

colorado state lihtc



2015 allocation report



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people live and work*



financing the places where
people live and work

December 31, 2015

Dear Members of the Colorado General Assembly:

The enclosed summary highlights the Colorado State LIHTC program's impact in 2015. This summary is intended to fulfill the program reporting requirements as detailed in C.R.S. 39-22-2108.

CHFA has been pleased to serve as the program administrator, and is proud to share that in only one year of allocation, 1,902 affordable multifamily units have been supported by the program. More than half of these units will be constructed in the disaster-impacted areas of Boulder, Weld, and Larimer counties, which continue to rebuild from the 2013 floods.

In total, \$5 million of capped state LIHTC and \$9.295 million of disaster recovery state LIHTC was allocated in 2015 as authorized in the enabling legislation, HR 14-1017. The estimated private sector investment generated from the sale of the state tax credits when paired with the federal 4 percent LIHTC is \$168.2 million. Additionally, over \$593.8 in economic impact is estimated to occur as a result of the construction of the 1,902 units supported. Thus, the state's investment in the Colorado LIHTC program will generate a return of nearly \$9 for every \$1 of public investment.

At a time when the state's for sale and rental housing markets are facing significant price escalation, the state LIHTC is providing critical leverage enabling the state to exercise the maximum amount of benefit from federal 4 percent LIHTC program, which was previously under-utilized. The result is more than doubling of the number of affordable housing units supported in 2015 over the prior five-year period.

We are pleased to report the following program results from the 2015 allocation year.

Sincerely,

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Executive Director and CEO

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2015 program results

1,902 housing units directly supported

- To date, the state LIHTC program has directly supported the development of 1,902 affordable rental units, and will enable CHFA to support over 3,500 units in 2015.
- Developments awarded state LIHTC will serve households earning 60 percent Area Median Income (AMI) or below.
- Historically, the median household income of residents living in LIHTC-supported units is \$19,500, or approximately 30 percent AMI.
- For example, 30 percent AMI equals \$19,200 for a two-person household in Denver County, or \$20,090 for a three-person household in Weld County.

\$168.2 million in new private sector investment to support colorado housing

- The sale of the state and federal tax credits allocated to the 1,902 units directly supported is estimated to generate over \$168.2 million in private sector equity investment in Colorado that otherwise would not have occurred.

\$8.7 million in previously untapped federal 4 percent lihtc leveraged generating \$78 million in private sector investment

- All states have access to two types of federal LIHTC to support affordable housing:
 - Federal 4 percent LIHTC, which is designed to subsidize approximately 30 percent of an affordable development's costs; and
 - Federal 9 percent LIHTC, which is designed to subsidize approximately 70 percent of an affordable development's costs.
- CHFA leveraged the state LIHTC with the federal 4 percent credit, which historically has been under-utilized in Colorado due to a lack of other gap resources required to make these types of deals financially feasible.
- The pairing of the state LIHTC with the 4 percent federal LIHTC enabled Colorado to leverage \$8.7 million more in federal credits than has been used annually on average over the prior five-year period. These will generate over \$78 million in private sector investment in Colorado that otherwise wouldn't have occurred.

\$593.8 million in economic impact and 3,360.9 jobs supported

- The development of the 1,902 units directly supported with state LIHTC is estimated to generate over \$593.8 million in economic impact in Colorado and support 3,360.9 jobs.
- The total estimated economic impact of all 2,803 affordable housing units supported by CHFA as of August 2015 is over \$887.2 million.

state low income housing tax credit

about state low income housing tax credit

- Colorado's State Low Income Housing Tax Credit (state LIHTC) program helps raise private sector equity needed to develop affordable rental housing.
- The program is modeled after the nationally recognized federal Low Income Housing Tax Credit (federal LIHTC) program created in 1986 under President Reagan's administration, which has helped create or preserve over two million affordable rental units in the U.S.
- Colorado's program was originally established in 2001 and later renewed in 2014.
- The renewal authorized CHFA to allocate \$5 million in state LIHTC in 2015 and 2016.
- It also authorized CHFA to award state LIHTC above the \$5 million annual cap to affordable multifamily developments in counties impacted by natural disasters.

state lihtc supports key affordable housing needs

flood recovery

- 1,135 of the state LIHTC supported units will be located in the 2013 flood-impacted Boulder, Weld, and Larimer counties. All will prioritize housing for residents who were victims of the 2013 floods.
- Disaster Recovery applicants underwent a joint review process with CHFA and DOLA-DOH to ensure alignment with the state's disaster recovery efforts and deployment of CDBG-DR resources.

supportive homeless housing

- One of the developments directly supported with state LIHTC, and five of the 30 total developments supported by CHFA as of August 2015 will provide supportive housing for homeless families and individuals.
- These developments will provide housing and wrap-around services for residents, including case management, employee training, and mental health treatment.
- This is the largest number of supportive homeless housing developments able to be supported by CHFA in a single year.
- The Governor's Office estimates that 5,800 additional supportive homeless housing units are required to meet the needs of Colorado's homeless families and individuals.

2015 federal lihtc supported developments

The following list details all projects supported with federal LIHTC in 2015.

project name	city	county	total units
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9 percent lihtc

The Highlands	Grand Junction	Mesa	64
Reserves at Steamboat Springs	Steamboat	Routt	48
Mariposa Phase VII	Denver	Denver	21
Valley View Apartments	Woodland Park	El Paso	24
Oakshire Commons	Pueblo	Pueblo	30
St. Francis at Cathedral Square	Denver	Denver	50
Burlington Manor	Burlington	Kit Carson	54
40 West Residences	Lakewood	Jefferson	60
Sanderson Apartments	Denver	Denver	60
Brighton Village II	Brighton	Adams	63
Renaissance Downtown Lofts	Denver	Denver	65
Foundry Apartments	Englewood	Arapahoe	70
Westminster Station	Westminster	Adams	70
Hidden Lake Apartments	Westminster	Adams	72

4 percent lihtc

Project Renovate	Boulder	Boulder	297
Kimbark	Longmont	Boulder	48
Mariposa Phase VII	Denver	Denver	45
Oakshire Commons	Pueblo	Pueblo	69
Renaissance Downtown Lofts	Denver	Denver	36
Westgate	Denver	Denver	50
Copper Steppe	Parker	Douglas	264
The Nest	Boulder	Boulder	36
Osage 100 & Thunderbird	Boulder	Boulder	203
Sable Ridge	Denver	Denver	60

2015 state lihtc supported developments

The following list details all projects supported with state LIHTC in 2015.

project name	city	county	total units
state lihtc and 4 percent lihtc			
Apartments at Meadowview	Greeley	Weld	100
Ash Street Apartments	Denver	Denver	112
Broadway Lofts	Englewood	Arapahoe	111
Montbello VOA Elderly Housing II	Denver	Denver	86
13th Avenue Apartments II	Aurora	Adams	177
Northfield @ Stapleton Apartments	Denver	Denver	84
Morrison Road Apartments	Denver	Denver	197
Centennial Park Apartments	Longmont	Boulder	140
Copper Peak Apartments	Longmont	Boulder	240
Crisman Apartments	Longmont	Boulder	114
The Edge	Loveland	Larimer	70
Guadalupe Apartments	Greeley	Weld	47
Kestrel	Louisville	Boulder	190
Oakridge Senior Apartments	Fort Collins	Larimer	126
Village on Redwood Street	Fort Collins	Larimer	72
Windsor Meadows Phase II	Windsor	Larimer	36

state lihtc projects supported summaries

The following summaries detail more information about the 16 developments directly supported with state LIHTC and the communities and populations to be served by each.

13th avenue apartments II, aurora

developer | Solvera Developers

13th Avenue Apartments II will be a 177-unit project serving individuals and families. It will be located on the southern boundary of the Anschutz Medical Campus and the Fitzsimons Life Science District in Aurora. The project is the second of a two-phase community in an area that will employ more than 44,000 people once the campus is built out.

- 177 units: 70 one-bedroom; 95 two-bedroom; 12 three-bedroom
- 10 @ 50% AMI; 167 @ 60% AMI
- Federal 4% Credit allocated: \$1,335,976
- State Credit allocated: \$790,877

ash street apartments, denver

developer | Mile High Development and Koelbel and Company

Ash Street Apartments will be a 112-unit project serving workforce individuals and families. Located at the redevelopment site of the former CU Health and Sciences Center, Ash Street will be within walking distance to many grocery stores, restaurants, and medical facilities.

- 112 units: 86 one-bedroom; 14 two-bedroom; 12 three-bedroom
- 112 @ 60% AMI
- Federal 4% Credit allocated: \$708,414
- State Credit allocated: \$900,018

broadway lofts, englewood

developer | Medici Communities

Broadway Lofts will be a 111-unit project serving individuals and families. The project will be located on south Broadway in the heart of downtown Englewood on a major bus route and less than a mile from the Englewood light rail station.

- 111 units: 74 one-bedroom; 37 two-bedroom
- 111 @ 60% AMI
- Federal 4% Credit allocated: \$665,929
- State Credit allocated: \$1,034,051

montbello voa elderly housing II, denver

developer | Volunteers of America

Montbello VOA Elderly Housing II will be an 86-unit project serving seniors in northeast Denver. The sponsor will partner with Denver Urban Gardens and the Center for African American Health to promote a healthy lifestyle for the residents, offering community gardens, exercise, walking paths, and other health initiatives.

- 86 units: 70 one-bedroom; 16 two-bedroom
- 35 @ 30% AMI; 32 @ 50% AMI; 18 @ 60% AMI; 1 employee unit
- Federal 4% Credit allocated: \$632,964
- State Credit allocated: \$989,007

morrison road apartments, denver

developer | St. Charlestown Company

Morrison Road Apartments will be a 197-unit project serving individuals and families in the Westwood neighborhood of southwest Denver.

- 197 units: 79 one-bedroom; 107 two-bedroom; 11 three-bedroom
- 6 @ 40% AMI; 191 @ 60% AMI
- Federal 4% Credit allocated: \$1,212,453
- State Credit allocated: \$511,567

northfield @ stapleton apartments, denver

developer | Northeast Denver Housing Center

Northfield @ Stapleton Apartments will be an 84-unit project serving individuals and families in Stapleton's newest redevelopment area, Conservatory Green. The project will offer many services for families and school-age children and will be within walking distance of shopping, parks, schools, and restaurants.

- 84 units: 18 one-bedroom; 42 two-bedroom; 24 three-bedroom
- 9 @ 30% AMI; 31 @ 40% AMI; 13 @ 50% AMI; 31 @ 60% AMI
- Federal 4% Credit allocated: \$509,742
- State Credit allocated: \$774,480

state lihtc disaster recovery round recipients

kestrel, louisville (formerly alkonis flood recovery)

developer | Boulder County Housing Authority

Kestrel will be a 70-unit building serving seniors, with an additional 120 units in multiple buildings that will serve families. Priority will be given to households who were displaced by the 2013 floods. This will be the first LIHTC-supported project to be constructed in Louisville in more than 15 years.

- 190 units: 104 one-bedroom; 61 two-bedroom; 25 three-bedroom
- 5 @ 40% AMI; 20 @ 50% AMI; 165 @ 60% AMI
- Federal 4% Credit allocated: \$1,923,632
- State Credit allocated: \$2,163,388

apartments at meadowview, greeley

developer | Steele Properties

Apartments at Meadowview will be a 100-unit new construction development providing affordable rental units for households displaced by the 2013 floods. It will consist of five three-story walk up residential buildings and a 3,000 square foot leasing office and community building. The site includes 200 parking spaces for residents and guests.

- 100 units: 16 one-bedroom; 44 two-bedroom; 40 three-bedroom
- 100 @ 60% AMI
- Federal 4% Credit allocated: \$618,957
- State Credit allocated: \$967,121

state lihtc projects supported summaries

The following summaries detail more information about the 16 developments directly supported with state LIHTC and the communities and populations to be served by each.

centennial park apartments, longmont

sponsor | Summit Housing Group

This 140-unit project will serve families, with a priority for households displaced by the 2013 floods. The property will be located within walking distance of the Rough and Ready Trail, which will connect users to many other biking and walking paths throughout Longmont.

- 140 units: 14 one-bedroom; 66 two-bedroom; 46 three-bedroom; 14 four-bedroom
- 45 @ 40% AMI; 38 @ 50% AMI; 56 @ 60% AMI; 1 employee unit
- Federal 4% Credit allocated: \$876,289
- State Credit allocated: \$1,220,393

copper peak apartments, longmont

sponsor | Inland Group

This project will provide 240 units of housing for families, with a priority for households displaced by the 2013 floods. Copper Peak Apartments will be located across the street from a neighborhood grocery store, and within walking distance to local retail and restaurant providers.

- 240 units: 48 one-bedroom; 138 two-bedroom; 54 three-bedroom
- 28 @ 50% AMI; 210 @ 60% AMI; 2 employee units
- Federal 4% Credit allocated: \$1,092,227
- State Credit allocated: \$479,633

crisman apartments, longmont

sponsor | Solvera

Crisman Apartments will provide 114 units for families. The sponsors will work with various local nonprofit organizations to provide resident services, such as job skills and financial assistance. The sponsors will provide outreach to households displaced by the 2013 floods. Solvera is a for-profit developer.

- 114 units: 48 one-bedroom; 66 two-bedroom
- 46 @ 40% AMI; 25 @ 50% AMI; 43 @ 60% AMI
- Federal 4% Credit allocated: \$873,320
- Annual State Credit allocated: \$718,230

the edge, loveland

sponsor | City of Loveland Housing Authority

This 70-unit project will provide workforce housing for families, as well as ten units for formerly homeless veterans. The property is located adjacent to open space and Boyd Lake State Park.

- 70 units: 22 one-bedroom; 39 two-bedroom; 9 three-bedroom
- 15 @ 30% AMI; 10 @ 40% AMI; 27 @ 50% AMI; 18 @ 60% AMI
- Federal 4% Credit allocated: \$578,807
- State Credit allocated: \$889,234

guadalupe apartments, greeley

sponsor | Archdiocesan Housing

This project will provide supportive housing with services for formerly homeless individuals and families. It will be constructed on part of the campus where the sponsor's existing Guadalupe Shelter is located.

- 47 units: 18 studio; 19 one-bedroom; 10 two-bedroom
- 47 @ 30% AMI
- Federal 4% Credit allocated: \$500,584
- State Credit allocated: \$601,586

oakridge senior apartments, fort collins

sponsor | McDermott Properties

This 126-unit property will serve seniors 62 years of age and older. The sponsor will give preference to households who were directly or indirectly impacted by the 2013 floods or the 2012 High Park fire.

- 126 units: 92 one-bedroom; 34 two-bedroom
- 15 @ 30% AMI; 18 @ 40% AMI; 49 @ 50% AMI; 44 @ 60% AMI
- Federal 4% Credit allocated: \$586,586
- State Credit allocated: \$910,611

village on redwood street, fort collins

sponsor | Fort Collins Housing Authority

Village on Redwood Street will provide 72 units for individuals and families. The property will be located in northern Fort Collins in a single-family-oriented neighborhood with access to public transportation, recreation, schools, shopping, medical services, and bike trails.

- 72 units: 9 one-bedroom; 42 two-bedroom, 19 three-bedroom; 2 four-bedroom
- 13 @ 30% AMI; 10 @ 40% AMI; 19 @ 50% AMI; 29 @ 60% AMI; 1 employee unit
- Federal 4% Credit allocated: \$563,143
- State Credit allocated: \$879,912

windsor meadows phase II, windsor

sponsor | Windsor Housing Authority in partnership with the City of Loveland Housing Authority

This 36-unit property is the second of two phases serving families. Windsor Meadows Phase II will be located at the east end of the Windshire Park subdivision, which includes walking paths and recreational facilities. Preference and special outreach will be given to households displaced by the 2013 floods.

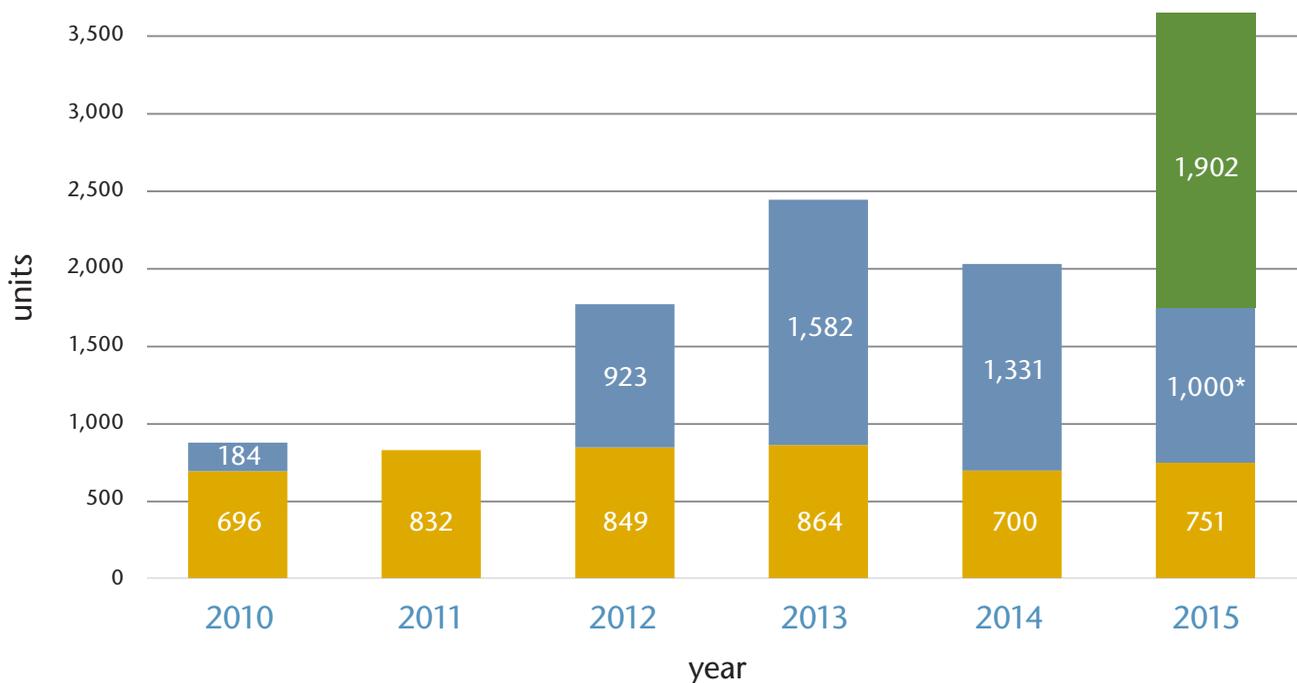
- 36 units: 6 one-bedroom; 26 two-bedroom, 4 three-bedroom
- 4 @ 30% AMI; 6 @ 40% AMI; 6 @ 50% AMI; 20 @ 60% AMI
- Federal 4% Credit allocated: \$299,529
- State Credit allocated: \$465,133

lihtc historic investment 2010 to 2015 units

The following table illustrates the number of units supported by state and/or federal LIHTC annually between 2010 and 2015.

lihtc units 2010 to 2015

year	9 percent lihtc	4 percent lihtc	state lihtc and 4 percent	total tax credit units
2010	696	184	0	880
2011	832	0	0	832
2012	849	923	0	1,772
2013	864	1,582	0	2,446
2014	700	1,331	0	2,031
2015	751	1,000*	1,902	3,653

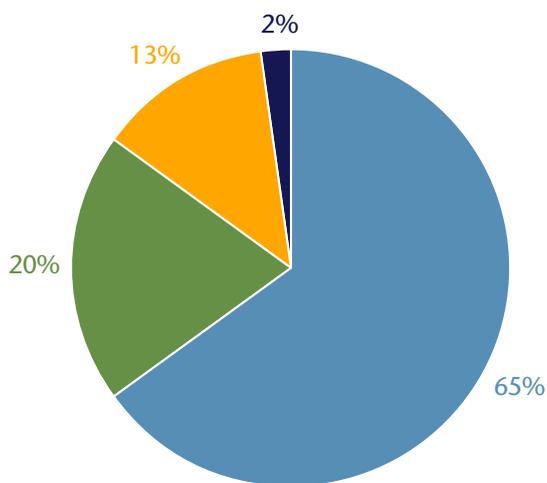


*CHFA estimates 1,000 4% LIHTC units will be supported by year-end 2015. As of August 31st, 543 units have been supported.

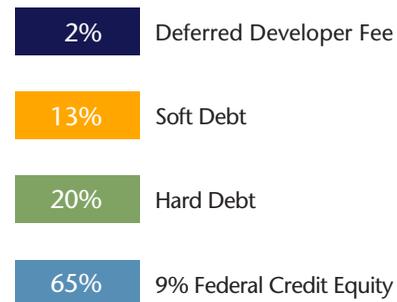
funding source examples for affordable housing

The state LIHTC has been used to leverage the federal 4 percent LIHTC, which has historically been underutilized in Colorado due to a lack of gap resources required to make these transactions financially feasible.

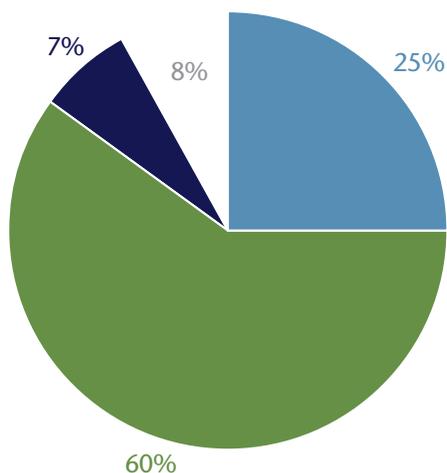
9% federal credit



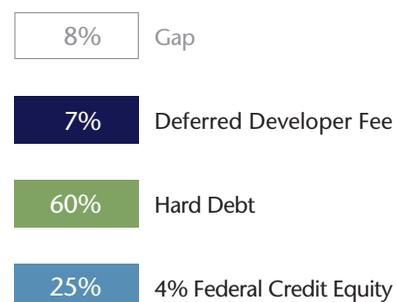
9% lihtc deals funding sources



4% federal credit



4% lihtc deals funding sources



affordable housing need

As of 2014, half of Colorado renters are cost-burdened, paying more than 30 percent of their gross annual income on rent. Over 50 percent of these renters are extremely low-income households, earning 30 percent Area Median Income (AMI) or below. Twenty-five percent of Colorado renters are severely cost-burdened and pay more than 50 percent of their gross annual income towards rent. The median income of renters living in LIHTC-supported units is 30 percent AMI, or roughly \$19,500 in gross annual household income, demonstrating that units supported by the program are providing critical housing for the state's most vulnerable residents.

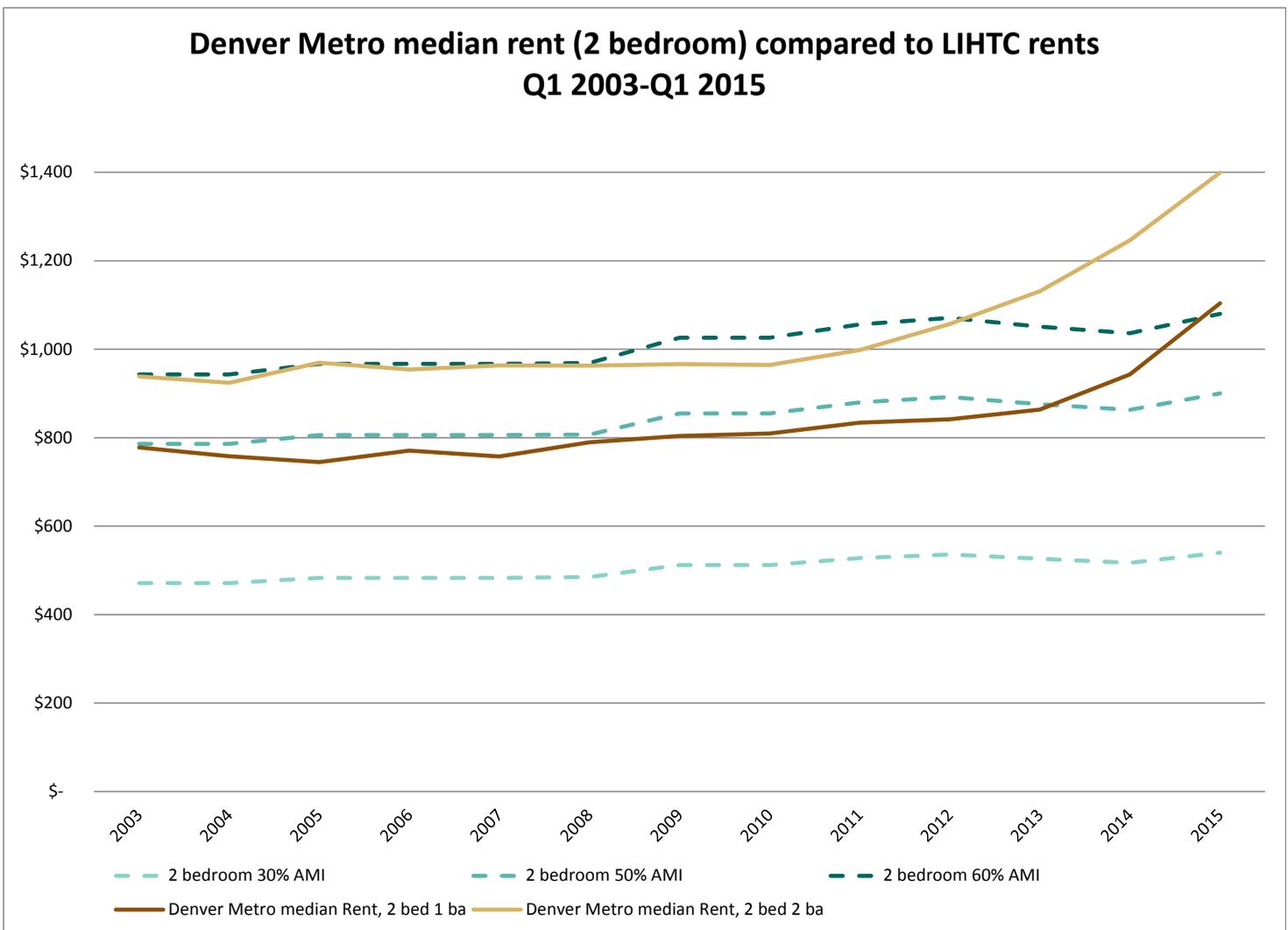
The state's needs vary by region as demonstrated by the following chart.

region	median rent Q2 2015	median rent Q2 2014	% increase in rent	household income needed to afford median rent	AMI needed to afford median rent (2 person AMI)	apartment vacancy Q2 2015	apartment vacancy Q2 2014
Boulder/ Broomfield	\$1,398	\$1,235	13%	\$55,931.20	70%	5.3%	4.3%
Colorado Springs	\$867	\$822	6%	\$34,695.60	59%	4.6%	5.5%
Denver Metro	\$1,225	\$1,068	15%	\$48,997.20	77%	4.5%	4.7%
Fort Collins/ Loveland	\$1,249	\$1,124	11%	\$49,964.80	80%	2.1%	2.8%
Grand Junction	\$559	\$576	-3%	\$22,352.40	46%	3.7%	6.9%
Greeley	\$891	\$758	18%	\$35,642.40	67%	1.6%	4.1%
Pueblo	\$577	\$572	1%	\$23,089.20	48%	5.9%	6.6%
Statewide	\$1,165	\$1,065	9%	\$46,580.40	78%	4.4%	4.8%

Source: Apartment Vacancy and Rent Report (Throupe and Von Stroh)

affordable housing need

As rents continue to escalate, households will experience greater difficulty in balancing their housing costs with other financial demands. In 2015, a Denver Metro household had to earn 77 percent AMI annually in order to afford the median rent of \$1,225, without risk of becoming cost-burdened. The price escalation has occurred relatively rapidly. In 2012, the median rent of a market rate unit was affordable to a household earning 60 percent AMI. Thus, in only three short years, there has been a 19 percent increase in median rent, while wages have increased at less than half that rate. As the gap between what households can afford and the median rent increases, Colorado's economy becomes exposed to increased risk, and households may begin to experience under performance in other areas of their lives.



source of Denver rents: Apartment Association of Metro Denver Denver Metro Apartment Vacancy & Rent Survey

affordable housing need

Housing Colorado reports that Colorado's cost-burdened households account for \$2 billion less in spending each year on consumer goods. When a household is required to spend the bulk of their income on rent, they may have insufficient resources to afford other necessary expenses, including food, child care, transportation, clothing, and education costs. The greater the level of cost-burden that a household experiences, the higher the risk that their housing situation will impact other areas of their life, including health and education performance.

Severely cost-burdened households, or those spending more than 50 percent of their gross income on housing, are frequently referred to as "housing insecure."¹ Children in housing-insecure families are more likely to be in poor health and be food-insecure.² Those who were housing insecure were nearly six times as likely as those who were not insecure to delay doctor visits because of costs.³ Compared with people who were not housing insecure, respondents who were insecure were about twice as likely to report poor or fair health status.³ Housing insecurity also leads to greater student mobility and thus has significant negative consequences for students due to the resulting academic and social disruptions.⁴ Increased or unexpected transiency impacts school planning and budgeting, and the poorest districts experience highest rates of student transiency.⁴

The ability for CHFA to support the development and preservation of more than double the number of affordable housing units in 2015 over the prior five years is critical to helping Colorado begin to address its affordable housing demand at a greater pace than the past.

In 2015, CHFA received 54 applications for either federal competitive and/or state LIHTC, seeking a combined total of \$28 million in federal competitive LIHTC and \$15 million in state LIHTC. Due to restrictions on resource availability, CHFA was able to support 30, or 56 percent, of these applications.

Given market demand for more affordable units, CHFA anticipates similar levels of request being received in 2016. To best prioritize the varied housing needs across Colorado, CHFA establishes several housing priorities that are used to evaluate state and federal LIHTC applications. In 2015, these priorities were as follows:

- Projects serving homeless populations;
- Projects serving persons with special needs;
- Projects impacting counties with populations of less than 175,000; and
- Projects in counties impacted by a natural disaster.

These will remain the same for 2016.

¹ Enterprise Community (<http://blog.enterprisecommunity.com/2015/01/opportunity-americas-insecurity>)

² Children's Health Watch (<http://www.childrenshealthwatch.org/housing-insecurity/>)

³ Center for Disease Control and Prevention (http://www.cdc.gov/pcd/issues/2015/14_0511.htm)

⁴ Pennsylvania State University (<https://www.ed.psu.edu/crec/research/poverty>)

affordable housing need

As a result of the 2015 priorities, 1,135 of the state LIHTC supported units will be located in the 2013 flood-impacted Boulder, Larimer, and Weld counties. Colorado Division of Homeland Security and Emergency Management estimates 30,215 housing units were damaged or destroyed as a result of the 2013 floods. Developments supported with state LIHTC disaster recovery resources underwent a joint review process with CHFA and the Colorado Department of Local Affairs-Division of Housing to ensure alignment with the state's disaster recovery efforts and deployment of CDBG-DR resources. All applications were also required to receive local support from the appropriate city or county officials, as well as local disaster recovery working groups.

Also new in 2015, CHFA supported the highest number of permanent supportive homeless housing units in the organization's history. This was possible due to the greater availability of housing resources and the effectiveness of the Pathways Home Supportive Housing Toolkit as a resource for local communities seeking ways to address homelessness. One of the developments directly supported with state LIHTC and five of the 40 total developments supported by CHFA as of December 2015 will provide supportive housing for homeless families and individuals. These developments will provide both housing and wrap-around services for residents, including case management, employee training, and mental health treatment. The Governor's Office estimates that 5,800 additional supportive homeless housing units are required to meet the needs of Colorado's homeless families and individuals.

In addition to the state's current housing needs, over the next 10 years, 10,300 affordable housing contracts are set to expire. Without sufficient resources available to assist CHFA and its partners in renewing affordability of these properties, Colorado will experience even greater housing demand resulting from a critical loss of units.

The state LIHTC has proven to be a valuable tool in helping CHFA and the housing development community address the state's needs at a greater pace. CHFA looks forward to the second year of state LIHTC allocation beginning in 2016 and urges the members of the General Assembly to continue its investment in the program beyond the initially approved two-year allocation term given the program's success thus far.

on the cover (left to right)

Rendering of Broadway Station Lofts in Englewood, courtesy of RNL Design

Rendering of Northfield at Stapleton Apartments in Denver, courtesy of Northeast Denver Housing Center and Cuningham Group Architecture, Inc.

Rendering of Kestrel in Louisville, courtesy of Boulder County Housing Authority and Wenk Associates, Inc.

Rendering of Oakridge Senior Apartments in Fort Collins, courtesy of David Nakhjovani and Gus Robbato/Lewis Himes & Associates

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