9% housing credit application narrative

Project Name: **2275 Wadsworth (Name TBD)**
Project Address: **2275 Wadsworth Blvd, Lakewood, CO 80214**

1. Executive Summary

Archway Investment Corporation (Archway), a highly experienced non-profit LIHTC developer, owner, operator and service provider, is pursuing a 9% LIHTC allocation to finance *2275 Wadsworth,* a new construction senior community of 67 units in Lakewood, Colorado. Archway previously submitted a development on this site under the name Village at Morse Park. Archway is bringing forward a revised project concept in this round that responds to feedback from CHFA and from the local community, and significantly improves the project's financial feasibility to allow a more robust and sustainable commitment to on-site services.

The new senior-focused project concept meets a critical housing need in this community, where many seniors are aging in place in the single-family homes that dominate Lakewood's neighborhoods. Meanwhile, nearly two thirds of Lakewood's senior renters are housing cost burdened. *2275 Wadsworth* will provide a supportive, services- and amenity-rich environment where the community's seniors across the income spectrum can thrive. Archway has a proven track record in the Lakewood area, including two its most recent affordable developments, and Archway has collaborated closely with local and regional staff and elected officials to better understand the housing needs in this community. The proposed project directly responds to the community's need for senior housing by offering a deeply affordable unit mix, a design that promotes enjoyable and healthy living, and Archway's on-site staffing and services plan that will support residents to successfully age in place while maintaining maximum independence. The shift to a senior concept also allows Archway to lower the building height to three stories on the same footprint, due to fewer bedrooms for the senior population, addressing a major concern raised by neighbors in response to previous concepts.

Located in northeastern Lakewood on Wadsworth Boulevard, a key regional transit corridor, *2275 Wadsworth* will offer 67 new rental apartments in a three-story building with two elevators, designed to serve seniors aged 62 and over. The proposed concept includes 59 one-bedroom and 8 two-bedroom units. The unit mix and rents are geared to provide deep affordability, with just over 85% of units at or below 50% AMI:

- 7 units (10%) for seniors earning at or below 30% AMI
- 45 units (67%) will be offered at 40-50% AMI
- 15 units (23%) will be available at 60% AMI
- 8 of the above units (12% of the project) will be paired with project-based HUD-VASH vouchers and will be made available for senior veterans, in partnership with the VA (Archway is simultaneously applying through CDOH's supportive services RFA to confirm the allocation of vouchers)

Residents will enjoy market-comparable amenities, including:

- full kitchens with energy-efficient appliances
- step-in showers
- vinyl plank flooring throughout units
- linen storage

- large closets (with walk-in closets in 2-BR units)
- individually-controlled heat and air conditioning
- 9' or higher ceilings

Interior community amenities will be centralized on the first floor of the building and will include a large community room with an entertainment kitchen and pantry. This space, with two attached service provider offices, will serve as the focal point of *2275 Wadsworth's* services programming, along with a dedicated van. Additional community amenity spaces will include:

- a lounge area with TV and Wi-Fi
- a small conference room area for the use of small groups or clubs
- a library
- a mountain-view and a city-view roof deck
- central laundry
- bike storage

Outdoor amenities will include:

- a community patio
- a 'great lawn'
- small outdoor gathering spaces
- a raised bed garden with storage
- a dog park

Additionally, due to the convenient location of this property on a major corridor, residents will have easy access to public transportation and a wide variety of important community amenities for shopping, services, healthcare, parks and recreation and more. The on-site van will further enhance residents' connection to nearby amenities and resources.

2275 Wadsworth will be constructed of three stories of Type V wood framing on a post tensioned slab on grade foundation. The roofing will be adhered white TPO membrane assembly. The roof decks will be constructed of Tile Tech IPE wood pavers on pedestals with steel fencing at the perimeter. The building skin is stucco. Windows will be vinyl framed. A storefront entrance system will be used with main points of entry. There are two elevators and two stairwells serving as vertical circulation.

Resident services are at the heart of Archway's model, and *2275 Wadsworth* will be no exception, as more fully detailed in the CDOH RFA Package. Archway plans to dedicate a minimum of 30 hours of direct services each week to the residents of *2275 Wadsworth*. A full-time Resident Care Coordinator will lead and facilitate 15 hours of programming each week, focused on social interactions and mental and physical health. Programs might include low-intensity fitness classes, arts and crafts, and game activities. Archway also intends to host a weekly food bank in partnership with Food Bank of the Rockies, as it does at all of its properties. The development budget includes a dedicated van for the project to help transport residents to activities, appointments, and retail. The VA will also provide in-kind, on-site case management to directly support the residents of the project-based HUD-VASH units. While this will be Archway's first dedicated community for seniors, Archway already serves seniors throughout its portfolio – approximately 20% of current residents are seniors. Archway has recently engaged consultant Rebecca Tone, the former CEO of Better Tomorrows, a national non-profit service provider, to assist Archway in strengthening its approach to planning and measuring the impact of the organization's services across our portfolio, and the services plan at *2275 Wadsworth* will be continually updated to reflect learning from this engagement.

2275 Wadsworth, with its proximity to public transportation and urban density, is well-situated to meet green requirements. The project design is tracking green building measures far exceeding Enterprise Green Community requirements. The building will be equipped with low-flow fixtures and toilets, LED lighting throughout the building, and EnergyStar appliances. All paints, primers, and adhesives will be low/no-VOC. The general contractor expects to be able to use locally sourced materials and materials with recycled content whenever possible. The light-colored TPO roof membrane will reduce heat island effect. The building will be solar ready and solar panels will be added if construction savings are available near the end of the Project.

In addition to LIHTC equity, the financing plan assumes the use of a traditional construction loan and permanent mortgage, gap financing from Jefferson County and the Colorado Division of Housing, Capital Magnet Funds from CHFA, and deferred development fee. Due to Archway's special limited partnership with Metro West Housing Solutions, *2275 Wadsworth* will receive a property tax exemption.

2. Identify which, if any of the priorities in Section 2 of the Qualified Allocation Plan (QAP):

- **Projects serving homeless persons as defined in Section 5.B 5:** Not Applicable
- **Projects serving persons with special needs as defined in Section 5.B 5:** Not Applicable
- **Projects in non-metro counties with populations of less than 180,000:** Not Applicable

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

a. Market conditions

The overall capture rate for the project is 20.1%. Before adding in units from *2275 Wadsworth*, the overall capture rate is at 18.3% and waitlists in the area exceed 2,200 people with little to no vacancy, showing high demand for affordable units. The addition of the 67 affordable units at *2275 Wadsworth* has minimal impact on the existing overall capture rate. Capture rates for the 30% and 40% AMI units are very low, at 4.3% and 9.5% respectively. The capture rates for the 50% AMI and 60% AMI units are higher at 27.3% and 40.2%. While the capture rates for the higher AMI units are above 25%, the market analyst notes that the addition of these units do not substantially increase the overall capture rates for these AMIs, indicating that there is a continued high need for the affordable units, even at the higher AMIs.

The market study does not specifically address the demand for senior units among HUD-VASH clients. The VA has indicated that they foresee strong demand for these units: *"The HUD-VASH program has been in operation nationally since 2008. Over the course of this time we have witnessed our veteran participants aging in housing and recognize that with this comes unique needs, and even requests, regarding housing. The ability to provide a Project Based Site housing option with extensive supportive services geared toward this population's needs would be an exceptional addition to the myriad of other housing options available within the Metro Community and our partnerships in Project Based Housing."*

b. Proximity to existing tax credit developments

There are nine existing senior tax credit properties with a total of 662 units in the PMA. Six of the nine projects are newer projects built between 2003 and 2016 and are typical new construction senior LIHTC buildings with AMI mixes between 30% and 60% AMI. All six newer projects (Creekside Residences, Creekside West, Wheat Ridge Town Center Apartments, Wheat Ridge Town Center North, Cottage Hill and Willow Glen) are at or above 96% occupancy with lengthy waitlists. The other three properties include two acquisition/rehabilitation projects (Eiber Village and Tower Building) that both have waitlists and are leased up, with the exception of certain units at Tower Building that were not filled due to restricting move-ins from COVID and some fire damage. The final property, Homestead at Lakewood, is a unique older property (1998) that combines both market-rate and 4% LIHTC units and also offers both assisted living and independent living in cottage units. This property has no waitlist and one vacancy on a market-rate unit.

c. Project readiness

The *2275 Wadsworth* site is owned by Archway. Design work on this project is unusually advanced due to the need to submit a building permit application ahead of the effective date of Lakewood's residential growth limitation. As a result of this investment, Archway will not need to obtain a competitive allocation of residential building permits under Lakewood's growth ordinance, as long as the project is financed with LIHTC. The development team has made its formal submittal both for Major Site Plan (MSP) review and building permit review with City of Lakewood, which includes complete civil and construction plans. First round comments have been received from the City of Lakewood for both MSP and construction documents. The development team is addressing the City's comments in preparation for a "permit ready" determination from the City of Lakewood, with a target date of April 2021. As detailed in the attached *Zoning Letter*, Archway's plans meet all development standards and are subject to administrative approval only.

d. Overall financial feasibility and viability

2275 Wadsworth has local financial support from Metro West Housing Solutions (in the form of a commitment to act as the Special Limited Partner to provide a property tax exemption) and Jefferson County. In addition, Archway has secured a commitment to partner on eight HUD-VASH vouchers for this project from the Department of Veterans Affairs (VA). The development budget for this project has been vetted by Archway's development team, the general contractor, property management, engineers, and architects to ensure a high level of efficiency with its design and costs.

e. Experience and track record of the development and management team

Archway Investment Corporation is a designated Community Housing Development Organization per HUD guidelines. Archway has developed, owns, and manages 10 affordable housing communities in Colorado with a total of 641 units. Across its 10 properties, approximately 20% of Archway's existing residents are seniors, lending Archway's property management and services teams rich experience with understanding and supporting the needs of this population. Archway has committed to bringing on a construction project manager for this project to ensure the appropriate resources are being applied to the project as it continues to move forward. In addition, Archway is working with S.B. Clark Companies to provide financial consulting and is partnering with the Metro West Housing Solutions as a special limited partner in the project ownership. This allows Archway to pair its broad development expertise with specialized partners to be sure *2275 Wadsworth* provides the highest quality solution possible for Lakewood's needs.

f. Project costs

Archway has undertaken significant work to improve project costs and financial feasibility since the previous LIHTC application, including engaging a new general contractor who was able to provide more competitive pricing. The shift to a senior concept allowed for a building with a similar unit count but fewer bedrooms, which enabled the development team to reduce the building from four to three stories. This change resulted in greater than proportional cost savings, particularly in the areas of structural components and off-site water improvements. In order to achieve a three-story concept, there are some units that are slightly smaller than market comparables; however, as noted in the market study section of this narrative, the market study noted no concerns about the marketability of these units. Combining the cost savings realized through the shift to units with fewer bedrooms with more cost-efficient choices and strong subcontractor pricing, the development team and the new general contractor have worked to reduce the project hard cost budget by more than $3M, or by approximately $25,000 per unit. These efforts have resulted in the ability to lower the permanent mortgage amount needed, freeing up annual project cash flow that will provide a sustainable stream of funding to support Archway's supportive services for these tenants into the future. This is incredibly important when considering the unique needs of the senior population this community will serve, allowing all tenants to age in place while maintaining their housing stability.

Construction Practices & New Building Technologies: The contractor is using the following construction practices and new building technology: "Lean Construction" practices; prefabricated electrical panels and distribution; prefabricated plumbing connections; pursuing precast concrete stair and elevator shafts; pursuing panelized wood wall systems or prefabricated framed wall openings; BIM/3D modeling; BIM 360 project management software; compliance-wise stormwater management software; and StructionSite visual project documentation. These practices and technologies will decrease construction costs and improve the project.

g. Site suitability

2275 Wadsworth's location provides excellent visibility and very good access to shopping, services, healthcare, employment centers and public transportation. The 76 bus stops in front of the site and runs along Wadsworth every 30 minutes (typically 15 minutes prior to COVID schedule adjustments), almost continuously 7 days a week from Littleton to Broomfield. Key amenities along the bus route off include a medical clinic, Walmart Supercenter, library, recreation center, the RTD Wadsworth Station, Olde Town Arvada and the RTD Olde Town Arvada Station, Crowne Hill Park, and much more. The adjacent bus stop is also only one stop away from the high-frequency east-west 16/16L route along Colfax Avenue with service between downtown Golden and downtown Denver. The RTD Wadsworth light-rail station is a mile away and the trains run every 15 minutes, 7 days a week. Morse Park is .4 miles away and offers a pool, playground, and sports courts. The recreation center is .9 miles away and has a gym, exercise room and indoor pool.

Maximizing housing density on the site is a balancing act between required and appropriate parking, building height, construction cost, and on-site amenities. This property has been maximized with regard to the building footprint, building height, storm drainage detention, and on grade parking, with appropriate outdoor amenity space for a family-oriented site. The parking is on grade rather than structured and provides 1 space per unit and 11 visitor and service-oriented spaces. These decisions result in a site design that has maximized the LIHTC funded density for this site.

4. 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

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

The market study did not raise any issues to be addressed, noting that recommendations made earlier in the process were already incorporated into 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.

No issues were raised in the environmental report for this project.

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 site has existing utility infrastructure in place including sewer, water, storm, fire hydrants and electrical. While this increased land cost, some of the existing infrastructure may be reused, avoiding additional costs associated with work in the C-DOT ROW of Wadsworth Boulevard, which would entail significant added costs. The site survey revealed that there is 9' of existing fill on site that needs to be over-excavated and reconditioned. Along with the site grading that falls +/- 10' over the length of the building, the existing fill on site adds to building foundation and earthwork cost. Building design was adjusted to this survey information to maximize the import/export balance of the site.

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

Archway has worked closely with City of Lakewood planners to ensure the viability of the proposed project in relation to the adopted growth ordinance. The revised senior concept has received positive feedback from City officials, who recognize seniors as a key group in need of affordable options. Archway has also continued to seek the input of the neighbors and neighborhood groups around the site. We believe the revised site concept addresses concerns previously raised by neighbors, including reducing the building height, reducing overall density – parking has remained the same while the bedroom count has decreased dramatically – and shifting to senior residents. Mayor Adam Paul and Councilor Sharon Vincent have also offered support for this project in the attached letters.

2275 Wadsworth has also received support from numerous organizations. The Department of Veterans Affairs is enthusiastic about the project and the ability to provide supportive housing within a mixed community. Metro West Housing Solutions also supports the project and has provisionally agreed to partner as a Special Limited Partner. Jefferson County is in support of the development for seniors also and hopes to financially support the project depending on funds available in the future.

9% housing credit application narrative

Project Name: Barnum Residences
Project Address: 221 Federal Boulevard, Denver, Colorado 80219

January 28, 2021

Project Narrative

1.Executive Summary

The Barnum Residences ("Project") is 44 unit new construction Project which will include 44 Permanent Supportive Housing ("PSH") units for previously homeless persons earning less than 30% of the adjusted median income ("AMI"). A request for 44 state funded project-based vouchers has been submitted to the Colorado Division of Housing ("CDOH") as well as a request for a $91,733 annual grant to cover a portion of the $358,825 annual supportive services budget ($8,155/PSH unit). The remaining costs of the supportive services budget will be covered by funds from the 5% PSH Development Fee ($45,750), Medicaid ($125,000), Denver Department of Housing Stability (HOST)($66,667),and Project Cash Flow ($29,675). The Barnum case workers will complete a needs assessment with each resident and then customize a supportive services plan that will increase the resident's access to transportation, educational opportunities, job opportunities, and government benefits, thus enhancing their equity and economic mobility.

This application seeks $1,109,779 in Low Income Housing Tax Credits (LIHTC) from the Colorado Housing and Finance Authority ("CHFA"). The construction period financing will be provided by First Bank and the $4,350,000 permanent loan will be arranged through Freddie Mac. Subordinate financing amounting to $880,000 will be requested from HOST. There will be a deferred development fee amounting to $348,800.

The Project will be located along the Federal Boulevard enhanced transit corridor and will include 27 one bedroom units, 12 two bedroom two bath units, and 5 three bedroom two bath units. The City has approved 24 parking spaces for the Project. The Project will be developed, designed, and constructed by a team that has worked together for many years.

A.Project Description and Amenities

The Project will be a three story, elevator building constructed on a vacant 26,571 square foot site located along Federal Boulevard. The site is zoned E-MX-3 and the site plan has been reviewed by the Denver Department of Community Planning and Development. All utilities are adjacent to the site.

The site will include a 3,000 square foot fenced in courtyard and numerous resident activities will be conducted in this space. To enhance pedestrian activity the City has required that the building be located to allow for an 18 foot tree lawn and a 6'-6" foot detached sidewalk along Federal Boulevard.

The site is located in a Qualified Census Tract ("QCT") and is within close proximity to the Barnum Recreation Center and the Barnum Elementary School. The closest grocery store is the King Soopers at Federal and Evans which is a 12 minute drive from the site. The Project will provide weekly bus service for the residents to the King Soopers.

The 50,210 square foot building will have its primary entrance from Federal Boulevard. The controlled entrance will lead into a 3,700 square foot area that includes the leasing office, offices and meeting spaces for supportive services program, arts and craft room, children's playroom, and a community space.

The Project Architect has incorporated numerous trauma-informed features in the design of the building, which focus on safety and community while providing choice and comfort for our residents. A secure entry vestibule overseen by a staff member 24 hours per day will control access to the building. Once inside the building, clear lines of sight will create a safe environment that promotes staff interaction with residents. The use of large expanses of glass will allow natural light to penetrate deep into the amenity space, while warm color schemes will create a welcoming area for residents to gather. The amenity area also opens onto an enclosed courtyard that brings the sights and sounds of nature into the building. The courtyard will feature native plantings and a combination of seating areas for gathering and reflection. The apartment units have been designed with an open kitchen and living room with large windows that will maximize natural light and exterior views. Each unit will have private bedrooms and a large closet area for personal and secure storage.

Each unit will be equipped with a complete kitchen and bathroom that meets the energy star requirements. There will be three-handicapped accessible units, and three units will be for hearing impaired residents. Laundry facilities will be available on the first and third floors.

Exhibit One: Occupancy by Income and Unit Type

Unit Type	30%*AMI	Total
One Bedroom	27	27
Two Bedroom	12	12
Three Bedroom	5	5
Total	44	44
Percent	100%	100%

B. Project Location

The Site is rectilinear in shape and is situated along Federal Boulevard, a very busy street with excellent visibility and a major bus line. Vehicle access to the Site will be from the alley. Upon Project completion, resident access to the project will be from Federal Boulevard. The property is not located within a 100- or a 500- year floodplain. The Site is two blocks from the RTD bus stop at 4th and Federal.

C. Type of Construction

The general contractor, Shaw Construction Company, has prepared a detailed cost estimate based on the preliminary architectural drawings. The estimate amounts to $8,998,660 which is about $176/sf. Shaw will also develop a Section 3 plan that will include opportunities for WBE/MBE firms.

The new three-story building will be a wood frame building with a single traction elevator. The exterior siding material will be brick and Hardie plank and a thermo-plastic roof with R20 insulation will be installed. The building will be heated and cooled with electric heat pumps. A central gas-fired boiler will provide domestic hot water and both buildings will be fire-sprinkled.

D. Energy Efficiency and Green Building Features

The Project will certify at the Bronze Level through the National Green Building System. While a minimum of 238 points are required to achieve Bronze, a score of at least 260 is anticipated. Optional criteria include reduced energy consumption from high performance HVAC systems, a low flow water fixture package, and Energy Star appliances. The project is targeting 24% energy savings beyond 2018 IECC, which scores at the highest level of efficiency performance within the NGBS energy section - Emerald. Storm water will be detained on site and there will be a dedicated waste recycling program. The Project will qualify for a $15,000 Xcel Energy Conservation Rebate. We expect to receive $30,000 in Solar Energy Tax credits that will be generated as a result of the installation of a roof top 33 KW solar system which will generate 52,000 KWH in production.

E. Supportive Services Plan

The PSH units will serve extremely low-income individuals/households, where the head of household is an adult over the age of 18, is experiencing homelessness, and has a disabling condition, disabilities, or special needs, such as those with a behavioral health condition, as verified by a knowledgeable professional. Of the forty four PSH units, ten will be reserved for chronically homeless persons, twelve for homeless families, and twenty two for homeless persons with behavioral health conditions.

Barnum Residences will partner with the OneHome, Regional Coordinated Entry System (RCES), to receive at least 50% of referrals to this building (22 units). The RCES guarantees that individuals experiencing homeless, serious mental illnesses, disability, and other emergent needs will receive rapid housing prioritization at the Barnum PSH project. Upon receiving referrals from OneHome, our case managers will offer assistance in the application process. This assistance will include income verification, document sourcing, and reasonable accommodation requests.

The remaining 22 units will come as referrals from the Mental Health Center of Denver (MHCD). To assure that people experiencing homelessness and who are struggling with behavioral health challenges have access to Barnum, MHCD uses the Vulnerability Index-Service Prioritization and Decision Assistance Tool (VI-SPDAT) to determine the person's housing and service needs. MHCD has a longstanding track record of serving individuals with high needs by placing them in PSH units and serving them with on-site services such as at Sanderson Apartments.

The Rowdy Foundation will be the lead service provider at Barnum Residences and will partner with the Mental Health Center of Denver and other community partners. The Rowdy Foundation is a 501(c)(3) nonprofit created by Burgwyn Residential Management Services LLC ("BRMS") in 2018. BRMS is a full-service management company that currently manages nine properties, two of which are "PSH" projects in Denver: (1) The Fourth Quarter located at 3150 Downing Street (36 units), which opened in 2010 and is 100% PSH, (2) Ruby Hill Residences (114 units), which opened in 2016 and 75% of the units are PSH.

2. CHFA Goals

The Project will serve previously Homeless Persons who will participate in the Permanent Supportive Housing Program.

A. CHFA Priorities

The Project meets the CHFA guiding principles for the selection of projects to receive an award of credits by providing housing for families in a QCT and is located within a two block walk to the high speed public transportation bus stop at West 4th and Federal.

B. Approval Criteria

1. Market Conditions

The market analysis prepared by Newmark Night Frank concluded that the proposed Project will be one of a very small number of new multi-family developments in the central section of the metro area and the only new affordable multi-family development currently slated for its Primary Market Area ("PMA") in 2023. The Metro Denver Homeless Initiative reported in January 2020 that there were 4,171 homeless persons in Denver, up from 3,943 the previous year. All of the residents of the Project will be referred through the One Home system or the Mental Health Center of Denver. These agencies report that there are currently 2,755 homeless persons awaiting housing in their systems. The Barnum Residences will provide housing for about 1.60% of this need.

2. Readiness to Proceed

The Project has debt and equity commitments in place. The Site plan has been submitted to the Denver Planning Office for approval. Schematic drawings have been completed and the final architectural plans will be submitted to the Denver Building Department in the Spring of 2022 with a building permit expected in June of 2022. Construction will commence in June and the Project will be completed in July of 2023. The Burgwyn Co., a member of the Ownership entity, currently owns the Site and will convey it to the Applicant at the Construction Loan closing.

3. Overall Financial Feasibility and Viability

The Project is expected to cost $15,115,620 or $343,537 per unit as illustrated in Exhibit Two.

Exhibit Two: Uses of Funds

Project Costs	Amount	Per Unit	Percent
Site Improvements	$ 997,333	$22,666	6.57%
Construction, FFE, and Permits	$ 8,489,207	$192,936	55.98%
Professional Fees	$ 693,394	$15,758	4.57%
Construction Interim Costs	$ 1,007,252	$22,892	6.64%
Soft Costs/Syndication	$ 244,684	$5,561	1.63%

Permanent Financing	$ 224,750	$5,108	1.54%
Operating Reserves	$ 208,000	$4,727	1.41%
Development Fee	$ 1,744,000	$39,636	11.67%
Development Fee (PSH)	$ 582,000	$13,227	3.88%
Property Acquisition Costs	$ 925,000	21,022	6.10%
Total	**$ 15,115,620**	**$ 343,537**	**100%**

The primary funding will be a 35 year permanent loan from Freddie Mac arranged by NorthMarg amounting to $4,350,000. The construction period financing amounting to $7,400,000 will be provided by First Bank of Denver. The Project owners expect to receive secondary funding from HOST amounting to $880,000.There will be a deferred development fee amounting to $348,800. The Xcel energy conservation payment will amount to $15,000. The Federal ($0.85) LIHTC will be sold to raise $9,434,820 as described in Exhibit Three.

Exhibit Three: Sources of Funds

Funding	Amount	Per Unit	Percent
Perm. Loan	$4,350,000	$98,863	28.75%
City Loan	$880,000	$20,000	5.82%
Deferred Development Fee	$348,800	$7,927	2.33%
Limited Partners	$9,434,820	$214,428	62.42%
Xcel	$15,000	$341	0.001%
Refund of Forward Lock Deposit	$87,000	$1,977	0.0061%
Total	$15,115,620	$343,537	100%

4. Development Team Experience

The general partner entity will include Barnum Residences, LLC, Henry Burgwyn, and the Rowdy Foundation. The Development Team will include Burgwyn as the Developer, Shopworks Architecture as the architect, and Shaw Construction Company as the general contractor. Burgwyn Residential Management Services, LLC will serve as the property manager and Beaux Simone Consulting will provide consulting services for the PSH program.

5. Cost Reasonableness

The projected Annual Total Eligible Basis for the Project is expected to be $1,586,308 which compares favorably with the amount allowed under the Method Three Basis Limits test ($1,742,144). The Federal LIHTC allocation requested ($1,109,979) amounts to $25,226 per LIHTC unit. There are no usual features which are driving costs upward.

6. Proximity to Existing Tax Credit Developments

At present, there are 9 existing affordable units in the 30% of AMI program and 163 existing units in the 50% of AMI program in the market area. Only five percent of the affordable housing units in the market area serve households earning less than 30% of the median income. There are an additional 87 units in these AMI programs under construction and 181 units proposed in the area, one of which is the subject property. Thus, the total existing, under construction , and planned units amounts to 140 units in the 30% of AMI program, and 232 units in the 50% of AMI program.

7. Site Suitability

The Property is located along Federal Boulevard, which serves as a major north-south arterial into the Central section of the City of Denver. The market analyst gave the Project an above average walk score of 72 and described the area as very walkable. The transit score was 46. There are commercial districts located along Federal Boulevard such as the Costco Business Center at 400 S. Zuni and the Walgreens at Alameda. The Barnum Recreation Center, which includes a large children's play area is located two blocks north of the Site. The City has invested heavily to upgrade the facilities for children at the Recreation Center which now serves meals to children during the week days.

C. Justification for Underwriting Criteria Waivers

1. Operating Expenses

The Project operating expenses at $8,530 per unit per annum are above the CHFA minimum of $5,000. The debt service coverage is 1.30, the replacement reserve is $300/unit, and a five percent vacancy rate was used on the PSH units in the projections.

2. DDA Credit

The Project is located in a QCT so the DDA is not required.

D. Issues Raised by the Market Study

The subject property's parking ratio appears low. However, this is offset by the high number one Bedroom units at the subject, the proximity to the light rail lines and bus line, and the reality that many of the low-income residents will not have a vehicle.

E. Issues Raised by the Environmental Reports

The windows on the Federal Boulevard facade will not have an enhanced level of sound protection to offset the traffic noise generated by Federal because the building is set back 24'-6" from Federal.

F. Unusual Features that Effect Project Cost

None

G. Outreach Efforts and Local Financial Support

On July 14th, we submitted this Narrative to the Barnum Neighborhood Association and attended a virtual meeting with the Association. There were no concerns about the Project voiced by members of the Association. A virtual meeting with Councilwoman Torres was conducted on July 16 to discuss the attributes of the Project. A recorded public hearing was held on July 28, 2020 and the results are included herein. No members of the public attended the hearing and we have not received any comments from the public concerning our presentation. HOST is considering a $880,000 Loan for the Project that will be used to partially cover the Site acquisition cost and a $66,667 grant to cover a portion of the supportive services budget. HOST has provided a statement that the proposed Project is consistent with the consolidated plan and a letter of support.

9% housing credit application narrative

Project Name: **Brigit's Village**

Project Address: **131 Aspen Drive Frederick, CO 80530**

Executive Summary

St. Brigits Apartments, LLLP is appreciative of this opportunity to present an application to CHFA for 9% Low Income Housing Tax Credits ("LIHTC") for Brigit's Village. This new construction multifamily development will provide a total of forty (40) one (22), two (15) and three (3) bedroom apartments for households earning 60% AMI and below with eight (8) units at 30% AMI, eight (8) units at 40% AMI, seven (7) units at 50% AMI, and seventeen (17) at 60% AMI. The 30-40% AMI units will benefit from sixteen (16) Project Based Vouchers supplied by the Weld County Housing Authority. Unit amenities will include first floor patios, Energy Star appliances, large closets, in-unit washers and dryers, and hard surface flooring (carpet in the bedrooms). Onsite amenities include a fitness room, a community room with a teaching kitchen, two (2) elevators, bike storage, and on-site management. A large community room will be made available to the community for use free of charge. Brigit's Bounty, a local community garden nonprofit, is located adjacent to the project and will be offering their programs and community food share to residents of Brigit's Village. **This will be the first LIHTC-financed housing community in Frederick**, if awarded, thereby affording low income seniors the ability to age in place and families, a large number of whom are single parent households, the opportunity to live close to jobs and schools within the fear of being priced out.

Brigit's Village will be one-building with approximately 38,600 GSF in a three-story, elevator serviced, wood framed structure. The building is cost effective to build and manage, visually appealing, and complementary to the single-family homes in the surrounding neighborhood. The foundation design is a structural slab on grade with on-site surface parking. An acoustical mat with gypcrete will minimize sound transfer between the units. The building skin will be fiber cement board and batten lap siding. All exterior walls will utilize batt insulation with a weather barrier. The roof will be of pre-manufactured wood trusses insulated with batt and topped with a white TPO membrane. The project will meet the Bronze certification under the NGBS program and include EV-Ready car charging for future use as needed.

The Project is in census tract 20.16 which is not in a 2021 QCT or DDA. Financing for the Project will include federal tax credit equity generated from the sale of 9% LIHTC, permanent financing, soft financing from Colorado Division of Housing ("CDOH"), deferred developer fee, and a significant contribution of local impact and permit fees by the Town of Frederick. It is assumed from conversations with the housing authority director that the Weld County Housing Authority will be a special limited partner in the deal, providing property tax exemption.

1. Priorities in Section 2 of the Qualified Allocation Plan (QAP):

Not applicable

2. Criteria for approval in Section 2 of the QAP:

Market conditions: The Project's target population, unit mix, and AMI mix have been well thought out and we are responding to the market needs. The Project has an existing capture rate of 0% and a required capture rate of 9.0%. There is a 98.7% occupancy rate outside the PMA, seven properties have extensive waitlists, and most have historical waitlists of 100%. The LIHTC projects outside the PMA are achieving rents at or near maximum allowable amounts and are in counties with higher maximums than Weld County, where Brigit's Village is located. The PMA has a low surveyed vacancy rate of 2%. An interest list for the property was updated in January 2021 with 50 interested households. Given the project's proximity to Interstate 25 and Longmont, it should appeal to rents from Boulder or Adams County seeking a better rent value. These factors indicate there is pent-up demand for affordable rental housing in the PMA and that there will be adequate demand for Brigit's Village.

Proximity to existing tax credit developments: Brigit's Village would be the first family LIHTC development in the PMA and there are no competitive units in the pipeline. Most of the closest comparable LIHTC developments are within 8-12 miles of Brigit's Village. Dacono Senior Apartments, in the adjacent town of Dacono is a 20 unit senior LIHTC deal built in 1998.

Project Readiness: The project will be able to meet the carryover requirements given that the entitlement process is administrative and does not require any public hearings or discretionary reviews by the Frederick Board of Trustees. The Board of Trustees consented to $535,000 in fee waivers in a January 2021 5 to 1 vote, as well as consented to the Weld County Housing Authority's SLP ownership role in the partnership. A final decision by the Housing Authority's Board regarding their SLP involvement in anticipated in February 2021. Additionally, a letter of support from the project's only soft funder, the Colorado Division of Housing, is included with the application. The site is zoned correctly for the use and the scope of the use, parking requirements are met, and the administrative building permit review process will take 6-9 months. We do not anticipate hurdles securing financing and have been conservative in our underwriting process. Finally, the Phase 1 indicated no recognized environmental conditions.

Overall financial feasibility and viability: The Project is financially feasible if awarded an allocation of 9% LIHTC. In addition to the federal equity from Red Stone for this application, we are assuming construction financing from First Bank, permanent financing from Rocky Mountain CRC, soft financing from DOH, and deferred developer fee. The city will provide local tap, impact fee, and permit fee waivers, and the housing authority has committed 16 project-based vouchers and a conditional SLP.

The equity syndicators, lenders and our financial consultant RCH Jones consulting, have run the current project assumptions through their tax credit financial models. This extensive up-front conservative underwriting has shown that as proposed and with the current information, there are minimal risk points. Our approach to internal 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 team: The St. Brigit's Episcopal Church, who initiated the project concept in 2015 and is selling the land to the partnership is a special limited partner in the ownership structure. While they do not have affordable housing experience, they bring credibility on the local level to the project, are facilitating a partnership with Brigit's Bounty, as well as connections to interested, potential future residents. It is anticipated the Weld County Housing Authority will also join the partnership as an SLP since they have conditionally awarded sixteen (16) project-based vouchers to the project. Blueline Property Management is an experienced manager of affordable housing in Colorado. The Project's architect and general contractor also have decades of Colorado affordable housing experience. To help facilitate, the developer has engaged two Colorado based consultants, Ryan Hibbard Jones (RCH Jones Consulting) and Shannon Cox Baker (Rivet Development Partners, LLC) who will provide development management and financial advisory services to the project. Ryan and Shannon have a combined 28 years of experience in the affordable housing industry having managed the development of various affordable housing communities across the US, particularly in Colorado.

Jon Peterson is a real estate investor and real estate lawyer who has owned multifamily investments since 1997. His investments include initial small investments including single family homes and duplexes rented to both low income and market rate tenants, which has grown to 156 additional units in two tax credit assisted projects as well as two strip malls and a large single tenant medical manufacturing office / warehouse. In all his investments include nine properties totaling in excess of $20M in value. Jon has also been an affordable housing and community development lawyer since 1995 and has assisted affordable housing developers in closing hundreds of affordable housing transactions involving thousands of affordable units and over a billion in financing. Jon typically assists developers in closing 15 to 20 affordable projects annually which are financed in part using low income housing tax credits.

Project costs: The project's construction and soft cost budgets are based on schematic design drawings, local data generated by the general contractor and informed by the development team's recent development budgets. The development team has worked to keep project costs as low as possible while balancing the requirements from the Town of Frederick and desires of the community.

Site suitability: The property is located in central Frederick, which is accessible from Interstate 25 and Highway 52. It is 25 miles north of Denver, 35 miles southeast of Fort Collins, and located in the Greeley MSA which has 325,435 inhabitants. The flat, undeveloped 2.0-acre site faces a minor street with low traffic volumes. It is located in an established area and is surrounded by moderate-income single family residential development built in the 1920-80s which are in average condition and sell for $300-400,000. It is not located in a QCT. The site is zoned for the proposed use. St. Brigit's Episcopal Church and their community garden, which is run by the nonprofit they founded (Brigit's Bounty), border the site. The church and the garden's proximity to the proposed development will facilitate volunteer partnerships and help expand community access to and programming of the gardens.

Frederick, like most towns east of I-25, is a car-dependent community. There is no public transportation in Frederick, other than a Weld County-run scheduled van service for seniors, and the walk score is low. However, the closest convenience store is within 0.3 miles, Safeway (a national grocer chain) anchors a neighborhood shopping center (Ace Hardware, State Farm, Great Clips) within 1.0 mile, and discount stores (Family Dollar, Echs Discount Groceries) is within 1.2 miles. Walmart and other big box retailers are located in Longmont and Broomfield which are 10 miles to the west and south, respectively. The property is located within the St. Vrain School District. A preschool, K-8 school and the high school are less than 1.0-mile from the property. The Aims Community College and the University of Colorado – Boulder are 8.3 and 18.5 miles from the site, respectively. The UCHealth Longs Peak Hospital, the nearest full-service hospital, is 7.5 miles northwest of the site. Community services such as the library, post office, city hall, senior center, and local head start center are all within close proximity to the site.

3. Justification for any Underwriting:

Not applicable

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

The market analyst did not raise any issues or recommend any changes.

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

The Phase 1 investigation did not reveal evidence of a Recognized Environmental Condition (REC) in related to the site. The investigation firm believes the former oil and gas tank battery remediation to the north of the site has been well documented and does not present a risk to the site. The groundwater monitoring data gathered from that effort provides additional assurance that both the abandoned and capped wells to the north and the well to the east of the site do not present significant impacts to the site.

6. Unusual features that are driving costs upward and any opportunities to realize cost containment:

Total local fees are relatively expensive which have been reduced by the Frederick Town Board of Trustees. The major cost driver is the Town's requirement that the project purchase water shares, which are currently valued at $65,000 per share. **The Town Board of Trustees, in acknowledgement of this unavoidably high cost, has voted in favor of waiving nearly 90% of fees under their jurisdiction ($535,000).** During the entitlement review process, the development team will work with the Town's engineer to pursue a partial water share reduction through the use of non-potable water for irrigation.

7. Outreach to the community local opposition and/or support for the Project:

Volunteers from the St. Brigit's Episcopal Church actively began pursuing an affordable housing development opportunity for the site in 2015. They set up a website (Brigit's Village) in order to solicit interest in the development. The interest list, which was recently updated, currently has contact information and comments from 50 interested households. The Town Board of Trustees voted 5 to 1, on two separate occasions to support the project though fee waivers. Support letters from the church, Brigit's Bounty, the local I Have a Dream Foundation, United Way and the Town's mayor and Trustees are included with this application.

9% housing credit application narrative

Project Name: Central Park II Apartments
Project Address: Central Park Blvd & E Prairie Meadow Dr (NE Corner), Denver, CO 80238

Project Description: Central Park II Apartments, a unique 90-unit sustainable affording housing development, is located in the Central Park neighborhood, a family-friendly neighborhood where jobs, shopping, grocery and other amenities are a short walk, bike or bus ride away. Central Park II Apartments is distinguished by its sustainable approach: a building designed for livability and providing the lowest affordable rents in a self-sustaining location within walking distance to jobs, commercial services and retail, top rated schools, healthy living amenities, and transit stops connecting to the entire Denver Metro area.

Designed as an updated version of the three-story walk-up, modeled after market rate rental housing recently completed by Brookfield Properties in Central Park and NDHC's successful Northfield Apartments, Moline Apartments, and Central Park Urban Living Flats. The building marketability is superior due to the livability of the units and unit design features. Additionally, the building creates a strong corner presence having a community center with street level access. This development will include one three-story Type V-A building utilizing wood construction built on a post-tensioned slab on grade. The apartments will have secured limited access entry with private entrances located on eight interior stairwells with access to twelve units per stairwell. Since the units are not located on long double-loaded corridors, cooking odor and noise issues will be minimized, along with reduced common area energy usage. Each individual unit contains 9-foot-high ceilings and oversized windows to allow more natural light to penetrate all parts of each unit, enhancing daylighting and decreasing energy cost. Also, all of the units will have private patios, balconies, or Juliet balconies. A common community room, outdoor BBQ area and playground offer residents' opportunities to gather, play, and rest, and creates a greater sense of community. The building exterior will feature fiber-cement panel exteriors with metal and brick accents, varied elevations, and low-pitched and some flat roof areas. The surface parking lot will contain 92 parking spaces located in the interior of the property in order to allow the building to front the sides of all major streets.

Supportive Services: As with all of NDHC LIHTC developments in Central Park, NDHC will provide an on-site case manager, in collaboration with service providers, to implement healthy living and wellness programs such as self-development education, educational youth programs, after-school tutoring, nutrition classes, healthy cooking, gardening classes, access to food banks, job training, resume development, mental health services and financial literacy classes.

Providing the Lowest Affordable Rents: The opportunity to live in middle- and higher-income Denver neighborhoods for low-income households is rare due to the higher cost of housing. These households either do not have sufficient income to afford to live in market-rate rental units or are forced to pay well over 40% of their income in neighborhoods like Central Park where the average rent per month is about $1,500 for a one-bed unit, $2,145 for a two-bed unit, and $2,670 for a three-bed unit. With eighteen one-bed one-bath units, thirty-six two-bed one-bath units, and thirty-six three-bed two-bath units, Central Park II Apartments will provide affordable housing to households making 30% to 60% of Denver's area median income. In addition, 56% percent of the units will serve households making 40% or less of Denver's area median income. The 90 affordable housing units are targeted to serve as follows:

AMI	# of Units	Percentage
30%	36	40%
40%	15	16.7%
50%	27	30%
60%	12	13.3%
	90	**100%**

	TOTAL UNITS	30% AMI	40% AMI	50% AMI	60% AMI
1BR/1BA	18	$484.00	$672.00	$859.00	$1047.00
2BR/1BA	36	$582.00	$807.00	$1,032.00	$1257.00
3BD/2BA	36	$668.00	$928.00	$1,188.00	$1,448.00

Self-Sustaining Location within Walking Distance to Jobs, Commercial Services and Retail, Top Rated Schools, Healthy Living Amenities, and Public Transportation Stops:

Jobs/Commercial Retail: Central Park II Apartments has many employers within close proximity to the site with over 60,000 job positions. Employers encompass all sectors of the economy, including both public and private opportunities in hospitality, entertainment, retail, industrial, commercial, and medical. The project is located within one mile of The Shops at Northfield, a 1.1 million square-foot, open-air lifestyle and entertainment center that includes stores such as SuperTarget, Macy's, Harkins Theatres 18, and more than 80 premier shops and restaurants. Likewise, there are many manufacturing and industrial companies in the Central Park neighborhood within a mile of the apartments, including Arizona Tile, Sysco Denver, Stone International of Denver, and Interstate Warehousing. In addition, located just to the south of Interstate 70 are Sprouts Farmers Market, Quebec Square, several medical facilities, and numerous hotels.

Top Rated Schools: The Denver Public Schools located in the Central Park neighborhood are highly rated. Located within a half-mile of the apartments is Willow Elementary, an innovation school that serves ECE through 5th grade. Located at the same location as the elementary school is the Conservatory Green Middle School that serves students from 6th grade to 8th grade, one of Denver's high performing public science and technology schools that focuses on STEM education. For high school students, there are two highly regarded options located just north of the apartments—DSST: Conservatory Green High School and Northfield High School—that are also within a half-mile walking distance.

Healthy Living Amenities: The property is located within walking distance of numerous outdoor amenities to encourage active healthy living and mental rejuvenation, including, but not limited to, Runway 35 Park to the southwest, Dick's Sporting Goods Park to the northwest, and the Northfield Athletic Complex to the northeast. In addition, there are a multitude of gymnasiums, community gardens, and community pools located throughout the Central Park.

Transit Stops Connecting to the Denver Metro Area: The Central Park Light Rail Station is just a 5-minute drive from the property and allows residents to use the A-line train with connections to the eastern and southeastern rail lines. The nearest bus stops, Route 65 and 42 that run north-south along Central Park Blvd are located less than a 5-minute and 12-minute walk away respectively. Residents can ride buses from this location to access routes throughout Denver as both routes stop at Central Park Light Rail Station and connect to many other bus lines.

Energy Efficiency and Green Building: Central Park II Apartments will meet and exceed the Enterprise Green Communities (EGC) standard. EGC measures will ultimately greatly reduce energy usage, increase indoor environmental air quality, and minimize environmental impact for the life of the property.

Types of Financing and Subsidies: Central Park II Apartments will be financed utilizing the following: 9% Low Income Housing Tax Credit, local public sector grants, debt financing and private sector grant and land donation and sponsor developer participation.

1. Qualified Allocation Plan, Section 2 Guiding Principles: Below we have identified the guiding principles in Section 2 of the Qualified Allocation Plan (QAP) that Central Park II Apartments will meet, with an explanation of how the project will achieve each specific guiding principle.

To support rental housing projects serving the lowest income tenants for the longest period of time: The project will provide 90 units of affordable housing in the highly desirable Central Park neighborhood. The target tenants have an income between 30 and 60 percent of Denver's area median income, with 56 percent of the units going to households at 40 percent AMI or below. These affordable units will have a long-term use restriction that will keep them committed as affordable units for the maximum period of time. The project will not only give low-income households an affordable option for housing but will also be located in a community that can help support these households and help them grow as a result of the good jobs, schools, and other beneficial property and neighborhood amenities.

To provide opportunities to a variety of qualified sponsors of affordable housing, both for-profit and nonprofit: Northeast Denver Housing Center, Inc. is a well-established non-profit corporation with a range of partners and sponsors including both for-profit and non-profit public and private organizations that are sponsoring and supporting the project. NDHC continually reaches out to the community for sponsorship and has a dedicated page for donations on our website.

To distribute housing credits to assist a diversity of populations in need of affordable housing, including families, senior citizens, homeless persons, and persons in need of supporting housing: Central Park II Apartments will provide a variety of apartments suitable for households of varying sizes including family and single households. The majority of the units (56 percent) will be allocated to very-low-income households, a subsection of affordable housing that is often under-represented in favor of the higher 50 and 60 percent AMIs. 40 percent of the units will be at 30% ami and below. Also, 40% of the units are three-bedroom two-bath units for families and bolster the currently underserved affordable three-bedroom housing niche in Denver.

To provide opportunities for affordable housing within a half-mile walk distance of public transportation such as bus, rail, and light rail: The project is located within a half-mile of Bus Route 65, which goes north-south along Central Park Blvd. This route provides many connections to other bus lines, along with the A-line light rail line at Central Park Station, to allow residents to travel around the Denver metro area without the need of personal transportation to go to work and to access the numerous neighborhood amenities.

To support new construction of affordable rental housing projects: The project will be a new construction, low-income housing development in an area with a critical need for low-income housing. Upon survey of all low-income housing developments in the Central Park neighborhood, the vacancy rate is extremely low with long waitlists. This project will help to fill this demand and allow residents to live in a highly desired neighborhood.

2. Qualified Allocation Plan, Section 2 Criteria for Approval:

a. Market Conditions: The Central Park neighborhoods have experienced significant growth, including households with low- to moderate-incomes, and this trend is expected to continue in the coming years due to the growing number of quality jobs, high-performing schools, and other highly desired neighborhood amenities. Demand for low-income housing is expected to grow, maintaining almost no competition between this project and other nearby Low Income Housing Tax Credit apartments. One of the most beneficial aspects of the project is the desirable location, which creates high demand for housing units as it is in close proximity to jobs, public transportation, open space parks, quality schools, entertainment, and other amenities. The critical need and strong demand for low-income units is demonstrated by the very low vacancy rates of LIHTC developments surveyed in our market study. The LIHTC developments surveyed in the market study, which include NDHC's Moline Apartments and Northfield Apartments, have an overall vacancy rate of 2.4% with long waitlists. Tenants of the project are expected to come from all over the Denver metro area as evidenced by the high in-migration rates for NDHC's Northfield Apartments and Moline Apartments. Moline Apartments leased up within four month of project completion, and Northfield Apartments leased up in just 1.5 days. Central Park II Apartments will have a similar successful lease-up.

b. Readiness-to-Proceed: Northeast Denver Housing Center is well-positioned to move quickly from concept to construction. This project team has completed three similar in Central Park projects recently, always starting construction within 7 months of the tax credit award with construction completion within 12 to 14 months depending on the project size. The project team includes Northeast Denver Housing Center (Sponsor/Developer), Cuningham Group (Architect), Palace Construction (General Contractor), Ross Management (Property Manager), Paul Smith of Bryan Cave Law Firm (Legal Consultants), Dan Morgan and Associates (Financial Consultants), and a large number of other public and private supporters. As soon as the Low-Income Housing Tax Credit is awarded to the project, it will only take a few months to secure all other financing and to prepare for construction, with the groundbreaking anticipated within seven months of the award.

c. Overall Financial Feasibility and Viability: Central Park II Apartments has many public and private funding and development partners that make this project viable including First Bank, The City and County of Denver, The State of Colorado Division of Housing, Brookfield Properties, Cuningham Group, Palace Construction, and Northeast Denver Housing Center. Notably, Brookfield Properties, the Master Developer of the Central Park neighborhood, has donated the site for the project, showing extensive support by the local community for this unique affordable housing opportunity. This project supports The City and County of Denver's goal of creating new affordable housing and making affordable housing a priority in the area.

d. Experience and Track Record of the Development and Management Team: Central Park II Apartments' development and management team is highly experienced and has completed many similar projects within this same area including the Central Park Apartments completed in 2006, Northfield Apartments completed in 2016, Moline Apartments completed in 2019, and Central Park Urban Living Condominiums set to complete in 2021. Specific experience that the development team has to ensure a smooth project completion include:

- Northeast Denver Housing Center, Inc. (NDHC) has nearly 40 years of experience in community development, including the development and management of affordable housing, property management, and comprehensive housing counseling. NDHC has completed six Low Income Housing Tax Credit projects and has developed over 2,000 affordable housing units.
- The Cunningham Group has been in the architectural business for more than 50 years earning a reputation for designing and delivering exceptional, award winning buildings. The Cunningham Group is ranked one of the top 50 architectural firms in the world.
- Palace Construction has been building in Denver for more than 50 years, and has an extensive commercial portfolio of projects in and around the area, with many LIHTC tax credit affordable housing projects.
- Daniel G. Morgan & Associates is a well-established financial consulting company in the Denver area.
- Paul Smith of Bryan Cave is an expert in LIHTC and Bond Financed project and will be counsel for the partnership.
- Ross Management is an expert in Low Income Housing Tax Credit property management and has over 13 years of experience managing Northeast Denver Housing Center developments.

e. Cost Reasonableness: Central Park II Apartments has relatively low construction costs for a project with such high-level finishes, exceptional design, and great location in a high-demand neighborhood. These efficiencies are achieved because this same team has developed multiple similarly designed buildings. Also, our credit request is the lowest per unit of any project on the 9% LOI list while providing the highest number of units with a very high proportion of 30% and 40% AMI units.

f. Proximity to Existing Tax Credit Developments: There are few existing tax credit developments in the primary market area, which includes NDHC's Northfield Apartments and Moline Apartments. The vast majority of the developments are at or near 100 percent occupancy.

g. Site Suitability: Central Park is a highly desirable neighborhood for the project with a community infrastructure and a master plan already in place. Central Park is a highly accessible neighborhood, with close proximity to jobs, schools, hospitals, shopping, open space parks, and other neighborhood amenities. This area provides access to many forms of transportation including walkable paths and sidewalks, bike paths and lanes, RTD bus stations and a light rail stop located within a short distance to the site. This high level of access to jobs, amenities, and alternative forms of transportation within the immediate area and surrounding communities creates greater opportunity for the project's low-income households, allowing them to maintain a sustainable, healthy, and more financially stable lifestyle. Central Park is also a family-friendly neighborhood, with numerous parks and open spaces, and high performing schools, making this a great location for the project's family-sized units.

3. <u>Market Study Issues</u>: No major issues were raised by the market study. No changes were recommended for the project.

4. <u>Environmental Report Issues</u>: No issues were raised by the environmental report.

5. <u>Local Outreach and Support</u>: Central Park II Apartments has extensive support and outreach through The City and County of Denver and the Central Park Affordable Housing Plan, which has been developed by the City and County of Denver and Brookfield Properties, making affordable housing a high priority. Describing Central Park's unmet need for affordable rental housing, Brian Fennelly, CFO of Central Park Brookfield Properties stated, "Central Park has multiple market rate rental communities in various stages of development, and we anticipate delivery of hundreds of rental units in the coming years. Your 90-unit affordable development at intersection of Prairie Grove and Central Park Boulevard (Lot 19, Block 8, Filing 47), is critical to our plan on meeting the Affordable requirements defined in our Affordable Housing Plan."

9% housing credit application narrative

Project Name: City Park Senior Living
Project Address: 1642 N. Lafayette Street, Denver, Colorado 80218

1. **Executive Summary:**
Summit Housing Group, Inc. (SHG) is excited to present City Park Senior Living (CPSL), a new construction affordable senior (55+) apartment development with 43 units located in the City Park West neighborhood. City Park Senior Living caters to seniors who want to live downtown and enjoy the excellent walkability (Walk Score 89), job opportunities, the opportunity to connect with other seniors (Senior Support Services is 0.3 miles away) as well as numerous top-rated hospitals in Denver. City Park Senior Living also adheres to almost all of CHFA's guiding principles listed below:
   - CPSL will give preference to the lowest income tenants with 5-units at 30%, 8-units at 40%, 9 units at 50%, and 19 units at 60% with an affordability period of 40 years.
   - The location is in census tract 31.02 which is a Qualified Census Tract. This is the only senior affordable housing project requesting tax credits in the city of Denver this round and is the only senior project in the development pipeline in the Primary Market Area.
   - SHG is a for-profit developer with extensive experience in Colorado.
   - CPSL will cater to senior citizens (55+) and is the only new construction project in the pipeline this application period.
   - This development has a bus stop 520 ft away and has a Walk Score (89) compared to the average score in Denver of (61). CPSL will provide its tenants access to transportation, jobs, activities, as well as all services needed within less than a mile. SHG and the architect Humphreys and Partners have utilized the small site to maximize the number of units.
   - SHG is leveraging its knowledge of the market and its partnerships to reserve only as many tax credits that are necessary for the project. City Park West is a desirable neighborhood to live in Denver. It offers our residents a central location between downtown and Cherry Creek. Parq 17 across the street is a new luxury apartment project and the lowest asking rent for a studio is substantially higher than our highest rent for a 2-br at CPSL. Land values are extremely high in this neighborhood, but SHG was able to purchase the property under market value and will provide our senior residents one of the most desirable places to live in Denver.

CPSL will provide 43 apartment homes for low-income seniors with a unit mix of 35 1-BR's and 8-2-BR's with one of the 2-BR units for the on-site manager. According to the market study 2-br senior units are not in as high a demand in the PMA so CPSL's unit mix reflects a majority of 1-br units. SHG has worked with its architect to maximize the density on the site. The zoning is C-MS-5 which allows up to 5 stories and is a use by right which allows us to build up to 5 stories' above the 1st level podium. The podium will allow for a lobby, mail room, exercise room and ample parking for our tenants. Other community amenities include a community room with a small kitchen and business center, lobby, exercise room, 2nd floor outdoor patio with BBQ grills and fire pit, and another outdoor space on the 3rd floor with community gardens (for our residents to grow fresh produce) as well as a dog walk. The apartment homes for our seniors will be very well appointed with central air conditioning, blinds, carpet in the bedrooms, vinyl plank flooring in all common areas, ceiling fans in each bedroom, refrigerator, stove/oven, dishwasher, garbage disposal, microwave, and in-unit washer/dryer. The two-bedroom units feature walk-in closets for each bedroom. CPSL will also have an on-site manager and will include security features such as limited access entries, and on-site surveillance cameras. (Market Study Pg.6).

City Park Senior Living is a spectacular urban in-fill project located in downtown Denver with an amazing walk score for residence and numerous close amenities. This project is zoned for a high density residential multifamily (C-MS-5) up to 5 stories and is not located in a flood plain. *(16 - Zoning Verification Letter, Flood zone verification)*. SHG believes we are maxing out the density as there is a 55-foot setback above thirty feet. The 2nd and 4th floors will include outdoor amenity space for our seniors. These amenities will include a deck with BBQ grill, multiple seating arrangements and lined with trees that will be irrigated. The roof deck with include a community garden lining 2 sides of the deck with a center dock park and the third side lined with trees. The project will have 43 units with 1 and 2 bedrooms, community space, open space for outdoor activities, and ample parking (26 spots – 3 for electric vehicles). The building will be 5-stoies with the first floor as a podium and 4 stories of wood structure. It will include open stairwells for circulation and is proposed to be constructed as a slab-on-grade foundation. The exterior will be wood framed with a variety of exterior cladding materials articulated carefully to ensure durability and longevity to the building as well as provide a nice aesthetic for the residents and surrounding neighbors. The building will be fully sprinklered and designed for a modern residential feel. The exterior structure will have various hardi-siding with multiple colors as well as accented metal. This urban in-fill project will be a great addition to the local area with a modern look. The units will a spacious feeling with large exterior window to allow great air flow and lighting into each unit. The podium will have easy access from the road with beautiful lobby, mail room and office as well as a 2-bedroom managers unit. It will provide ample parking spaces (26) with multiple EV spots (3) and one handicap accessible spaces. The clubhouse on the 2nd floor will have a spacious feel with kitchen, seating, and TV with a connecting business center for the residence to use. The double loaded corridor will add a spacious feel while having access to units on either side. The podium will be a type 1 construction with type 5 construction for floors 2-5. Please see unit mix and sizes below.

City Park Senior Living				
Unit Rent and Mix:				
Unit Description	**Net Rents**	**Unit HSF**	**Unit Number**	**% of Units**
1-BR @ 30%	$484	525	3	7%
1-BR @ 30%	$484	609	1	2%
2-BR @ 30%	$582	874	1	2%
1-BR @ 40%	$672	525	5	12%
1-BR @ 40%	$672	609	2	5%
2-BR @ 40%	$807	831	1	2%
1-BR @ 50%	$859	525	5	12%
1-BR @ 50%	$859	609	2	5%
2-BR @ 50%	$1,032	831	2	5%
1-BR @ 60%	$1,047	525	10	23%
1-BR @ 60%	$1,047	609	7	16%
2-BR @ 60%	$1,257	831	3	7%
2-BR Managers Unit	$0	887	1	2%
		26,143	**43**	**100%**
# of Buildings	**1**			

CPSL boasts an excellent location in the heart of Denver at 1642 N. Lafayette Street in the thriving City Park West neighborhood. This neighborhood will cater to all types of seniors and because of location will be very desirable. The site is already zoned for multifamily (C-MS-5), and it is within a mile of all essential services, job opportunities, and is steps away from some of Denver's top-rated hospitals including Presbyterian Saint Luke's, Saint Joseph's Hospital, Cancer Centers of Colorado, Kaiser Permanente, the Heart Institute of Colorado, as well as many doctor's offices. Additionally, it is located 4 blocks away from Senior Support Services which can help our tenants with meals, computer and internet access, transportation, benefits, rent and utility payments, financial counseling, and medical care. It is also located 4 blocks away from Metro Caring whose mission is to help tenants address immediate food needs and hunger. SHG has engaged in conversations with Metro Caring to assist the future residents as CPSL. There are 4 grocery stores within approximately 1.0 miles, including a King Sooper's, Safeway, Natural Grocer, and Marczyk Fine Foods. All city services such as police, post office, and fire within .5 miles. The downtown Denver area also hosts many businesses within .5-1.0 miles of CPSL, offering many opportunities for employment *(13 - Location Maps)*. CPSL is a Transit Oriented Development (TOD) site, and only 520 feet from a bus stop at East 17th Avenue and Franklin Street. *(Exhibit 09 - Supporting Documents for Scoring - TOD Bus Stop)*. Bus route #20 can take our residents to the Denver Zoo, Anschutz Medical Campus, as well as downtown Denver. Additionally, there are many outdoor activities including tennis courts, walking trails, and parks. Chessman Park is a short walk away and City Park is a short bike ride away at a little over a mile. *(Exhibit 13 - Location Maps)*.

Within the building high efficiency systems will be incorporated to promote less consumption of our natural resources and provide lower utility bills to our residents. This will include the heating and cooling systems, building insulation design, window efficiencies, Energy Star rated appliances, water conserving fixtures, and Energy Star lighting or LED fixtures. Residents will also enjoy a healthy living environment because of CPSL's use of green and healthy materials whenever possible, including low or no VOC products, formaldehyde free lumber goods, and sustainably designed materials throughout the development. The construction itself will also utilize techniques to preserve natural resources by implementing a waste management plan to keep waste minimized through diversion to recycle centers and salvage locations. Overall, green building materials will be incorporated whenever possible to achieve a sustainable design and healthy environment for the residents. Please see the entire Enterprise Green Communities workbook in Exhibit 21.

The development will be funded with 9% Federal LIHTC, construction debt, permanent debt, deferred developer fee, and can request a DOH Loan in the amount of up to $630,000 but we are anticipating the amount to be $430,505. The total development cost is $15,264,870. The capital stack for CPSL includes a competitive 4.25% interest rate on the permanent loan, tax credit equity pricing at ($.91) based on the strength of the sponsorship. There is also a construction loan that will bridge the tax credit equity and permanent loan conversion through the construction period. SHG has been in contact with the Denver Housing Authority and has requested a property tax exemption. This will require DHA to be a Special Limited Partner. DHA typically waits for CHFA to award tax credits to a project before committing to be a SLP and providing a tax exemption. Finally, we have also have a letter of support from the Department of Housing Stability which may provide more soft debt for CPSL up to $410,000. These funds cab be applied for after an award of tax credits and the funds will be distributed based on how well CPSL addresses the City's affordable housing needs. The City of Denver will also waive linkage fees because this this an affordable housing development. Please see table below and Exhibits 4,5, & 6.

1. **<u>Identify which, if any of the priorities in Section 2 of the Qualified Allocation Plan (QAP):</u>**
   - **Projects serving Homeless Persons as defined in Section 5.B 5**
     CPSL is not serving Homeless Persons
   - **Projects serving persons with special needs as defined in Section 5.B 5**
     CPSL will not serve persons with special needs.
   - **Projects in Counties with populations of less than 175,000**
     CPSL is in Denver County which is above the 175,000 threshold.

   In addition to the above priorities, CPSL meets the majority of the listed Guiding Principles in Section 2 of the QAP below.

2. **<u>Describe how the project meets the criteria for approval in Section 2 of the QAP:</u>**
   - **Market conditions:** According to our market study by Prior and Associates "In January 2021, the overall surveyed vacancy rate in the PMA was 4.2%. Vacancies were highest in three-bedroom units and lowest in four-bedroom dwellings." While there is some vacancy right now in the senior LIHTC project, according to the market study "Although surveyed senior LIHTC units were 8.2% vacant, there was only a 1.4% vacancy rate for all income-restricted units in the PMA, and three of the five maintained extensive waitlists. The higher senior rate is in large part due to the unwillingness of seniors to move during the pandemic, as well as greater turnover, and is not reflective of long-term demand for affordable senior rental housing. In addition, the subject's proposed features and condition will place it at the top of its product class. Therefore, based on these factors, coupled with the experience of Park 17 Apartments and Tammen Hall Apartments, the subject should lease around 15 units per month, reaching stabilized occupancy in three months, without concessions. Furthermore, the capture rate is quite low at 12.7% meaning there is pent up demand for senior units.

   - **Proximity to other tax credit units:** According to the market study "The PMA has 58 LIHTC projects containing 3,722 income-restricted units. Included in these units are: nine are age-restricted projects with 749 units, one is a 68-unit property partially age-restricted, ten are special needs properties with 845 units, and 44 are general occupancy LIHTC properties that have 2,060 dwellings. The subject will compete MOST directly with the 749 tax credit units that are comparable in terms of income and age restrictions. Tammen Hall Apartments, Benedict Park Place, Diamond at Prospect, Blake Street Apartments and Broadway Plaza Lofts were surveyed and used as comparables for this report. Many of the senior LIHTC properties in the PMA are fully subsidized, are less comparable to the subject and were not prioritized to survey." The family projects surveyed January 2021 were 0% vacant and had lengthy wait list. While there were vacancies at senior LIHTC property, the study states "there is still strong evidence of pent-up demand for affordable rental housing units. The vacancies at this project are likely due to higher turnover and difficulties getting seniors to move during the pandemic and are not a reflection of actual demand. Moreover, the subject will not come online for around two years." Also, the vacancies were in the two-br units and CPSL will only add 7 additional units to the pipeline.

- **Project Readiness**
  If awarded credits, we anticipate construction on CPSL to commence in March of 2022 which would put us well within the carryover requirements of 13 months after reservation. The site is zoned C-MS-5 which allows the project's height, density, and construction type and is a use by right. We will be required to get a zoning permit from the City of Denver. SHG has already begun this process should have it by the end of March. We have also submitted to the city for a concept review which will take 4-6 weeks (which will run concurrently with the zoning permit review). Upon successful completion the concept review SHG will submit for an SDP once tax credits have been awarded. After the first round for the SDP, SHG will submit full plans and specs to the building department in October. We have been working with Humphreys Architects on the site and building design to make this happen and plan on construction commencing in spring of 2022. We have selected CMC as our contractor who is currently building our project in Broomfield and because of this relationship we will be able to bring to market these units by Spring 2022. Additionally, Boston Financial, RMCRC, and Key Bank our equity/permanent/construction lenders, are all long-term finance partners with SHG and will further allow an expedited closing.

- **Overall financial feasibility and viability:**
  The project is financially feasible. SHG is requesting $430,505 from the Department of Housing (DOH) and hope to have Denver Housing Authority as a special limited partner which will enable CPSL the possibility of receiving a tax exemption. (*8-Evidence of Property Tax Exemption*) The tax exemption allows the project to generate additional permanent debt proceeds while still maintaining the proper debt coverage to keep this project financially feasible for the life of the development. CPSL also has the option for extra soft debt funding from Denver's Department of Housing Stability Colorado Department of Housing, City Park Senior Living is financially strong and exceeds all of CHFA's underwriting requirements. Please see the equity letter from Boston Financial (*5-LOI*) Letter of support from Department of Housing and the letter of support from the Department of Housing (*6-LOI*).

- **Experience and track record of the development and management team: -** Summit Housing Group, Inc. is a subsidiary of Summit Management Group, Inc. (SMG), a Montana corporation engaged in the development and management of LIHTC housing. A second subsidiary is Highland Property Management, Inc. (HPM), tasked with the management of all of SMG's properties. Together the companies have developed housing in Colorado, (203 units leased and 49 under construction, and a 4% award working toward closing this spring), Montana (214 completed LIHTC units), Wyoming (836 LIHTC units built, and 72 under construction. South Dakota (32 LIHTC units built, 35 units under construction), and Utah (230 completed LIHTC units. SHG is experienced and equipped to develop a project from acquisition through funding award, design, construction and closing. HPM is experienced with LIHTC lease-up, compliance, and reporting, and currently managing 1,353 LIHTC units in Wyoming, Montana, Colorado, and South Dakota, with no unresolved 8823s. As an additional safety net HPM utilizes Preferred Compliance, Inc. to review all applications for all new and existing LIHTC units, as well as to provide ongoing training and support.

  By the end of this year, SMG and SHG will have completed or have under construction over $301 million of affordable multi-family housing. Please see Exhibit 10 – Development Team Resumes for more detailed information.

- **Project Cost:** CPSL meets the cost reasonableness test. We are requesting DOH softs funds to minimize the amount of tax credits needed to complete the project. CPSL will produce approximately $1,450,870 in annual credits but are only requesting the maximum of $1,350,000. The recent construction market conditions in Colorado show a steady increase in building activity and housing demand over the last 12 months. SHG has witnessed this increase first-hand as we have recently completed one development (Littleton Crossing Apartments in Littleton, CO), have just closed another, Academy Place Apartments in Broomfield, CO), and are scheduled to close another (Lyons Valley Town Homes, in Lyons CO) next month. We believe that our 3rd party estimator's budget for the proposed development in the market are in line with our experience and our cost projections for the in Denver for the next 12 months. CPSL therefore meets all cost reasonableness tests as it relates to both construction cost and all other development costs required to complete the project.

- **Site suitability:**
  SHG chose this site for LIHTC family development because of its desirable City Park West location, nearby hospitals and medical offices as well as the senior center and amenities, public transportation, and the need for new senior affordable family housing in the Denver area. There is very little senior affordable housing in this QCT and PMA so we are fulfilling a need. The density and style of development is appropriate for the location. The site will be relatively easy to build on as the site is currently a parking lot and the property has little topographical change. The style of development, one 5-story building with 26 podium parking spots for seniors, is extremely well suited for this site. As previously mentioned, almost all essential services, jobs, opportunities, and are located within less than a mile of CPSL. In addition, the site has a **Walk Score of 89**, making it very walkable. The market study states, "The subject's walk score is 89, which is 46% higher than the Denver score of 61, 8% higher than the comparable average (83) and is considered "Very Walkable." *(Exhibit 19 – CHFA Walk Score)* Please see Exhibit 13 for a Community Services Map within the Location Maps for services located close to City Park Senior Living.

- **<u>Provide the following information as applicable:</u>**
  a. *Justification for waiver of any underwriting criteria (minimum operating reserve, minimum PUPA or high PUPA, first year debt coverage ratio below 1.15 or above 1.30, minimum replacement reserve, vacancy rate below CHFA's minimum):* SHG is not requesting any of the above waivers.
  b. *Justification of the financial need for CHFA's DDA credit up to 130 percent of qualified basis:*
  SHG is requesting the basis boost because without it the project would not be financially feasible.

- **<u>Address any issues raised by the market analyst in the market study submitted with your application:</u>**

  The only issue raised in the market study is the demand at this time may not be sufficient enough to absorb all of the units in the pipeline. With that said, almost all of those units are market rate. According to the market study, "based on affordable pent-up demand, senior renter household growth and the number of age-restricted units in the pipeline, the impact on vacancy rates at age- and income-restricted developments will be negligible."

  The study also raised a concern about the vacancies in the one senior project. However, the analyst did say "While the surveyed senior LIHTC project had a higher than average vacancy rate, this appears to be related to issues relative to the COVID-19 pandemic and not reflective of demand for affordable age-restricted rental housing. There is sufficient demand to account for the subject and its proposed rents are achievable and provide a good value to potential senior renters. It should lease up at an average monthly rate of 15 units and reach stabilized occupancy within three months, without concessions."

- **<u>Address any issues raised in the environmental report(s) submitted with your application and describe how these issues will be or have been mitigated:</u>**
  No Issues raise

- **<u>In your own words describe the outreach that you have conducted within the proposed community and demonstrate local support or the project (including financial support)</u>**
  SHG engaged reached to quite a few local and state agencies. The first agency we reached out to was Ted Pasco at Senior Support Services. We introduced the basics of the project and talked about partnership opportunity. At the Ted was not interested but was excited about the project. We also reached out to Metro Caring which is food pantry 3 blocks away. We also discussed partnership opportunities with them and were unable to reach an agreement at the time of this application, but we will still be working with them and hopefully if we get an award of tax credits, we will be able to work out a beneficial partnership for both parties. SHG also reached out to the Denver Housing Authority and will be applying for property tax exemption. We also reached to DOH and Department of Housing Stability Colorado Department of Housing and received letters of support for our project.

9% housing credit application narrative

Project Name: Crawford Townhomes
Project Address: 2601 Crawford St, Pueblo, CO 81004-2623

The Housing Authority of the City of Pueblo (HACP), in partnership with the City of Pueblo, is developing Crawford Townhomes, which is Phase **III** of a master planned community located in an amenity-rich neighborhood with multi-modal transit options. The site includes a mix of uses and is within walking distance of a grocery store providing fresh foods, high performing schools, a high-tech public library, thriving job centers and a major commercial hub. The families living in this community benefit from the unique feature of having direct access to an onsite Services Center, which includes Boys and Girls Club, Jack Quinn GED Programs Center, and Southside Children's Center. The site is located in a Qualified Census Tract and an Opportunity Zone. HACP has built support at all levels: City, County, State and Legislature; each have provided a letter of support and/or committed funds for multiple phases as part of this development. HACP has partnered with local service agencies, including the Boys and Girls Club, YWCA and others to connect families with programs and resources to create a community where families can thrive.

PROJECT FEATURES – EQUITY AND ECONOMIC MOBILITY

- **Local, Regional and State Support:** Crawford Townhomes has the support of the Mayor's Office, the State House Majority Leader and the State Senator (support letters included in application).

- **Excellence in Design:** Master planned community, connected sidewalks, green open space, high quality building materials, and energy efficient systems built in accordance with 2020 Enterprise Green Communities.

- **Neighborhood Connectivity:** HACP is assessing the feasibility of making Crawford Townhomes, and the entire redeveloped community, including Uplands and Mountain View, a 21st century broadband connected neighborhood using Coronavirus Aid Relief Economic Security (CARES) Act funds.

- **Preservation for very low-income**: Long-term operational viability providing deep to modest subsidies (20-year Housing Assistance Payment contract with HUD) preserving affordable housing for a mix of incomes 30% to 60% AMI. The Market Study completed by the Gill Group on January 18, 2021 listed a 0% vacancy rate for affordable units in the market area (page 51), not one unit was vacant in the 885 affordable units assessed. Further, only 16 units of the 1397 market rate units in the PMA were vacant, a vacancy rate of 1.1%. The overall vacancy for the PMA is .7%. The demand for rental units is astounding.

- **Supportive Services:** Onsite community center with Boys and Girls Club, Jack Quinn GED Programs Center, as well as Southside Children's Center. The project has significant support from the City and local community-based organizations.

- **Economic Impact:** The project has full support from the City. The development of Crawford contributes further to the $44.5M in economic impact, both direct and indirect, on the local economy in this City targeted revitalization area. The site is located in the Colorado State Fair/Events Center Opportunity Zone, strategically designated by the City to support investment in this area with the State Fair Grounds center of economic activity and the South Prairie Avenue Commercial hub.

Readiness to Proceed: HACP owns the Sangre de Cristo public housing site and the adjacent site totaling 20-acres that includes four phases of new construction and has garnered full support from the residents, HUD, the local community, the City, the County, and the State for this master planned new community. There are significant economies of scale in proceeding with Crawford in 2021 as HACP is continuing the construction of the master planned site with the same Development Team that is implementing Mountain View Phase II, which is slated to be delivered early and within budget. HACP selected Acorn Construction Company as General Contractor (GC) for Crawford; the GC is on track to complete Mountain View (Phase II) in July 2021. If awarded, HACP will begin pre-construction site work in August 2021 and close on the construction financing and begin vertical construction in Spring 2022. If HACP is not funded tax credits in 2021, the City and County HOME funds available are at risk of being awarded to another project and a portion of HACP's funds will be required to be allocated to another public housing site, which will create a funding gap.

Development Team Capacity: HACP is the largest residential Developer and Asset Manager in Pueblo County. HACP owns and manages 817 family and senior public housing apartments and has developed 354 LIHTC apartments. HACP also manages 1,540 housing choice vouchers. HACP's property and asset management portfolio includes 2,234 family and senior apartments as well as commercial space in Pueblo's central business district. The HACP team administers and manages compliance for LIHTC, RAD, PBV, PBRA and HOME programs. HACP is staffed by professionals with strong track records in compliance and fair housing regulations. HACP successfully completed Phase I (Uplands) within schedule and budget in 2018 and is on track for completing Phase II (Mountain View) in 2021 within budget. HACP assembled its Development Team in 2019 to work on both Mountain View and Crawford Townhomes, this team has proven success in working together efficiently to plan, design and construct affordable communities in Pueblo on time and within budget. The HACP development team brings decades of affordable housing experience and worked together on Phase II - Mountain View. Design/Architecture: HGF; General Contractor: Acorn Construction; Legal Counsel: Ballard Spahr; Development/HUD Consultant: Community Development Strategies; Property Manager: HACP.

Need: Financial support from CHFA is critical as HACP repositions, enhances and works to preserve affordable housing in Pueblo. Each phase of this master planned site is converting under HUD's Rental Assistance Demonstration (RAD) program, the operations are subsidized by a project-based rental assistance contract, providing housing stability where households pay 30% of their income toward rent. Affordability is an issue in Pueblo, 23.5% of people in the City of Pueblo live in poverty and the median gross rent is $799, while the 2020 National Low Income Housing Coalition report lists that the annual income required to rent a three-bedroom apartment is $45,600. Ari Shapiro from National Public Radio All Things Considered covered the mismatch of housing prices and wages, in February 2020 https://www.npr.org/2020/02/27/810095414/in-pueblo-colo-rising-housing-prices-without-wages-to-match.

Economic Mobility/Living Wages/Investing in Previously Disenfranchised Businesses: Economic impact from this master planned community is anticipated to be over $44.5M in indirect and direct spending including Uplands, Mountain View and Crawford. According to the Center for Housing Policy, every dollar of federal spending on capital projects brings an additional $1.12 of indirect and induced expenditures generated by supplier, vendors and wage-earners. The construction contractor is required by HUD to both pay Davis-Bacon, to ensure workers are paid the prevailing wage rates/fringe benefits and is also required to work toward meeting Section 3 of the Housing and Urban Dev Act of 1968 requirements. The purpose of Section 3 is to ensure that employment and economic opportunities, to the extent feasible and consistent with existing Federal, State and local laws, be directed to low and very low-income persons, particularly those who are recipients of government housing assistance and to business concerns which provides economic opportunities to low and very low-income persons. This ensures that residents are provided the opportunity to participate in the economic benefits of these investments.

CHFA QAP SECTION 2 CRITERIA

Families Served HACP will extend the low-income use past the 15-year compliance period to 40-years. Crawford Townhomes will serve the lowest-income tenants for a long-term period, 88% of the 49 townhomes are set aside for low-income households (50% or less AMI), while 51% of the 49 townhomes are set aside for extremely low-income (30% or less AMI). All 49 units will be under a Section 8 Project-Based Rental Assistance for which households will pay 30% of their adjusted income and be provided a utility allowance. HACP carefully planned the mix of bedroom sizes to meet the household composition and accessibility needs of the existing families that live at the public housing site. Crawford Townhomes includes 8 one-bedrooms, 27 two-bedrooms, 12 three-bedrooms and 2 four-bedrooms, offering larger affordable units that are in short supply in the community.

CRAWFORD TOWNHOMES (PHASE III) 49 PBRA/LIHTC

AMI	1 BR $579	2 BR $757	3 BR $1,005	4 BR $1,183	Total	Percent of Total
30%	4	14	6	1	25	51%
40%	1	3	1	0	5	10%
50%	2	7	3	1	13	27%
60%	1	3	2	0	6	12%
Total	**8**	**27**	**12**	**2**	**49**	**100%**

Notes: HACP has a RAD CHAP (operating subsidy commitment) dated December 21, 2020. The 2021 rents listed above have been approved by HUD. HUD will conduct a subsidy layering review as part of their closing approval process. 4 units will be equipped for mobility-impaired individuals and 1 unit for audio/visual impaired.

Non-Metro County Pueblo has a population of 159,063 (April 2020 US Census Bureau). Crawford Townhomes is located in a Qualified Census Tract and an Opportunity Zone and is part of the City of Pueblo's community revitalization initiatives. The City has demonstrated its support of this comprehensive plan to redevelop the former Sangre de Cristo public housing site by donating an adjacent parcel of land for Phase I, Uplands Townhomes, pledging a minimum of $1.8M in HOME funds (over three phases) and has approved Payment in Lieu of Taxes (PILOT) for the affordable community. HUD also encourages Housing Authorities to convert public housing sites through the Rental Assistance Demonstration program and has approved enhanced rents for this site due to its location in an Opportunity Zone and HACP's strong partnership with the City.

Proximity to Other Tax Credit Developments: Crawford Townhomes is being developed as part of the larger community including Uplands (2018) and Mountain View (2021), which were developed through the tax credit program. Four other LIHTC developments are located in the market area, these sites were built nearly 50-years and maintain 100% occupancy, including: Pueblo West (1974), Mesa Gardens (1972), Encino Apartments (1969), Pueblo Village Apartments (1973).

City Revitalization Area: This project meets two of the City's planning priorities listed in the most recent Consolidated Plan and was mentioned in the Mayor's 2021 State of the City Address on January 14th, affordable housing, and neighborhood revitalization.

Future Investment/Jobs Center: This neighborhood is part of the Colorado State Fair/Events Center Opportunity Zone, strategically designated by the City to support investment in this area with the State Fair Grounds and the South Prairie Avenue Commercial hub. This is one of nine established Opportunity Zones where the City is focusing their attention for economic development and job creation to enhance economic and social mobility for the residents at Uplands, Mountain View and Crawford. Please see the City' site: www.pueblo.us/2471/Opportunity-Zone-Focus.

Access to Public Transportation: Residents living at Uplands, Mountain View and Crawford Townhomes have multiple bus stop options that connect through the City to allow access to multiple educational institutions and job centers, including Prairie-Crawford Bus Stop (0.1 mile from site) and Northern-Prairie Walgreens Bus Stop (0.3 mile from site) that provide people access to Pueblo Community College, Safeway, King Soopers, Walmart, South High School, Regency Shopping Center and Academy of Arts.

Access to Learning: The Boys and Girls Club, Jack Quinn GED Center and Southside Children's Center are onsite, all of which are well utilized by Uplands, Mountain View and Crawford Townhomes residents. These services are financed primarily by corporate donations, volunteer commitments and funding provided by the Pueblo County United Way. Pueblo School for Arts and Sciences is located 0.5 mile from Crawford Townhomes, a new kindergarten through eighth grade school. This school has received a top-tier performance rating form the State of Colorado. Pueblo School District 60 has a choice program that helps ensure families find the school that fits their children's needs.

Non-Profit Development: El Centro Pueblo Development Corporation (ECPDC) a 501(c)3 will serve as managing member of the General Partner. ECPDC purpose is fostering low-income housing.

Market Conditions: The site capture rate is 0.6%, noted on page 111 of the Market Study, completed by the Gill Group on January 18, 2021. There are 8,210 income-eligible renter households. HACP's lease up rate at this community is approximately 30 units per month, the process is streamlined since existing public housing residents have the first right to return to the new townhomes. The Gill Group, Market Study Consultant found no weaknesses for this project (Page 112 Market Study), only strengths. The strengths include good visibility, occupancy rates in the market area, superior condition based on construction plans, captive audience particularly with operating subsidies attached to each townhome and the right for residents to return under the RAD program, the area has experienced population growth and is walking distance to critical assets.

Site Suitability: The Phase I ESA confirmed no recognized environmental concerns and no further action required. This site is unique having an onsite Services Center and is located in an amenity rich neighborhood, with critical family resources, job centers, and learning campuses within walking distance.

Meetings/resident engagement: HACP has met with the residents four times from 2018-2020 to discuss HUD's RAD program and resident rights and benefits, relocation planning and phasing, construction scope of work, design and layout of the new community and townhome amenities.

Financial Feasibility/Viability: HACP has confirmed the financial commitments to fully fund this project and to leverage a 9% LIHTC award. HACP is committing over $3M in agency funds and deferred developer fee. HACP is committing $2.9M and deferring 25% of its developer fee. HACP will receive RAD PBRA subsidy for all townhomes during operations. The annual deposit to replacement reserves is $300 PUPA for all 49 apartments to ensure funds are available for future capital improvements.

Permanent Source	Amount
Low-Income Housing Tax Credit Equity	$12.4M
Housing Investment Fund/Colorado Housing Dev. Grant Funds	$1.6M
Federal Home Loan Bank-Affordable Housing Program	$750K
City and County HOME funds	$550K
Housing Authority of the City of Pueblo Agency funds	$2.9M
CHFA Permanent Loan	$1.6M
Deferred Developer Fee	$250K
TOTAL	**$20M**

Cost Reasonableness/Containment: The general contractor, Acorn Construction, and the design team, HGF, identified cost saving techniques based on working together on the construction of Mountain View, Phase II. The design/construction team is working closely with HACP through the predevelopment process to ensure the project is designed as efficiently as possible within budget.

Efficiencies will be realized with the continuation of design drawings. HGF and Acorn have worked collaboratively to streamline costs and materials whiles still meeting current energy codes, City aesthetic codes, and City site storm water requirements. The pandemic has driven up material costs. Extreme cost spikes have been seen in all manufactured products including lumber, furnaces, plumbing/piping fixtures, and electrical wiring fixtures due to low supply and high demand.

Similar hard construction costs (excluding soft costs) include:

Project	Location	Construction	Per Square Foot
Uplands Townhomes	Pueblo	June 2017	$177.15
DeAnza Vista Duplex/Fourplexes	Salida	April 2019	$260.00
Mountain View Townhomes	Pueblo	June 2019	$223.76
Rose Mountain Townhomes	Pagosa Springs	January 2020	$300.85

Design Description/Community Amenities: HACP worked with its design and construction team, with each phase of redevelopment of the site to further enhance the construction plans and specifications including the site design, townhome layout, amenities included based on resident needs/demands, materials, fixtures and finishes. The community has strategically designed shared green space and private entrance and rear patio porch spaces to enhance community interactions, while providing individual ownership. Crawford was designed with roundabouts and smaller private streets to slow down traffic and create a community where pedestrians are the priority. Connections to the neighborhood and assets were carefully mapped to ensure the safety of children and families residing in the development, as well as families accessing the onsite Service Center. The entire site will be accessible, and each townhome will have an accessible bathroom to ensure mobility-impaired visitors are accommodated.

Energy Efficiency and Sustainability: Crawford Townhomes will comply with the 2020 Enterprise Community Green standards including:

- Open plan kitchens with seating space integrated into the countertops
- Finishes include low/no volatile organic compounds (VOC) materials
- Exterior materials are tailored to Pueblo's climate, such as brick stucco at the lower level and cement board low moisture siding. To ensure long term durability as well as appearance that will stand the test of time and is low maintenance
- Buildings will have spread footer foundations with wood framing using zip panel building skin to enhance both energy and air barrier performance
- Roofs will be engineered wood trusses with spray foam to meet and exceed required insulation and building energy performance
- Mechanical units will be controlled within each unit to report post-construction energy use intensity
- Water-saving plumbing fixtures, performance showerheads, high-efficiency toilets and faucets

Long term sustainability and energy efficiency will be achieved through pre-wiring for photovoltaic panels, window glazing, insulation, sidewalks/pedestrian paths connecting to bus stops, pre-wiring for electric vehicle charging stations, and multi-model infrastructure including bike parking and pedestrian paths.

Residents benefit from lower water and energy utility bills. The heating system employs gas-fired tankless water heaters, which provide on-demand hot water. Storm water management best practices will be instituted with porous concrete pavers over an angular rock subbase allowing storm water to infiltrate the soil below. To conserve water, the use of a drip irrigation system will reduce water in landscaping areas. The community will include a passive crawl space radon system. Fresh air will be introduced into the heating/air conditioning systems and timers will be installed on the bathroom exhaust fans to bring in fresh air, providing a healthier indoor environment. Construction will specify local/regional materials for brick, concrete, drywall and other materials to the extent possible. Any unused construction materials will be salvaged; HACP has set a 50% construction waste recycling goal for the construction team.

Crawford Townhomes Project Features-Equity and Economic Mobility: HACP has created a shared vision for this new community that has a mix of uses, the site is surrounded by assets and has support from the residents, HUD, the local community, the City, the County, and the State. This project incorporates: excellence in design, neighborhood connectively, preservation for low-income families, onsite supportive services and is a generator of significant economic impact in the City and County.

9% housing credit application narrative

Project Name: Deer Run Senior Residences
Project Address: 730 N. 4th Street, Sterling, Colorado 80751

1. **Executive Summary:** Four Corners Development, LLC (4CD) is pleased to resubmit Deer Run, with continued overwhelming support from the City of Sterling; management staff and leadership rezoned the city owned property to R-3 High Density Residential, on behalf of 4CD in support of this application. The proposed density of 18.5 units per acre falls within the requirements of this zoning classification. This proposed 50-unit, new construction property for independent Seniors, aged 55+ is ideally located close to downtown Sterling, in Logan County; an area that boasts the largest population of communities east of Pueblo. Transportation immediately adjacent to the site provides almost limitless access to services, employment, and highly regarded amenities throughout the city of Sterling. These key components of being a regional shopping and medical hub for northeast Colorado, coupled with the transportation component, will help combat long commutes and increase full-time employment opportunities. The likely outcome is increased savings and social connections; both of which are key indicators to increasing economic mobility and housing stability. There are **zero** income-restricted senior LIHTC properties in the PMA, or availability of suitable rental units for seniors at any price throughout Morgan and Logan Counties. If funded, Deer Run will represent the first affordable senior housing development to be built in this PMA. Based on Logan County's 2020 Housing Needs Assessment, the rental market has a functional vacancy of zero. The proposed broad mix of incomes from 30% AMI to 80% AMI address unmet senior housing needs in the market and delivers an overall low capture rate of 7.1%

Deer Run Affordable Housing – Unit Mix							
	30% AMI	**40% AMI**	**50% AMI**	**60% AMI**	**70% AMI**	**80% AMI**	**Total Units**
1 Bed/1 Bath	4	2	17	15	2	2	42
2 Bed/1 Bath	1	1	2	2	1	1	8
Total Units	5	3	19	17	3	3	50
% per AMI	**10%**	**6%**	**38%**	**34%**	**6%**	**6%**	**100%**

The 2.7-acre site, is owned by the City of Sterling and is shovel ready with all roads, utilities and public services at the site. Construction of this universally designed 49,124 sq. ft. two-story building will be wood frame over a slab-on-grade foundation, with exterior stone, Hardie siding and backer board finishes for the building skin. Vertical circulation for the double loaded halls will be provided by an elevator and 2 stairwells. A secure single-point card access will open to well-appointed common amenities centralized on the main level, and will include a fitness room, computer/library room, community room with entertainment kitchen, and wellness/services office for general clinics.

Units will range in size from 731 to 827 sq. ft. with 9' ceilings and include full kitchens with E-star appliances, washer/dryer, ceiling fans, linen closet, step-in shower, large windows and closets, individual heating and cooling, and private patio/balcony. Outdoor amenities include greenspace, pavilion for sheltered outdoor dining and entertaining, in addition to a community garden. The project will be certified under Zero Energy Ready Home (ZEHR) program and Enterprise Green Communities. Additionally, this project has agreed to waive the qualified contract process for the maximum 25 years.

Supportive Services: Following is a list of the countywide-service providers and organizations who have agreed to provide resources and services to residents (see support letters provided): Hudson Property Management staff will assist and coordinate services from outside senior and health services agencies such as: specialized transportation, nutrition programs, health and wellness checks, cultural and recreational programs. In addition to community space, a flex-office will be provided to facilitate outside programs and services. Some of the agencies with whom Four Corners will partner include:

- *Logan County Arts League* - The Arts League will bring art activities and programs to the residents throughout the year.
- *Eastern Workforce Center* - The Center sponsors "Retirement Encore", a program that provides services to older adults looking to return to the workforce. Services onsite may include workforce training classes, events, and computer training assistance.
- *Banner Health* - Banner Health owns a vacant building across the street from the subject site. Banner's capital plan anticipates a "Community Well-Being" center with outpatient rehabilitation therapy department, wound care and future hospital based services.
- *Northeastern Junior College* - The college's nursing program will provide onsite health screening and education related to health and nutrition programs. Northeastern Junior College's Nursing program plans to locate off campus in neighboring Banner Health building once rehabilitated in 2022.
- *CSU Northeast Regional Engagement Center* - The Center has grants and affiliations with the Next-Fifty Initiative and Senior Planet. Through these programs, the Center will provide residents with technology services onsite.

2. **<u>Priorities in Section 2 of the Qualified Allocation Plan (QAP):</u>**

- **Projects in non-metro counties with populations of less than 180,000**
  The 2018 Census estimated population of Sterling is 13,360 persons and Logan County is 21,896 thus the project meets the "Projects in non-metro counties with populations of less than 180,000" priority in Section 2 of the 2020 QAP.

<u>CHFA Guiding Principles</u>

- **To support rental housing projects, service the lowest income tenants for the longest period**. One hundred percent (100%) of the Deer Run units will be affordable and targeted to qualifying low-income seniors at 30%-80% of AMI for the maximum extended use period. The project will serve Logan county which has a much lower median income than most other parts of the state. As an example, the median income in Denver is 36% higher than Logan county so this project will serve much lower residents than metro area projects.
- **To provide for a distribution of housing credits across the state**. The proposed development is located in the City of Sterling, Logan County. This development represents the first affordable senior LIHTC in the multi-county PMA.
- **To distribute housing credits to assist in a diversity of populations in need of affordable housing**. The City of Sterling has identified the need for affordable senior housing and was eager to rezone the site to

R3; a density of 18.5 units per acre is proposed. Deer Run will meet an underserved market by providing the PMA's first affordable senior LIHTC development.

- **To support new construction of affordable rental housing projects**. The City of Sterling and surrounding communities have an unmet need for affordable senior housing. The construction of Deer Run will address this underserved market by providing 50 units of affordable senior housing to qualifying households between 30% and 80% of area median income.

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

Market conditions: Deer Run provides the first opportunity to introduce LIHTC senior residences into this PMA. There are no existing income restricted Tax Credit senior apartment properties in the entire PMA, combining Logan and Morgan Counties. **Existing capture rate at all AMI levels are Zero**. The total overall capture rate including the proposed 7.1%, highlighting the significant need for affordable senior housing in this underserved market. As indicated in the market study, "there is a tremendous need for additional affordable apartments for seniors in northeastern Colorado."

The proposed AMI mix of 30% through 80% will provide a broader reach to both the extremely low-income, as well as moderate-income seniors. To add to its affordability, units at 70% and 80% will be leased at rents equal to 60% AMI. Deer Run achieved the highest rating of 5 in the categories of Market Demand, Unit Mix, Unit Size and Amenities, Overall Marketability and Marketability. These are significant ratings when considering the comparable properties used were either new, or high-quality senior apartment properties which have recently received LIHTC awards. The total number of age 62+ renter households is projected to increase by 2.0% per year between 2020 and 2025. Additionally, of the total age- and income-eligible renter households in the PMA, 81% are single-person households and 19% are 2-person households.

> *We must recognize that older Americans are also community assets. Older adults' work and community participation support economic vitality. Although often overlooked in twenty-first–century culture, older adults are vital to the economies where they have invested their lives and labor. When communities prioritize their participation, older residents become resources for civic, business, and educational life. Source: U.S. News; Aging in America: The Land of the Free, Home of the Gray*

Proximity to existing tax credit developments: The closest comparable properties are approximately 95 miles from the proposed site in Greeley, Weld County. Sterling has three family LIHTC developments built in 1996, 1999 and 2005. These family properties are fully leased and will have no direct impact on Deer Run.

Project readiness:

- Site is appropriately zoned R-3 (use by right) and owned by the City of Sterling.
- City of Sterling rezoned property specifically for this project; highly supportive!
- Density is 18.5 units per acre for the proposed project.
- Site is shovel ready: city streets, water, sewer, and power are at site.
- Through early design review consultation, the City anticipates development can achieve permitting within one month of CD submittal. Approval is administrative.
- Construction duration is based on a twelve-month buildout schedule with estimated completion in August 2022.
- Updated schematic design and site plans are compliant with building, landscaping, and onsite detention requirements under the City's adopted International Building Code (IBC).

Overall financial feasibility and viability: Deer Run is financially feasible upon an allocation of 9% LIHTC. Because the site is rural and not in a QCT or DDA, a 4%/State credit option is infeasible. The costs are reasonable relative to the rural location, construction pricing, labor and materials. The projected senior community's development, and operating costs and financing assumptions are based on the collective experience of Four Corners' construction company Hamilton Builders, and third-party pricing and operations analysis by Deneuve Construction Services and Hudson Property Management Group. Deer Run will leverage the LIHTC equity with a 1st mortgage loan from CHFA, funds from the Colorado Division of Housing and deferring developer fee.

Experience and track record of the development and management team: The partners of Four Corners Development boast over 60 years of combined experience designing, developing, and managing over 3,000 affordable housing units in Colorado, Missouri, Texas, Oklahoma, Georgia, Utah, Arizona and Nebraska. The company's combined human resources and financial capacity allow it to attract many investors and lenders and handle multiple projects in different states. To date, 4CD has delivered three (3) CHFA-funded senior communities on time and within budget: Oakshire Trails (2015); Peakview Trails (2016); and Woodgate Trails (2017). In addition, 4CD has a strong history of partnering with Housing Authorities and service providers. Deer Run will provide an enriched service environment that will benefit vulnerable older adults. Four Corners' priority is to find underserved markets throughout Colorado to locate the greatest housing needs of underserved communities, such as Sterling.

Project costs: Deer Run's total development costs are financially feasible, if awarded 9% LIHTC. The project financing has been structured to limit LIHTC equity and maximize hard and soft funding. The project costs reflect current hard cost information and has been independently reviewed and verified by Deneuve Construction Services; the third-party reviewer for Four Corners' construction division and Hamilton Builders.

Site suitability: The 2.7-acre site is ideally located at the corner of N 4th and Broadway. The vacant site is the former junior high football field located in a developed residential and business area within proximity to downtown Sterling. Four Corners has an efficient design that provides 18.5 units per acre with design sensitivity to the surrounding neighborhood and businesses. The site is well suited for seniors providing an excellent location with high visibility, curb side fixed-route public transportation, thus offering excellent access to shopping, businesses, recreation, library, health, public safety and entertainment within one-mile of the site. Four Corners has also committed to fund a $3,000 transportation reserve to assist residents who may not otherwise have their own transportation and or financial means to afford Prairie Express ride tokens**.** Bus service is provided every half hour, six days per week, yet Deer Run also earned a walk score of 56, which strongly compliments and encourages this Senior population to remain active by walking to the nearby restaurants, retail, and other services. The use by right site is undeveloped, flat infill lot adjacent to existing roads and public and private utilities. Fire, police and public library services are located .25 miles from the site and a planned Banner Health facility with Northeastern Junior College Degreed Nursing Program located across the street from the property. There are no obvious impediments to the shovel ready site's use for independent senior living.

4. <u>**Provide the following information as applicable:**</u>

Justification of the financial need for CHFA's DDA credit up to 130 percent of qualified basis: We are requesting a CHFA designated DDA boost. This boost is justified due to the rural location. The cost to build in Sterling is very similar to other parts of the state but with lower incomes and rents, the property cannot support very much debt. We have pursued all available local financing contributions but there are not as many resources available as there are in some larger cities. Additionally, equity pricing tends to be slightly lower in rural communities when compared to the Denver Metro Area.

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

Strengths:

- There is a tremendous need for affordable apartments for seniors in northeastern Colorado. Deer Run delivers a capture rate of zero at all AMI levels, with a 7.1% overall capture rate.
- To add to its affordability and marketability, units at 70% and 80% AMI will be rented at 60% AMI; an exceptionally good value to potential renters in this rural market (positively impacts economic mobility)
- Bus service to and from the site is excellent; service every half-hour, six days per week. (also a catalyst to positively impact economic mobility)
- The planned subject units are generously and appropriately sized for the range of targeted AMI levels, good balance of cost-effectiveness and desirability.
- The site is very marketable and appropriate for this use – nearby services and amenities are ideal and absorption period of five months appears to be reasonable and attainable.
- 4CD worked with the City to obtain a parking variance, reducing the original requirement of 100 to 59. This resulted in reduced costs and increased green space. A win-win combination.

Weakness:

The commissioned Highland Group Inc. market study identified one minor weakness: the dated motel at the back the property. It is primarily occupied by seasonal farm workers in the summer and largely vacant in other months. Because the motel is unattractive, Four Corners will address this weakness by placing the building to the far northwest corner of the property and screening the common property line with privacy fencing, trees and landscaping berms.

6. **Environmental Review:**

There are no recognized environmental conditions in the Phase 1 ESA conducted by NV5.

7. **Cost Containment:**

The City of Sterling is supportive of the development and cost-effective fast track permit approvals. The project will include solar-ready design to accept future photovoltaics panels. The project will be certified under ZEHR. The vertical integration of architecture, development, and construction, in addition to the extensive team experience in LIHTC development, further provide management of project cost efficiency.

8. **Community Outreach:**

Four Corners has been in constant contact with City leadership, County Commissioners, Logan County Economic Development and area service providers throughout the year. We have also attended eight public hearings with Planning and Zoning and City Council during the rezoning and purchase approval process. The response of the community and leadership has been overwhelmingly supportive throughout the public process. The local support is further evidenced by the County and the Housing Authority willing to assist with a property tax exemption. Also included in our application are letters of support from Sterling City Manager, mayor, Banner Health, Logan County Economic Development Corporation, Logan County Commissioner, Northeastern Junior College, Logan County Arts League, Northeastern Workforce Center, CSU Northeast Regional Engagement Center, and Logan County Heritage Center (Senior Center).

9% housing credit application narrative

Project Name: Divide Creek Place

Project Address: 54 Colorado Route 311, Silt, CO 81652

Executive Summary:

Lincoln Avenue Capital LLC (LAC) is excited to present Divide Creek Place (DCP), the first affordable low-income family apartment development to be built in Silt, CO. With large number of rent burden individuals in the area due to the increasing cost of living in the Roaring fork Valley, we feel this project is programed to meet those needs. The market analyst states that DCP would provide shelter for moderate- to middle-income households who work in Garfield County and throughout the Roaring Fork Valley that are primarily from western Garfield County and the Roaring Fork Valley. Western Garfield County includes the communities of New Castle, Silt, Rifle, Parachute and Battlement Mesa. With 30 renters being added to the PMA annually and no other family LIHTC units in the development pipeline to account for pent-up demand and demand from growth, we feel this project gives a much needed boost the affordable housing inventory in Garfield County.

LAC is working with the Garfield County Housing Authority (GCHA), whose mission is to "*assist low-income families with decent, safe, and affordable housing opportunities as they strive to achieve self-sufficiency and improve the quality of their lives; to provide necessary assistance to families for the purchase or rental of appropriate housing; to facilitate development of housing that is both affordable and attainable for lower income families*". GCHA is partnering with LAC as a Special Limited Partner, enabling the project to qualify for property tax exemption which will help ensure long-term affordability of the project *(Exhibit 08 - Evidence of a Property Tax Exemption - Housing Authority Agreement)*. GCHA and LAC have an MOU for DCP to provide the project with potential eligible tenants on their waitlist *(Exhibit 09 - Supporting Documents for Scoring – Garfield County Housing Authority MOU)*. DCP is truly a public/private partnership with the goal of creating affordable housing in Silt.

While Silt is a bedroom community, DCP provides residents throughout the Roaring Fork Valley with a great location to get to all parts of the Valley as well as the Vail Valley. The site is already zoned for multifamily, and it is located near almost all essential services, job opportunities, and schools, making it a great location for families. DCP's schools include the elementary school, which is 1.2 miles northwest of the subject, the middle school which is 6.3 miles northeast and the high school which is 1.5 miles northeast. Skip's Farm to Market, an independent grocery store which is located 0.8 miles northwest. Other services and their distances are as follows: Medical Facility 0.2 Miles, Post Office 0.2 Miles, Bus Stop 0.3 Miles, Convenience Store 0.7 Miles, Small Grocery Store 0.8 Miles, Downtown Silt 0.8 Miles, Library 0.9 Miles, Town Hall 0.9 Miles, Police Station 0.9 Miles, Fire Department 0.9 Miles, Park 1.0 Mile, Child Care 1.5 Miles, College 5.3 Miles, ESL 5.3 Miles, Recreation Center 5.8 Miles, Walmart 6.9 Miles, Pharmacy 6.9 Miles, Hospital 7.1 Miles, Mall 14.6 Miles

Given DCP location and local support, as well as the strong need in Garfield County for affordable housing, it is a win-win for both CHFA and the community to award DCP tax credits.

DCP is zoned for the propose 50 residential multifamily units, no buildings in or near the floodplain, and shovel ready *(16 - Zoning Verification Letter, Flood zone verification)*. It will consist of 50 units with 1, 2, and 3 bedrooms, community space, opens space for outdoor activities, and ample parking. The proposed development will consist of a 3-story building of Type VB construction utilizing prefabricated building components such as trusses, wall panels and floor systems. The building will be walk up style apartments, but those breezeways will be covered and condition to help in the winter months. DCP is proposed to be constructed as a slab-on-grade foundation. The exterior will be wood framed with a variety of exterior cladding materials articulated carefully to ensure durability and longevity to the building as well as provide a nice aesthetic for the residents and surrounding neighbors. The building will be fully sprinklered and designed for a modern residential feel. Unit mix and sizes are in the table below:

Unit Description	Net Rents	Unit HSF	Unit Number	% of Units
1-BR @ 30%	$980	650	2	4%
2-BR @ 30%	$1,244	930	4	8%
3-BR @ 30%	$1,690	1100	2	4%
1-BR @ 50%	$724	650	8	16%
2-BR @ 50%	$862	930	11	22%
3-BR @ 50%	$989	1100	8	16%
1-BR @ 60%	$883	650	2	4%
2-BR @60%	$1,052	930	11	22%
3-BR @ 60%	$1,209	1100	2	4%
Mgrs. Unit		1500	0	0%
			50	**100%**

Some of the project amenities will include a community room, an on-site manager, a computer room, a fitness room, and a children's play area. Each unit will have many amenities that are not typically seen in affordable rental housing units in the market rea. These major amenities will include a patio/balcony for each unit, efficient heating and cooling systems, dishwashers, microwave ovens, refrigerators with freezers, garbage disposals, self-cleaning ovens, and in-unit washer and dryers. All appliances are Energy Star rated. DCP will also enforce an on-site no-smoking policy.

Within the building, high efficiency systems will be incorporated to promote less consumption of our natural resources and provide lower utility bills to our residents. This will include the heating and cooling systems, building insulation design, window efficiencies, Energy Star rated appliances, water conserving fixtures, and Energy Star lighting or LED fixtures. Residents will also enjoy a healthy living environment because of DCP's use of green and healthy materials whenever possible, including low or no VOC products, formaldehyde free lumber goods, and sustainably designed materials throughout the development. The construction itself will also utilize techniques to preserve natural resources by implementing a waste management plan to keep waste minimized through diversion to recycle centers and salvage locations. With the proposed prefabricated trusses, wall panels and floor systems, this waste will already be significantly reduced but waste management will be implemented on site also. Overall, green building materials will be incorporated whenever possible to achieve a sustainable design and healthy environment for the residents. Please see the Energy Efficiency and Sustainability Form located in exhibit 21.

The development will be funded with 9% Federal LIHTC, Construction Debt, Permanent Debt, Deferred Developer Fee, and a DOH Loan in the amount of $500,000. Total development cost is $17,051,595. The capital stack for DCP includes deferred developer fee, a competitive 4.25% interest rate on the permanent loan, and competitive tax credit equity pricing ($.88) based on the strength of the sponsorship. There is also a construction loan that will bridge the tax credit equity and permanent loan conversion through the construction period. A tax exemption is also contemplated in this transaction the partnership with the GCHA. Please see table below and Exhibits 4,5, & 6.

Financial Sources:				
Permanet				$4,044,000
Federal Tax Credit Equity				$11,880,000
DOH Home				$500,000
Deferred Developer Fee				$627,595
State Tax Credit Equity				$0
Development Fee Waiver				$0
	Total Sources:			**$17,051,595**

1. **<u>Identify which, if any of the priorities in Section 2 of the Qualified Allocation Plan (QAP):</u>**

- **Projects serving Homeless Persons as defined in Section 5.B 5**

  DCP is not serving Homeless Persons.

  - **Projects serving persons with special needs as defined in Section 5.B 5**

    DCP will not serve persons with special needs.

  - **Projects in Counties with populations of less than 175,000**

    DCP is in Garfield County, which has a population of 60,529. Garfield County has 33.6% of the priority amount of 180, 000.

2. **<u>Describe how the project meets the criteria for approval in Section 2 of the QAP:</u>**

a. Market conditions:

According to our market study by Prior and Associates surveyed the family LIHTC properties, in and outside, the PMA. These properties were 100% occupied, with large waitlists. The study also demonstrates a strong demand in Silt for DCP with a capture rate of 9.2%.

There are only 3 other LIHTC is the PMA and no other LIHTC developments in Silt. According to market study the PMA is adding 30 renters annually with no proposed development to housing this increasing population. Garfield County has a clear need and is not keeping up with the demand, especially the affordable demand. With vacancy rates in affordable units at 0.0%, a large waiting lists, and no new affordable housing proposed, Garfield County and Silt are currently having a major affordable housing shortage. DCP will offer Silt something that it has never had, new quality family affordable housing.

b. Readiness-to-proceed:

If awarded credits, we anticipate construction on DCP to commence March 2022 which would put us well within the carryover requirements of 13 months after reservation. We feel like we could accelerate the schedule significantly but hesitate to promise to start construction in the winter in Garfield County. The site is zoned PUD- Commercial/Mixed Use which allows the project's height, density, and construction type with no changes or special approvals. A site development plan approval process is required through a Planning Commission regular meeting, but the Town of Silt has indicated it would be able to move through that process expeditiously. *(16 - Zoning Verification Letter)*. Assuming tax credits are awarded in June, we will have a review set of plans submitted to the Town of Silt September. We anticipate 60-90 days for the Town of Silt to review and approve the plans. We have been working with our architect, encompass design, on site and building design. We have selected CMC Group, Inc. as a contractor and have included them in the design and planning process. Additionally, Boston Financial, Chase and Rocky Mountain CRC, our investor and permanent/construction lender, are all long-term finance partners which will help expedite closing.

c. Overall financial feasibility and viability:

The project is financially feasible. LAC is requesting $500,000 from the Department of Housing (DOH). The GCHA will be a Special Limited Partner, and the tax exemption allows the project to target lower income residents while generating more permanent debt proceeds while still maintain the proper debt coverage to keep this project financially feasible for the life of the development. DCP is financially strong and exceeds all CHFA's underwriting requirements. Please see the attached equity letters from Boston Financial *(Exhibit 5)*, and construction and permanent debt letter from Chase and Rocky Mountain CRC *(Exhibit 4)*, and the letter of support from the Department of Housing *(Exhibit 6)*.

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

Since our founding in 2016, LAC has been driven by a commitment to provide individuals and families with quality, sustainable, and affordable homes. In just four years, we have achieved significant scale. As one of the nation's fastest growing developers, investors, and operators of affordable housing, we now proudly serve more than 24,000 residents across 10,000 units within 52 properties in 10 different states.

Shelton Residential, AMO is the proposed property management group. Their mission is as follows:

- Superior results for our clients through lean management and fair business dealings.
- Excellent and responsive service to the residents of the communities we manage.
- A positive and encouraging working environment with opportunities for growth and personal development.
- An overall commitment to the neighborhoods in which we operate.

Shelton Residential, is led by two respected professionals with more than eighty years of experience in the real estate industry, each having held senior executive positions where they were responsible for the administration, management and leasing of real estate portfolios worth billions of dollars. In Phoenix, Arizona alone, this team has managed more than 75,000 units of multifamily assets both conventional and affordable and provided services to some of the nation's most respected real estate owners and investors. Since inception, the firm's vision and commitment to excellence has resulted in optimal performance for each managed asset.

e. Cost reasonableness:

DCP meets the cost reasonableness test. The price we paid for land was at or below market value. The project is leveraging below market land costs, tax exemption, and DOH softs funds to minimize the amount of tax credits needed to complete the project. DCP will produce over $1,800,000 in annual credits but we are only requesting $1,350,000 limiting the credits per unit. The recent construction market conditions in Colorado show a steady increase in building activity and housing demand over the last 12 months. We believe that our 3rd party estimators' budget for the proposed development in the current market are in line with our experience in the area and our cost projections for the next 12 months. DCP therefore meets all cost reasonableness tests as it relates to both construction cost and all other development costs required to complete the project.

f. Proximity to existing tax credit developments:

There are only 3 other affordable projects in the PMA and none in Silt. Those three projects total 109 income-restricted units.

g. Site suitability:

LAC chose this site for LIHTC family development because of its desirable location nearby amenities, public transportation, and the need for affordable family housing in the Garfield

County. The density and style of development is appropriate for the location. The site will be relatively easy to build on as the property has little topographical change. The style of development, two 3-story building with 78 surface parking spots for families, is well suited for new housing. The ability to surface park and the expected ease of construction (due to minimal grading needed on the site) further enforces not only site suitability but also helps with cost reasonableness. The planned improvements are within the allowable uses, scale, and height of the existing zoning.

3. **<u>Provide the following information as applicable:</u>**
    a. *Justification for waiver of any underwriting criteria (minimum operating reserve, minimum PUPA or high PUPA, first year debt coverage ratio below 1.15 or above 1.30, minimum replacement reserve, vacancy rate below CHFA's minimum):*
    DCP is not requesting any of the above waivers.
    b. *Justification of the financial need for CHFA's DDA credit up to 130 percent of qualified basis:*
    DCP is not requesting the basis boost as it already receives the boost as a Non-Metro DDA.

5. **<u>Address any issues raised by the market analyst in the market study submitted with your application:</u>**
The market study does not suggest any changes to the proposed project.

6. **<u>Address any issues raised in the environmental report(s) submitted with your application and describe how these issues will be or have been mitigated:</u>**
There are no environmental issues raised within the report.

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:</u>**
There are no unusual features in this development that should drive up cost. That said being in the Roaring Fork Valley can affect the cost of construction. We do feel this is off set by the significantly lower land pricing we negotiated in Silt as opposed to other areas in the Roaring Fork Valley. LAC's design team, the utilization of prefabricated building components and general contractor will aide in mitigating any additional cost that is unnecessary during our design process.

8. **<u>In your own words describe the outreach that you have conducted within the proposed community and demonstrate local support for the project (including financial support):</u>**
Since this project is zoned and just a site plan approval process is required, we did not feel that having public meetings with the neighbors during the covid outbreak was usefully or wise. If we or the Town of Silt believes more intensive outreach is warranted, we will follow those steps needed to inform the community. All of our discussions with the Town of Silt have been positive and the Town supports the project.

9% housing credit application narrative

Project Name: **Golden Meadows Senior Housing – Phase I**
Project Address: **15th Street and Windshire Drive, Windsor, CO 80550**

1. **Executive Summary:**
   - **a. Location** - Windshire Park master planned neighborhood in west Windsor. It is not located in a QCT/DDA/SADDA. The allowable density is 14.5 units/acre, based on the sanitary sewer capacity of the neighborhood. Our planned density, therefore, is the same 14.5 units/acre.
   - **b. Access to Public Transportation** – Urban level mass transit options are not available, but the *Windsor Ride Program* provides transportation assistance to residents age 55 and older, who reside in Windsor and are unable to drive themselves or do not have alternative transportation. This service will provide residents with convenient access to the many amenities and opportunities the Windsor community offers.
   - **c. Type of Construction** - The building will be conventional wood-framed construction, with pre-engineered wood upper floor framing and roof trusses, concrete slab-on-grade over conventional foundation walls and spread footings. Exterior materials will be painted fiber-cement siding in a combination of horizontal lap and vertical board and batten patterns, limited expanses of rough-cut stone and architectural laminated fiberglass-reinforced asphalt shingles.
   - **d. Population Served** - Moderate and low income senior households, 55 and older.
   - **e. Bedroom Mix** - 44 1-BR/1-BA units and 8 2-BR/1-BA units.
   - **f. Amenities** - Individual apartments will include full kitchens with self-cleaning oven/range, refrigerator, dishwasher, disposal and microwave oven, in-unit laundries with full size front-loading washers and dryers, accessible transfer showers, built-in coat and linen closets, large windows with window coverings, and individually-controlled heating and air conditioning. Exterior amenities include a covered porte-cochere for pick-up and drop-off of residents, a large outdoor gathering space with outdoor cooking/dining accessed off of the interior common gathering space, community gardens, and a variety of outdoor seating and gathering areas. The site and landscaping design include sidewalks and continuous walking paths to encourage a healthy senior lifestyle.
   - **g. Services** - Management will arrange for local health and senior agencies to provide a range of education and health/wellness programming onsite within the building and will partner with several local service agencies to maximize available services for residents. Management will also help residents without cars arrange transportation for shopping, health care and other services.
   - **h. Energy Efficiencies** – Design and construction will meet or exceed Enterprise Green Communities 2020 standards, with energy efficiencies that include Energy Star appliances and lighting, energy code-compliant thermal envelope construction and insulated Low-E glazing.

i. **Financing** - CHFA Simple Perm Loan, CHFA HOF Loan, Windsor Housing Authority Land Note, fee waivers from the Town of Windsor and tax credit equity. The project will also have eight project-based Section 8 vouchers from the Greeley/Weld Housing Authority to assist the very low income residents.
j. **Changes Since Previous Application –** Cost have risen somewhat from last year and equity pricing had dropped. WHA and LHA have adapted by increasing the contribution from WHA, pursuing an Energy Impact Assistance grant and a Capital Magnet grant.

The Windsor Housing Authority (WHA) requests an allocation of 9% LIHTC for the development and construction of Golden Meadows – Phase I, a 52-unit, 56,196 total sq. ft., 100% affordable, independent living housing development, designed to serve moderate and low income senior households. The project has been master planned for a second construction phase that will add an additional 38 units. A later Phase III development will add 33 one story senior bungalows. The Loveland Housing Authority (LHA) will have an ownership interest in Golden Meadows, will serve as the Developer for the project and will manage and maintain the facility upon completion.

Senior housing is a priority of the current Windsor Town Board, and the Mayor specifically requested that the WHA target senior housing (55 and older) for their next development. There are no existing senior tax credit projects in Windsor. The site selected is part of the Windshire Park master planned neighborhood in west Windsor, and the land is owned by the WHA. The site has convenient access to grocery stores, a drug store and other retail opportunities. It is also near numerous medical and dental offices, a variety of restaurants, and the Town's recreation facility that provides services to seniors. The site fronts 15th Street, a fully developed 4-lane arterial street that includes generous detached sidewalks to access all of the local businesses and services listed above. Additionally, the master planned neighborhood contains an internal walking path network that will be available to Golden Meadows residents.

Golden Meadows – Phase I will consist of 44 1-BR/1-BA units and 8 2-BR/1-BA units, ranging in size from 679 – 737 sq. ft. for the 1-BR units, and 935 – 938 sq. ft. for the 2-BR units. Income targets range from 30% - 60% AMI. The development is designed as a single 2-story, L-shaped building with generous common facilities centrally located for the ultimate 90-unit complex. The architectural design and materials have been developed to blend with the adjacent single-family residential development, and to complement the Windsor Meadows Apartments development immediately to the south, a two-phase, 80-unit family housing project that was constructed in 2013 and 2015.

The common area of the building includes approximately 2,480 sq. ft. of community space. The building will be served by two elevators, with one centrally located in the north Phase I residential wing and one at the south end of the building to allow shared use with the future Phase II residential wing. Amenities include a central lobby and waiting area with an open central stair, a large gathering space that can be configured for large group events or meals, a large kitchen with sit-up counter and full appliances, table and chair storage, multi-function spaces that can be used for small or large conference rooms, arts/crafts room and a library, fitness/wellness room, unisex public restrooms, and administrative office space. Some of these spaces can also be used for future programming, such as a drop-in wellness clinic.

The project will meet or exceed Enterprise Green Communities 2020 standards, which will facilitate the creation of quality affordable design and ensure long-term sustainability and energy efficiency. Energy efficiency features include Energy Star appliances and lighting, efficient combination heating/cooling systems with individual resident controls, IECC-compliant thermal envelope construction and insulated Low-E glazing. The building will also be engineered to be PV-ready, with south-facing roof planes designed for the future installation of photovoltaic panels.
Golden Meadows has strong local support and has been awarded fee waivers for Phase I of $651,848. WHA intends to apply to the Colorado Division of Housing for gap financing, the WHA has received a commitment from the Greeley/Weld County Housing Authority for eight project-based Section 8 vouchers, and the WHA will provide approximately $500,000 from other sources to support the development. Another strength of this project is the Loveland Housing Authority's track record of development and management of LIHTC housing. In the past 15 years, the LHA has developed over 500 LIHTC units in Loveland, Windsor, Estes Park and Milliken, and has earned an excellent reputation for award-winning design, quality construction, and management of Section 42 funded properties.

Assuming a tax credit award, the project will break ground in early 2022. The proposed unit mix and targeted unit AMI levels for Golden Meadows – Phase I is:

Unit Type	AMI	Num. of Units	Unit Size (SF)	Rent*
1-BR/1 -BA	30%	3	679	PB Section 8
1-BR/1 -BA	40%	3	679	PB Section 8
1-BR/1 -BA	50%	18	679	$791
1-BR/1 -BA	50%	1	680	$791
1-BR/1-BA	50%	1	737	$791
1-BR/1-BA	60%	16	679	$949
1-BR/1-BA	60%	2	681	$949
2-BR/1-BA	30%	1	937	PB Section 8
2-BR/1-BA	40%	1	938	PB Section 8
2-BR/1-BA	50%	2	935	$948
2-BR/1-BA	60%	3	936	$1,138
2-BR/1-BA Employee Unit	NA	1	936	$948

***** all rents are net maximum rents including applicable utility allowances

2. **Identify which, if any of the priorities in Section 2 of the Qualified Allocation Plan (QAP):**
Golden Meadows – Phase I does not meet the priorities addressed in the QAP.

3. **Describe how the project meets the criteria for approval in Section 2 of the QAP:**
Market Conditions: As identified in our Market Study, there is strong market demand for this project, with a required capture rate of just 10.3% for existing, planned and potential units within the defined PMA.

Readiness to Proceed: The zoning of the property is RMU, Residential Mixed-Use, which allows the Golden Meadows – Phase I project to be developed as a use-by-right. The preliminary plat and site plan were submitted to the Town of Windsor for staff review in late 2019, and staff comments have been addressed. Final site plan approval is anticipated in February 2021. The final plat will go before the Town of Windsor Planning Commission for final approval in spring 2021.

Design and construction drawings have been completed to a 100% Design Development (or 70% Construction Documents) level, and the design team is on board to complete 100% CDs upon award of tax credits. Construction documents are being prepared for both phases of the senior housing project, to minimize design costs and allow the design to reduce duplication of infrastructure expenses.

Overall Financial Feasibility and Viability: The project's design and constructability have been thoroughly vetted through 100% Design Development, in an effort to maximize the cost-effectiveness of the overall development. This process included an extensive evaluation of prefabricated building construction methods before the design process even began. While those prefabricated options did not ultimately prove cost-effective, the modularity and repetition of the building layout developed for that study have assisted in helping reduce costs and construction waste. Further value analysis has led to reductions in construction costs for a variety of building systems and materials, including the reduction of unit sizes.

The operating budget is based on historical operations, so no significant fluctuations are expected. The LHA has a proven track record and relationship with equity and debt providers and will be able to successfully close this transaction in a timely fashion.

Experience and Track Record of the Development and Management Team: The Loveland Housing Authority will act as the developer of Golden Meadows – Phase I. LHA has an excellent track record of completing LIHTC projects on time and within budget. The key development principals have a combined 40+ years of developing and managing tax credit financed developments. Golden Meadows – Phase I will be the 17^{th} successful LIHTC project developed by the LHA, with all previous LIHTC projects except one being new construction projects.

Cost Reasonableness: Due to the intense building activity that continues in Northern Colorado, construction costs have increased significantly over the past several years. The WHA and LHA have worked diligently with Pinkard Construction, our general contractor, and the Workshop8 design team to manage costs and expectations, and to identify and incorporate appropriate cost savings measures while maintaining the overall quality of design, construction and livability of the development.

Proximity to Existing Tax Credit Developments: As previously mentioned, the site of Golden Meadows – Phase I is immediately adjacent to the Windsor Meadows Apartments family housing development, a two-phase LIHTC project that was constructed in 2013 and 2015.

Site Suitability: The site of Golden Meadows – Phase I has been master planned for multi-family housing, and the zoning designation of RMU, Residential Mixed-Use, allows senior housing as a use-by-right, subject to the approved Windshire Park Master Plan. The site is fully developed, with street and utility infrastructure in place on three sides of the parcel.

4. **Provide the following information as applicable:**
    a. Justification for waiver of any underwriting criteria: N/A.
    b. Justification of the financial need for CHFA's DDA credit up to 130% of qualified basis: N/A.

5. **Address any issues raised by the market analyst in the market study submitted with your application:** No issues reported.

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:** No issues were raised in the Phase 1 Environmental Assessment and there are no recommended improvements needed.

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:**
    - Zoning Restrictions: The zoning for the property, while allowing the proposed senior housing development as a use-by-right, also restricts the building height to two stories. If the building program could be accommodated in a three-story structure, economies in construction could be realized, such as a reduction in lineal footage of foundations, reduction of area of concrete slab-on-grade, reduction of area of roof, etc.
    - Density Limitations: The total number of units allowed for development is limited by the sanitary sewer capacity available at the site.
    - Site Infrastructure: Phase I site development includes a variety of construction items that will also be to the ultimate benefit of the proposed Phase II senior apartments addition and Phase III bungalows, including the entry road that extends through the site; the looped entry road at the covered porte-cochere drop-off; water, sewer and fire main piping; some storm water detention improvements; and exterior patios, sidewalks and other common amenities.
    - Common Area Size: The central gathering space and other interior common amenities have been sized for the ultimate 90-unit senior housing complex, and therefore the construction costs are higher to accommodate the additional space included within the Phase I project.
    - Elevators: The Phase I project includes two passenger elevators, one of which will have a guerney-sized cab, as required by the Colorado Division of Housing.

8. **In your own words describe outreach that you have conducted within the proposed community. Describe any potential neighborhood opposition that may impact the project's readiness to proceed.**
Prior to conducting two neighborhood meetings, the LHA/WHA design team incorporated feedback provided by the Windsor Planning department related to neighborhood concerns of a previous development proposed for the site. This feedback resulted in the Phase III one story bungalows being located adjacent to the single family detached neighborhood as a buffer to the two story Phase I and II senior building. The design team also incorporated feedback related to the size and scale of the two story building by adding gable end and shed dormers, porte-cochere and other architectural features, and will utilize building materials similar to the neighboring Windsor Meadows Apartments. These efforts resulted in very strong support for the project in the two neighborhood meetings, and no neighborhood opposition is expected.

9% housing credit application narrative

Project Name: Greyhound Park Empowerment

Project Address: 6250 Grape St., Commerce City, CO. 80022

EXECUTIVE SUMMARY

The *Greyhound Park Empowerment Apartments* will be a free-standing, 50-unit permanent supportive housing (PSH) apartment building. The building will be one component of the 65-acre redevelopment of the former Mile High Greyhound Park in Commerce City currently being undertaken by Denver-based Delwest Development Corp. Delwest and The Empowerment Program, a Denver-based 501 3(c), have partnered to build, program and staff the building to provide a sustainable and holistic approach to the challenges faced by people involved in the criminal justice system, especially women, in the northeast metro area.

All tenants will be provided with project-based vouchers from Colorado Division of Housing (DoH) specific to adults experiencing homelessness with a disabling condition or other special needs. Priority will be given to people who were previously incarcerated, and 10 vouchers will be reserved for military veterans. The Empowerment Program will serve as the lead provider of trauma-informed, harm-reduction services to ensure tenants are able to achieve long-term housing stability. Behavioral Health Treatment Services are a main priority for Empowerment along with Employment Services, Education & Support Groups as well as a number of other services will be available. All services for residents will be voluntary, as this building will adhere to a Housing First model, where residents will be housed first, and then a variety of wrap-around services will be offered.

The services will be financed by multiple sources including CDOH tenant support, Medicaid, Project Based Vouchers as well as matching servicers from Empowerment.

This building is located in a Qualified Census Tract (QCT). It is adjacent to the Rte. 62 RTD line and is within two blocks of the depot for four other RTD lines that serve downtown Denver, Stapleton, south on Colorado. Blvd. and northwest to the new N Line east of I-25.

The 4-story, elevator-equipped building will be wood-framed with stucco, brick and metal-paneled exteriors, a flat membrane roof, and a post-tension concrete foundation. The HVAC system will be PTAC wall units. The building will be certified via both Enterprise Green Communities and Zero Energy Ready Homes. Access will be highly secured, with a 24-hr. staffed front desk adjacent to the 4,500-sq.-ft. first floor service provider space.

The specific unit mix is as follows:

	Unit Type	Number	Sq. Footage	AMI	Rents
	1 BR	37	578	30%	$1182
	2 BR	13	738	30%	$1466
TOTAL		**50**	**31,140**	**AVG: 30%**	**$62,792**

The building grounds will provide 64 parking spaces and 5 street spaces across Grape St. This brings the total parking spaces available to the building to 64 which meets the zoning ratio of 1.25 spaces/unit. There will also be outdoor space for a meditation garden, labyrinth, playground, eating area (adjacent to the south facing deck) and/or other therapeutic spaces.

This project will seek funding from the DoH for construction, services and project-based vouchers, as well as funding from the Federal Home Loan Bank (FHLB) Affordable Housing Program (AHP). The permanent loan will be requested from CHFA's HOF program.

Changes from Prior Application: Costs have risen, and equity pricing has dropped since our last application. We have covered these changes by adding a permanent loan and deferring some additional developer fee. Construction has started on all the adjacent infrastructure and on the adjacent 4% LIHTC project. All of the site infrastructure will be in place by July and the Greyhound Empowerment site will be ready to easily connect to all utilities when it starts construction. In addition, staff from both Delwest Management and Empowerment have attended the CDoH Toolkit for PSH projects during 2020.

1. QAP PRIORITIES ADDRESSED

This project will meet two of the three priorities specified in the 2021 QAP:

- It will serve homeless persons.
- It will serve persons with special needs.

2. QAP SELECTION CRITERIA MET

Market Conditions – The market study prepared for this project gives it the highest rating for meeting market demand and says, "The subject should lease at least 25 units per month and reach stabilized occupancy in just under two months without concessions."

Proximity to existing tax credit developments – The market study says, "The subject will be the first permanent supportive housing development in Commerce City and only one of two in Adams County, which will address the county's growing homeless population." There will be a 4% LIHTC project across the street, Greyhound Park Apartments, which will serve a much higher income population so won't complete with this project.

Project Readiness. – The infrastructure for the surrounding Greyhound site (roads, curb & gutter, water, sewer, electric, etc.) will be completed in July 2021. The same team that is doing all the rest of the Greyhound site is in place to plan and build this project and Commerce City is ready to approve the plans for this project since it conforms with the current zoning of the site.

Overall Financial Feasibility and Viability. – As with other Delwest LIHTC projects, this one meets all the standard criteria for feasibility and the ownership and management team that includes Empowerment as the service provider, with its 34 years of experience working with participants similar to those that will inhabit this project, insures its viability.

<u>Experience of the Team</u>. – In addition to the Empowerment experience noted above, the Delwest team has over 20+ years of experience developing and 7 years of building & owning LIHTC projects. In the last five years, Delwest has created 329 new affordable housing units in the Denver metro area, including 298 LIHTC apartments all at 60% AMI and below, 23 workforce housing units at 80% AMI, and 8 residences in its portfolio of formerly distressed properties.

As part of a growing focus on providing wraparound supportive services at Park Hill Station and other Delwest properties, especially during the current pandemic, Delwest Management created a Program Services Coordinator position to pursue and oversee partnerships with nonprofits and strategic alliances to best deliver on-site support focused on keeping families together, happy and healthy within their homes. One such alliance is with the nonprofit Growing Home, which provides homeless prevention support, life skills classes and access to food, healthcare and financial assistance at Delwest's Baker School Apartments affordable housing development in Adams County. We believe that although somewhat new, Delwest Management has shown that the experience of its staff is up to not only the challenge of undertaking this PSH project but also has met the challenge of the current pandemic.

The Empowerment Program, the service partner of this ownership team, is a Denver-based nonprofit with an outstanding record of providing PSH and support services to people who are in disadvantaged positions due to incarceration, homelessness, poverty, living with HIV/AIDS, and/or involvement in the criminal justice system. Empowerment participates in the HUD-funded Shelter Plus Care Program funded by Denver DHS as well as the Metro Denver Housing Initiative that refers chronically homeless individuals with disabilities to Empowerment housing. All properties are monitored by HUD, Denver DHS and Denver Office of Economic Development.

One of Empowerment's primary goals is to help people obtain and maintain stable, safe housing by providing individualized care management, long-term supportive services, and resource coordination. Empowerment consistently surpasses the required success rate of 82%, with 100% of the residents successfully maintaining their housing or moving to other permanent housing. Indeed, Empowerment's success in achieving resident outcomes at the five transitional and permanent housing apartment buildings it currently owns and operates is outstanding and has been credited with decreasing the number of Denver men and women living in poverty.

All Empowerment services utilize trauma-informed, harm reduction, non-judgmental, and strengths-based approaches that are gender-responsive and culturally inclusive. The on-site programming that would be provided at the Empowerment Apartments includes but is not limited to:

- **Behavioral Health Treatment Services** including individual and group mental health, trauma and substance use disorder treatment, HIV/AIDS outreach, testing and care, acupuncture as a holistic approach to withdrawal treatment and pain management, as well as peer social activities.

- **Employment Services** including individualized job placement and support maintaining employment, post-secondary career counseling, assistance registering for community colleges and technical education programs, resume support and assistance with work-related tools and clothing.

- **Education & Support Groups** regarding trauma and substance use disorders, including relapse prevention, trauma recovery, trauma narratives and anger management programming.

Empowerment also has deep experience with diverse financing of tax credit properties, Housing Choice vouchers, VASH vouchers, HOME and others.

Together, the experience of Delwest and Empowerment in developing, financing, opening and managing PSH and other affordable housing developments in the Denver metro area is unmatched. The team understands the market and the specific requirements of vulnerable populations and are well-versed in harnessing local and national resources to ensure all stakeholders are engaged, aligned and supported.

Project Costs. – Costs are in line with similar projects. We are able to realize some saving since most of the site infrastructure will already be in place. Additionally, we are using the same design and construction team already performing on the adjacent parcels so the process should be more efficient.

Site Suitability– The density of this site and the entire Greyhound Park development is considerably higher than the surrounding neighborhood of primarily single-family homes. This site will have over 40 units/acre while the surrounding neighborhood is between 8-15 units/acre. It is a flat site that is in close proximity to bus lines (one adjacent and 4 nearby), the following services and amenities are nearby:

- Grocery stores—1 block walk
- Numerous other retail outlets (clothing, restaurants, cleaners, etc.)—1-3 block walk
- Public Recreation Center—2 block walk
- Elementary school—2 block walk
- Middle School—4 block walk
- Neighborhood park—2 block walk
- Regional park—2 block walk

The site is large enough to accommodate the extensive, secure outdoor amenities adjacent to the building that provide trauma-informed spaces and facilities to support recovery (meditation garden, reading corner, both teen & children play areas, dog run & wash and outdoor cooking & eating space).

3. Waivers & Basis Boost—No waivers are being requested and, since this site is a QCT, it automatically will be eligible for the 30% basis boost.

4. Market Study Issues—No issues with the market study concluding, "These attributes (demand, part of a large revitalization development, proposed features, tenant services & unit sizes plus being new) will allow it to be compete effectively over the long term." The study concludes, "There are no weaknesses for the subject."

5. Environmental Issues

The updated Phase I report dated November 2020 lists two REC's, one due to underground migration of potential hazardous groundwater (originally mitigated in 1986) at the east boundary (Holly St.) of the greater Greyhound Park site and a second one on-site that refers to the groundwater mitigation plan, a Voluntary Correction Plan (VCP), put in place by Delwest at the start of construction of the adjacent D2 (Greyhound Park LIHTC Apts.) site. The VCP was to ensure that any groundwater encountered in the excavation of the site (which has a very low probability of being part of the first REC) was disposed of properly.

6. Unusual Features effecting costs— Greyhound Park Empowerment LLC includes extensive common areas and outdoor spaces designed to provide trauma informed areas that support recovery which are not typical for other rental projects. Even with these features and the goal of being a Zero Energy Ready project, the costs are not excessive.

7. Community Outreach—There has been considerable formal and informal community outreach to Commerce City residents in the process of obtaining approval for the entire Greyhound Park development. The team participated in public hearings during the PUD approval process and several public meetings to gauge public sentiment toward the overall Greyhound Park plan, provide information and create alignment. Since the start of construction, the Delwest and Crossland (General Contractor) staff have responded to all inquiries regarding the development of Greyhound Park.

The Empowerment staff has reached out to several service providers in the Commerce City area and the Delwest staff have also been in contact with several service providers which are now being housed at the former Adams County offices (72nd & Colorado) and the Boys & Girls Club adjacent to the site. Several of the service providers have entered into MOU's with Empowerment to partner with them for specific services that Empowerment does not currently provide in-house. All of these are provided along with the services narrative included elsewhere in this application,

9% housing credit application narrative

Project Name: Joli
Project Address: 2449 W 9th Ave, Denver, CO 80204

Executive Summary: Sun Valley Homes Redevelopment: In 2016, the Housing Authority of the City and County of Denver, Colorado (DHA) was awarded a $30 million Choice Neighborhood Initiative (CNI) Implementation Grant from HUD for DHA to implement the transformation of Sun Valley. In November 2019, DHA also responded to a second grant opportunity with HUD under FY2019 Choice Neighborhood Supplemental Grant that was made available for large previously awarded Grantees. DHA was awarded the Sun Valley CNI Supplemental Grant which included an additional $4 million of funds for the implementation and transformation of Sun Valley. The overall plan and grant will continue to support the transformation by minimizing resident displacement and by advancing the next housing phases on vacant lots in the neighborhood—GreenHaus and Thrive (now underway). This Choice Grant opportunity also allows DHA to leverage the D3 Program investments to serve a wider range of income levels, offer larger-family unit types, and create a healthier distribution of replacement public housing units throughout the neighborhood. The transformation of Sun Valley is comprehensive and includes ~10-acres of surplus land that will be made available for continued mixed income growth and development in the neighborhood.

This application for tax credits is necessary to support the overall HUD Housing Plan, which in total includes a vibrant and thoughtful mix of units that will complement the replacement of the 333 existing public housing units, while adding additional affordability and income mix. DHA will develop, own and operate all seven buildings included in the four SV Housing Phases and select outside partners to develop the remaining blocks. These blocks will complete the Transformation Plan in accordance with design guidelines established by the extensive and continuing community engagement informing the Infrastructure Master Plan (IMP). Equity and economic mobility are central to the Sun Valley Transformation Plan, providing a mix of housing options for a range of households and income levels supported by a range of services, transportation options, recreation, and economic opportunities. Please see Attachment A for more details on the Sun Valley Transformation Plan and Attachment B for a support letter for SOL and Joli (Phase 3 of the Sun Valley Transformation Plan), from Mayor Michael Hancock.

Joli has been thoughtfully designed to foster the idea of a *social estuary*—a physical place that forms a transition zone between race, culture, age and income with a free-flowing connection to the greater neighborhood. Situated on a long 3.2-acre city block between the new Riverfront Park and the adjacent Sun Valley neighborhood, Joli responds to the unique challenge of creating the required mixed-use density program while also inviting other residents and visitors to flow through, into, and across the property, thus providing equal access for the adjacent community and public/private amenities. In total, a 132-unit mixed income multi-family development with an attached restaurant and business incubator space serving as a training facility will be located on the ground floor along 10th Ave. The overall program requirements which are established by HUD have a primary emphasis on the creation of a mixed income community and as such no less than 20% of total units shall be "market-rate"). Fifty-two of the 132 apartment units will be market rate and financed by a separately-owned multifamily condominium but scattered equitably throughout the building—all constructed at the same time with identical layouts and finishes.

The building will have three legal ownership entities or "planned community units" defined and created by a small planned community map and declaration, including two primary owners and a master association. One owner will be the 9% Low Income Housing Tax Credit (LIHTC) partnership entity with 80 LIHTC apartment units and the other owner will be a multifamily-commercial ownership entity with 52 "Attainable[1]" apartment units (inclusive of six live work spaces located on Riverfront Drive) and a restaurant and business incubator space activating 10th Ave. The sources and uses for the attainable units and commercial space are included in the commercial section of the application workbook. Homeownership opportunities are also planned for this site to further reinvestment into the neighborhood and support the cost of new infrastructure. Of the 80 LIHTC units, 59 apartments are replacement public housing units with dedicated project-based vouchers and the remaining 21 LIHTC units will moderate-income families. This project is well-suited for Income Averaging, with seven units at 20% AMI, 29 units at 30% AMI, 13 at 40% AMI, 10 at 50% AMI—electing 12 at 70% AMI and 9 at 80% AMI still keeps the weighted average AMI at 45%. Joli will have a unit mix ranging from one-bedroom to five-bedroom units, including additional affordable housing options for families wishing to remain in Denver.

In-unit amenities at Joli will include central air conditioning, blinds, carpet, luxury vinyl plank flooring, a coat closet, refrigerator, oven, range, dishwasher, garbage disposal, and in-unit washer/dryer. Additional interior project amenities will include on-site management, fitness, and bike storage. The building will feature a large shared outdoor amenity deck for residents located on the fifth floor of the building with grills and shaded areas, an outdoor gathering space, and raised community garden beds. The deck will include spaces for a variety of activities and age groups. At grade courtyards for the project include a large community lawn, shaded grove gathering area, a children and family play area, and a community grill space. The presence of significant green space and vantage points throughout the site encourages wellness and connection. Security features on the property will include access control and security and cameras.

As part of the Sun Valley Transformation Plan and HUD-approved Critical Community Investment (CCI) Plan, DHA is utilizing CNI Grant funds to support social ventures that will train and educate resident in culinary arts, focusing on all aspects of food and business necessary to create economic growth and opportunity in Sun Valley. The vision for this space includes a two-story incubator space that will focus on food as a business with a second floor greenhouse component. This space will include multiple vendor kiosks, a shared commissary kitchen, meeting and conference rooms, and, upon zoning approval, a rooftop greenhouse. This incubator space will create opportunities for food and business entrepreneurs in Sun Valley, providing training, support, and affordable spaces to grow their businesses. Please see the Attachment C, Sun Valley Critical Community Investments, for additional information.

The building and systems are built of high-quality materials that will provide exceptional durability. It will feature white corrugated siding with simulated wood and charcoal accents. A flat roof reflective membrane is planned. Added circulation by stairs, roof decks, pass-through vantage points with landscaping and open spaces throughout the building, direct access to Platte Park, and an outdoor courtyard with seating are also

[1] Attainable is used instead of the general term "market-rate" because it is DHA's mission and intention to provide housing for households earning between 80% to 110% AMI for units not included in the Low Income Housing Tax Credit Partnership

planned. The building meets the Enterprise Green Community standards and has efficient mechanical systems including aquatherms, whole house lights off switch in each unit, and EV ready parking stalls.

A parking garage for Joli and Flo (a future LIHTC project), will be constructed and financed independently, and provide flexibility to ensure the future build out of the site will accommodate the anticipated growth. The garage is a three-story parking structure with 231 parking stalls. The first two levels will have 144 stalls for Joli parking; 72 stalls (0.9 parking ratio) for the LIHTC units and 72 stalls for the market units and food and business incubator. The project will meet EGC Standards and will include 9 EV ready parking stalls.

DHA continues to be committed to minimizing the impact to the existing tenants by minimizing the amount of displacement during construction. A strategic phasing and relocation plan is underway and is reflective of the necessary demolition and construction activity. The relocation plan is outlined in Attachment D.

Joli is located in a QCT, maximizing density given neighborhood needs. The project is adjacent to the planned 11 acre Sun Valley Riverfront Park, which will provide a variety of amenities and contain various programmatic elements supporting active open space. Additional neighborhood amenities include an urban farm in the park, an affordable and international marketplace in Gateway South, Rude Rec Center, the business and restaurant incubator, and live work spaces in SOL. Joli is located 0.1 miles from a bus stop serving Route 9 and 0.3 miles from the Decatur-Federal Light Rail station. Joli will also benefit from substantial infrastructure improvements that will enhance the pedestrian environment along Bryant Street, Riverfront Drive, and 10th Avenue and better connect to the Platte River regional trail system. DHA is maximizing allowable density on the site, while also ensuring high quality design and livability in this newly revitalized neighborhood. DHA is opening the door to additional high-density development catalyzed by the Sun Valley Transformation Plan. Please see Attachment A for more information on the master plan, park, and community amenities planned in conjunction with Joli.

Services will be provided by DHA's Community Connections team located at the People's Hub on W. Holden Place. Resident Services include employment assistance and job training, health and services navigation, resources and referrals, food assistance, community engagement and cohesion, youth services, transportation assistance and educational enrichment opportunities.

In addition to 9% LIHTC equity, Joli will be financed with a construction to perm loan and soft funding from the Colorado Division of Housing, DHA's CNI funds and D3 Bond funds, and a deferred developer fee.

1. **Identify which, if any of the priorities in Section 2 of the Qualified Allocation Plan (QAP):** The Project does not directly meet any of the priorities in Section 2 of the QAP. However, Joli will provide 59 deeply affordable public housing replacement units with project-based vouchers, 36 of which are for households at or below 20% AMI and/or 30% AMI.

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

a. **Market conditions:** The overall capture rate for Joli is 1.9%. The 70% and 80% AMI units have respective rates of 1.7% and 1.2%. The Primary Market Area (PMA) has an overall surveyed vacancy rate of 2.3%. All of the surveyed LIHTC and mixed income projects reported stable occupancy during the past year, were 1.7% vacant in November 2019, increased rents by the maximum allowable amounts, were not offering concessions and two had waitlists with 25 to 60 applicants, providing strong evidence of pent-up demand for affordable rental housing units.

b. **Proximity to existing tax credit developments:** The PMA has 41 LIHTC projects containing 2,852 income-restricted units. The market analyst noted that the project's LIHTC units without PBVs will compete directly with the 1,278 non-deeply subsidized existing family tax credit units that are comparable in terms of income restrictions and target market, although there are no existing 70% and 80% AMI units and only a few in the pipeline. Its deeply subsidized dwellings will compete directly with the existing 511 family deeply subsidized dwellings. The market study found that Joli's in-unit and project features are superior or comparable to the LIHTC properties it is most competitive with and to surveyed Class B market-rate projects. Joli's unit mix, unit sizes and rents are competitive with comparable projects.

   Project readiness: DHA has been working with development team partners and the City over the past years as part of a shared commitment to the D3 Intergovernmental Agreement, to prepare the project for an anticipated closing and construction commencement in December 2021. DHA owns the land and the site is properly zoned. DHA has been released from Concept Design and anticipates completing construction documents and submitting for Building Permits in March 2021. Initial discussions with potential financing partners have taken place and DHA will proceed with the financial solicitation in winter/spring 2021. Please see the Entitlements Schedule in the Zoning section for more details.

c. **Overall financial feasibility and viability:** DHA has solid support from potential financing partners interested in providing construction and permanent financing. DHA is providing a significant financial commitment to Joli to close the financing gap and help ensure the long-term financial sustainability of the Project, including $10,100,000 in D3 Bond funds, $1,914,072 in CNI funds and a deferred developer fee. The Colorado Division of Housing (CDOH) has provided a letter of support and DHA anticipates $885,000 in soft funding from CDOH. Please see the Evidence of Soft Funders section for confirmation letters for the sources for the commercial component of the project.

d. **Experience and track record of the development and management team:** DHA has significant experience and a long-track record of developing high quality affordable housing developments in Denver. DHA is also currently finishing the construction of Phase 1 in the Sun Valley neighborhood redevelopment, which includes Gateway North & South (187-unit family developments). DHA recently completed construction of Platte Valley Homes, which included the redevelopment of 50 existing public housing units and new construction of an 18 unit fully accessible senior property, and Vida at Sloans Lake, a 175 senior and disabled property with 24,000 sf of commercial space for a primary care clinic, dialysis clinic, and senior activity center. Vida was the recipient of Housing Colorado's 2020 Eagle Award. DHA was also the master developer for all nine phases of the 17-acre Mariposa redevelopment, which included the construction of 517 units and approximately 30,000 sf of commercial and community space. The rental housing program replaced all 229 public housing units and added 176 workforce units serving 50-60% AMI and 112 market rate units. In addition to recent LIHTC developments, DHA specializes in creating thriving communities by working closely with each neighborhood's stakeholders. DHA has successfully navigated neighborhood outreach in Curtis Park, Benedict Park, Mariposa and Sun Valley. DHA considers neighbors to be partners in the revitalization process resulting in award winning projects. DHA also recently received an AA- rating from Standard & Poor's as part of the D3 Bond funds issuance.

e. **Project costs:** The project's construction and soft costs budgets have been developed using current local data generated by the General Contractor and corroborated by other local construction information and historical data from DHA's recent development budgets.

f. **Site suitability:** Joli is part of the third phase in the Sun Valley redevelopment which will replace concentrated poverty and low neighborhood population with vibrant, mixed-income, mixed-use developments that offer replacement housing for all existing residents and attract more varied households to the community. The site is 420 feet from an elementary school and just over a mile from a middle and high school, 0.3 miles from the Rude Park Early Learning Center (including daycare), 0.9 miles from the Congregational Head Start and 0.6 miles from a library. Rude Park and Recreation Center is a neighborhood park 0.2 miles from the site with ball fields, children's play equipment, trails, and picnic areas. The recreation center has a gym, exercise room, indoor swimming pool, meeting rooms for and other amenities. Denver Human Services and the Denver Westside Health Clinic is 0.2 miles northwest of the site. The nearest bus stop is at Decatur St. and 10th Ave, 0.1 mile to the west and at Decatur and W Holden, 0.3 miles to the northwest. Residents can ride RT 9 bus west to Lakewood-Wadsworth Station and to downtown Denver, the 15L to Aurora Metro Station via downtown, and 16 to downtown Golden. The Decatur/Federal Light Rail Station (W Line), stopping at Decatur and West Howard, is 0.3 miles northwest.

3. **Provide the following information as applicable:**
   a. Justification for waiver of any underwriting criteria: N/A
   b. Justification of the financial need for CHFA's DDA credit up to 130% of qualified basis: N/A

4. **Address any issues raised by the market analyst in the market study.** None noted.

5. **Address any issues raised in the environmental report(s) submitted with your application and describe how these issues will be or have been mitigated.** The ESA Phase I found no RECs

6. **Identify if there are any unusual features that are driving costs upward as well as if there are any opportunities to realize cost containment**.
   Costs for the project are increased due to the many larger bedrooms, including 11 three-bedroom units, 10 four-bedroom units and two five-bedroom units. Larger bedrooms are included in order to be responsive to the CNI Grant and to the community needs for larger family units. The building's layout to maximize daylight and additional enhanced amenities increase costs to the project. Overall, these additional amenities contribute to additional square footage adding construction costs. The standalone parking structure, which is necessary to accommodate the density DHA sought to achieve on the site and meet the open space stipulations required by zoning, increases normal parking costs. Finally, the Type IIA/IA construction and Davis Bacon wage rates increase costs (Davis Bacon adds an approximate 7-10%).

7. **In your own words describe the outreach to the community that you have done and describe local opposition and/or support for the project (including financial support).**
   Following the extensive community process through master planning and design of Phases 1 and 2, DHA and the A&E Team have participated in multiple Community Advisory Committee workshops and pop-up outreach meetings to arrive at the community-driven design and final program. During COVID, DHA developed a website to further engage with the community (www.sunvalleyredevelopment.com).

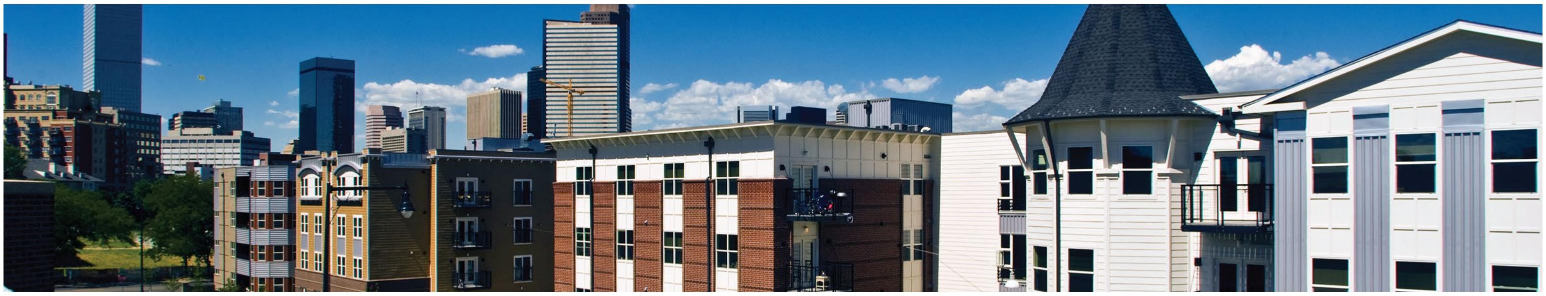
   Provide further detail on the following items if applicable:

a. Asbestos Containing Materials management: N/A   b. Lead-Based Paint management: N/A

c. Radon mitigation: A passive radon mitigation system is design and included in the cost of construction per the mandatory requirements specified by credit 7.8 in the 2015 EGC guidelines

d. Green Systems (Solar, Geothermal, Other, etc.): Joli will be constructed as solar ready and DHA has a solid track record of adding PV panels through available project contingency. The project will meet Enterprise Green Communities and provide EV ready parking spaces. Please see Attachment E for Joli sustainability goals.

4% pab lihtc application narrative



Project Name: SOL
Project Address: 1087 North Bryant Street, Denver CO

Executive Summary: Sun Valley Homes (SVH) Redevelopment: In 2016, the Housing Authority of the City and County of Denver, Colorado (DHA) was awarded a $30 million Choice Neighborhood Initiative (CNI) Implementation Grant from HUD for DHA to implement the transformation of Sun Valley. In November 2019, DHA also responded to a second grant opportunity with HUD under FY2019 Choice Neighborhood Supplemental Grant that was made available for large previously awarded Grantees. DHA was awarded the Sun Valley CNI Supplemental Grant which included an additional $4 million of funds for the implementation and transformation of Sun Valley. The overall plan and grant will continue to support the transformation by minimizing resident displacement and by advancing the next housing phases on vacant lots in the neighborhood—GreenHaus and Thrive (now underway). This Choice Grant opportunity also allows DHA to leverage the D3 Program investments to serve a wider range of income levels, offer larger-family unit types, and create a healthier distribution of replacement public housing units throughout the neighborhood. The transformation of Sun Valley is comprehensive and includes ~10-acres of surplus land that will be made available for continued mixed income growth and development in the neighborhood.

This application for tax credits is necessary to support the overall HUD Housing Plan, which in total includes a vibrant and thoughtful mix of units that will complement the replacement of the 333 existing public housing units, while adding additional affordability and income mix. DHA will develop, own and operate all seven buildings included in the four SV Housing Phases and select outside partners to develop the remaining blocks. These blocks will complete the Transformation Plan in accordance with design guidelines established by the extensive and continuing community engagement informing the Infrastructure Master Plan (IMP). Equity and economic mobility are central to the Sun Valley Transformation Plan, providing a mix of housing options for a range of households and income levels supported by a range of services, transportation options, recreation, and economic opportunities. Please see Attachment A for more details on the Sun Valley Transformation Plan and Attachment B for a support letter for SOL and Joli (Phase 3 of the Sun Valley Transformation Plan), from Mayor Michael Hancock.

SOL is a family-oriented mixed-income development which has 165 units, of which 130 units will be included in the 4% LIHTC partnership. The overall program requirements which are established by HUD have a primary emphasis on the creation of a mixed income community and as such, no less than 20% of total units shall be "market-rate". SOL will include 35 market rate apartments, including 11 live work units along 10th Ave., 20 one-bedroom units, and 4 two-bedroom units (all are equally distributed throughout each floor of the project). DHA will utilize the Small Planned Community legal structure to establish two multifamily rental apartment ownership units in the development, a market unit entity and LIHTC entity. Of the 130 LIHTC units, 79 are public housing replacement units supported by project-based vouchers and 51 are LIHTC units. The SOL LIHTC Project will Income Average with 13 units at 20% AMI, 33 units at 30% AMI, 21 units at 40% AMI, 12 units at 50% AMI, 33 units at 70% AMI and 18 units at 80% AMI. The overall project includes a two-building complex meeting the zoning's "build-to" requirements for the primary streets of 10th and 11th Avenues. It includes one 6-story Building #1 and one 4-story Building #2 with an exterior bridge connecting the two building and allowing the sharing of amenities. SOL will have a range of bedroom types from one-bedroom units to four-bedroom units, catering to the multigenerational population.

In Building #1 and part of the market condominium, SOL has 11 live work units to drive economic growth in Sun Valley while providing essential services to the community. The primary goal of the live work units is to spur local entrepreneurship and upward mobility. Designed as two-story lofted live work spaces with commercial style storefronts along 10th Avenue, they will link Platte Park to Gateway North and South. This will create a mixed-use neighborhood node anchored by other critical community investments planned as part of the CNI Transformation Plan (see Attachment C, Sun Valley Critical Community Investments, for more detail). Lastly, for-sale townhomes are planned for the north end of the site to step-down density adjacent to Fairview Elementary and create opportunities for families to invest in the transformation of Sun Valley.

SOL's goal is to create safe, healthy, intergenerational spaces for both residential and commercial activity. The name, SOL, is reflected in the building design by highlighting the sun and light. The two structures have linear corridors allowing for maximum sun exposure, a North and South facing facade, open air walkways, and a sun inspired landscape motif creating a vibrant environment. The development will feature an outdoor diagonal walking promenade with pocket parks, creating community focused interactions, spaces for a live work marketplace, and children's play area. The play area will feature climbing equipment, seating and picnic benches, and adult outdoor fitness equipment for healthy engagement. An outdoor classroom is planned in collaboration with Fairview Elementary, creating social and scholastic cohesion.

In-unit amenities will include central air conditioning, blinds, carpet, luxury vinyl plank flooring, a coat closet, refrigerator, oven, range, dishwasher, garbage disposal and in-unit washer/dryer. Additional project amenities will include on-site management/leasing office, bike storage, maintenance shop, a community room, and a space for community events and resident training. The building will feature a large shared outdoor amenity deck located on the fifth floor of the building. The deck will have spaces for a variety of activities for all age groups. Security features on the property will include limited access entries and security cameras.

SOL will meet Enterprise Green Community Standards. The skin of the buildings will be low maintenance materials, while the roof will be a reflective membrane surface. The live work spaces will have storefront-style façades with shading elements and business signage opportunities. The project will have 113 parking spaces for the LIHTC units, a 0.87 parking ratio, and 14 total EV ready parking spaces. The façade has varied materials between elevations, featuring durable brick and cementitious paneling. New detached sidewalks and public ROW will provide safe and connected outdoor spaces to promote pedestrian and bike mobility around SOL and the community (see Attachment A for details on public improvements).

SOL is located in a QCT along 10th Avenue directly west of I-25 in the heart of the Sun Valley neighborhood. The primary neighborhood improvements for the SOL include the "10th Ave. and Decatur Plazas", which will feature lush planters, inviting pedestrian-friendly sidewalks and hardscape linking the main multi-model corridors in the neighborhood and through the SOL block. The enhanced 10th Avenue will also connect the future development to the south ("Block 4" of the IMP) with safe crossings and traffic-calming features, including Denver's Green Infrastructure standards. The site is currently zoned C-RX-8 and the conceptual site plan has been reviewed by Denver Planning and found to be compliant with zoning. SOL is in close proximity to light rail, Lakewood Gulch open space, Rude Community Center, and the planned 11 acre Sun Valley Riverfront Park, which will support a variety of amenities and various programmatic elements for neighborhood youth and greater community. SOL is located 150 feet from the Decatur and West 10th bus stop serving Route 9 and within 0.3 miles of the Decatur-Federal Light Rail station. DHA has balanced the cost-benefit of the sites allowable density with the large site work and neighborhood amenities promised. The project focuses on density, building form and cost effective parking while ensuring high quality design and livability is prioritized to create a successful community. This plan also considers the higher-density development that will be developed adjacent as part of the full build-out of the Infrastructure Master Plan (please see Attachment A for details).

Services will be provided by DHA's Community Connections team located at the People's Hub on West Holden. Resident Services include employment assistance, job training, health and services navigation, resources and referrals, food assistance, community engagement, youth services, transportation assistance, and educational enrichment opportunities.

DHA continues to be committed to minimizing the impact to the existing tenants by minimizing the amount of displacement during construction. A strategic phasing and relocation plan is underway and is reflective of the necessary demolition and construction activity. The relocation plan is outlined in Attachment D.

Financing of the Project will be achieved with a 4% Federal LIHTC equity investment in the approximate amount of $27.4 million. Soft funding will be provided from the Colorado Division of Housing, DHA's CNI funds and DHA's D3 Bond funds and a deferred developer fee.

1. **Description of Bond Financing:** The financing anticipates $34,800,000 in tax-exempt bonds and $10,00,000 in taxable bonds during construction and $28,200,000 in permanent period tax-exempt bonds. DHA will be the conduit bond issuer on behalf of the LIHTC partnership. A private placement is anticipated.

2. **Identify which, if any of the priorities in Section 2 of the Qualified Allocation Plan (QAP):** The Project does not directly meet any of the priorities in Section 2 of the QAP. However, SOL will provide 79 deeply affordable public housing replacement units supported by project-based vouchers, 46 of which are designated for households at or below 20% AMI and or 30% AMI.

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

a. **Market conditions:** The overall capture rate for SOL is 2.8%; 2.5% for 70% AMI units and 1.8% for the 80% AMI units. The PMA has an overall surveyed vacancy rate of 2.3%. All of the surveyed LIHTC and mixed income projects reported stable occupancy during the past year, either at or near 100% or between 96% and 100%, all increased rents by the maximum allowable amounts, none were offering concessions and two had waitlists with 25 to 60 applicants, providing strong evidence of pent-up demand for affordable rental housing units.

b. **Proximity to existing tax credit developments:** The PMA has 41 LIHTC projects containing 2,852 income-restricted units. The market analyst noted that the project's LIHTC units without PBVs will compete directly with the 1,278 non-deeply subsidized existing family tax credit units that are comparable in terms of income restrictions and target market, while it's deeply subsidized dwellings will compete directly with the 511 family deeply subsidized dwellings in the market area. The market study found that SOL's unit and project features are comparable or superior to the most competitive LIHTC properties. SOL's unit mix, unit sizes and rents are appropriate and competitive in comparison to the market.

c. **Project readiness:** DHA has been working with consultant teams, community stakeholders and the City over many years planning the SV Neighborhood Transformation (including various adopted City Plans). An Infrastructure Master Plan "IMP" has been developed over the last 16 months and is in for final review/approval with Denver CPD. The IMP will provide the entitlements necessary to create the new public infrastructure and associated Blocks for the final phases of development to move forward with an anticipated closing and construction commencements in December 2021 or first part of 2022. DHA owns the land and the site is properly zoned as evidenced by the Zoning Compliance Letter. The Design Team is preparing CD's to submit for Building Permit in March 2021. Please see the Entitlements Schedule in the Zoning section for more details. Initial discussions with potential financing partners have taken place and DHA will proceed with the financial solicitation in winter/spring 2021.

d. **Overall financial feasibility and viability:** DHA has solid support from potential financing partners interested in providing construction and permanent financing. DHA is providing a significant financial commitment to SOL to close the financing gap and help ensure the long-term financial sustainability of the Project, including DHA Program Funds, D3 Bond funds, $4,214,928 in CNI funds and a deferred developer fee. The Colorado Division of Housing (CDOH) has provided a letter of support and DHA anticipates approximately $1,000,000 in soft funding from CDOH. Please see the Evidence of Soft Funders section for confirmation letters for the sources for the commercial component of the project.

e. **Experience and track record of the development and management team:** DHA has significant experience and a long-track record of developing high quality affordable housing developments in Denver. DHA is also currently finishing the construction of Phase 1 in the Sun Valley neighborhood redevelopment, which includes Gateway North & South (187-unit family developments). DHA recently completed construction of Platte Valley Homes, which included the redevelopment of 50 existing public housing units and new construction of an 18 unit fully accessible senior property, and Vida at Sloans Lake, a 175 senior and disabled property with 24,000 sf of commercial space for a primary care clinic, dialysis clinic, and senior activity center. Vida was the recipient of Housing Colorado's 2020 Eagle Award. DHA was also the master developer for all nine phases of the 17-acre Mariposa redevelopment, which included the construction of 517 units and approximately 30,000 sf of commercial and community space. The rental housing program replaced all 229 public housing units and added 176 workforce units serving 50-60% AMI and 112 market rate units. In addition to recent LIHTC developments, DHA specializes in creating thriving communities by working closely with each neighborhood's stakeholders. DHA has successfully navigated neighborhood outreach in Curtis Park, Benedict Park, Mariposa and Sun Valley. DHA considers neighbors to be partners in the revitalization process resulting in award winning projects. DHA also recently received an AA- rating from Standard & Poor's as part of the D3 Bond funds issuance.

f. **Project costs:** The project's construction and soft costs budgets have been developed using current, local data generated by the General Contractor and corroborated by other local construction information and historical data from DHA's recent development budgets.

g. **Site suitability:** SOL is part of the third phase in the redevelopment of the Sun Valley neighborhood which will replace low neighborhood population and concentrated poverty with vibrant, mixed-income, mixed-use developments that offer new accessible family units for all existing residents and attract more varied households to the community. The site is 80 feet from Fairview Elementary and just over a mile from the middle and high schools, 0.1 miles from the Rude Park Early Learning Center (including daycare), 0.7 miles from the Congregational Head Start and 0.6 miles from a library. Rude Park and Recreation Center is a neighborhood park 0.2 miles from the site with ball fields, children's play equipment, trails, and picnic areas. The recreation center has a gym, exercise room, indoor swimming pool, meeting rooms and other amenities. Denver Human Services and the Denver Health's Westside Health Clinic is 0.1 miles northwest. The nearest bus stop is at Decatur St. and West 10th Ave., 150 feet southwest of the site and at Decatur and W Holden, 0.3 miles to the northwest. Residents can ride Route 9 bus from this location to the Lakewood-Wadsworth Station and downtown Denver, the 15L to the Aurora Metro Station via downtown, and the 16 to downtown Golden. The Decatur/Federal Light Rail Station (W Line), with a stop at Decatur St. and West Howard Pl., is 0.3 miles northwest.

4. **Provide the following information as applicable:**
   a. Justification for waiver of any underwriting criteria: Please see Attachment E Cost Basis Waiver Request.
   b. Justification of the financial need for CHFA's DDA credit up to 130% of qualified basis: N/A

5. **Address any issues raised by the market analyst in the market study.** None noted.

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 ESA Phase I found no RECs.

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**.
   Costs for the project are increased due to the many larger bedroom units, including 24 three-bedroom units and 21 four-bedroom units. Larger bedrooms are included in order to be responsive to the CNI Grant and to the community needs for larger family units. This site is on 3 acres, adding significant costs to site work, landscaping, and building design. The design of the Building #1 is a long rectangular due to the site, adding costs for utilities and construction. Finally, Type IIA/IA construction and Davis Bacon wage rates increase costs (Davis Bacon adds an approximate 7-10%). Please see Attachment E Cost Basis Waiver Request for more detail.

8. **In your own words describe the outreach to the community that you have done and describe local opposition and/or support for the project (including financial support).**
   Following the extensive community process through master planning and design of Phases 1 and 2, DHA and the A&E Team have participated in multiple Community Advisory Committee workshops and pop-up outreach meetings to arrive at the community-driven design and final program. During COVID, DHA developed a website to further engage with the community (www.sunvalleyredevelopment.com).

   Provide further detail on the following items if applicable:

a. Asbestos Containing Materials management: N/A
b. Lead-Based Paint management: N/A
c. Radon mitigation: A passive radon mitigation system is design and included in the cost of construction per the mandatory requirements specified by credit 7.8 in the 2015 EGC guidelines.
d. Green Systems (Solar, Geothermal, Other, etc.): The project will meet Enterprise Green Communities and provide 14 EV ready parking spaces. The project will be constructed solar ready, and DHA has a solid track record of installing PV panels through use of available project contingency. Please see Attachment F, SOL Sustainability, for details on sustainability goals at SOL.

9% housing credit application narrative

Project Name: **Mesa Crossings**

Project Address: **Lot 3C, UTE Subdivision (anticipate 115 Tomsland Lane), Poncha Springs, CO**

Executive Summary

Cardinal Capital Management, Inc. in partnership with Salida Housing Development Corp. is proud to submit this 9% LIHTC application for the 50-unit Mesa Crossings development in Poncha Springs, Chaffee County, CO. Mesa Crossings will provide 13 units for homeless households with a priority for homeless families with children with incomes at or below 30% AMI and 37 units will be available for households with incomes at or below 60% AMI. The unit mix consists of 28 1-bedroom units, 14 2-bedroom units, and 8 3-bedroom units. The development team has concurrently submitted a voucher application to Colorado Department of Local Affairs ("DOLA") for 13 Project Based Vouchers to further assist the homeless households at the 30% AMI level.

Mesa Crossings will be the only supportive housing for homeless households in Chaffee County. There are no other options for homeless families. Furthermore, Chaffee County is evolving like many of the mountain communities seeing a surge in residential real estate which has put upward pressure on housing prices. Job growth has been in lower income areas, which has caused an imbalance in the housing market. The 2016 Chaffee County Housing Needs Assessment indicates that nearly 1 in 3 households are "cost burdened" paying more than 30% of income on housing. Housing costs and wage levels go hand-in-hand with the "drive until you can afford it" mentality, as many are making long commutes. Mesa Crossings is responding to this need by providing the desperately needed housing so workers can live locally.

Supportive Housing:

Chaffee County Department of Human Services ("DHS") will be the lead service provider and will coordinate a comprehensive menu of supportive services for the residents of Mesa Crossings. The Housing First service model proposed for the Mesa Crossings project will enhance DHS's current services by providing the residents with easy access to: substance abuse prevention and recovery, parenting classes, and other family support programs, as they will be offered on-site, thereby eliminating transportation as a barrier to accessing services. The services provided are intended to enhance and empower individuals and families to become self-sufficient. DHS will engage a Navigator for Mesa Crossing residents that will assist in making connections to the voluntary community-based resources.

DHS has a network of auxiliary service providers and strong partnerships with several local agencies including Solvista Health, and Chaffee County Department of Public Health and Environment (Public Health). These agencies have long-standing MOUs and have been jointly involved in creating Mesa Crossings and will continue to do so as they provide in-kind services for the residents. Solvista Health provides a comprehensive range of services including mental health services, individual counseling, peer mentoring, medication management, substance abuse services, job training skills and job readiness training. Our collaboration with Public Health will provide access to routine medical care, visiting nursing and independent living skills such as meal preparation and housekeeping classes. This collaborative service delivery will empower DHS to deliver a Housing First program centered on the core supports necessary to increase housing stability for the families residing at Mesa Crossings. The funding for these services will be primarily provided by the existing funding sources within Chaffee County and Medicaid reimbursement.

Building Design and Energy Efficiencies

Mesa Crossings is an "L" shaped, two story walk-up structure with the two wings containing the residential units and connects the entry and public supportive spaces located in the corner or base of the L with the two residential wings. This public corner provides a large community room with a warming kitchen, a computer resource room, a conference room and offices for both property management and service provider(s). Additionally, there is a large front desk serving as a gateway to the public corner. The residential space is organized along two corridors with stairs at both ends of the corridors as well as a central stair located in the public corner of the building. Outdoor amenities include a community garden, walking path, and playground.

The project will be enhanced by adhering to the "Enterprise Green Communities" best practices and criteria, with a commitment to a sustainable future. Furthermore, we are committed to maximizing construction efficiencies by utilizing prefabricated exterior wood stud panelized construction, prefabricated floor trusses (2nd floor) and prefabricated wood roof trusses. These initiatives put Mesa Crossings on the forefront of building construction in terms of sustainability, energy performance, and environmentally responsible building practices and techniques.

The development team incorporated trauma informed design at Mesa Crossings by creating "spatial availability" with clear sight lines, high ceilings, and minimal barriers. This can increase a person's sense of safety and decrease a sense of crowding or being trapped. The L-shaped design of the building aims to provide the clear sight lines, which is further enhanced by corridors that have exterior exits at both ends. Furthermore, the community room, conference room, and offices all offer multiple exits, which strives to decrease the sense of being trapped in a room. Other considerations were given to provide ample "natural" light.

CHFA's Guiding Principles

Mesa Crossings adheres to CHFA's guiding principles by:

- Providing 13 units at 30% AMI with for a 40-Year Land Use Restriction period.
- Providing 13 homeless units in Chaffee County, the first in Chaffee county.
- Providing 50 units of LIHTC development to the remote rural Town of Poncha Springs, ensuring the distribution of Housing Credits across the state.
- Mesa Crossings will provide housing for an array of households including homeless families with children, assisting in the goal of delivering credits to a diverse population.
- Mesa Crossings has been approved to exceed local zoning density requirements.

1. **Identify which, if any of the priorities in Section 2 of the Qualified Allocation Plan (QAP):**
   - Mesa Crossings serves the homeless, with 13 of the 50 units sheltering homeless households (26%) as defined in Section 5.B 5 of the QAP.
   - Mesa Crossings is located in Chaffee County, a non-metro county. The 2020 population of Chaffee County is estimated at 20,448.

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

a. Market conditions

Mesa Crossings' combined capture rate for the primary market area ("PMA") is 20%, with the 30% units capture rate at 6% and the 60% units capture rate at 29% and when considering the extended market area, the 60% unit's capture rate is reduced to 24%. The extended market area is justified as many workers reside in Saguache and Fremont counties due to the lack of affordable housing in Chaffee County. In fact, the 2016 Chaffee County Housing Needs Analysis found that 35% of workers commuted in from other counties.

The Prior & Associates, market study indicated that the overall vacancy rate in the PMA is 1.6%, which represents only 3 vacant units. There are no homeless units within the PMA. The 2018 Point in Time count indicated that there were 380 homeless individuals seeking housing. Upper Arkansas Area Council of Governments, who will administer the voucher upon award by DOLA, indicated a waitlist for homeless households of 48: 22 two-person households; 9 3-person households; 7 4-person households; and 10 households with 5 or more. Antidotally, Cardinal's two PSH projects located in Colorado have high occupancy and voucher utilization.

b. Proximity to existing tax credit developments

Mesa Crossings is in close proximity to the following LIHTC developments:

- River Bend Apartments is 3.3 miles the site and built in 1997. River Bend was 100% occupied at the time of the Market Study
- DeAnza Vista I & II: Phase I provides 36 units, with 6 units of these units added in 2020. It is 0.3 miles from the site. Phase II provides 8 units that are 0.6 miles from the site. The projects share a waitlist of 15 applicants.

In addition, Confluent Park Apartments, a 48-unit LIHTC project received a 2020 Round 1 allocation of credit. Mesa Crossings' unit mix serves 13 PHS units and 37- 60% AMI units, which is a different population and AMI unit mix. The Prior market study stated the following: "…completion of the subject and other projects in the development pipeline will increase the PMA's rental inventory by a total of 146 units over the next two years. The ***subject will not compete directly with any units in the pipeline*** based on income restrictions…".

The surveyed family LIHTC and subsidized projects were 1.6% vacant, demonstrating strong demand.

c. Project readiness

Mesa Crossings is ready to proceed, meeting the Readiness-to-Proceed thresholds in the following manner:

- The site is currently owned by our nonprofit partner Salida Housing Development Corporation.
- The site is zoned T4-General Urban Zone. The T4 zoning allows multifamily residential as a permitted use. The October 26, 2020 Poncha Springs Board of Trustees unanimously approved the increased front setback and density variances, thereby approving the 50-unit development. A copy of the zoning approvals is included in this application.
- Letters of Intent: The development team has obtained an equity letter of interest from Richman Group, a permanent debt letter from CHFA, and a construction and permanent debt letter from First Business Bank. The developer has a long-standing relationship with these partners from closing several previous transactions.
- Colorado Division of Housing: The development team has submitted a response to the 2020-2021 RFA for the Creation of Supportive Housing to request 13 Project Based Vouchers. Additionally, we have received a letter of support for GAP Funding.
- The development team anticipates final design and permitting to take place within 6 months of reservation of credit.

d. Overall financial feasibility and viability

Mesa Crossings financing structure includes a CHFA permanent mortgage, Colorado Department of Local Affairs - Division of Housing grant funds and deferred developer fee. Initial letters of interest are included in this application. LIHTC equity pricing of $0.90 was confirmed by our equity partners. Mesa Crossings blends 13 PSH units with 37 60% LIHTC units, enabling the project to support a $2,500,000 first mortgage debt. Mesa Crossings meets or exceeds the underwriting criteria by:

- Mesa Crossings is utilizing a 7% vacancy rate; however, the Market Study indicated that the project would have a stabilized occupancy rate of 97% or a 3% vacancy rate.
- Mesa Crossings is reserving $326 per unit in deposits to replacement reserves exceeding the $300/unit minimum requirement for family projects.
- Mesa Crossings debt coverage ratio is initially 1.26 and declines to 1.17 in year 15.
- Mesa Crossings maximized deferred developer fee, while allowing $7,500 of cash flow in priority to be used for supportive services.

e. Experience and track record of the development and management team

Cardinal Capital Management, Inc. ("Cardinal") and its affiliates are a vertically integrated social impact development company that has developed in excess of 10,000 units. Cardinal is the managing member in over 1,700 units with the remaining being developed for nonprofit partners. We have developed numerous supportive/special needs housing projects totaling over 500 units. In undertaking these unique housing products, Cardinal realizes the importance of working closely with an advocacy group that represents the needs of the individuals served. Cardinal consistently partners with a strong nonprofit. Our partnership with Salida Housing Development Corporation continues this tradition. This depth of experience enables the Cardinal development team to identify the designers, engineers and builders best able to produce a safe and financially viable building that enhances health and well-being for each resident. If awarded, this will be Cardinal's fourth LIHTC development in Colorado. Cardinal's first two projects: Pathways Village, Grand Junction; and Journey to Home, Cañon City we also rural permanent supportive housing projects that achieved quick lease-up. Our third project, The Right Place is currently under construction and achieved its carryover allocation.

Cardinal Property Management manages over 6,000 units and provides exceptional property management services for the affordable housing industry, with a special focus on LIHTC, Section 8, Rural Development 515 and Supportive Housing projects. Cardinal has established a reliable method for successfully marketing and leasing its LIHTC projects by working in tandem with its partners.

f. Project costs

The project costs for Mesa Crossings are estimated at $15,855,848 or $317,117 per unit. These costs are higher than Cardinal's prior LIHTC developments in Colorado and is due in part to the remote mountain location. Located in the mountain region west of the Front Range, and about 2 hours away from the larger metropolitan centers of Pueblo and Colorado Springs presents a cost challenge to the project. Construction costs are typically higher in remote regions where products, materials, and labor force are scarce and need to be brought in. While every effort will be made to utilize the local labor force and construction entities, there are certain products and materials, contractors and sub-contractors, that will need to be brought in from the larger metropolitan areas resulting in a construction cost premium that does not exist in those larger areas. In addition, when working with the Town of Poncha Springs, we were encouraged to design the building with a lower height profile. The L-shared building is more costly to build due to the larger footprint.

g. Site suitability

Salida Housing Development Corporation current owns the land. The Town of Poncha Springs has approved an increase in the density for the development. The development will be on a street with low traffic volume, but is visible from County Road 128, which is 0.1 mile north of the site. The site provides easy access to U.S. Highways 285 and 50, which are major arterials that provide access to Buena Vista and Monarch Mountain, as well as historic Downtown Salida to the east. There are numerous recreational opportunities in the immediate area, and Mesa Crossings is 0.2 miles from a grocery store, within 0.5 miles of a convenience store, fire department, park, post office and regional bus stop, and 2.6 miles from a Walmart. This area of Poncha Springs is in an area attracting development, with Lagree's Market & Hardware recently openned 0.2 miles southwest of the site.

3. **Provide the following information as applicable:**
   Justification for waiver of any underwriting criteria
   Mesa Crossings is not requesting a waiver of any underwriting criteria.

   Request for CHFA Basis Boost
   Mesa Crossings is requesting the 30% CHFA Basis Boost. Our rationale for this request is to ensure the project continues to provide sufficient eligible basis to achieve and support annual credits of $1,350,000. Mesa Crossings has maximized deferred developer fees to support the project. However, this maximization presents a unique challenge to balance cost savings with credit delivery. Mesa Crossings eligible basis is $15,010,615 and if the project was able to reduce costs by a modest $50,000, it would fall below the maximum credit request. Cardinal continues to work with our third-party cost estimator, GH Phipps Construction, to further value engineer the building. As the plans progress from schematic design to final plans, we are seeking to reduce costs. However, the project needs to maintain the anticipated equity at maximum credit to ensure the developer fee can be paid off within the 15-year period. Additionally, the project is committed to providing $112,500 over the 15-year period (7,500 x 15 yrs.) to fund the supportive service budget.

4. **Address any issues raised by the market analyst in the market study.**
   The market study concluded that there were "no recommendations or changes for the subject." Mesa Crossings is located in a rural community with a low walk score. However, the average walk score for Poncha Springs is also considered car dependent. It should be noted that the land was acquired by Salida Housing Development Corporation, our nonprofit partner, with a DOLA grant and is being conveyed at $1.00. This reduces land costs assisting in the overall development budget and offsets the walk score impacts. Please refer to items 2a and 2b for more discussions regarding the market study.

5. **Address any issues raised in the environmental report(s) submitted with your application and describe how these issues will be or have been mitigated.**
   The Phase I Environmental Site Assessment, prepared by Terracon Consultants, Inc. determined that it did not identify any Recognized Environmental Conditions ("RECs").

6. **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).**
   Poncha Springs remote mountainous location combined with the low-profile design of the building have put upward pressure on project costs. The supportive nature of the project has also increased common space to ensure appropriate service delivery. In an effort to mitigate costs the development team has worked with G.H. Phipps to value engineer the building and contain costs.

7. **In your own words describe the outreach to the community that you have done and describe local opposition and/or support for the project (including financial support).**
   Cardinal has been working with Salida Housing Development Corporation and the town of Poncha Springs on the design and development of Mesa Crossings. Salida Housing Development Corporation acquired the land in 2019 with a grant from Division of Housing. Additionally, we have been working with our service providers and community advocates to develop Mesa Crossings. We have included a number of support letters that demonstrate the support for the project.

8. **For acquisition/rehab or rehab projects**
   Not applicable

9% housing credit application narrative

Project Name: MountainView Flats
Project Address: 51537 Hwy 6, Glenwood Springs, CO 81601

Executive Summary

RealAmerica Development is pleased to submit this 9% LIHTC application for MountainView Flats, a 54-unit, mixed-income development located at 51537 Hwy 6 in Glenwood Springs, Colorado. The City of Glenwood Springs is in dire need of affordable housing. According to the 2019 Greater Roaring Fork Regional Housing Study, the region has a **2,100-unit shortfall in housing for households at 60% and less.** Glenwood Springs has experienced significant population and economic growth over the last decade, however the supply of housing has greatly lagged demand. **All affordable properties in the Primary Market Area (PMA) are 100% occupied with extensive waitlists.** Recent market-rate developments in Glenwood Springs leased up within just months of opening, are 99.1% occupied, aren't offering any concessions, and are at price points that many people working in the area simply can't afford. Due to high costs of living, many low-wage workers live in other parts of Garfield County and face long commutes to Glenwood Springs. MountainView Flats will address this critical affordable housing need head on by meeting CHFA's Guiding Principles. MountainView Flats will be a true mixed-income community with significant financial support from the City of Glenwood Springs. Additionally, the Glenwood Springs Chamber, several service providers, and many large employers support our project – see Tab 9 MountainView Flats Support Letters. Since our Concept Meeting with CHFA on November 19, 2020, we have been able to revise the unit mix to add four affordable units and increase the number of 50% AMI units to 14 (previous concept had four 50% AMI units). The development's 43 affordable and 11 market-rate apartments will include:

6 - 30% AMI Units	14 - 50% AMI Units	23 - 60% AMI Units	11 - Market-Rate
2 - 1 bed / 1 bath	6 - 1 bed / 1 bath	11 - 1 bed / 1 bath	5 - 1 bed / 1 bath
4 - 2 bed / 1 bath	8 - 2 bed / 1 bath	12 - 2 bed / 1 bath	6 - 2 bed / 1 bath

Location: The development site is in a perfect infill location for housing as it is within a **very short walking distance to two RFTA bus stops (both less than 590 feet from property!)**, connecting residents to many job centers, supportive services, schools, recreational spaces, grocery stores and shopping. The property is within 4 miles of abundant employment opportunities at Glenwood Meadows Mall, Glenwood Springs Mall, Valley View Hospital, Walmart Supercenter, Glenwood Hot Springs, Glenwood Caverns Adventure Park, and many large hotels.

Construction Type: MountainView Flats will be a single, four-story, wood frame, walk-up building with an appearance that will fit in nicely with the town's rustic, mountain charm. We uniquely designed the building so that **every apartment will have a breathtaking, mountain view (hence our name), and each will have a balcony or patio.** Since this is a Transit Oriented Development, we maximized density by having four stories. Apartments will be accessed via 7 sets of stairs where each apartment will have its own exterior entrance, eliminating the need for interior hallways or an elevator where germs can linger. The building's foundation will be a slab on grade with beam footings around the perimeter with internal bearing walls supported by thickened slab. Exterior building materials will be a combination of stone veneer, fiber cement lap siding and board-batten panels, corrugated metal siding, vinyl windows, decorative wood timber features, and architectural (dimensional) shingles for the roof.

Energy Efficiency: The building will earn a silver rating in the National Green Building Standard and include Energy Star rated windows, ceiling fans, lighting, refrigerators, dishwashers, and low-flow water fixtures. It will be a transit-oriented development, and we are providing more than the required bicycle parking that will include both an interior bike storage room as well as a covered bike pavilion to ensure our resident's bikes are always protected from the elements. We will have parking spaces prepped for car chargers and the building will be ready to add solar panels.

Financing: We are seeking a 9% credit request of $1,350,000 and the following financing sources will be used:

First Mortgage - $5,500,000	*CDOH Financing - $645,000*	*Deferred Developer Fee - $63,289*
Tax Credit Equity - $11,878,912	*Waived Fees - $348,459*	*TOTAL - $18,435,660*

Unit and Project Amenities: Each apartment will feature an in-unit washer and dryer (a highly sought-after amenity), central air conditioning, exterior storage, patio/balcony, luxury vinyl plank flooring, and walk-in closets. Building amenities will include a community room with dedicated "Zoom meeting rooms" (i.e. computer center), ski lockers, bike storage room, pet spa, and patio with grills and tables. People love living in Glenwood Springs for its outdoor amenities and MountainView Flats is close to many bike paths, hiking trails, the Colorado River, parks, and of course, world class skiing!


View from MountainView Flats

1. **Identify which, if any, of the priorities in Section 2 of the Qualified Allocation Plan (QAP):**

Projects in non-metro counties with a population of 180,000 or fewer (must meet requirements of Section 5.B.3.b.). MountainView Flats will be located in Garfield County which had a 2019 estimated population of 60,061.

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

Market Conditions:

The market conditions in Glenwood Springs and the rest of the Roaring Fork Valley show an incredible demand for affordable apartments and rental housing of all types. According to our Market Study, the 474 low-income rental units in the primary market area are 100% occupied. It is noted on page V-20 of the Market Study that each of the five existing LIHTC projects in the PMA have extensive waiting lists totaling 403 households, indicating huge pent-up demand for affordable housing in the market. RealAmerica has seen this firsthand, as our nearby property in Basalt, Roaring Fork Apartments, has an active waitlist of 214 households that continues to grow almost every day! Considering these datapoints, MountainView Flats is expected to reach 95% occupancy within just 3 months of opening. Furthermore, of the 14 market-rate properties surveyed in the Market Study, only 6 units were vacant out of 687 total, representing an occupancy rate of 99.1%. None of the market-rate or affordable properties have needed to offer concessions to get apartments leased and it appears they won't need to for the foreseeable future.

Glenwood Springs has experienced a wealth of population and economic growth over the past two decades. Within the site PMA, the number of households increased by 34.7% from 2000 to 2020. Employment in Garfield County grew 32.2% from 2001 to 2018, much higher than the 21.5% statewide employment increase over the same period. Despite the area's impressive economic growth, people working in the PMA struggle to find places to live in Glenwood Springs and many are forced to live in distant towns such as New Castle, Rifle, and Parachute ensuring they must cope with extensive commutes to their job. According to the Market Study, workers in the site PMA face longer than average commutes, with 43% traveling more than 30 minutes. Those who do find housing in Glenwood Springs end up paying a significant portion of their income towards rent. As the Market Study shows, 40.7% of renters in the PMA pay more than 30% of their income toward rent and 15.4% pay rent in excess of 50% of their income leaving little, if any, room for them to save for an emergency.

Proximity to existing tax credit developments:

The Market Study identified five existing tax credit developments with 268 units within the PMA. One property is for seniors, the remaining four are for families. Each property is 100% occupied with a lengthy waitlist. The one tax credit development in Carbondale that is under construction should be completed and fully leased prior to construction starting on MountainView Flats.

Project readiness:

Since opening Roaring Fork Apartments in Basalt in 2018, RealAmerica Development has searched tirelessly up-and-down the Roaring Fork Valley for a site to develop more much needed affordable housing. A variety of factors made it very difficult to secure land that is suitable for LIHTC development. Due to the Valley's topography, few tracts of land are relatively flat, large enough for a dense housing development, and within proximity to amenities like public transportation, grocery stores and retail, healthcare, and employment opportunities. Additionally, most properties in the Valley have been owned by families for generations, therefore asking prices are extremely high compared to other parts of the state, which can make affordable housing development financially infeasible.

MountainView Flats' site is shovel ready and the City, large employers, community organizations, and residents of Glenwood Springs are excited to see the project come to fruition! RealAmerica Development has the land under contract and has been working closely with the City on this site since October 2020. We will be continuing to work with the City to ensure all site approvals are in place prior to allocation so we can close on the land in June 2021 and start construction in August 2021. While we have had the site under contract, we received a Phase I environmental report, Geotechnical Engineering Investigation, and consulted with several local third-party engineers and estimators. Preliminary conversations have been had with potential equity investors and construction and permanent lenders. RealAmerica Development has had discussions with Jennifer Stepleton from the Colorado Division of Housing about soft funding for MountainView Flats. She stated the Division of Housing is able to provide up to $15,000 per affordable apartment (approximately $645,000 total). Additionally, the Garfield County Housing Authority will provide six (6) project-based vouchers and has committed to property and sales tax exemptions for as long as the apartments are kept affordable. See Tab 9 Housing Authority Letter.

The development site for MountainView Flats is one of the very few sites perfect for what we are proposing to build because it is an undeveloped, flat parcel, in an in-fill location surrounded by many employers and local amenities, with great visibility from Highway 6, and within short walking distance of **two** RFTA bus stops.

Overall financial feasibility and viability:

Tax credits are critical to making MountainView Flats financially feasible as affordable housing. Beyond equity from the sale of tax credits, the Colorado Division Housing has committed $645,000 in soft funding. The City of Glenwood Springs is very supportive of the development and will waive building permit fees, system improvement fees, and impact fees for a total of $348,459 in waived fees. MountainView Flats has been well received by those in the Glenwood Springs community and has received letters of support from the Glenwood Chamber, large employers in the area, and non-profit organizations. We have the site under contract with a closing set for no later than June 23, 2021. Our first choice would be to develop this site for affordable housing since that is RealAmerica's primary passion and vision, and Glenwood Springs is in desperate need of such housing. We are working as diligently as we can to ensure that MountainView Flats serves the affordable market. However, if it is not possible for us to secure the right financing to make affordable housing a reality on this site, our alternative plan would be to develop the site as market-rate apartments since there is also strong demand for market-rate housing in Glenwood Springs and the property is in an Opportunity Zone. We know all too well that sites like this, at this price point, are extremely hard to find in the Valley.

Experience and track record of the development and management team:

- **Development Experience:** RealAmerica Development is a WBE-certified developer with over 25 years of experience in developing, designing, and building affordable and market-rate properties. Our passion is affordable housing and we have developed 34 communities totaling more than 2,350 affordable apartment homes. The owner, Ronda Shrewsbury Weybright, is hands on in every aspect of every development we take on and takes great pride in the company's work. The greatest marketing tool we have is showing what we have developed and operate, and letting our reputation speak for itself. Our first development in Colorado, Roaring Fork Apartments, opened in 2018 and set the bar for what affordable housing in hard-to-develop, mountain communities should look like. Our skilled and knowledgeable staff is among the best in the industry and provide expertise in all areas. RealAmerica's team handles every aspect of design, construction, and management to finish developments on time, with exceptional standards of quality, and within budget. RealAmerica has never sold an apartment project. We build with the understanding we will own and operate them for the long-term and will provide our residents a great place to live for decades.

- **Property Management Experience:** RealAmerica Management was created shortly after we began developing affordable housing to oversee the day-to-day operations, compliance, and maintenance to ensure that our properties are managed to RealAmerica's high standards that our residents love, desire, and deserve. Our management portfolio of over 2,100 units enjoys a 98% occupancy rate, has an excellent compliance record with the Indiana Housing and Community Development Authority and Colorado Housing and Finance Authority, and is committed to operating our properties at outstanding fair housing standards while providing superior levels of resident-focused services. We are proud to say that despite COVID-19, our occupancy and collection rates remain in the high 90% range, due to our staff's hard work at connecting residents with state and community rental assistance option.

Project Costs:

RealAmerica Construction has been involved in every aspect of the design and pre-development process for MountainView Flats. The project costs are reasonable and consistent with what we have experienced in mountain resort communities. We benefit from having affordable land acquisition costs (for this part of Colorado) as well as the City's support in waiving building permit and impact fees. These factors keep our project costs manageable and realistic for today's market. Our design and construction team's experience give us confidence to deliver this development on time and within budget.

- Total project cost is $18,435,660 or $341,401 per unit.
- Hard construction costs total $10,497,736.
- Hard construction costs per GSF is $197.
- Hard construction cost per unit is $194,402.

Site Suitability:

Glenwood Springs has very limited buildable land available for a development like MountainView Flats. Other sites we considered were either incredibly expensive or would involve demolishing an existing structure (such as the former Safeway building, Caravan Inn, and Red Mountain Inn) that add to the project costs. This site's flat nature is very suitable for development, and we avoid excessive excavation costs that other developers in Glenwood Springs have experienced in the past. Perhaps the most attractive characteristic of this site is its proximity to two RFTA bus stops – 1) Hwy 6 & 135 Rd. Stop – 308 feet from our site, and 2) Johnson Park Stop – 590 feet from our site. Residents of MountainView Flats will easily be able to hop on the RFTA bus and get anywhere in the Roaring Fork Valley. Additionally, the property's in-fill location, near a wealth of job centers, amenities, and community services, make it ideal for a housing community. Further, we always care about the quality of life when selecting sites for our developments, and the view, south-facing orientation and outside decks and patios for all residents are amenities that can't be found at many properties.

3. Provide the following information as applicable:

- *Justification for waiver of any underwriting criteria:* No waiver requested.
- *Justification of the financial need for a CHFA basis boost up to 30 percent of eligible basis:*

  MountainView Flats is located within the Garfield County federal Difficult to Develop Area (DDA) and qualifies for a 30% boost according to Section 42 of the IRS Code and CHFA's Qualified Allocation Plan. While we qualify for up to a 30% boost, the required tax credits only equal a 15% boost in basis.

4. **Address any issues raised by the market analyst in the market study:**
   - If the parking lot south of MountainView Flats is developed, some mountain views could be lost. The seller of the property is the neighboring business to the south of our site. They have indicated they are not planning to sell their remaining land nor are they planning to build anything more than 1 story on the vacant part of this land so our views will be maintained.
   - The market analyst commented that the proposed project amenities are fewer than comparable LIHTC product. However, the unit amenities, including in-unit washers and dryers, and the proximity to a local park and other amenities will more than make up for having fewer project amenities.
   - Two-bedroom square footage smallest among LIHTC projects in the market. However, given the high occupancy rates of the area with lengthy waiting lists, and the fact that most of these developments are much older, the market analyst is not concerned that the smaller square footage of the two-bedroom will be detrimental for the development.
   - Walk-up building design has a portion of units on the fourth floor, however, we have ensured that only a small portion of the apartments will be on the fourth floor and those apartments will have the most spectacular views in the entire building. Therefore, we do not feel this feature of the building will be unfavorable to prospects.

"Developers are looking into adding more staircases, to provide an attractive alternative to using the elevator. An interest in both healthier lifestyles and a renewed awareness in avoiding germ transmission, is causing the promotion of non-elevator housing formats without shared corridors… direct-from-street unit entrances like those in conventional for-sale neighborhoods will be predominant in upscale rental communities – with rental coming more in the form of townhouses, stacked flats and other distinct-entrance formats."

- ***Forbes article "New Health Driven Trends in Rental Apartment Design & Development" (Sep 1,2020)***

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5. **Address any issues raised in the environmental report(s) submitted with your application and describe how these issues will be or have been mitigated:** No issues were noted.

6. **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):**

   We are unaware of any unusual features that would drive costs upward aside from the development being in the Western Slope where material costs and labor are typically higher compared to other areas of the state. Our third-party cost estimator, David Dorr with HD Construction in Aspen, provided estimated construction costs in line with our team's numbers. Additionally, RealAmerica Construction has experience with costs in the Roaring Fork Valley and will implement cost containment measures through existing relationships with subcontractors that worked on our Roaring Fork Apartments. We have done our due diligence and had a third party review our methods and costs, and we strongly believe we have full and accurate understanding of how much this development will cost in the end.

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

   We have met with the City of Glenwood Springs over the past three years and have maintained contact and obtained feedback on sites we have considered. They have been incredibly supportive and helpful in identifying a site suitable specifically for affordable housing. In our communications with local businesses, service providers, Garfield County and a recent City Council meeting, the feedback is extremely supportive and welcoming. The demand for rental housing of all sorts is apparent after speaking with anyone around the community. Businesses want to be in Glenwood Springs, people want to live there, and the housing shortage is a huge issue. Even market-rate properties have leased up exceptionally quick, all are at or near 100% occupancy, and achieve rents higher than many major cities in the country with rent, in some instances, over $1,700 for one-bedrooms and over $2,200 for two-bedrooms. As we have noted, the City is assisting us by waiving $348,459 in building and tap fees in an effort to keep development costs lower and GCHA is providing six project-based vouchers and has committed to property and sales tax exemptions. Glenwood Springs relies heavily on the tourism industry and as the Market Study shows, 29.4% of people in the site PMA work in Hospitality and Retail Trade. Our development has gained support from many large resorts and hotels including, Iron Mountain Hot Springs (50 employees), Holiday Inn, Hampton Inn, Hotel Colorado (112 employees), Glenwood Caverns Adventure Park (275 employees), as well as the Glenwood Springs Chamber Resort Association. Other large employers and service provides that have provided letters of support include, Holy Cross Energy (160 employees), Lowe’s Home Improvement (142 employees), The Buddy Program, Advocate Safehouse, YouthZone, and Catholic Charities (see Tab 9 MountainView Flats Support Letters).

9% housing credit application narrative

Project Name: Northwest Apartments

Project Address: 13741 Vispo Way, Broomfield, CO 80020

Executive Summary

Highridge Costa Development Company, LLC ("HCDC") is pleased to resubmit a 9% LIHTC application for Northwest Apartments ("NW"), an affordable multifamily apartment community offering one, two, and three-bedroom units for families earning 30% to 60% AMI. The 50-unit four-story elevator served building will be developed on a vacant 2.51-acre parcel within the Broomfield Business Center Planned Unit Development ("PUD"). The 50 affordable housing units were submitted to City Council as part of a Concept Review meeting in June 2018 and the Site Development Plan and PUD Amendment were approved unanimously on October 22, 2019. The proposed design maximizes the allowable density within the PUD while simultaneously providing quality and attractive affordable housing. Residents, the City Mayor, Chamber of Commerce President, and President of the BBC Metro District, all spoke on record in support of Northwest Apartments to help fulfill the need for affordable housing in the Broomfield community.

In February 2018 the City of Broomfield commissioned a Housing Needs Study to identify the City and County's most critical housing gaps. The study found more than four out of every 10 Broomfield renters (42%), 3,691 households, are cost burdened, spending 30 percent or more of their income on housing costs." According to the Market Study, Broomfield's current rental stock does not satisfy the rental gap for the 1,713 qualified individuals and families earning between 30% to 60% AMI. HCDC has worked closely with City leadership in pursuit of addressing the comprehensive plan goal to "encourage an adequate supply of affordable/attainable housing for lower-income households". Northwest Apartments is a culmination of years of collaboration with City and Housing Authority to aid in alleviating the affordable housing shortage at this location.

The design of Northwest Apartments is centered on creating a welcoming environment for its residents while complementing the surrounding market-rate apartment homes in the area. The exterior of the building accentuates the prevalent craftsman style by emphasizing horizontal lines, featuring stone veneer and earth tone vinyl siding. The four-story stand-alone building will consist of 50-units accessible through double loaded corridors, stairways on each end, and an elevator. Construction will be Type 5 with slab on-grade foundation and includes 96 on grade parking stalls. The sustainable design elements that reduce energy consumption and the carbon footprint of the building were formed through a lens of environmental stewardship by Enterprise Green Communities 2020 standards. Amenities include a tot lot, dog park, picnic area, onsite manager and leasing office, laundry room, clubhouse with kitchenette, fitness center, indoor bike storage, and connection to Northwest Parkway Regional trail.

Northwest Apartments is located in a high growth urban renewal area and will be part of a master planned community providing 263 new attainable for-sale townhomes currently being developed by MLC Holdings. This provides a unique opportunity to construct new affordable housing at the center of brand-new facilities, new infrastructure, new residential developments, new commercial developments, and new job opportunities all within an area of Broomfield that is receiving significant financial investment (See Att A) Not only will future residents of Northwest Apartments be centralized in this newly developed area of Broomfield, they will have greater access to new economic opportunities that will eventually create a pathway to homeownership. Vive on Via Varra will also provide a 3-acre public park known as Venue at Via Varra. This park is approximately 200 feet away from NW, and will feature a playground, concrete pump track, open play lawn, shade structures, art walk, climb feature, food truck plaza, and on street parking. The master planned community is designed with the pedestrian in mind, offering interconnecting walking paths that connect to existing transit and to the Northwest Parkway Regional Trail. Additionally, Northwest Apartments is 0.5 miles away from Del Corso Park and is less than ½ mile from the RTD bus stop which connects to the East Flatiron Circle Park-n-Ride.

Across Northwest parkway, there will be a 391-acre planned development known as Redtail Ridge that will bring new office space, hotel space, residential, and new retail to the area. Once built, this planned development will be highly accessible to Northwest Apartments and will also include green space, parks trails, and connection to Vispo Way. Redtail Ridge will not only provide great community amenities to the residents of Northwest Apartments, it will also bring well over 1,000 new jobs to the area.

Northwest Apartments received a letter of support from the Colorado Division of Housing (DOH) and a commitment from the City of Broomfield for $25,120 per unit in fee waivers and contributions from the City's Housing Development Fund. The Broomfield Housing Authority will enter the ownership structure of the single-purpose limited partnership, Northwest Family Housing, LP, as a Special Limited Partner, providing property tax abatement for the development. The townhome developer has provided in-kind public infrastructure improvements for Northwest Apartments development. The in-kind contribution contributes savings of approximately $889,000 to the project, and greatly reduces the cost of bringing utilities to the site. Additional infrastructure improvements include the following: primary access road off Northwest Parkway, primary public utilities, and sidewalks along the southeast and eastern site boundaries which are now all-in place.

Financial Summary		
Permanent Financing		$4,284,102
Federal Tax Credit Equity		$11,700,000
Broomfield Housing Development Fund		$1,010,000
DOH Funds		$500,000
Deferred Developer Fee		$392,918
	Total Sources	$17,887,020

The proposed unit mix is as follows:

% AMI	1Bed/1Ba	2Bed/2Ba	3 Bed/ 2 Ba	TOTAL	% Units
30 %	1	1	1	3	6%
40 %	3	5	2	10	20%
50 %	5	8	2	15	30%
60 %	7	11	3	21	42%
Manager Unit (Exempt)	-	1	-	1	2%

TOTAL	16	26	8	50	100%
%	32%	52%	16%	100%	

1. Identify which, if any of the priorities in Section 2 of the Qualified Allocation Plan (QAP):
Project in Counties with populations of less than 175,000. Northwest Apartments is within Broomfield County with a population of 71,795 as referenced in the Market Study.

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

a. Market conditions
When considering the LIHTC Family developments in the pipeline, the Market Study highlights a low capture rate of 12%, well below the CHFA 25% threshold. This low capture rate is due to the significant lack of new income restricted family rental housing in the PMA. As identified in the Market Study there are 1,713 qualifying households at 30% - 60% AMI in need of affordable units. The additional 49 affordable housing units NW will be providing to the area will still leave a total of 1,664 units in the Broomfield affordable housing gap. According to the Broomfield Housing Needs Study, the rental gap is anticipated to grow as increases in rents outpace income growth. The market study highlights the strong demand for additional affordable units and a quick 2.5-month lease-up period.

b. Proximity to existing tax credit developments
The development team commissioned a 3rd party market study from Prior & Associates that identified an existing Family LIHTC, Village Square built in 1997, and a project with a 2019 LIHTC allocation, Academy Place, within the PMA. Located within 2.4 miles from the NW development site, the PMA's single existing LIHTC family development, Village Square, offers 108-units at a limited affordability range of 40-50% AMI. Academy Place is a 50-unit family LIHTC project approximately 4.7 miles away from Northwest Apartments, and the only project to include 30% AMI. There are also three age-restricted LIHTC developments within the Broomfield PMA, all of which were built over 17 years ago: Broomfield Greens (50-units), Town Center Senior Apartments (88-units), and Maryel Manor (50-units). Village Square and Academy place are only making a dent in that need with providing a combined 157 LIHTC family units.

c. Project readiness
The project has received all required land use approvals from the City of Broomfield (See Att B & C). As part of the master planned community within Broomfield Business Center Urban Renewal Area, Vive on Via Varra, NW's site will be delivered with all necessary public infrastructure in place prior to the start of construction as stated in City's Resolutions of approval. The City has committed to provide expedited processing through the permitting phase. Once a preliminary reservation is awarded, HCDC will proceed with developing full sets of plans to target a Q1 2022 closing on all financing.

d. Overall financial feasibility and viability
The project is leveraging the 9% federal credits with deferred developer fee ($392,918), DOH funds ($500,000), City funds ($1,010,000), and in-kind contributions from the townhome development ($899,000). Northwest Apartments has received commitments for the construction and permanent loans from Citibank and a tax credit equity commitment from Victoria Capital.

e. Experience and track record of the development and management team
Highridge Costa has over 25-years of experience in developing, financing, owning and operating affordable multifamily and senior apartments communities. Highridge Costa has been involved in over 30,000 affordable housing units in some 290 ground-up development communities throughout the U.S. utilizing Low Income Housing Tax Credits. Parikh Stevens Architects ("PSA"), the project architect, has over 27 years of experience in designing over 8,000 units and specializes in multifamily apartment communities. PSA has an extensive list of development clients, with a strong focus on affordable housing developments. The developer and management team have worked together over 15

years in as many as 60 LIHTC properties. ConAm has extensive experience in the management of affordable housing and has been involved in the management of over 34,000 affordable/tax credit units throughout the United States. ConAm works closely with the development team to ensure lease-up goals are met with close monitoring on compliance, placed-in-service dates, entry systems, and active preleasing.

f. Project costs

The general contractor and 3rd party estimator, Dohn Construction, have been involved in the predevelopment process to value engineer any cost drivers early in the development's design. Upon their review, Dohn Construction has confirmed that the proposed design is highly efficient with no prominent features increasing the cost. Through the entitlement/SDP approval phase with the City, changes to the initial 3-story garden style walk up design were made to incorporate all City departmental comments and requirements, as well as the community feedback. The City's requirement to include a 75-foot landscape buffer off Northwest Parkway in addition to meeting the required number of parking spaces significantly decreased the available space for the residential building on the 2.51-acre site. Additionally, both the City and the community requested the building to be placed as far as possible from Northwest Parkway, which is achievable under the current design. The group effort resulted in a four-story elevator served building that all stakeholders are proud to support.

g. Site suitability

The project has all discretionary approvals in place and received strong support from City Council for affordable family multifamily housing at this location. HCDC has worked diligently with the City and surrounding community since the initial community meeting and the public Concept Review Meeting held on Jun 19, 2018 in front of City Council. The project required a Planned Use Development (PUD) zone amendment to allow for the additional residential units and a Site Development Plan (SDP) approval. After receiving full support from the City and community, the development team submitted for NW's Site Development Plan (SDP) approval in February 2019. Throughout the SDP approval process, various departments within the city such as Planning, Engineering, Trials and Open Space, Traffic, and Fire provided comments and required specific design changes to meet city codes and design standards. The project went through two SDP submittal rounds prior to receiving strong City Council support on October 22, 2019. With these approvals the existing PUD was amended to allow for 50 units of affordable housing and the 263 townhomes.

This site is unique in that the current landowner has committed to the City that an affordable housing project will be developed on the 2.51-acre parcel with a recorded Affordable Housing Land Use Restriction. NW is in a developing area with many great amenities just south of the site location and additional future amenities currently in the planning stages. Two commercial centers, Flatiron Crossing and Flatiron Marketplace, are both under one mile from the project site and easily accessed via the development's connection to the Northwest Parkway Regional Trail. There is a Walmart Super Center a mile and a half from the NW site.

3. Provide the following information as applicable:

HCDC is not requesting any waivers on underwriting criteria or requesting a 130% basis boost.

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

The market study identified minimal issues on the proposed development. At the moment, the walk score for Northwest Apartments is below the comparable average for Broomfield. The new development of the 263 attainable townhomes and the 49 units of affordable family housing will provide the necessary rooftops to support the viability of commercial development in the Broomfield Business Center. Furthermore, NW will be just 400-ft away from Redtail Ridge, a 391-acre development in the planning phase that will include a hotel, residential developments, and retail/office space. Redtail Ridge will significantly enhance the shopping and employment opportunities of NW. Trails will be incorporated into the overall design of Vive at Via Varra, connecting residents to the Northwest Parkway regional trail and existing sidewalks along Via Varra. The Northwest trail systems connects to the Flat Iron Market Place to the south and to the East Flatiron Circle park-n-ride to the southeast approximately a 20-minute walk. The site location provides a rare opportunity to bring affordable housing to an area of new development that is primarily high-end market rate housing.

Additionally, the study pointed out that the development's units are 7% to 11% smaller than the average LIHTC property outside the PMA. Cost efficiency was a key driver in the building's design and unit stacking, resulting in the reduced unit square footages. The modern open concept design creates a larger aesthetic impression and optimizes the live-able space to mitigate the slightly smaller unit sizes. The inclusion of 30% to 60% AMI units expands the target income market for renters in the PMA. Existing LIHTC projects are inferior in condition and highly occupied with lengthy waitlist, indicating a strong demand throughout and beyond the market area. Additionally, all 50 units of NW will help fulfill the lack of non-age restricted rental housing that is income restricted, while providing a minimum rent advantage of 30% compared to surveyed weighted average Class A market rate rents. Market rate apartments are mostly luxury and do not serve the 1,713 renter households in the PMA that are qualified at 30% to 60% AMI; NW will fit this need. The superior condition in combination with strong demand will draw targeted AMI renters in the PMA with modern amenities, finishes and layouts that create a seamless indoor/outdoor feel.

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

There were no issues or RECs raised in the environment report.

6. 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 proposed structure has gone through several iterations throughout the SDP process with the City. The current design addresses all city comments, codes, and requirements which evolved the design from a 3-story walkup to a 4-story elevator served building with a reduced footprint. This design meets required parking with at least 10 percent EV ready spaces and necessary clearance requirements for Fire's Aerial Apparatus. The City's required 75 ft landscape setback from Northwest Pkwy significantly shrunk the developable area of the NW site. This requirement is much larger than typical setback requirements of 20-30 ft from a public right of way, further driving the development's design to a single building with a smaller footprint. Apart from the city requirements, the development team has gone through extensive efforts to ensure that the project is as cost efficient as is possible. The proposed design maximizes the allowable density within the PUD while simultaneously providing quality and attractive affordable housing to its residents.

7. In your own words describe the outreach to the community that you have done and describe local opposition and/or support for the project (including financial support).

The development team has held multiple meetings with community stakeholders and has incorporated feedback into the current building design. Key concerns from the surrounding community were complementary exterior colors to the existing market rate developments, incorporating a dog park, and pedestrian connectivity. Changes have been made to the design to accommodate these concerns. Increasing the building's setback from Northwest Parkway addressed both the City and community's concern of having multifamily units against the busy highway. Additionally, there will be a 75 ft landscape buffer from the highway to the Northwest Apartments parking lot. The community and City are highly in support of the affordable housing development. Northwest Apartments received strong support from the Broomfield City Council, the City's Housing Advisory Committee, Housing Authority, as well as other city staff members. This City support can be quantified as a $246,000 in fee waivers and $1,010,000 from the City's newly established Housing Development Fund. The fee waivers were not included in the development budget, and included the following: Building permit fee, Electrical permit fee, Mechanical Permit fee, Plan check fee, plumbing permit fee, Use tax county new residential, Use tax new residential CIP fund, Use tax new residential Gen fund, and SEF fee.

9% housing credit application narrative

Project Name: Piñon Apartments

Project Address: TBD Empire Street, Cortez, CO

Executive Summary

In 2020 Colorado Health Foundation held a pilot program that provided technical assistance to selected providers who applied to develop a permanent supportive housing development. Cortez was one of 6 rural communities selected out of 36 communities and organizations who applied. This community was selected because of the unique partnership with the Ute Mountain Ute Tribe, the strength of The Piñon Projects service delivery in the community and because the region is very underserved when it comes to supportive housing, evidenced by the fact that no supportive housing currently exists in Montezuma County.

The Piñon Project Family Resource Center is a non-profit organization that originated in 1994 as a result of a community grassroots effort under The Healthy Communities Initiative. Since 1994, The Piñon Project Family Resource Center has strengthened the community by providing a wide array of comprehensive services for children and families. The Piñon Project serves over 3,000 high-risk Colorado children and families in Montezuma County annually. Through their work, The Piñon Project has seen first-hand the need for additional housing in their community. Specific demographic data from The Piñon Project demonstrates that 24 percent of families served are homeless, displaced or facing imminent eviction and an additional 6 percent are living in substandard housing, threatened with foreclosure or are paying more that 50 percent of their net income in rent. Further exacerbating the need, 80 percent of children and youth served qualify for free/reduced meals, 70.6 percent of individuals accessing all programs are at or below the federal poverty level, and 73 percent of families participating in Piñon Project programs are at or below the poverty level (26 percent are between 101% – 200% FPL).

To address this growing need, The Piñon Project and BlueLine Development have partnered together to create Piñon Apartments, a new 50-unit supportive housing project in Cortez, CO consisting of twenty-seven one bedroom, seventeen two bedroom and six three bedroom units serving formerly homeless individuals and families at or below 30% of AMI. Many of the residents will likely be Native Americans, which is reflected in the culturally relevant design. The Piñon Project, AXIS Health System and the Ute Mountain Ute Tribe will ensure there are robust culturally appropriate supportive and clinical services available to residents and within the building to assist individuals as they move into housing.

For this building, BlueLine and The Piñon Project will work with Shopworks Architecture, based in Denver, CO for trauma informed design services and Sustainable Native Communities Design Lab / MASS Design based in Santa Fe, NM. The architecture and design of this building will foster culturally responsive housing and trauma-informed, resiliency-based infrastructure. The entire building and community will bridge Native and non-Native partnerships, offering physical space as well as other design elements and services that encourage healing and are relevant to the individuals and families who will live and thrive in this community. This community will be the first of its kind in Cortez.

Piñon Apartments consists of three (3) stories sitting on 4 acres with Type V wood frame construction on levels 1-3. The building has been designed in a circular configuration with an inner courtyard allowing every apartment to view and enjoy the courtyard while deciding what level of engagement is most comfortable for them. The exterior will be clad in varying colors of stucco with brick accents, a flat membrane roof and egress stairs/exits placed around the perimeter of the courtyard. The amenity and engagement space will be on Level One. Pod A will house over 3,700 square feet of amenity space to include a leasing office, elevator and engagement space for the residents. This includes a communal laundry area, computer lab, meeting space, offices for supportive services partners, large dining and lounge space for group gatherings that includes a community catering kitchen, a kid's area with sightlines from the lounge, front desk and dining/kitchen areas. An eastern wall of windows allows natural light to flow to each of the spaces while also giving entrance to the enclosed, safe, circular courtyard where additional outdoor engagement spaces exist for the Piñon Apartments community. The outdoor community space will include a patio, barbecue area, play area and vegetable garden viewed from the indoor community space as well as from apartments around the courtyard, following trauma informed design principles. Pod A also includes one main entrance to the Apartment community for guests and residents to maintain safety. The community will include thoughtful walking paths and sidewalks through the property to help direct pedestrian traffic.

Each apartment home will have high-efficiency windows, increased insulation rating, energy star refrigerator, oven/range, disposal, microwave and air conditioning. The entire project will certify to National Green Building Standards.

Funding for Piñon Apartments will be provided by CHFA in the form of 9% LIHTC equity and Colorado Division of Housing HSP grant funds. Through the use of CHFA's discretionary boost the project would generate additional basis, which helps to maintain credit pricing in an area of somewhat low CRA demand. Additionally, Montezuma County Housing Authority is in support of an application for Special Limited Partnership for tax exemption. The project will be supported by 50 Housing Choice Vouchers (HCV) from the Colorado Division of Housing. Piñon Apartments will follow all required cross-cutting regulations.

Priorities in Section 2 of the Qualified Allocation Plan (QAP)

Piñon Apartments meet the following three priorities as defined in Section 2 of the QAP:

- Projects serving homeless persons as defined in Section 5.B 5

  Piñon Apartments is the result of an experienced service provider and advocate's efforts to expand their services for homeless individuals and families coupled with a core team of local non-profit, tribal and community members desire to address the growing need of affordable housing within the city of Cortez and greater Montezuma County. The Piñon Project currently provides multiple assistance programs within the city of Cortez and greater Montezuma and Delores counties. Piñon Apartments will be an expansion of that service by offering 100% affordable units serving extremely low-income homeless individuals in the City of Cortez. Homeless adults and families are an extremely under-served population in the city of Cortez and there are very few 30% AMI units available for extremely low-income households experiencing or coming out of homelessness.

- Projects serving persons with special needs as defined in Section 5.B 5

Occupancy of Piñon Apartments will target people with a history of homelessness and have a disabling condition, have multiple barriers to housing, are currently homeless or have acute special needs. The most vulnerable among the homeless in Southwest Colorado are living with a physical health need, behavioral health need or substance use disorder. The population that Piñon Apartments is focused on are living with barriers that may impact their ability to remain stable in housing; residents of this housing community will have an array of supportive services available to them on-site daily. Please see the Permanent Supportive Service Plan submitted with this application for additional information.

- Projects in non-metro counties with populations of less than 180,000

  Cortez is a community in the southwestern part of CO, in Montezuma County, whose population in 2019 was 8,675. The unique nature of the community has roots in the physical location; bordering NM, UT, and AZ, as well as the Ute Mountain Ute and Navajo Nation tribal lands. This is significant in not only the blended community culture that has been developed over many years, but this diversity also creates the need for service providers to work across multiple agencies and systems that may involve other states and/or governments. This geographic isolation causes realities that cannot be overlooked and presents community challenges including a below average economy, relatively high unemployment and high poverty rates that must be addressed in appropriate service provision with a focus on equity.

Market Conditions - Analysis of the primary market area indicates a shortage of housing available to residents earning at or below 30% AMI, current vacancy rate is 0% with low capture rates of 2.8% as indicated by the market study's estimated 546 good candidates. Currently these candidates have only five existing units targeted to 30% AMI and they are family/workforce units. These figures are further corroborated by high occupancy rates and wait lists at existing housing communities within the primary market area. Based on these calculations we anticipate a quick lease up and long-term stabilization for Piñon Apartments.

Readiness-to-proceed-The proposed project's site is currently zoned R2 which allows for residential multi-family housing under the zoning code. The site is currently owned by The Piñon Project, who executed the purchase of the land in October of 2020. The development team has been working with the City of Cortez's Planning and Zoning Department to request a Conditional Use Permit. On January 12th, City Council voted unanimously to approve the use and allow the requested density of units at the site.

The Piñon Apartments team has engaged Shopworks Architecture, an experienced LIHTC architect and leader in trauma informed design, to design the building. Additionally, we have received a third-party construction estimate from FCI Constructors, an experienced LIHTC contractor with an office in Durango.

Overall financial feasibility and viability- Piñon Apartments is financially feasible if awarded 9% Low Income Housing Tax Credits as requested. The project is requesting CHFA's discretionary 30% basis boost due to the supportive housing nature of this project. This boost is necessary to ensure project viability through what has become a proven financing structure for permanent supportive housing projects. By utilizing a small permanent loan the project is assured of generating sufficient cash flow to cover operating expenses, with a majority of gap financing coming through soft sources.
Piñon Apartments will have secondary funding sources through the Colorado Division of Housing, Homeless Solutions Programs Funds and deferred developer fee.

Experience and track record of the development and management team

BlueLine Development, Inc.
BlueLine Development, Inc. is a real estate development company dedicated to creating and sustaining affordable housing. Their success comes from forming partnerships and utilizing all available funding resources. The goal of each development is to provide a comfortable, healthy home to those who need it most. BlueLine Development was founded in 2011 and has since secured funding and completed construction on 36 affordable developments throughout the West. In Colorado, they have an excellent track record of developing affordable and permanent supportive housing developments. BlueLine Development thrives on the unusual and difficult developments and finds satisfaction in assisting organizations who are helping the populations in Colorado who are most underserved and in need. Please see the BlueLine Development Resume and List of Properties submitted with this application for more information.

The Piñon Project Family Resource Center
The Piñon Project Family Resource Center is a 501(c)(3) non-profit organization that originated in 1994 as a result of a community grassroots effort under The Healthy Communities Initiative. Through the Initiative, Montezuma County engaged in a process of creating a statement of vision for our community's future. The process brought together passionate community stakeholders charged with the task of identifying root issues critical to the local area and developing sustainable projects to address those issues. The original stakeholders identified the critical needs in Montezuma and Dolores Counties as: strengthening the social and economic base of families, developing local citizen leadership, and strengthening child development. Through the efforts of committed community members and The Healthy Communities Initiative, The Piñon Project evolved from that vision statement. The Piñon Project has 27 years of experience providing a wide array of comprehensive, evidence-based family, youth and early childhood programs in Montezuma County. Many of the children and families served are high-risk and often face multiple barriers.

BlueLine Property Management Company
BlueLine Property Management (BLPMC) was started in November 2018 by the principals of BlueLine Development, Inc., an experienced affordable housing developer established in 2011. Through the stabilization and asset management phases, the need for a dedicated property management team was evident in order to achieve equity investor required occupancy levels. Understanding the Low-Income Housing Tax Credit program and the effect that property management has on the owner or partnership, BlueLine Property Management focuses on the immediate and long-term health of each property.

Cost reasonableness - The costs submitted with this application reflect the current construction market in The City of Cortez and Southern Colorado, while also accounting for projected inflationary impacts. These costs have been verified verbally from numerous funders and construction reviewers and in writing by a contractor who is active in the local market. The development team has looked for opportunities to streamline processes and minimize costs at every opportunity. By utilizing an architect, contractor and engineers who are familiar with the LIHTC process, the development team has been able minimize turnaround time and duplication of efforts in the design phase, which will translate to an efficient construction process.

Proximity to existing tax credit developments- Analysis of the primary market area indicates a shortage of housing available to residents earning at or below 30% AMI, current vacancy rate is 0% and low capture rates of 2.8% as indicated by the market study. Currently, Cortez has only six existing units targeted to 30% AMI. These figures are further corroborated by high occupancy rates at existing housing communities within the primary market area. Based on these calculations we anticipate a quick lease up and long-term stabilization for Piñon Apartments.

Site suitability- By building in Cortez, Piñon Apartments will be proximate to The Piñon Project's main office on Main Street as well as adjacent to an Axis Health Clinic site and will realize efficiencies in proximity to services because of this. Additionally, the site is located within a half mile of City Market which contains a pharmacy and within a half mile of the library, middle and elementary schools and SouthWest Memorial Hospital. Residents will be within blocks of two city parks, Centennial and Parque de Vida which boast every amenity imaginable. The site is currently level and vacant, so excavation and site work requirements are minimal. The Phase I ESA submitted with this application found no existing or past environmental concerns.

Justification for waivers – Piñon Apartments is requesting a waiver of the maximum debt coverage ratio of 1.30. By structuring the project with little traditional permanent debt, the development is ensured of continued operations and financial stability.

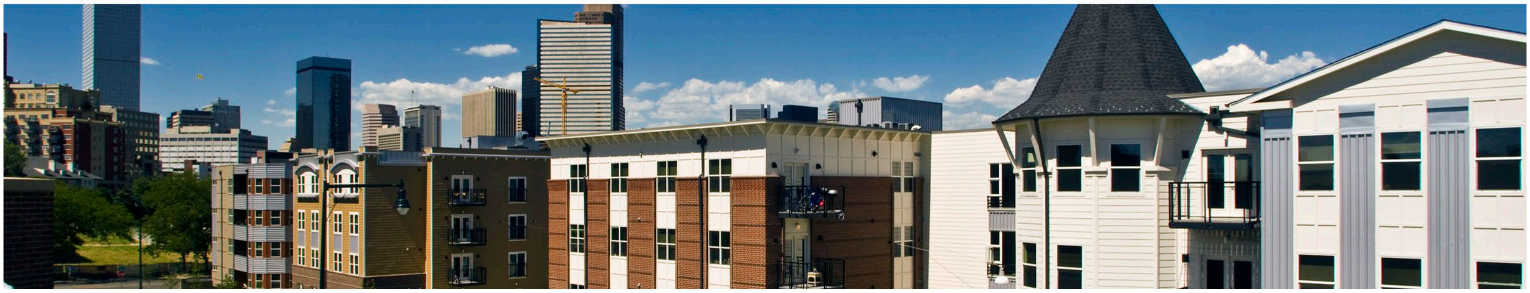
Justification of Financial Need – Piñon Apartments is requesting CHFA's discretionary boost. Without this boost Pinon Apartments would not generate sufficient Low Income Housing Tax Credits to be financially viable without raising income limits and significantly changing the proposed tenancy of the building.

Market Study Issues -James Real Estate Services identified details of unit and building amenities and lack of dishwashers as weaknesses. Through past experience the development team has found that the inclusion of dishwashers can be either a benefit or a significant maintenance problem, depending on proposed tenancy. Through careful consideration we believe the cost of ongoing maintenance for inclusion of dishwashers at this project would outweigh the potential benefit.

Environmental Issues - The Phase I ESA, completed by Gault Group, LLC , revealed no Recognized Environmental Concerns, and recommended no further investigation.

Unusual Costs/Opportunities for Cost Containment – The participation of the local housing authority as a Special Limited Partner will be beneficial in reducing costs as it relates to sales tax. This generally amounts to hundreds of thousands of dollars in initial costs and an annual a savings of approximately $20,000.

Local Outreach - The team has intentionally performed community and neighborhood engagement since mid-2020. There were two public meetings held, one on January 5th and one January 12th. In addition to these two public meetings that were held, small, socially distanced PAC (Piñon Advisory Council) meetings at The Piñon Project engaged families from the community to solicit feedback related to housing issues. In all aspects of providing programs/services/supports to families, The Piñon Project honors the needs of participants by providing meals, childcare, transportation and eliminating other barriers to participation. Our project team will continue to solicit feedback from current clients, neighbors and other community members.



Project Name: Point of the Pines Villas (assisted living facility serving elderly and special needs tenants)

Project Address: 360 Elkton Drive, Colorado Springs, Colorado 80919

The following Narrative describes the Point of the Pines Villas development (the "Project") and why it should be selected above others for an award of Tax Credits. Note that the Application being filed with CHFA is a re-submission of a prior Application filed in 2019, modified to incorporate various suggestions of CHFA staff including those offered during the post-round follow-up meeting with Allocation Committee members. Please see the attached Exhibit A that sets forth these modifications.

1. Executive Summary:

General Information and Populations Served. The Point of the Pines Villas will be an affordable housing project serving elderly and other disabled individuals who are in need of assisting living services, and is located adjacent to the existing Point of the Pines Gardens ("PPG") assisted living facility (also owned and operated by the Developer) just west of I-25 near the Garden of the Gods exit.

The Project will be comprised of 48 total units, all of which will be held aside to serve Medicaid-eligible tenants earning no more than 30% to 60% of the Average Median Income ("AMI") level for Colorado Springs. One-third of the units will serve "very, very low-income residents" earning less than 30% AMI. The Project will serve disabled elderly and other special needs individuals, including homeless persons, consistent with the populations served by the Developer's existing assisted living facilities in the area.

Construction, Design and Amenities. The Project's studio units will each have private bathrooms (and be sized at 325 square feet), with the overall building size at 31,204 square feet. This is unique since all other comparable affordable assisted living facilities in Colorado Springs (other than the Developer's existing PPG facility) do not offer separate, single rooms with their own private bathroom for each tenant like this new facility will offer.

The three-story Project has been designed incorporating the site's topography so each of its floors has a "walk-out" entrance/exit. Various "sitting, gathering and meeting areas" are scattered throughout the building in order to give the feel of a smaller "home-like" setting consistent with the current preferences of assisted living advocates and the state for assisted living facilities. The Project includes a large dining room to accommodate all tenants in one sitting for meals, a commercial kitchen and various administrative and common areas.

The finish level will be of excellent quality for an affordable project (mirroring the quality of the PPG facility) and will include, for example, wainscoting throughout the common areas, six-panel doors on all doorways, and handrails throughout the building. All common areas will be furnished appropriately for frail elderly and disabled residents. The grounds will include landscaping, various patio areas, walkways, fencing and gardens. Few residents will have cars, as transportation is arranged by the facility. The Project site is within a quarter mile of public transportation.

Appropriate zoning (OC) is already in place. Building construction is slab-on grade with wood framing and tile roofing. Water, sewer, gas and electric utilities will be paid by the owner. Also included will be cable TV hook-ups and local phone service. The heating system will be gas forced air and hot water heat. Central air-conditioning is also included. As is the case with the Developer's existing facilities, the use of green and energy-efficient equipment and systems will be maximized. In particular, the Project has been designed using sustainable practices throughout all phases of the proposed development. Various members of the design and construction team are LEED certified, and are well versed in all trades applicable to the design of high-performance buildings.

Services Provided and Management. The Project is being developed by MEJansen Development (PPG) LLC, owned by Michael Jansen who also developed the following Section 42 Tax Credit projects in the Pueblo and Colorado Springs areas: Trinity Life Gardens in 2000, North Pointe Gardens in 2003, Oakshire Gardens in 2008, Pueblo West Gardens in 2010/2014 (two phases), Point of the Pines Gardens in 2013 and Oakshire Commons in 2018, all assisted living facilities very similar to the Project.

The Project will be using the same experienced operational management team as the existing facilities, and will serve the same low-income, elderly and other special needs populations. All of our existing facilities continue to run at or near full occupancy.

Because the Project will be a licensed assisted living residence, an extensive package of services is included and is offered to all residents, including:

- 3 meals per day and snacks
- 24-hours oversight
- Medication administration
- Personal laundry and linens
- Housecleaning
- Transportation to doctor appointments
- Weekly bathing assistance
- Activities program seven days per week, with at least 2 activities daily.

Staffing includes a minimum of one caregiver for each 10 residents during the day and one for each 16 residents during the night. Residents needing additional levels of service by the facility are discharged to another setting.

As a Medicaid qualified facility, the monthly rent and fee structure for the Project is as follows: As of January 1, 2020, the operator receives a co-pay of $700 per month from the resident. Of this amount, $360 is allocated to food service and $340 to rent. The operator also receives $1,947 per month in services fees that are partially paid by the resident and partially by Medicaid, depending on the income level of the resident to cover the assisted living services offered.

Type of Financing and Market Need. Bank of the San Juans will be providing the construction and permanent loan financing, and Mountain Plains Equity Group will be purchasing the Tax Credits, both of which entities are very familiar with our management team as they have provided financing for our previous projects.

The Project will also be entering into an affiliation agreement with the Colorado Springs Housing Authority (in order for the Housing Authority to become a Special Administrative Member like it is for the adjacent PPG facility), which affiliation will afford the Project with a property tax exemption in return for the payment of annual affiliation fees to the Housing Authority.

Finally, the Market Study confirms the great unmet need in Colorado Springs for the additional affordable assisted living units the Project will provide, with an extremely low market penetration rate to achieve full occupancy of the Project.

2. Identify which housing priorities in Section 2 of the QAP the Project qualifies for: The Project qualifies for the following Housing Priorities identified in Section 2 of the QAP:

- *Projects Serving Persons with Special Needs.* As an assisted living facility, the broad range of services and meals provided to tenants permits them to maintain and increase their independence so they do not otherwise have to live in a nursing home or other institutional setting. In effect, the supporting services provided permit tenants with special needs and disabilities to continue to live in a residential setting.
- *Projects Serving Homeless Persons.* Given the Medicaid and other funding sources available to the special needs populations it serves, the Project is able house homeless individuals needing assistance. In fact, a significant number of tenants at our existing facilities were previously homeless.

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

a. *Market conditions:* The Market Study (confirming a very low penetration rate of only 12.6% for all 48 units), our waiting lists of tenants at our existing facilities (which are all at or near 100% occupancy) and the letters of support included with the Application, all confirm the enormous need in the Colorado Springs area for the Project. As noted by the Market Study analyst, the Project's low penetration rate as calculated by the Market Study is also overstated because the assisted living facility demographic data used (as is customary for such studies) only assumes individuals over age 75 in determining demand, whereas at our existing facilities less than 10% of our residents are over age 75 and over half are aged 50 to 75 (the balance are even younger). This means that the actual demand is significantly higher than the already high demand as calculated by the Market Study.

b. *Proximity to existing tax credit developments:* Although the Project is an addition to an existing Tax Credit project (Point of the Pines Gardens), there are no other competing Tax Credit projects in the general vicinity.

c. *Readiness-to-proceed:* The site is owned by the Developer and is already appropriately zoned for an assisted living facility. The equity syndicator and bank involved are very familiar with the Developer and the management team as they have provided funding for their prior projects. Construction will commence shortly after allocation of the Tax Credits by CHFA and is anticipated to be completed within a year (as was the case with our Oakshire Gardens and initial Pueblo West Gardens facilities), which confirms an absolute readiness to imminently proceed.

d. *Overall financial feasibility and viability:* The strong operating performance of our existing facilities confirms the overall financial feasibility and viability of the Project, which is based upon the same expense and revenue structures. The pro-forma contained in the Application supports this, and the reasonable costs of construction (on both an overall and per unit basis) enhance this feasibility.

d. *Experience and track record of the development and management team:* The Developer and management team have successfully placed into service and operated seven existing projects and expansions in Pueblo, Pueblo West and Colorado Springs over the past twenty years. Their regulatory compliance and Tax Credit record is impeccable, and the Project will represent an addition to an existing (and already successful) Tax Credit project.

f. *Cost reasonableness:* Total Project development costs (including all soft costs but excluding reserves) are only $12,421,919, which is over $1.6 million lower than the HUD Section 221 limit of $14,099,280 for a 48 one-bedroom unit development in the area (as discussed with CHFA staff for prior projects, even though our projects contain studio units, given the large common kitchen, dining and activities areas (representing more than the entire square footage area of the units), for HUD Section 221 cost purposes the one-bedroom costs are the appropriate comparison). This large cost differential is a very compelling indication of the Project's enormously economical cost which makes it a very efficient use of the Tax Credits being requested.

g. *Site suitability:* As evidenced by the successful development and operation of the existing Point of the Pines facility that is adjacent to the Project site, the site is appropriate and suitable for the Project. Also see Exhibit A that describes the Soils Test, foundation and stormwater drainage system details that are now included within the Application as suggested by CHFA staff.

4. Provide the following information as applicable:

a. *Justification for waiver of any underwriting criteria.* No waivers are being requested.

b. *Justification of the financial need for CHFA's DDA credit up to 130% of qualified basis:*

- The Application materials evidence the maximum construction and permanent debt financing for the Project (which will be provided by Bank of the San Juans), constituting a debt load of $54,000 per unit, which matches the highest debt load of our existing facilities (Oakshire Commons) with our other projects having a per-unit debt load of much less.
- As for the equity financing, Mountain Plains Equity Group will be purchasing the Tax Credits to be generated by the Project at the rate noted in the Application, which is the highest rate ever received by one of our assisted living projects. Given the large service component inherent in the operation of assisted living facilities, an assisted living development is more akin to a services business than a real estate investment. Tax Credit syndicators realize this, and do not pay as much for Tax Credits generated by assisted living facilities as they do for other Section 42 Tax Credit properties, which was also experienced by us in the development of our other assisted living facilities.
- As a result, the proposed equity factor is reasonable and appropriate (and as noted above represents the highest rate we have ever received for one of our assisted living facility developments). We therefore respectfully request this small basis boost (of under 15%) which we believe is justified for all of the foregoing reasons.

5. Address any issues raised in the Market Study submitted with your Application:

- No issues were raised in the Market Study (which shows a strong need for the Project) other than the relatively low "Walk Score" (and included "Transit Score") for the Project. Notably, the Project's score is significantly lower than the Walk Score for the existing PPG project right next door! The Market Study analyst believes that because the site address is an undeveloped lot this may be causing issues with the scoring system.
- However, as mentioned in the Market Study, the Project is an assisted living campus so many of the residents have mobility impairment and the poor Walk Score is unlikely to affect their daily life (the Project will also provide transportation for its residents as part of the assisted living services). The biggest impact of the poor Walk Score would be to workers, but this has not impacted the adjacent PPG facility from attracting and retaining staff. As a result, we do not believe that the low Walk Score is relevant to our tenants or employees.

6. Address any issues raised in the environmental report submitted with your Application: No issues were raised in the Phase I Environmental Report.

7. Identify any unusual features that are driving costs upward as well as if there are any opportunities to realize cost containment: No unusual features are driving costs upward, and the Application now incorporates the details and costs of the foundation and drainage detention systems recommended by the engineering reports received and discussed with the City Planning Department.

8. Describe the outreach you have conducted within the proposed community. Describe any potential neighborhood opposition that may impact the Project's readiness to proceed:

- As for the outreach we have conducted, we are in constant contact with local government agencies and charitable organizations as to our facilities and the elderly and special needs tenants served, and consistently receive referrals from the local Housing Authority, El Paso County caseworkers, local medical centers and providers, the Department of Housing and Human Services, the Senior Resource Center and others. All of such individuals and entities strongly support our facilities. Included with the Application materials are various letters of support confirming this.
- We will also be partnering with the Colorado Springs Housing Authority for them to become a "Special Administrative Member" in order for the Project to receive a real estate tax exemption as noted in the Application materials. The Housing Authority is currently affiliated in such capacity with our existing Point of the Pines Gardens facility adjacent to the Project site.
- Finally, our existing Point of the Pines facility has a wonderful relationship with the local neighborhood community, with various local residents serving as program volunteers.

* * * * * * * *

The foregoing Narrative provides all of the requested information, and we trust it will support an award of the Tax Credits requested. Please see the Application Cover Letter, the Market Study and other materials included with the Application for additional documentation supporting our Tax Credit request.

<u>EXHIBIT A</u>

<u>Description of Modifications to Prior Application</u>

As noted above, the Application is a re-submission of the prior Application submitted for the 9% Tax Credit Allocation Round in 2019 for the same Project. The Project includes the same number and type of units, is at the same location, and uses all of the same Application supporting materials as the original Application, but has been updated to reflect the following items including those suggested by CHFA staff:

- <u>Construction Costs</u>. The Construction Cost Estimate has been updated by the General Contractor (Ayars & Ayars) to include more specific line item information and to reflect a similar level of detail as the Construction Cost Estimates of other projects that were selected by CHFA to receive an allocation of tax credits last year (which forms were obtained from CHFA through a Colorado Open Records Act request).

- <u>Foundation Detail</u>. In particular, and in response to CHFA's suggestion, a full Soils Report was obtained for the specific site of the Project including a foundation design based on such report from Entech Engineering. The cost of this foundation is included within the Construction Cost Estimate and is described in more detail in the materials from the General Contractor included with the Application (a copy of the full Soils Report is also included with the Application materials).

- <u>Storm Water Detention Detail</u>. Also in response to CHFA's suggestion, Olssen Engineering provided an analysis of the drainage and storm water detention requirements of the site and discussed the same with appropriate Colorado Springs Planning Department personnel to determine the drainage requirements for the site. As described in more detail in the materials submitted with the Application, it was determined that a 165,000 underground drainage detention system would be required, the location and size of which is included within the updated Site Plans. The Construction Cost Estimate includes the costs of this underground detention system and is described in detail in the materials included with the Application (technical information on the system to be installed is also included). In general, the system will utilize a multitude of 5' deep inter-connected chambers, which are designed to provide the proper support under the parking lot areas noted on the Site Plans as described in the supporting materials included with the Application.

- <u>Overall Site Plans and Building Design.</u> Finally, the overall Site Plans were updated to include the above drainage detention location and to minimize the area of the parcel being developed while slightly rearranging the building/parking areas to minimize the steepness of the paved areas. Additional common areas/offices were also added throughout the building, and the placement of the building on the site was slightly adjusted in in order for each of the three levels to have "walk out" entrances/exists. Such building changes added about 400 square feet to the plans included in the prior Application (the unit sizes (325 square feet) and number of units (48) remain the same as the prior Application).

No other significant changes were made to the Application from the prior Application filed for the Project other than providing the new 2020 QAP items required and updating various items as noted in the Application materials.

9% housing credit application narrative

Project Name: Powers and Elati
Project Address: 5599 South Elati Street, Littleton, CO 80120

Executive Summary

The Powers and Elati development has been years in the making. South Metro Housing Options (SMHO) reviewed its housing portfolio and the housing needs in its community and made the decision to better align those. SMHO began the process of converting its public housing portfolio. Out of that work came the opportunity to develop 51 beautiful new homes for seniors on a site that currently holds 12 public housing units.

Littleton has been a challenging environment for new residential development. However, through the patient, persistent efforts of SMHO, the Littleton City Council and staff have developed an awareness of the need for affordable housing in their community. Powers and Elati has garnered full support from both the staff and City Council as evidenced by the attached City Council resolution.

Powers and Elati is truly shovel-ready, with an approved site plan that is through all public entitlement processes. For its first tax credit development SMHO is partnering with Metro West Housing Solutions (MWHS). Together the groups bring a wealth of experience from both development and management of tax credit properties.

Located just northwest of Broadway and Littleton Boulevard in Littleton, Powers and Elati will serve seniors 62+ in a building that features bright, modern units and covered parking. There is abundant community outdoor space, both on-site and at the adjacent Powers Park. The community will serve households earning 30% to 60% of the area median income (AMI) with a strong emphasis on the lowest income levels. Over half of the units will serve residents earning 30%-40% of the AMI. This number of extremely low-income units is a deliberate response to Littleton's 2017 housing study (updated in 2020) and the City Council adopted Housing Taskforce Recommendations (2019).

Powers and Elati is the new construction of 51 one-bedroom units, each 510 square feet in a two-story elevator building. The project will include 17 units at 30% AMI; 12 units at 40% AMI; 19 units at 50% AMI; and three units at 60% AMI. The proposed building is 2-story Type VA with an elevated deck to accommodate covered parking. Units will be accessed via interior corridors. There will be two elevators, one at either end of the building. The foundation system proposed is concrete spread footings and slab on grade. The building will be framed with conventional wood framing. Cladding will be brick masonry and pre-finished fiber cement siding with fiberglass composite windows at public areas and vinyl windows at residential units. The roof will be a heat reflecting, low slope membrane roof.

The project maximizes allowable density on the site. The property is zoned R-5 which allows a maximum density of 43.6 DU/Acre. The property is 1.17 acres which allows 51 maximum dwelling units on the site with 51 dwelling units proposed for the project. Senior housing is to be parked at a ratio of 2/3 spaces per dwelling unit for a total of 34 required with 34 spaces proposed for the project.

The apartments will be heated and cooled with Packaged Terminal Air Conditioning (PTAC) units. The PTAC units will include a sidearm to the bedroom to condition air in each space. The apartments will have full appliance packages including refrigerator, range, dishwasher, garbage disposal, microwave oven and washer/dryer. All utilities will be paid by the owner. Indoor community spaces include a large community room with a kitchen, a living room/activity area, business center and office space for management and resident services. The development will also include an outdoor courtyard with grilling stations and seating areas. Community gardens will be available on-site and potentially at Powers Park.

The building will be certified at the Bronze level under the National Green Building Standards (NGBS). Features include a heat reflecting roof, efficient windows and insulation, high efficiency HVAC and appliances, and a solar ready roof.

SMHO is planning for one ½ time Resident Services Coordinator. Resident Services programming will focus on a model that allows for older adults to age in place comfortably and with dignity. Services will be delivered in areas that promote longevity in health and housing, focusing on four core program activities: Health Education & Literacy; Financial Capability; Housing Stability; and Community Engagement. There will be a range of goals and impacts associated with each of the core program activities. Funding for this position is included in the project's operating budget and will be supplemented by SMHO if needed.

The project is located in a Qualified Census Tract and has excellent access to public transportation. Powers and Elati is located one block from an RTD bus stop that provides service seven days a week to the Littleton-Downtown (C & D Lines) and Arapahoe at Village Center (E, F, & R Lines) light rail stations. Residents can also walk to a King Soopers grocery store, only two blocks away, along with many other retail services along South Broadway.

The 1.2 acre site currently has six small residential duplex apartments on it, which are owned and operated by SMHO as public housing for families. SMHO received approval from HUD for a Section 22 conversion to remove these units from the public housing inventory. These buildings will be demolished to accommodate the new construction of this building on the site. The existing residents will receive Tenant Protection Vouchers and will be relocated in accordance with the Uniform Relocation Act (URA). SMHO has engaged a relocation consultant to facilitate the relocation process and will cover all relocation costs separate from the LIHTC project budget.

Powers and Elati promotes equity in several respects. The project contributes to the dispersion of affordable housing across the Denver metro area by adding affordable rental units to a site in a suburb with relatively less affordable housing inventory. The project also promotes equity by creating affordable housing opportunities for very-low income households including 17 units for households earning less than 30% AMI. As of 2018, the City of Littleton had a shortage of 1,094 affordable rental units for households earning less than $25,000. In addition, the Powers and Elati site is part of SMHO's larger Section 22 conversion that will promote equity by converting 59 scattered-site rental units in Littleton into homeownership opportunities for low-income families through a partnership with Habitat for Humanity.

In addition to LIHTC equity, financing sources for Powers and Elati include a first mortgage, an acquisition carryback loan, funding from Arapahoe County and the Colorado Division of Housing, and a development loan from SMHO. SMHO will also provide the project with 16 Project Based Vouchers to support the operating budget and allow the project to serve more households with very low incomes. The project's operating costs also benefit from the housing authority's exemption from property taxes.

1. Identify which, if any of the priorities in Section 2 of the Qualified Allocation Plan (QAP):
The Powers and Elati Project does not directly respond to these priorities.

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

- **Market conditions**

The marketability of an affordable senior development at this site will be strong, based on its location, demand, and unit finishes. The project is well located in northeastern Littleton within a predominantly residential neighborhood and within a short distance of shopping, parks, public transportation, and several major medical facilities. It is within walking distance of two grocery stores, a drug store, and a public library. The project has a unit composition that lines up well with senior housing market demand and is located in an area currently underserved by available affordable units.

As of 3rd Quarter, 2020, the project's market area had an overall multifamily vacancy rate of 4.4%. Vacancy was 3.8% for one-bedroom units in the Littleton submarket. Powers and Elati will be one of only a few tax credit senior housing developments in its heavily-populated market area in the southern suburbs. The market analyst concludes that there will be strong demand for one-bedroom units, as evidenced by both low vacancies and the large proportion of one- and two-person senior households in this market area, and that, "the subject should have no problem leasing its planned units."

- **Proximity to existing tax credit developments**

The project's PMA does not have a large number of LIHTC properties currently, and very few senior housing complexes. There are eleven LIHTC developments in the market area. Of these, seven tax credit developments were excluded because they are family/workforce housing, and one development was excluded since it is comprised exclusively of Section 8 units. Finally, one additional complex was excluded because it was non-competitive for other reasons based on its tenant composition.

That leaves two tax credit projects serving seniors in the market area. The first is Terraces on Pennsylvania, a 62-unit senior project in Englewood, 3.4 miles from Powers and Elati. Terraces on Pennsylvania contains 40 one-bedroom units and 22 two-bedroom units. It was built in 2008 and is in average condition. Currently, Terraces on Pennsylvania has two vacancies and approximately 20 people on the waiting list. The second is Traditions at Englewood, a 178-unit complex located 3.1 miles from the project. Traditions at Englewood was completed in 2017, is in good condition, and there is an approximate even split between one-bedroom and two-bedroom units as well as eight studio apartments, all at 60% AMI. Currently, Traditions at Englewood has three vacant two-bedroom units. The property does not maintain a waiting list.

- **Project readiness**

Powers and Elati is shovel-ready. The proposed use is allowed under current zoning, the site plan for the project has been approved by the City, and the appeal period for the site plan approval has expired. No additional public processes will be required of the project. The conversion of the property from public housing to affordable housing through the Section 22 program has been approved by HUD. SMHO has selected Calcon Constructors as the general contractor for the project, and Calcon's construction cost estimate is based on 100% Schematic Drawings. With a 9% tax credit award, SMHO will be able to close the financing and start construction in the 1st quarter of 2022.

- **Overall financial feasibility and viability**

Powers and Elati is financially feasible as presented, with a number of commitments in hand. The land will be contributed through a seller carryback loan, the project will be exempt from sales and use tax, and operations will benefit from 16 Project Based Vouchers and property tax exemption. SMHO is working with Arapahoe County to secure $750,000 in County funding for the project and has received positive feedback from DOH for a request of $765,000 in gap funding.

- **Experience and track record of the development and management team**

SMHO is the housing authority for the City of Littleton, and MWHS is the housing authority for the City of Lakewood. Because SMHO has limited in-house LIHTC development expertise, SMHO has engaged MWHS to serve as the project's fee developer. The development and management team marries SMHO's management experience and local knowledge and relationships with the extensive development expertise of MWHS.

SMHO has almost 50 years of public housing management experience and currently manages over 500 units, including 180 LIHTC units, in addition to administering Littleton's Housing Choice Voucher program. SMHO currently operates two senior residences of similar size to the proposed project. Serving as the developer partner, MWHS brings 18 years of LIHTC development experience to the team. MWHS is an award-winning innovator in affordable housing development. MWHS owns 15 successful tax credit communities, including four senior properties, in Lakewood and West Denver and has two in construction.

- **Project Costs**

Project costs have been kept as low as possible, given the constraints of the site and the city requirements. The current drawing set is at the 100% SD level, allowing Calcon Constructors, the general contractor, to be accurate in pricing. SMHO, MWHS, Shopworks Architecture and Calcon have worked diligently to keep costs as low as possible while managing the unique features of the site – see details in the response to Question 6 below.

- **Site suitability**

The project is ideally located for affordable housing for seniors. The property is one block north of Littleton Boulevard, which serves as a major east-west arterial through the area, and is approximately three blocks west of South Broadway, which is a major north-south arterial in the metro area. Zoning along Broadway is mostly commercial, with retail and office uses lining each side of this major street north and south of the project.

Residents will be able to access RTD bus route 66 along Littleton Boulevard, with bus stops one block from the project, and bus routes 0 and 0L along South Broadway, with bus stops three blocks from the project. Both the 66 and 0 buses currently operate seven days a week. Route 66 also provides residents easy access to the Littleton/Downtown light rail station, the closest light rail station to the project with service on the C and D Lines.

Residents will be able walk to King Soopers, only two blocks southeast of Powers and Elati. They will be able to access recreational opportunities at Powers Park, which is adjacent to the project, as well as Progress, Cornerstone, Belleview and Ketring Parks, which are all within a ¾-mile radius. The site is an equal distance from two major hospitals: Littleton Adventist (2.7 miles south via Broadway) and Swedish Medical Center (2.7 miles north via Broadway).

3. Provide the following information as applicable:

- **Justification for waiver of any underwriting criteria**
- **Justification of the financial need for a CHFA basis boost up to 30 percent of eligible basis**

N/A

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

The market study strongly supports the demand for this development. The market analyst noted a few items. The first is that a portion of the project site is in a flood zone. The development team designed the project such that all occupied ground level buildings are located outside the floodplain. The second is that the project's Walk and Transit scores are lower than peer group comparables. However, the market analyst also pointed out that the project's Walk and Transit scores are higher than the scores for Littleton as a whole. The third is a recommendation to consider using income averaging to include 70% and 80% AMI units. Given the mission of SMHO the decision was made not to do this. Notwithstanding these items, the market analyst concluded that the marketability of an affordable senior development at this site will be strong.

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

The Phase I Environmental Site Assessment reported no Recognized Environmental Conditions (RECs) at the site. However, there were a few areas of concern noted.
- Since the six duplexes and associated sheds on the property are being demolished, and were constructed around 1976, full asbestos surveys of each building and shed are planned to be completed prior to the demolition.
- Because the project involves the demolition of the existing structures and new construction, radon testing should be undertaken post construction. A passive radon mitigation system, which can be made active if needed, has been included in the project design and cost estimate.
- The Phase I ESA also noted that a portion of the site is in a recorded floodway and/or floodplain. As noted previously, the project has been designed such that all occupied ground level buildings are located outside the floodplain. Documentation of HUD's required 8-Step Process for Floodplains has been completed by SMHO.

6. 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).

Construction costs are higher for this project in part because a portion of the site is in a floodplain. The project has been designed such that all occupied ground level building space will be located outside the floodplain. The creative design that kept the majority of units on the 2nd floor and out of the floodplain allowed the development team to maximize the unintended benefit of covered parking; an uncommon amenity in 9% LIHTC developments. Please see the attachment describing in more detail the floodplain design considerations. The zoning limits the project to just two stories which also limits the number of units on the site and results in higher per unit costs. Furthermore, the project incurs additional cost due to City of Littleton's design requirements. Because the residents will be seniors, the design includes two elevators. Finally, SMHO is providing 16 project-based vouchers which requires the project to comply with Davis Bacon wages.

7. In your own words describe the outreach to the community that you have done and describe local opposition and/or support for the project (including financial support).

The development team has worked through two public processes, provided notices to all residents within 700 feet of the property and obtained City Council support in regard to this project. Following is a list of processes, notices, and public updates the team has provided. To date no opposition to the proposed development has become known to the development team; publicly or privately.

- Site Plan/Flood Plain notices and meetings held in Fall 2019
- Planning Commission approval on January 14, 2019
- SMHO Executive Director provided project/housing plan updates at various council meetings
- SDP approval notices and 20-day public appeal process in November 2020
- City Council resolution approval in support of project on January 5, 2021

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

N/A

9% housing credit application narrative

Project Name: **Rendezvous**
Project Address: **2366 Robins Way, Montrose, CO 81401**

1. Executive Summary

Volunteers of America (VOA) is pursuing a 9% LIHTC award to fund Rendezvous which is a 52-unit senior housing development consisting of renovation of the 30-unit Pavilion Gardens plus new construction of one 22-unit building in Montrose. Rendezvous, which means to meet or come together at a place, will be the name by which this exciting new Montrose development will be introduced to the community. It is conceived to create synergy with VOA's already existing senior campus in Montrose by reimagining and converting the 30 existing family units at Pavilion Gardens into rehabilitated senior units. VOA intends to build 22 new units on a vacant 1.97 acre lot it owns directly adjacent to Pavilion Gardens. Given the co-location, combining the rehabilitation and new construction projects into one tax credit project execution allows for efficiencies in the financing and development of the project and creates one senior development that fulfills the highest and best use of these adjoining properties. VOA's senior campus in Montrose is home to two senior Section 202 properties, an assisted living facility, and a PACE center as well as being adjacent to the Montrose Senior Center and three doctor's offices. By converting Pavilion Gardens and building new senior units on the bordering vacant lot, VOA will be able to properly reposition Pavilion Gardens, expand its Montrose campus with additional new units and bring to life its vision to provide additional high quality, healthy living for seniors in this community.

Located two miles south-east of the center of downtown Montrose, Rendezvous will offer 30 renovated apartments in nine one-story townhome style buildings and 22 new construction units in one two-story elevator-serviced building for seniors aged 55 and over. Comprised of 28 one-bedroom and 24 two-bedroom units, the unit mix and rents are specifically oriented toward offering an array of affordability to accommodate seniors experiencing varying financial circumstances. Rendezvous includes ten units (19%) for seniors earning at or below 30% AMI and another ten units for seniors earning at or below 40% AMI. Twelve units (23%) will be available to seniors earning at or below 50% AMI. The remaining 20 units (39%) will be available at 60% AMI.

All residents of Rendezvous will enjoy numerous unit amenities including central heating and air conditioning, ovens, garbage disposals, dishwashers, microwaves and washer/dryers. The twelve two-story, three-bedroom units will be converted to one-story, two-bedroom units and a large storage closet will take the place of the existing stairs. This key building change will turn all of the existing Pavilion Garden residential buildings into single level living. Community amenities will be centrally located in and around the existing community building with an on-site management office and community room. As part of the rehabilitation of Pavilion Gardens, an existing playground and basketball court will be removed and a pickle ball court and an outdoor seating area with tables, chairs, lighting, and landscaping will be added. Community amenities at the newly constructed building will include a community room, community garden, and courtyard. Residents of both the renovated and new units at Rendezvous will have access to all of the community amenities.

Rendezvous will consist of nine residential one and two-story buildings and a single-story community building. The existing improvements were constructed in 2000 and are wood frame construction with vinyl siding and pitched roofs with asphalt shingles. The new construction building will be wood frame above a crawl space and a micro pile foundation system. The roof will be a gable style roof with asphalt shingles and the exterior will be fiber cement lap siding. The two story building will be serviced by an elevator and a set of stairs.

The project maximizes allowable density on the site given the adjacent land uses and the City of Montrose parking requirements. The Pavilion Gardens lot is currently zoned R-3A and the new construction lot was rezoned to R-4 in the fall of 2020. The maximum allowable density for the new construction lot is 2,300 square feet per dwelling unit. The new construction lot for Rendezvous is 1.16 acres, which allows for a total of 22 units under the R-4 zoning. See **Attachment 1** for more information about the site's zoning.

Rendezvous is adjacent to a bus stop with weekday service provided by All Points Transit. Buses operate 6:30 am–6:30 pm with service every 30 minutes. Riders can utilize the bus stop adjacent to the project by calling the free flex service offered by All Points Transit. All Points Transit also offers a fully accessible, pre-scheduled door to door transportation program with free or reduced fares available to qualifying seniors.

Rendezvous promotes equity by creating a long-term community asset, senior affordable housing, in a rural Colorado community with a growing senior population. Residents of Rendezvous will benefit greatly from the senior-oriented location of the project with necessities like healthcare nearby in addition to amenities that promote seniors' well-being like meals, games and exercise classes at the senior center only a block away. In addition, Volunteers of America will provide its proven range of services to the residents of Rendezvous. As previously described, residents of Rendezvous will be advantaged by the myriad of on-site senior services that are currently available on the VOA Montrose campus. VOA will also provide a half-time resident services coordinator for Rendezvous. Project residents will have a direct connection to volunteering opportunities, group meals, grocery delivery, unit modifications, and caregiver respite services already coordinated and offered by VOA Colorado's Montrose office. These services will allow the project's older adult residents to thrive and continue to live successful independent lives.

Rendezvous will meet sustainability requirements via Enterprise Green Communities for both the renovation of Pavilion Gardens and the new construction, and Zero Energy Ready Homes for the new construction portion of the project. Both the renovated units and the new construction units will offer new, efficient appliances as well as energy efficient light fixtures. The numerous thoughtful energy efficiency features incorporated in Rendezvous are described in more detail in **Attachment 2** (Sustainability Narratives).

In addition to LIHTC equity, the financing plan includes a permanent loan, gap funding from the Colorado Division of Housing, VOA carryback loans, a VOA Capital Magnet Fund loan, and deferred development fee. In addition, the Montrose County Housing Authority will provide eight project-based vouchers to the project and serve as a special limited partner for a property tax exemption. VOA's pledge of $500k in Capital Magnet funds to this project is contingent on this 9% LIHTC application cycle.

Now is the time for VOA to reposition and expand Pavilion Gardens to bring additional senior housing to Montrose. Only one senior LIHTC project, Woodgate Trails, has been developed in the project's market area within the last 15 years. Woodgate Trails received an award of credits in 2017, opened in November 2019, was fully leased within three months, and is achieving maximum LIHTC rents. Woodgate Trails currently has no vacancies and a waitlist of 25 households, demonstrating the extent of the need for affordable senior housing in Montrose. With an award of 9% credits, Rendezvous can secure the financing needed to help address pressing housing needs in the Montrose community and further invigorate the VOA senior campus.

2. Identify which, if any of the priorities in Section 2 of the Qualified Allocation Plan (QAP):
- **Projects serving homeless persons as defined in Section 5.B 5:** Not Applicable
- **Projects serving persons with special needs as defined in Section 5.B 5:** Not Applicable
- **Projects in non-metro counties with populations of less than 180,000:** The project is located in a county with a population of less than 180,000. As of 2019, Montrose County had a population of 42,758.

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

A. Market conditions

The overall capture rate for the project is 13.8%, well below CHFA's preferred threshold of 25%, consisting of specific AMI capture rates of 4.4% at 30% AMI, 8.8% at 40% AMI, 18.4% at 50% AMI, and 16.4% at 60% AMI. The market analyst's capture rates do not include any in-migration or residents with ages between 55 and 61 which suggests they are very conservative. The market analyst notes that existing LIHTC properties in the PMA have low vacancy rates, and the one comparable senior LIHTC property in the PMA mentioned above is fully occupied with a waitlist. The market analyst concludes that renters living in the PMA are more than likely "rent-overburdened" and are faced with a supply of rental units that are older, and are of average or lower-than-average quality.

B. Proximity to existing tax credit developments

There is only one senior LIHTC project without project-based rental assistance in the Primary Market Area (PMA), Woodgate Trails, and five existing family LIHTC properties in the PMA. Of the seven comparable Montrose properties included in the market study, only one is a LIHTC property, Sunshine Peaks Apartments. Due to this lack of comparable senior housing in the PMA, the market analyst also drew comparison from two senior LIHTC properties north of the PMA in the city of Delta.

C. Project readiness

Both the renovation and new construction properties for Rendezvous are currently under VOA's ownership. Additionally, the vacant lot is now zoned appropriately for the project, VOA has completed the subdivision process for the new construction lot, and utilities are adjacent to the site. All of these factors will allow VOA to move through the City's administrative review processes for site plan and building permit approvals very efficiently.

D. Overall financial feasibility and viability

Pavilion Gardens currently consists of 50% and 60% AMI units. Rendezvous will add ten units at 30% AMI and ten units at 40% AMI, keep the number of 50% AMI units the same, and increase the number of 60% AMI units by only two units. This AMI mix best balances the need for low AMI units with overall feasibility. VOA is committed to maximizing the number of very low income units in Rendezvous to best meet the needs of the community, and this commitment is demonstrated by multiple financial contributions from VOA to the project. In addition to LIHTC equity, a permanent loan, and CDOH funding, the project will be financed with $500,000 of VOA's Capital Magnet Funds and seller carryback loans for the transfer of Pavilion Gardens and the land for the new construction building to the new LIHTC project. The project's deep affordability is also made possible by eight project-based vouchers and as a special limited partnership for a property tax exemption from the Montrose County Housing Authority.

E. Experience and track record of the development and management team

VOA is a 125-year old non-profit agency that provides housing and services to seniors, people with disabilities, people leaving homelessness, and families. Its portfolio includes 20,000+ units in 500+ communities nationally. VOA Colorado will be the property manager and service provider of Rendezvous. VOA Colorado manages a significant portfolio of over 1,800 affordable housing units in Colorado including the 4 affordable housing complexes in Montrose. VOA has retained a team of consultants, designers, and construction professionals who have recent experience working with VOA on prior projects and have proven their ability to deliver high quality LIHTC housing. VOA pairs its broad development expertise with specialized partners to ensure Rendezvous provides the highest quality solution possible for seniors living in Montrose in the most cost efficient manner. See the attached development team résumés for more information. VOA, in alignment with its mission, always provides a level of on-site staffing that is more supportive than a typical apartment property manager. Rendezvous includes office space for an on-site Service Coordinator, a Community Administrator, and a Leasing Assistant to assist residents. VOA's staff are oriented and trained to be focused on resident well-being and will connect individual residents to in-home or community-provided services, as well as creating a schedule of community activities. VOA's staff partner with community organizations to connect residents with activities, services, social networks and other benefits provided by these other organizations. VOA is working with Revival Development Services as the relocation consultant for this development. The team has spent a lot of time on the temporary and permanent relocation components of this development proposal and is confident in its plan.

F. Project costs

Construction cost estimates have been provided by FCI Constructors, an experienced multi-family general contractor headquartered in Grand Junction. FCI recently completed VOA's Durango development, Miremonte, on schedule and on budget. The project's development and operating budgets have been informed by a thorough estimate by FCI and VOA's recent development budgets for other LIHTC projects.

G. Site suitability

Rendezvous is on a very suitable site given the nature and vision of the project. The surrounding neighborhood is primarily residential and befitting to the residential core of the VOA senior campus. Rendezvous is adjacent to a bus stop, a healthcare services center, and the Montrose Senior Center, within a mile of a grocery store, a pharmacy, and a bank, within two miles of a hospital, post office, and many more shopping opportunities. The accessibility of the site will give significant advantages to the senior residents of the project. Rendezvous also benefits from its placement directly across the street from the Montrose Botanic Gardens, a 3.5 acre garden with beautiful flora and numerous walking paths open to the public.

With the two project sites being adjacent to one another, synergies are obtainable across the buildings, such as sharing of operations, services and amenities, which would not be feasible if these sites were not co-located. A strong pedestrian connection is planned to connect the two sites via two new sidewalks. Finally, given the project is located on VOA's senior campus, which includes other senior living communities, senior services, and is adjacent to healthcare services, it makes this site ideal for additional senior housing.

4. Provide the following information as applicable:

• **Justification for waiver of any underwriting criteria:** The project is requesting a waiver of maximum DCR. While the first stabilized year DCR is above the CHFA maximum, the DCR declines over the 15-year LIHTC compliance to reach a DCR of 1.20 in Year 15, well below the CHFA maximum of 1.30. A key goal of this proposal is set up the property for long term financial sustainability.

• **Justification of the financial need for a CHFA basis boost up to 30 percent of eligible basis:** The project site was in a DDA in 2020 but fell out of a DDA in 2021. VOA has maximized all other funding sources as described above and requires a CHFA basis boost in order for the project to be financially feasible.

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

The market study analyst determined that there were no notable weaknesses for the project. The market analyst does indicate that the location of Rendezvous, further away from central Montrose, is generally less favorable than the location of comparable properties. However, the market analyst also includes location as a strength of the project due to its placement on the VOA senior campus with its already existing senior services and proximity to the Montrose Botanic Gardens, Montrose Events Center, and Montrose Senior Center.

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.

No issues were raised in the environmental report for this development.

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).

Per unit construction costs are higher for the new construction building due to the relatively small number of units in the building due to zoning constraints and the need for an elevator. That being said, the project has been thoughtfully designed and planned to contain costs as best as possible. Utilizing a general contractor based on the Western Slope takes full advantage of their relationships within the local subcontractor market, allowing both greater pricing accuracy for construction in western Colorado and minimizing subcontractor risk. Examples of cost containment measures include converting the staircases in currently existing two-story units to closets as well as the sharing of services and amenities between the renovated and newly constructed units due to their adjacency.

The project's relocation costs for the rehabilitation aspect of Rendezvous also contribute to higher project costs. With the transition of Pavilion Gardens from family to senior, current residents who do not age qualify will need to be permanently relocated, resulting in higher relocation costs than would apply if Pavilion Gardens were already a senior property. Fourteen of the 28 current households in Pavilion Gardens are age-qualified for the new senior project. VOA's first priority is always the wellbeing of its residents, so the organization has engaged an experienced relocation consultant to ensure full understanding and successful implementation of all steps required to move the residents that require relocation. The higher number of residents requiring permanent relocation, coupled with a highly occupied Montrose affordable housing market, results in projected higher permanent relocation costs for the project. With the understanding that the highest and best use of Pavilion Gardens and the adjacent sites is senior housing, VOA is committed to covering any permanent relocation costs in excess of what has been budgeted, outside of the LIHTC project budget. Through cost containment measures and synergies achieved through thoughtful design and operations, Rendezvous presents a highly competitive project in spite of these cost challenges.

8. In your own words describe the outreach to the community that you have done and describe local opposition and/or support for the project (including financial support). VOA advertised and held a community virtual planning session prior to the fall 2020 rezone of the vacant lot. Also, VOA has reached out to community partners for letters of support which are attached. The City of Montrose has provided a letter of support for Rendezvous that includes the City's intention to provide permit and plan review fee waivers for the project (attached).

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

History: Pavilion Gardens has presented challenges to VOA since it opened in 2000 as a family property. There are three vacant units at Pavilion Gardens currently, all of which are 3-bedroom 60% AMI units. VOA has not been able to keep the property fully occupied or achieve even near maximum LIHTC rents in spite of ongoing and diligent efforts to improve occupancy including the addition of air conditioning in 2018. Part of the reason for lower-than-expected demand for family units at the property is the lack of cohesiveness caused by having a family property surrounded by senior housing and services and VOA being known as a senior provider in Montrose. With the conversion of Pavilion Gardens to senior units, the VOA campus in Montrose will be more of a homogeneous campus of senior-related facilities which will help with the marketing and branding of Rendezvous in the Montrose community.

Scope of Work: See the Rehabilitation Scope of Work attachment for the proposed rehab for the Pavilion Gardens units. The interior renovations will match the new build interiors as best as possible.

Relocation Plan: Rendezvous as an occupied renovation will require both temporary relocation and permanent relocation of some residents. Since the project will utilize federal funding, a relocation plan and budget have been created with the aid of a relocation consultant, Revival Development Services. Volunteers of America has extensive experience in temporary relocation of residents and Revival will bring their expertise in permanent relocation under the Uniform Relocation Act. The relocation plan and budget have been included with the application.

10-Year Rule: Pavilion Gardens has been continuously owned by a VOA entity for more than 10 years. Please see the 10 Year Rule Opinion attached to this application for more information.

9% housing credit application narrative

Project Name: **Residences at Delta**
Project Address: **Corner of 15th & Villa St. Delta, CO 81416**

1. Executive Summary

TWG Development ("TWG") and Delta Housing Authority ("DHA") are excited for this opportunity to present an application to CHFA for 9% Low Income Housing Tax Credits ("LIHTC") for The Residences at Delta (the "Project"). This new construction multifamily development will provide 50 one-bedroom apartments for seniors aged 55+ earning 60% of the AMI and below with eight (8) units at 30% AMI, two (2) units at 40% AMI, eight (8) units at 50% AMI, and the rest at 60% AMI. The 30% AMI units will benefit from 8 Project Based Vouchers ("PBV") supplied by DHA. Unit amenities will include balconies, central A/C, Energy Star Appliances, exterior storage for no charge, and pull cords. Onsite amenities include clubhouse, two (2) elevators, a dog park, raised garden beds, and on-site management. There will also be a variety of proposed services available from various local partners including CSU Extension Office, Partners, 4-H Delta County, FAA Delta County School District, DC Memorial Hospital, DC Health Department, and Alpine Bank. Public transportation is available from All Points Transit. All Points Transit is a non-profit organization providing public transit services for seniors, people with disabilities, and the general public in communities throughout Montrose, Delta, San Miguel and Ouray counties. The door-to-door program serves predominantly seniors and people with disabilities. Fares range from $3.50 to $5.00 for local trips. Medicaid pays for approved trips for seniors ages 60 and over. Anyone over age 60 in Delta County would be eligible for Older Americans Act transportation vouchers even if they are not receiving a Medicaid transportation benefit. Residences at Delta will support equity and economic stability and mobility for Delta seniors and their families. Delta county is a small rural county with a population under 30,500. With an historically agriculturally based economy, household incomes in Delta are considerably lower than the Colorado median ($58,100 for a four-person household in Delta, compared to $72,331 statewide). Many Delta residents have lived in the county for generations, and are now experiencing greater economic hardships as housing costs rise and the economy shifts away from the traditional industries in the area. Access to quality housing with stable rents and strong fair housing practices translates to increased health and financial equity and quality of life for seniors in this rural area. Housing stability for seniors can also translate into intergenerational opportunity, as adult children bear less of an economic burden supporting their parents.

The Residences at Delta will be one-building with approximately 46,000 GSF in a two-story, elevator serviced, wood framed structure. The building will meet the team's goals of cost-effective to build and manage, visually appealing, and compatible with the surrounding neighborhood. The foundation design is a structural slab on grade with on-site surface parking. An acoustical mat with gypcrete will minimize sound transfer between the units. The building skin will be masonry brick combined with fiber cement lap siding. All exterior walls will utilize batt insulation with a weather barrier. The roof will have sloped asphalt shingles. The project will meet the Bronze certification under the NGBS program which will include EV-ready spaces for future use as needed.

The Project is in census tract 9651 which is not in a 2021 QCT or DDA. Financing for the Project will include federal tax credit equity generated from the sale of 9% LIHTC, permanent financing from Colorado Housing and Finance Authority, soft financing from Colorado Division of Housing ("CDOH"), deferred developer fee, and a significant contribution of local tap, impact, and permit fees by the City of Delta. DHA as a special limited partner in the deal will provide property tax exemption as well. Total soft financing is expected to be over $2,400,000, representing approximately $47,860 per unit.

2. Qualified Allocation Plan Priorities

This project meets the QAP Priority for **non-metro counties serving populations of less than 180,000**.

3. QAP Plan Criteria for Approval

a. Market Conditions & Proximity to Existing LIHTC Developments

The Property is situated in Delta, Delta County, located at the intersection of 15th and Villa Streets, adjacent Villas at the Bluff I and Villas at the Bluff II (Delta Housing Authority is GP and property manager). The current vacancy rate in the submarket is at 3.7 percent. There are significant waiting lists for the affordable properties in the PMA with DHA's own waitlists for seniors aged 55+ at 165 applicants out of a total waitlist of 498 households. The market data indicates a required capture rate for seniors aged 62+ in the PMA of 9.7%. For seniors aged 55+ in the PMA, the required capture rate is 7.4%. The adjacent *family* LIHTC properties were built in 2008 and 2015 and the other LIHTC development in Delta is a senior community built in 1991, which is also supported with USDA rent subsidies. Up Highway 50 is a USDA Farmworker Housing site, also funded with LIHTC and built in 2009. Per the market study, these properties are not considered comparables for Residences at Delta, due to population served and subsidy.

b. Proximity to Existing Tax Credit Developments

As mentioned above, the adjacent properties are for families and other PMA senior deals are PBV deals. The one senior LIHTC deal in Paonia is 28 miles away.

c. Readiness-to-Proceed

- The site is zoned for the intended use evidenced by a zoning letter included within the application. Review of the final building plan review is administrative and does not require a public process. The building plan approval would be about 4-5 months;

- The Phase 1 Environmental Assessment indicated that no Recognized Environmental Conditions were discovered;

- The Project is supported by the City Council, Delta County Board of Commissioners, service providers, hospital, neighbors, and many local businesses. Their enthusiasm for the project is evidenced by the numerous support letters provided within the application and the very generous local contribution in the form of local fee waivers;

- Schematic drawings have been priced by a paid third party and the proposed building is financially viable to construct based on current assumptions; and

- Financing and funding commitments from the sources identified in this application would be secured by the end of 2021 and early 2022.

d. *Overall Financial Feasibility and Viability*

The Project is financially feasible if awarded an allocation of 9% LIHTC with a small discretionary basis boost. In addition to the federal equity from City Real Estate Advisors (CREA), TWG and DHA are assuming construction financing from Horizon Bank, permanent financing from Colorado Housing and Finance Authority, soft financing from DOH, and deferred developer fee. The city will provide local tap, impact fee, and permit fee waivers and sales and use tax exemptions and DHA has committed eight (8) project-based vouchers and property tax exemption.

TWG, DHA, equity syndicators, lenders and our financial consultant RCH Jones consulting, 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 1.21 and 1.16 through the initial compliance period using standard escalation and vacancy assumptions. Deferred developer fee is expected to be paid in full by the end of year 14. TWG will provide the guarantees. TWG's approach to internal collaboration between design, construction and management maximizes operating efficiencies without compromising resident comfort, ongoing compliance, or building durability and maintenance.

e. *Experience Track Record of the Development and Management Team*

The Partnership between DHA and TWG will tie into the strengths and experience of both organizations. Delta Housing Authority was formed in 1971 with the mission to build and maintain affordable and safe living facilities for qualified residents with an emphasis on respect, dignity and cooperation. Delta Housing Authority owns and manages two neighboring properties, the Villas at Bluff I & II, as well as a scattered site inventory of public housing, a voucher portfolio, and numerous other programs to support low income residents in the community. DHA has over 498 households on their waitlist, and very little turnover of their existing units. This great working relationship will help enable residents to age in place.

TWG specializes in multi-family housing development, construction and management. Currently, TWG has developed over 7,000 units across multiple cities and states ranging from affordable developments to market rate sites. To date, TWG has developed over 75 developments with over $1.2 billion in total development costs. TWG has active developments in Indiana, Colorado, Pennsylvania, Michigan, Illinois, Missouri, Ohio, Georgia, Washington, Iowa, Utah, Oklahoma, Arizona, and Wisconsin. TWG Construction has served as the general contractor for the majority their projects, and TWG Management has a proven maintenance and compliance track record. TWG's first Colorado LIHTC property is leased up and their second LIHTC property will be completed by mid-summer, 2021.

To help facilitate this Project, the team has engaged two Colorado based consultants. Ryan Hibbard Jones (RCH Jones Consulting) and Willa Williford (Williford, LLC) who will provide strategic direction and financial advisory services to the project. Ryan and Willa combined have 38 years of experience in the affordable housing industry having managed the development of various affordable housing communities across the US, particularly in Colorado.

f. *Cost Reasonableness*

The Project costs have been reviewed and verified by a third party. TWG's in house design process is rigorous. The goal from the outset is to design and build a project that is high quality and cost effective. Construction costs in Colorado continue a significant upward trajectory, largely due to the constrained labor and commodities markets and exacerbated by COVID and recent natural disasters across the nation. This upward pressure is especially significant on the western slope. TWG will also use their proven processes to effectively select sub-contractors and fully vet details during the bidding process. Our pre-construction team is deeply involved from the beginning of a project to ensure projects are completed on time and on budget. We are also able to leverage national purchasing contracts for materials which in turn creates a more cost-effective project.

g. Site suitability

The site is suitable for the intended use for the following reasons:

- The site is located in a developed residential area and is close to downtown Delta. The site is already served by utilities and is zoned for our proposed use and building design.

- The vacant site has no known environmental hazards or Recognized Environmental Conditions and no known wetlands or other physical attributes they may compromise or inhibit development.

- The Project is located adjacent to two of DHA's existing properties. This proximity will create the opportunity create a multigenerational campus, serving a broader spectrum of ages, incomes and household types. It also offers the opportunity for long-term operating efficiencies. Operating rural properties often becomes challenging to staff efficiently, but the ability to share maintenance and management personnel is a significant contributor to the feasibility of this project.

4. Other information

Justification for waiver of any underwriting criteria
Not applicable

Justification of financial need for basis boost
We are requesting a relatively small discretionary basis boost for this Project at about 7.80%. Largely due to the income levels in the MSA, we are facing a declining NOI, which limits our debt leverage and ability to defer a lot of fee. Further, Delta and the county are not entitlement locations, so there are limited local funding sources. Finally, due to the rural location, we are assuming lower credit than metro market pricing levels. Our annual credits per unit is well within precedent levels with the discretionary boost.

5. Issues Raised by Market Analyst

Not Applicable

6. Issues Raised by Environmental Report

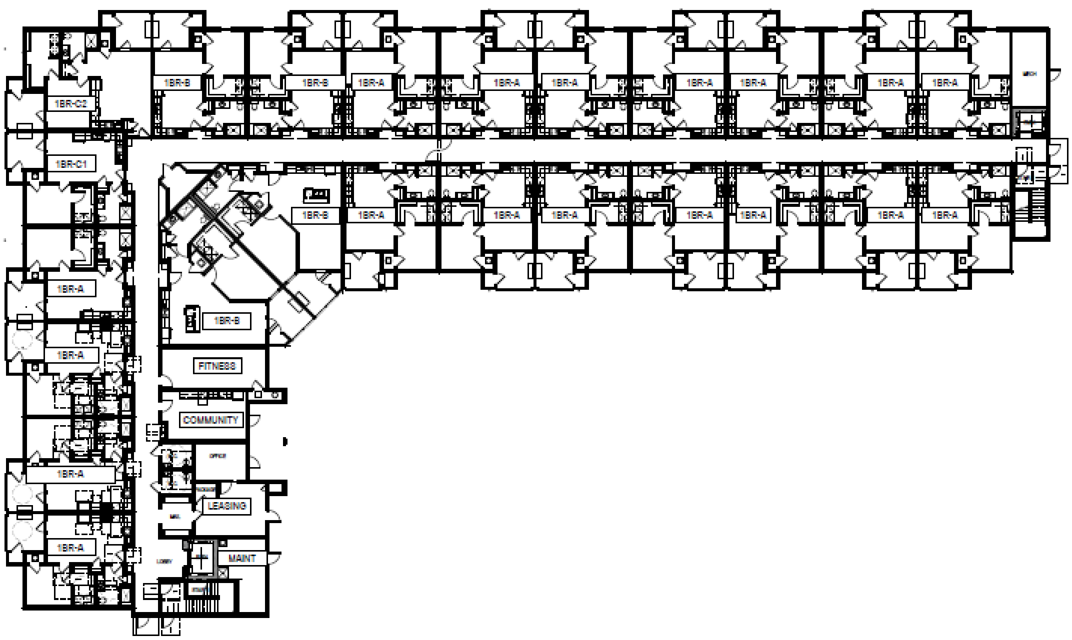
There are no REC's on site.

7. Unusual Features Driving Costs and Opportunities for Containment

The City of Delta has significant tap and impact fees but has agreed to offer this Project fee waivers on virtually all of the fees in the combined approximate amount of $865,000. With the shortage of labor on the western slope it is imperative to have a community with common goals that work together through value-engineering and cost containment processes. City of Delta has demonstrated their willingness to be a strong partner in this regard. TWG has also proven to keep costs relatively low in their existing Colorado projects mostly through their national relationships, vertical integration, and communication with local subs and trades.

8. Community Outreach

To aid community awareness of and participation in the development process DHA has presented at public hearings to Delta County Board of Commissioners and Delta City Council. Due to COVID constraints, we have not hosted a community meeting. We have done extensive one on one outreach individually to neighbors, service providers, city leadership and employers. The project has been well received as evidenced by the **large number of support letters presented within the application**



9% housing credit application narrative

Project Name: Solid Ground Apartments

Project Address: 7290 W. 14th Avenue Lakewood, Colorado

1. Executive Summary

Jefferson Center for Mental Health (JCMH) is pleased to present Solid Ground Apartments, a 40-unit, permanent supportive housing property to be built in Lakewood, Jefferson County, CO. This proposed new development will create much needed affordable housing for vulnerable individuals throughout the County, specifically those experiencing homelessness. There will be staff and space within this property to provide wrap-around social services to these individuals, to help them onto the first rung of the housing ladder. JCMH will be completing this development with the consultation of Dominium and LeBeau Development.

The proposed development is located on the .79 -acre site located at 7290 W. 14th Avenue Lakewood, Colorado. The current site plan includes 40 one-bedroom units in one 4 story building restricted to formerly homeless residents. The site is currently zoned M-R-U, which does not have a maximum residential dwelling density cap. Our proposed number of units will require only administrative processes and will not require planning commission approval. The in-unit amenities will include furnished living areas, vinyl tile flooring, modern ranges, refrigerators with freezers, central AC, microwaves, blinds, coat and linen closets. The common amenities proposed include a community clubroom, business center, laundry facility, dog park, patio, covered bike storage area and on-site management. The current site plan has 19 surface parking stalls.

The project architect (Ebersoldt + Associates LLC), who has worked on several affordable projects in Colorado and has worked with Dominium on past projects. The building proposed for this development will incorporate quality residential materials found in neighboring developments. The building will be a 4-story wood frame construction, and the building foundation will be slab on grade. The building will include an elevator, two stairwells, and ample community space so reisdents can more easily receive services. The roof will incorporate drainage systems that are architecturally integrated into the building design. In addition, the project will be built to follow the Enterprise Green Communities criteria and maximize energy efficiencies.

Our site is located just 0.4 walking miles from the Lakewood Wadsworth Light Rail Station, providing direct access to Union Station and downtown Denver and the West Metro. The site is also within walking distance from several bus stations, providing easy access to lines 9, 16, and 76. Along with access to many public transportation nodes, the site is conveniently located seconds from the Colfax Ave business corridor, providing walking distance to potential employers in retail and industrial spaces. 14th Avenue also has bike lanes running East and Westbound, providing residents access to Denver's bike lane network and access to potential job sites at moderate distances. There are two hospitals within a 3-mile radius. There are also two options for continuing education nearby and many more in neighboring cities. These factors, paired with JCMH's supportive services surrounding job finding and job security, and payment for residents' public transportation costs, creates plentiful opportunities for formerly homeless individuals to find stable employment.

This building will serve highly vulnerable people with high behavioral health needs including severe and persistent mental illness, and substance use disorders. Solid Ground Apartments will utilize "housing first principles" which provide housing stability followed by supportive services. On-site services to be provided by JCMH will include but are not limited to: case management, individual counseling and support, recreational/socialization opportunities, life skills training, behavioral health services, and employment skills and job retention training. STRIDE Behavioral Health services will also be providing health and medical services such as routine medical care, medication management, health and wellness education, nursing, HIV/AIDS services, and pain management. These services will be paid for by several different sources. Committed sources include cash flow from building operations, developer fees including the 5% permanent supportive housing boost, Medicaid, and they will bill covered services to clients' insurance where applicable. The project team will also be applying for Tenancy Support Services from the Colorado Division of Housing, and will apply for funding from foundations and the Colorado Office of Behavioral Health as needed.

The building proposed for this development will incorporate quality residential materials. The building will be a 4-story wood frame construction, and the building foundation will be slab on grade. The project architect is well-versed in the Enterprise Green Communities Criteria. Energy efficiencies will include the following: LED lighting package, Energy Star rated appliances, WaterSense certified toilets and showerheads, and high efficiency fan exhaust ventilation. The project will include conservation and green building items such as high efficiency plumbing fixtures, efficient irrigation and landscaping materials, and low-VOC interior paints, adhesives and sealants. It will meet the Enterprise Green Community certification standards.

Taking the resident base into consideration, the project will integrate a trauma-informed design in the project. Three main themes were considered in trauma-informed design: ensuring the safety and comfort of all residents, fostering connection and community within the site, and integration of nature & natural light. The building will ensure the safety of its residents by creating open areas in the main entrance, wide hallways, community rooms with multiple exits, and designated quiet zones for decompression. To foster community, the building will include a lounge, library and business center adjacent to the main entrance, gathering spots, and multi-use program space for gatherings. The building will also incorporate windows at the end of corridors to provide natural light, natural plants, non-fluorescent lighting that does not flicker, and access to ample outdoor space such as a community garden, patios, and a dog park.

Project financing will consist of a construction loan, equity bridge construction loan, and permanent financing from ANB Bank, tax credit equity from Enterprise, and soft funding from the Colorado Department of Local Affairs. Additionally, the partnership will partner with Foothills Regional Housing, who will provide a real estate tax exemption and 20 vouchers to the project. We will apply to the Colorado Division of Housing to provide 20 vouchers for the remaining units.

With over a 60 year history, Jefferson Center for Mental Health has had extensive experience in providing supportive services to persons with mental health problems and homelessness. Serving Jefferson County specifically, they have deep roots in the local community. Although this is JCMH's first tax credit application to CHFA, they have surrounded themselves with highly experienced groups and individuals for assistance. Dominium, who serves as a co-developer, owns over 35,000 units of affordable housing. Beaux and Simone consulting bring local expertise and has helped create over 1,000 permanent supportive housing throughout Colorado. The general contractor, Bryan Construction, has proven to be one of Colorado's premier contractors with over 30 years in business. Finally, BlueLine Property Management manages over 300 units of permanent supportive housing.

1. Solid Ground Apartments will support the following priorities of CHFA
    a. Projects serving homeless persons as defined in Section 5.B.5

2. Describe how the project meets the criteria for approval in Section 2 of the QAP:
    - Market conditions
        a. As demonstrated in the market study, demand for permanent supportive housing is strong. The market study concluded a low capture rate, with approximately 444 homeless persons located in Jefferson County per the 2020 Point-in-Time survey. According to the market study, there are 2,287 income qualifying households in the Primary Market Area, but only 193 existing units, 0 under construction or planned, plus the 40 units Solid Ground Apartments would provide. Unfortunately, demand for Permanent Supportive Housing in Jefferson County still far outweighs supply.
    - Proximity to existing tax credit developments
        a. Based on the market study, there is strong demand for affordable housing in the immediate area and Solid Ground's proximity to other developments does not impact the rental rates and demand for this project. There is a limited amount of Permanent Supportive Housing in Jefferson County and the greater Denver metro area. Of the 19 other LIHTC properties located in the Primary Market Area, only 3 of them are targeted towards homeless individuals.
    - Project readiness to proceed
        a. Jefferson Center for Mental Health already owns the site. The land is currently operated as a temporary housing facility owned and operated by JCMH. The site is already serviced with electricity and water/sewer access due to the current use. The property is zoned M-R-U, which according to the City of Lakewood, supports our proposed project. Only building permits will be needed to proceed, which can be obtained through an administrative process without presenting to City Council or the City of Lakewood Planning Department.
    - Overall financial feasibility and viability
        a. Jefferson Center for Mental Health is seeking 9% competitive credits. We have received support letters and letters of interest accounting for 28% of total development costs. JCMH is deferring a portion of the developer fee which is projected to be repaid within 4 years. The loan is sized at a 1.30 debt service coverage ratio. This will provide enough cash flow to assist with the cost of supportive services. The project is constrained by a 1.30 DSCR.
    - Experience and track record of the development and management team
        a. **Jefferson Center for Mental Health – Project Sponsor** - Jefferson Center has been committed to creating housing solutions for their clients since 1989. The Navigation department has been taking resource related calls from community members, Jefferson Center staff, and clients for 14 years; and their most common call is for housing. For clients in immediate need of housing, they are most often directed to our Navigation Team. This team can assist them with finding shelters, transitional housing, and other community resources. They manage CDBG funds that provide homeless prevention and some hotel rooms for our clients. Outside of the external referrals the Center's housing continuum includes low-cost apartments, housing vouchers, residential services, two Adult Care Facilities (ACFs), a Hospital Alternative Facility (HAF), and one HUD properties as well. The Housing Team now manages over 400 vouchers.
        b. **Dominium - Co-Developer** - Dominium is the second largest affordable housing developer in the country. Dominium owns and manages 220 properties with a total of 34,600 units. Dominium is donating all development and construction management services to Solid Ground Apartments. Dominium will work with JCMH

through stabilization and conversion. Dominium has actively pursued other Pro Bono projects and they will use that experience to ensure that Solid Ground Apartments gets completed on schedule and on budget.

c. **Beaux and Simone Consulting – Consultant** is the permanent supportive housing consultant on the project. Their mission is to work with Native, rural, and non-profit communities across the country to assist in providing a range of housing opportunities for low-income and homeless people. Beaux and Simone Consulting will work with JCMH, Dominium, and Blueline Property Management during the lease-up process to make sure building turnover runs smoothly. Beaux and Simone Consulting have consulted on developments that have created more than 1,000 units of affordable and supportive housing in Colorado.

d. **Bryan Construction – General Contractor** will be performing the construction of Solid Ground Apartments. Bryan was founded in 1978, and they have proven to be a premier contractor in the Denver area. Bryan has 132 employees and $220,000,000 in annual revenue.

e. **BlueLine Property Management – Property Management** - The Blueline Property Management team is made up of experienced team members with the unique skills that are required to do property management for Permanent Supportive Housing (PSH) buildings. Blueline's Director of Property Management offers 25 years of experience. 10 of those years were working directly with service providers and residents served in PSH. Blueline's Colorado Regional Manager has 10 years of experience working in the PSH industry, working hands on with those who have experienced homelessness in urban and rural settings alike. Blueline's on-site property managers and maintenance team all have experience working with those who have the greatest barriers to getting and maintaining housing. Blueline sees property management as only one part of the greater whole. They collaborate with our partners and service providers to keep residents housed, knowing this might be one of their last resources available. They meet regularly as a team to discuss resident needs and to get in front of any issues that may hinder the chance of successful housing. They understand that in order to handle some of the bigger behaviors, they need to be willing to meet the residents where they are at. Which is why they work with our staff to understand some of the different modalities needed to successfully create a supportive community. Staff receives ongoing training and coaching specific on best practices in working with this population. Blueline Staff receives training on Trauma-Informed Care, Harm Reduction, Conflict Mediation, Roles and Responsibilities, Eviction Prevention and Policy, and common terminology associated with PSH. This is in addition to the training for the various compliance and legal requirements associated with property management. Our creative approach to resolving issues and helping residents stay in compliance with their lease is one of our strengths. They understand that life is not always ‘black and white, but rather shades of grey’; and that is where their team functions the best. Staff can be creative and resourceful when trying to resolve issues with residents- understanding that even an interaction during a maintenance issue can provide an opportunity to build connection. An example of their ability to stay fluid in the lack of uncertainty would be when an issue arose with a veteran who had violated their lease by being disruptive to the community. Once they were able to talk with the resident, they conveyed the belief that the military was spying on them through their electrical outlets. Their solution was to sign a 'lease addendum’ to keep the military from spying. This seemed to help the resident feel more at ease inside of his apartment and allowed for them to find some stability within the building.

- Project costs

a. Solid Ground's largest cost driver is construction. As mentioned previously in the executive summary, the development team has refined the architectural plans and pricing set after our previous 9% application. Solid Ground chose Bryan Construction as the contractor. Dominium has previously worked with this group on other 4% & 9% projects in Colorado. After working closely with both Bryan Construction and E+A architects, the development team believes that costs are as accurate as possible. The total cost of the project is $16,913,956, and the development team believes this is in line with construction costs in the Denver Metro.

- Site suitability
  a. The subject's immediate area includes immediate access to several transportation options, grocery stores, and other commercial options, including a Walmart and a Dollar Tree. The Lakewood-Wadsworth Light Rail Station is located 0.4 walking miles away, and the site is also proximal to different bus lines. Additionally, the site is a 15 minute bus ride from the STRIDE Community Health Center (via line 76), and a 13 minute bus ride from the Jefferson Center for Mental Health Clinic on W. Colfax Avenue (via line 16). There are also several retail and transportation options nearby, which allows residents lots of access to potential employers as well.

3. 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
  i. The project is located within a Qualified Census Tract, and thus qualifies for a 30% boost of eligible basis

4. Address any issues raised by the market analyst in the market study.
   a. The Subject's proposed one-bedroom unit sizes were highlighted as a potential project weakness, as they are approximately 21.6 percent below the average of the comparable one-bedroom units. However, the market study analysts do not believe the smaller unit sizes will negatively impact the Subject's marketability and is within the range of comparable properties.

5. Address any issues raised in the environmental report(s) submitted with your application and describe how these issues will be or have been mitigated.
   a. According to the Phase 1 report, there are no recognizable environmental conditions nor controlled recognized environmental conditions in connection with the site.

6. 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 largest cost of the development is in construction. We received an estimate for construction costs from Bryan Construction. The costs were determined to be in line with comparable properties.

7. In your own words describe the outreach to the community that you have done and describe local opposition and/or support for the project (including financial support).

   Jefferson Center's CEO has reached out to the Mayor of Lakewood in addition to two members of the City Council. The two regional housing authorities, Metro West and Foothills, have been engaged and supports this project. Informal conversations with employees of Jefferson County and Lakewood have also occurred. To date, no opposition has occurred and Jefferson Center has been recognized as a strong partner in creating solutions to address homelessness in the County.

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

9% housing credit application narrative

Project Name: SP Crossing Apartments

Project Address: 7190 Colorado Boulevard, Commerce City, CO 80022

Nesbitt Development, LLC presents a Transit Oriented Development, *SP Crossing Apartments*, 60 units of permanently affordable rental housing for families located in Commerce City near the intersection of Colorado Boulevard and 72nd Avenue (the "Project"). In addition to its proximity to the Commerce City/72nd Ave Commuter Rail Station, the Project will be built to encourage indoor/outdoor resident interaction while maintaining safety and security in a growing neighborhood. The Project, a four-story, elevator-serviced building, will include two studios, 29 one-bedroom units, 26 two-bedroom units, and 3 three-bedroom units and serve families earning up to 30% AMI to 80% AMI.

The Project is located in a predominantly Latino neighborhood in southern Commerce City directly across from the recently completed Commerce City/72nd Ave Commuter Rail Station for the N Line. The Station is less than 0.2 miles away from the Project. The site was purchased by the Urban Land Conservancy ("ULC") specifically to be developed as affordable housing. Located in a Qualified Census Tract (QCT), the site is 0.81 acres and is currently an unused parking lot. Allowable density for the site is 60 units, based on the Planned Unit Development (PUD). SP Crossing Apartments will have eight units (13% of all units) for residents at or below 30% AMI, 12 units (20% of all units) for residents at or below 40% AMI, 22 units (36.7% of all units) for residents at or below 50% AMI, six units (10% of all units) for residents at or below 70% AMI, and 12 units (20% of all units) for residents at or below 80% AMI.

Unit amenities include central air conditioning, carpet and vinyl tile flooring, an in-unit washer and dryer, blinds, a refrigerator, stove/oven, garbage disposal, dishwasher and microwave. 24 units will also have Juliet balconies. Project amenities focus on creating community and pleasant outdoor space for residents and include a community room with a kitchen, conference room, fitness room, an interior courtyard with a children's play structure, and a terrace on the second floor that overlooks the courtyard. Safety and security features of the Project include an intercom and buzzer, limited access entries, and security cameras. SP Crossing Apartments will have on-site management.

SP Crossing Apartments will be a new construction four-story elevator building with stucco, modular brick and hardiplank siding exterior with cementitious siding accents. The foundation of the building will be a combination of cast-in-place spread footings and drilled piers. The framing will consist of three levels of engineered wood frame over a concrete podium that covers the garage. The building will have a flat façade and a flat roof. The roof will have white TPO over cover board that covers rigid insulation and oriented strand board (OSB) sheathing. 40 parking spaces will be built under the podium structure of the building, along with a shared parking agreement providing an additional 35 parking spaces for a total of 75 spaces available to residents or 1.25 spaces per unit to meet the PUD requirements (see **Attachment 1** for the shared parking agreement). Energy efficiency for the building will meet the 2015 IECC standards using

Group 14 Engineering's prescriptive method with National Green Building Standard (NGBS) Bronze Certification requirements. Energy efficient features include energy star appliances, a white TPO roof and Low-E clear glazing on windows, among others. Rigid insulation will also be used beneath the roof to minimize thermal bridging.

The Project will provide easy access to job centers in the northern metro area (including Commerce City, Thornton and Northglenn) as well as to the south in downtown Denver along Commuter Rail Line N. The Commerce City/72nd Avenue Station is located within Rail Fare Zone A making a trip to downtown affordable and easily accessible. The N Line runs from Union Station in downtown Denver to the Eastlake Thornton neighborhood in the north, passing through the retail heavy districts of Northglenn and Thornton.

Easy access to public transportation will improve economic mobility by allowing for residents to easily access jobs and cultural resources in downtown Denver and the northern metro area. Economic mobility will also be increased by access to services at the Commerce City Community Campus ("C4"). C4 is located in the building directly next to the Project site and provides multiple wellness services for Commerce City residents. Services located at C4 include children's medical and behavioral health and dental services; the Front Range Clinic offering addiction treatment services; the Women, Infants, & Children (WIC) program; the Early Childhood Partnership of Adams County (ECPAC), a system of early childhood education, health, mental health and family support; the Tri County Health Department; and multiple community organizing and justice groups. While these services are not explicitly part of the Project, their proximity will be advantageous for families living at the Project. See **Attachment 2** for more information about the Commerce City Community Campus. Furthermore, residents with tenant-based vouchers from Maiker Housing Partners will receive case management from the housing authority.

The Project promotes equity by increasing the diversity of the pool of affordable housing developers in Colorado. Nesbitt Development is an African American owned business headed by Eric Nesbitt, a local real estate attorney and commercial realtor. Nesbitt Development and Brinshore Development will serve as co-developers for the Project to leverage the extensive LIHTC experience of Brinshore Development and to provide a mentoring opportunity to Nesbitt Development through working closely on the Project with Brinshore and ULC. Nesbitt Development is a natural outgrowth of Eric Nesbitt's work over several decades building a successful commercial real estate brokerage firm and a real estate law practice, including representing clients on complex real estate development matters. After 30 years of practicing real estate law, and more than 15 years brokering and managing complex real estate transactions, Eric Nesbitt culminates his career by forming Nesbitt Development to blend his vast real estate experience with his passion for affordable housing. With a breadth of real estate knowledge, Nesbitt Development also brings a fresh perspective and a commitment to the expansion of affordable housing and optimal urban land use to Colorado's affordable housing development industry.

The proposed Project financing will consist of 9% Federal LIHTC equity, a first mortgage, CHFA Capital Magnet Funds, soft funds from the Colorado Division of Housing (CDOH), fee waivers and partial city sales and use tax reimbursement from Commerce City, and deferred developer fee. The Project will partner with the Commerce City Housing Authority as a Special Limited Partner for exemption from state sales/use taxes and property taxes.

1. **Identify which, if any of the priorities in Section 2 of the Qualified Allocation Plan (QAP):**
   - **Projects serving homeless persons as defined in Section 5.B 5**
   - **Projects serving persons with special needs as defined in Section 5.B 5**
   - **Projects in non-metro counties with populations of less than 180,000**

The Project does not directly respond to these priorities.

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

- **Market conditions:**
In December 2020, the overall surveyed vacancy rate in the Primary Market Area (PMA) was 0.6%. The overall capture rate for the Project is 12.2%, well below the 25% threshold. The 50% AMI units have a slightly higher capture rate at 25.8%, but the Market Analyst notes that capture rate is overstated as it does not consider demand from renter growth. The Project's 50% AMI units only increase the PMA's 50% AMI capture rate from 21.9% to 25.8%. The Market Analyst believes the 50% AMI units will lease up easily. There is great demand in Commerce City for affordable housing and much of the stock recently built and being currently built is market rate. Existing LIHTC developments have long waitlists and high and stable historical occupancy. Proximity to the Commuter Rail station also increases the visibility of the Project and will attract households from outside of the PMA.

- **Proximity to existing tax credit developments:**
There are twelve family LIHTC projects in the PMA with non-subsidized units. Seven of these tax credit developments were included in the Market Analyst's rental comparable survey. The nearest, newest existing tax credit developments are 3.6 miles away from the site, one located at 5120 Broadway (The Elisabetta, built in 2020) and one located near Quebec Pkwy and 47^{th} Ave (Northfield Apartments, built in 2016). The Elisabetta has 91 units and serves families with 22 units set aside for persons with disabilities. Northfield Apartments has 84 units and serves families with six units set aside to serve families without homes. Park Hill Station (built in 2011) is 3.7 miles to the south of SP Crossing and has 156 units and serves families. All three of these newer LIHTC properties maintain occupancy rates near 100%. Bluff Lake Apartments, built in 2012, has 92 units and is 5.9 miles to the south east of the Project. Half of the units at this development are set aside for tenants in the Denver Road Home Initiative Program. The development is 100% occupied. There are three older LIHTC properties located within six miles of the Project. Village Crest (1.7 miles SE, built in 2000) has 120 family units that remain 98% to 100% occupied. Parkside Apartments (5.7 miles SE, built in 2005) has 68 units, 40 of which receive project-based rental assistance. Pinecrest at Commerce City (2.4 miles SE, built in 1986 and rehabbed in 2006) has 112 units.

- **Project readiness**:
The Project demonstrates strong readiness to proceed with significant milestones already achieved. The site is owned by ULC, and ULC will lease the site to Nesbitt Development pursuant to a long term ground lease. The development team secured zoning approval on January 4, 2021, and the appeal period for the rezoning ended on January 15, 2021 with no appeals filed. All utilities are available to the site, and the remaining steps to building permits are administrative.

- **Overall financial feasibility and viability:**
The Project's financial feasibility is supported by reasonable underwriting assumptions and the partnerships cultivated by the developers. The Commerce City Housing Authority has approved a special limited partnership for state use tax and property tax exemption, and the City has indicated its financial support in the form of city use tax and fee waivers. In addition, Brinshore has strong relationships with several lenders and LIHTC investors which will help the Project secure favorable terms for debt and equity investment. While the maximum annual credit amount is needed for the Project to be financially feasible, the Project's per unit credit amount is approximately 10% below

the median per unit credit request, and the units will be permanently affordable due to the ground lease from ULC.

- **Experience and track record of the development and management team:**

The development team consists of Nesbitt Development, Brinshore Development, ULC, Christopher Carvell Architecture and S.B. Clark Companies. Nesbitt Development and Brinshore Development are partnering on this Project to leverage the experience of Brinshore Development and for Brinshore to mentor Nesbitt Development in affordable housing development. Nesbitt Development is headed by Eric Nesbitt, Esq., who has worked nearly 30 years in real estate law, including experience with multifamily development entitlements, zoning issues, and loan documents. He has also assisted in site selection and development projects in his capacity as a commercial real estate broker, and he has owned multifamily apartment buildings in Chicago and Aurora through which he has experience with housing choice voucher tenants. Mr. Nesbitt served three years as a Commissioner of the Denver Housing Authority having been appointed by Mayor Hancock.

Founded in 1995, Brinshore Development, LLC is a private firm specializing in the development of mixed-income housing. Brinshore is one of the Midwest's largest and most successful housing development firms in the affordable housing market. To date, Brinshore has completed more than seventy-five total developments, comprised of over 6,500 apartments and homes valued at more than $1.5 billion, including two Colorado projects. Sheridan Station is 100% complete and awaiting Certificate of Occupancy and Capitol Square is 7% complete.

ULC is a nonprofit organization that acquires, develops, preserves and manages real estate in metro-Denver for community benefit. In its 17 years of existence, ULC has created affordable workspace for 60 nonprofit organizations and 1,300 units of affordable housing. Property management will be provided by ComCap Management, an experienced and well-known local firm in both the LIHTC development and property management space.

- **Project costs**:

The Project's construction costs have been developed using current, local data generated by Crossland Construction, an experienced LIHTC contractor with recent LIHTC experience in Commerce City, and confirmed by DAE Group, an experienced LIHTC cost estimator. The Project's soft costs have been informed by Brinshore's recent development budgets and the operating budget has been informed by Brinshore and ComCap's comparable properties.

- **Site suitability:**

The Project site was acquired by ULC specifically to create an affordable housing community adjacent to the newly constructed Commuter Rail Station. SP Crossing Apartments is a direct outgrowth of the priorities stated in the Commerce City Station Area Master Plan which identifies the Project site as a high priority for infill housing. The station area plan recommends concentrating density in the areas nearest the station and proposes a range of price points in housing, including affordable housing as a high priority. The city has invested in pedestrian amenities in the station plan area including sidewalks and crosswalks, and a pedestrian bridge to the south of the site is proposed over the O'Brian Canal a block from the Project.

3. **Provide the following information as applicable:**
    - **Justification for waiver of any underwriting criteria -** None Requested

- **Justification of the financial need for a CHFA basis boost up to 30 percent of eligible basis -** None Requested

4. Address any issues raised by the market analyst in the market study.
The Market Analyst recommended no changes to the Project. The Market Analyst noted that the 50% AMI capture rate is slightly above the CHFA's preferred threshold of 25%, but still attainable because it does not consider the Project's lower pro forma rents, projected renter household growth and ability to target voucher holders, all of which allow the Project to target a broader range of qualified renters than the capture rate suggests.

5. Address any issues raised in the environmental report(s) submitted with your application and describe how these issues will be or have been mitigated.
A Phase I Environmental Site Assessment (ESA) was conducted in November 2020 that included the Project site and the adjacent parcel (containing an office building). The Phase I ESA identified two Recognized Environmental Conditions (REC) – one being a potential historic landfill on the site and the second being potential oil leaking through the cracks of a concrete pad on the adjacent parcel. A Phase II ESA was conducted in August 2018. The Phase II ESA included a subsurface geophysical survey that identified no anomalies indicative of formerly landfilled material underlying the site, and no further recommendations were made for the Project site.

6. 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).
SP Crossing has two features that result in higher development costs, but are essential to creating a sense of community in this burgeoning neighborhood: the second floor terrace that overlooks the interior courtyard and a grand staircase. Both of these features provide space for indoor/outdoor community interaction for residents, something that will be important in a neighborhood that is beginning to fill in. Other features that have contributed to higher development costs include the need for podium parking in order to build 60 units on the site, the required Planned Unit Development (PUD) process, and specific building materials dictated by the city.

7. In your own words describe the outreach to the community that you have done and describe local opposition and/or support for the project (including financial support).
ULC has been working with the development team to lead community outreach for SP Crossing so that the best project for the community is built. The development team presented to two community groups in December 2020, each with over 20 attendees: The Community Resource Network (CRN) and Commerce City Alignment Group (CCAG). CRN is a wide range of non-profit organizations, community groups, municipalities (Commerce City) and county agencies (Adams) that serve residents through Adams County. CCAG includes groups involved in the Commerce City Community Campus (C4) in the adjacent South Platte Crossing office building. Attendees from both meetings were supportive of the project. Local support for the Project is also evidenced by the partnership with the Commerce City Housing Authority as a Special Limited Partner for state use tax and property tax exemption as well as contributions of $300,000 in city sales and use tax reimbursement and fee waivers from the City of Commerce City. In addition, the City Council unanimously approved the rezoning required to build in the project in January 2021. See attached for support letters from the community for SP Crossing's tax credit application.

9% housing credit application narrative

Project Name: St. Valentine Apartments
Project Address: TBD Hayes Avenue, Loveland, CO

Executive Summary

In 2019, the City of Loveland commissioned a study of homelessness with the University of Denver Burnes Center. That report confirmed the severe need of additional and comprehensive programs for the homeless and highlighted permanent supportive housing as the best long-term solution for chronic homeless. Working towards a solution, the City of Loveland vetted Homeward Alliance, a large northern Colorado homeless service provider, as the lead agency to address homelessness for the City.

Concurrently, Archdiocesan Housing, Inc ("AHI") had observed the need for additional supportive housing in northern Colorado, especially the great need in Larimer County. As a result of these efforts, AHI in partnership with BlueLine Development, Inc., Shopworks Architecture and Homeward Alliance, proposes St. Valentine Apartments, a new 54-unit supportive housing project in Loveland, CO consisting of 48 one bedroom and six two bedroom units serving formerly homeless individuals and families at or below 30% of AMI.

In cooperation with Loveland Housing Authority and the City of Loveland, AHI identified an appropriate site of vacant land at 10th Street and Hayes Avenue currently owned by the City of Loveland. The site is adjacent to the Loveland Police and Courts building and is well placed within a half mile of Safeway, Sam's Club, Goodwill, Madison Early Childhood Center, Loveland Public Library, Loveland recreation center and only a block to the nearest bus stop. Loveland City Council has unanimously supported the project with approvals for contribution of land, affordable housing designation for fee waivers, and modification of an IGA to permit supportive housing on the site. Please note that of the four-acre parcel to be granted to AHI for the project approximately two acres are utilized for this 9% project, leaving two additional acres for a future expansion of supportive housing if needed.

AHI has partnered with BlueLine Development, Inc. as development consultant, Shopworks Architecture for trauma informed design services and Homeward Alliance as lead service provider to address the growing need for supportive housing for homeless households in Loveland. St. Valentine Apartments will be a U-shaped, 3-story building, with wood frame construction on levels 1-3. The one- and two-bedroom apartments will stack above the first-floor amenity space along double-loaded corridors to maintain efficiency. Apartment homes will have high-efficiency windows, increased insulation rating, energy star refrigerators, range/ovens, microwaves, air-conditioning, ceiling fans, disposals, and dishwashers. There are 25 surface parking spaces planned on site with plentiful expansion options if additional parking is needed. The building will be serviced by one elevator and three stairs and will certify to National Green Building Standards. There is 5,500 square feet programmed of administration, leasing and engagement space on the first floor which will include community kitchen, food pantry, great room, front reception, offices for leasing and services partners, central laundry, mail receiving and bike storage. Further, there is ample green space and patio programmed off the amenity area to provide residents with a safe outdoor space to enjoy. All design was performed with an eye towards trauma-informed design knowing that future residents would be coming to St. Valentine after experiencing many traumas in their lives.

Archdiocesan Housing, Inc., in partnership with Homeward Alliance, SummitStone Health Partners, Sunrise Community Health Center and AHI's property management and resident services company, Housing Management Services will provide permanent supportive services to residents of St. Valentine Apartments. These services will include, but not be limited to Independent Living Skills, Employment Services, benefits acquisition assistance, access to Mental Health Services, Substance Abuse Services, comprehensive on-site Health and Medical Services, and General Supportive Services. For more detail on intakes, assessment, defining service plans and case management please see the comprehensive service plan provided with this application.

Funding for St. Valentine Apartments will be provided by CHFA in the form of 9% LIHTC equity, Colorado Division of Housing HSP grant funds, and CDBG funds from the city of Loveland. Additionally, the city of Loveland through a unanimous City Council vote on August 11, 2020 agreed to donate the 4-acre site to AHI upon an award of tax credits, gave the project an affordable housing designation which will allow for permitting and city fee waivers. The project will be supported by 54 Housing Choice Vouchers (HCV) from the Colorado Division of Housing. St. Valentine Apartments will follow all required cross-cutting federal regulations. By taking these positive steps, the City of Loveland is moving to address homelessness in their community and has committed to over $1.5 million in financial support through fee waivers and land donation with an additional $200,000 anticipated in CDBG funding.

AHI met with the City's Affordable Housing Commission on July 15, 2020 to receive their comments about moving forward with the project. The Commission expressed unanimous support to move to a planning session in front of the City Council. The team presented the idea of the project during the planning session on August 11, 2020 and followed with neighborhood outreach to over 300 neighbors, hosting several Zoom meetings to discuss the project and receive feedback. The neighbors were generally quite in support of the project, as evidenced by City Council's unanimous votes for all measures of the project, and the City's enclosed letter confirming the sentiment of the neighborhood.

Priorities in Section 2 of the Qualified Allocation Plan (QAP)

St. Valentine Apartments meets the following three priorities as defined in Section 2 of the QAP:

- Projects serving homeless persons as defined in Section 5.B 5

  St. Valentine Apartments is the result of one of the most tenured housing developers/owners/operators in Colorado, especially extremely low-income households, with a core team of local non-profit, government and community members who desire to address the growing need of affordable housing within the city of Loveland. St. Valentine Apartments will be an expansion of that service by offering 100% affordable units serving extremely low-income homeless individuals in the City of Loveland. Homeless adults and families are an under-served population in the city as evidenced by 2020's count of 157 documented homeless individuals, with very few existing 30% AMI units and scant services to holistically address the needs of a homeless individual.

- Projects serving persons with special needs as defined in Section 5.B 5

Occupancy of St. Valentine Apartments will target people with a history of homelessness and have a disabling condition, are currently homeless or have acute special needs. The most vulnerable among the homeless in Northern Colorado are living with a physical health need, behavioral health need or substance use disorder - often more than one. The population that St. Valentine Apartments is focused on are living with a disabling condition that may impact their ability to remain stable in housing; residents of this housing community will have an array of supportive services available to them on-site daily. Please see the Permanent Supportive Service Plan submitted with this application for additional information.

Market Conditions - Analysis of the primary market area indicates a shortage of housing available to residents earning at or below 30% AMI. Vacancy rates in the area are 4.5% with comparable properties reporting vacancy rates at 3.5% or less. Overall capture rates are low at 8.6% including the proposed St. Valentine units. Currently, candidates for 30% AMI units have only (18) eighteen existing units targeted to 30% AMI, all of which are within workforce housing developments. These figures are further corroborated by high occupancy rates and long wait lists at existing housing communities. The Loveland Housing Authority reports waitlist waiting periods of up to six years. Based on these calculations we anticipate a quick lease up and long-term stabilization for St. Valentine Apartments.

Readiness-to-proceed - The proposed project's site is currently zoned B which allows for multi-family housing. The site is currently owned by the City of Loveland who's City Council unanimously passed three measures to 1) contribute the land to the project upon funding approvals, 2) approve an affordable housing designation to the project which allows for city fee waivers, and 3) approve an amendment to an Intergovernmental Agreement on the land between Loveland and Larimer County to allow development of supportive housing.

The development team has been working with the City of Loveland's Planning and Zoning Department on initial site plan approval and anticipates an accelerated permitting process due to the affordable housing designation and City staff's pre-existing knowledge of the project.
The St. Valentine Apartments team has engaged Shopworks Architecture, a leader in trauma informed design, to design the building. Additionally, we have received a third-party construction estimate from KCI Constructors, an experienced LIHTC contractor with an office in Longmont.

Overall financial feasibility and viability

St. Valentine Apartments is financially feasible if awarded 9% Low Income Housing Tax Credits as requested. St. Valentine Apartments will have secondary funding sources through the Colorado Division of Housing, Homeless Solutions Programs Funds, donation of land and fee waivers as local match from the City of Loveland, CDBG funds from the City of Loveland and deferred developer fee. Further, by utilizing a small permanent loan, St. Valentine Apartments is limiting the credit ask of CHFA and maintaining the ability to fund supportive services with cash flow. AHI's tenure and balance sheet will make them a strong sponsor who can command some of the best terms in the debt and equity markets.

Experience and Track Record of the Team

Archdiocesan Housing, Inc.

Archdiocesan Housing, Inc. ("AHI") began operations in 1968 to help fill the need for affordable housing in the Denver Metro area. Bishop George Evans assembled a group of Catholic businesspeople, who formed the original committee, to address low-income housing issues. AHI's philosophy has been to go beyond providing shelter to building caring and supportive communities. Today, AHI carries this out at 30 properties across

Colorado and Wyoming, serving approximately 3,500 individuals including families, seniors, and homeless households.

BlueLine Development, Inc.

BlueLine Development, Inc. is a real estate development company dedicated to creating and sustaining affordable housing. Their success comes from forming partnerships and utilizing all available funding resources. The goal of each development is to provide a comfortable, healthy home to those who need it most. BlueLine Development was founded in 2011 and has since secured funding and completed construction on 36 affordable developments throughout the West. In Colorado, they have an excellent track record of developing affordable and permanent supportive housing developments. BlueLine Development thrives on the unusual and difficult developments and finds satisfaction in assisting organizations who are helping the populations in Colorado who are most underserved and in need. Please see the BlueLine Development Resume and List of Properties submitted with this application for more information.

Housing Management Services, Inc.

Housing Management Services, Inc. ("HMS"), manages 1,635 low-income apartment units for its own portfolio across the northern half of Colorado. In addition, HMS also manages 108 low-income units for affiliated parties including the Archdiocese of Denver and the Diocese of Wyoming. HMS employs approximately 80 full- and part-time employees, who are responsible for the daily operations and maintenance of the properties as well as coordination of on-site resident services. Most notably, HMS manages and provides services to Greeley's Guadalupe Apartments, one of northern Colorado's few supportive housing developments.

Cost reasonableness - The costs submitted with this application reflect the current construction market in The City of Loveland and Northern Colorado, while also accounting for projected inflationary impacts. DOLA has supplied a letter of financial support showing $15k per unit that does not match our budget. We understand that a $30k per unit ask from DOLA is both. Achievable and appropriate given the supportive housing designation of this project. These costs have been verified verbally from numerous funders and construction reviewers and in writing by a contractor who is active in the local market. The development team has looked for opportunities to streamline processes and minimize costs at every opportunity. By utilizing an architect, contractor and engineers who are familiar with the LIHTC process, the development team has been able minimize turnaround time and duplication of efforts in the design phase, which will translate to an efficient construction process. Furthermore, the significant support from the City of Loveland through fee waivers and land donations has decreased the total development costs of St. Valentine Apartments by nearly $28,000 per unit, or $1,500,000 in total.

Proximity to existing tax credit developments - James Real Estate Services identified 16 affordable developments totaling 1,213 units within the Primary Market Area. However, only six of these developments were considered comparable and within these six developments, two of the properties are market rate complexes that were included due to a lack of available affordable comparables. Of the four tax credit developments, eighteen units served individuals at or below 30% of AMI. Further analysis of these comparables can be found in the market study submitted with this application.

Site suitability - As evidenced by the market study and by the Northern Colorado Continuum of Care counts of individuals and families experiencing homelessness in Loveland, this site is a great location to address the need. Its proximity to food, transportation, childcare, services, and employment makes it very suitable. The site also scored a 67 Walk Score which is higher than the city itself. The site is currently level and vacant, so excavation and site work requirements are minimal. The Phase I ESA submitted with this application found no existing or past recognized environmental concerns. The Phase I ESA did note a business environmental risk which will be discussed later in the narrative.

Justification for waivers - St. Valentine Apartments is requesting a waiver of the maximum debt coverage ratio of 1.30. By structuring the project with little traditional permanent debt, the development is ensured of continued operations and financial stability if project-based voucher appropriations are cut or third-party funding for services is decreased. If HCV for St. Valentine Apartments were removed the project could still cover the projected operating costs with rents maintained at 30% levels, instead of requesting a modification to CHFA's LURA for higher rents. Additionally, the project can ensure long-term viability of the services budget due to the owner's commitment of cash flow to support services for the life of the project.

Justification of Financial Need - St. Valentine Apartments is not asking for discretionary boost.

Market Study Issues - James Real Estate Services identified the active railroad line running adjacent to the northern boundary of the subject site as a weakness. Great Western Railway of Colorado has a line that uses the track behind the site as an interchange for BNSF Railroad. Although scarcely operated, this rail line is for transporting goods between Longmont and Fort Collins and is not a major line. We believe the disturbance to the residents will be minimal, and will conduct all appropriate noise studies and follow mitigation recommendations as required by NEPA to ensure quiet enjoyment by all residents.

Environmental Issues - The Phase I ESA, completed by CTL Thompson and included with this application, revealed no Recognized Environmental Concerns. However, a business environmental risk was noted in the report. During previous development to the north of the site, excavation of the former sugar beet plant's lime pit uncovered what was thought to be limited amounts of hazardous material and inert materials, such as brick and concrete. After investigation, where no elevated levels of contaminants were found, the contents of the lime pit were excavated, hazardous materials removed, and remaining materials were placed in several locations west of the pit. This report has noted two locations on the St. Valentine site where materials may be buried. One, a berm at the north end of the site and another, a mound near the southeast corner. Upon review of the locations of the potential hazards we believe we can leave the southeastern corner undisturbed. The berm at the north end will be tested and costs for removal of potential ACM have been included in the construction estimate.

Unusual Costs/Opportunities for Cost Containment - The City of Loveland has agreed to contribute the land to the project and waive city fees as noted in the Local Support letter (9d, bullet 2) submitted with this application. The benefit of no-cost land and waiver of City use and permitting fees assists in keeping project costs reduced by approximately $1,500,000.

Local Outreach - Archdiocesan Housing, Inc. staff have continually engaged City administration and staff for support of this project and the design team has held three neighborhood meetings to gather feedback from the community regarding the project. Feedback has been overwhelmingly supportive, and City Council voted to unanimously support the project.

9% housing credit application narrative

Project Name: **Sunset Heights**

Project Address: **2000 Sunset Way, Longmont, CO 80501**

Executive Summary

Sunset Heights will serve as a new, 4-story, 55-residence Permanent Supportive Housing (PSH) community for people experiencing homelessness, with all one-bedroom floor plans and designed using the principles of Trauma Informed Design (TID). Element Properties, on behalf of Sunset Heights and its dedicated team of community partners, is honored to reapply to CHFA as a candidate for 9% Low Income Housing Tax Credits in 2021. The project team has spent the year incorporating feedback from last year's application to put forth a stronger project**.** Below are some of the leading reasons why Sunset Heights is deserving of a 2021 award of 9% LIHTCs:

- The need to provide PSH for Colorado's unhoused population is urgent, Sunset Heights responds to the established priorities of Boulder County, The State of Colorado and CHFA
- The local community overwhelmingly supports Sunset Heights which is highlighted by the financial assistance local governments have provided including a land contribution, property tax exemption and capital funding to reduce this 9% LIHTC request
- Best practices in PSH and TID have been incorporated into every aspect of the project to facilitate the provision of services to future residents
- Experienced applicant and project team that includes some of Colorado's most accomplished professionals in designing supportive housing to promote physical and mental health through TID
- Established operating team that includes the Boulder Shelter for the Homeless (Shelter) as the lead services provider and Longmont Housing Authority (LHA) as the property manager
- An updated building design that has lowered project costs
- Sunset Heights received a project-based voucher award from the Division of Housing in 2020 and we believe the project improvements will again be well received by the State
- The 9% LIHTC request of $17,863 per unit provides an efficient use of limited credits to address one of CHFA's priorities of projects serving homeless persons

Location & Density - The site is located adjacent to the existing Suites Supportive Housing Community operated by LHA. The adjacency of the two communities will offer efficiencies in the management, leasing, and provision of services to the benefit of each community. Sunset Heights project will be built to 100% of the allowable density on its subdivided parcel while also remaining below DOH's maximum per project voucher award of 60. The property is not located within a QCT, DDA or SADDA.

Population Served – Sunset Heights will provide 55 apartment homes in a PSH community for people experiencing homelessness.

Amenities – The planned building, site and in-unit amenities at Sunset Heights are consistent with PSH and TID principals as informed by future residents, Shopworks Architecture, BeauxSimone Consulting as well as the lead services provider and property manager. Building features will include on-site management, limited access entries with intercoms, surveillance cameras, a part-time security patrol, perimeter fence, community room, exercise room, picnic area, designated pet area, computer room/business center, resident storage lockers and a top floor "laundry spa" with expansive mountain views. Each residence will include a full kitchen with a refrigerator, stove/oven, disposal, and microwave. The project team arrived at this appliance package based on the research and recommendations from our consulting and design team as most appropriate for the resident population, many of whom view the ability to cook as a form of independence and healing. All units will come fully furnished and with wi-fi internet access.

Construction Type - Sunset Heights will be constructed as a type V wood frame building on concrete spread footings and a concrete slab on grade foundation. The exterior skin will be a combination of metal paneling and cementitious siding. A central elevator and two stair cores will provide access to the upper floors.

Access to Public Transportation and Job Centers - The property location is served by RTD's BOLT bus route, which connects Longmont to nearby Boulder with multiple stops in each city. The nearest stop along Highway 119 is 0.2 miles from the building site. The project location is adjacent to the recently redeveloped Twin Peaks mall that provides over 500,000 SF of commercial space and the hundreds of employment opportunities needed to support the grocery, retail, restaurant, and entertainment businesses.

Services Provided and Budget - BeauxSimone Consulting has been engaged to support service programming at Sunset Heights, and the Shelter will lead service implementation. The Shelter plans to augment its services to residents through partnerships with Mental Health Partners (MHP), the OUR Center, Meals on Wheels, Community Food Share, Salud Family Heath, Boulder County AIDS Project, Safe Shelter St. Vrain, Dental Aid, and the Center for People with Disabilities for benefits assistance. These organizations will provide on-site resident services in additional to case management, transportation and other supportive services led by the Shelter.

The PSH budget will match the $7,200/unit identified by the State Division of Housing as appropriate for Colorado PSH projects. PSH Services for the project will be funded through a combination of cash flow from the project (50% target), in-kind services, and an additional 5% capitalization of the development fee that will be used to create a services reserve. The Medicaid program will cover certain services provided through project partners Salud and MHP. In addition, the sponsor team has applied for Tenancy Support Services (TSS) funding through the Colorado Division of Housing. If awarded, TSS funds are anticipated to cover up to 50% of the project's support services budget.

Sustainability & Energy Efficiency – Group 14 Engineering has worked closely with the project team to design an extremely efficient building that meets our sustainability goals in a cost-conscious manner**.** The project will target energy performance of at least 15% better than the 2018 International Energy Conservation Code baseline and achieve National Green Building Standard Bronze certification. To achieve these energy performance goals, the current design approach includes several high-performance building systems including:

- High performance packaged air source heat pump systems
- Low-power density LED lighting package and Energy Star appliances
- Above-code windows and detailed air sealing package

- Low flow plumbing fixtures and native landscaping
- A ~75 kW photovoltaic renewable solar energy system

Financing – Sunset Heights has attracted a substantial amount of soft subsidy which is a testament to the level of local support which has allowed for a decreased reliance on tax credits. The project's financing includes equity generated from the sale of 9% LIHTCs, conventional debt, funding from the Colorado Division of Housing, Boulder County Worthy Cause funds, a deferred developer fee and land contributed to the partnership by the City of Longmont and LHA. In addition, LHA's participation in the ownership structure as a Class B Special Limited Partner will facilitate a property tax exemption for the partnership.

Changes from Previous Application - Sunset Heights has both improved and progressed since its 2020 9% LIHTC application. The overall project cost is more efficient as a result of relocating the building on the site, increasing the size from 50 to 55 residences, and changing to a rectilinear building design. As a result, our per-unit credit request has gone down 23% to $17,863. Since the last round, the project team has expanded the consultant team to assist in further developing resident services programming and enhance the design to serve the targeted population (as discussed below), along with making significant progress with design and entitlements.

Best Practices for Homeless Housing – In pursuit of a best-in-class project for the 2021 tax credit application, the project team, led by BeauxSimone Consulting and Shopworks Architecture, embarked on an effort to ensure that the Sunset Heights design and its future residents were the beneficiaries of "lessons learned" from a variety of stakeholders, providers, and residents of the existing Lee Hill PSH project in Boulder, as well as other PSH communities in the region. The research project resulted, for example, in learning the importance of communal activities that could accommodate larger groups and led to inclusion of a garage door feature in the common living space to allow all residents to gather in one place for activities and meetings. Focus group participants also stressed the importance of the outdoors, so the amenity space was designed for an effortless indoor/outdoor transition to facilitate healing and wellness – and space for smokers and non-smokers, alike. Another example came from residents emphasizing the importance of safety and cameras along with "24-hour staff," allowing the project team to incorporate this feature into the building and its operations. Sunset Heights will also now include a secure vestibule with an intercom connected to the reception desk along with key fobs or keypad locks and security cameras throughout the building to ensure that residents are safe – and that they *feel* safe.

1. Priorities - Section 2 of the Qualified Allocation Plan (QAP):
Sunset Heights will be a permanent supportive housing (PSH) community for people experiencing homelessness as defined in Section 5.B.5.

2. Criteria for Approval - Section 2 of the QAP:
Market conditions - The demand and need for more permanent supportive housing is overwhelming. The market study indicates the capture rate for this project is 14.7% and three surveyed PSH properties have extensive waitlists. This capture rate may be somewhat overstated, given that households at risk of becoming homeless were not counted during the point-in-time count, and that the Shelter served more individuals than counted during the survey. According to recent data, 1,725 adults experiencing homelessness sought services through the coordinated entry process in Boulder County. Of those, 335 qualified for a referral to the Shelter and a possible local housing solution. There are approximately 400 individuals in the Metro Denver Homeless Initiative OneHome system. Of these, over 60 are on the pre-match list and ready for PSH placements. The project's market analyst concluded that Sunset Height will lease-up in only five weeks.

Proximity to existing tax credit developments - The location of Sunset Heights is adjacent to LHA's Suites Supportive Housing which received a LIHTC award in 2016 to undergo extensive renovations. In addition to the economies of scale that will reduce both operating and services expenses, there will also be leasing efficiencies from the adjacency of the properties. LHA currently has an extensive waitlist for The Suites. The recently awarded Coffman Street Apartments in Longmont will include 73 apartments, 12 of which have been targeted to homeless households.

Project readiness - Given an award of funding, Sunset Heights will be ready to immediately proceed and pull permits in the fourth quarter of 2021. No modifications to the zoning or land use code have been requested and the process to approval is administrative. Since the project's last 9% application, the project's Development Application has been submitted to the City. No obstacles to approval have been identified and staff has outlined a 4–6-month approval process from submission to permit.

Overall financial feasibility and viability - Sunset Heights is financially feasible if awarded an allocation of 9% LIHTC. Because this site is not in a QCT or a DDA and that bond cap is very limited, a 4% option is infeasible or would require a substantial increase in soft funding from unidentified sources. Further, and because this is a PSH project that requires project-based vouchers, the limited availability of those vouchers makes a larger project infeasible. In addition to federal LIHTC equity, Element is assuming permanent loan proceeds, soft funding notes from the Colorado Division of Housing, Boulder County Worthy Cause funds (which have been awarded to the project), and deferred developer fee to complete the project's capitalization. Additional subsidy will be received through the contribution of the land by the City of Longmont and LHA. With the help of project-based vouchers from DOH, we are projecting half of the property's cash flow (after payment of deferred developer fee) will be dedicated to fund resident services.

Experience and track record of the development and management team - The development partnership assembled for Sunset Heights has substantial PSH and LIHTC experience. The development team includes Element Properties, the Longmont Housing Authority, ShopWorks Architecture, BeauxSimone, and the Boulder Shelter for the Homeless who will coordinate a team of additional service providers. These organizations bring extensive expertise in construction, capital markets and developing and operating LIHTC-financed PSH projects. Element Properties completed the scattered site Nest Communities project (238 units) in 2017, Spark West (45 units) in 2018, and Ciclo Apartments (38 units) in 2020. The Shelter brings their extensive experience in PSH products and has been in operation since 1987. BeauxSimone Consulting is supporting with trauma-informed-design, resident services planning and on-site staff training. Shopworks Architecture has completed the design of eight (8) previous PSH projects and many more LIHTC financed affordable housing projects. Shopworks' experience and expertise around TID is integrated throughout Sunset Heights to meet the specific needs of the residents. Project team members have completed the PSH Toolkit which in 2020 was facilitated in part by members of BeauxSimone and Shopworks.

Project costs - The project costs for Sunset Heights reflect current hard cost information and have been reviewed and verified by I-Kota Construction, the project's general contractor. The project construction costs for Sunset Heights are estimated to be approximately $180,000 per residence, which is about $15,000 or 8% lower than the costs included in the 2020 9% LIHTC application for this project. These savings can be attributed to the addition of 5 residences in the project, relocating the project on the property to achieve savings on site work, and a more efficient building layout. We have been appropriately conservative with our assumptions knowing we are advancing the energy performance goals of the QAP and have anticipated with our contractor possible increases in lumber commodity and labor costs. The project anticipates completion of a contractor agreement in the fourth quarter of 2021 to lock in costs.

Site suitability - The site is well suited for PSH – centrally located in Longmont, convenient to transit, adjacent to the Village at the Peaks mall, and close to the existing Suites supportive housing community, which offers economies of scale from a management standpoint. In our team's experience, PSH projects located in more mixed-use locations generate less neighbor opposition. Sunset Heights will be bordered by the back end of a Sam's Club to the west, vacant land on the north that is separated by a drainage, the Suites Supportive Housing to the west and a surplus of commercial surface parking to the south. There are no obvious impediments to the site's use for PSH and no neighborhood opposition has been identified.

3. Justification for Waiver of Any Underwriting Criteria
The project is utilizing permanent debt within the capital stack. Ideally, and because the project is PSH, we do not want to overleverage with must-pay debt. Since a significant portion of the 'below the line' residual cash flow is intended to fund supportive services, the loan is therefore sized based on a 1.50x DSCR. For this reason, the project is above CHFA's standard DSCR underwriting standard and requests a waiver.

4. Market Study Issues
No issues are raised by the market study.

5. Environmental Report Issues
There are no recognized environmental conditions (RECs), controlled recognized environmental conditions (CRECs), or historical recognized environmental conditions (HRECs) on the property according to the Phase I environmental assessment. No additional environmental investigations are recommended.

6. Unusual Features Driving Costs Upward & Cost Containment
There are a few items driving costs upward that are typical of PSH: 1) the team's decision to furnish all units and the common amenities at the time of construction completion at a cost of $4,500 per residence; however, we believe this feature will support a positive experience for the residents in their transition to a permanent residence; 2) the addition of 5% in development fee included in the application's budget for the formation of a services reserve, which will partially fund the supportive services that will assist in successfully keeping residents housed; 3) each residence is smaller than the typical multifamily residence average size and this results in a higher cost per square foot; and 4) there is a higher amount of building area devoted to circulation, common areas, and operations for casework, security, and to create as many on-site amenities as possible for residents, which can add costs when compared to non-PSH applicants.

7. Community opposition and/or Support
Sunset Heights has received resounding local support from Boulder County organizations who understand that the homelessness crisis is a housing issue. Element has performed significant outreach on this project with service providers and city representatives, there have been several publicly noticed City Council meetings regarding the Project and the city's funding support, and all neighbors within 300 feet of the project were provided mailed notice. To date, no local opposition to Sunset Heights has been identified.

Local financial assistance has already been committed, the most substantial portion of which is coming from the City of Longmont and LHA who are jointly providing the land for the project, as well as a $100,000 pre-development loan from the City. Boulder County has awarded $500,000 of Worthy Cause Funds to the Shelter which will be contributed to the project as a subordinate loan, and the property will receive a property tax exemption from LHA. Additional support from the City of Longmont includes a waiver covering 50% of the development fees including the costs associated with water/sewer and a parking reduction to one space per residential unit. In Sunset Heights' 2020 funding applications, the State Division of Housing awarded Project Based Voucher to the project. A similar commitment this year will provide the necessary operating subsidy for a successful PSH project.

9% housing credit application narrative

Project Name: Vance Street Flats
Project Address: 7355 Ralston Road Arvada CO

Executive Summary:
We are pleased to submit this application for your consideration. Over the past year we have worked to improve the project and would note the following changes:

- The Arvada Housing Authority has awarded us 7 project-based vouchers. Formerly homeless referrals will be provided with case management services through Arvada's Homeless Navigator program.
- The project has been redesigned to reduce construction costs by $150,000.
- New amenities have been added for residents.
- The project has received approval from the Olde Town Design Review Advisory Committee.
- Pedestrian and public transit improvements on Ralston Road adjacent to the site have been completed, greatly improving access to Olde Town, the light rail station, and job centers.

The project is not in a QCT and is not asking for a credit boost. It has access to the Olde Town light rail station less than ½ mile from the site. As noted, this workforce family project will now offer an even more affordable unit mix, with 15% of units at 30% AMI, 6% at 40% AMI, 34% at 50% AMI, and 46% at 60% AMI. These will be distributed evenly across 4 studios, 37 one-bedroom, and 9 two-bedroom units. On site amenities now include storage lockers, a bike repair room, package room, business center, exercise room and community garden.

Access to the many job opportunities located in Olde Town and the adjacent big box shopping centers south of the site has been improved through the recently completed pedestrian crossing improvements on Ralston Road. Residents will be able to walk safely and quickly to work in these areas. Opportunities for economic mobility at this location will be furthered by the many public transportation options located adjacent to the site via several bus routes or at the Ole Town light rail station ¼ mile away. All residents will be provided with RTD passes to encourage use of the many mass transit opportunities. Attached as an exhibit to this narrative is a letter of support from the Arvada Chamber of Commerce reinforcing these beneficial attributes.

This three-story wood framed, slab on grade, accessed controlled, interior loaded building will be served with two staircases to reduce the costs of installing and operating an elevator while improving resident health. The stairwells will be designed to encourage use and activity. The exterior will be 100% masonry, per the requirements of the local design review board. The project will pursue the 2020 EGC certification, to include a 50kw PV array on the roof, with the intent of being able to bring the project as close as we can to Net Zero Energy.

Project financing will involve a State loan, local fee waivers, debt and LIHTC equity.

Over the past year we have worked with the Arvada Housing Authority to secure 7 project-based vouchers for residents of the project. As described in the associated commitment, the housing authority will provide services as needed for these residents. The Housing Authority will also participate as a special limited partner for the purposes of providing property tax relief.

Our partnership with the Arvada Veggie Van remains a significant element of the project and will result in access for our residents to low-cost fresh foods and community garden space. Currently operating on a seasonal basis, this new space will provide Veggie Van a permanent home to operate as a local food bank available to our residents and the surrounding community. Veggie Van's mission, "to provide access to fresh foods and produce to low-income food deserts", will be greatly strengthened by both the financial benefits associated with the sale of this land and a new physical location for staff, volunteers, and community gatherings. The space included in the project for Veggie Van will be owned by the tax credit partnership and leased at no cost to Veggie Van. Attached as an exhibit to the narrative is a letter of support from the Administrator of the Food Systems & Policy with the Jefferson County

Department of Public Health in support of the work performed by the Arvada Veggie Van and the beneficial outcomes associated with our proposed partnership.

Section 2 QAP Priorities

7 units, 14% of the project, will be set aside as 30% of AMI for formerly homeless individuals who will receive case management services through Arvada's Homeless Navigator program.

Section 2 QAP Criteria for Approval

- Market conditions - The market conditions for this project are very strong. As the area continues to gentrify affordable housing options are decreasing as rents rise. Consequently, this project will offer a tremendous value proposition to its residents with rents as much as 58% less than comparable class B properties in the neighborhood. Modest capture rate increases will result from the addition of this project to the PMA, but capture rates fall below CHFA's 25% threshold. Vacancy in the PMA amongst LIHTC projects has been at or near 0%, with long waiting lists at other LIHTC projects. The market study recommended no changes to the proposed project.
- Proximity to existing tax credit developments – 1.6 miles from the project are two mixed income projects built in 1998 and 2002. 1.2 miles from the project are two class C LIHTC projects built in 1972. Senior LIHTC projects were not included as comparables.
- Project readiness – This project is ready to proceed. While the project is a use by right, it is located within the Olde Town design overlay district. We have worked with the design review committee over the past year to refine our design and obtain their approval. Submittal to the building department for permits would take place with an award of tax credits.
- Overall financial feasibility and viability – the project is more financially feasible in this round than in past rounds. The project is more affordable with the inclusion of 7 project-based vouchers, improving our capture rate and rent competitiveness. Operating costs have been reduced through the housing authority's property tax exemption. We have reduced construction costs through a vigorous value engineering process.
- Experience and track record of the development and management team - Medici Development has been deeply involved in the development, finance and operations of affordable housing for over 20 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 contact with Echelon property Management Company to operate the project. Echelon currently operates all of the projects in our portfolio, and has an excellent track record of compliance and efficiency.

- Project costs - We have reduced construction costs while improving the design through a vigorous value engineering process. Even with inflation in the construction industry, we have reduced construction hard costs by $150,000 with these changes.
- Site suitability - The site is adjacent to a well-established commercial center, with multiple shops, services, restaurants, and a church. This central location puts it within walking distance of a public library, parks, trails and Olde Town Arvada. These pedestrian connections will be improved through the ongoing CDOT funded project to create a safer walkable environment along and across Ralston road into Olde Town (scheduled for completion prior to project lease up). This project will expand sidewalks, cross-walks in order to creating safer more accessible path routes through the area. The Site is within ¼ of the Olde Town stop on the RTD G-line. In addition to multiple bus routes, the G line will provide access to the entire front range with a very short comfortable and safe walking route. We will be providing ECO passes to our residents so they can fully utilize these transportation options (ECO is a full rail/bus pass). The project is within 1 mile of multiple parks with ADA compliant and safe bike trails. The project will be incorporating a large community garden that will benefit both the residents and the community as a whole, in addition to an exterior gathering place adjacent to the community gardens. The site score is extremely high on the sustainability scale, we also believe that the project provides a unique environment through our Partner, Veggie Van to engage with their program serving the entire City of Arvada through a close collaboration with the activities and implantation of Veggie Van's mission - providing local fresh and healthy food to communities who lack access to fresh food in defined Food Deserts. It has been shown through multiple studies that having opportunities to positively be engaged in a community benefit increases both the mental and physical health of people. It is our intention through this project to develop these opportunities for our residents. This project will also provide Veggie Van a permanent home providing the opportunity to expand its services to cooking classes, additional meal preparation and packing space along with other options that have yet to be imagined.

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 conditions 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 are budgeting for a PV system, at a cost of $150,000. We have made every effort to value engineer the design to reduce costs while adding resident improving the quality of the exterior materials to garner local design review approval and improve long term cost savings.

Local Support and Outreach: In partnership with the Arvada Veggie Van we have worked diligently over the past year to strengthen local support for this project. Included as a separate attachment to this narrative are multiple letters of support from various elected officials, non-profits, and neighborhood organizations.

Over the course of the past year the City adopted a new land use code. Included in that code were relaxed parking requirements for affordable projects. As such, we are now parked to code at 1.18 spots per unit.

We have also strengthened our relationship with the local housing authority, and now have secured both an allocation of project based vouchers and property tax exemption.

Finally, we have worked with the local design review committee for Olde Town to refine the design per their guidelines and now have approval from that committee.

We have no opposition that we are aware of.

9% housing credit application narrative

Project Name: **Vincent Village Apartments**
Project Address: **NE Corner of State Highway 52 and Rollie Avenue Fort Lupton, CO 80621**

Vincent Village Apartments is a proposed 72-unit new construction affordable housing community located in the heart of downtown Fort Lupton, Colorado. This community will provide newly constructed affordable housing in the City of Fort Lupton for the first time in 15 years. The community will be located directly on Highway 52, which is the major east / west thoroughfare of Fort Lupton. The development site for this proposed project is part of a larger master planned development, spanning a total of 12 acres in Fort Lupton's city center. This master planned development will consist primarily of commercial retail uses, and is currently being built out in phases. To date, a new Dale's Pharmacy location and has been constructed, as well as a full-service convenience store. The Dale's pharmacy was completed in late 2019, and features over 10,000 square feet of retail space as well as an in-store coffee shop. All of the infrastructure required to support this master planned development has already been completed, including all public roadways and supporting water and sewer utility lines.

In addition to the linkages described above, the project site is located nearby numerous locational amenities. These amenities include the primary shopping center in Fort Lupton located directly across Highway 52, which is anchored by a Safeway grocery store. Additional nearby locational amenities include the Fort Lupton recreation center, the Community Center Park, the High Plains Public Library, the southern campus of Aims Community College, and the public Coyote Creek golf course. Residents at this community will also benefit from their close proximity to the Salud Family Health Center, a Federally Qualified Health Center, which provides a full range of medical and dental services primarily to low-income families. Families living at the Fort Lupton community will reside within only a half mile of all public Weld RE-8 district schools, including Butler Elementary School, Fort Lupton Middle School, and Fort Lupton High School.

The community will be comprised of two 36-unit buildings with a total of 24 one-bedroom, one-bath units, 36 two-bedroom, two-bath units, and 12 three-bedroom, two-bath units and a 2,300 square foot club house/leasing center.

Based on significant community outreach and two public hearings with City Council and Planning commission there is a strong desire to ensure that City employees including firefighters, police and teachers will qualify for the low-income units at Vincent Village. Through the project's utilization of income averaging, the vast majority of City employees will qualify to live at the community. Additionally, Vincent Village will partner with the Greeley-Weld Housing Authority to bring 20 project-based vouchers to support the 30% AMI restricted units. These project-based vouchers will allow very-low-income residents to access newly constructed, high quality multifamily housing that would otherwise not be available to them. The following table outlines the proposed AMI set asides for Vincent Village:

Unit Type	30% AMI	40% AMI	50% AMI	60% AMI	70% AMI	80% AMI	TOTAL
One Bedroom - One Bathroom	5	2	2	5	5	5	**24**
Two Bedroom - Two Bathroom	7	5	5	9	5	5	**36**
Three Bedroom - Two Bathroom	8	1	1	2	-	-	**12**
TOTAL	**20**	**8**	**8**	**16**	**10**	**10**	**72**

In order to continually build strong local support and consensus with the local community, The Housing Authority of Fort Lupton will be part of the project ownership structure, a first in the local market. This partnership will help the Housing Authority of Fort Lupton to further their mission, which is to provide decent, safe, and sanitary housing for the community that is affordable.

The Vincent Village Community has been efficiently designed specifically for workforce housing to emphasize the importance of eliminating wasted space. Buildings have been strategically placed in a north/south direction to minimize units facing the adjacent single-family use. The clubhouse is located centrally to the project ensuring easy access to common area amenities for all residents. The community's clubhouse and leasing center will include a smartly-designed gathering space for residents featuring a fully-equipped kitchen, clubroom/activity room, business center, and fitness center. A leasing center and management office space will be incorporated within the community clubhouse, as well as a separately accessible maintenance facility. All units will feature spacious living areas, and will include amenities such as in-unit washer and dryers, outdoor patios and balconies, secondary bathrooms in the two-bedroom units, and high-quality energy efficient light fixtures, plumbing fixtures, and finishes throughout. Construction will be wood-frame on a post-tensioned foundation system. Exterior materials will include hardboard siding and stone veneer. Landscaping will utilize native species, in accordance with City of Fort Lupton specifications and desires. Exterior breezeway stairs will be steel construction with cast in place concrete treads. Roofs will be pitched with asphalt shingles. In addition, the project will be designed to meet, or exceed, all required local, state and federal guidelines for accessibility.

After performing a feasibility study of the Zero Energy Ready Homes ("ZERH") certification, we have deemed that ZERH will be an excellent fit for this proposed project. Working closely with our sustainability consultant (Energetics Consulting Engineers, LLC), architect (Kephart), and general contractor (BC Builders), we have outlined a plan that includes extra attention to indoor air quality. We expect to be able to achieve this via extensive architectural detailing, energy analysis to optimize the design, trade training, sample unit mockups, and additional site inspections to meet the HERS Score and EPA Indoor Air Plus requirements. The building roof slopes are very conducive to future photovoltaic systems, and will be designed to be solar-ready to fulfill the PV-Ready requirement. The result will be a building that is tremendously energy efficient, comfortable, healthy, and resilient.

Identify which, if any of the priorities in Section 2 of the Qualified Allocation Plan (QAP):
The proposed Vincent Village project will meet several of CHFA's Guiding Principles identified in Section 2.A. of the QAP; specifically, this proposal calls for the construction of 72 brand-new LIHTC workforce multifamily housing units that will serve the community. Fort Lupton is currently an underserved area; the City has only 112 active affordable units, which currently serve a total of 2,461 qualifying renter households in the area. The construction of new affordable housing in Fort Lupton will assist in providing the distribution of housing Tax Credit units across the state to cities and towns where low-income units are in high demand.

Not only does the project assist with the distribution of low-income housing across the state, but the proposal provides for the construction of several very low-income units; specifically, 20 units at the property will be restricted at 30% of AMI, 8 units will be restricted at 40% of AMI, and 8 units will be restricted at 50% of AMI. Further, Michaels will agree to add a voluntary extended affordability waiver for this transaction, which will require the project units to be restricted at these very-low-income levels for an initial 15-year compliance period, plus an extended affordability period of 25 years. These factors together highlight the importance of the Vincent Village project in giving preference to projects which serve the lowest-income tenants for the longest period of time in a historically underserved community.

Most importantly, this proposal meets the specific needs of the Fort Lupton community. This project proposal will bring 20 Project Based Vouchers to the local community, which are currently in high demand in this area. Currently, the City of Fort Lupton Housing Authority provides only 50 vouchers in the community. The Greeley-Weld Housing Authority does provide an additional 373 Section 8 vouchers, but these are spread across Weld County and the City of Greeley, with very few actually placed in Fort

Lupton. This project will place 20 of these vouchers specifically in Fort Lupton, for the benefit of the community for years to come.

Describe how the project meets the criteria for approval in Section 2 of the QAP:
Market conditions: The third-party market study indicates significant demand for multifamily housing in Fort Lupton. The multifamily housing inventory in Fort Lupton is very small, both in terms of affordable housing units and market rate units. In addition, all of the existing multifamily housing in Fort Lupton was built at least 15 years ago, with the majority of the housing being built before 1990. This lack of availability of high-quality multifamily housing has led to significant pent-up demand in the market.

There are only three active LIHTC properties in Fort Lupton, which are summarized on the market conditions attachment. Despite the age and quality of these existing properties, these properties have very low rates of vacancy and long waiting lists. Per the market study, “Market data supports strong demand across all unit types, as evidenced by both high occupancies at nearly every peer group property and an extensive waiting list at the only truly comparable LIHTC property in town.”

The Fort Lupton market area has not seen a new affordable housing community constructed in over 15 years. However, the population of Fort Lupton has continued to grow over this time, increasing from approximately 7,351 residents in 2005 to a current estimated population of 8,200, for a total increase of nearly 12%. As population has continued to climb in Fort Lupton, the number of qualifying renter households has grown as well. As reported by the project market study, there are now a total of 2,443 renter households in the project’s primary market area, who would qualify under the proposed income restrictions at the Vincent Village Community. These population and housing trends have resulted in very low capture rates across all AMI restrictions at the proposed project. Even after the construction of the proposed units, significant demand for affordable housing remains at all AMI levels, indicated by an overall capture rate of 4.6%, inclusive of individual capture rates for the 60%, 70% and 80% households of 3.6%, 1.9% and 1.7%, respectively.

Weld County’s population, jobs, and industries have been consistently ranked in the top ten nationally for growth over the last nine years. While the Fort Lupton economy is certainly influenced by the relatively close employment centers of Greeley and Loveland as well as the rest of the northern Front Range region, it is also impacted by the agricultural and oil and gas sectors of northeast Colorado. In fact, the diversity of the workforce in Weld County is often understated. As highlighted in the adjacent table Weld County has a significant number of major active employment industries. However, the relative proximity of Fort Lupton to the Denver Metro Area (only 5 miles south) only adds to the diversity of industry. We expect that the variety of income set asides offered at Vincent Village will allow the property to effectively serve the working families of Southern Weld County.

Employment Industry	2020 Jobs	2020-2021 Change	
		# of Jobs	% Change
Construction	15,284	741	4.85%
Manufacturing	14,619	372	2.54%
Retail trade	11,208	216	1.93%
Health Care and Social Assistance	10,469	224	2.14%
Accomodation and Food Services	8,988	298	3.32%
Mining, Quarrying, and Oil and Gas Extraction	8,521	457	5.36%
Waste Management & Remediation Services	6,824	148	2.17%
Agriculture, Forestry, Fishing and Hunting	6,667	30	0.45%
Transportation and Warehousing	4,777	157	3.29%

While there are many sizable employment industries active in Weld County, the oil and gas industry does represent a significant aspect of the local economy. In 2020, the combination of a global pandemic, the introduction of additional regulations, and an overall decrease of demand for oil certainly created challenges for the Weld County oil & gas industry. However, the outlook for 2021 is more positive as the overall demand for oil consumption is expected to increase significantly. The US Energy Information Administration (EIA) projects that US liquid fuel consumption will rise by 12% in 2021, as COVID travel restrictions begin to lift across the county. The EIA also predicts that increased demand will lead to higher sustained oil prices, forecasted at an average of $53 / barrel in 2021. This positive outlook has helped the employment recovery of Weld County outperform the Denver Metro Area through the 4th quarter of 2020. The Colorado Department of Labor unemployment report for December 2020 highlights the Weld County unemployment rate at 8.3%

as opposed to the Denver County unemployment rate of 9.3%. The overall outlook for the oil and gas industry for 2021 and beyond coupled with the diversity of the economy in Weld County and Fort Lupton, will support strong long-term demand for workforce and affordable housing in this area.

Proximity to existing tax credit developments: The Vincent Village project site shares the same market area with three different existing affordable housing communities, comprised of only 112 units. All of the affordable apartment communities in the primary market area report high levels of occupancy as well as significant waiting lists for prospective applicants. These existing affordable housing communities consist of a total of only 61 tax credit units and 51 Section 8 units, serving a total of 2,433 qualified renter households in the primary market area. Due to the low supply and low quality of affordable housing units that currently exist in Fort Lupton, we are confident that the additional units of affordable housing to be provided by the Vincent Village community will achieve high levels of occupancy over the long term. In addition, within the Primary Market Area of the project, there are zero existing units of affordable housing which serve 60%, 70% and 80% area median income households. This is a market segment that is currently in high demand, and makes up approximately 50% of the qualified renter households in the primary market area of this proposed project. Vincent Village seeks to address this need with the construction of a new, high quality affordable housing community in the heart of Fort Lupton.

Project Readiness: Over the last two years the development team has worked extensively with the City of Fort Lupton Planning Staff to obtain the entitlements necessary for this project to proceed. Following a third pre-development meeting with the City the Vincent Village site plan went before both the Planning Commission and City Council and received approval of the preliminary site plan. The only remaining approval required, is the final Planned Unit Development rezoning request. Upon receipt of an award of tax credits, this application will be formally submitted to the Fort Lupton City Council. After an approximate 60–90-day review period this request will be presented at a publicly held City Council meeting for approval.

Financial Feasibility: The Michaels' team has worked extensively with its financial partners to ensure the most efficient use of all available sources of funds. Anticipated sources of funding include tax credit equity provided by Berkadia Affordable Tax Credit Solutions, a conventional permanent loan provided by CHFA, (utilizing HUD's risk share program to ensure the maximization of the loan proceeds), a Colorado Division of Housing soft loan, and deferred development fee.

In addition, The Housing Authority of Fort Lupton will participate in the project as a special limited partner in order to provide a property tax exemption to the project, and effectively reduce long term operating expenses. This reduction in operating expenses will allow the project to generate additional first mortgage proceeds, which in turn has allowed us to reduce our tax credit request below the maximum allowable allocation available under the 9% competitive program. Specifically, our annual tax credit request is $17,361 per apartment unit, which we believe to be an efficient use of this limited federally resource.

The financing structure for Vincent Village will bring together a variety of financing sources to provide for the construction of a high-quality affordable housing community which will directly address the housing needs of the Fort Lupton community.

Experience & Track Record of Development Team: The Michaels Development Company is the largest owner and operator of affordable housing in the county. During our 47-year history, Michaels has developed a total of over 40,000 affordable apartment units across 35 states, spread throughout 200 different affordable housing communities. In Colorado specifically, Michaels has completed three acquisition and rehabilitation projects, totaling 238 apartment units – all of which are located in Boulder. Michaels has supplemented this previous experience with a team of local partners with excellent track records in the local market. These team members include. Kephart Architects who have considerable multifamily and affordable experience in the Denver Metro area, and BC Builders who have a long and established track record for building extremely high quality, affordable multifamily projects in Colorado. Michaels Management Affordable, the property management affiliate of the developer, has developed great expertise in the management and operation of affordable housing. Michaels Management currently manages 387 communities comprised of more than 30,000 units across the country, including 238 units in Colorado.

Project Costs: The Vincent Village construction costs are estimated at $167,162 per unit and the overall development costs are estimated at $266,232 per unit. The construction costs described above are a result of the preliminary phase of design which has already been completed for this proposed development. This preliminary phase of design has consisted of multiple City design review processes, and also has taken into account design feedback from the development team, the property management team, and CHFA. Throughout the preliminary design phase, the detailed changes of each design iteration have been communicated directly to our general contractor, to ensure that all project design elements are accurately reflected in our construction budget. Furthermore, each separate line item of the development budget presented in this application has been either verified by a credible third-party source, or can be supported by a detailed cost projection analysis specific to this proposed project. Based on this analysis as well as the past experience of the project team, we are confident that the projected project costs are consistent with current affordable housing market conditions.

Site Suitability: This parcel was specifically identified because of its superior location within downtown Fort Lupton, with excellent access to grocery, retail, healthcare and additional locational amenities. As mentioned previously, Vincent Village will also be part of a new mixed-use master planned development that upon completion will bring several additional amenities to the doorstep of future residents at the property, see the attached, “Master Plan Update” for a graphical representation of the work completed on the master plan since the last application. Finally, the site is relatively flat and presents no topographic challenges, which has helped us to control our costs of construction. From a development perspective, the completion of the necessary supporting infrastructure has significantly enhanced the site suitability as all utilities to the site and internal roadways, curb cuts and regional stormwater detention have been completed. Additionally, in contrast to other Front Range cities, Ft. Lupton has excess capacity to meet its future growth needs due to past investment in water shares and currently has in excess of 3,000 shares of Colorado-Big Thompson to use as potable water service.

Justification of Waivers: Vincent Village is seeking no exceptions or waivers to CHFA’s underwriting criteria nor is the project requesting the discretionary basis boost.

Market Study: There were no substantive issues noted by the market analyst and the project meets CHFA’s capture rate requirements.

Environmental Report: The Phase 1 Environmental Site Assessment concluded there are no Recognized Environmental Conditions for the site.

Construction Cost Containment: The development team has worked extensively to minimize significant cost impacts. From the start our design process has laid the groundwork for a project that achieves an efficient, cost effective community with a specific focus on design, performance and long-term operations. Over the course of nearly two years, the team has continually refined our approach to ensure that we balance the goals of livability with building and site efficiency and long-term cost effectiveness. Michaels has assembled a team of qualified and experience design and construction professionals to ensure that we continually collaborate on the best construction methods and quality of materials used in order source all avenues for potential cost containment.

Community Outreach: Over the course of the last two years, our development team has meet extensively with key community stakeholders to ensure that the Vincent Village community addresses the housing needs of the surrounding community. We have held numerous meetings with City Staff and have held an iterative process with all involved, including City Council, in order to create a conceptual design and income targeting that meets the needs and requirements of Fort Lupton. Additionally, over the last year we have held two separate public hearings with regards to the site plan of the community and in both instances received overwhelming support from Planning Commission, City Council and the general public. We are confident that we have strong local support from a variety of critical stakeholders for this development.