preserving long-term affordability for the lowest-income residents. Amenities such as on-site community gardens, a business center, and accessible design features foster an inclusive environment for seniors, persons with disabilities, and veterans, reflecting CHFA's commitment to equitable access. Additionally, the all-electric, high-efficiency building design reduces utility burdens—one of the largest ongoing expenses for low-income households—further promoting housing cost stability.

Enhancing Economic Mobility

By situating Miner Street Apartments within a half-mile of multiple transit stops and direct access to I-70, residents can connect affordably to job centers across the Denver metropolitan region, expanding employment and educational opportunities. Strategic partnerships with local nonprofits will deliver financial counseling, job-readiness training, and after-school tutoring, equipping residents with tools to increase income, build savings, and pursue career advancement. The proximity to Clear Creek Health & Wellness Center and collaboration with the school district strengthen resident well-being and support networks, reducing barriers to economic participation. In these ways, Miner Street Apartments not only provides a secure place to live but also serves as a catalyst for upward mobility and community resilience.

Additional Supporting Narrative Items

Miner Street Apartments fills a critical gap in Idaho Springs' affordable housing pipeline: since CHFA's last award in 2018, the city has not seen any new LIHTC developments, despite escalating cost burdens documented in the 2025 Housing Needs Assessment. That report highlights severe shortages of income-restricted units—particularly for families and workforce households—underscoring the urgency of this project. Moreover, Idaho Springs is experiencing a renaissance in community investment: the forthcoming bike park, a new mixed-use commercial corridor, and municipal parking-garage expansions all signal robust economic growth and rising demand for housing within walking distance of vibrant local amenities. By delivering 65 modern, energy-efficient apartments in this evolving context, Miner Street Apartments not only advances CHFA's equity and economic-mobility goals but also integrates seamlessly with the city's long-term vision for sustainable, inclusive development.

4% housing tax credit application narrative

Project Name: Montbello Townhomes

Project Address: 14400 Andrews Drive

Executive Summary

The Montbello Townhomes project, developed by Delwest, is a 60-unit affordable rental townhome community located at 14400 Andrews Drive in Denver's Montbello neighborhood. This thoughtfully designed development addresses a critical shortage of family-sized affordable housing by offering exclusively four-bedroom units tailored to serve large households. The development emphasizes deep affordability with a blended income below 60% AMI, including 6 units at 30% AMI and 3 units at 40% AMI, ensuring access for very low-income families at high risk of displacement.

The construction comprises two- and three-story townhomes, as well as five ADA-accessible single-story units, built to Denver's 2022 Energy Code and exceeding 2021 IECC standards. The Townhomes will also follow energy and sustainability standards such as Certification with ZERH (Zero Energy Rated Homes) and full electrification following the Colorado Model Electric Ready and Solar Ready Code guidelines. Compliance will be verified using a whole-building energy modeling approach. The buildings are Solar Ready and electric vehicle (EV) charging infrastructure will be installed.

Located within a Qualified Census Tract and an Opportunity Zone, the project is strategically sited across from schools and parks, with walkable access to multiple bus routes connecting to the regional RTD rail network. Residents will benefit from accessibility to employment hubs and essential services such as the Montbello FreshLo Hub, which includes grocery access, healthcare, and arts programming.

The Townhomes promote equity by responding to community concerns regarding affordability and displacement. After extensive engagement with residents, RNOs, and City Council members, Delwest revised the original plan—shifting from for-sale, middle-income units to deeper affordability at 60% AMI average rents. The development supports economic mobility through partnerships with the Boys & Girls Clubs of Metro Denver (with fully sponsored memberships) and a Transportation Demand Management plan offering subsidized RTD transit passes.

Amenities include a play structure, basketball court, picnic areas, and a bike repair station—intentionally designed to build social cohesion and support youth development. Financing combines federal 4% LIHTC equity, State AHTC equity, HOST funding, and a Freddie Mac TEL permanent loan. Public-private coordination and layered subsidies ensure long-term affordability and sustainability.

Montbello Townhomes exemplifies CHFA's goals of equitable investment, housing stability, and the creation of opportunity-rich, inclusive communities.

1. Bond Financing Structure

The Montbello Townhomes development is requesting $19,500,000 in tax-exempt private activity bonds from the Colorado Housing and Finance Authority (CHFA). It is anticipated that CHFA will serve as the conduit bond issuer. The bond sale structure is a private placement with Wells Fargo as the bond purchaser though construction and permanent loans. No taxable bonds are expected. It is estimated that there will be $13,340,000 in permanent bond and $6,160,000 in construction period only bonds.

2. QAP Section 2 Priorities

The Montbello Townhomes development aligns with several key priorities outlined in Section 2 of CHFA's Qualified Allocation Plan. First, the project is located within a Federally designated Qualified Census Tract (QCT) and an in an opportunity zone within Denver's Montbello neighborhood. This neighborhood has been identified by the Department of Housing Stability (HOST) as an extremely vulnerable area to displacement and in urgent need of affordable housing investments.

These townhomes serve large, multigenerational families by offering 60 four-bedroom townhomes, each with their own backyard space. At two people per bedroom, that equates to a project that could house up to 480 people. An extremely rare and underserved unit type in the Denver housing market. Six of the units will be restricted at 30% AMI households, and Delwest is on the waitlist with the Denver Housing Authority to obtain project-based vouchers for those homes to ensure long-term affordability for families of extremely low income.

The site of this development is within 0.3 miles two RTD bus lines and is directly adjacent to several schools and parks. Montbello FreshLo community hub is just a short bus ride away. This development maximizes density under the existing S-RH-2.5 zoning code and includes high-quality family-focused amenities such as outdoor play areas, a basketball court, bike storage, picnic spaces, and ADA-accessible units.

The Townhomes will also follow energy and sustainability standards such as Certification with ZERH (Zero Energy Rated Homes) and full electrification following the Colorado Model Electric Ready and Solar Ready Code guidelines. Compliance will be verified using a whole-building energy modeling approach. To further enhance energy performance, the buildings are Solar Ready. Electric Vehicle (EV) charging infrastructure will be installed.

3. QAP Section 2 Criteria for Approval

This development demonstrates strong alignment with CHFA's criteria for approval. The market study indicates a high demand and low supply for large family rental units in the 50-70% AMI range, based demographics of existing renter households. Despite the lower market demand for extremely low-income units, the project does include six 30% AMI units to address the vulnerable populations who have acute housing needs.

The site's location is ideal for families, situated directly across from Montbello Central Park, Maxwell Elementary School, and Montbello High School. Approximately 0.5 miles away are numerous additional schools, allowing children of appropriate age to walk independently, easing the logistical burden for working parents who need to be at work before or after school hours.

Montbello is a historically marginalized neighborhood at risk for involuntary displacement. As such, this award would represent equitable investment across the Denver metro region. In 2020, the FreshLo project in Montbello was awarded tax credits and is slated to offer 97 affordable housing units, nonprofit mental health services, a Fresh Food Market, and an Arts Education Center. While this project is located within the same neighborhood, it offers accessibility to excellent services made possible through a tax credit development, meaning that 2020 award is amplified to serve more low-income households in the vicinity. The FreshLo hub is easily accessible by bus.

This project is shovel-ready, with site control, required zoning and an approved PUD. Civil, architectural and MEP drawings are 90% complete and building permits are anticipated by December of 2025. The Site Development Plan (SDP) is underway and should be approved by December 2025. The critical path is financing and Delwest can start the official financing process with an Initial Determination Letter for 4% LIHTC.

Delwest has a solid track record of delivering and managing high-quality, and timely affordable housing developments throughout the Denver metro area. Delwest Development Corp. has constructed over 3,100 total homes and units since inception in 1993, of which over 900 have been income restricted. Currently there are 540 units planned or under construction. Delwest Management Corp. was founded in 2020 and currently employs nearly 50 employees and manages 1,344 units.

The development cost is approximately $640,000 per townhome which translates to $160,000 per bedroom representing an efficient investment in family housing. The cost estimate provided by the Palmeiro Group are based on 90% construction drawings with many of the major subcontractors providing actual bids so the estimate is very accurate and based on current conditions.

The townhomes will be built using post-tension slab foundations, wood framing, durable building skin materials, pitched roofs, and interior unit stair access for most units. The 5 units located above ADA units will have an exterior stair to reach the front door on the 2nd level. The townhomes will have

Luxury Vinyl Plank flooring in the main areas, carpet in bedrooms, tile in bathrooms, granite countertops in the kitchen and bath, shaker style cabinets, and 6 panel doors. Units will have a front porch, washer and dryer, ceiling fans and walk-in closets in the Main Bedroom, Energy Star appliances and window coverings. Delwest is exploring offsite construction methods to improve quality and reduce costs.

4. Requests to waive underwriting criteria

No waivers to CHFA underwriting criteria are being requested as part of this application.

5. Issues Raised by the Market Study

The market study did not raise any significant concerns requiring mitigation. The analysis confirmed strong demand for the rare four-bedroom family units with private backyards within a neighborhood containing a large average household size of 4.05, which is 58% larger than the metro Denver average. There is almost no supply for the 4-bedroom units at the targeted AMI levels. Unfortunately, this lack of competition means there are few direct comps for this project, making it difficult to estimate a precise market rent. However, that is exactly why we are building this product and having so much success building large family units in the Denver region.

Delwest does have successful experience with townhome development. Their 68-unit middle-income project, The Rowhomes at Greyhound Park, is doing well with rents exceeding $3,000 per month.

6. Issues Raised by the Environmental Report

No significant environmental concerns have been identified. Any minor items noted in Phase I, such as site grading or potential debris removal have been intergraded into the project's development and construction budgets.

7. Unusual features driving costs up and opportunities to realize cost containment

The primary cost drivers for the Montbello Townhomes are the large unit sizes of 4 bedrooms and our enhanced family amenities, such as the private backyards for each home and outdoor communal spaces. Constructing sustainable, all-electric units with high-quality finishes and some with ADA accessibility have contributed to construction costs. In response, Delwest has pursued cost containment by designing efficient floor plans, utilizing durable materials with long-term maintenance savings, and leveraging economies of scale in townhome construction. The implementation of surface parking furthers cost efficiency.

8. Community Outreach, Local Opposition and Project Support (including financial support).

Extensive community outreach has shaped the development. Initially planned as a for-sale townhome project for middle-income households, the project was redesigned as affordable rental housing following feedback from local leadership, residents and stakeholders. Concerns over displacement of existing families drove the shift to a 60% AMI average rental model. Support of accessible units for multigenerational families drove the addition of 6 ground floor suites to accommodate elderly family members, in addition to the 5 ADA accessible units. Delwest has engaged residents, community leaders, and local organizations to ensure the development aligns with the neighborhood priorities and the City's five-year strategic housing plan.

A homebuilder purchased the development site in May of 2015 and obtained a loan with Impact Development Fund (IDF) in June of 2018. The homebuilder ultimately defaulted on the loan leading IDF to foreclose in March of 2021 and remained the landowner until Delwest purchased the site in July of 2022. IDF remained involved with the property as a land acquisition lender to Delwest, and continues to hold that note. With the commencement of The Townhomes, IDF will realize its long-time goal of facilitating the development of affordable housing in the Montbello neighborhood. Delwest is pleased to collaborate with the nonprofit in the pursuit of our mutual goal of building affordable housing in areas of need.

9. Promotion of Equity and Economic Mobility

Montbello Townhomes promotes equity by addressing the critical shortage of large affordable units in a historically marginalized neighborhood. The development ensures families, particularly those earning 30-60% AMI levels have access to stable, high-quality housing near schools, transit, and parks. By eliminating the emergent risk of displacement and reducing transportation burdens, this development directly supports the long-term economic mobility and intergenerational opportunity.

10. Proposed rehab plans/scope of work, and relocation plan (if applicable);

This is a new construction project, therefore this is N/A.

4% housing tax credit application narrative

Project Name: Penrose Place
Project Address: 3300 Penrose Place, Boulder, CO

Boulder Housing Partners (BHP), the Housing Authority for the City of Boulder, is excited to present this application for our Penrose Place project. In a world that has ever increasing uncertainty, Penrose is a project that stands rock solid and resilient in its ability to move forward. BHP purchased the property in 2022, the design is fully entitled by the City of Boulder, the project has extraordinary local political and financial support, and the project enjoys impeccable all-electric design anchored off a landmarked brutalist office building that will be retrofit into twelve residential apartments. The property is in a QCT and TOC. We have utilized conservative underwriting in our proforma. The design and construction teams are proven, having partnered with BHP on its last two projects of the same scale. Lastly, BHP has more than 2000 units under management and works to provide exceptional and efficient service to residents in affordable communities via our property management, maintenance, and resident services teams. We look forward to your review and questions.

Executive Summary: BHP seeks competitive 4% Low-Income Housing Tax Credits and Affordable State Tax Credits (LIHTCs) to develop the site into a thriving 113-unit, 100% affordable housing community. Penrose Place will deliver deeply affordable, energy-efficient homes that advance housing equity, support economic mobility, and provide lasting community benefits in a high-opportunity area. The project is in a QCT, and the planned design efficiently uses the site to promote density while maintaining open space and creating shared community spaces under the zoning code. The project will offer 11 studios, 59 one-bedroom units, 35 two-bedroom units, and 8 three-bedroom homes, all serving households earning between 30% and 60% of AMI.

The project will contain five buildings. Building A is existing office building that will be converted into dwelling units, and Buildings B, C, D, and E are new construction. Buildings B, D and E are three-story, wood framed multi-family apartment buildings containing a total of 59 residential units. Building C is a four-story, wood framed multi-family apartment building with 42 units and two roof deck amenity spaces. Building A is a landmarked office building originally constructed in 1973 in the brutalist architectural style that has 2.5-stories above grade and 1.5 stories below grade to be converted into 12 dwelling units with the leasing office and project wide storage. Buildings B, D, and E will have a slab on grade foundation and Building C has a parking garage on the first level that acts as both the foundation and parking for the project. The façade is comprised of stucco and metal panel with thick roof elements to recall back to the aesthetics of the original building. One four-stop elevator is provided in building C. Building A is an existing concrete and metal stud building with slab on grade foundations. The façade is comprised of aggregate concrete walls and aluminum storefront. The buildings will meet the City of Boulder's livability standards which require minimum floor areas, kitchens with ample cabinet space, storage closets, durable countertops, Energy Star appliances, and secure bicycle parking. The units will include window treatments that provide both privacy and natural light, laundry equipment in the units, celling fans, and air conditioning. Common amenities will include on-site management, security cameras and secured access, owner-paid utilities, electric vehicle charging stations, free Eco-passes for residents, free wi-fi, a courtyard, picnic areas, a small playground, City of Boulder recreation center passes, multiple community rooms and accessible roof decks. All residents will have access to a robust resident services program run and funded by BHP which will focus on housing stability, economic stability, early childcare education, health and wellness, and community life.

Buildings B-E will meet the City of Boulder's energy code criteria for 30% better performance than the baseline energy code utilizing various system enhancements such as continuous and high-density batt insulation at the exterior envelope, high performance glazing, high efficiency water heaters, and R-50 roof insulation. Buildings B-E will self-certify to NGBS standards and have solar. Building A will comply with Energy Green Communities and with the City of Boulder's energy requirements for existing landmarked buildings. The 4.75 acre site is centrally located with convenient access to 28th Street, Foothills Parkway, and arterial roads. The site is within walking distance of a park, child development centers, transit stops which provide direct access to local and regional job centers. The site has easy connectivity to multi-use paths and bike lanes, allowing residents to run daily errands on a bike and reducing their need for a car. Within a half-mile radius, residents will have access to a park, a grocery store, a pharmacy, a convenience store, restaurants, and other retail opportunities. Penrose's proximity to transit will provide residents with improved access to employment opportunities by reducing commute times and expanding the geographic area within which residents can reach jobs. Convenient access to multiple University campuses will also make it easier for residents to pursue further education. The site's location and affordability promote economic mobility for residents by facilitating sustainable economic advancement.

1. Bond financing structure: The total amount of bonds with a breakout of construction period bonds vs. permanent bonds at the time of application: $40,500,000 in tax exempt at the ~55% level paid down to ~$11,940,000 in permanent/long-term tax-exempt bonds. CHFA will be the bond issuer and provider, with BHP delegating $5,000,000 in bond cap to CHFA for the benefit of the deal. Per our included LOI, the anticipated debt structure is a private direct placement, single close drawn down construction to perm. No portion of bonds that will be tax-exempt and taxable.

2. Priorities in Section 2 of the QAP: N/A

3. Criteria for Approval:

- Market Conditions: Penrose Place's easy road access, convenient bike and transit connections, and proximity to shopping centers and community facilities will strengthen its marketability. Per the market study, demand has been strong for the existing affordable communities in the PMA, as evidenced by high and stable occupancy rates. The project's 30%, 40%, and 50% AMI rents provide a discount to average Class B market-rate rents of at least 34%, and the 60% AMI rents provide a 25% discount on average. Given this affordability, we are confident that the project will successfully lease-up units at all AMI levels.

- Proximity to Existing Tax Credit Developments: There are approximately 40 tax credit developments in the PMA, of which BHP owns and manages 20. 10 properties in BHP's portfolio serve families and consistently perform well, achieving high occupancy and rent levels alleviating any concern around capture rates. To reach the City of Boulder's goal that 15% of all housing be permanently affordable, over 3,000 additional units are needed. Few projects in the PMA have been awarded tax credits in recent years and the units provided by Penrose Place will contribute significantly to helping the City reach their goal and promote economic mobility in the community.
- Project Readiness: BHP owns the site, and site control is demonstrated through a Warranty Deed. We have site approval and a signed development agreement with the City. We have received comments back on 95% complete Tec Docs, and the project team will continue to move forward with design documentation. BHP anticipates the project would be ready to start construction directly after closing in early Q3 2026.
- Overall Financial Feasibility: We believe the construction of the Project is financially feasible if awarded. BHP is contributing the land and building by way of a seller carry back note to the deal currently valued at $12,350,000. BHP has received Board approval to place 8 project-based vouchers at the project, however given the recent uncertainty with federal funding, we believe it best to exclude them from the current assumptions. Should the federal programs remain stable, and without displacing anyone from the voucher program, we will commit 8 BHP vouchers to the project to promote deep affordability. We have significant local gap funding from the City of Boulder of $138,000 per unit and we plan on submitting a grant funding application to Boulder County who has been supportive of the project. In addition to LIHTC and AHTC equity, we are assuming a reasonable permanent mortgage with a conservative interest rate that is currently underwritten to a 1.20 DSCR. We intend to work with a selected investor to keep the land value assigned to the project as low as possible. Finally, BHP will contribute $5MM in private activity bond cap for the project and commits to work with CHFA on bond cap needs when the rules are published regarding the reduction in the 50% test.
- Experience and Track Record of the Team: Penrose Place will be developed and managed by Boulder Housing Partners. BHP has over 55 years of experience building and managing affordable housing developments. We have financed over 1,500 apartments through the tax credit program and have years of experience complying with affordable housing programs. The project architect is Coburn and our general contractor is Milender White. These teams are very familiar with BHP, affordable housing design, construction in the City of Boulder, and recently successfully completed the Rally and 30PRL projects with BHP. Please see the project team's résumés for detailed information.
- Project Costs: Milender White has provided both summary and details for the hard cost estimates on the Project based on a 75% Construction Design Document package provided by the design team. The project design maximizes the use and approved density of the site to provide the greatest amount of housing possible while complying with the City of Boulder's strict open space requirements. Land costs in Boulder are significantly higher than in other regions of Colorado, which is a barrier to developing affordable housing and speaks to the deep need for tax credit to support projects in the city. BHP has

worked closely with Milender White and Coburn to maximize design efficiencies and realize cost containments wherever possible. Further, BHP has recently transitioned to all owner-paid utilities which provides administrative cost savings and eliminates resident budget risk associated with utility cost spikes. We are pleased to be able to offer this benefit to residents and have experienced this being a good marketing tool.

- Site Suitability: The project site is centrally located with good visibility, good road access, and very good connection to shopping centers, recreation, and services, making the project highly marketable. The site is .2 miles away from a childcare center and park and within a mile of an elementary school, a middle school, a Head Start center, a medical clinic, and a community center, all of which will be very attractive to residents. There are also multiple transit stops within ¼ mile providing both local and regional routes. The BOLT route serves downtown Boulder as well as Gunbarrel, Niwot, and Longmont, increasing job accessibility for residents. The BOND route serves central and south Boulder with stops along the University of Colorado and the Naropa University Paramita campus, increasing education accessibility for residents. Both routes provide stops to a larger transit point where residents can access routes serving Louisville, Erie, Lafayette, Denver, and Denver International Airport. No environmental hazards have been identified at the site.

Justification for any Underwriting Waiver: We requested a cost-based waiver to use eligible basis. In the case of Penrose Place, we are experiencing increased construction costs because of the City of Boulder's stringent energy code and design criteria, coupled with the construction labor and material escalations that we've seen across the industry. Specifically, these factors have resulted in the following costs that have caused the project's eligible basis to exceed the cost basis maximum:

- The City of Boulder's Livability and Transportation standards require additional storage space and bicycle parking compared to other jurisdictions in Colorado. This valuable, indoor square footage adds an estimated $119,000 to the project costs.
- The City of Boulder's Energy Code requires highly efficient mechanical systems. We estimate the premium for these systems to be $404,000.
- The City of Boulder requires visual screening of rooftop mechanical equipment. The screening structure adds an estimated additional $159,500 ($1,400/unit).

4. Issues Raised by the Market Analyst: There are no recommended changes from the market analyst. The study states that Penrose Place can achieve its proposed rents, should lease up at an average monthly rate of 15 units without concessions, and should have a stabilized physical occupancy rate of at least 95%.
5. Issues Raised in the Environmental Report: No REC's were identified.

6. Unusual features Driving Costs Upward & Cost Containment: BHP is experiencing increased construction costs due to labor and material escalations across the industry. We also see higher construction costs because of the City of Boulder's energy code which requires building efficiencies at more than 20% beyond the International Building Code, and specific City design criteria that require high quality exterior building materials. While these factors increase the construction costs, the project, residents, and the environment, will benefit from a more efficient building with lower energy

costs, and marketable and livable living spaces. BHP has offset these costs by providing local gap funding sources and maintaining a reasonable credit per unit request. We balance our need to be cost sensitive with the necessity to build quality buildings that will not require significant capital infusion in the next fifteen years.

We are working with Milender White given their expertise on affordable construction as well as their commitment to off-site fabrication of building components which assists projects in cost containment and schedule management. Our past two projects with Milender White have come in on time and under budget which we attribute to the use of off-site construction of wall panels. BHP now has more than 2000 units under management and has been working diligently to find efficiencies with that scale of property management and maintenance. BHP has invested the land for the Penrose Project by utilizing developer fees earned on other tax credit developments. As a non-profit developer, we are reinvesting fees to create more affordable housing. Finally, BHP is diligent in improving its development practice and seeks property for development that is zoned to allow for more dense projects that allow for more units plus operational and construction efficiencies.

7. Outreach to the Community & Local Opposition and/or Support: BHP has worked with the City of Boulder to develop this site, which included public process with the City of Boulder Planning Board, City Council, and the Landmark Board. The project was presented to Planning Board on May 7, 2024. We have not had any political or neighborhood opposition to the project.
8. Describe how the proposed development contributes to promoting equity as well as economic mobility for residents: The deep affordability provided at Penrose Place provides a significant discount from market rate rents which allows residents to have more financial capacity to invest in education, healthcare, childcare, and savings. The project's convenient access to transit increases job accessibility, reduces transportation costs, and lowers barriers to education. Penrose Place's strong transportation access promotes equity by removing systemic barriers to opportunity ensuring that all residents can participate in Boulder's growth and prosperity. BHP provides several additional benefits to residents including free resident Wi-Fi to combat the digital divide, free Boulder Rec Center passes, and free Eco-Passes. Affordable housing in Boulder has a direct correlation to increased resident equity.

Proposed rehab plans/scope of work: Adaptive reuse of office space into multifamily residential housing includes limited asbestos abatement, reconfiguration of the building interior, partial replacement of storefront windows, installation of access control, roof repair/replacement as needed, skylight repair/replacement as needed, new mechanical systems, security cameras, and necessary electrical upgrades. Relocation plan: N/A. 10-year rule: BHP has confirmed that there are no 10-year rule issues, please see attached documentation. Capital expenditures over the past two years: None. Previous related party relationships: The Housing Authority of the City of Boulder (d/b/a BHP) is 100% owner of the property. Past local, state, or federal resources invested in the project: None. Obvious Design Flaws/Obsolescence issues: The current design of the building is for office use. BHP has worked to incorporate solutions to address the issues listed in the Physical Needs Assessment. Safety issues: None. Significant events that have led to the current need for rehabilitation: None. This is an adaptive reuse project to convert a historically significant office building into multifamily affordable housing.

4% housing tax credit application narrative

Project Name: The Reserves at Green Valley Ranch Phase II

Project Address: 4991 N Telluride Street Denver, Colorado 80249

Executive Summary: The Reserves at Green Valley Ranch Phase II represents the next critical step in addressing one of Denver's most pressing challenges: the need for equitable, high-quality affordable housing that supports long-term family stability, community integration, and economic opportunity. This proposed 120-unit new construction development will rise in northeast Denver within the thriving Green Valley Ranch master-planned community. Designed to serve working families across a spectrum of incomes, Phase II builds on the momentum and operational success of Phase I, a fully leased and waitlisted project that has proven the strength of demand and community acceptance in this area.

Unit Mix & Income Targeting				
Income Level	1-Bed	2-Bed	3-Bed	Total
30% AMI	4	6	2	12
40% AMI	4	6	2	12
50% AMI	7	12	5	24
60% AMI	21	36	15	72
Total	36	60	24	

Situated at 4991 N Telluride Street, Phase II sits adjacent to a future Denver Public Schools elementary campus and a forthcoming 10-acre park, positioning it as a cornerstone of a walkable, mixed-income neighborhood. The site is entitled and the Site Development Plan has already been submitted for City concept review, the project exemplifies readiness to proceed. The project's location offers direct access to job hubs along the Peña Boulevard corridor and is less than a mile from RTD transit service, connecting residents to employment, education, and regional mobility options.

Phase II introduces a transformative partnership with Horizon Housing Foundation, whose nationally recognized service platform will anchor on-site resident support. Horizon will offer tailored programming in youth education, adult workforce development, health and wellness, and financial literacy—supporting economic mobility and housing stability for every household.

The project is designed to exceed energy performance expectations through adherence to Zero Energy Ready Homes (ZERH) and Enterprise Green Communities standards. With an all-electric mechanical system, post-tensioned concrete slabs, durable wood-frame construction, and architectural-grade finishes, the design balances long-term sustainability with cost containment. More than a development, Green Valley Ranch Phase II is a platform for upward mobility, providing an inclusive, opportunity-rich environment for families of all sizes and backgrounds.

Changes from the last application include:

- Phase I continues to demonstrate extraordinary demand, with 259 households currently on the waitlist—including 76 one-bedrooms, 76 two-bedrooms, and 107 three-bedrooms. Notably, the largest share of demand is for the two- and three-bedroom homes, underscoring the acute shortage of family-oriented units in northeast Denver. The vast majority of prospective residents on the list qualify for 60% AMI or below, reinforcing that Phase II's income mix and larger unit types will directly meet the needs of working families struggling to find stable, affordable housing in the market.

- Following feedback from last year's funding round, Green Valley Ranch Phase II will introduce a new partnership with Horizon Housing Foundation (HHF) to provide a more structured resident services platform. The services will be available to both Phase I and Phase II residents. OPG will commit to a minimum of a 10 year partnership with HHF to deliver onsite programs at no cost to residents or the property. Programming will focus on targeted, practical, high impact support—youth tutoring, school supply drives, cooking and nutrition classes, and financial and career workshops—while also opening access to HHF's national scholarship program. This measured approach expands meaningful resources in direct response to community and stakeholder input, ensuring services evolve with the neighborhood's needs.

- Significant Public Investment in the Area – Since the last funding round, Denver Public Schools has approved and launched design efforts for the new Gateway E-5 elementary school adjacent to the Phase II site—an important milestone that underscores the district's deep commitment to this growing community. The school is actively moving through programming and early design, setting the stage for construction to begin on schedule. In addition, the site for a future regional park has been secured for public use, and the City has begun conceptual design work—clear evidence of long-term civic investment that will enhance the neighborhood's amenities and overall quality of life.

- The site is ready to proceed, with critical milestones in place. The Infrastructure Master Plan (IMP) is in its final stages and the subdivision plat is progressing, positioning the property for seamless infrastructure coordination and approvals. The development team will be prepared to submit the Site Development Plan (SDP) by early 2026, ensuring the project can move directly into construction activity on schedule.

Bond Financing Structure

The project will be financed using approximately $25,600,000 in tax-exempt bonds during construction, converting to a permanent bond amount of $17,300,000. CHFA will serve as the conduit bond issuer. Bonds will be privately placed through Wells Fargo with their construction loan along with a Wells Fargo Freddie Mac TEL forward commitment. No taxable bond tail is anticipated. The financing stack will also include 4% Federal LIHTC, State Affordable Housing Tax Credits, deferred developer fee, a discounted land price from the master developer, and critical gap funding from the City and County of Denver's Department of Housing Stability (HOST). This layered structure not only ensures financial feasibility but reflects a strong alignment between state, local, and private stakeholders.

CHFA QAP Priorities

Though Green Valley Ranch Phase II is not designated as a Special Populations or Homeless housing initiative, the project fully embodies key priorities outlined in Section 2 of the QAP. As a family-focused development, it squarely addresses the acute need for housing that accommodates children, multi-generational households, and working-class residents. The property's location in a high-opportunity area near public transportation, employment corridors, educational institutions, and green space ensures access to critical drivers of upward mobility. By meeting and exceeding advanced energy performance thresholds through ZERH certification and all-electric systems, the project also supports Colorado's environmental and housing resiliency goals. And finally, its embedded services—delivered by Horizon Housing Foundation—offer a replicable model for advancing equity, health, and educational attainment within the context of affordable housing.

Criteria for Approval (Section 2 QAP)

The project demonstrates exceptional readiness to proceed. The development team has held a concept meeting with the City of Denver's AHRT team, and key planning steps—including the Infrastructure Master Plan and subdivision plat—are advancing in coordination with City staff. With these pieces in motion, the team is on track to move quickly into the Site Development Plan process and remains prepared for a smooth transition into permitting and construction.

Market demand is unequivocal. The July 2025 Market Study prepared by Novogradac confirms that demand for affordable housing in Green Valley Ranch remains exceptionally strong and sustained. Within the Primary Market Area (PMA), LIHTC properties report an average vacancy of just 3.2%, with most at full occupancy and maintaining waitlists—including Phase I of this development, which has more than 100 households waiting for units. This tight market is driven by a deep shortage of affordable options for working families, and the study projects that Phase II will fully lease within four to five months, absorbing at a pace of 25–30 units per month.

Demand indicators are even more pronounced for larger family units, which face particularly acute shortages in the Gateway submarket of northeast Denver—home to Green Valley Ranch. According to both CHFA's own pipeline and local demographic data, Gateway is one of the fastest-growing areas in the city, with a surge in household formation among working families and multigenerational households. This growth is not matched by an equivalent expansion in the supply of affordable housing, especially developments offering two- and three-bedroom units. The result is a profound mismatch between demand and inventory, particularly for families with children who require stable, long-term housing in proximity to schools and employment.

The market study underscores this imbalance, noting that three-bedroom LIHTC units have among the lowest vacancy and turnover rates in the PMA. Families in this area are often forced to choose between overcrowded living conditions, displacement to outlying areas with fewer amenities, or high rent burdens in the private market. Green Valley Ranch Phase II directly addresses this need, offering spacious, energy-efficient units within a walkable neighborhood anchored by public transit, a planned school campus, and job access. The unit mix is intentionally designed to meet this demographic profile, making this project one of the few purpose-built LIHTC developments tailored to larger households within this region of the city.

This shortage is not theoretical—it is visible on the ground, where families have increasingly limited housing pathways in northeast Denver. The project's design reflects real household needs: more bedrooms, durable layouts, outdoor and indoor community space, and integrated services that reduce the burden on working families. By filling this void, Green Valley Ranch Phase II is not just housing—it is a foundation for stability, growth, and intergenerational progress for Denver's working families.

The Green Valley Ranch neighborhood is undergoing rapid expansion, supported by infrastructure investment and planned civic amenities including a new Denver Public Schools elementary campus and regional park. The project's strategic location at the nexus of transit corridors and job centers, particularly those connected to the Denver International Airport and the Peña Station Next Innovation District, positions it as a critical node in the effort to retain workforce families and prevent outward economic migration.

Considering this data, the elevated capture rate at 60% AMI noted in the market study must be viewed within the broader context of regional need, absorption history, and the clear success of comparable projects. The demand case for Phase II is not hypothetical—it is already validated through Phase I's performance and substantiated by empirical data from an independent market analyst. This confluence of indicators makes the urgency and timing of this project not only appropriate, but essential.

From a financial standpoint, the project demonstrates feasibility and durability. A conservative per-unit cost estimate of approximately $415,000 reflects cost-effective design, panelized construction techniques, and procurement leverage secured through repeated subcontractor relationships. The development team—led by Overland Property Group, with design by Jones Gillam Renz and proven execution by ARCO as the General Contractor—brings decades of LIHTC success in Colorado and nationally. The team's execution of Phase I at this same location shows their ability to deliver on-time and within budget.

The site itself is ideal: flat, infrastructure-ready, and embedded within a walkable, master-planned community. In addition to the nearby DPS school and public park, the broader Green Valley Ranch neighborhood offers access to retail, healthcare, and recreational amenities—creating a complete neighborhood experience.

Waivers Requested

The applicant is not requesting any waivers of CHFA underwriting criteria.

Market Study Issues

As noted, the market study identifies capture rates at 60% AMI as modestly above the guideline threshold. However, demand demonstrated through Phase I's performance, as well as a growing influx of residents from beyond the PMA due to housing affordability constraints elsewhere, confirms real market viability. The chart to the right illustrates the AMI mix at Phase I and Phase II and illustrates how Phase II will complement the limited number of 60% AMI units at Phase I.

Count By AMI Type

	GVR I	GVR II	Total
30%	36	12	48
40%	7	12	19
50%	12	24	36
60%	10	72	82
70%	50	0	50
80%	29	0	29
Total	144	120	264

Environmental Report Issues

The project site is free of environmental constraints. No Recognized Environmental Conditions (RECs) were found in the Phase I ESA.

Cost Containment

Cost containment is achieved through multiple efficiencies that stem from the development team's demonstrated experience with nearly identical projects. Green Valley Ranch Phase II utilizes the same design, construction methodology, and consultant team that delivered Phase I and The Reserves at Eagle Point—both of which were executed with cost discipline and operational success. The Eagle Point development is just completing construction and incorporates the same all-electric, Zero Energy Ready Homes (ZERH) design approach as GVR Phase II. That project has served as a valuable precedent, offering direct lessons learned in procurement, panelized construction sequencing, and energy system implementation.

This repetition of design and execution not only enhances constructability and pricing predictability but also provides CHFA with reliable cost benchmarking from two nearby, recent, and comparable projects. The development team has been able to leverage economies of scale through repeat subcontractors, pre-qualified suppliers, and standardized materials procurement strategies. The site's infrastructure has also benefited from early delivery by the master developer, further reducing potential contingency exposure. Altogether, this alignment across projects ensures that GVR Phase II is positioned to deliver a high-quality, energy-efficient community at a predictable and reasonable cost per unit, firmly supported by real-world experience.

Community Outreach

The project has enjoyed sustained and enthusiastic support from local stakeholders. Overland Property Group has conducted outreach through community presentations, one-on-one stakeholder meetings, and engagement with Registered Neighborhood Organizations including Montbello 2020 and the Green Valley Ranch HOA. The project has received letters of support from Denver City Council District 11, Denver Housing Authority, and HOST. Importantly, the development aligns with the City's strategic housing goals and was recognized as a catalytic priority by HOST in 2023.

Promoting Equity and Economic Mobility

At its core, Green Valley Ranch Phase II is designed to catalyze upward mobility. By offering deeply affordable, high-quality housing in a thriving neighborhood, it creates conditions where families can build financial security, access quality education, and establish generational roots. Through the services offered by Horizon Housing Foundation, residents gain not only shelter but also pathways to advancement in health, income, and opportunity. The project's walkability, energy efficiency, and design for long-term durability ensure that it will be an enduring asset in the City of Denver's affordable housing landscape.

4% housing tax credit application narrative

Project Name: Apartments at Salt Flats
Project Address: 450 28 Road, Grand Junction, CO 81501

Executive Summary: Volunteers of America's (VOA) proposed Apartments at Salt Flats, the (Project), is located on 2.91 acres of a greater 21.78-acre parcel of vacant land owned by the City of Grand Junction, the (City), known as Salt Flats. Two strong affordable housing developers, VOA, as Owner, Property Manager and Resident Service Provider, and MGL Partners (MGL), as Turn-Key Developer, have teamed up together to deliver 110 units of affordable housing across two phases (62 & 48 units) within the new Salt Flats community. The focus of the Project will be on veterans and older adults. VOA will leverage its deep experience serving veterans through housing and services. The Project's incredible proximity to both the Western Region One Source (WROS) and the Grand Junction Veterans Administration Medical Center (VA) allows the opportunity to link housing and services for veterans in a unique way. With its prime location, easy access to public transit, deep affordability and energy efficiency, the proposed Project promotes equity and economic mobility for residents while also creating a long-term community asset for veterans and the aging population of the Western Slope.

Phase I of the Project will consist of 62 affordable apartments in one building serving residents 55+ who earn between 0% - 60% of AMI, averaging 52% of AMI. Thirteen (13) of the units (21%) will serve formerly homeless veterans through the VASH voucher program. The site is located in a QCT and multifamily at the proposed density is an allowed use by right. The unit mix will consist of 52 1-bedroom units and 10 2-bedroom units. The affordability mix will consist of 13 units at 30% AMI; 10 units at 50% AMI; 39 units at 60% AMI (underwritten at 57.5% AMI).

The building is designed to complement the aesthetic and climate of this Western Slope location with a stucco exterior including reveals and color banding, a wide shaded porch adjacent to the community room, and native desert plantings. The 4-story building will be all-electric, with a helical pier foundation system over a crawl space which will support a wood truss roof structure. Upper floors and the roof will be open web trusses with wood framing, a mix of a pitched and flat roof. The building will be served by two elevators and designed to be highly energy efficient complying with the 2020 National Green Building Standard (NGBS) Gold level, while also incorporating best practices from Enterprise Green Communities. The landscape design will be drought resistant and require very little water. The city is redirecting local bus route 9 to run along 28 Road and locating a bus stop directly adjacent to the Project site. The new route alignment will be completed before the Project begins lease-up.

Interior amenities will include a flexible community room, business center, game room, fourth floor lounge, on-site property management/service provider offices, maintenance room, and a trash room. The exterior will offer 64 parking spaces, a covered porch, a fourth floor covered outdoor terrace and a fenced amenity courtyard. Unit amenities will include low flow plumbing fixtures, window coverings, and laminate plank flooring throughout. All unit kitchens will feature a pantry, dining island, wood cabinets, laminate countertops, stove/oven, garbage disposal and Energy-Star rated appliances including refrigerator, dishwasher, microwave and stacked washer/dryer. To provide security and a healing space, the building will be; a) controlled access only/security cameras throughout and b) designed with the principles of Trauma Informed Design (TID). The Project will offer a part-time service coordinator who will connect residents to supports such as financial, medical, nutritional assistance and counseling at no cost to the residents. The service coordinator's salary will be paid for the first five years through a capitalized resident services reserve in the Project budget, after which it will be paid from grants and/or Project cashflow/Deferred Dev Fee.

The total estimated Project cost is $28,277,328 ($456,086 per unit). It will be financed using a combination of $11,159,533 of 4% Federal tax credit equity ($0.83); $7,361,260 of accelerated State Tax Credit Equity ($0.73); $3,875,000 mortgage; $2,480,000 of Colorado Division of Housing funding; $195,000 of Home Depot Veteran grant funds; $1,500,000 of Federal Home Loan Bank Topeka grant funds; $1,000,000 of VOA Capital Magnet funds, $100,000 of Charge Ahead funds, $480,722 of Deferred Developer Fee (16.43%), paid back in year 15 and a GP note of $125,813. VOA has entered into a Special Limited Partnership (SLP) agreement with the Grand Junction Housing Authority (GJHA) to which will provide state sales, use and property tax exemptions to the Project. The City of Grand Junction will waive all city fees for the Project. VOA will apply by September 5, 2025 to the GJHA for 13 VASH vouchers available from the GJHA's inventory of 60 VASH vouchers.

Key reasons why VOA's Apartments at Salt Flats deserves a 2025 award of 4% Federal and State Tax Credits:

- Premier Sponsor: VOA is one of the nation's largest nonprofit providers of quality affordable housing for families, the elderly, and people with disabilities, and a major provider of skilled long-term nursing care and health services. VOA National Services owns and operates a large housing portfolio located in 40 states and Puerto Rico, which includes more than 240 properties containing approximately 12,900 affordable housing units. In Colorado, VOA currently owns and manages 1,900 units in 27 communities across the front range and Western Slope.
- Low Cost Land Lease: VOA negotiated a $100 annual, 99-year land lease with the City of Grand Junction.
- Special Limited Partner (SLP): VOA negotiated the first ever SLP agreement with the Grand Junction Housing Authority (GJHA). Their participation provides the state sales, use and property tax exemption to the Project. Additionally, the GJHA has been an incredible partner assisting the MGL/VOA team navigate city entitlements and provide connections to the robust network of local community service providers that they work with. They have committed to assisting in the lease-up of the VOA property.
- Experienced Development Team: VOA retained MGL Partners to "turn key" the Project through the LIHTC financing process, construction, leasing and stabilization. MGL will provide the construction guarantee. MGL is a trusted, experienced LIHTC multifamily rental developer in Colorado spanning all income levels from deeply affordable to luxury. MGL has developed over 28 LIHTC projects in Colorado including four projects located on the Western Slope and one mixed older adult, VASH community in Colorado Springs.
- Leveraging Unique Partnerships: The Project site is located less than one block from the WROS whose mission is to connect veterans, military service members, and their families with service providers and resources in order to enhance their opportunities and quality of life. VOA has four case managers providing services to homeless veterans at this location. All future veteran residents will be able to receive a tremendous amount of support at the WROS, as well as at the VA, both within walking distance of the site.
- Trauma Informed Design: Shopworks Architecture is the national leader for TID and has applied their extensive knowledge on the subject to the site and building design. The TID design will allow the building to be receptive to the veteran VASH residents but also all individuals who have experienced trauma.
- Ideal Location: The Project is located on an ideal central Grand Junction site within a short drive, bike ride, walk or bus trip to the downtown and all surrounding recreational areas. Within short walking distance residents can access the WROS, providing robust veteran services, and a new collection of pocket parks being developed throughout the greater Salt Flats master development. The city is redirecting local bus route 9 to run along 28 Road and locating a bus stop within one block of the Project site. The bus will stop at the VA (0.6 miles) and a retail shopping center (0.2 miles) that features Planet Fitness, Dollar Tree, Big 5 Sporting Goods and an auto supply store. The city is spending a significant amount of funding on a multi-modal path that will run directly adjacent to the Project site and connect it with the city's large Lincoln Park (0.7 miles) to the west and Walmart Supercenter (0.6 miles) to the east.
- Maximizing Soft Funding Sources to Serve the Deepest Need: To achieve an average of 52% AMI, VOA is maximizing all currently available sources of soft funds including: a low-cost land lease and fee waivers from the City, tax exemptions through the GJHA, a veteran grant from Home Depot, a grant from FHLB Topeka, Capital Magnet funds from VOA, funding from DOH, and seeking all applicable grants and rebates for an all-electric building from the State of Colorado, Charge Ahead and Xcel (estimated at $18,000). VOA and MGL will continue to pursue and apply for additional grant funding.
- Service Coordinator The VA will provide services for VASH voucher recipients. VOA will provide a part-time resident services coordinator to supplement these services and offer services, free of charge, to all non-veteran residents. Services offerings will include: health, wellness, financial, volunteering opportunities, group meals, grocery delivery, and unit modifications. These services will allow the Project's residents to thrive and continue to live successful, independent lives and 'age in place' versus a costlier senior housing accommodation.

The City of Grand Junction acquired the 21.78-acre Salt Flats property in early 2025 with Proposition 123 funding and a $1,000,000 City contribution to address the City's housing shortage. The City and GJHA selected four developers through a competitive RFP process to develop multifamily rental housing, townhomes, and single-family homes totaling over 400 homes within a 10 year build out. The developments offer a range of rental and for sale price points assuring the future residents of the Project will be a part of a diverse, inclusive community. The Salt Flats development will offer a string of new public pocket parks to provide immediate access to recreational space for future residents. The Project meets all of the goals of the City's Comprehensive Plan Principle 5: Strong Neighborhoods and Housing Choices (attached in supporting documents). The Project aligns with the City's Housing Strategy, which identifies an urgent need for over 2,000 additional units for households earning under $100,000, with a particular focus on those earning under $56,000, which is roughly the 80% AMI level in Mesa County. By providing 13 VASH vouchers, the Project is also addressing several of the unhousing strategies identified by the city, including expanding accessibility to basic needs and hygiene, public transit and mental health care services.

To encourage aging in place, the Project will provide seven (7) Type A, fully ADA accessible units (11%) and two (2) units (3%) for persons with hearing or visual disabilities. The remaining Project units will be Type B and will include blocking in the bathrooms for future handrails. All common area and community spaces will be fully accessible. Building security will consist of one primary entry point with access control and a telephone entry system. Security cameras will be provided at all building doors, stairwells, corridors and around the perimeter of the building. The building will be physically situated and architecturally detailed to take advantage of passive heating and cooling opportunities. The building's enclosures will be energy efficient with Energy Star windows and doors, R-30 insulation at low slope roof areas, R-49 insulation at pitched roof areas with attic space, R-21 in the exterior walls, and R-10 at the foundation. Due to the car-depending nature of the site, the Project will offer 64 no-cost surface parking spaces (1 per unit), including six (6) handicap accessible units. The Project will include all required EV chargers and infrastructure. MGL will apply to Charge Ahead Colorado for $100,000 in grants to offset 90% of the EV charging costs. The building will be designed to be "solar-ready", structurally engineered to support roof mounted solar panels in the future. The all-electric features of the building include: centralized Heat-pump water heater, PTACs in units, electric mini-splits in common areas, and energy recovery ventilation systems (ERV). The 1-bedroom units will average 625 sf, and the 2-bedroom units 800 sf.

1. Describe the bond financing structure and include the following: The total amount of tax-exempt bonds requested is $14,250,000 ($10,375,000 in construction-only bonds; $3,875,000 in construction to permanent bonds). There will also be a taxable construction-only loan of $1,250,000 in addition to the tax-exempt bonds. Both the tax-exempt and taxable construction-only financing will be fully paid off by permanent conversion. CHFA will be the volume cap provider and bond issuer. FirstBank will be both the construction and permanent lender as part of a private placement. The amount of the tax-exempt bond request equals approximately 55% of projected aggregate basis.

2. Identify which, if any, of the priorities in Section 2 of the QAP: The Project will not meet any of the priorities.

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

Market conditions The City of Grand Junction and Mesa County have a strong and growing demand for affordable housing for older adults; the area is experiencing in-migration at one of the highest rates in Colorado. A large percentage of the households moving to Mesa County are older adults. Yet there are only two age-restricted projects in the PMA offering only 135 units and only one comprehensive veterans-focused affordable housing community. The Project capture rates for ages 62+ and 55+, respectively, are as follows: 22% at 50% AMI; 32% at 60% AMI, total of 32% AMI and 19% at 50% AMI; 27% at 60% AMI, total of 27% AMI. Although the 60% AMI and overall penetration rates are projected to increase above the preferred threshold of 25%, the subject's required penetration rate is attainable for the following reasons: all surveyed age-restricted LIHTC units are 96% occupied and have very long waitlists; the PMA is forecasted to add 44 older adult renter households per year through 2029, and there is a minimum 28% discount from market rate rents, offering terrific value to future residents. The 60% AMI rents are all underwritten at 57.5% AMI for a cushion to maximum LIHTC rents. The Project will have all owner-paid utilities in the rent, which underestimates the rent differential between the Project and the surveyed market-rate rents.

We do not anticipate any issues leasing the VASH voucher units; the most recent Point-in-Time (PIT) count for Grand Junction reported a total of 2,300 people experiencing homelessness. The PIT results do not specifically categorize veterans over the age of 55, but information from Veterans Affairs suggest that there are over 700 homeless veterans in Colorado. The site is highly marketable to older adults and veterans; it's located along 28 Road with great visibility, road access and linkage to shopping and employment. It will be a part of a brand new master-planned community with a new multi-modal trail, new pocket parks and a new community of residents to commune with. A new bus stop will be located within a block of the Project and provide easy, inexpensive transportation around the city. For veterans specifically, the Project is one block from the WROS and 0.6 miles from the VA, providing excellent access to services and medical care.

Proximity to existing tax credit developments There are only two other age-restricted LIHTC projects in the PMA offering an absolute number of 136 units, and four deeply subsidized senior projects offering 353 units. The deeply subsidized projects range in age from 30 years old to 46 years old. The closest LIHTC project is 0.4 miles away but is not age restricted. The majority of projects are over 1.3 miles away from the Project. Brikwell, master developer of the Salt Flats site, proposes to build 144 units of family LIHTC immediately adjacent to the site with an average of 58% AMI and a focus on studio and 3- and 4-bedroom units. Our

60% AMI rents are discounted 2.5% to the 57.5% AMI level, will includes all utilities, offer a robust services package and an experienced property management team. We do not anticipate competition between the two projects to be an issue.

Project readiness The site is zoned RH-24 and the proposed use and density is allowed by right. VOA executed a lease agreement for $100 a year with the City for a 99-years and a LOI with the GJHA to act as a SLP for the Project. VOA completed an initial concept review with the City and incorporated the initial comments into the current site design. The process to receive building permits is administrative; if awarded 2025 tax credits, the Project will close on the tax credit partnership and commence construction within 12 months of award. The city has received funding and construction bids to complete improvements along 28 Road (the road running along the western border of VOA's property providing secondary access to the site) and will complete new paving, curb and gutter, a multimodal trail and landscaping along that stretch by the end of 2026. The cost to build the portion of the infrastructure that borders the southern edge of the Project parcel, which provides the primary access to the site, is included in the Project's development budget. All wet and dry utilities are available along 28 Road, immediately adjacent to the west of the site.

Overall financial feasibility and viability The Project is considered a small project at 62 units, which allows tax credits and Private Activity Bonds to be distributed to more communities and prevents the concentration of affordable units in a few large projects. As a non-profit, VOA is able to access several funding sources and favorable terms typically only available to 501(c)3s such as: additional points on the FHLB scoring criteria, Home Depot Veterans grant, VOA Capital Magnet funds, and 40-year amortization on permanent financing. The Project development budget includes $150,000 of funding for a part-time resident service provider. The Project averages 52.10% AMI with 23 units at or below 50% AMI. All 60% AMI units are underwritten at 57.5% AMI. The Project has a 1.15 Debt Coverage Ratio and has deferred 16.43% of Developer Fee (paid in year 15). Operating expenses are conservative and derived from several similarly sized and operated projects that VOA and MGL manage on the Western Slope and all-electric utility expense data from Group 14.

Experience and track record of the development and management team VOA has secured seven (8) competitive tax credit awards in Colorado since 2016 and opened new communities in Colorado Springs, Denver, Durango, Fort Collins and Montrose. The organization has the expertise to address affordable housing's many facets – from development and ownership to management and supportive services. The VOA model combines the strengths of our national headquarters in Washington D.C. with a network of locally chartered affiliates such as VOA Colorado. VOA pairs strong local relationships through their existing property and staff in Grand Junction with its national expertise in building design, construction, finance, accounting and services. This allows the team to leverage the best from both worlds, tailoring to the specific needs of the Salt Flats development and future residents. VOA hired MGL Partners to lead the Project through the LIHTC financing process, construction, leasing and stabilization. Since 2005, MGL has entitled, developed, acquired or consulted on over 4,000 units and over $1.3 billion (cost basis) of affordable, senior, attainable and market rate multifamily rental housing throughout the state of Colorado, including 28 LIHTC projects. MGL has dedicated a significant amount of their time and expertise over the past 20 years helping municipalities, non-profits and housing authorities further their missions by developing affordable homes for seniors, individuals and families including working as a Turn-Key Developer for the Montezuma and Delta Housing Authorities on the Western Slope.

The balance of the development team, Shopworks Architecture, FCI Constructors, and VOA Property Management are highly experienced at developing and managing LIHTC housing. Shopworks has designed over 34 LIHTC projects in Colorado alone and FCI has renovated or constructed 122 projects in Colorado, including Miremonte in Durango, Rendezvous in Montrose for VOA and Lumien I and II in Durango for MGL. Both VOA and MGL have a proven record of completing projects on time and on budget. The Project's property management firm, VOA Property Management, manages over 38 properties, including one in Grand Junction, one in Delta and four in Montrose. VOA has a proven track record of leasing, operating and compliance for affordable housing units on a timely basis. They have specific expertise managing properties with VASH vouchers, older adults and residents who have experienced trauma.

Project costs Due to its location on the Western Slope, the Project is facing several financial headwinds: rents are low, including the FMR for the VASH vouchers, construction costs are approximately (10-15%) higher than front range multifamily developments due to the increased costs of labor and material delivery, and tax credit pricing is lower due to the lack of significant CRA demand. Like other communities across the state, the Project is also going all-electric and must comply with the state's electric vehicle charging requirements estimated to add ($117,000) of cost to the budget. To offset these higher costs the VOA/MGL partnership has brought in an estimated $5,400,318 of soft funding sources and will leverage their banking relationships for favorable debt and equity terms.

Site suitability The site is located in central Grand Junction within a short drive, bike ride, walk or bus trip to the downtown and all surrounding recreational areas. The surrounding neighborhood is primarily quiet and residential featuring a range of single-family homes, apartment homes and mobile homes, with some light commercial uses, ideal for an older adult and veteran population. , the Project is one block from the WROS and 0.6 miles from the VA, providing excellent access to veteran services and medical care. The City is actively working on relocating their Bus 9 route to run directly by the site on 28 Road and locate a bus stop either on our site or directly adjacent to it. The City is spending a significant amount of funding on a multi-modal path that will run alongside our site and connect the City's large Lincoln Park (0.7 miles) to the west and a shopping center with a Walmart Supercenter (0.6 miles) to the east. There is a retail shopping center less than 0.2 miles from the site that features Planet Fitness, Dollar Tree, Big 5 Sporting Goods and an auto supply store. The site is generally flat with no floodplain or wetland issues, zoned for multifamily and has all necessary utilities adjacent to it.

4. Describe any requests to waive underwriting criteria (if requesting). Please see the preliminary checklist for additional narrative requirements for justification of the waiver. The Project requested a cost basis waiver due to the financial challenges of developing on the Western Slope. Other than this, the Project meets all underwriting criteria.

5. Address any issues raised by the market analyst in the market study. The market analyst does not recommend any changes for the Project; however, they note a low Transit and Bike Score. The scores will improve upon completion of the new multimodal path and the redirection of Bus 9 route to along 28 Road including a bus stop directly adjacent to the subject site.

6. Address any issues raised in the environmental report(s) submitted with your application and describe how these issues will be or have been mitigated. The Phase I Environmental Review did not indicate any environmental concerns.

7. Identify if there are any unusual features that are driving costs upward, as well as if there are any opportunities to realize cost containment. In addition to the elevated costs of developing on the Western Slope detailed above, to qualify for two significant soft funding sources, the Project included 20% VASH vouchers triggering Davis Bacon labor wages (estimated to add $241,460 to the budget). Due to poor soils, the included foundation system is significantly more expensive than a post-tension slab foundation. To mitigate these higher costs, the unit types are stacked and have a streamlined design and size for maximum efficiency. The exterior materials are simplified to reduce cost. The greater Salt Flats community will be all-electric, removing the expense of extending a gas line to the Project.

8. Describe the outreach to the community that you have done and describe local opposition and/or support for the project (including financial support). There has been a significant amount of community outreach, with more planned, for this Project. Shopworks conducted community outreach in June 2025 with a wide variety of stakeholders. They interviewed both VOA's and GJHA's services, property management and maintenance teams, residents, the local HUD VASH team, and other local residents. Shopworks published a report (attached in supporting documents) and their findings were incorporated into the design of the building. In preparation for acquisition of the Salt Flats property, the City completed significant community outreach including focus groups, community workshops, poverty simulations, and a design charrette in 2024. The community deeply supports the City's purchase of the Salt Flats and the low-cost land lease with VOA. A community meeting for the master-planned community is scheduled for August 28, 2025.

9. Describe how the proposed development contributes to promoting equity as well as economic mobility for residents. The Project, in conjunction with the Salt Flats master development, will provide affordable housing opportunities for residents across a range of income levels in central Grand Junction with direct access to public transportation. All new units will be safe, energy-efficient units with easy access to public parks and a brand-new bike path. The Project provides a resident service coordinator who will help with an array of supports. The WROS, located less than one block from the site, provides unparalleled access to services for veterans. Together, all of these characteristics promote equity and economic mobility and stability for the future residents.

4% housing tax credit application narrative

Project Name: Stanley 98
Project Address: 2520 N. Jamaica St, Aurora, CO 80010

<u>Executive Summary</u>

Stanley 98 is a proposed 75-unit affordable housing development at 2520 N. Jamaica St, Aurora, CO. Situated on a 2.7-acre site in the Eastbridge Community of Central Park, it aligns with current zoning and complements the neighborhood's character. The Housing Authority of the City of Aurora (AHA) will develop and manage the project, serving households earning 30–60% of AMI, with 10 units supported by Project-Based Section 8 Vouchers.

Since last year, guided by insight from CHFA, AHA undertook a series of pivotal actions that strengthened this project and reaffirmed its commitment to serving the community. The site plan is now officially approved, and structural barriers were further addressed as street vacations received the green light, allowing for more seamless integration of the site into its surrounding neighborhood. Support from the City of Aurora has surged, with an additional $1.625 million in financial backing taking the total commitment to $ 2.625 million, highlighting public confidence and reinforcing the shared vision for affordable inclusive housing. Aurora Housing Authority has allocated 10 project-based vouchers specifically for the lowest-income residents, ensuring that those most in need aren't just included, but prioritized. AHA has also revised the set aside to 30-60% AMI from Average Income and lowered the 60% AMI rents to make the project even more affordable and marketable as a response to the market study. Approximately 50% of the units are at 50% of AMI or below and the average income is under 52% AMI. On the state level, the project gained momentum as it secured $1.2 million in funding from the Division of Housing as part of the competitive pre-application round. AHA has used the past year to evolve with intention and clarity— standing not just as a developer, but as a listener and partner.

Strategically located just .4 miles from a key bus stop at Montview and Havana, the site offers seamless east-west transit service stretching from Denver West Parkway Station to Colfax and Billings. Residents will have direct links to Light Rail lines A, B, G, E, N, and W—an expansive web of transportation connectivity across the region. For those working or accessing care, stops on the Anschutz Medical Campus provide convenient, equitable access to hospitals and major employers. As for cyclists or pedestrians, a bridge will be built to connect to the protected bike path north of the site to integrate Stanley 98 into the neighborhood while offering transit options beyond the bus. The development will meet City standards for parking, with ample space for both residents and guests. Stanley 98 embraces a multi-modal vision, empowering residents to choose how they move, connect, and thrive.

The site itself has cleared critical hurdles. Following an Environmental Phase I evaluation, the assessment revealed no evidence of Recognized Environmental Conditions (HRECs). The parcel's flat topography further streamlines development logistics, and utility connections have already been established, significantly reducing pre-construction barriers.

The development will offer a diverse range of unit types to meet a spectrum of household needs, including 32 one-bedroom/one-bath units, 30 two-bedroom/two-bath units, and 13 three-bedroom/two-bath units. This variety ensures both individuals and families will find a space tailored to their lifestyles. Each unit is thoughtfully designed with comfort and functionality in mind, featuring air conditioning, ceiling fans, blinds, coat closets, full kitchen appliances—including refrigerator, stove/oven, dishwasher, and garbage disposals, balconies, and in-unit washer/dryers. These amenities reflect AHA's commitment to resident dignity and convenience. Beyond private living spaces, Stanley 98 will foster engagement through community-focused amenities. Residents will enjoy access to on-site management, indoor bike storage, a community room, a computer room, playgrounds, picnic areas, a rooftop deck, and resident gardens to create opportunities to connect, grow, and relax in shared environments. Safety is integral to the design, with limited-access entryways, surveillance systems, and third-party security patrols after hours. Stanley 98 prioritizes peace of mind so residents can thrive in a secure and supportive setting.

Site Suitability: This project was crafted to serve as a cornerstone for healthy living, educational advancement, and neighborhood connection. Just minutes from world-class medical centers like UC Health Anschutz Medical Campus and The Medical Center of Aurora, Stanley 98 places essential healthcare within arm's reach. This proximity is especially valuable to families, seniors, and individuals seeking dependable access to medical care without long travel times. For growing families, the location offers an educational landscape rich with opportunity. Within walking distance are Rocky Mountain Prep and Fletcher Elementary School, nurturing young learners close to home. Older students benefit from access to North Middle School just a mile away and Options High School less than that—laying the groundwork for academic success in a safe, supportive setting. The nearby Stanley Marketplace is a dynamic space for shopping, dining, community events, and employment, while the Fitzsimons Innovation Campus presents career options with thriving industry connections and short commutes. Aurora's robust public transportation system ensures mobility is seamless, with a bus stop located nearby at Montview Blvd and Jamaica St.

Equally important are the spaces designed to restore and recharge. Parks like Central Park and Sand Creek Park provide tranquil escapes into nature, and the Moorehead Recreational Center, just a couple blocks away, offers residents a bounty of wellness amenities—from a swimming pool and fitness area to basketball courts and childcare services.

Environmental stewardship plays a starring role in Stanley 98's blueprint. Energy-efficient appliances and water-saving fixtures align with AHA's sustainability ethos, while community gardens introduce nature and nourishment into daily life. Flexible interior layouts support families of all sizes and configurations, and private balconies offer a breath of fresh air, quite literally extending the living space to the outdoors for year-round enjoyment.

But perhaps the most groundbreaking feature is the dual playground design. Thoughtfully planned to meet children's developmental stages and safety needs, Stanley 98 will offer a tot-lot tucked closer to the building, shielded from traffic, and a sensory playground for older children—a space for exploration, connection, and creative growth. In every square foot, every amenity, Stanley 98 tells a story of thoughtful investment—in people, in place, and in a future built to last.

The building will rest on a spread footing foundation, topped with a wood-framed structure that supports both resilience and sustainability. Circulation will be anchored by CMU (concrete masonry unit) cores at the two stairwells and a central elevator lobby served by two elevators, ensuring smooth movement throughout the building for all residents. A thoughtfully curated exterior palette will showcase fiber cement siding, stucco, brick, metal accents, and vinyl windows, all unified beneath a high-performance TPO roof.

Designed to meet the National Green Building Standard at the Silver level, Stanley 98 will incorporate efficiency and sustainability from the ground up. The building will be fully electric, embracing modern energy standards and reducing dependence on fossil fuels. EV charging stations will be available on-site. To ensure resilience, an on-site generator will provide backup power in case of outages, safeguarding both comfort and safety. This bold vision is anchored by a proven financing model. Stanley 98 will be backed by tax credit equity from the National Equity Fund, construction and permanent financing through First Bank, soft funding support from the City of Aurora and the Division of Housing, and a deferred developer fee. These partnerships reflect a long-standing trust and shared mission among investors, lenders, and public entities—all united in bringing transformative housing to Aurora.

Bond Financing: AHA is leveraging partnerships across jurisdictions to support this ambitious effort. In a landmark move, the City of Aurora has committed $7 million of its 2024 PAB allocation toward Stanley 98, showing strong municipal backing. Even more striking is the contribution from Arapahoe County, which has pledged $2 million in PAB funding—marking the *first time in the county's history* that it has extended PAB support to a project located outside its own boundaries.

To finance construction, Stanley 98 will utilize approximately $21 million in tax-exempt PABs within a Single Close Construction Financing structure, privately placed by First Bank. An additional $4.3 million in taxable financing will round out the construction loan, bringing the total to $25.3 million. First Bank will also provide permanent financing converting to a $9.7 million loan once construction is complete. AHA will act as issuer for the bonds.

Experience and Track Record of Development & Management Team: At the heart of the Aurora Housing Authority (AHA) is a team whose experience, vision, and steadfast dedication to affordable housing continues to drive impactful changes across the region. With recent leadership transitions, AHA's commitment to its mission to serve the lower-income population remains firm, powered by a staff whose collective expertise, longevity, and passion for service speak volumes. See the resume section for additional information on this dynamic team.

Project Costs: As construction costs continue to climb nationwide, the Aurora Housing Authority (AHA) has embraced a proactive approach to ensure Stanley 98 remains both financially viable and functionally effective. Navigating an altering market requires more than cost-cutting; it demands thoughtful planning, design innovation, and a focus on long-term value. Despite the cost pressure, AHA has taken decisive steps to optimize the building layout. Efficient unit stacking, coupled with clustered offices and common areas, has improved internal flow and saved critical square footage—smart choices that enhance livability while helping control expenses, and reduce costly renovation challenges that arise during re-syndication. These design refinements are more than logistical tweaks; they represent AHA's long-term commitment to intentionality and fiscal accountability. Notably, compared to preliminary estimates from 2024, the current cost projection is almost 10% lower, a testament to the agency's hands-on approach and continuous refinement during the planning phase. In a climate of escalating costs, that downward adjustment speaks volumes—it reveals a team that's not just reacting to market pressures but actively engineering solutions.

Financial Feasibility: In 2024, AHA took a key step by securing the project parcel, laying the physical foundation for a vision that's backed by deep institutional trust. From the outset, Stanley 98 has garnered documented financial and political backing from the City of Aurora, affirming the project's alignment with regional housing goals. The commitment from the city has been instrumental, both financially and in creating a policy environment where innovation and affordability can thrive. In addition, AHA has successfully secured soft funding support from Colorado's Division of Housing, reinforcing state-level confidence in the project's viability. Central to the financial model is First Bank, AHA's reliable and experienced lending partner. First Bank will provide both construction and permanent financing, a structure that allows for seamless continuity from project initiation through long-term occupancy. First Bank's familiarity with affordable housing and history with AHA further streamline underwriting and execution. Tax credit pricing assumptions remain grounded in real-time market analysis. AHA is requesting a cost-basis waiver. (See attached Waiver Request)

QAP Conformance: Market Conditions

The City of Aurora continues to experience steady growth, particularly in neighborhoods like the one surrounding Stanley 98. Despite this progress, the demand for quality affordable housing remains acute—with a citywide shortage estimated at over 7,500 units. Although market analytics don't always reflect this need, lived experience and community demand tell a different story.

Aurora Housing Authority (AHA) has consistently proven its ability to meet these challenges head-on. Our success is not just theoretical, it's demonstrated. Peoria Crossing Phase II exemplifies our approach:

- Pre-leasing began in April 2024, and within a year, our interest list exceeded 8,000 prospective residents.
- Despite construction delays and launching during the holiday season, AHA achieved full lease-up by year-end.
- Today, the property continues to maintain 100% occupancy—a testament to both market demand and our team's strategic efforts.

This success reflects AHA's commitment to addressing housing needs with flexibility, equity, and innovation—regardless of competition or market constraints.

<u>Proximity to Existing LIHTC Developments</u>

The rental comparable survey analyzed 14 multifamily housing projects comprising a total of 2,973 units. Within this landscape, Stanley 98 stands out as a competitively positioned development, particularly in the Low-Income Housing Tax Credit (LIHTC) segment. Stanley 98's unit amenity score, at 62.4, exceeds the LIHTC average by a notable 20.2 points, reflecting a thoughtful selection of in-unit features that enhance tenant quality of life. Compared to market-rate projects, the subject's score is slightly lower by 3.9 points, suggesting room for incremental improvements but still indicating strong competitiveness. Overall, the property surpasses the average score by 8.2 points, reinforcing its value proposition in the broader rental market. Similarly, the project featured score of 48.5 places Stanley 98 20.6 points ahead of the LIHTC average, underscoring the strength of its site-level attributes—such as curb appeal, parking amenities, recreational spaces, and security features. Although it trails market-rate properties by a modest 4 points, it remains 8.3 points above the overall average, signaling broad appeal across income segments. Stanley 98's one-bedroom and two-bedroom units are slightly more compact—8% and 4% smaller, respectively—than overall market averages. However, the three-bedroom units are 2% larger than their counterparts, suggesting a strategic design decision to accommodate larger families. Importantly, when viewed against LIHTC averages, the subject's unit sizes are consistently larger across all floor plans, with differences ranging from 3% to 10%, which provides a meaningful edge in attracting tenants within the affordable housing segment. Taken together, the data strongly suggests that Stanley 98 is well-equipped to compete in its primary market area (PMA). With above-average amenities, larger-than-typical unit sizes for LIHTC properties, and a solid array of project features, the property presents a compelling option for renters seeking affordability without sacrificing quality. Located in a desirable and rapidly developing area, the project not only provides economic relief but enhances community diversity and stability by ensuring inclusive access to housing.

<u>Market Analysis Issues: Development Pipeline Summary</u>

In a rapidly evolving multifamily housing landscape near Aurora, Colorado, Stanley 98 is carving a unique path forward amid intense development activity. As competitors race to complete a slew of projects—ranging from tax-credit funded affordable housing to adaptive reuse motel redevelopments—Stanley 98 remains undeterred, employing a deliberate, data-driven strategy that reflects both market awareness and tenant-focused adaptability. Recognizing that its later entry into the market offers a chance to learn, adapt, and refine, the team behind Stanley 98 is proactively shaping its lease-up strategy to tap into an evolving tenant pool. As the initial wave of new projects fills up, Stanley 98 is poised to attract residents who seek alternatives, missed initial leasing phases, or are drawn to its differentiated experience.

To ensure its relevance and long-term stability, Stanley 98 has taken bold steps. The Aurora Housing Authority, as the developer and owner, will ensure that the property benefits from established waitlists and a proactive vacancy management strategy that promotes continuity and community connection.

Community Outreach:

- Community Support: Backed by Aurora Public Schools, Arapahoe County, nearby neighbors, Stanley Marketplace, and Aurora Rec Center.
- Inclusive Engagement: Extensive outreach began during site plan approval with no negative feedback—enthusiasm ran high among residents.
- Collaborative Services:
    - Partnership with *Aurora Mental Health* to provide remote mental health services on-site.
    - AHA will deliver a range of services to residents and the broader community (details in narrative attachments).
- Community Events: Scheduled *food truck days* to encourage interaction and celebrate local flavors, and a lively *summer concert series* in collaboration with Stanley Marketplace.

Promoting Equity

Stanley 98 will promote equity through:

- Affordable Housing Options- Inclusion of mixed-income housing units to prevent displacement and support diverse socioeconomic groups.
    - Deeply affordable units reserved for low-income families, seniors, or individuals with disabilities.
- Inclusive Design and Accessibility
    - ADA-compliant infrastructure and universal design principles to accommodate people of all abilities.
- Access to Essential Services
    - On-site services such as legal aid, financial counseling, or language support

Advancing Economic Mobility

Stanley 98 will support this through:

- Job Creation and Workforce Development
    - Construction and permanent jobs with local hiring commitments.
    - On-site job training centers or partnerships with vocational programs.
- Education and Skill Building
    - Access to high-quality schools or adult education programs.
    - Digital literacy initiatives and free Wi-Fi to bridge the digital divide.
- Financial Empowerment
    - Programs that promote savings, and credit-building

Attachments

A. Resident Services

B. Letters of Support (Aurora Public Schools; Arapahoe County; Aurora Mental Health & Recovery)

C. Cost Basis Waiver request

4% housing tax credit application narrative

Project Name: Starlight

Project Address: 439 and 589 W Littleton Blvd, Littleton CO

South Metro Housing Options (SMHO) is developing Starlight, a 73-unit affordable multifamily housing project located at 589 and 439 W Littleton Boulevard. This development will be 100% affordable, providing safe and equitable housing for residents earning 30-70% of the area median income (AMI). Additionally, SMHO will project base (8) foster youth vouchers to support those aging out of the foster care system, a significant unmet need in the community and statewide.

Starlight has considerable local support starting with SMHO donating the land, deferring developer fee and providing property tax exemption. Both the city of Littleton and Arapahoe County have committed to soft funding, fee waivers and providing their PAB to the project. At the State level, DOH has committed funds after reviewing Starlight's pre-application, a significant show of support. Starlight is a project that has found support at every level, highlighting the incredible need in the community and the thoughtfulness of the program and project design to meet those needs.

Location and allowable density, including if the project is in a QCT/DDA/SADDA;
Located along the vibrant Littleton Boulevard corridor, the Starlight project will offer residents walkable and bikeable access to grocery stores, parks, retail, recreation centers, schools, and workplaces. The site is just over a mile from the Downtown Littleton Light Rail station. The project spans two properties totaling 1.48 acres in a QCT and is currently zoned as corridor mixed-use (CM), which will allow multifamily housing to be built by right.

Population being served; bedroom mix; AMI targeting;
Starlight will serve a mix of individuals and families in studio, one and two bedroom units, with AMIs ranging from 30%-70%, including (8) project-based foster youth vouchers to support those aging out of the foster care system. Starlight is designed to offer significant affordability for the lowest-income households. Nearly 50% of the units will be reserved for residents earning 50% or less of the Area Median Income (AMI), with an overall average AMI of approximately 54%. SMHO's dedication to supporting low-income residents is further reflected in the provision of 15% of units for households earning below 30% of AMI. Finally, the 70% AMI units have been discounted from LIHTC maximum rents to improve their marketability to a wide range of households.

Unit and project amenities
Starlight's design includes several community-focused amenities that support resident wellness, connection, and convenience:

- A first-floor common area with seating and a shared kitchenette.
- A fourth-floor outdoor patio with panoramic mountain views, designed as a relaxing and social gathering space.
- The inviting outdoor courtyard will feature a picnic area and community gardens.
- An on-site leasing and management office to provide property support and build strong resident relationships.
- Starlight also includes two elevators, secure package lockers and a central trash chute to ensure accessibility and ease of use for residents of all ages and abilities.
    - SMHO will work with community partners serving the youth residents to ensure safe, welcoming meeting spaces within the office and common area. This may include semi-private areas with casual seating for engaging youth. SMHO will consider some trauma-informed design best practices such as nature-based materials, biophilic design, sight lines and lighting.

Unit amenities include: central air conditioning, blinds, luxury vinyl tile throughout with carpet in bedrooms, cable TV and high-speed internet hook-ups, ceiling fans, pantry, refrigerator, stove/oven, dishwasher, disposal, microwave, and washer/dryer. The one- and two-bedroom units will have a walk-in closet.

Detail type of construction Starlight will be constructed as a four-story, wood-framed building utilizing Type VA construction. The foundation will be concrete slab-on-grade. Vertical circulation will be provided via two enclosed stairwells and centrally located elevators, with all cores constructed from load-bearing CMU block walls to enhance fire resistance and structural durability. The roofing system will consist of a flat roof assembly with a TPO (thermoplastic polyolefin) membrane for waterproofing and long-term performance. The building's exterior skin will feature a mix of cementitious lap siding, cementitious panel, exterior wall tile, and center-scored CMU block, selected for their durability, low maintenance. Interior corridors will be fully enclosed and conditioned for resident comfort and year-round efficiency. The building is designed to meet or exceed current energy codes, with a strong emphasis on insulation, air sealing, and an all-electric mechanical system to promote long-term operational savings and sustainability.

Access to public transportation and job centers and how it promotes opportunities for economic mobility;
Starlight is located 1.2 miles from RTD D Line station, providing transportation to employment centers including Denver's Central Business District. There is also an RTD bus stop about 500 feet west of the project that will provide residents with transportation down Littleton Blvd. to Main Street with access to many retail services. The same bus route will take residents to the Arapahoe Community College (ACC) campus, less than 1.5 miles away, providing both access to career development opportunities for residents, as well as a convenient housing option for ACC staff. ACC also houses its Child Development Center on this campus, which accepts Colorado Child Care Assistance Program (CCCAP) and other childcare assistance and provides exceptional quality care for children up to age 6.

Additionally, Starlight will provide residents with exceptional access to local and community amenities. The site offers walkable access to King Soopers, Littleton High School, The UPS Store, Promise Park, Powers Park, and Doctors Care (which provides health services to low-income individuals), as well as numerous employers and retail establishments along the Littleton Boulevard corridor. The site is located less than one mile from Bemis Public Library, Ketring Park, the Littleton Museum, and Gallup Park. Downtown Littleton, Colorado Center for the Blind, and the community recreation center are also situated just over one mile from the site.

Type of services and how they are financed
As mentioned, South Metro Housing Options will project base eight vouchers for youth aging out of foster care. SMHO will collaborate with Advocates for Children (CASA) to provide wrap around, on-site services to these eight youth residents. There is a formal Memo Of Understanding (Attachment A) for services and referrals in place with Arapahoe County Human Services, CASA, Arapahoe Mental Health Center (AllHealth Network), Shiloh House, Arapahoe/Douglas

Works, Aurora Housing Authority, Love Inc. and SMHO to provide services to these eight youth households to assist them in establishing and maintaining their housing while pursuing employment and/or educational opportunities. These services are provided by CASA and the others listed and paid for outside of the property operations budget. Additionally, SMHO will employ a half-time Resident Services Coordinator at Starlight to provide service connections and referrals to all residents. This position is included in the property operating budget. (Additional details on Services is provided in Att. A)

Description of energy efficiencies (if applicable, include advanced energy performance standards and certification tier);

Starlight is designed as a high-performance affordable housing project, with sustainability measures aimed at reducing utility costs for the project while protecting environmental resources. Key features include:

- NGBS Certification at the Silver level, verifying best practices in green construction and operations.
- Energy Star-rated appliances, high-efficiency HVAC systems, and LED lighting to reduce energy usage and monthly bills.
- Low-flow plumbing fixtures and water-wise landscaping to reduce potable water consumption.
- Low-VOC paints and adhesives, along with continuous mechanical ventilation, to enhance indoor air quality and support resident health.
- Enhanced insulation and air sealing for reduced heat loss.
- Energy-efficient window systems to support natural light and passive solar gain.

These features directly support affordability by minimizing operating costs and improving comfort and safety for residents.

Type of financing; local, state, and federal subsidies; etc.

SMHO has made every effort to identify all possible funding options to be applied to this project. Significantly, this includes SMHO's donation of the land cost to the project to keep development costs low, the project basing of eight vouchers and deferral of developer fee. SMHO has been working closely with its local partners to secure as much local support as possible. The City of Littleton has provided full backing of the project and is expected to provide a sizeable grant of development dollars, private activity bonds and fee waivers. Additionally, the City has requested that Arapahoe County award Starlight CDBG funds including the city's portion of those funds.

Arapahoe County has also shown significant support for the project with their commitment of CDBG funds and the bulk of their available PAB. Finally, DOH has committed funds to the project after completing their competitive pre application review process. We plan on working with ANB Bank for construction and permanent financing and RBC for equity, both long-time partners of SMHO.

Describe the bond financing structure and include the following:

- The total amount of bonds issued will be $21 million. The permanent piece will be $7.7 million and the construction piece will be $13.3 million.
- CHFA will act as issuer and SMHO will assign approximately $9 million in PAB to CHFA in aid of the total issuance.
- The bonds will be privately placed with ANB Bank.
- $15.6 million in bonds will be tax exempt and $5.4 million will be taxable.

Market conditions There is pent-up demand in the PMA for LIHTC units at 30% through 60% AMI, as evidenced by the high surveyed occupancy rate at Class B LIHTC projects (1.7%) and rents at or near the 2025 limits. There is only one other 50 unit LIHTC property in the pipeline and 36 other affordable units, which will have nominal impact in meeting the overwhelming need in the PMA. In fact, the market study rated Market Demand a 5, the highest possible rating. The capture rate is well below CHFA's threshold and the rents provide a significant discount to market. A recent Littleton housing needs assessment concluded that the City has a shortage of 1,350 units for low-income residents and a housing gap of 6,550 units over the next 30 years. Fifty percent of Littleton businesses reported that there is a lack of housing that meets their employees' needs. The residents of Littleton reported in a 2024 survey that affordable housing was their number one, most pressing issue.

Proximity to existing tax credit developments The PMA has nine existing LIHTC projects containing 526 income-restricted units. Of these, two are age-restricted projects with 162 units and seven are non-age-restricted properties that have 364 dwellings. Starlight will compete most directly with the 364 tax credit units that are comparable in terms of the target family market, although only 312 serve the same income levels as Starlight. Of those units, a number of them are located in much older properties that are not comparable. Littleton truly is a community underserved by affordable housing.

Project readiness SMHO has assembled the full development team for the project and is through Schematic Design. Additionally, SMHO is committed to advancing site plan development while awaiting notice of LIHTC award and the City of Littleton planning is extremely supportive. The zoning is approved and there are no further public processes required to get through the entitlement process. The proposed financing team has recently closed a deal with SMHO which should lead to a streamline underwriting process on Starlight.

Overall financial feasibility and viability While it's a challenging market for LIHTC projects currently, SMHO has underwritten the deal conservatively in order to minimize surprises on the way to the closing table. We have confirmed sources of financing and are working with long term financing partners all of which should help weather any bumps in road to closing.

Experience and track record of the development and management team SMHO has over 50 years of public housing management experience with local knowledge and relationships in Littleton. SMHO currently manages over 600 units, including 231 LIHTC units, in addition to administering Littleton's Housing Choice Voucher program. A Portfolio Manager position was recently created and filled, adding a layer of oversight to the management team. For Starlight, South Metro Housing Options has brought together a development team that brings deep affordable housing development experience to every aspect of the project. (see Resumes section for greater detail)

Project costs and Opportunities to realize cost containment
The project team was worked diligently to incorporate cost containment measures including,

- Limited and standardized unit types to streamline design, and construction.
- Efficient unit layouts that maximize usable space and reduce circulation and structural redundancy.
- All-electric building systems to lower infrastructure costs and eliminate need for gas service coordination.
- Stacked plumbing and mechanical systems to minimize horizontal runs and simplify routing.
- Standardized window and door sizes to optimize purchasing and reduce lead times.
- Compact building footprint to reduce foundation and roofing area while maintaining density.
- Avoiding domestic and fire line connections on Littleton Boulevard to reduce street cut and traffic control costs.

Site suitability The urban infill site of Starlight takes advantage of a central location in the City of Littleton with excellent access to existing infrastructure needed for the project. The project is conveniently situated at the corner of W. Littleton Blvd. and Delaware with water, sewer and other public utilities already in place. W. Littleton Blvd. is a main thoroughfare (4 lane-road) in the City, providing residents access to local services and amenities via public transportation right on W. Littleton Blvd. Furthermore, the site is well suited for workforce housing where residents are within walking distance to many employers. Specifically, the site is within .25 miles of a bus stop, neighborhood retail shopping with grocery and pharmacy, convenience store, clinic, park, and specialty market, and is .5 miles from a high school. A community center, childcare center, elementary school, library, recreation center and senior center are within a mile, and a light rail station, and police and fire stations are 1.1 miles away.

Describe any requests to waive underwriting criteria. Please see attached Cost Basis Waiver Request (Attachment B).

Address any issues raised by the market analyst in the market study. The market study only had two minor comments. One was that of the LIHTC vacancies surveyed, most were in the 60% units. However, the LIHTC vacancy in the PMA is less than 2% and the LIHTC projects are collecting maximum rents. The total number of vacant 60% AMI units is 19, a small fraction of the total units and 14 of those are located in a dated class C property which is not comparable. The study also notes there are no 70% units in the PMA and that Starlight's 70% rents are at or above class B and C market. However, that does not account for Starlight's owner paid utilities and the market rate fees charged to tenants which creates an appreciable difference in rents between the two products. In fact, the market study later says as much, "*Considering tenant-paid utilities, the subject's 60% AMI rents are 9% to 19% below the weighted average Class B market-rate rents and its 70% AMI rents are similar to or 11% below."*

Environmental Report- Phase 1s on both sites are complete and found no RECs.

Identify if there are any unusual features that are driving costs upward – As discussed in the attached cost basis waiver, there are factors driving up cost such as the possibility of tariffs on construction products, city-imposed development requirements and interest rate uncertainty. However, as noted above the development team has worked hard to contain costs.

Describe the outreach to the community that you have done and describe local opposition and/or support for the project (including financial support) As evidenced by the City of Littleton's implementation of an Inclusionary Housing Ordinance (IHO) in 2022, the City is committed to supporting affordable housing. The IHO incentivizes developers to build affordable housing. These incentives, benefitting Starlight, include expedited review processes, parking and open space reductions, density allowances, fewer neighborhood meetings and fee waivers. The City will also specifically support Starlight, as illustrated in its support letter, through its financial commitment and PAB cap assignment . Additionally, SMHO conducted two neighborhood meetings as part of the rezoning process on 2/12/2025 and 4/16/25 and listened to neighbors' questions and concerns. There were some neighbors who were in support of the project and the affordable housing brought with it. Both the Littleton Business Chamber and Vibrant Littleton support affordable housing and Starlight. See attached letters of support from the community (Attachment C).

Describe how the proposed development contributes to promoting equity as well as economic mobility for residents. The project contributes to promoting equity through the dispersion of affordable housing across the Denver metro area as well as creating affordable housing opportunities for very-low income households including 11 units for households earning less than 30% AMI. Starlight will provide housing for service workers, along with many others, who will be able to live near the many restaurants, cafes and shops along W. Littleton Blvd who employ them, reducing their carbon footprint, and expanding access to existing parks and transportation. Finally, greater than 10% of the units are fully accessible and SMHO is committed to working with local and statewide disability groups to make connections so those units serve their intended population.

Additional Supporting Narrative Items

Att. A- MOU for Services and Services Narrative
Att. B- Cost Basis Waiver Request
Att. C- Letters of Support

4% housing tax credit application narrative

Project Name: Sugar Commons
Project Address: 777 N 4th Street, Sterling, CO

Executive Summary
Volker Development, Inc. ("Völker") is pleased to submit this application for Federal 4% and State Low-Income Housing Tax Credits to the Colorado Housing and Finance Authority for Sugar Commons, a new affordable multifamily housing community serving families in the rural City of Sterling. This development will bring 54 much-needed rental homes to the heart of the community.

Sterling, Colorado—known as the Queen City of the Plains—is located just over 100 miles northeast of Denver along I-76. As the county seat and largest municipality in Logan County, Sterling has a diverse economy supported by employers in agriculture, renewable energy, government, education, healthcare, and retail. The community's aging housing stock, however, with a median year built of 1958, limits its ability to attract and retain a stable workforce. Sugar Commons will be a catalytic investment that revitalizes the local housing market by providing high-quality, stable, and accessible homes for working families—strengthening the broader economy.

Sugar Commons directly supports CHFA's Priorities and Guiding Principles by offering:

- A location in a rural, non-metro county with fewer than 180,000 residents
- The first new family-oriented housing community in Sterling in over 25 years
- 30% of units reserved for households earning at or below 50% AMI
- 28% of units configured with three bedrooms to serve larger families
- On-site resident services coordination to help families access benefits, healthcare, employment, and education
- A financing strategy that includes federal and state tax credits, State of Colorado HDG funding, a CHFA Capital Magnet Fund loan, significant deferred developer fee, and property tax exemption through the local housing authority

Völker has collaborated closely with the City of Sterling since project inception. The City strongly supports our proposal and is expected to contribute through fee waivers, fast-tracked entitlements, and property and sales tax exemptions via a partnership with the Housing Authority.

Location and Allowable Density - The Sugar Commons site is located within a Qualified Census Tract (QCT) and is centrally positioned within the City of Sterling. It lies within a 15-minute walk, bike ride, or transit ride of a wide array of services and amenities. Within one-half mile of the site there is a grocery store, shopping, library, museum, restaurants, banks, parks, childcare, and police and fire services. Schools, medical facilities, and several social service organizations are located within one mile.

The 3.97-acre site was formerly developed with a one-story brick building and surface parking lots, which were recently demolished in preparation for redevelopment. The site is surrounded by residential uses and is ideal for a new multifamily development. As an infill project, Sugar Commons will utilize existing infrastructure and follow smart land-use planning principles, offering exceptional access to transportation, services, and amenities. The design team has worked carefully to align the proposal with local zoning, density standards, and design requirements while ensuring financial feasibility and market responsiveness. The City of Sterling has expressed strong support for multifamily housing at this specific location, which is permitted with current zoning through a conditional use process.

Population Being Served - Sugar Commons will provide high-quality, family-oriented homes for residents of the Sterling community. The property will include 18 one-bedroom units, 21 two-bedroom units, and 15 three-bedroom units. The unit mix is designed to accommodate a wide range of family sizes and household needs.

AMI Targeting – The project will serve very low- and low-income households earning between 30% and 70% of the Area Median Income (AMI). Thirty percent of the units will be reserved for households at or below 50% AMI, providing deep affordability for the families most in need of housing stability.

Unit and Project Amenities - The Sugar Commons community will offer thoughtfully designed apartments and robust shared amenities that support family well-being and community connection. One-bedroom units will average 535 square feet, two-bedroom units will average 750 square feet, and three-bedroom units will average 936 square feet. All units will feature fully equipped kitchens and air conditioning, and access to on-site laundry. The three-bedroom units will include in-unit washers and dryers, while the one- and two-bedroom units will have access to a common laundry facility. Community amenities will include indoor and outdoor gathering spaces, pet amenities, a fitness area, on-site property management offices, and EV charging stations. These features will promote a healthy and connected living environment for resident families.

Detail Type of Construction - Sugar Commons will comprise a single three-story, wood-framed walk-up building. The building will be constructed on a slab foundation, and exterior finishes will include a shingle roof and cementitious siding. The 3.97-acre site is currently vacant, flat, and well suited for redevelopment.

Access to Public Transportation - Although located in a rural area, Sugar Commons will benefit from access to public transportation. The Prairie Express bus route runs directly adjacent to the site and includes 18 stops throughout Sterling. Buses operate every 30 minutes, with service between the Sterling Medical Center and the High Plains Shopping Center. In addition, the Colorado Department of Transportation provides "Bustang" regional transit service, connecting Sterling to Denver and Greeley. This level of connectivity is notable for a rural community and will help residents access jobs, education, healthcare, and other regional resources.

Reliable access to public transportation is a critical factor in promoting economic mobility for low- and moderate-income households. Public transit connects individuals and families to employment, education, healthcare, and other essential services that may be inaccessible without a personal vehicle. For households that do not own a car, public transportation reduces transportation costs, expands employment opportunities, and increases job flexibility. These benefits contribute directly to improved financial stability and long-term opportunity for families living at Sugar Commons.

Services - The operating budget for Sugar Commons includes dedicated funding to support on-site resident service coordination, delivered by the property management team. These services will help connect residents with local resources and support systems that can improve quality of life and promote long-term housing stability. Coordination activities may include: 1) assisting residents in identifying and accessing services such as healthcare, personal care, transportation, and public benefits, 2) facilitating wellness and educational programs, 3) organizing community events, activities, and workshops, and 4) partnering with local organizations to deliver services directly at the property

The Sterling community is home to a strong network of centrally located social service organizations. Several key resources are located within one mile of the Sugar Commons site, including:

- Family Resource Center – A central hub offering parenting education, youth development, and resource navigation

- YouthLink – Connecting families with children to community-based services
- Centennial Mental Health Center – Providing mental health therapy, crisis support, and case management
- Rhino Wellness Center – Offering counseling, addiction treatment, and behavioral health services
- Sterling Workforce Center – Delivering job training, career counseling, and employment support

These community partners will enhance the supportive environment at Sugar Commons and provide residents with accessible pathways to greater opportunity.

Energy Efficiencies - Sugar Commons will be designed and constructed to meet the National Green Building Standard (NGBS) Silver certification level. The development will also comply with all applicable local energy codes and incorporate features that promote sustainability and long-term cost savings for residents. The property will provide at least six EV-ready parking spaces, infrastructure for future electrification, energy efficient systems and appliances, and water conservation measures. In addition, Völker anticipates participating in a solar garden program to help offset electricity costs and further reduce the project's environmental footprint.

Financing – The development team has worked diligently to control costs and ensure the most efficient use of available resources. Sugar Commons will be financed with 4% Low Income Housing Tax Credits (LIHTC), State of Colorado tax credits, State of Colorado subordinate cash flow funding, Colorado Housing and Finance Authority (CHFA) Capital Magnet Fund subordinate loan, significant deferred developer fee, and property-tax exemption from the Sterling Housing Authority. *A conditional award of funding from the State of Colorado has been included within this application.*

1. Private Activity Bond Structure
   - Total amount of private activity bonds:
     - Construction Period: $11,500,000
     - Permanent Period: $4,432,907
   - We are seeking $11,500,000 in bonds from CHFA, to be issued by CHFA.
   - Our proposed bond structure is conduit with a construction to perm loan (swap structure). Of the $11,500,000 in bonds, $4,432,907 will be construction to perm, and $7,067,093 will be construction only.
   - 100% of the bonds will be tax-exempt

2. Identify which, if any, of the priorities in Section 2 of the QAP: Sugar Commons is located in Logan County, a non-metro county with a population of fewer than 180,000 residents. The development meets CHFA's geographic priority for rural communities.

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

<u>*Market conditions*</u>

The market study recommended no changes for the Sugar Commons property, and identified the following project strengths:

- There is pent up demand for affordable rental units in the PMA, shown by the 96% occupancy rate across surveyed.
- The property has good access to shopping, services, and recreational opportunities, many of which are within walking distance. Its walk and bike scores are higher than average.
- The overall penetration/capture rate for the project is 11.7%, well below CHFA's preferred threshold of 25%.
- The property will provide high quality rental options in a city that has an aging and deteriorating housing stock. With its wide range of bedrooms and AMI thresholds, Sugar Commons should also be considered as replacement housing for tenants in substandard units, and its characteristics will set it at the top of the market for rental options in the PMA.
- The market study identifies that the Sugar Commons property should achieve its proposed rents and lease up at an average monthly rate of 15 units, reaching stabilized occupancy in less than 4 months.

Sterling offers a high quality of life, blending small-town character with the amenities of a regional hub. The city provides professional services, retail, healthcare, and entertainment to a broader trade area serving over 70,000 people. The Logan County Economic Development Corporation, in partnership with the City of Sterling, has been making significant strides to promote business growth and attract new investments to the community. Some recent economic development activity includes a new Dunkin Donuts, Starbucks, Les Schwab Tire, Northeast Junior College Applied Technology Campus, and an Amazon Last Mile Fulfillment Center. Access to affordable, high-quality housing is essential to sustaining this momentum. Sugar Commons will help the city meet current and future workforce housing needs while supporting continued economic growth.

Proximity to existing tax credit developments

The PMA has three LIHTC projects containing 173 income-restricted units. The Deer Run Apartments are located adjacent to the Sugar Commons site and serve a senior population only. Whitcomb Apartments and Northeast Plaza Apartments are other LIHTC communities for families within the City of Sterling, but neither has been updated in recent years. The Overland Trail Apartments is a deeply subsidized non-LIHTC community with rents set at 30% AMI. Finally, outside of the PMA, the closest LIHTC community is Meadow Vista Apartments in Brush, CO more than 35 miles away.

Project readiness

Sugar Commons is positioned to move forward immediately upon receiving a tax credit award. The Purchase and Sale Agreement is fully executed. Proper zoning is in place. The concept plan has been reviewed and supported by City of Sterling staff. A conditional use permit and parking reduction request is currently under review by the City, with approvals anticipated prior to the end of October 2025. The design and construction team has worked collaboratively with city staff to ensure the proposal reflects local planning goals. Following the tax credit award cycle, the City expects to issue building permits in time for a financial closing by October 2026.

Overall financial feasibility and viability

Sugar Commons has been underwritten conservatively, utilizing only financial resources with a strong likelihood of award. The project's layered financing strategy and cost containment efforts ensure that it is financially feasible and ready to proceed upon the award of 4% and State LIHTC.

Experience and track record of the development and management team

The development team brings extensive experience in delivering high-quality affordable housing, including projects in rural and semi-rural markets with similar design and financing structures. The team has a proven track record of successfully closing State of Colorado LIHTC transactions and possesses the capacity, experience, and financial strength to complete this development. Völker's Mountain West team is led by Lauren Schevets, who has been developing affordable housing in Colorado for over a decade. Ross-Envolve, the property management company, has a strong history of managing LIHTC properties in compliance with CHFA requirements and maintaining high occupancy and compliance standards. The design and construction team—including Van Meter Williams Pollack and Deneuve Construction—has deep experience in affordable housing development and has partnered on numerous successful projects throughout Colorado.

Project costs

The submitted development budget reflects current market conditions and a targeted financial closing in Fall 2026. Costs have been thoroughly vetted and represent realistic assumptions for the proposed scope and timeline. The design and construction approach emphasizes efficiency, cost containment, and long-term durability. The development team has made significant efforts to optimize building layout, systems, and materials while delivering high-quality, family-oriented housing.

Site suitability

The site at 777 N 4th Street is ideally suited for the proposed development. It is flat, not located within a floodplain, and has direct access to existing utilities. The property is appropriately zoned for multifamily housing and centrally located within the City of Sterling. Its proximity to public transportation, schools, services, and employment centers further enhances its suitability.

4. Describe any requests to waive underwriting criteria (if requesting).

No waivers of CHFA underwriting criteria are being requested for this application.

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

The market study noted that Sugar Commons' proposed 60% and 70% AMI rents are slightly higher than those at comparable properties. The project's new construction, larger unit sizes, strong amenities, and high-quality design; however, position it at the top of the market. The market study also highlights the region's limited housing production over the past several decades, leading to widespread frustration among renters and homeowners with the aging housing stock. Ongoing and planned economic development in Logan County is expected to drive continued demand for rental housing. Sugar Commons will play a key role in addressing these gaps and supporting population stability, and the market study believes that rents are achievable. From 2021 to 2025, Logan County rents have experienced the following annual increases: 11.8%, 5.8%, 8.4%, 8.3%. With no new, family or workforce-oriented housing production during this period, we expect additional demand on top of the already strong demand forecast by the market analyst.

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.

A Phase I Environmental Assessment was completed and revealed no evidence of recognized environmental conditions in connection with the property.

7. Identify if there are any unusual features that are driving costs upward, as well as if there are any opportunities to realize cost containment. (Refer to Section 2 of the QAP for additional information.)

Due to the rural nature of the project, the construction budget includes the cost of housing for a superintendent and project engineer. While this increases the base budget, it provides critical benefits to the project by eliminating long-distance commuting or hotel stays, ensuring the superintendent is consistently present on-site, improving responsiveness, quality control, and subcontractor oversight, and finally supporting schedule adherence and overall construction efficiency This investment ultimately supports long-term cost savings and risk reduction.

8. Describe the outreach to the community that you have done and describe local opposition and/or support for the project (including financial support).

At Völker, community building is at the heart of everything we do. Thriving neighborhoods are built on strong relationships and tailored solutions. We work closely with residents, local authorities, and stakeholders to develop housing options that meet the unique needs of each community. The project concept for Sugar Commons was developed with special care and attention to input from our partners at the City of Sterling and stakeholders including the property management team, and financing partners. The Sugar Commons project emerged directly from collaboration with City of Sterling staff, as the City had previously identified this property as an ideal site for an affordable housing development for families. The City has expressed enthusiastic support, including a willingness to provide fee waivers and tax exemptions to facilitate the project's success. Völker has heard great excitement for the proposed development from the City of Sterling, staff, and community members.

9. Describe how the proposed development contributes to promoting equity as well as economic mobility for residents.

Sugar Commons will promote equity by ensuring families of diverse income levels can access high-quality housing, amenities, and opportunities within the City of Sterling. By reducing housing costs, families will have more resources to invest in their health, education, and financial stability. The development also advances economic mobility by offering access to public transportation, on-site resident services coordination, proximity to jobs, schools, and healthcare, and a safe and supportive community environment. Sugar Commons reflects a long-term investment in equitable growth and the future of Sterling's working families.

4% housing tax credit application narrative

Project Name: University Building Lofts

Project Address: 910 16th Street, Denver CO 80202 (the "University Building")

Executive Summary: Mile High Development and BMC Investments are pleased to present this application for University Building Lofts ("UBL" or the "Project"), a 120-unit adaptive-reuse affordable rental community at the University Building, directly fronting the newly revitalized 16th Street Mall in downtown Denver. The University Building is one of Denver's most distinctive historic buildings, built in 1911 and listed on the National Register of Historic Places. The Project will preserve and restore this magnificent landmark, converting from its current commercial use to residential. Right outside future residents' front door is a 13-block non-vehicular, public space filled with retail, amenities, public art and play structures. Beyond 16th Street, UBL's downtown location affords unparalleled access to jobs and public transportation to enhance residents' economic opportunity and quality of life. UBL is a once in a generation opportunity to provide a substantial number of affordable rental units, in the most transit-rich and jobs-rich environment in the state, while preserving an important piece of Denver's cultural fabric and contributing to the revitalization of the region's economic center.

The Project team has worked extensively since our prior application to improve the Project:

- The Project has been awarded funds from the Downtown Denver Development Authority ("DDDA"). This is a critical funding source, and UBL is one of the first projects to be awarded. Considering the significant investment of DDDA, no funding sources outside of tax credits are assumed, which will streamline closing.
- The purchase price has been reduced by $5,000,000, to $8,000,000. In consideration of this reduction, the building seller will be given a 20% non-controlling ownership stake in the Project manager entity. The building seller will be a silent partner, with no decision-making authority, and will not receive any of the Project's development fees.
- The Project team has expanded to include Heritage Consulting Group, a nationally recognized leader in historic tax credit consultation. Heritage will provide strategic guidance to ensure the project's design aligns with the Standards of the historic tax credit program. In addition, they will manage the historic tax credit application process, coordinating closely with the State Historic Preservation Office and National Park Service to secure the necessary project approvals.
- Warren Village is not part of the Project application this year, due to capacity constraints. The design for UBL continues to include enhanced community-serving facilities, including space for a food pantry, and the team is actively working to find another suitable partner to serve future residents' needs.
- The Project is planning to add Transit Oriented Communities (TOC) tax credits to its capital stack. UBL's location and employment opportunities make it an ideal candidate for TOC credits.

Located in a Small Area Difficult Development Area ("SADDA"), the Project will include a total of 120 units, intended to serve family and workforce residents, with a unit mix as follows: 57 studio units, 52 one-bedroom and 11 two-bedroom units, serving workforce and family residents from 30% to 80% AMI, with an average AMI of 59.3%. Placing an emphasis on maximizing density while still respecting the historic nature of the building, the design is comprised of smaller, more efficient units. This is appropriate not just from a preservation perspective, but also from a market fit perspective. 97% of households in the PMA consist of three people or less, and the Project's Market Study indicates that the proposed unit mix will match market demand. Residences at UBL will be well-appointed, including in-unit washer and dryer in all units (if feasible), granite countertops, Luxury Vinyl Plank flooring, Energy Star appliances, built-in microwaves, LED lighting, dishwashers, garbage disposals and window coverings. The Project will include a Community Room, Fitness Center, On-Site Property Management, Bike Storage and Public Restrooms. Building management will be located on-site and will include a package handling system for the security and privacy of residents.

Denver, CO

Unit Mix and AMI Levels				
Unit Type	Studio	1-BR	2-BR	Total
30% AMI	6	5	1	12
40% AMI	6	5	1	12
50% AMI	8	7	2	17
60% AMI	13	12	2	27
70% AMI	16	16	3	35
80% AMI	8	7	2	17
Total Units	57	52	11	120

The Project proposes no significant additions or alterations to the twelve-story concrete structure, creating a straightforward planning and permitting review process. Indeed, the Project has already been released from Concept Phase by the City of Denver and allowed to proceed directly to Building Permit, bypassing the Site Development Plan process. The Project is within a D-TD, UO-1 zoning district, where multifamily residential is an allowed use and is consistent with current zoning regulations.

The real estate ownership of the Project has not been changed and is structured to facilitate a smooth LIHTC financing. The building seller will retain ownership of all ground-floor retail space in the building. The Project premises will consist of the building entry and lobby as well as floors two through 12. There will be limited to no interaction between the two uses. The building will be governed by a straightforward condominium regime, whereby both the retail and residential ownerships can manage any shared costs or issues. The condominium documents have been drafted and agreed to by both parties, and the residential use has a controlling, voting interest to protect from future changes.

While renovation of the UBL will not entail significant changes to the building's exterior and appearance, it will involve a comprehensive reconsideration of building systems as electrification-ready, including thoughtful plans for a more sustainable future. For example, while today the Project proposes conversion of the existing steam heating to a four-pipe fan coil system, to facilitate future electrification a centralized boiler will be installed rather than a more distributed approach. Junction boxes, conduit and bus bars in the electrical panel will be sized to accommodate replacement with an equivalent heat pump electric appliance. The mechanical room will provide sufficient air volume for a heat pump hot water boiler plant to operate as well. Further, UBL will be certified under the Enterprise Green Communities ("EGC") standard.

UBL's location is highly desirable with close and easy walking access to retail, grocery, restaurants, and cultural centers. The Project has a Walk score of 98 and a Transit Score of 87, for an average score of 93. It is a "Walker's Paradise"/ "Excellent Transit." The Project is in the heart of downtown Denver, the region's economic engine, as well as employment centers like

the Convention Center (0.3 mi) and Auraria campus (0.5 mi). Indeed, UBL's transit access is one of its greatest strengths. Merely 0.1 miles away, residents will have access to the D, H and L lines, connecting to Englewood, Littleton, Southwest Aurora, and Lower Downtown, as well as 8 bus stops serving 11 unique bus routes. Broadening to a 0.5-mile radius, there are 110 bus stops connecting to almost every commercial hub in the Denver and Boulder MSA's. Some highlights include:

- Free Mallride and Free Metroride – connecting to Union Station and Civic Center Station, allowing for virtually limitless access to the entire region, including Denver International Airport, Amtrak, Bustang and Pegasus intercity bus services
- FF (Flatiron Flyer) line – express and high frequency bus service between downtown Denver and Boulder
- 52 line – accessing Denver Health Medical Center to the south
- RX line – originating downtown and connecting to Commerce City and Brighton

The Project will be financed with 4% LIHTC, Colorado State Affordable Housing Tax Credits ("AHTC"), Federal and State Historic Tax Credits, and local funding from the DDDA. In addition, the adaptive reuse nature of the Project positions it to aggressively pursue various energy funding options, such as Xcel Energy EDA, Denver Electrification Rebates, HOME Energy Rebates, Colorado Clean Energy Fund Financing, and Colorado Commercial Property Assessed Clean Energy Program.

1. Describe the bond financing structure: The bonds for this project will be issued by CHFA and will be privately placed with the construction and permanent lender, KeyBank. There will be an estimated $36,500,000 in tax-exempt bonds issued for the project. Of those, $23,000,000 will be retired at construction completion for a permanent bond amount of $13,50,000. All bonds will be tax-exempt (no taxable tail) though there will be a portion of the construction loan ($12,000,000) that is anticipated to be taxable.

2. Alignment with QAP Section 2 Priorities: The Project does not serve Persons experiencing Homelessness, Special Populations, or a non-metro county.

3. Alignment with QAP Section 2 Criteria for Approval:

Market Conditions: The overall Capture Rate for the PMA is only 14.1%, which is lower than many other areas of Denver, and is evidenced by over 16,000 units of residual demand. While the capture rates for 40%-60% AMI levels are high, after the addition of UBL and three directly competitive, approved LIHTC Properties in the PMA, the remaining demand for units in all AMI bands exceeds 1,000 units each. The Market Study does not assume any in-migration.

Proximity to existing tax credit developments: The Project's PMA includes 39 comparable LIHTC projects with a total of 2,705 income-restricted units. While this a high density of LIHTC units compared to other regions, it is appropriate given the higher density of residents and downtown's status as one of the areas of greatest employment density within the City and County of Denver.

Project Readiness: The Project team has spent the last 12 months laying the groundwork for a smooth and streamlined project execution. There are no major hurdles, and the project is ready to proceed.
- Zoning: The Project is zoning compliant. The Project has been released from Concept SDP and instructed to move directly to Building Permit, avoiding the long and cumbersome SDP process within Denver's Community Planning and Development (CPD) office (see concept review letter).
- Due Diligence: We have undertaken as much testing as is possible with an occupied building and have tremendous documentation as to the status of building systems and any potential for hazardous materials. We are confident in our cost estimates and proposed timelines.
- DDDA Funding: We have a preliminary award for DDDA funds up to $15,000,000 (see attached LOI).
- Historic Tax Credits: We have engaged Heritage Consulting as our historic tax credit consultant for the Project. Heritage Consulting will be involved in the entirety of the design process, ensuring compliance with the Secretary of the Interior's Standards. We plan to submit Part 1 of our application (Evaluation of Significance) immediately after design

commencement. This approval will be ministerial given the building status as individually listed on the National Register of Historic Places. We will submit Part 2 of our application (Description of Rehabilitation) immediately after the conclusion of Schematic Design, as soon as we have enough information to submit a complete application. Based on our current schedule, this allows nearly 12 months for this review and approval, which is more than sufficient. Part 3 of our application (Request for Certification of Completed Work) will be submitted after the project is complete and therefore is not an impediment to the project proceeding.

- Construction Schedule: As this will be an adaptive reuse of an existing building, our construction schedule is significantly truncated; 18-months as compared to a more typical 24-month schedule for a similar-sized project.

Overall financial feasibility and viability: The Project is financially viable due to the SADDA basis boost, historic tax credits as well as significant local DDDA funding as outlined in our Sources and Uses tables in the pro-forma. Key Bank and Key Banc Capital Markets have each provided Letters of Interest to provide Construction Financing and Permanent Financing through either Fannie Mae, Freddie Mac or other known Private Placement sources, and Key Bank CDC is proposing to purchase the State and Federal Tax Credits. Key Bank officials have toured the building and are enthusiastic about the adaptive reuse opportunity UBL represents in such an important location.

Experience and track record of the development and management team: Mile High Development presents this Project as Project Applicant and Developer. BMC Investments, one of Denver's most successful developers of urban office and residential projects, is involved as a Consultant. This is not the first partnership of the firms; indeed, in August 2024, after three years of collaboration, the Fitzsimons Gateway Apartments project near Anschutz University of Colorado Campus closed its financing and began construction. In that project, Mile High Development played an advisory role while BMC was the Project Applicant and Developer.

Mile High Development recently completed two 4% LIHTC projects, in Central Park and Arvada, which will be the 9th & 10th affordable housing projects the firm has developed either as Applicant, Developer, or Co-Developer in the Metro Denver market over the past 15 years. This represents the addition of nearly 1,000 units to the region's supply of affordable housing.

BMC Investments has owned, operated, and developed an impressive array of residential multifamily, office, hotel, and mixed-used projects since its inception in 2011. Across Denver Metro, BMC owns and operates over 4,000 workforce housing units, with a combined value of $900 million. BMC has completed nine development projects totaling $700 million in project costs, including three multifamily projects comprising 708 units.

Property Management duties will be handled by ComCap Property Management, one of Colorado's premier property management firms. This would be the seventh affordable project for which Mile High Development has chosen ComCap as the Property Management firm, and as such both firms have a deeply familiar working relationship.

Project Costs: MHD has engaged Vertex Engineering and Langan in early building assessment and evaluation activities. MHD has also engaged Alliance Construction in early cost-estimating, leveraging extensive adaptive reuse expertise. Further, the Project maintains sufficient contingencies (contractor at 4%, and developer at 10%), larger than typically found in ground-up construction, to address the inevitable unknowns typical with this type of construction project.

Site Suitability: UBL has an ideal downtown Denver location with access to the best Denver has to offer. Transit access and connectivity to job centers is unparalleled.

4. Describe any requests to waive underwriting criteria: UBL is requesting a basis limit waiver. The request is necessary for financial feasibility and is justified due to the high costs associated with this type of construction. In addition to the challenges of adaptive reuse, the Project proposes a conversion in use from office to residential, as well as the requirement of strict adherence to the Secretary of the Interior's Standards for Construction as required by the historic tax credit program. The dense, urban fabric of downtown leaves little room for staging and similar ancillary construction activities, further adding cost and complexity.

5. Address any issues raised by the market analyst in the market study: The Market Study indicates that the margin between maximum LIHTC rents and market rents is slim. To address this, the project has underwritten 70% and 80% AMI units below the maximum allowable rent levels set by HUD.

6. Address any issues raised in the environmental report(s): No RECs were found in the Phase I environmental report.

7. Identify if there are any unusual features that are driving costs upward, and opportunities to realize cost containment: The Project has contained costs by limiting the scope of work to the existing building envelope with a modest addition and reusing existing building materials to the greatest extent possible. The scope of work excludes the ground floor

retail spaces, which will be under separate ownership. The building's historic nature and the requirements of the historic tax credit program dictate extra care and additional costs when compared to a typical renovation or ground-up development and cannot be ignored when analyzing Project costs. In consideration of this, we have maintained a higher than typical hard cost contingency of 10% - we believe there will likely be opportunities for cost reduction but want to be prudent in our planning.

8. Describe the outreach to the community that you have done and describe local opposition and/or support for the project (including financial support): Initial outreach for the Project has been met with enthusiastic support, as is demonstrated by the attached letters. In particular, the downtown Registered Neighborhood Organization (RNO), the Downtown Denver Partnership/Downtown Denver Business Improvement District, has submitted an enthusiastic letter of support as well as offered to help our team to take advantage of downtown Denver's many attributes should we be fortunate enough to receive a tax credit allocation. In addition, the Project has received a letter of support from Denver Mayor Michael Johnston considering the great alignment with the City and Region's economic development goals.

9. Describe how the proposed development contributes to promoting equity as well as economic mobility for residents: The Project contributes to promoting equity and economic mobility by providing thoughtfully designed units in a magnificent historic building to residents at 80% of AMI and below in a job-rich downtown corridor with ample retail and services. Residences in this area provide access to jobs and services, the absence of which can so often be an impediment to economic mobility. In particular, the Project's location in Downtown Denver provides exceptional access to government employment, which per the Project's market study is the third largest job sector in the Denver metro with significant positive growth over the last 12 months.

10. For acquisition/rehab or rehab projects, provide a detailed narrative that describes the proposed rehab plans/scope of work, and 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, natural disaster): The proposed renovation of the University Building contemplates a complete interior renovation, addressing all building mechanical, electrical and plumbing and life safety systems. Windows will be either repaired or replaced as appropriate, and elevator systems will be rehabilitated. This effort is being led by Mr. Greg Iturreria, Managing Director of Development for BMC, and a recognized expert in adaptive reuse of historic buildings. Mr. Iturreria will be supported by Heritage Consulting, an expert in historic tax credit projects across the country. The MHD/BMC team had the added benefit of being able to review an extraordinary amount of due diligence materials that had been completed for the current building ownership.

Paul Smith at Bryan Cave Leighton Paisner LLP provided the 10-year rule opinion.

Capital expenditures by current building ownership have been limited, due to the likelihood of a near-term sale.

The current ownership structure for the Project is shown in Section 18 Site Control. No related party will own more than 49% of the new LIHTC entity.

There are no past local, state, or federal resources invested in the Project, to our knowledge.

There are no obvious design flaws, obsolescence issues, safety issues or significant events that merit an urgent need for rehabilitation. Rather, the long-term impacts of the COVID-19 pandemic as well as the changing needs of small commercial operators suggest that a conversion from commercial to residential use would be the most suitable means of ensuring the long-term viability of the building.

4% housing tax credit application narrative

Project Name: Village on Eastbrook
Project Address: 3221 Eastbrook Drive, Fort Collins, CO, 80525

The Village on Eastbrook ('the Project') will create an intergenerational affordable housing community in Fort Collins, CO where individuals, families, seniors, and people with disabilities can live with excellent access to opportunities and tailored resident services. The 73-unit Project consists of a 3-story, all-electric building with 333kW of solar and a mix of 44 one-bedroom and 29 two-bedroom apartments. The Project utilizes income averaging with 7 units at 30% AMI, 5 units at 40% AMI, 21 units at 50% AMI, 18 units at 60% AMI, 10 units at 70% AMI, and 12 units at 80% AMI, with an overall average income of 57.5%.

The site's prime location in Southeast Fort Collins achieves high scores for economic, educational, and mobility opportunities in the City's Equity and Opportunity Assessment. While not located in a QCT, the Project is 1 block west of highly rated Fort Collins High School and less than 1 mile from major employment centers. The site is adjacent to the multi-use Power Trail which connects to the City's Platinum Level bike network. Residents will benefit from convenient access to grocery stores, recreation, schools, medical services, and childcare within walking distance. The site is served by two bus routes (11 and 12) within ½ mile. While these bus routes are currently suspended, residents will still be served by free on-demand taxi service during all bus service hours. We expect this suspension to be time-limited pending City budget requests to reinstate the routes.

At 25 dwelling units per acre, the Project is designed for the highest achievable number of housing units while balancing building efficiency and livability. The building's density is achieved with an L-shaped configuration and double-loaded corridors. The inclusion of dual elevators is particularly well-suited for the target demographic of seniors, families, and people with disabilities.

The Project is specifically designed to meet the needs of the community with a Lifelong Homes certification and careful attention to resident demographics. Based on known demographics in Fort Collins as well as within our existing 1 and 2-bedroom portfolio, we anticipate serving a large percentage of people over 62 years old and many residents with disabilities. To best support these households, one hundred percent of the apartments will be certified under the Institute for the Built Environment's (IBE) Lifelong Homes Pilot Certification, which utilizes evidence-based best practices to create healthy, active, sustainable, and accessible living environments for residents of all ages and abilities. More details about Lifelong Homes are available in the Lifelong Homes Certification Summary, Criteria, and Checklist.

The all-electric Project also meets Enterprise Green Communities criteria and ENERGY STAR Multifamily New Construction certifications. Its 333 kW rooftop and carport solar array will offset 70% of the building's energy consumption and will contribute to Colorado meeting its renewable energy and reduction of greenhouse gas emissions goals. The building includes high efficiency building systems and appliances, and a building envelope that exceeds code requirements. The Project exceeds EV requirements with 8 EV ready parking spaces. The type VB construction will utilize wood-framing (exploring panelized framing) with a conventional cast in place reinforced concrete spread footing; a stem wall foundation system; a concrete slab on grade floor system (main floor); a pre-engineered wood floor truss system (2nd and 3rd floors); a pre-engineered truss system with a low-slope TPO membrane roof; light wood framing construction; and brick veneer, 3-coat stucco system, and fiber cement lap and panel siding exterior materials.

The Village on Eastbrook design is based on our deep expertise in fostering a strong sense of safety and community through building and amenity design. Units offer air conditioning, ceiling fans, window coverings, walk-in closets, washer/dryers, free community-wide Wi-Fi, and Energy Star appliances. Unit sizes are slightly larger than those in more downtown locations, which can better support the target population. Amenities are intentionally designed to support Housing Catalyst's robust resident programming. Amenity space on the first floor provides direct access to an outdoor courtyard with a pet area, children's play area, and BBQ/picnic area. The first-floor lounge includes 2 staff offices, card tables for informal gatherings, resident workstations, a kitchen, and a lounge. A fitness room and interior bike storage are also included to maximize wellness opportunities. The Project includes 124 parking spaces, with 71 carport-covered spaces to provide comfortable parking with additional roof area for solar. All 73 units are either Type-A accessible or Type-B adaptable.

In addition to offering deep affordability and thoughtful community design, residents will also benefit from access to a full-time, on-site property manager and a comprehensive suite of resident services. The Project budget includes dedicated resources for resident services that will support Housing Catalyst's team of Resident Services Coordinators who design Project-specific services in collaboration with residents and community partners. Potential programming for the Project includes transportation assistance, accessibility and disability support, and programs to support housing stability and economic mobility. See the Supportive Services Narrative for additional information.

This shovel-ready project was awarded Proposition 123 Land Bank Funding in 2024. Housing Catalyst acquired the property in 2024 and completed construction drawings and achieved full entitlements in 2025. We are now ready to submit for building permits for the Project. The Project is financially feasible due to a combination of local, state, and internal financial commitments, as well as utilization of sophisticated financing tools. The Project has been awarded a large City of Fort Collins Competitive Process (CDBG/HOME) funding award, and both Larimer County and the City of Fort Collins have contributed PAB capacity. In addition to low-income housing tax credit equity, the Project will also utilize Section 48 investment tax credits. Due to extensive due diligence and design coordination and progression, there is minimal risk of the project exceeding budget. We will be able to utilize the time-limited Federal tax credits for solar investments if awarded this year. A combination of deferred developer fee, reinvestment income, fee credits, and owner equity fill out the capital stack.

The Project was presented to CHFA for a 4% Federal and State tax credit award in August 2024. Because the project remains shovel-ready, only minor changes have been made to improve the project:

a. Addition of a second elevator to promote more reliability and better accessibility.
b. Change to a single electric meter for the Project to maximize cost offset from solar and streamline building efficiency tracking. Utilities will now be paid by Housing Catalyst.
c. Tile flooring and floor drains added to all Type-A Fully Accessible units – an accessibility enhancement.
d. Removal of all Project Based Vouchers (due to federal funding uncertainty), while maintaining the same unit mix and affordability.

The vision of the Village on Eastbrook is to create an intergenerational community that helps combat loneliness and isolation, leading to improved mental and physical health outcomes.

1. Describe the bond financing structure: As bond issuer with an S&P AA- rating and a strong balance sheet, Housing Catalyst will conduct a public offering with a general revenue pledge to provide more favorable interest rates for the debt financing.
   The total amount of tax-exempt bonds is $17,320,000
   - $7,620,000 will be long term construction to permanent loan tax exempt bonds
   - $9,700,000 will be short term construction period tax exempt bonds
   - $7,000,000 will be short term taxable bonds.

   Housing Catalyst will be the bond issuer, and limit to ~55% of the aggregate basis. Housing Catalyst is providing all of the PAB with volume cap from the City of Fort Collins and Larimer County.

2. Priorities in Section 2 of the QAP applicable to the project: As a mission-driven PHA, Housing Catalyst has decades of experience serving low-income residents and special populations including people exiting homelessness, older adults, and people with disabilities. Although the Project is not exclusively dedicated to a special population, the entire development has been intentionally designed to meet the needs of older adults, families with children, and people with disabilities.

3. Describe how the project meets the QAP criteria for approval: The Project exceeds the QAP criteria for approval. There is substantial market demand, Housing Catalyst has a strong track record, and the Project is shovel-ready and financially viable.

   - Market Conditions: There is substantial pent-up demand for housing in the primary market area (PMA). As of June 2025, Prior and Associates found that the overall surveyed vacancy rate in the PMA was 3.1%; 0.9% at Class B LIHTC properties, 3.8% at Class C LIHTC projects, and 0.0% at senior LIHTC projects. Any comparable in the market that provide covered parking charge additional fees to residents. The Project includes covered parking in the rent for applicable units.

   - Proximity to Existing Tax Credit Developments: The closest tax credit project is Fox Meadows Apartments, which is about 0.7 miles away. Cadence senior apartments is about 1 mile away.

   - Project Readiness: The Project is shovel-ready. With the support of Proposition 123 land banking funds awarded in 2024, Housing Catalyst has realized significant efficiencies by acquiring a fully entitled site with complete architectural plans and existing site work completed. The Project is fully designed and engineered, with pricing based on 95% CDs. The Final Development Plan and Development Agreement have already been approved by the City of Fort Collins and building permits will be submitted in December and received in January 2026. The Project is projected to start construction in June 2026, with an anticipated construction timeline of 12 months. This Project creates a unique opportunity to expedite affordable housing development in Fort Collins.

- Overall Financial Feasibility and Viability: The project is financially feasible as currently structured. In addition to up to $3.45 million of owner equity, Housing Catalyst is contributing over $1 million of deferred developer fee, and a $2.2 million carryback note for the land. With a S&P AA- rating and a strong balance sheet, Housing Catalyst has both the experience and the financial capability to pledge our own general revenue for a public bond offering to leverage below market interest rates. We are assuming conservative interest rates and tax credit pricing to ensure viability. Our consultant, RCH Jones, along with investors and lenders, have run the project through their underwriting. Numerous funding sources have already been committed.

- Experience and Track Record of the Development and Management Team: Housing Catalyst is the largest affordable housing developer and property management company in Fort Collins. Established in 1971, Housing Catalyst serves as the Public Housing Authority (PHA) for Fort Collins, Larimer County, and Wellington. We are led by a skilled executive team with extensive experience in real estate acquisition, development, management, and financial administration. Housing Catalyst provides housing and services to more than 2,100 families (over 4,000 individuals) in Northern Colorado. Our affordable housing real estate development experience spans more than 15 years and includes both new construction and rehabilitation. Our development portfolio includes 1,047 affordable units in 11 developments financed with both 4% and 9% federal and state Low Income Housing Tax Credits, private activity bonds, CDBG, HOME, Division of Housing, and other local, state and federal funding sources.

- Project Costs: Alliance Construction Solutions provided the cost estimate based on 95% CDs. The current project hard cost estimate is $20,426,145 (including solar). The operating budget is based on current budgets from comparable properties in the Housing Catalyst portfolio.

- Site Suitability: The Project site is relatively flat with a natural drainage area located north and west of the site. Commercial offices are located to the northeast and south, with residences located farther to the north. The site is located with favorable proximity to amenities including public parks, recreational paved trails, community gardens, jobs, churches, schools, transportation, groceries, childcare, and medical facilities. The site is zoned correctly for the proposed scope and use, as evidenced by the full entitlements already in place. The curb, gutter, sidewalk, and driveway are already installed.

4. Requests to waive underwriting criteria: Please see included Cost Basis Override and AHTC Boost Request letter.

5. Issues raised by the market analyst: There were no recommended changes for the Project. The market analyst noted the site's proximity to an active railway. A surveyed market rate property that is similarly

situated was 94-98% occupied over the last year, indicating that impacts to Eastbrook will be limited. The design team is proactively addressing potential noise issues with noise attenuation systems and materials.

6. Issues raised in the environmental report(s): No issues were raised.

7. Unusual features driving costs upward and opportunities to realize cost containment: Significant changes at the Federal level have increased costs for the project and reduced or eliminated some sources. The construction budget has been increased to account for inflation and current market conditions. The project team has also added a 1% Build America, Buy America (BABA) contingency and a 1.5% tariff contingency to mitigate cost increases for procurement of construction materials. In addition, Housing Catalyst has hired a BABA consultant to help manage compliance with the program. For cost containment, Housing Catalyst brought Alliance Construction on board very early in the process. We intend for the extensive up-front due diligence, design work, pricing and conservative underwriting to result in stable development costs. Horizontal infrastructure is either installed or adjacent to the site, so the Project requires minimal site work. This means a shorter construction timeline of 12 months, reducing the total cost.

8. Outreach to the community: Community response to the Village on Eastbrook has been overwhelmingly positive. The project has attracted local financial support through the City's competitive funding process and allocation of Private Activity Bond cap from both the City and Larimer County. Community partners view the project's Lifelong Homes and Communities focus as a positive and needed addition to the community's housing options. Support letters have been included from several community partners to further demonstrate local support. A virtual neighborhood meeting was held on 8/22/2022 as part of the development review process. The Fort Collins Planning and Zoning Commission unanimously approved the project on December 14, 2022. Since acquiring the property, Housing Catalyst has met with the neighboring business owners.

9. Promotion of equity and economic mobility: Housing Catalyst is committed to advancing equity in all areas of our work, acknowledging the historical disparities that have shaped our current housing landscape. We prioritize developing homes for individuals and families with very low incomes who are more likely to be housing cost burdened. Project sites are carefully evaluated for access to transportation, schools, employment opportunities, and services to ensure the development will provide homes where residents can thrive. Eastbrook's location in southeast Fort Collins has been identified as a high-opportunity area in the community, achieving high scores for economic mobility, educational opportunities, and access/mobility opportunities in the City's 2021 Equity and Opportunity Assessment. A site of such high opportunity in a desirable part of Fort Collins would typically be too expensive for Housing Catalyst to acquire for an affordable development. However, the Proposition 123 Land Banking award received in 2024 made the acquisition of the Project site and its entitlements substantially more feasible. Housing Catalyst also prioritizes digital equity and works to expand access to broadband and WiFi at our properties. Eastbrook will provide free community-wide WiFi and Housing Catalyst will pay all utility bills. Eastbrook will further promote equity and economic mobility through access to Housing Catalyst's robust resident services offerings focused on stability, health and wellness, education, and community engagement.