4% housing credit application narrative

Project Name: 2700 Wewatta Affordable

Project Address: 2700 Wewatta Way Denver, CO 80216

Executive Summary:

2700 Wewatta Affordable (working name) will provide 56 units of supportive housing to transition age youth ("TAY" ages 18-24) who are at risk of homelessness (i.e., aging out of foster care) or experiencing homelessness. The units will be restricted 50/50 at 30% and 50% AMI. The community will be built on a 0.54-acre site in the Five Points neighborhood of Denver, which is also in the RiNo Arts District and in the 13-acre Denargo Market redevelopment area which is experiencing explosive growth. At full build out, Denargo Market will also include over 6,000 residential units and 4 million SF of commercial space, along with open space and recreation areas connecting it to the South Platte River. This major redevelopment will provide immediately accessible employment and housing options (including new units restricted at 80% AMI), providing the future residents of 2700 Wewatta Affordable with numerous opportunities for economic mobility and housing choice *within a single neighborhood.*

There are eight bus stops and four bus routes within a half-mile radius of the site. Union Station, LoDo and Denver's CBD are a 6-minute bike ride (1-mile) from the site. While the allowable density on the site is 16 stories (approximately 200 units), maximizing density is neither cost effective nor desirable for the population served. The site is not in a QCT.

Rivet, an experienced developer of supportive housing, is the project's sponsor and TGTHR, a 50+ year nonprofit whose mission it is to end youth homelessness, is the service provider. The construction capital stack includes PAB proceeds, state and 4% federal LIHTC equity, deferred developer fee and gap financing from the City of Denver and the Colorado Division of Housing (CDOH). An application for 56 project-based vouchers has been submitted to CDOH. On-site services will be provided by TGTHR and include independent living skills, substance use counseling and family services, and employment assistance. Additional services include health and medical services (provided by Denver Health), behavioral and mental health services (provided by the Mental Health Center of Denver), and legal assistance (provided by Rocky Mountain Children's Law Center). Services will be funded by a combination of state and local funds, Medicaid, developer fee services boost, available cash flow, federal grants, and donations/fundraising.

The building is designed with trauma-informed principles (ample day light, open stairwells, clear sight-lines, 24/7 staffing, security cameras). Based on interview feedback from individuals currently living in TAY supportive housing, the units (52 1-BR and 4 2-BR) will be fully furnished with full size beds, comfortable seating, blackout shades in the bedrooms, and free wi-fi. The units will also have bath tubs (and showers) to encourage self-care. The kitchens will have full size sinks and refrigerators as well as electric ranges to promote healthy eating habits and self-sufficiency. The two-bedroom units will have dishwashers. Central heating and air conditioning, supplemented by ceiling fans in the bedrooms, will provide comfort while ensuring efficiency. Hard surface flooring and open shelving/backsplash tile in the kitchen and bath promote durability without sacrificing aesthetics.

Project amenities include on-site tenant support services and property management, a laundry/lounge that provides a secure space to do laundry while also watching tv, exercising on the Peloton or playing ping pong, indoor bicycle storage and a repair station, two multipurpose community rooms (large and small) for classes and activities, private 'nooks' with wi-fi on each residential floor, and two outdoor gathering spaces with a basketball goal, grills, raised garden beds and seating areas. The lobby will have an open-concept kitchenette for sharing coffee, snacks or hosting small food preparation classes. Staff will have private offices, a conference room and a small breakroom. Case management meeting rooms will be used for private meetings with tenants and medical consultations. There is an onsite food and sundries pantry for residents, as well as ample storage for donations and other program items.

The 5-story wood frame structure over a concrete podium will have a flat roof, high ceilings, and an elevator. The first-floor programming is 100% community space – all tenant services and staff functions will occur on the first floor and there are 14 residential units per floors 2-5, stacked for optimal constructability. The ground floor street frontage will have the building's main entrance and access to the 1,000-SF commercial/social enterprise which will provide employment opportunities for residents while also activating the streetscape (as required, per Code). The exterior skin is a simple, refined palate of metal panels with colored sunshades and an awning. The exterior stairwell core will be an artistic focal point of the building – a combination of a public mural and sculpture – designed in collaboration with the RiNo Arts District.

With consultation provided by Group 14, the project will meet aggressive energy efficiency and greenhouse gas reduction goals through NGBS Bronze, achieving performance of at least 24% savings over the 2018 International Energy Conservation Code baseline. To hit these goals, the current design approach includes several high-performance building systems including: (1) combined heating systems (Aquatherm) with central condensing (94%+ AFUE) boilers, (2) low power density LED lighting package and Energy Star appliances, (3) above code windows, (4) low flow plumbing fixtures and native landscaping, (5) a rooftop photovoltaic system, and (6) Electric Vehicle charging stations. The project anticipates translating a high-performance design into lower operating costs. Preliminary models show $0.65/SF in electricity and natural gas expense. Energy Star Portfolio Manager software will be used to reconcile energy budget to actuals, and property management will proactively address consumption spikes if they occur.

With developments like 2700 Wewatta Affordable, we can end youth homelessness in our lifetime.

1. Describe the bond financing structure and include the following:
    - **$10,750,000 in PAB paid down to $5,000,000 in long term PAB**
    - **CHFA will be the issuer and lender**
    - **Current structure is FHA risk share**
    - **100% of the bonds would be tax exempt. There will be a small conventional second during construction.**

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
    - Projects serving persons with special needs as defined in Section 5.B 5
    - Projects in Counties with populations of less than 180,000

The Project serves homeless persons as defined in Section 5.B 5. Specifically, 100% of the 56 units will be targeted to transition age youth (ages 18-24 years of age) who are at risk of (i.e., aging out of foster care) or experiencing homelessness.

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

- **Market conditions: This is the only planned or existing TAY PSH rental project in the PMA and therefore has an extremely low capture rate of 4.1%. TAY have little to no market rate housing options in downtown Denver that are affordable. According to the market analyst, not only does the proposed development provide safe and supportive housing for the 1,361 qualified TAY households in Denver, but it also acts as a safeguard to prevent other young adults from falling into homelessness.**
- **Proximity to existing tax credit developments: There are 1,564 permanent supportive housing units in Denver, but none are restricted to TAY households. While there are several existing transitional, supportive and emergency housing units in the PMA for TAY households, none offer a permanent solution to the more than 2,000 unique TAY households in the CoC.**
- **Project readiness: The development is on track to a financial closing within the next twelve months. The entitlement process is administrative and the gap funding requests are backed by letters of support. The service provider has a proven track record of securing funding for services. Conversations are underway with a commercial/social enterprise operator who is actively seeking to expand their existing operations. The land seller is implementing an environmental regulatory approval process to ensure the site is ready for development and able to clear any and all regulatory reviews. Neighborhood engagement, particularly with the RiNo Arts District, is overwhelmingly positive.**
- **Overall financial feasibility and viability: As contemplated, the Project is financially feasible if awarded an allocation of 4% LIHTC and state AHTC. In addition to the federal and state equity for this application, we are assuming construction to perm financing from CHFA, soft financing from DOH & HOST, and deferred developer fee. We are also assuming a partnership with Denver Housing Authority. 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. Furthermore, we are accounting for the volatile construction pricing by including appropriate contingencies. 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 and management team: Rivet, the project's sponsor, is a known leader in supportive housing development and has brought from concept to completion four LIHTC-financed supportive housing developments in Colorado. TGTHR is a 50+ year nonprofit with a national reputation as a leader in homeless youth service delivery. Urban Ventures, the project's development consultant, has twenty years of experience developing complex mixed-use, mixed-income, equity-focused developments in downtown Denver. RCH Jones Housing is the preeminent LIHTC financing consultant in Colorado. The project's architect and general contractor also have deep LIHTC and Denver-based affordable housing expertise. The entire team has worked together on previous developments. Their reputation delivering exceptional projects on time and on budget is well-known.**
- **Project costs: The project's construction budget is based on schematic design drawings, local data generated by the general contractor and informed by the development team's recent development budgets. All other project costs are also based on reasonable and recent experience with closings. The development team has worked to keep project costs as low as possible while balancing the volatility in the market and uncertainties that we are bound to encounter from award to closing.**
- **Site suitability: The site is suitable for development for a variety of reasons. Namely, its proximity to employment and educational opportunities, transit, medical and behavioral health resources, arts and cultural resources, outdoor amenities, and the diversity, vibrancy and richness of downtown Denver. Additionally, the site's location in the Denargo Market and RiNo Arts District will provide the future residents with access and exposure to a rapidly changing cityscape rich with housing options, grassroots community connections, and mobility choices that are unrivaled in other Colorado municipalities.**

4. Provide the following information as applicable:
    - Justification for waiver of any underwriting criteria

We are assuming a 1.39x DSCR because this is a supportive housing project and ideally, we would have no perm debt, but perm debt is a gap filler.

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

While the 2-BR unit sizes are small relative to market rate units, they are larger than several comparable TAY or PSH units (1440 Pine, Sanderson Apartments). The developer intentionally opted for small 1-BR units versus a mix of studios and 1-BR based on resident feedback citing a preference for true 1-BR units. According to the market analyst, there are no recommended changes for the proposed development.

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.

Extensive due diligence has been conducted to understand and to mitigate the known environmental conditions associated with the site. Given the identification of RECs, the following actions are underway: (1) immediate enrollment in the CDPHE Voluntary Cleanup Program and implementation of all actions necessary to obtain a "no action determination" from CDPHE, (2) design and constructability coordination amongst the project's architect, general contractor, civil engineer and structural engineer to ensure the building's foundation and stormwater management systems are able to cost effectively respond to the known and potential environmental conditions of the site, and (3) the establishment of

an environmental escrow agreement, funded by the land seller, to cover the remediation costs incurred before and during construction.

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's location on a former landfill means that the unstable soils warrant an expensive geo-pier foundation system. However, the exceptional foundational costs are more than offset by below market value price for the land.

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).

The development team reached out to many of the homeless nonprofits and housing providers in the Denver Metro including Urban Peak, the Saint Francis Center, The Delores Project, and the Colorado Coalition for the Homeless to ensure that they were aware of our efforts. Additionally, we reached out to Project Voyce and the GES Coalition who are actively involved in youth-led efforts to promote affordable housing and advocate for the needs of young people in the community. We also have connected with the adjacent property owners (AMLI, CREA) who offered support with development activities. Lastly, we engaged with the RiNo Arts District Design Review Group made of representatives of RiNo's creative and development communities, who expressed enthusiasm for the project concept and offered to provide support with design and social enterprise tenant identification. Our team hosted two separate meetings with TAY with lived experience to solicit their feedback on the building's design and programming. To our knowledge, there are no known opponents to the proposed development.

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); addresses the 10-year rule; capital expenditures over the past two years; previous related party relationships; past local, state, or federal resources invested in the project; obvious design flaws; obsolescence issues; safety issues; and any significant events that have led to the current need for rehabilitation (i.e., fire, natural disaster).

NA

4% housing credit application narrative

Project Name: All Saints Apartments
Project Address: 2569 S. Federal Boulevard, Denver, CO 80219

Executive Summary:
In 2019, the Archdiocese of Denver commissioned an assessment for the highest and best use of the vacant land on the campus of the Church of All Saints, which borders Federal Boulevard in the Harvey Park neighborhood. The five-acre campus began in 1951 and has since been developed and operated as a church, school, rectory, and event hall. The school closed its doors in 1978 and the campus has since been run predominantly as a church and services program. There is a section approximately one acre in size on the SE corner of the campus which has been and currently is without use – this section was the subject of the assessment and our development lot.

The assessment concluded that the highest and best use is affordable housing and noted, specifically, the attraction of serving seniors given the high concentration of seniors and senior activities in the area. We understand that there are estimates of a gap of up to 9,000 new units to serve Denver's low-income senior population. Since AHI is the affordable housing affiliate of the Archdiocese, we entered discussions with them about a potential partnership for a LIHTC project.

We began working with Cushing Terrell (CTA) – a full-service design firm who completed the original highest and best use assessment – to determine what zoning opportunities were feasible as the site was zoned for single family homes. We determined that S-MU-5 was appropriate for our desired project scale but was also harmonious with uses on the adjacent Federal corridor. Of note – despite having 5-story building height approval, we have elected to only building to 4 stories to maintain a feasible parking ratio, avoid more expensive construction types and reducing massing issues against neighboring buildings. The project concept and scale were welcomed by all with no dissent to our knowledge – evidenced by support from City staff and over 100 support signatures from RNOs and neighbors. Our district councilman, Kevin Flynn, also expressed his support for the project. The Planning Board and the Land Use, Transportation, and Infrastructure (LUTI) council each made a unanimous recommendation in favor of the project on July 21st and July 27th, respectively. The file goes before City Council on August 30th.

All Saints Apartments will be a 63-unit project, including 59 one-bedrooms and 4 studios, serving seniors 62 and at AMIs of 30-60%. The building will be an L-shaped, 4-story, wood-framed construction with 52 surface parking spaces dedicated to housing uses; additional shared parking opportunities exist on the church's often empty lot. The units are dispersed across a portion of the first floor and stack on floors 2-4 above first floor amenity space, along double-loaded corridors to maintain efficiency. Amenities include a fitness room, reading/quiet room, game/active room, shared laundry, flexible office space, mail receiving and package lockers, and bike storage. An RTD bus line stops immediately in front of the site on both sides of Federal Boulevard.

Apartment windows will be high-efficiency and provide noise reduction for glass on the east side facing Federal Boulevard. Apartments will have increased insulation rating, energy star refrigerators, range/ovens, microwaves, central air and heating, ceiling fans, disposals, and dishwashers. The building will be serviced by two elevators and two staircases and will certify to National Green Building Standards.

All Saints Apartments could greatly benefit from access to – or even shared resources with – the staff, services, and activities programming at two of AHI's adjacent properties. Mount Loretto Apartments is a 70-unit family LIHTC development located 0.9 miles down Federal Boulevard. Golden Spike is a 200-unit Section 8 senior/disabled projected 0.4 miles down Federal with several dedicated resident service and activity coordinators alongside a robust activities program. In addition, the Church of All Saints hosts senior activities including monthly luncheons and senior women's groups.

Funding for All Saints Apartments will include 4% federal LIHTC and State tax credits, bond debt, and HOME funds from the City/County of Denver and CDOH. Site control is through an option to ground lease for 75 years at a below market price.

Overall, we believe this a strong project that takes advantage of a housing partnership with a faith-based surplus landowner. This project will activate an eyesore lot that can continue to strengthen the redeveloping S. Federal corridor. This project has also received unanimous support to date from all stakeholders, especially residential neighbors. AHI's experience with 270 units within a mile of the proposed development can be leveraged for staff, activities, and local partnerships for senior services.

Bond Financing Structure:

- Private Activity Bonds will total $8.3MM
- Bond issuer will be CHFA
- We anticipate public placement (via a CHFA risk share loan)
- The total amount of the construction loan is $13MM, of which $8.3MM is tax-exempt and $4.7MM is taxable.

Section 2 QAP Priorities

The project does not directly address the three priorities in the QAP.

Section 2 QAP Criteria for Approval

- Market conditions – The market conditions for this project are very strong. As the area continues to develop, led most notably by the active redevelopment of the Loretto Heights campus, 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 32-66% less than comparable class B properties in the neighborhood. Vacancy in the PMA amongst LIHTC projects has been at or near 0%, with long waiting lists at other LIHTC projects. This includes units at the 60% level, where exiting capture rates exceed 25%. Given the existing demand, the required 60% capture rates will not create a marketability challenge. Demand is strong. The market study recommended no changes to the proposed project.

- Proximity to existing tax credit developments – There were no LIHTC projects in planning or construction in the PMA, according to our market study.

- Project readiness – This project is ready to proceed. We have been working with the City over the past 6 months to develop our development plans for the purpose of obtaining the required rezoning. We've completed our Planning and Zoning Commission approval process and are scheduled for approval by City Council on August 30. We anticipate submitting plans to the Building Department in Q1 2022, with approval expected in Q3 2022. Closing would occur at that time.

- Overall financial feasibility and viability – the project benefits from a mix of AMI set asides that allow for us to both leverage debt and significant public support from the City and State.

- Experience and track record of the development and management team – Archdiocesan Housing has been deeply involved in the development, finance and operations of affordable housing for over 50 years. We strive to develop quality projects and own and preserve affordability into perpetuity. 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 have built and overseen the construction of multiple projects throughout the State. In terms of property management, our in-house management company has extensive experience with senior housing (we have a portfolio of over 1,000 senior units). We also have experience in this submarket, where we manage another 200-unit senior housing project and a family housing project less than a mile from the subject site.

- Project costs - AHI has assembled a team of experienced professionals with a strong background in construction that will produce a very high-quality project at a very competitive price. The proposed project will take advantage of existing infrastructure improvements at this infill location. We have created an efficient building design and parking configuration that shares amenities and parking between the two operations. In a climate of rapidly increasing construction costs, every effort must be made to design and execute on an efficient program.

- Site suitability - The site is adjacent to multiple shops, services, restaurants, and a church. Across the street is the start of the Harvard Gulch Trail, a greenbelt that connects east to the South Platte River trail. Residents at this location will not need a private automobile to get out and enjoy these numerous amenities.

<u>Underwriting:</u> 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.

<u>Market Conditions:</u> The market conditions in this PMA are very strong. The PMA's vacancy rate for senior LIHTC projects is less than 1%, which represents one vacant apartment unit. Rents at all AMI levels are being achieved at comparable projects. AHI's experience in this neighborhood substantiates the finding of the market study in that we see strong demand for senior and family units here.

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. The new construction project has been designed to be as efficient as possible while using materials compatible with the surrounding neighborhood. We've designed the ground level community spaces to limit the use of steel structural members and have stacked units efficiently above these spaces.

Local Support and Outreach: In conjunction with the approval of our rezoning request we contacted all neighbors within 500' of the project and solicited feedback regarding our plans. We also conducted a meeting with two neighborhood organizations and received very positive feedback from both. We had a meeting with our local councilman and received his support for the project as well. City staff, during our rezoning process, have been very supportive of the project.

The project site is being sold to us by the adjacent parish, who will continue to operate after construction of the project. The parish is excited to welcome new residents to the campus.

We have no opposition that we are aware of.

4% housing credit application narrative

Project Name: **Bluebird**

Project Address: **2445 30th St, Boulder, CO 80301**

<u>Executive Summary</u>

Bluebird is a newly proposed Permanent Supportive Housing (PSH) project seeking to address the needs of Boulder residents experiencing homelessness. The three-story building will include 40 units (eight studios and 32 one-bedrooms) and associated amenities grounded in trauma-informed design (TID). On behalf of the dedicated and diverse development team, Element Properties (Element) is proud to present Bluebird as a candidate for State and 4% Low-Income Housing Tax Credits. Bluebird seeks to provide the best physical living environment and supportive services for the residents in the long-term; this team will make that goal a reality. Some of the key reasons for which Bluebird is deserving of an award are:

- **Lowest Income Residents**: Bluebird will immediately provide housing for 40 residents of Boulder who are experiencing homelessness – the most vulnerable in the community.
- **PSH Need in Boulder**: Second to Denver, Boulder County has the largest homeless population in the Denver metropolitan area; however, only two purpose-built PSH projects, totaling 71 units, exist. In 2020 alone, more than 1,100 adults sought homeless services in Boulder.
- **Transit-Oriented Location**: Bluebird will sit in an ideal location for PSH—on bus lines, less than one quarter of a mile from the Boulder Junction bus depot and future light rail station, adjacent to the Goose Creek Multi Use Path, and within reach of the City's main retail and jobs corridor.
- **Maximized Density**: The developer, architect, and City of Boulder worked together closely to maximize the density on the property; in fact, at the time of land acquisition, the developer expected to create only 30 units and has managed to grow that number by more than 30%.
- **Community Support**: The City of Boulder and Boulder County have both committed significant gap funding to this project, indicating strong local government support. A broad coalition of organizations that work with the homeless have endorsed or committed to partnering with Bluebird.
- **Team Excellence**: Element has assembled an exceptional team to develop and operate this important community asset. Shopworks is a nationally renowned architect known for its design of PSH, and Element Properties, a community-based developer, has completed more than 1,000 units of housing in Boulder since 2011. Another key partner, The Boulder Shelter for the Homeless, is widely recognized as one of the state's best homeless service providers, having piloted and excelled at the Housing First model. Additionally, project partner Blue Line Property Management will bring its extensive experience working with the homeless and recently housed population and BeauxSimone will provide guidance for the project's supportive service component.
- **Readiness to Proceed**: The developer has taken the critical, initial step of obtaining an approved Technical Document, a time-consuming and expensive process that approves a project's use, site plan, density, parking, and engineering, removing these or other discretionary regulatory questions and leaving only the need for a final review of current building code compliance for a permit.

Location & Density: Bluebird is located in central Boulder with immediate access to transportation, retail, jobs, amenities, and services. Boulder Junction is a vibrant and growing epicenter of activity in the City. The property's Walk Score of 76 highlights the many commercial amenities available to the residents including a Target Grocery located only 0.3 miles from Bluebird. The project has maximized density by obtaining a congregate care boost in the Business Transitional 1 zone. The site is not located within a QCT, DDA or SADDA.

Population Served: Bluebird will provide 40 apartment homes in a PSH community for people experiencing homelessness that will all be restricted at 30% of the Area Median Income.

Amenities: The planned building, site, and in-unit amenities at Bluebird are consistent with PSH and TID best practices as informed by conversations with future residents, residents of existing PSH, and expertise from Shopworks and BeauxSimone. Building features will include on-site management, limited access entries with intercoms, surveillance cameras, a community room, picnic area, sensory garden, and on-site laundry. The residents will also have full-time security/front desk personnel and social services such as job search assistance and social workers. Each residence will include a full kitchen with a refrigerator, electric stove/oven, and convection microwave oven. The project team arrived at this appliance package based on the research and recommendations from our 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 lease to residents fully furnished (including full size beds) and with wi-fi internet access. Residents will also enjoy RTD EcoPasses to help with transportation; the EcoPasses allow access to all RTD's bus and rail lines and will be provided by the Boulder Junction District at no charge to the residents.

Construction Type: The building will be constructed as a Type V wood frame building on concrete spread footings and a concrete slab on grade foundation. The exterior will be a combination of barn wood and flat-lock metal paneling. An elevator located near the entrance of the building and two stair cores will provide access to the upper floors. The roofing will be a flat, membrane style roof.

Access to Public Transportation and Job Centers: Bluebird's nearest public transit stop is located directly on the property for a RTD BOUND bus line. The site is also located within a quarter mile of a transit center connecting to RTD regional buses and future light rail station, as well as numerous multiuse paths connecting throughout the city. The project is located within the recently redeveloped Transit Village and is adjacent to the main retail shopping district of Boulder that provides hundreds of employment opportunities in grocery, retail, hospitality, and commercial spaces allowing residents the opportunity to achieve economic mobility.

Services Provided and Budget: Support service programming will be coordinated by the Boulder Shelter. Bluebird seeks to provide a space for those who live independently but need significant support; those who have co-occurring traumas such as physical and mental health challenges or substance use issues. The Shelter plans to augment its services to residents through partnerships with Mental Health Partners (MHP), Boulder Shelter for the Homeless, Meals on Wheels, Community Food Share, Harvest of Hope, Deacon's Closet, Clinica Family Health, Workforce Boulder County, Safehouse Progressive Alliance for Nonviolence, Boulder County AIDS Project, Dental Aid, Boulder Community Health, 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 be $9,095.50/unit, exceeding 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, 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 Clinica 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 almost 40% of the project's support services budget.

Sustainability & Energy Efficiency: Group 14 Engineering has worked closely with the project team to design an extremely energy efficient building that meets our sustainability goals in a cost-conscious manner**.** The project will target energy performance of at least 20% better than the 2020 Boulder Energy Conservation Code baseline and achieve National Green Building Standard Bronze certification. An all-electric design with rooftop PV will allow the development to reach carbon neutrality by 2030 as the electric grid decarbonizes. 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, insulation, and detailed air sealing package
- Low flow plumbing fixtures and native landscaping
- Roof-mounted photovoltaic renewable (PV) energy on-site generation and electric vehicle charging stations

Financing: Bluebird has attracted a substantial amount of soft subsidy, a testament to the level of local support that decreased the reliance on tax credits. The project's financing includes equity generated from the sale of 4% and state LIHTCs, PAB debt, funding from the Colorado Division of Housing, City of Boulder affordable housing funds, Boulder County Worthy Cause funds, and a deferred developer fee.

Best Practices for Homeless Housing: In pursuit of a best-in-class project for the 2021 tax credit application, the project team embarked on an effort to ensure that the Bluebird 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 in, for example, learning the importance of common living space to allow all residents to gather in one place for activities and meetings. Residents also emphasized the importance of safety and cameras along with "24-hour staff," which the project team will incorporate into the building.

1. **Bond financing structure**:
    - Construction period bonds: $9,810,925; Permanent bonds $5,300,000
    - Bond issuer: CHFA
    - Lender and bond sale structure: public sale/private placement
    - Bonds will be a combination of tax-exempt and taxable

2. **Priorities Section 2 of the QAP**: Bluebird will serve homeless persons as defined in Section 5.B.5.

3. **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 13.9% 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, 1,136 adults experiencing homelessness sought services through the coordinated entry process in Boulder County. Of those, 413 qualified for a referral to the Shelter and a possible local housing solution. There are approximately 287 individuals in the Metro Denver Homeless Initiative OneHome system. Of these, over 60 are on the prematch list and ready for PSH placements. The project's market analyst concluded that Bluebird would lease-up in only five weeks.

Proximity to existing tax credit developments: Bluebird is located near multiple LIHTC projects. Element Properties developed S'Park West (45 family development units), Ciclo Apartments (38 workforce units), and the Nest on 30th (36 workforce and family units), all of which are within a few blocks of the new project. Ledges on 29th (61 family units), Lumine on 28th (69 family units), and 30Pearl Apartments (120 units, 10 of which are for people experiencing homelessness). Although this affordable housing is nearby, Bluebird will be the only 100% PSH project with associated services in the area.

Project readiness: Given an award of funding, Bluebird will be ready to immediately proceed and pull permits in the first quarter of 2022. Having already received an approved Technical Document, no modifications to the zoning, parking requirement, or land use code will be required and the approval process is administrative. Please note that the approved technical document is valid for only one year; if we do not proceed with building permits within one year, we risk losing the entitlement approval.

Overall financial feasibility and viability: Bluebird is financially feasible if awarded an allocation of 4% and State LIHTC and vouchers. In addition to federal and state LIHTC equity, Element assumes PAB proceeds, soft funding notes from the Colorado Division of Housing, City of Boulder affordable housing funds, Boulder County Worthy Cause funds, and deferred developer fee to complete the project's capitalization. With the help of project-based vouchers from DOH, we project about 70% of the property's cash flow (after payment of deferred developer fee) will be dedicated to fund resident services.

Team track record: The project team assembled for Bluebird has substantial PSH and LIHTC experience. The development team includes Element, BlueLine Property Management (BLPM), ShopWorks Architecture, the Boulder Shelter for the Homeless who will coordinate a team of additional service providers, and BeauxSimone who will train and support the services providers and property management. These organizations bring extensive expertise in construction, capital markets and developing and operating LIHTC-financed PSH projects. Element 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, including 1175 Lee Hill, and has been in operation since 1987. BLPM offers housing options in Montana, Wyoming, South Dakota, and Colorado, including 4 PSH projects in Colorado, and have specialized in these types of projects for over a decade. Shopworks Architecture has completed the design of 8 previous PSH projects and many more LIHTC-financed affordable housing projects. Shopworks' experience and expertise around TID is integrated throughout Bluebird to meet the specific needs of residents.

Project costs: The project costs for Bluebird reflect current hard cost information and have been reviewed and verified by I-KOTA, the project's general contractor. The project construction costs for Bluebird are estimated to be approximately $246,406 per residence. 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 fluctuations in commodity and labor costs. The project anticipates completion of a contractor agreement in the first quarter of 2022 to lock in costs.

Site suitability: The site is well suited for PSH – centrally located in Boulder, quick and easy access to transit, adjacent to the multiple amenities and employment opportunities. In our team's experience, PSH projects located in more mixed-use locations generate less neighbor opposition. Bluebird will be bordered by City land to the west, a Hyundai dealership on the north, a multiuse path to the south, and to the east, Boulder Junction, including S'Park, which was developed by Element. There are no obvious impediments to the site's use for PSH and no neighborhood opposition has been identified.

4. **Market Study Issues**: No issues were raised by the market study.

5. **Justification for Waiver of Any Underwriting Criteria**: The project has requested a waiver of Method Three. Please see attached justification.

6. **Market Study Issues**: No issues were raised by the market study.

7. **Environmental Report Issues**: The Phase I documented one Recognized Environmental Condition (REC): "the site was used as an automotive repair facility for almost 30 years with potential localized contamination beneath the building footprint." To address this REC, a Materials Management Plan will be drafted in advance of any construction, and a vapor barrier will be installed during construction. This vapor barrier will also mitigate the potential for radon infiltration at the property. These items are both in the development budget. No further investigation was recommended.

   Element also conducted testing for both lead and asbestos in the existing building. Concentrations of lead that exceed Colorado regulatory standards were not identified. However, asbestos was found in the block filler of exterior walls. The asbestos will be encapsulated during demolition and disposed of according to state standards. Element and I-KOTA have extensive experience in removing and mitigating asbestos during construction projects. Funds for both asbestos abatement and related testing are sufficiently provided for in the development budget.

8. **Unusual Features Driving Costs Upward & Cost Containment**: There are a few items driving costs upward. Although these line items are expensive, they are critical to the long-term success of the residents 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 $4,000 per residence; however, this feature will provide stability 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) due to best practices in PSH design, each unit is smaller than the typical multifamily unit size, resulting in a higher cost per square foot; and, 4) also due to best practices in PSH design, a higher amount of building area is devoted to circulation, common areas, and operations for casework, security, and to create as many on-site amenities as possible for residents.

   In addition, Boulder land costs are extremely high. According to expert service providers and PSH managers, however, it is important to serve the population where they live or potential residents may resist living in PSH. The development team has offset this land cost by obtaining $3,000,000 in soft funds from the City of Boulder.

9. **Community Outreach**: Bluebird has received resounding local support from Boulder organizations who understand that the homelessness crisis is a housing issue. Element and Shopworks have performed significant outreach on this project with stakeholders, including meetings with potential residents, current residents of Boulder PSH, Mental Health Partners, Boulder Police Department, Boulder Public Defender, Boulder Municipal Courts, and Boulder Community Health, to name a few. Additionally, the development team has discussed the project with many neighbors, including the City of Boulder to the west and the owners of S'Park, a thirteen-acre mixed-use, mixed-income project a few blocks east of Bluebird. Element Properties also hosted a public meeting at the site about the project on July 13, 2021. During all these interactions, neighbors responded positively to the new project.

   Local financial assistance has already been committed, the most substantial portion of which is $3,000,000 coming from the City of Boulder. Boulder County Board has awarded $500,000 of Worthy Cause Funds to project. The City of Boulder also is funding four vouchers for the project.

4% housing credit application narrative

Project Name: Bonsai Flats
Project Address: 3750 South Federal Blvd., Sheridan CO

Medici Development is pleased to present Bonsai Flats for your consideration. This project will be the first new affordable tax credit project constructed in the City of Sheridan. We have received enthusiastic help and support from the City, Arapahoe County, Innovative Housing Concepts, the Sheridan School District, the Sheridan Library District, and various neighborhood groups.

The five-acre site is currently the home of Bonsai Nursery, a well-known anchor in the community for the past 60 years. The nursery was founded by two men after the end of World War II. The current owner's father was a WWII pilot that was captured and interned in Germany. After the war he started the nursery with his partner, who was himself a Japanese American who had been interned during the war years at Camp Amache on the eastern plains. For decades this pair owned and operated the nursery together, along with their children. Today the children are themselves ready to retire and sell the business. They see affordable housing as very important for the community and have been very supportive of our efforts to gain approvals at the City.

The 149-unit project will offer a mix of one, two and three bedroom units. 19.5% of the units will be affordable below 40% AMI, 36% will be set aside at 50% AMI and the balance will be 60% AMI. We were encouraged by the City to increase affordability below 40% AMI. To that end we're working with Innovative Housing Concepts (Sheridan's Housing Authority) to project-base 9 vouchers at this location. The City of Sheridan has been very welcoming and supportive of our efforts to bring affordable housing to their community. They have some of the lowest AMI's in the Denver Metro region and recognize the urgent need to better serve the housing needs of citizens in their community.

In addition to the apartments, we have reached out to the Amache Internment Camp who will be providing an exhibit in the community center, detailing the history of the founders WWII experiences. We believe it is an opportunity to share the rich history and keep the legacy of the site alive in Sheridan. The current owner, as a landscape architect, will be involved in the design and coordination/management of the onsite community gardens. We have met with numerous community groups interested in providing services at the site, including the library, schools, food banks and Integrated Family Community Services (IFCS). During those conversations the groups expressed a need for a large gatherings space for community meetings. Our community center provides for a space that will serve this purpose. In addition to the community space there will be a private office where service providers can meet one on one with residents to meet their needs. To that end, we've entered into an MOU with IFCS (included in the application materials) to provide for a part time resident service coordinator. Our operating budget includes the cost of this service.

The site is located in a QCT and we have rezoned the property to MX-C that allows up to 166 units. The mix of units will serve singles and couples as well as larger families in the three-bedroom units. Working with the Housing Authority and the project-based vouchers we will be able to support very low-income families and provide the support services needed to help them be successful. Additionally, we will welcome and encourage all tenant voucher holders. The resident service coordinator will link tenants with a myriad of support from the schools for after school programs, library tutoring, food bank delivery onsite, housing authority support services and many others. We are very excited to have so many community partners eager to work with residents.

The financing is a mix of 4% & State tax credit equity, permanent loan, deferred developer fee, County HOME / CDBG support, and City fee waivers and use tax relief. Arapahoe County will assign its PAB cap to CHFA for this project and provide a HOME and CDBG award. The City will waive a portion of its permit fees and use taxes. This support and efficiency of execution allows for a large number of units with a relatively low per unit State tax credit ask.

The buildings are three-story walk-up wood frame Type V construction with post tension slab on grade foundation. We will be pursuing the NGBS energy efficiency program, bronze certification. We believe this program creates the best opportunity for impacting energy savings now and in the future. The building elevations are very preliminary, but we will be developing a façade that gives a nod to the Japanese heritage of the site. The exterior materials will be a mix of siding that is quality, durable and cost effective. This building type is the most cost-effective structure and will help control costs. The units are well designed with ample closet space and a washer/dryer in every unit. The location is centrally located in Sheridan with great access to bus routes on Federal Boulevard and Hampton Avenue within easy walking distance. The Englewood light rail stop is less than two miles down Hampton. There are numerous industrial, office and retail job centers within a mile of the site and residents will be able to save time and money on commuting.

Bond Financing Structure:

- Private Activity Bonds will total $20.25MM
- Bond issuer will be CHFA
- We anticipate public placement (via a CHFA risk share loan)
- The total amount of the construction loan is $27.635MM, of which $20.25MM is tax-exempt and $7.385MM is taxable.

Section 2 QAP Priorities

The project does not directly address the three priorities in the QAP.

Section 2 QAP Criteria for Approval

- Market conditions – The market conditions for this project are very strong. This project will offer a tremendous value proposition to its residents with rents 35% - 60% less than comparable Class B market rate properties in the PMA. Vacancy in the PMA amongst LIHTC projects has been at or near 0%, with long waiting lists at other LIHTC projects. The overall capture rate for the project is less than the CHFA 25% threshold. However, exiting capture rates at the 60% level are 27% and the addition of this and other projects in planning will raise that to 32%. Given the existing demand, as evidenced by vacancy rates, the required 60% capture rates will not create a marketability challenge. The market study recommended no changes to the proposed project.
- Proximity to existing tax credit developments – There are three projects in the PMA that have received credits but not yet placed in service: Avenida del Sol, Pancratia Hall, and Aspgren Park.
- Project readiness – This project is ready to proceed. We recently took the property through a rezoning process, and it is now zoned for our intended use. We are ready to proceed with building design and permitting immediately upon an award of credits. All approvals going forward are administrative. It will take approximately six months to finish design and two months for review. We will be in a position to start construction eight months after award of credits.
- Overall financial feasibility and viability – The proposed rents are achievable in the market. The inclusion of project-based vouchers has allowed us to underwrite more units below 30% and better meet the needs of the community. The strong financial support from the City, the County and partnership with the housing authority helps leverage the State tax credit resource to deliver a very affordable AMI mix while generating significant investment of HOME and CDBG funding.
- Experience and track record of the development and management team – Medici Development has been involved in the development, finance and operations of

affordable housing for over 20 years. We have been involved in all aspects of the development process, including development, construction management, and financing for the LIHTC program in Colorado. We focus on public/private partnership projects and have consulted with non-profits and housing authorities. Many of our projects, such as this one, we build and hold. This experience gives us the perspective of designing and building for the long-term quality and feasibility. In terms of property management, we plan to use Echelon Property Group. Echelon manages all the projects in our portfolio and has an excellent track record of compliance and efficiency. Within a relatively short distance of this project Echelon operates two other Medici projects, Broadway Lofts and Evans Station Lofts. We're eager to take advantage of our knowledge of this market area and realize efficiencies in collectively staffing the three properties.

- Project costs - Construction costs have been very volatile over the past year and Medici's strong background in construction will produce a very high-quality project at a very competitive price. The three story walk up building type is the most cost-effective building and the site parking configuration is efficient. Every effort will be made to design and execute a quality efficient project.
- Site suitability - The site is well positioned in an established community with jobs, services, shopping, churches, library, schools, recreation center, parks and trails. The site is on Federal Blvd. and less than a half mile south of Hampden Blvd. and has access to bus lines connecting with the rest of the system. The Englewood Light Rail stop is less than two miles away. We like to focus on urban in-fill sites and this is a unique opportunity to find an infill five acre site that will accommodate a large number of units.

<u>Underwriting:</u> 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.

<u>Market Conditions:</u> The market conditions in this PMA appear very strong. The PMA's vacancy rate for senior LIHTC projects is less than 1%, which represents one vacant apartment unit. Rents at all AMI levels are being achieved at comparable projects. Medici's experience in this area substantiates the finding of the market study in that we see strong demand for senior and family units here.

<u>Environmental Issues</u>: The site has two issues to address. An existing house on the site will be demolished. Some materials in the house contain asbestos, which we'll remediate prior to

demolition. This cost is included in our budget. We've also discovered a small underground tank on site, which was evidently used to fuel equipment used on site. The cost to remove this tank is included in the construction budget, as is the cost associated with working for approval from the CDPHE on the same. Given the use of the site for agricultural purposes, we tested the soils and fond no evidence of hazardous materials (i.e. pesticides, herbicides, etc.)

Project Costs: There are no unusual features to the site location or building design that are driving costs upwards. The new construction project has been designed to be as efficient as possible while using materials compatible with the surrounding neighborhood.

Local Support and Outreach: We have met extensively with the City and with more than fourteen community groups to learn what they desire and to work with them to delivery what is needed in Sheridan. They want more affordable housing, and they want to integrate services with the project. The school district expressed an interest to provide afterschool programs in the community building. The local food bank asked to deliver food boxes at the site. The farmers market and current owner want to work with residents to establish community gardens and fresh produce. The housing authority wants to provide Section 8 vouchers for families. The relationship with IFCS to provide a resident services coordinator will allow these groups and others to enhance and support the residents.

This community, from neighbors, to neighborhood groups, to planning to city council has welcomed, encouraged and supported this affordable housing project with unmatched passion. They really want their first new affordable housing units and they want them as affordable as can be.

4% housing credit application narrative

Project Name: Eagle Meadow Homes

Project Address: 14875 E. 2nd Avenue, Aurora, CO 80011

Community Housing Partners (CHP) purchased this 4.82 acre site off 2nd Avenue in City Center North, Aurora in March 2019. Since that time a significant portion of the site, which is in a QCT, has been removed from the flood plain, making it an excellent investment for CHP and an enhanced site for development.

Eagle Meadow Homes (EMH) Phase 1 will have 93 units set aside between 30-60% AMI, with 26% of units below 40% AMI, over 50% of the units at 50% AMI and the remainder at 60%. The locking of the 4% LIHTC rate since our last application allowed us **to lower the average income mid point from 56% to 48%, with almost 80% of the units serving households at 50% AMI and below**. There will be a combination of 1, 2, and 3 bedroom units in order to deliver larger units to families with children, 23% one bedroom, 51% two bedrooms and 26% three bedrooms.

Funding for this project is critical at this point in time. As noted in the Common Sense Institute's Colorado Housing Development Blueprint, we are facing an unprecedented crisis in developing sufficient affordable housing. Both Adams and Arapahoe Counties face housing short falls of 8,000 and 39,000 units each requiring respectively annual housing unit creation of 3,600 and 8,600 units **annually.** The study also notes that the focus must remain on creating affordable housing units at or below 50% as EMH is providing. Finally, the study concludes that waiting to create these units only make it more expensive. EMH has been ready to move forward for over two years but each year makes the project more expensive and more challenging. We have thus far been able to meet those challenges with creativity on the financing and development side but the project needs to be funded and move forward now to be sustainable.

The unit amenities include E star appliances, in unit washer and dryers, ceiling fans, coat and walk in closets, and patios and/or balconies/juliettes. The project is well designed to serve families. There are no long common corridors which can sometimes be noisy and families can enjoy the convenience of washers/ dryers in the units and close-by outdoor play areas. The property amenities include a clubhouse, playground/ tot lot, community room, computer lab, community garden and BBQ area. A walking path loops the perimeter and there is a resident gathering area in the north which overlooks Tollgate Creek.

Additionally, CHP will provide the following services to all residents: after school tutoring, adult education and an onsite Resident Services Coordinator and office to provide case management, navigation of government and community resources, administration of rental assistance loan/grant program, and events. This service provision (see Exh A for additional detail) will be critical for the units set-aside during lease-up for homeless families in the Aurora@Home Rapid Rehousing Program (RRH). When units turn, the Aurora@Home Landlord Recruiter will be notified for a first look. **EMH will add 11 units at 30% AMI increasing the number of 30% AMI units in the PMA by almost 40%.** These units will provide housing to the many extremely low income households in the area who do not have a housing voucher. Although the 2020 Point-in-Time (PIT) only counted 27 homeless families with children living in Aurora, totaling 86 people, this did not include families living in motels or doubled up due to economic hardship. Local school districts, APS and Cherry Creek, counted almost 2,000 homeless students living in motels or doubled up during the 2019-20 school year and one can only imagine that situation has grown much more dire during the pandemic.

The site is centrally located northwest of Aurora's City Center, near shopping, employment, and services. The nearest bus stop to EMH is at 2nd and Sable, .25 miles to the west and from there residents can connect to ride buses to all parts of the city. The nearest light rail is 2nd Ave and Abilene, .6 miles west of the site and this too connects to light rail throughout the metro area.

Construction and Energy Efficiency details

- Roofing – High SRI TPO membrane and standing seam metal roofing over truss framing systems
- Exterior – Mix of masonry brick, vertically-oriented flat-lock metal panels, and wood-look fiber cement siding
- Stairs – Precast treads on heavy-timber stringers
- Circulation: Each 3-story stair and hallway entry area has an entry that serves a pod of 12 apartment units, encouraging tenant ownership of the common spaces. There are no long common corridors and no elevators since all the accessible units are located on the first floor.
- Low U-value windows for better insulation, PTAC/ VTACs with electric heat pumps with back-up baseboard heat, central gas boiler for hot water heating, high R-value insulation in walls and roof cavity, low watt/SF LED lighting, energy-star appliances, and solar panels.

Financing – The project will be funded with State and Federal LIHTC equity, City (funds and PAB), County and State dollars as well as sponsor equity and deferred developer fee.

The most significant change since our last application is to make the project significantly more affordable. We have done this while keeping our State credit per unit ask low ($10,750/ unit). We have identified increased financial commitments from our local partners to help cover increased construction costs. We have not significantly changed any of the design elements of the project since our last application.

1. Describe the bond financing structure and include the following:
    - Total amount of bonds with a breakout of construction period bonds vs. permanent bonds *The construction period bond amount is estimated to be $22 million and the perm amount approximately $9.5 million.*
    - Bond issuer *We were awarded $4 million in PAB from the City of Aurora, who will assign those PABs to CHFA. We are looking for the remainder ($11,750,000) from CHFA's bond allocation and plan to have CHFA issue all required bonds and have budgeted accordingly.*

- Lender and bond sale structure (public sale/ private placement, takeout, securitization, etc.) *The bonds will be privately placed with First Bank who will act as construction and permanent lender.*
- Portion of bonds that will be tax-exempt and taxable *The tax-exempt portion of bonds will be $15,750,000 (52%) and the taxable portion will be $6,250,000.*

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

While not a hard set aside, 11 units at 30% AMI will be set-aside for homeless families in the Aurora@Home Rapid Rehousing Program (RRH). The Aurora@Home Collaborative has a unique Rapid Rehousing (RRH) and Homelessness Prevention (HP) program for families with dependent children. Every Rapid Rehousing family is provided rental assistance for 4-6 months (and more as needed), as well as wrap-around case management by one of the 3 staff Navigators at either Aurora Housing Authority (AHA) or Aurora Mental Health Center (AUMHC). Every family is assisted by the Landlord Recruiter who has over 50 local landlord relationships. The Landlord Recruiter advocates for the homeless families throughout the housing search, negotiates rent and deposits, and also provides on-going landlord mediation. This has dramatically cut down on the housing search to 7-8 days. For example, whenever a vacancy comes up at Plaza Townhomes, another CHP property, the Landlord Recruiter is given a first look. Every family is also connected to the assigned Arapahoe-Douglas Works Employment Specialist who provides counseling, job search assistance, training/education, childcare, and other employment assistance.

Started as a pilot program with 25 families, the program has grown to serve 70 families and their 144 children, including 41 single parent families. AHA and AUMHC receive between $800,000 to $1,000,000 annually, through a variety of grant sources. The mix of funding sources allows the Collaborative to serve the spectrum of homeless families, from those defined by HUD as literally “homeless” to those that are doubled up or living in motels. At EMH, in the event that no qualified homeless households are found for these 30% AMI units, they will be opened to all income-qualified households, but when units turn, Eagle Meadow Homes will give first notice to the RRH program to fill those units. There will be no project-based rental assistance for the soft set aside homeless units.

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

Market conditions Demand for rental housing in the PMA is high, given the overall surveyed 97% occupancy rate, the strong renter growth forecasted by Claritas and the 99% occupancy rate and waitlists at family LIHTC properties. The vacancy rate and presence of waitlists documents sufficient demand to absorb the EMH units and all other LIHTC units in the pipeline without causing oversaturation or market imbalance. The overall capture rate of 18.2% is below the preferred threshold and the surveyed Class B LIHTC and mixed-income projects were 1.0% vacant and four of the six projects had waitlists with five applicants or a one- to two-year wait, demonstrating strong demand for affordable rental housing in the PMA. Finally, EMH’s proposed rents are lower than the payment standards, which significantly broadens the number of qualified renters that could inhabit the property with Housing Choice Vouchers.

Proximity to existing tax credit developments The PMA has 27 LIHTC projects containing 2,382 income-restricted units. Of these, 17 are general occupancy projects with 1,704 units, of which 428 are deeply-subsidized, one is a 50-unit permanent supportive housing project and six are senior properties with 410 dwellings. Another project, Village at Westerly Creek Building 3, has 24 senior units and 50 family units. Eagle Meadow's non-subsidized homeless units will compete somewhat with the permanent supportive housing project, while it's family LIHTC units will compete more directly with the 1,276 non-subsidized family LIHTC units in the PMA. Of the planned or under construction units, there is only one large family deal and one smaller one that are a similar product and there is not much overlap as one is almost all 60% AMI units and the other 50%-70% AMI units.

Project readiness Eagle Meadow was ready to apply in the 2019 4% /state credit round and did apply in 2020, but the extra time has only significantly improved many aspects of the project. The City of Aurora and the Urban Drainage and Flood Control District (UDFCD) recently completed the Toll Gate Creek Improvements Project which relocated the creek to the north. When CHP originally purchased the site, the 100-year and the 500-year floodplain areas covered 3 acres of the 4.82 acre site. The TGC Improvement Project has decreased the floodplain on the site to just a few outer edges in the planned open space, adding over 2.5 buildable acres for additional units. Since the site is already zoned R-3, CHP can proceed directly after tax credit award to submitting the Site Plan for approval by the Planning Commission.

Overall financial feasibility and viability

This project has strong local support from the City of Aurora, Arapahoe County, State of Colorado and the Aurora Housing Authority including grant funds. PAB and property tax exemption. The underwriting is conservative and CHP is donating the land to the project as well as deferring a portion of their developer fee. The State credit ask of $10,750 per unit is lower than 2/3 of last year's awardees.

Experience and track record of the development and management team

CHP currently owns 90 units of LIHTC housing. The ED has years of experience working with affordable housing and affordable housing financing tools. The board has many experienced housing professionals who have been actively engaged as CHP has moved through the development process. In 2019, CHP engaged Brothers Redevelopment as their property manager and that has been an ideal match of mission driven organizations. Please see resumes for details on the development teams extensive experience.

Project costs

Unfortunately, the construction costs have increased almost 10% since our last application. 50% of that increase is lumber which we know has fluctuated. However, there are other significant increases in plumbing, electrical, HVAC and construction insurance. It's a very challenging time to be pricing these projects as the pandemic has caused significant and ongoing disruption in the supply chain for critical construction items. We continue to work hard with our design team to manage costs and have every confidence we can build the project for the estimated costs.

Site suitability

Eagle Meadow's general vicinity has been undergoing new development. A paved pathway was recently completed adjacent to Eagle Meadow's northern boundary. Two large market rate properties are being developed in the nearby vicinity. Some redevelopment and several new restaurants have opened in the Aurora City Place Shopping Mall and Town Center at Aurora, two large retail centers 0.5 miles southwest of the site, including FieldhouseUSA, which purchased the location of the former Sears to provide many kinds of sports courts.

The EHM site is very walkable and there are designated bike lanes on E. 2nd Avenue. The development is within a mile of an elementary, middle and high school and busing is available. The Beck Recreation Center is less than two miles northeast and has exercise rooms, a gymnasium, an indoor pool, racquetball courts, meeting rooms for community activities and other amenities. City Center Park, 0.4 miles southeast of the property, is part of the Aurora Municipal Center Campus and has walking trails, picnic areas and water features. It also connects to the High Line Canal Trail. A Head Start childcare is available near the property as well as other childcare options.

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

Address any issues raised by the market analyst in the market study. The market study does not recommend any changes but did note that the project amenities were not as robust as market rate competition. But they stated that Eagle Meadow's unit amenities were superior. The units are also smaller than market rate projects but very similar to other LIHTC projects. The units are designed to live larger than their square footage. The kitchens are amply appointed with cabinet storage. Transitional hallway space is kept to a minimum. The units make exceptional use of available square footage with minimal wasted space.

Finally, the 60% AMI capture rate is over the 25% threshold, due largely to the addition of 175 units at 60% AMI in one project. EMH's addition of 20 units at 60% AMI increases the capture rate by only .5%, a negligible amount. The market study did not think the project would have any issue filling the 60% units due to the PMA's 1% LIHTC unit vacancy rate and EMH's units discount to comparable market rate units.

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 RECs.

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 discussed the cost drivers above but here are some of the value engineering options we have pursued to manage cost increases; making the one bedroom balconies into Juliettes, reducing the amount of metal siding on the buildings, and reducing the landscaping. Our cost estimator, Calcon, is very active in the Denver Metro market and is tracking pricing daily. We are confident in our current cost estimate.

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).

CHP has applied for and received commitments of funds and PAB from the City of Aurora and grant funds from Arapahoe County. CHP reached out to the Ward III Aurora City Council Member, Marsha Berzins, and has not received any comments or concerns. CHP is in close contact with Aurora Housing Authority on a variety of matters and AHA has said they are willing to partner as an SLP once the project has LIHTCs.

Attachment A- Service Provision Detail

Attachment B – Additional detail on Site Suitability and Readiness

4% pab lihtc application narrative

Project Name: FLO Senior
Project Address: 930 North Bryant Street, Denver CO 80204

FLO Senior (the "Project"), a new-construction all-affordable senior development overlooking the central Platte River Valley of Denver, is the capstone project for the Housing Authority of the City and County of Denver ("DHA") and is part of the Sun Valley Choice Neighborhood Initiative Transformation Plan ("CNI") (please see Narrative Attachments 1a and 1b for the Sun Valley phasing plan and intiatives). FLO Senior is a 212-unit housing development with 202 one-bedroom units and 10 two-bedroom units. Of the 212 units, 83 units (39%) are restricted at 30% AMI, 23 units (11%) at 50% AMI and the remaining 106 units (50%) at 60% AMI. A total of 106 units ranging between 30% AMI and 50% AMI will be served by Project Based Vouchers ("PBV").

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 market in Gateway South, the Rude Rec Center, a business and restaurant incubator, and Live Work spaces in SOL and Joli that will further activate the public realm. FLO Senior is located 0.1 miles from a bus stop serving Route 9 (the West 10th Avenue route from Union Station to Lakewood Commons) and 0.3 miles from the Decatur-Federal Light Rail station (serves the W Train from Union Station to Golden and multiple buses). FLO Senior 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.

Historically, each of DHA's large-scale neighborhood redevelopment efforts have included senior housing as an integral component to creating a diverse, intergenerational and mixed-income community. Similarly, the Flo Senior project will be developed to meet an unprecedented need for affordable senior living while balancing the neighborhood scale, community desires and physical/social infrastructure. All communities, like the Sun Valley community, should support and prioritize equitable housing infrastructure to support a balance of housing to include units for seniors where multigenerational family living is common and where there is great desire for senior residents to continue living in the neighborhood.

FLO Senior is an integral piece of the overall planned success in Sun Valley and will meet the needs and desires to provide equitable, inclusive and high-quality housing that is coupled with services and amenities for senior and disabled residents alike. Thereby, DHA combines its strong track record of senior supportive services with Sun Valley's Choice Neighborhood Critical Community Investments to offer a holistic suite of programs and services, including access to fresh food, health and wellness programs, multi-modal transportation options, and many more social services provided by an on-site resident services coordinator (please see Narrative Attachment 2 for more on services).

Under the CNI grant in Sun Valley, FLO Senior was originally planned to replace 36 one-bedroom units that would be offered to seniors, however, the overwhelming demand for housing prompted DHA to pursue additional units in Sun Valley in conjunction with the City of Denver (the "City") and DHA bond issuance commonly known as the DHA Delivers for Denver ("D3") initiative. The innovative partnership with the City memorialized by an Intergovernmental Agreement (See Attachments 3a and 3b), has created the necessary resources to advance the much larger Flo project in Phase IV serving as DHA's capstone project under the Sun Valley Transformation Plan. DHA, with support from the Sun Valley Community Advisory Committee and Sun Valley Community Coalition have advanced a more sustainable senior housing program that will positively impact both the residents of the Project and the neighborhood. The additional affordable senior units will boldly enhance the housing options compared to that initially planned in the neighborhood further knitting together the delicate framework of housing, family and neighborhood.

The architectural influence for FLO Senior project design has focused on social engagement and interaction amongst residents in the community and embraces a built environment informed by DHA's ongoing and historical ownership spanning decades for this type of project. The design will feature ground floor activation, large entry lobbies, rooftop amenity space and provide access to the adjacent park and amenities of the surrounding community that are currently undergoing a complete transformation. At its core, the project will be advancing sustainable design features with a master plan that will create value for all residents by creating community. Flo Senior is one component of Sun Valley and as such will become part of a "social estuary" – a fluid place of inclusion, wellness, and connection. FLO Senior delivers these principles and will be an asset that will be embraced by the entire community.

The resident experience will include a large inviting lobby and mailroom, a mezzanine level, a roof deck and lounge area, laundry room, a "technology hub" with on-staff oversite, an oversized outdoor exterior plaza facing the park, and a "fishbowl space" to exercise, socialize, play games, hold wellness classes, and facilitate other activities. Units have been thoughtfully laid-out for seniors including ample storage space and navigable floor plans. In-unit amenities will include air conditioning, blinds, carpet, luxury vinyl plank flooring, a coat closet, refrigerator, stove/oven, dishwasher, internet connection, and a garbage disposal. Additional interior project amenities will include on-site management and resident services to ensure the safety, security and well-being which include access control, an entry call box, security cameras and design features to eliminate "dark corners." Units will also feature a whole-house lights-off switch by the front door that will assist seniors when they leave the unit and save energy.

There will be 97 parking spots available to FLO Senior residents in the shared parking structure with Joli. Residents will have direct, safe accessible routes to the building from the parking garage. Only the pro-rated cost of the FLO Senior resident parking spots is financed by the Project; the remaining portion of the parking garage is separately financed as part of Joli.

The building and systems will be built with high-quality materials to provide exceptional durability. FLO Senior will feature corrugated metal siding with simulated wood and color accents, complementing surrounding design elements. The building will have a flat roof on which most of the mechanical equipment will be located. The building will meet the 2020 Enterprise Green Community standards and has efficient mechanical system that will meet Denver's energy requirements.

DHA is committed to providing excellent support and services to residents and FLO Senior will have a fulltime RCS staff coordinating onsite services such as healthcare navigation, resources and referrals, food assistance, community engagement, transportation assistance, and educational enrichment opportunities.

There will be additional support available at DHA's Community Connections location at the People's Hub on W. Holden Place (less than two blocks from FLO Senior), where residents will have access to additional social and educational opportunities, including digital and financial literacy.

This application for tax credits is necessary to support the overall HUD Housing Plan to support senior housing needs for residents 55+. Timing is imperative to lineup with Joli's (Phase 3) construction start date of Q1 2022, because of shared building foundations and allocation of costs for the Block 3 parking garage structure. Construction of Flo is planned to start approximately six to eight months after Joli breaks ground.

In addition to 4% LIHTC and State AHTC equity, FLO Senior will be financed with a construction to permanent loan, soft funding from the Colorado Division of Housing ("CDOH"), DHA's Program funds, D3 Bond funds, and a deferred developer fee. DHA is requesting a cost basis waiver (please see Attachment 4).

1. **Describe the bond financing structure:**
   Construction Period Bonds: $41,500,000 tax exempt and $10,500,000 taxable - Private Placement; Issuer: DHA Permanent Bonds: $21,380,000 - Private Placement; Issuer: DHA

2. **Identify which, if any of the priorities in Section 2 of the Qualified Allocation Plan (QAP):**
   FLO Senior responds to many of the guiding principles in the QAP but does not address a priority.

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

a. **Market conditions:** The capture rate for FLO Senior is 43.9% and was conducted on the 60% AMI units (106 units). While this capture rate exceeds 25% and is a sizeable increase from the existing 8.7% capture rate, the pent-up demand for senior LIHTC housing in the PMA is large. There are only 35 existing 60% AMI senior LIHTC units in the PMA and the market analyst notes that this has likely depressed growth of senior households in this PMA that would otherwise qualify for 60% AMI and below housing. Local senior LIHTC units are 100% occupied with historical occupancy rates at or near 100% and one of the local existing senior LIHTC projects has a long waiting list. The market analyst notes that these factors, as well as a conservative in-migration factor used in calculations, make FLO Senior's 60% AMI units not only marketable but very desirable, only made more desirable by amenities. The market analyst notes that marketability of the units is one of the biggest strengths of the Project. Regarding demand noted by DHA, there are approximately 525 seniors on the wait list for affordable units in Denver, and potentially several hundred more are interested in or looking for affordable units.

b. **Proximity to existing tax credit developments:** The PMA has 45 LIHTC projects containing 3,262 income-restricted units. The market analyst noted that the project's LIHTC units without PBVs will compete directly with the 1,146 existing senior tax credit units that are comparable in terms of income restrictions and target market. There are 110 senior LIHTC units currently under construction in the PMA, but those units are in part also targeted to special needs residents at the 655 Broadway project. The market study found that Project's in-unit and project features are superior or comparable to the LIHTC properties it is most competitive with. FLO Senior's unit mix, unit sizes and rents are competitive with comparable projects.

c. **Project readiness:** DHA has been working with development team partners and the City over the past several years as part of a shared commitment to the D3 Intergovernmental Agreement to revitalize affordable housing projects in Sun Valley. FLO Senior is the capstone of the D3 bonds for Sun Valley and needs to proceed as it shares foundation and a parking garage with Joli, which is moving forward with construction as soon as financial closing and building permits are obtained (1st quarter 2022). Rezoning for FLO Senior and Joli to C-MX-12 was approved by the City on July 26th allowing DHA to reach desired density and mixed-use for the Restaurant Incubator to move forward as planned (please see Attachment 5 for an article detailing this zoning change). DHA owns the land and plat map recording will be complete in January 2022. Initial discussions with potential financing partners have taken place and DHA will proceed with the financial solicitation for FLO Senior in fall/winter 2021.

d. **Overall financial feasibility and viability:** The FLO Senior project is feasible for DHA because of local priority commitments through the IGA with the City of Denver, D3 funds, private activity bonds from the City, and solid support from potential financing partners interested in providing construction and permanent financing. DHA is providing a significant financial commitment to FLO Senior to close the financing gap and help ensure the long-term financial sustainability of the Project, including $10.2 million in D3 Bond funds, $4 million in DHA Program Funds and a deferred developer fee. DHA will apply for $3,000,000 in soft funding from CDOH.

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 has finished the construction of Phase 1 in the Sun Valley neighborhood redevelopment, which includes Gateway North & South (187 units) and began construction on Phase II-Thrive and GreenHaus (264 Units) in early 2021. DHA recently completed construction of both the Shoshone and Platte Valley Homes projects, which include 53 units of new construction and the redevelopment of 50 existing public housing units and new construction of an 18 unit fully accessible senior property respectively, 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 and continues to be a successful project. For a look at the success of the Vida senior project, please watch this video: https://www.youtube.com/watch?v=QTsgb9gqFJI

f. **Project costs:** The Project's construction and soft costs budgets have been developed using current local data generated in-house and through subcontractor input by the General Contractor as based on the Design Document level of plans. Costs have been corroborated by other local construction information and historical data from DHA's recent development budgets. Material cost increases from shortages in the market due to COVID-19 in 2020 and 2021 are having a significant impact market-wide on projects, including FLO Senior. The costs of the Project, while not insignificant, are reasonable and provide a great opportunity to create much-needed senior units while maximizing density and efficiencies with the Joli project (shared foundation, shared parking structure, shared infrastructure and site design elements).

g. **Site suitability:** FLO Senior is part of the fourth phase in the Sun Valley redevelopment and will benefit from the catalyzing development transforming Sun Valley. The site has been designed with flow and connection in mind and allows lines of sight and easy access to the outdoor spaces. The area is rich in local amenities beneficial to senior residents. The Barnum Senior Center is located 0.7 miles southwest of the Project. Rude Park and Recreation Center is 0.2 miles from the site with a gym, an exercise room, an indoor swimming pool, meeting rooms and other amenities. Rude Park has trails and fields for walking and gathering. In addition to DHA's Decatur Fresh market in Gateway South, a 24-hour convenience store is located 0.3 miles from the site and there are two grocery stores (King Soopers and Mi Pueblo Market) that are located about a mile from the Project. The nearest library, Corky Gonzales Branch Library, is 0.7 miles away from the site. Denver Human Services and the Denver Westside Health Clinic is 0.2 miles northwest of the site. The nearest full-service hospital is Denver Health Medical Center, about 1.5 miles southeast of the Project. 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. In addition to local amenities, there are considerable infrastructure changes to the Sun Valley site that will benefit residents at FLO Senior including the realignment of 13th Avenue, which will be connected to Federal Boulevard, and the creation of new parks, community gardens and walking trails to encourage outdoor activity and gathering.

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

5. **Issues raised by the market analyst:** There were no issues or recommended changes for the Project.

6. **Issues raised in the environmental report:** 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 have been contained to an extent with the increased density allowed by the 12-story rezone as more units can be stacked. This structure captures efficiencies from the mechanical stacking and singular roof and foundation. To further reduce costs, DHA has reduced its developer fee from 12% to 9%.

   There are unique costs that come with building high rises, especially while preserving the idea of estuary and flow to enhance residents' living area. The building's layout maximizes daylight, flow, and community space, and the enhanced community amenities increase costs to the project. 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 (though only the Senior FLO portion of the costs are in the budget). These items also contribute to additional square footage and add construction costs. The development community is also facing struggles with costs of materials (typically a 25% increase across major trades) and labor shortages, which have a significant increase on the overall cost of the development. Finally, the Type IIA/IA construction and commercial Davis Bacon wage rates increase costs (Davis Bacon adds an approximate 7-10%).

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 – 4, 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). DHA is devoted to resident participation and community buy-in for its projects. FLO Senior has received support from Mayor Hancock (please see Attachment 6) and the DHA Resident Council Board.

   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: FLO Senior 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.

4% housing credit application narrative

Project Name: Jewell Apartments
Project Address: 10150 E. Colorado Avenue, Aurora, CO 80247

1. **Executive Summary:**

Jewell Apartments, the “Project”, will provide 81 units of quality affordable family housing as Phase I of a two-phase development. The Project will be placed on a 4.11-acre infill development site located west of Havana between E. Jewell and E. Colorado Avenue in an underserved area of Aurora. The site is in a Qualified Census Tract (QCT). The Project’s desirable location is 0.2 miles from an RTD bus stop, and within walking distance to nearby employment opportunities, childcare, medical services, grocery, and other retail facilities, and a community park making it an ideal location for low-moderate income households.

Community Housing Development Association (CHDA), a highly reputable nonprofit housing organization, is requesting tax credit funding for the Project that will include 23 1-bedroom units; 44 2-bedroom units; and 14 3-bedroom units. The Project accomplishes an overall average income of 56.05% AMI by providing homes to individuals or families making between 30% - 80% AMI. CHDA will own and operate the Project. Phase II will provide up to 50 units affordable to low-moderate income families or seniors age 62+.

The Project will provide modern, energy-efficient, forward-looking living spaces while optimizing the physical attributes of the site and location. Unit and common area spaces will accommodate at-home working and education. Design of indoor and outdoor spaces will encourage interpersonal and community interaction and engagement in healthy lifestyle activities. Resident, neighborhood, and community value will be enhanced by creation of space for community gatherings, lifelong learning, playground/exercise equipment, walking trails, and nature preservation/enhancement.

The building will be a 4-story, internal corridor with elevator access on a concrete foundation with brick, fiber cement lap siding exteriors and faux wood siding on the upper levels, a west facing roof deck and a spacious courtyard, and a flat roof designed to be solar ready. Each unit will have central AC, bay windows, blinds, a mix of carpet and vinyl plank floors, ceiling fan in the bedrooms, coat closet, built-in island, refrigerator, stove/oven, garbage disposal, dishwasher, microwave and in-unit W/D. The building will meet the Enterprise Green Communities Criteria for its energy election criteria. The heavily treed and park-like area on the north one-third of the site will be preserved as a nature/recreation area for residents. Phase I development will include the partial construction of Fulton Street on the west side of the site and an accompanying sidewalk between Jewell Avenue and Colorado Avenue to enhance the pedestrian connections in the neighborhood.

The current Mixed Use-Office/Institutional (MU-OI) zoning permits multifamily development and requires creation of institutional or commercial space. The Project will include a 5,300 square foot Community Resource Center that will provide office space for CHDA's corporate operations, onsite leasing, property management and resident amenities. CHDA’s office space will be excluded from eligible basis and paid for through CHDA equity. Also included will be dedicated space for community services such as job training and education, mobile health services, library, food bank, etc. These services will be available to residents as well as the community and will be provided by CHDA staff and other community service providers such as AllHealth Network, Arapahoe/ Douglas Works, Developmental Pathways, and others.

The total estimated Phase I project cost is $30.3 million. Total funding sources include: $16.7 million in Federal 4%/State LIHTC equity; $500,000 HOME funds from the City of Aurora; $500,000 in Arapahoe County HOME/CDBG funds; $1.2 million in State of Colorado funds; $520,000 in Impact Development Fund funds; $10 million in permanent financing from CHFA; $925,000 in Deferred Developer Fee and $315,059 in CHDA equity to finance the commercial portion of the Project. The construction loan will be approximately $27 million. The construction financing will include approximately $11 million in CHFA Tax Exempt Bonds. Aurora will provide $4.9 million in PAB Bond Cap. Arapahoe County will also provide Bond Cap if available.

2. **Bond Financing Structure:**
   a. Up to $15.8 million in construction period bonds.
   b. CHFA will be the bond issuer. The Project expects $4.9 million of PAB bond cap from the City of Aurora that will be transferred to CHFA.
   c. Lender and bond sale structure will be public.
   d. $27 million construction loan with $15.8 million of tax-exempt bonds.

3. **QAP Section 2 Priorities:** The Project does not meet any of the priorities in Section 2 of the QAP.

4. **QAP Section 2 Approval Criteria:**

a. Market conditions

There is a strong demand for affordable family housing in Aurora and Arapahoe County. The City's 2020-2024 Consolidated Plan identifies more than 24,000 households that are severely cost burdened paying more than 30%-50% of household income for housing. The Plan calls for adding 900 new affordable rental housing units to the market between 2020 – 2024 prioritizing housing that accommodates families. Policy recommendations in the City's Housing Strategy include supporting development of mixed-income housing projects offering a variety of housing costs including expanding housing types throughout the City to serve the "missing middle". Supporting workforce development to strengthen the local economy is also included in the Housing Strategy. As a mixed-income, service supported family project, Jewell Apartments is highly responsive to the City's housing and economic development goals.

The Market Study further reinforces the demand of housing proposed by the Jewell Apartments. The overall capture rate is 5.0%, including the newly proposed units, a minimal increase from the current 4.2% capture rate in the Primary Market Area (PMA). Current capture rates without in-migration are 3.6% at 30% AMI, 3.0% at 40% AMI, 10.5% at 50% AMI, 8.7% at 60% AMI and 0.5% at 80% AMI. The PMA has 13,784 income-qualified households for the Project's AMI mix, with a projected annual growth of 890 renter households over the next two years. Additionally, the PMA has an overall vacancy rate of 1.1% reflecting just how little supply there is to house the anticipated growth. The Project proposes to use the Average Income approach to meet the needs of renters who exceed the traditional 60% AMI LIHTC cap. The PMA does not have any existing 80% AMI units, and only 11 planned units, but has 4,396 income-qualified renters at 80% AMI creating a strong demand for this product type. The project will include 12 units at 80% of AMI to help meet this demand.

The market analyst surveyed three nearby comparable family LIHTC properties - Willow Street Residences, Fox Crossing 1 & 2 and Dayton Meadows. All were built between 1996 and 2000 and two were renovated in 2015-2016. All are in average to above average condition with large waitlists of 170 – 250 applicants. These properties had slightly lower 40%, 50%, and 60% AMI rents. However, the market analyst notes the difference is likely due to utility allowance calculations. The low vacancy rates, lengthy waitlists, and high historical occupancy suggests the surveyed properties are obtaining the maximum 2021 LIHTC rents. The market study and guidance from CHDA's property management firm that manages 289 units in Aurora, indicate the high likelihood the Project will achieve maximum 2021 rents. To be conservative, CHDA has underwritten half of the 60% AMI rents 3% below the max, half at the 55% AMI max, or 8.3% below the 60% AMI max, and all of the 80% AMI rents are set 3% below the 70% AMI max, or 15.1% below the 80% AMI max.

b. Proximity to existing tax credit developments

There are ten existing family LIHTC projects in the entire PMA containing 1,038 units that are considered comparable income-restricted apartment properties. This includes four LIHTC projects in the subject 80247 zip code. Three projects in the PMA are within 1.4 miles of the subject and were utilized for comparability by the market analyst. This includes CHDA's Willow Street Residences which has experienced near 100% occupancy for the past 3+ years. None of the ten comparable family projects had AMI levels above 60%. The Project will differentiate itself by providing 12 units between 61% AMI - 80% AMI. There are 4,396 income-qualified renters at 80% AMI. The Project will offer two bathrooms in all two- and three- bedrooms units and extensive services onsite, making it superior to all existing LIHTC projects in the PMA. All tax credit projects in the PMA have large waitlists and an average vacancy of 1.2% showing pent-up demand for affordable rental housing.

c. Project readiness

CHDA purchased the land in April 2020. The current MU-OI zoning allows the proposed multifamily and office uses. Since our 2020 CHFA Application, the Development Team has met with the City of Aurora Planning Staff, including various City Departments – Traffic, Parks, Water, Fire, Arborist, etc., and confirms that the City still supports the preliminary site design and building improvements with no irresoluble development concerns. Due to the conforming allowable use, Site Plan and Plat approval will be administrative.

To further prepare the site for development, in early 2021 CHDA demolished the uninhabitable 1950's era house, dilapidated outbuildings, fencing, and capped the well. Additional significant investment was made to remove dead trees and bushes, and large piles of wood and brush, and install erosion controls to minimize stormwater impact. The total cost for these various activities was approximately $100,000. CHDA continues to monitor and maintain the site which has been impacted by homeless campers.

Once an allocation of tax credits is awarded, CHDA will actively work to secure the balance of needed funding well within 13 months. In the interim, the City of Aurora is recommending approval of $500,000 in HOME and $4.9 million in PAB cap. Arapahoe County has provided a preliminary funding commitment for $500,000 in HOME and additional to-be-determined gap funding from CDBG once an allocation of tax credits is awarded. In light of additional federal funds recently allocated to CDOH, CHDA is modeling CDOH funding of $17,000 per unit - $1,173 million total. (CDOH provided CHDA a LOI removing existing $15,000/unit funding limits, with a verbal confirmation that revised funding limits are being considered in light of recent additional funding.)

CHDA plans to locate its corporate offices in onsite commercial space that is required in conjunction with the MU/IO zoning. CHDA operating and program staff will occupy this space. Additional "Institutional" space will be created for delivery of resident and community programs and services. Prospective service providers include Arapahoe/Douglas Works. This is directly supportive of the City's workforce development objectives in its Housing Strategy. AllHealth Network has advised of their potential interest in establishing a small onsite mental health clinic. Ability Connection has also indicated an interest in locating an Early Childhood Education (ECE) program onsite. Developmental Pathways hopes to secure housing and provide services to a number of their clients. CHDA will actively pursue program delivery partners once project funding is secured, a development timeline is determined, and additional community needs research is completed.

d. Overall financial feasibility and viability

The Project financing structure provides strong assurance of long-term operation as a financially viable affordable housing project. CHDA has underwritten a beginning DSCR of 1.25 and a 17.5 - 23 BPS cushion from quoted construction and perm interest rates to absorb interest rate inflation anticipated in the market. CHDA has deferred 30% of their Developer Fee but has the ability to defer approximately another $600,000 to absorb further cost inflation and supply chain issues in the construction industry. Projected rents and operating expenses are based on experience with comparable properties and considered conservative and achievable. CHDA has secured $2.7 million dollars in soft funding for the Project to keep our request for competitive State tax credits as low as possible, however, the Project would be infeasible without the State LIHTC equity. CHDA has on deposit funds exceeding the $315,059 required to construct the commercial portion of the Project and has committed the funds to the Project for that purpose.

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

The Development and Management Team for the project include Community Housing Development Association – Sponsor/Owner; Santulan – Architectural Design; MGL Partners – Financial/Development Consultants; BC Builders – General Contractor; 2 Oaks Partners – Project/Construction Management; Silva-Markham Partners (SMP) – Property Management; Energetics – Energy Consultants; Faegre Drinker – Legal Counsel; and Haynie & Co. – Auditor. Collectively and individually the development team has successfully financed, developed, designed, constructed, managed, owned, and otherwise supported the development and operation of thousands of comparably financed market rate and affordable housing units in Colorado and throughout the state/country. Development Team qualifications are included in the application exhibits.

f. Project costs

To maximize the buildable land and allow CHDA flexibility to create additional housing units in the future, the site will be developed in two phases. For Phase I, CHDA's design team, Santulan Architects, created a 4-story, wood-frame, stacked-unit building design to keep construction and design costs as low as possible. The project will comply with EGC requirements including third party documentation. EGC threshold design guidelines have minimal impact on the cost of new development (with the exception of the third party documentation). The Project includes new building technologies to create a tight building envelop with efficient aquatherm heating units to keep operating costs low. In addition, the Project is eligible to receive an Xcel Energy Rebate of approximately $0.25-0.40 per square foot, achieving an estimated 20-30% savings from the Project's baseline energy costs. The building was designed to be 4 stories to maintain significant amounts of open spaces for families to use. The landscape plan includes 100% native and xeric plantings and an EPA rated smart irrigation system to both limit and control water usage.

BC Builders assembled the construction budget estimate by obtaining bids from various trades based upon the Project's schematic design, as well as extrapolating costs from recent comparable projects, including CHDA's Nine Mile Station. The construction cost estimate reflects a 15.5% increase from last year's estimate due to the extreme construction cost inflation the industry has seen over the past 6-12 months. SMP, CHDA's property management company, provided the projected operating budget, which includes consideration for recent significant increased insurance premiums. Other project costs were informed by CHDA's; MGL Partners'; and 2 Oaks Partners' experience with financing, developing, constructing, and owning comparable multifamily properties. CHDA has deferred 30% of their Developer Fee but has the ability to defer approximately another $600,000 to absorb further cost inflation and supply chain issues in the construction industry.

g. Site suitability

The 4.11-acre development site has a unique rural feel reminiscent of its historic agrarian use. The site gently slopes upward from Jewell Avenue on the south to a mesa-like level area with wonderful western views, and then slopes downward to Colorado Avenue on the north. The north 1/3 of the site is heavily treed and vegetated and will be preserved as an outdoor nature preserve/recreation area for residents. Building and site design will be intentional to preserve and optimize natural site amenities and encourage residents' active engagement with Colorado's wonderful outdoors. The Project, which is Phase I, will be constructed on the southern (approximately 2.1-acre) of the site. The site does not have any floodplain or wetland issues.

The site is in a quiet neighborhood with approximately 300 feet of frontage along E. Jewell Avenue, a moderately busy collector street that provides good visibility. The site is surrounded by a mix of single family and multifamily residential uses as well as commercial and institutional land uses. The site is in a QCT. It is within walking distance (0.20 miles) from public transit and several necessary family amenities including childcare, a medical clinic, a park, grocery store, as well as many more employment, restaurant, and shopping opportunities less than a mile away. Site development will include construction of a pedestrian walkway between Jewell and Colorado Avenues on the site's western border to connect the neighborhood to the City Park located just to the northwest of the site.

The site location is considered "Very Walkable" with a walk score of 76 which is 77% higher than the City of Aurora score of 43, and 52% higher than the comparables from the market study which averaged 50. The site's average transit score is 42, which is 11% higher than the city score of 38. There is a bus stop located 0.20 miles from the site along Jewell Avenue and another located the same distance away on Havana Street that provides public transportation options to several inter-city locations.

The site's MU/OI zoning is intended to provide a transition between the residential uses to the west, and the commercial uses to the east. The proposed building/use accomplishes this planning objective and is parked appropriately with 85 parking spaces for the residential units, 7 for the commercial uses and additional parking along Fulton Street. The proposed 4-story building will be higher than immediate surrounding uses. However, it has a generous 20-foot set back from Jewell Avenue to the south, a 25-foot set back from the adjacent church on the east, and a 20-foot set back from the future Fulton Street on the west. This greatly reduces the mass of the building from the surrounding properties and from the street. Site improvements will include heavy landscaping and tree preservation/replacement compliant with the City's Tree Mitigation requirements.

5. **Underwriting Criteria Waiver**: The Project meets all underwriting criteria.

6. **Market Study Issues:** The market analyst did not raise any issues in the market study.

7. Environmental Issues:

There were no environmental issues identified by the Phase I ESA for the site. A small amount of floor tile with Asbestos Containing Material was abated prior to demolition of the non-habitable single-family residence.

Higher Development Costs:

To meet City requirements, Phase I will include partial construction of Fulton Street as a public north-south through street that will eventually connect Jewell and Colorado Avenues, along with an adjacent pedestrian pathway. This is desired by the City to ease traffic congestion and create community access to the City's Country Lane Park north and west of the site. A July 2021 Traffic Study concluded traffic from the site can be absorbed by the adjacent streets and intersections and not cause safety or operational problems. As the lower of the two development sites, Phase I site work will address drainage and retention requirements. As a result, the project will incur more upfront site work costs in the first phase.

To help offset the high site development costs, CHDA will request that the Aurora Housing Authority (AHA) become special limited partner in the tax credit partnership. This will facilitate real estate tax exemption as well as exemption from certain City building permit and plan review fees, and sales taxes. AHA has provided a tax exemption for two other of CHDA's Aurora properties. AHA has advised they will underwrite this request once a tax credit allocation has been awarded, and anticipate staff recommendation for approval. Project financing is also projected to include approximately $2.7 million in combined HOME/CDBG funding from Arapahoe County, the City of Aurora, CDOH and IDF. Both Arapahoe County and the City have indicated that they will consider increased gap funding based on final project costs. The Colorado Health Foundation has encouraged CHDA to apply for a Capital Infrastructure grant for the nature park improvements and outdoor courtyard equipment.

8. Community Outreach:

CHDA hosted a virtual community meeting to discuss the Project and application for State Tax Credits/PAB cap on July 22, 2021. Invitations were sent to surrounding neighbors and all relevant neighborhood groups. CHDA also met with the Aurora Community Development Director, Councilman Marcano; leadership for the Aurora

Housing Authority; Arapahoe/Douglas Works; and Arapahoe County Community Development Staff to discuss the Project and how it will meet the City and County affordable housing needs. In 2020, CHDA met with the former owners of the site to learn about the site's history and share its development plans. CHDA will accomplish additional community outreach and input once the Project receives an award of tax credits and is moving forward with site plan and building design.

9. **Acquisition/rehab - N/A**

4% housing credit application narrative

Project Name: Johnson & Wales Family Housing

Project Address: 7150 Montview Boulevard, Denver, CO 80220

Archway Investment Corporation ("Archway"), an experienced affordable housing provider is pursuing a 4% LIHTC and State AHTC allocation to finance *Johnson & Wales Family Housing*, an adaptive reuse (acquisition/rehabilitation) of four historic dormitory buildings on the former Johnson & Wales University campus. The proposed development will create 154 affordable family units as part of a larger campus redevelopment that will bring new educational and economic development resources to Denver's high-opportunity South Park Hill neighborhood. The redevelopment of the Johnson & Wales campus presents an unparalleled opportunity to secure long-term affordability and community development resources at the edge between the South Park Hill neighborhood and the East Colfax neighborhood, which is facing growing gentrification pressure. Recent community-led planning efforts for this area have highlighted securing long-term affordability as a critical community need (please see the analysis of Denver's East Area Plan in the Scoring section).

The Urban Land Conservancy ("ULC"), Denver Public Schools, and the Denver Housing Authority purchased the entire campus from Johnson & Wales University in June 2021. Archway will purchase the four buildings to be redeveloped (Presidents Hall, Founders Hall, Johnson Hall, and Wales Hall) and execute a ground lease with ULC for the underlying land. Time is of the essence in completing the acquisition of the buildings from ULC and closing construction financing; the Johnson & Wales campus represents ULC's largest investment to date in its work to preserve real estate for affordable housing development, and ULC is seeking to move the development forward as quickly as possible to free up resources to continue investing in its important mission throughout the Denver metro region.

Archway intends to serve families earning up to 60% AMI with studio, 1-, 2-, and 3-bedroom apartments, with over 60% of units offering 2 or 3 bedrooms to ensure that this project creates access for families to the campus' new and existing amenities. Located in east Denver along Quebec Avenue, a key regional transit corridor, *Johnson & Wales Family Housing* will offer 10 units to families earning at or below 30% AMI, 19 units at or below 50% AMI, and 125 units at or below 60% AMI. The site is currently zoned as CMP-EI-UO3. Denver Community Planning and Development has confirmed that the proposed use is allowable under the current zoning, following an administrative zoning permit review process (please see the Zoning section for additional detail). Archway's development plans balance maximizing the density that can be achieved within the existing building shells, while also offering a higher number of larger units to support family households.

In-unit amenities will include central air conditioning, a hot water heating system with radiant heater units, refrigerators, stoves/ovens, dishwashers, and luxury vinyl tile throughout. The development budget currently includes higher-quality finishes including granite counters, tile backsplashes, and tile shower surrounds. In some locations, recently renovated bathrooms will be preserved. Many units will include unique historic features, including stained glass windows in end units in Johnson & Wales Halls, and bay windows in Founders Hall.

These historic buildings offer beautifully preserved indoor and outdoor community amenity spaces that far exceed the size and quality that could be offered with comparable new construction. Buildings are oriented around a landscaped quad that includes a basketball court, volleyball court, and mature landscaping, with walking paths to access campus amenities. Founders and Presidents Halls offer generous community patios, and all buildings offer interior gathering spaces that will be used for staff offices, services, and community activities. Each building offers a full kitchen accessible to the community. Each building will include on-site laundry, and on-site staff will include community management and maintenance as well as a service coordinator. Each building will be served by an elevator and will feature a building entry security system.

The brick exteriors of all four buildings have also been maintained in excellent condition and will be preserved as-is. Interior work will be focused on transforming dorm-style living spaces into apartment-style living spaces and upgrading existing systems, while maintaining the existing corridors and community spaces. In Founders Hall and Presidents Hall, relatively less work will be needed to create family units due to recent renovations and the existence of bathrooms/plumbing in each existing dorm room. In Johnson Hall and Wales Hall, a full gut rehab of the living spaces is anticipated, with work to also include the addition of air conditioning and insulation. Construction will meet the NGBS bronze standard and will include energy efficiency improvements where feasible within the current structures.

Archway's proposed development is part of a larger vision to transform the Johnson & Wales campus into an education, economic development, and affordable housing hub in Denver's South Park Hill neighborhood. Campus partners will include Denver Public Schools, which is proposing to expand the K12 Denver School of the Arts and utilize the campus as a community arts center; St. Elizabeth's School, an intentionally inclusive Episcopal elementary school with a socioeconomically diverse student body, which will open an elementary school in Centennial Hall; and the Kitchen Network and Emily Griffith Technical College (EGTC), who will partner to open a commissary kitchen and specialty food incubator that will include culinary arts training and certification opportunities. Archway is particularly looking forward to opportunities to partner with the BuCu West's Kitchen Network and EGTC to connect resident families with economic and workforce development opportunities (please see the support letters attached).

The site is ideally located for families to use public transportation to access job centers, shopping, and cultural activities. Bus route 73, with stops adjacent to the site, runs along Quebec Street between the Central Park Station light rail station in the north and the I-25 and Belleview Station light rail station in the south. Route 73 serves the Central Park neighborhood job centers just to the north of the site (retail, grocery, restaurants, schools, community services) and job centers further south along Quebec, like the Iliff and Quebec area and the Tiffany area. Bus route 15/15L, which runs east/west along Colfax, is a 0.5 mile walk from the site and provides high-frequency service to downtown Denver and destinations across the metro area. The site is also served by the adjacent Montview Blvd bike lane, which connects with a local and regional network of bike lanes and trails. In addition to excellent transit access, within one mile of the site are 3 grocery stores, 2 existing elementary schools, 2 middle schools, 1 high school, 2 pharmacy/convenience stores and 2 convenience store/gas stations. The grounds of the former JWU campus are beautiful and provide shade and sheltered walking areas. There is also a park and playground in easy walking distance to the site (a 0.4 mile walk to the north along Quebec).

Supportive services are at the heart of Archway's mission. The Archway supportive services team is currently comprised of 8 full-time service coordinators and one full-time director of family services. Archway intends to hire one full-time service coordinator to support the *Johnson & Wales Family Housing* community, who will provide services focusing on health, fitness, community building, fine arts/culture, finance, life skills and more. Archway also partners with community organizations and utilizes volunteers and looks forward to opportunities to build relationships with partners across the campus. Archway also intends to host a weekly food bank at *Johnson & Wales Family Housing* in partnership with Food Bank of the Rockies, a service offered at all properties to help ensure food security for residents.

In addition to LIHTC and AHTC equity, the financing plan assumes the use of a traditional construction loan and permanent mortgage, equity from Federal and State Historic Tax Credits, gap financing from the City of Denver and the Colorado Division of Housing, two carryback notes on the purchase prices of the existing buildings, and deferred development fee. Denver Housing Authority will participate as a special limited partner to help achieve property tax exemption for *Johnson & Wales Family Housing*.

1. Describe the bond financing structure:
Construction Period Bonds: $29,100,000 Tax Exempt - Private Placement
and $9,525,983 Taxable – Private Placement
Permanent Bonds: $18,750,000 Tax Exempt - Private Placement
Bond Issuer: CHFA

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

a. *Projects serving Homeless Persons as defined in Section 5.B 5:* N/A
b. *Projects serving persons with special needs as defined in Section 5.B 5:* N/A
c. *Projects in Counties with populations of less than 175,000:* N/A

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 13.7%. Before adding in units from *Johnson & Wales Family Housing* the overall capture rate is at 12%, showing high demand for affordable units with minimal impact on the existing overall capture rate. The capture rates based on AMI are as follows: 11.6% for 30% AMI units, 19.7% for 50% AMI units, and 44.4% for 60% AMI units. While the capture rate for the 60% units is above 25%, the market analyst notes that the residual demand for 60% units is almost the same as the demand for 30% AMI units, even after the units are built. There is a high level of pent-up demand for affordable units in this market and the units at *Johnson & Wales Family Housing* will respond to this demand while only slightly increasing the existing overall capture rate. The LIHTC properties in the same market area as the project have low vacancy rates and long waiting lists.

b. Proximity to existing tax credit developments: There are 41 LIHTC complexes in the market area. Five are exclusively comprised of Section 8 units and 10 are comprised of senior units. There are only two proposed LIHTC developments in the market area (8315 E. Colfax with 81 units and Central Park II with 90 units). The closest LIHTC developments are Phoenix on the Fax (at Colfax and Poplar, 0.6 miles south with 50 units), Advenir at Central Park (at Montview and Trenton, located 0.6 miles east with 420 units), Moline at Cenral Park (near Martin Luther King, Jr. Blvd. and Moline St., 3.4 miles east with 180 units), Renaissance at Lowry (near Lowry Blvd. and Alton St., 3.5 miles southeast with 120 units), Northfield Apartments (near Quebec and Northfield Blvd., 3.5 miles north with 84 units), and Avia Lowry (near Lowry Blvd. and Dayton St., 3.5 miles southeast with 150 units).

c. Project readiness: Archway has secured site control through Purchase and Sale Agreements and Ground Lease Option Agreements with ULC. Archway has confirmed with Denver Community Planning and Development that the proposed development will be subject to administrative approvals only, with an estimated timeline of 9-12 months to permit readiness. Archway anticipates being able to close construction financing and start rehabilitation in 4^{th} quarter 2022.

d. Overall financial feasibility and viability: The financing plan for *Johnson & Wales Family Housing* is feasible due to the recent 4% rate lock and significant local support, including anticipated soft funding from HOST and CDOH. Archway also plans to leverage federal and state historic tax credits, which will provide significant equity to the development budget. A recent analysis, included in the narrative attachments, recommends that all four buildings should be eligible for National Register designation, which has been supported by initial discussions with State Historic Preservation Office staff. (Please see the narrative attachment for more detail about the timing and likelihood of obtaining historic tax credits.) In terms of financial capacity, Archway has significantly strengthened its balance sheet in 2021 through operational improvements and by refinancing mortgages on several existing properties. Archway received very strong financing offers on its most recently awarded LIHTC project and has had strong interest in the proposed development, as shown by the financing LOIs.

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. To enhance our capacity, Archway will be engaging a construction project manager for this project to provide ongoing oversight as construction proceeds. In addition, Archway is working with S.B. Clark Companies to provide financial consulting. As shown in the Development Team Resumes, Archway has also significantly invested in its property management and maintenance leadership team to ensure successful operation and compliance.

f. Project costs: Archway has worked with Shopworks and Taylor Kohrs to create cost effective plans for the adaptive reuse of the *Johnson & Wales Family Housing* project. All four buildings have been maintained in excellent condition and in some areas, were recently renovated by Johnson & Wales. The plans seek to preserve unit and common area finishes wherever possible. The floor plans capture existing bathrooms located throughout the buildings and locate kitchens strategically to make use of existing plumbing stacks. Hard cost expenses will focus on creating suitable floor plans for apartment-style living, adding kitchens throughout, adding new bathrooms where needed, and upgrading systems where needed (i.e., adding air conditioning in the Johnson and Wales buildings).

g. Site suitability: The campus-wide revitalization presents an unrivaled opportunity to secure housing affordability in immediate proximity to new economic development and educational investments, and the neighborhood itself is a desirable and high-opportunity location with strong access to transit, amenities and resources. The previous residential use of the buildings will lend itself well to an adaptive reuse into multifamily, which results in a lower overall cost per unit than new construction, while providing an above-market quality of construction and community amenities.

5. **Provide the following information as applicable:**
    - *Justification for waiver of any underwriting criteria*: No waiver requested
6. **Address any issues raised by the market analyst in the market study.**

No issues were raised by the market analyst. One recommendation from the market study was that a second bathroom in the 2-bedroom units would be more desirable to tenants. Archway's decision to include only one bathroom in 2-bedroom units is driven by maximizing the efficiency of the floor plan relative to existing plumbing stacks and, where possible, reusing existing finished bathrooms, which is a key driver of this project's efficient hard cost budget.

7. 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 was completed in July 2021. There were no RECs, though there are two data gaps mentioned in the report. Archway has engaged further analysis to provide the missing information and will provide an update on the results when received.

8. **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).

Because the proposed development is an adaptive reuse rather than a traditional rehabilitation of existing multifamily units, hard costs are well below those of new construction but somewhat higher than a traditional rehabilitation. This reflects the need to reconfigure floor plates and upgrade major systems, including plumbing and electrical, to accommodate a multifamily vs. dormitory use.

9. 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 is pleased to be part of the group of developers and community organizations that are poised to transform the former JWU campus. ULC is spearheading the community outreach effort as described in the attached letter from the Watson Wenk Group. As shown in the attached letters, Archway has already received support for its plans from Councilman Herndon, the Fax Partnership, ULC itself, and key campus partners Emily Griffith Technical College and the BuCu West's Kitchen Network.

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

The scope of rehabilitation work is described in detail in the construction cost estimate and property condition report ("PCR"). The development team conducted a thorough assessment of the condition of the buildings as well as modifications needed to bring the buildings to a current multifamily standard, including systems reconfigurations and upgrades. In general, the buildings have been maintained in excellent repair by the previous owner and its maintenance contractor, Sodexo, and present no serious design flaws, safety, or accessibility issues. The construction cost estimate represents a comprehensive effort to incorporate all potential repair items to ensure strong building performance for decades to come. The buildings are currently vacant and no relocation is contemplated; there are no previous housing-related federal, state or local investments on the property. Of note, the PCR mentions that the second elevator in the Presidents building is nearing its useful life and could be replaced. Archway has taken this under advisement and believes there is enough in contingency to account for this if replacement is determined necessary. Archway's counsel has provided an opinion regarding the 10-year-rule and related parties.

4% housing credit application narrative

Project Name: Legacy Senior Residences

Project Address: 5430 West 64th Avenue, Arvada, CO 80003

EXECUTIVE SUMMARY: Legacy-Arvada Partners, LP, a joint venture between Cornerstone Housing Group, LLC and the Arvada Housing Authority, is pursuing a 4% Federal and State Tax Credit allocation for the new construction of a seventy-two (72) unit attainable senior development targeting residents age 55 or better, to be located at the southwest corner of Sheridan Blvd and 64th Ave, Arvada, CO.

The City of Arvada recognized the increasing proportion of elderly residents in the City and the need for quality attainable senior housing. The Arvada City Council made it a "Strategic Result" to facilitate the development, through new construction or acquisition, of an attainable housing development for seniors of 50 units or more, in support of or in collaboration with for-profit or non-profit entities by 2019. The new construction of the Legacy Senior Residences will meet/exceed the Strategic Result identified by the City.

The Legacy development will offer thirty-eight (38) one bedroom and thirty-four (34) two-bedroom units. 100% of the development will be targeting qualifying seniors with incomes at 30%, 50%, 60%, 70% and 80% of the area median income. Legacy will be utilizing "income averaging," as well as dedicating Project Based Vouchers to the eight (8) 30% units.

Unit Mix, Set Asides and Rent Structure

Unit Type	30% Units (Vouchers)	50% Units	60% Units	70% Units	80% Units
1 Bedroom	(4) $589	(6) $983	(19) $1,179	(5) $1,307	(4) $1,494
2 Bedroom	(4) $708	(6) $1,180	(17) $1,416	(4) $1,569	(3) $1,794

Consistent with the set aside and the greater interests of the tenant population to be served, the rent structure of the Legacy Development is such that all rents (which include all utilities) will provide a substantial rent advantage over the market rate rents.

60% Rent Comparison Market Adjusted						
Unit Type	Subject's Highest Proposed Rent	Subject's Square Footage	Survey Min. Rents	Survey Max Rents	Average Rent	Advantage/ Disadvantage
1BR/1BA	$1,179	805	$1,570	$1,941	$1,765	-33.21%
2BR/1BA	$1,416	928	$1,818	$2,383	$2,032	-30.31%

BUILDING AMENITIES: Key components for tenant satisfaction and retention are the building amenities.

Secured Access Entry
Formal living room
Free internet access.
(2) Elevators
Outdoor Grill Station
Optional Garages

On Site Manager/24 hr Maintenance
Dining Room w/Serving Kitchen
Multi-station fitness center
Stairwell on each wing of the building.
Raised Bed Community Planters

Interior Mail Room.
Business center w/Computer/printer
Billiards and Social room.
Veranda with patio seating
Patios/Balconies

UNIT AMENITIES: Each of the homes will be approximately 790 sq ft for a one bedroom and 904 sq ft for a two bedroom, fully equipped kitchens with Energy Star Rated refrigerator, electric stove, built-in microwave oven, dishwasher and disposal; High efficiency furnace and water heater; Energy Star Rated electric washers and dryers in each unit; Water conserving faucets, shower heads and bathroom facilities; Plank flooring in the kitchen, living room, hallways and bathrooms, with carpeting in each bedroom; window blinds and ceiling fans are provided in each room; Cable/internet connections are available in the living room and bedrooms; Emergency call systems in the bedrooms and bathroom (when pulled will ring directly to a 24hr monitoring service). Every unit will have a patio or balcony with private storage space. Most importantly, all utilities are INCLUDED in the rent.

BUILDING DESIGN/CONSTRUCTION DETAIL: The Legacy is designed on 4.14 acres as a three-story building, 24 garages and ample surface parking. The building is oriented on the north-eastern portion of the lot, adjacent to the commercial properties that border it. With single family homes bordering the western lot line, garages will be at a 65' distance from the backyards of the homes to the west, providing ample distance for landscaping and garden plots.

There are (8) handicapped units: (4) one bedroom and (4) two bedroom units, designed for the physically, visually and hearing impaired. All units are designed with an open concept to provide easy accessibility and mobility within the units as well as bathrooms designed with roll-in showers and reinforced grab bars for stability. With the convenience of two (2) elevators, all common spaces and homes within the property are visitable on every floor.

Framing will be of wood construction with standard asphalt shingles. The building exterior will consist of a combination of brick and stone to compliment the use of either a hardy-board or stucco material. The intent with the exterior materials is to create a building theme that is contemporary, energy efficient and sensitive to the neighboring area. Due to the expansive soils, a decision was made to use helical piers in order to manage the amount of movement within the building. In addition, a crawl space will be constructed beneath the entire footprint of the building to allow for the suspension of the plumbing. With updated utilities and much needed storm water drainage improvements for the area around the site, the area will no longer have drainage issues due to insufficient storm water drainage design. Construction of surrounding roads will provide complete connectivity to an area that otherwise did not have full transit access. Once completed, it will greatly benefit the residents in the neighboring homes, as well as positively impacting the businesses surrounding the property.

TRANSPORTATION: The site itself is a superb site for seniors:

- The public bus transportation (Route 51) is within .13 miles, running seven (7) days a week and offers discounted fares to seniors 65+.
- RTD offers two services specific to seniors:
  - Senior Ride – which transports groups of 10 or more to a variety of cultural, educational and entertainment events
  - Senior Shopper - provides transportation for groups of 10 or more from senior housing complexes on weekdays.
- The Arvada Gold Strike Station is within .5 miles and opened April 2019.

GREEN BUILD: Legacy will be certifying under the 2020 Enterprise Green Communities Criteria. The Enterprise Green Communities certification aligns affordable housing investment strategies with environmentally responsive building practices. Through the initial charettes, the optional criteria that has been elected exceeds the minimum required score of 40.

SERVICE COMMITMENTS: Legacy Senior Residences is committed to providing empowerment services and opportunities for the betterment of our residents. Beacon Management is committed to providing tenant counseling as well as facilitating the following service commitments through local providers to the residents of the Legacy community, all of which are free.

- US Bank has agreed to Financial Education and Credit Counseling once a quarter, at a minimum.
- Beacon Management will provide Tenant Counseling on an as needed basis.
- Denver Urban Gardens will provide community training and low-cost seed and transplants.
- Via Mobility Services will provide scheduled weekly transportation, cost is a voluntary contribution.
- Seniors Resource Center will offer Community Services such as care management, meal preparation, personal care assistance, victim assistance, deep cleaning, and financial assistance. Additionally, adult day and respite services are available.
- The Regional Transportation District (RTD) will offer Access-a-Ride, Access-a-Cab, Senior Event services, and Senior Shopper program.

- The Homeless Navigation Program for residents with Housing Choice Vouchers will assist people experiencing homelessness with critical necessities and incorporating services needed for long-term stability.
- Onsite monthly health and wellness assessments will be scheduled for residents. Due to the current environment, the care providers previously engaged have experienced many changes and have temporarily suspended such services. The healthcare provider to promote these monthly visits will be named near construction completion.

TYPE OF FINANCING:

Funding Sources	Amount / Term	Construction	Perm
4% Federal Tax Credits	929,622 x 10 Yrs	$ 1,710,333	$ 8,552,522
State Tax Credits	1,000,000 x 6 yrs	$ 1,835,816	$ 4,080,000
Tax Exempt Bonds	13,810,000	$ 13,810,000	$ 11,650,000
Taxable Tail		$ 5,975,000	- - -
DOH Federal Funds	$ 840,000	$ 828,000	$ 840,000
City of Arvada	$ 840,000	$ 840,000	$ 840,000
Deferred Developer Fee		- - - -	$ 1,421,636
		TOTAL SOURCES	$ 27,384,158

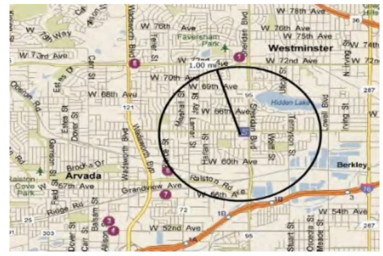
CHANGES FROM PREVIOUS APPLICATION: The Legacy was previously awarded 9% credits in 2019. The project size has not changed in size, however the set asides have changed slightly, which has increased the affordability, targeting a larger number of eligible households and has significantly reduced the overall capture rate. With the added benefit of (8) Housing Choice vouchers, we will work with the City to further their Homeless Navigation Program. In addition, the staff at City of Arvada is recommending their PAB allocation be granted to the Legacy development. All of these additions make the Legacy a much more attractive development for the City of Arvada, as they meet more goals of affordability than was previously approved.

1. Describe the bond financing structure and include the following:
   - Total amount of bonds requested:
     - $13,810,000 Construction Period
     - $11,650,000 Permanent Bonds
   - Bond issuer:
     - CHFA is the conduit bond issuer
     - City of Arvada – PAB Allocation of $6,699,853
   - Lender and bond sale structure:
     - Private Placement with Fallbrook (this will be our 3rd project with Fallbrook)
     - Bonds will be reduced from $13,810,000 to $11,650,000 upon conversion to perm financing. Both Sherwin Williams and WAB have an interest in securing the Bonds from Fallbrook
     - CHFA Bonds of $13,810,000 will be Tax Exempt / $5,975,000 will be Taxable through Fallbrook

2. Identify which, if any of the priorities in Section 2 of the Qualified Allocation Plan (QAP):
   - The Legacy has requested (8) Project Based Vouchers from the City of Arvada. The vouchers would be in conjunction with the “Homeless Navigation Program” and tied to our 30% AMI units. Cornerstone/Beacon will work cooperatively with the leaders of the program to educate our staff on how to maximize the services available to the residents.

3. Describe how the project meets the criteria for approval in Section 2 of the QAP:
   - **Market Conditions**: As evidenced by the Market Study Synopsis (Pg 1-3) the demand and capture rates for existing and proposed 30%, 50%, 60%, 70% and 80% AMI units presents an overall capture rate of 17.5%. The overall vacancy rate among the comparable properties used in the Market Analysis is zero to 4.6% with an average of 1.1%. All LIHTC properties are fully occupied and four maintain extensive waiting lists. Based on the market, Legacy is projected to absorb the units into the market within 4 to 5 months (15-18 units per month) and maintain a vacancy level of 3% or lower, as well as maintain a waiting list upon stabilization (pg 35/36 of Mkt Study).

- **Proximity to existing tax credit developments:**
    i. Hidden Lake Home Apts. - 1.19 miles
    ii. Vistas at Panorama Pointe Apts. – 3.22 miles
    iii. Columbine Village on Allison Apts. I, II & II – 2.04 miles
    iv. Columbine Village at Arvada Apts. – 2.09 miles
    v. Orchard Hill Senior Apts. – 4.18 miles



- **Project readiness:**
    i. MF development is a use by right, based on current zoning
    ii. Preliminary Development Plan (PDP) approval was received in 2019.
    iii. Final Development Plan (FDP) – our engineers have provided our 2nd Submittal in July and are awaiting comments from the 2nd submittal. We expect comments from the City to be received by August 15th on 2nd submittal.
    iv. Architectural plans will be submitted in August. Waiting to incorporate any final comments from FDP into the architectural plans before submitting, making certain we revise the plans based on comments from City, reducing unnecessary repeat comments.
    v. <u>Our goal is to be "Permit Ready" at the time of CHFA Board Meeting.</u>

- **Overall financial feasibility and viability:** Cornerstone has utilized the proposed Bond financing as well as state tax credits on other developments within our portfolio. The GC, architect and engineers have worked extensively over the last several months to provide a design that will best suit the infill site and size, meet all of the City's mandatory required road connectivity and storm water improvements, all while recognizing cost containment to support the proposed budget. The project has been underwritten with the inclusion of permit, utility fees, tap fees and all other fees associated with development in Arvada. With recommendations from the GC, we have budgeted realistic expectations of market conditions. The development team is currently in the permit and review process with the City and anticipate Final Development Plan (FDP) approval prior to the CHFA Board meeting. The City of Arvada has been provided the cost to develop Legacy. The additional improvements being made that will benefit, not only the Legacy residents, but the neighborhood and businesses surrounding area the Legacy. We anticipate the City is willing and committed to providing financial support to the project to help fill the gap and ensure financial feasibility.

- ***Experience and track record of the development and management team***: The Developer and the management team, Beacon Management, have successfully placed into service and are operating three properties in Colorado. Cornerstone owns and operates 27 properties across the 8 states. Our management team has a strong dedication to performance, compliance the ongoing operations of every property. The intent of the development team is to provide a high quality, secure and environmentally sensitive residential alternative that serves a broad socio-economic mix of residents and does so in a manner that is compatible with both the short and longer term market dynamics.

- **Site Suitability**: The greatest strength of the properties is the location, which makes this a superior site for senior housing.
    i. The site is an "infill" site, a great location next to amenities and transportation.
    ii. Walk Score: Walk Score of 67 (up from 63 in previous application) and a Transit Score of 39, for an average of 53. The City of Arvada's average is 34, 29 and 31.5 respectively. The City's current walk score of 34 is down from 39 in the previous application submission).
    iii. With transportation options and many amenities nearby, this reduces the need for private transportation.

4. <u>Address any issues raised by the market analyst in the market study</u>. – No issues per Market Analyst, they confirm the need for affordable senior housing and projects strong lease up with a projected wait list upon stabilization.

5. <u>Justification for waiver of any underwriting criteria</u> – Applicant is not requesting waivers

6. <u>Address any issues raised in the environmental report(s):</u> There are no known environmental issues.

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>
    - The land cost of $1,800,000 equates to $397,350/acre and $25,000/door.
    - There is a great amount of tree removal on the western portion of the site which requires replacement of landscaping, either on site or in a nearby park, or a contribution of Parkland Fees.
    - Building review, permit and tap/impact fees are estimated to be $1,824,240 ($25,337/door).

- Road Connectivity: Due to the nature of the site being an undeveloped "infill" site, the City of Arvada is mandating the developer to provide connectivity:
    i. Extending Benton St. through the property, a north-south alignment
    ii. Dedication of .5 acres ($163,500) to the City for the creation of W 63rd Ave, east-west alignment;
    iii. Improvement of existing private drive to the east by constructing new curb/gutter and storm water
    iv. Construction of a new private access road on the north, with an easement granted to the City
- Storm water Detention: Construction of a larger detention pond and additional site work to capture the storm water from the Legacy as well as the storm water from Napa Auto Parts (north of the property)
- Site utilities/Ditch work:
    I. Removal and relocation (burial) of above ground utility lines on the western portion of the property
    II. Improvement of main utility lines that run north/south in the existing utility easement in the middle of the property.
- Building Design:
    I. Articulation of the roofline to break up the exterior to be more visually appealing and conform with architectural design requirements.
    II. Two (2) Elevators will be constructed, allowing for accessibility to each unit within the building
    III. Expansive soils:
        - Building was redesigned to account for the type of soils, now requiring the use of helical piers
        - A crawl space has been designed under the entire building to provide suspended plumbing underneath the building, all of which is necessary due to the expansive soils.
- Material Increases: The Legacy has had some challenges with regard to design and budget. The development team spent several months consulting with Geotech's and the engineers regarding a redesign of the building/foundation and the need for crawl space under the entire building to provide a conditioned space to suspend plumbing, based on the types of soil on the site. The use of Helical piers is an added cost, rather than standard fill and slab on grade. Based on redesign - The plans were sent out to bid on 3 separate occasions. Each time, the cost of the project continued to escalate, also taking in to account the material increases due to Covid, all of which presented a financial gap between sources and uses that could not be filled. As the project currently stands, the GC has indicated the cost of materials and labor are leveling and is confident with the construction budget provided, in anticipation of a Spring 2022 start date.

8. <u>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)</u>. Cornerstone originally reached out to the community (in 2019) and received no opposition to the rezoning and approval of the Legacy. Cornerstone has met with the City of Arvada regarding the re-application of the project in 2021, providing information regarding the delay as well as evidence of the financial gap. In addition, we have expressed our continued commitment by way of our increased financial investment in the project since 2019. With this, we have asked for continued support from the City by way of a request for approval of (8) Housing Vouchers, a request for their PAB allocation and financial support in the amount of $840,000 as match support to our DOH application in the same amount.

    From the onset, the City has provided a reduction of barriers by way of reducing the approval times to accommodate the desire to have all approval processes complete prior to CHFA Committee consideration of approval of the tax credit awards, in addition to the rezoning and density allowances. With the approval of the above mentioned requests, we are pleased to have the full support of the City of Arvada behind the Legacy project.

    Thank you for your consideration.

    Bobbi Jo Lucas
    President

    Enc. Letters of Support

CORNERSTONE
HOUSING GROUP, LLC

4% pab lihtc application narrative

Project Name: Mount Calvary Senior Housing
Project Address: 3485 Stanford Court, Boulder, CO 80305

1. Executive Summary

Boulder Housing Partners (BHP), the Housing Authority for the City of Boulder, is pleased to re-submit the Mt. Calvary Senior Housing community, a 60-unit affordable senior-housing project. Mt. Calvary will include fifteen Permanently Supportive Housing (PSH) units with vouchers provided by BHP, one 40% AMI unit, 40 50% AMI units and four 60% AMI units with 54 one-bedrooms, and six two-bedrooms. These targeted rents along with BHP's commitment of fifteen project-based vouchers will help serve those most in need of housing. Key changes from the 2020 application are highlighted below:

- Increased local funding with $1,500,000 from BHP and direct CDBG funding for childcare renovation.
- Increased BHP's project-based voucher commitment from eight to 15.
- Deeper affordability.
- Addition of permanently supportive units with services provided by Boulder Shelter for the Homeless.
- Reduced State Tax Credit request.

This adaptive reuse and new construction project will include the construction of a new 60-unit apartment building in conjunction with the preservation and renovation of the existing sanctuary structure on the site. The lower level of the sanctuary building is currently home to the Rainbow Childcare Center, and BHP intends to renovate the childcare space and preserve this important community serving use on the. For the 2021 application, BHP is pleased to include CDBG funding from the City of Boulder as a direct source for the childcare renovation. The upper level of the sanctuary will be renovated to provide offices, meeting rooms, and common amenity space for residents. The opportunity to create new affordable senior housing in conjunction with the needed renovation of the childcare space is a unique partnership and an opportunity that will provide for two very significant community needs in affordable housing and access to quality childcare. The benefits to both children and seniors from this type of partnership would be numerous.

Resident services will be provided to all residents, including PSH clients. For PSH residents, services will be provided by Boulder Shelter for the Homeless, Clinica, and Mental Health Partners. These services will focus on housing stability, including connecting clients to mental health, financial, and health services. In addition, all residents will have access to a robust resident services program run by BHP. These will focus on housing stability, economic stability, heath & wellness, and community life. Additional details can be found in the resident services exhibit included with the application. Funding for PSH specific services will come from a capitalized services reserve as well as net-cash flow proceeds. Funding for BHP resident services are included in operating expenses and funded by BHP.

The project site is exceptionally located for seniors and PSH clients with easy access to public transportation, a public library, public park, two grocery stores, and ample community serving retail all within a ¼ mile of the project. Mt. Calvary is also located within a DDA, providing for a basis boost and maximizing use of federal 4% tax credits.

In addition to 4% and State tax credits, Mt. Calvary has received tremendous local support and financing commitments, increasing the previous local funding from 2020. This includes $2 million of housing funds from the City of Boulder in addition to the CDBG childcare funds, $700,000 from Boulder County Worthy Cause and $1.5 million directly from BHP. Additionally, BHP has increased the number of project-based vouchers at the site from eight to 15 and committed to providing wrap-around supportive services for these 15 units in partnership with Boulder Shelter for the Homeless. These combined sources represent a tremendous local contribution to make this project a reality.

The Mt. Calvary project will consist of three-stories of wood-framing on a spread footer foundation system. Parking will be provided in two surface parking lots on both ends of the building. The new structure will consist of a double loaded corridor, primarily oriented in the east-west direction, with a small wing that turns toward the north-east. The design includes three outdoor terraces designed to take advantage of the expansive views from the site and provide outdoor gathering spaces for different times of day and seasons. The ground floor will feature two large patios that provide a variety of seating arrangements. The existing social trail on the northern portion of the site will be improved and formalized, providing residents with a beautiful walking path and increased connectivity to the surrounding amenities. The proposed 60-units are the maximum allowable for the site per the City zoning code.

The units will all feature air-conditioning, ample storage, a full Energy Star appliance package, and in-unit washers/dryers. In addition to typical amenities found in LIHTC projects the units at Mt. Calvary will meet the City of Boulder’s livability standards by providing increased kitchen storage space, large closet spaces, durable countertops, secure bicycle parking, and lockable storage closets. The units have been designed with large windows to take advantage of the views from the property and to bring in as much natural light as possible. Additionally, specific design features have been included to address trauma-informed design principles given the inclusion of PSH units. This includes recessed entry doors providing for privacy and security, commons spaces designed to accommodate both groups and individuals, and corridors that avoid dark, isolated, and enclosed area. In addition, the landscaping has been designed to incorporate natural features and walking paths that allow residents access to the outdoors without having to leave the site.

The exterior of the building will include a mix of stucco, Hardie lap siding, and Nichiha fiber cement panels and siding. The exterior skin of the building is designed to reflect the natural surroundings of the site by highlighting earth tones and seeking to elegantly blend the building into the prominent hillside on the site. The project will feature a high level of sustainability including a Variable Refrigerant Flow (VRF) HVAC system, high-level of insulation, Energy Star appliances and a solar ready design.

2. Bond Financing Structure

a. Total amount of tax exempt bonds: Up to $14,800,000 at the ~55% level
b. Bond issuer: CHFA conduit bond issue
c. Lender and bond sale structure: Private Placement
d. Portion of bonds that will be tax-exempt and taxable: $14,800,000 will be tax-exempt we anticipate using a conventional bridge in second position to help pay for construction period costs.

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

BHP is providing 15 project-based vouchers to serve seniors exiting homelessness with services provided by Boulder Shelter for the Homeless, Mental Health Partners, and Clinica. This set-aside for supportive housing in a mixed income community represents BHP's continued commitment to serving well-identified needs in the community while providing for more general affordable housing to all populations.

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

a) Market conditions

Mt. Calvary is in a highly desirable neighborhood that provides significant amenities for senior residents. The project is within a ¼ mile of one of the largest shopping and retail centers in Boulder as well as multiple RTD stops. The inclusion of 15 project-based vouchers and the fact that there are only four units at 60% AMI will ensure high market demand. Although the capture rate for the 60% AMI units is high, both BHP and our market analyst believe this will not have an impact on leasing as outside of a recent acquisition/rehab project in the PMA there are only 27 units restricted at 60% AMI in the PMA.

b) Proximity to existing tax credit developments

There are only two competitive tax credit developments in the PMA and no competitive projects currently under construction or planned. The closest tax credit development to the site is High Mar, which is owned and operated by BHP. High Mar is currently fully leased and BHP experiences very little turnover at this property. The other competitive tax credit development in the PMA is Golden West, which is currently completing a substantial renovation. Given the fact that most of the units at Golden West will serve seniors at 60% AMI and above and that the project is not new construction, BHP strongly believes that Mt. Calvary will be highly competitive in the market.

c) Project readiness

BHP has invested significant resources to ensure that the Mt. Calvary site is ready to proceed upon an award of tax-credits. The site is properly zoned, and BHP anticipates receiving Site Review approval on August 5, 2021. BHP has also worked closely with our architect and general contractor to ensure the cost estimates are accurate and achievable, especially given recent market volatility for materials. The project team will continue to move forward with design documentation and BHP anticipates the project would be ready to start construction in the second quarter of 2022.

d) Overall financial feasibility and viability

BHP has worked diligently over the past year to increase the financial feasibility and viability of the Mt. Calvary project. Although construction costs have increased, BHP has more than offset those increases through the addition of new local sources. As a result, our credit ask has been reduced and the overall feasibility of the project is very strong.

The project will benefit from significant local financial contributions, including a few funding source specifically for the childcare renovation, an increase in direct funding from BHP, and fifteen project-based vouchers. This is in addition to a full seller carryback for the value of the land as well as fully committed funding from Boulder County Worthy Cause. BHP has a strong track record of bringing our projects to fruition, and we believe the conservative underwriting presented in our application along with the project's location in a DDA will ensure that Mt. Calvary is financially feasible as presented.

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

Mt. Calvary will be developed and managed by Boulder Housing Partners. BHP has over 50 years of experience building and managing affordable housing developments, including experience successfully managing over 900 apartments financed through the tax credit program. The development team has combined experience with the development of more than 15 LIHTC projects, construction management, stabilized lease-up, and management of these projects throughout the City. The project team, including the project architect, civil engineer, accountant, tax credit attorney, general contractor/cost estimator, and development consultant, has extensive experience with affordable housing and housing development in the City of Boulder. Please see the project team's résumés for detailed information.

f) Project costs

Mt. Calvary has been designed to provide an exceptional community for future residents while also effectively utilizing the scarce resources available for affordable housing. The new structure on the site was designed to stack all 60 units in the project in a single building and was situated to take advantage of the flattest portion of the site. The existing sanctuary structure on the site will be renovated in the most cost-effective manner, with a focus on replacing building HVAC systems and minimally retrofitting the space to provide community amenity space that is thoughtfully designed, yet budget conscious. Design requirements in the entitlement process have resulted in an increase in construction costs, but BHP has more than offset those by providing new local funding sources. Given the need to preserve the sanctuary and the higher costs of construction in Boulder, BHP believes the Mt. Calvary project is an efficient use of CHFA's limited resources.

g) Site suitability

The project site is located less than a ¼ mile from a public library, multiple grocery stores, a pharmacy, cafes and restaurants, multiple RTD bus stops, and a public park. Residents will enjoy walking paths that connect from the site to the adjacent services as well as abundant bike routes that connect the site to the rest of Boulder. The project is just over 1 mile from the South Boulder Rec Center and under 2 miles from the University of Colorado, both of which offer a variety of classes for seniors.

5. Provide the following information as applicable:

BHP requests a cost basis limit waiver for federal tax credits. Please see attached letter for more details.

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

As noted in the market study update letter the overall capture rate has increased to 29.9% from 15.2% in the 2020 application. This is the result of the inclusion of 4 units at 60% AMI, which have an artificially high capture rate given the 198 units at 60% AMI at the Golden West community. However, given that BHP has added fifteen PBVs, the overall affordability of the project has increased and will result in a more marketable project than the previous application. BHP and our market analyst find that the inclusion of the 60% AMI units will benefit the lease up of the project by increasing the range of households that will qualify while having no impact on the projected lease up timeline.

7. Issues raised in Environmental Reports

The Phase I Environmental Assessment did not raise any issues.

8. Unusual Features that are Driving Costs Upward and Opportunities to Realize Cost Containment

The constructions costs for the Mt. Calvary project are largely driven up by the preservation and renovation of the existing sanctuary on the site combined with the stringent City of Boulder energy code and design regulations. The sanctuary renovations will add approximately $875,000 to the project costs, although BHP has worked closely with our architect and contractor to minimize this cost while still meeting historic design regulations in the City. Additionally, the new apartment building will feature a highly efficient VRF system to provide heating and cooling to meet the City's energy code. This system adds approximately $6,800/unit above HVAC systems typical of other affordable projects. To help offset these costs, BHP focused on providing a compact and efficient building that takes allows for cost effective framing, plumbing, and construction phasing.

9. Community Outreach

As part of the planning process for the Mt. Calvary Senior Housing project, BHP conducted a robust community engagement plan. This included community open houses, design workshops, and an interactive online survey. Through these events BHP gathered a significant amount of input that has informed the design of the project. Project features that were directly influenced by the engagement process include:

- Maintaining the trail up the natural hillside on the site.
- Incorporating community gardens.
- Designing a building that has a varied roof line and minimizes impacts on surrounding neighbors.
- Utilizing building materials that reflect the surrounding environment.
- Incorporation of landscape buffers on the edges of the site.
- Preservation of the sanctuary structure

Since the 2020 LIHTC application, BHP has received no negative feedback on the Site Review submittal to the City of Boulder. Additionally, there was no public comment received for the upcoming August 5, 2021 Planning Board hearing. This is a result of thoughtful planning and design during the entitlement process to ensure neighborhood concerns were met while still designing a feasible project.

10. Renovation Scope, Relocation Plan, 10-year Rule

Renovation Scope

The Mount Calvary project includes the preservation and renovation of the original 1957 sanctuary structure on the site. The building is currently home to the Rainbow Childcare Center, which operates out of the lower level of the structure. BHP intends to renovate both the childcare space as well as the main level of the sanctuary to provide new common amenity space for residents. The preservation of this structure was an important aspect of the project in community meetings as well as the City's entitlement process.

The renovation plans will focus on modernizing the building systems while also creating a true amenity for the project. The main level will be renovated to create a unique community space that will feature a kitchen, computer lab, meeting/multi-purpose room, two offices, restrooms, and ample seating options. The renovation scope will include providing new windows, upgraded lighting, new flooring, and reconfiguration of the restrooms.

The lower-level renovation will focus on safety upgrades for the childcare space including a new Ansul hood in the kitchen, asbestos mitigation, and upgrading the fire suppression system.

The sanctuary building will also receive a new HVAC system, replacing the original boiler in the space and providing much-needed air conditioning.

10-year rule & Major Capital Expenditures

There have been no major capital expenditures over the past two years at the site and BHP has confirmed that there are no 10-year rule issues, as evidenced in our 10-year rule opinion included with the application.

Relocation Plan

BHP has determined that the Rainbow Childcare Center may be temporarily displaced by the renovations planned for the space they currently lease from BHP. Currently, the childcare is operating out of the East Boulder Community Center as a result of the existing church structure being used as a COVID recovery center for Boulder's homeless population. BHP has worked closely with the City and the Rainbow Childcare on this solution and we anticipate it would be able to continue during construction.

Should that solution not prove feasible during the duration of construction, BHP has set aside project funds to pay for reasonable moving expenses, utility hookup fees, and other required Uniform Relocation Act expenses that Rainbow may incur during their temporary relocation. BHP has provided the required General Information Notice for a Nonresidential Tenant that will not be displaced.

4% housing credit application narrative

Project Name: **Paloma Garden**
Project Address: **920 S. Chelton Road & 3140 Mallard Drive, Colorado Springs, CO 80910**

Executive Summary

Volunteers of America (VOA), a highly experienced non-profit LIHTC developer, owner, operator and service provider in Colorado, is pursuing a State and 4% LIHTC allocation to finance Paloma Garden*,* a project that reimagines two, currently owned VOA properties, into one, senior service enriched development in southeast Colorado Springs, Colorado via one financing execution. The two current VOA-owned properties in this project are Laurel Manor and Laurel Gardens, which are directly adjacent to each other. Laurel Manor @ 920 S. Chelton Road is a skilled nursing facility that VOA had managed for over 40 years that was closed in the fall of 2020; it is awaiting demolition to make way for a brand new development on its site. Laurel Gardens @ 3140 Mallard Drive is a 20 year-old, HUD 202 affordable housing development for seniors age 62+. This development has maintained high occupancy with a steady waitlist since its opening. As part of the new Paloma Garden campus, Laurel Gardens will undergo a modest rehabilitation including energy efficiency upgrades, common area finishes, exterior improvements/amenities and minor in unit modifications. VOA is recommitting to serving seniors, age 62+, and contributing to new investment in this often neglected southeast Colorado Springs community. The development will have a distinct focus on health in housing throughout the design, programming, and operational elements of the project. Paloma Garden was thoughtfully and intentionally named and VOA created a corresponding mission statement, which is detailed in the narrative **Attachment 1**.

VOA's continued commitment to seniors meets a critical housing need in this underserved low-income community, where many seniors are aging in place in older single-family homes that dominate Colorado Springs' neighborhoods. Paloma Garden will provide a supportive, services- and amenity-rich environment where the community's seniors across the income spectrum can thrive. VOA has a long-standing track record of serving seniors in the Colorado Springs area through these two properties and has collaborated closely with local and regional agencies and the market analyst to better understand the current housing needs in this community in planning Paloma Garden. Additionally, VOA engaged a Health Action Plan (HAP) in planning this development. A HAP provides affordable housing developers with a process for a more intentional integration of health into the design, development, and programming aspects of the proposed project. The Paloma HAP was developed by reviewing local source material to better understand the history of the community, analyzing locally available community health and demographic data, and engaging with health related stakeholders to identify key factors that affect community health. The report's recommendations provide a path forward to produce a development with health thoughtfully integrated throughout and are detailed in **Attachment 2**. 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 VOA's on-site staffing and services plan that will support residents to successfully age in place while maintaining maximum independence. VOA's vision for the site is to transform both properties into a modern senior affordable, high quality, service-enriched housing model. The redevelopment will link the properties and residents to create a greater sense of community and to create synergies that will provide comprehensive services and amenities.

Located in southeastern Colorado Springs, Paloma Garden will offer a total of 126 units. This includes 75 new, 50 renovated (plus one non-revenue) apartment units across two, three-story, elevator served buildings. All units will serve seniors aged 62 and over. The proposed concept includes 117 one-bedroom and 9 two-bedroom units. The unit mix and rents are geared to provide deep affordability, with 49.6% of units at or below 50% AMI:

- 50 units (40%) at or below 30% AMI
- 6 units (5%) at or below 40% AMI
- 6 units (5%) at or below 50% AMI
- 63 units (60%) at or below 60% AMI

Residents will enjoy quality in unit amenities, which include:

- Fully Equipped Kitchens
- Energy Efficient Appliances
- Stackable Washer/Dryers
- Private Balconies
- Free in-unit Wi-Fi Access
- Walk-in Showers

Community amenity spaces will include:

- Community Room with Kitchen
- Exercise Room
- Business Center
- Services Coordinator Office
- Health/Nurse Room
- Covered Outdoor Gathering Spaces
- Raised Garden Beds
- Walking Path
- Upper Level Resident Amenity Room

Additionally, residents will have easy access to public transportation and a variety of important community amenities for shopping, services, healthcare, parks and recreation and more.

The new construction building will be wood-frame construction over a slab-on-grade foundation in one three-story structure with surface parking and outdoor socializing, gardening and landscaped areas. The building will consist of one- and two-bedroom units, resident community spaces, and offices. Unit amenities are similar to other successful new LIHTC developments and include storage areas, patios/balconies, Energy Star-rated appliances, and walk-in showers. The project market study indicates the common amenity areas are "well-designed" and include a living/community room and kitchen, exercise/fitness room, business center and a third-floor library. The new third level resident amenity room will have oversized windows and western mountain views. VOA is attentive to the design details that will enhance the livability for older adults. Paloma Garden will have a half roundabout primary drop off area at the south end of the building; a secondary entrance point at the north end of the building; access from both S. Chelton Road and Mallard Drive, the adjacent transit stop, in-unit washers and dryers; additional storage areas off of the corridors, and inclusion of two elevators; and inclusion of a hand rail on one side of all of the corridors. See **Attachment 3** for more information about the site's design.

Resident services are core to VOA's mission of providing service enriched housing and have been built into the two properties that will become Paloma Garden. From this mission of service, VOA has developed a strong service plan for Paloma Garden. The plan is two-fold: 1) a physical design that will help residents to start an aging in place program on day one of operations and, 2) a robust service delivery plan emphasizing the importance of residents having access to services to address and control chronic health conditions. The method of delivering on this plan lies with VOA's service coordination. Laurel Gardens already has a full time Service Coordinator that provides case management and referral to residents in the 50 units on site. The goals of Service Coordination at Laurel Gardens are to promote wellness, build community, and assist seniors with aging in place. In support of these goals, annual assessments are conducted with residents to better understand both individual and community needs. The Service Coordinator links residents to supportive services and other community resources, and promotes wellness through the coordination of health, wellness, and educational activities on site. The strong efforts of the Laurel Gardens Service Coordinator will be greatly enhanced by the creation of Paloma Garden, as VOA plans to bring on additional staff to support the greater number of residents on the future combined campus. Not only will Paloma Garden continue to utilize relationships with local service providers that the Laurel Gardens Service Coordinator has already cultivated, but also will build new health related relationships. Some of the primary partnerships already in place at Laurel Gardens include: Pikes Peak Area Agency on Aging, State Health Insurance Assistance Program, Program for All-inclusive Care of the Elderly, El Paso County Department of Human Services, Silver Key, University of Colorado - Colorado Springs, Drive Smart Colorado, Foster Grandparents Program, and more. **Attachment 4** includes more details of the service plan for Paloma Garden.

With respect to sustainability features, the Laurel Gardens renovation will have a focus on energy efficiency with upgrades to building wide HVAC systems, light fixtures, plumbing fixtures, and windows. The adjacent new building will meet the Department of Energy's Zero Energy Ready Homes (ZERH) standards for HVAC and building systems efficiency, insulation, infiltration, Energy Star features, and indoor air quality. Both buildings will incorporate EV-ready parking spaces and the new build will also feature PV ready infrastructure. **Attachments 5 and 6** are sustainability narratives for both buildings. Organizationally, VOA is very committed to the health of its older adult residents, including design and technology features to improve indoor air quality and other factors, especially in light of climate change and deteriorating air quality.

In addition to State equity, the financing structure for Paloma Garden will include, 4% low-income housing tax credits, City of Colorado Springs HOME and CDBG funds, City of Colorado Springs/CHFA bond cap, El Paso County Housing Authority loan, State of Colorado Division of Housing funds, the Colorado Health Foundation service funds, VOA Capital Magnet Funds, and deferred development fee. The new Paloma Garden building will qualify for a property tax exemption under state of Colorado statute.

1. Describe the bond financing structure: There will be $16,400,000 of tax exempt construction bonds with approximately $2,330,000 taxable construction bonds structured as a direct private placement. The bonds will pay down to $6,360,000 of permanent tax exempt bonds. The bonds are anticipated to be issued by the City of Colorado Springs.

2. Identify which, if any of the priorities in Section 2 of the Qualified Allocation Plan (QAP): The sponsor is not claiming any points in this section. However, the proposed project is providing housing and services to a very vulnerable low-income senior population and providing a generous services package at no cost to residents.

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 6.5%. Before adding in units from Paloma Garden, the overall capture rate is at 4.9%. The waitlist at Village at Homewood Pointe and Tamarac Senior Apartments, both 3-5 miles west of the Paloma site, exceed 750 and 600 people respectively, and other properties report little to no vacancy, showing the high demand for affordable units in this area of Colorado Springs. The addition of 75 affordable new units at Paloma Garden has a very minimal impact on the existing overall capture rate. Existing capture rates for the 30%, 40%, 50% and 60% AMI units are very low, at zero, 6.3%, 11.1% and 1.0% respectively. Furthermore, the market analyst notes that, "Overall, it is projected that there will be a very large number of age 62+ renter households in the PMA (9,446) in 2021". This further illustrates the need for additional, high-quality senior affordable housing in southeast Colorado Springs.

b. Proximity to existing tax credit developments

There are four existing LIHTC senior properties in the PMA. Of those, two are properties consisting of two buildings and both operate their two buildings as one property (Villas in Southgate and Wyndam Place). Villas in Southgate has Project Based Section 8 vouchers for 100% of its apartments. Additionally, there are no planned or under-construction senior apartment properties in the PMA that have received tax credit awards, nor are any included in the current State LIHTC application round (from LOIs submitted June 2021) at CHFA. Finally, there are two under-construction senior properties in the broader El Paso County market: Villas at Mesa Ridge in Fountain (about 8 miles south of the subject) and Atrium at Austin Bluffs (over 7 miles north of the subject).

c. Project readiness

Both the renovation property, Laurel Garden, and the new construction site for Paloma Garden are currently under VOA's ownership. In addition to both sites already being under VOA's control, the former skilled nursing facility, Laurel Manor site, has already been vacated, and is prepared for demolition. This new build site is zoned appropriately for the planned three-story 75-unit structure that will be built. With respect to the Laurel Gardens renovation, VOA is planning minor interior renovations and exterior site improvements, which will not require any resident relocation. All utility stubs on the new build site are in place, from the former Laurel Manor building, which will ease development The development team presented the new 75-unit building proposal to the City of Colorado Springs at the Land Development Technical Committee for review and no barriers to the proposal were identified. VOA's development proposal has qualified for the City's Rapid Response Review program and does not anticipate any issues in reaching full building permit. Because of these factors, neither site presents any barriers to beginning the project. See projected design-permitting schedule in exhibits section of the application.

d. Overall financial feasibility and viability

VOA is committed to maximizing the number of very low-income units in Paloma Garden to best meet the needs of the community at this southeast Colorado Springs location. This commitment is demonstrated by its two financial contributions to the project; a) $750,000 of VOA's Capital Magnet funds and b) an acquisition carryback loan. In addition to 4% LIHTC equity, State AHTC equity, El Paso County funds, the State Division of Housing funds, The Colorado Health Foundation funds, and the City of Colorado Springs funds, the project will benefit from Laurel Gardens going through the RAD for PRAC process. This process allows for a new increased rent to leverage for renovation of the property. VOA's goal in feasibility is to provide the maximum number of new low-income units and create a unit and rent mix that both meets the needs of this location and provide a modest renovation of Laurel Gardens while also ensuring the long-term financial feasibility and sustainability for both properties in Paloma Garden.

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

VOA is a 125-year-old, national non-profit that provides housing and services to seniors, people with disabilities, people experiencing homelessness, and families. Its portfolio includes 20,000+ units in 500+ communities across the United States and Puerto Rico. VOA Colorado will be the property manager and service provider at Paloma Garden. VOA Colorado currently manages a significant portfolio of over 1,800 affordable housing units in Colorado. 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 Paloma Garden will provide the highest quality living solution possible for seniors living in Colorado Springs 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. 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 partners with community organizations to connect residents with activities, services, social networks and other benefits provided by these other organizations.

f. Project costs

B.C. Builders is a very experienced multi-family general contractor headquartered in Centennial, CO. This will be VOA's sixth project working with B.C. Builders. B.C. Builders has a proven track record of delivering affordable multifamily housing projects on-time and on-budget including the six projects with VOA. The project's design was developed in close coordination with B.C. Builders input. The construction cost estimate prepared by B.C. Builders was informed by other recent LIHTC projects, including another project in Colorado Springs that they recently put out to bid.

g. Site suitability

Paloma Garden's location fronting South Chelton Road provides good visibility and access to shopping, services, healthcare, employment centers and public transportation. The # 1 Mountain Metropolitan Transit bus line stop at Mallard & Chelton and is approximately 100 yards from the front door of the Laurel Gardens building. It runs every 15 minutes Monday through Friday and every 30 minutes Saturday and Sunday. This bus line provides easy access to key amenities such as restaurant, grocery and pharmacy, senior support services, downtown Colorado Springs, and much more. The site is well situated to many neighborhood amenities. Walgreens Pharmacy and Walmart are both located 1.3 miles from the site, Peak Vista Health Center is located 1.8 miles from the site, and many restaurants and shopping locations are with a range of 0.5 to 5.0 miles of the site.

Maximizing housing density on any site is a balancing act between parking, building height, set-backs, engineering considerations, and physical site limitations. The proposed 75-unit new build site plan maximizes the number of units with regard to the building footprint, building height, storm drainage detention, surface parking, and the outdoor amenity areas. See the design/site planning memo in the Exhibit section of the application for more information.

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.

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 environmental issues were raised in Phase I environmental report that would prohibit the successful development of the new build site. However, Asbestos Containing Materials were found present in the Laurel Manor building and a comprehensive Asbestos Survey was completed accordingly. VOA has received multiple bids for the asbestos abatement and plans to fully remove all of the asbestos prior to demolition of the Laurel Manor building.

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

Due to the increased demand for construction for housing materials from the COVID-19 pandemic, pricing for materials such as lumber and steel have been volatile and are high. However, prices have been leveling lately and VOA, in concert with B.C. Builders has planned to manage costs as best as possible to ensure the overall financial feasibility and success of the project.

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 has done multiple things to reach out to the community which include; a) a Laurel Gardens resident meeting, b) a Laurel Gardens resident survey (**Attachment 7**), c) a neighborhood outreach meeting, and d) outreach to Colorado Springs partner agencies. Through this process, VOA has gained valuable input on the design of and not received any opposition to the proposed Paloma Garden development. In particular VOA had an excellent response to its Laurel Gardens resident survey with over 50% participation. With respect to financial support, VOA has secured support in the form of a below market loan from El Paso County and a preliminary commitment for CDBD/HOME/Bond Cap funding from the City of Colorado Springs.

4% housing credit application narrative

Project Name: Park Ridge Apartments (Scattered Site)
Project Address: Multiple - Estes Park I – 1250 Acacia Dr., Estes Park 80157; Estes Park II – 1256 Community Dr., Estes Park 80517; Limon – 440 1st Avenue, Limon 80828; Brighton – 611 Miller Ave., Brighton 80601

Executive Summary:

Park Ridge Apartments is a scattered site acquisition and rehabilitation project consisting of four properties located in three rural communities (the "Project"). All four properties are currently fully occupied or nearly fully occupied. With 4% LIHTC/State AHTC, RD 538 and 515 Loans, project-based rental assistance, and soft funding, Chrisman Development, Inc. ("CDI" or the "Developer") has structured a financing package that will preserve and rehabilitate a total of 115 units for low income residents. An award of AHTCs is critical in order for CDI to complete the level of rehabilitation that these affordable properties need to preserve the units for decades to come.

The Chrisman project promotes equity by preserving project-based rental assistance that serves Coloradans with the lowest incomes. Of the 115 units, 67 units now have project-based rental assistance from Rural Development ("RD"). Chrisman was able to secure 5 additional units of RD project-based rental assistance since last year. The Project will preserve this valuable resource and allow the very low income residents in the properties to stay in their homes. The current average household income for the units in the Project supported with rental assistance is $13,600 – the Developer is proposing to preserve this critical financial support for families and seniors that need it most.

In addition, the Chrisman project is the only application in the round that promotes equity by spreading the benefits of one award of state tax credits across three different municipalities and three different counties. The Project also promotes equity by preserving important community assets in parts of the state with fewer affordable rental options. Limon Apartments is the only family LIHTC property in Lincoln or Elbert Counties. Estes Park has not received a competitive tax credit award since 2014. None of these four rural properties are located within a half mile of a public transportation route, but both Platte Valley Terrace and Limon Apartments are located within a half mile of several businesses offering employment opportunities.

In response to feedback from CHFA, CDI has expanded the rehabilitation scope of work since last year's application to complete a comprehensive rehabilitation including interior renovations in all units that have not been recently renovated. The Project will certify under the National Green Building Standards (NGBS) program's Bronze certification tier. For specific renovations that are planned for the properties and for the plan of temporary tenant relocation during rehabilitation, please see Section 10.

Chrisman has also secured additional CDOH soft funding since last year's application and modified the project's unit mix to ensure the Project's financial feasibility. CDI will utilize Income Averaging in order to include eight 80% AMI units in the Project which will allow all existing residents to remain in their communities. Since last year's application, the number of existing households over 60% AMI has decreased by one household, and CDI has added 50% AMI units and increased the number of 30% AMI units to reduce the Project's average income from 58% to 56%.

Park Ridge Apartments – Estes Park I, built in 1985 as an RD and LIHTC family property, has 24 one-bedroom units, six two-bedroom units, and two three-bedroom units for a total of 32 units, one of which is a manager unit. Of the remaining 31 units, 13 units have RD rental assistance. Five units will be restricted at 30% of the area median income (AMI), two units at 50% AMI, three units at 80% AMI, and the remainder of units at

60% AMI. The property consists of four two-story walk-up buildings with wood siding exteriors and exterior unit entrances. Project amenities include a laundry facility, on-site management and maintenance, and walk-in closets in the one-bedroom units. Park Ridge is located in southeast Estes Park along St. Vrain Avenue (St Hwy 7). The LIHTC use restriction expired in 2015.

Park Ridge Apartments – Estes Park II (fka Trail Ridge Apartments) is an existing RD and LIHTC senior (62+) development built in 1991 and consists of 23 one-bedroom units and a two-bedroom that serves as a manager unit. The 23 remaining units are all, and will be preserved as, rental assistance units for seniors. 19 units will be restricted at 60% AMI, two units will be restricted at 50% AMI, and two units will be restricted at 30% AMI. The development contains three two-story walk-up buildings with wood siding and exterior entrances. Project amenities include a laundry facility and on-site management and maintenance, The site is located in southeast Estes Park along St. Vrain Avenue (St Hwy 7). The LIHTC extended use period expires after 2022.

Park Ridge Apartments – Limon (fka Limon Apartments) is an existing RD and LIHTC family development with two one-bedroom units, 12 two-bedroom units, and two three-bedroom units built in 1994. After rehabilitation, 12 units will serve families at 60% AMI, two at 50% AMI, and two at 30% AMI. The 16 units of RD project-based rental assistance will be preserved, allowing all current very low income residents to remain in their homes. The property is comprised of two two-story walk-up buildings with wood siding exteriors and asphalt shingle roofing. Units are accessed from exterior entrances. Project amenities include a playground, laundry facility, and on-site management and maintenance. The property is located in east Limon between Main Street and I-70. The LIHTC affordability requirements expire at the end of 2023.

Park Ridge Apartments – Brighton (fka Platte Valley Terrace) was built in 1989 as an RD family property and last renovated in 1997. The property has 22 one-bedroom units and 24 two-bedroom units (one unit is a manager unit). Of the 45 remaining units, 15 have, and will continue to have RD rental assistance. Eight of the units will be restricted at 30% AMI, two units at 50% AMI, five units at 80% AMI, and the remainder of the units will be restricted at 60% AMI. The units are arrayed in six two-story buildings with brick and wood siding exteriors. Project amenities include a playground, picnic area, laundry facility, and on-site management and maintenance. The site is located in a QCT in southwest Brighton near the intersection of Highway 85 and Bromley Lane. There are no affordability restrictions currently on the property outside of the RD 515 loan, which is eligible for prepayment and conversion to a market rate property.

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

Construction Period Bonds: $15,840,000 (all tax-exempt) - Private Placement; Permanent Bonds: $0
Bond Issuer: CHFA (The City of Brighton awarded $2,157,156 in 2020 PAB cap to the project last year.)

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

a & b – N/A

c. Projects in Counties with populations of less than 180,000:

Lincoln County (Limon) had 5,585 residents as of 2019. The property to be acquired and rehabilitated in Limon will preserve 16 units with rental assistance for very low income families.

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

a) Market conditions

The overall occupancy rate of the properties is currently 97% and these high occupancy levels are anticipated to continue during and after rehabilitation of the units. The Project will preserve 115 units of affordable housing including 67 units with rental assistance for current residents who would have very limited housing choices if these deeply affordable rural units no longer existed.

b) Proximity to existing tax credit developments

*For **Estes Park I and Estes Park II,*** there are three family LIHTC developments in the PMA:

- Falcon Ridge (4.8/3.8 miles to the north) was completed in 2016 and has 48 units at 30%, 40%, 50%, and 60% AMI with 2% vacancy.

- Lone Tree Village (1.3/0.3 miles to the north) has a 2% vacancy rate and was completed in 1997 and has 57 units serving 50% AMI and 55% AMI families in addition to one market rate unit.
- Talons Pointe (4.6/3.6 miles to the north) was completed in 2003 and has 44 units serving 40% AMI, 50% AMI, and 60% AMI households with 0% vacancy.

Each of the above properties has an extensive waiting list. No LIHTC developments have been awarded tax credits in the *Estes Park I or II* PMA since 2014.

Limon Apartments is the only existing tax credit development in the Limon area and was built in 1993. It is 100% occupied.

For the ***Brighton*** property***,*** there are nine LIHTC projects in proximity to Platte Valley Terrace; three of these are targeted to seniors and thus not listed:

- Spring Hollow (2.5 miles to the NE) placed in service in 2003 with 108 units at 60% AMI.
- Hughes Station (1.9 miles to the N) was completed in 2003 with 119 units at 30%, 40%, 50% and 60% AMI.
- Pinecone Village (adjacent to site) placed in service after rehabilitation in 2006 with 40 units between 50% and 60% AMI.
- Sterling Park (3.8 miles to the E) was completed in 2010 with 128 units at 50% and 60% AMI
- Riverwalk (0.9 miles to the W) placed in service after rehabilitation in 2014 with 87 units at 50% and 60% AMI and 45 market-rate units.
- Windmill Ranch (1.3 miles to the E) was built in 2018, with 96 units serving residents at 30%, 40%, 50% and 60% AMI.

c) Project readiness

The Developer's extensive experience in successfully completing RD-financed projects positions it well to complete the contemplated financing efficiently. To date, CDI has completed development of 41 RD properties with a total of 1,596 RD units with 33 of these properties developed as part of a scattered site project. CDI has completed twelve total scattered site LIHTC projects including a scattered site project with five properties. CDI is the right developer to see this complex and important project through to completion.

CDI has engaged the architect and the general contractor for all four properties and is ready to fully contract with these partners to ensure an efficient construction process upon allocation receipt. A construction schedule will be agreed upon as part of this agreement which stages the renovations over 12 months. Additionally, each municipality has indicated that there are no issues that would cause delays in the permitting process.

d) Overall financial feasibility and viability

Combining the four properties into one tax credit project optimizes the financing structure by sharing the LIHTC and PAB costs and diversifying the renter markets served. The Project financing includes assignment of the existing RD 515 subordinate loans and new RD 538 loans. There will be separate RD 515 and 538 loans for each property, and none of the RD loans will be cross collateralized by the other properties in the Project. The Project's financing also includes soft funding from the Colorado Division of Housing and Adams County and fee waivers from the Town of Limon.

The construction work will be completed by Nunns Construction who also prepared the third party cost estimates included with this application. A single construction contract between the ownership entity and Nunns Construction will cover the work for all four properties. Based on previous projects that CDI has completed of a similar size and scope, it is anticipated that rolling the four properties into one project will create some cost savings. The proposed contractor structure will allow for the completion of the rehabilitation in a timely and cost-effective manner.

CDI is confident that the proposed scope of work can be delivered with the proposed financing. The cost estimates provided by Nunns closely matched CDI's internal cost estimates. At this time, Nunns Construction has not requested bids from subcontractors but will do so after the project receives a tax credit award. Cost escalation of 3% has been included in the construction cost estimates. While the industry has recently experienced unprecedented increases in material costs, this market volatility does not impact rehabilitation projects to the extent that it affects new construction.

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

Chrisman Development, Inc. has been developing affordable housing since 1989 and has built or rehabilitated 67 projects across Oregon providing 2,103 affordable apartments with total project costs exceeding $216,000,000. CDI identifies and acquires or secures affordable housing projects at risk of converting to market rate with the goal of preserving and rehabilitating the apartments to help secure a limited resource while alleviating the risk of losing affordable housing in rural communities. CDI has successfully combined 4% LIHTC tax credits with various Oregon state funding resources on multiple projects to create viable financing structures used to acquire and rehabilitate older rural properties, often times RD properties, in order to preserve those units for low income residents. The Developer is eager to implement this proven and successful model in Colorado communities to preserve affordable units that may otherwise be at risk.

CDI has a specific focus on USDA RD properties, but has also worked with HUD Multifamily, LIHTC, HOME, National Housing Trust Fund, Oregon Agriculture Workforce Housing Tax Credits and projects with many local services in Oregon.

f) Project costs

CDI has worked with its architect and contractor to create the best possible set of estimated project costs. The development team believes the costs are accurate, reasonable, and necessary for the scope of the Project. By combining the properties into one scattered site LIHTC project, CDI is able to leverage resources and utilize economies of scale to minimize costs and maximize benefits to residents.

g) Site suitability

The sites' suitability is supported by nearly 100% occupancy at all of the properties. The residents are already in place and will be temporarily relocated and quickly returned to their units after renovations are completed. A list of nearby and site amenities for each property is included in Narrative Attachment 1.

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

There were no recommendations by the market analyst.

5. Provide the following information as applicable:

- *Justification for waiver of any underwriting criteria* - No waiver requested

6. Address any issues raised by the market analyst in the market study. See #4 above.

7. 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 Phase I environmental reports for the properties.

8. Identify if there are any unusual features that are driving costs upward as well as if there are any opportunities to realize cost containment.

Building in rural communities often comes with increased costs, especially rural communities that are in the mountains, like Estes Park. Despite the increased costs of construction in rural communities, CDI will experience cost savings from the combining of the four properties into one project with one construction contract.

9. 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).

Chrisman Development has contacted the municipalities and housing authorities for each property location and has received multiple indications of support for the long-term preservation of existing affordable units in these communities without displacing any residents. Support letters from the Town of Estes Park, Town of Limon, Estes Park Housing Authority, and Brighton Housing Authority are included in this application (see attached). Limon has also agreed that it will waive its permit review fees to support the Project.

10. For acquisition/rehab or rehab projects.

10 Year Rule: All properties are considered “federally assisted buildings” and therefore exempt from the 10-Year Rule as they are currently assisted and financed by the Rural Housing Service of the Department of Agriculture through the 515 and Multi-Family Housing Rental Assistance programs. Documentation of the properties’ existing Section 515 loans and rental assistance is included in this application.

Relocation: Due to the nature of the proposed rehabilitation, tenants will need to be temporarily relocated while the interior of their units are being remodeled. A detailed Tenant Relocation Plan is included with the application. Based on previous projects of a similar size and scope, it is anticipated that the average length of time that tenants will need to be out of their units is 8 days for standard units and 15 days for ADA units. Relocation benefits for lodging and meals will be provided to each tenant. Additionally, the Developer has elected to use Income Averaging and include 80% AMI units in the Project to ensure that no current tenants will be permanently displaced.

Scope of Work: Brighton was originally constructed in 1989, Estes Park I (Park Ridge) in 1985, Estes Park II (Trail Ridge) in 1991, and Limon in 1994. From the date that each project was constructed, ongoing maintenance at each of the properties has occurred, but capital expenditures have been limited. To date, capital expenditures have included roof replacements (Brighton in 2018, Estes Park I in 2017, Estes Park II in 2013, and Limon in 2009), the replacement of individual HVAC units during unit turns, and some window replacements. Other than the initial funding that was used to construct each complex, CDI is not aware of any additional local, state, or federal resources that have been invested in any of these projects nor is it aware of any design flaws in the original plans. While the properties have been fairly well maintained, the passage of time and normal wear-and-tear has created a current need for each project to undergo significant rehabilitation. This level of rehabilitation is not possible without state credits.

In developing the scope of work for this project, CDI predominantly relied upon information provided in the Property Condition Assessment (PCA) reports as well as input from the general contractor, current owner and property manager, and its own internal review of the condition of each property. Based on the input received from these sources and feedback from CHFA following the submission of last year’s application, CDI has prepared a much more comprehensive scope of work that not only meets the critical needs of the property but also addresses CHFA’s requirements and the long-term capital needs at each property as well.

Based on the proposed scope of work, almost all the units at each property will receive interior upgrades such as new windows, cabinets, sinks and faucets, toilets and tubs, energy efficient lighting upgrades, new smoke detectors and fire extinguishers, energy efficient appliances, new gas furnaces, new flooring, and interior and exterior doors. The only units that will not receive these items are those that have already been replaced within the last three years or where certain items are still at the beginning of their useful life. In addition, the scope also includes ADA unit conversions, office and laundry room upgrades, and the addition of dishwashers, garbage disposals, and air conditioning. Exterior upgrades at each property include new sidewalks, new landscaping, new paint, energy efficient exterior lighting, trash enclosures, mailboxes, and existing site drainage issues at each of the properties will also be addressed. New siding will also be installed at Platte Valley Terrace, Estes Park I (Park Ridge), and Limon. In conjunction with CHFA’s requirements, the proposed scope of work addresses all of the items listed in the first five years of the PCA for each property.

While the upgrades noted above cover the majority of the work to be completed at all four properties, additional site-specific improvements will also be included at three of the four properties. At Estes Park I, the wooden pathways around the site will be replaced as will the exterior stairs. At Limon Apartments, the exterior stairs will be replaced as will the playground area. At Platte Valley Terrace, the exterior stairs will be replaced in addition to the playground. The parking lot will also receive extensive repairs, seal-coat, and striping.

4% housing credit application narrative

Project Name: Peoria Crossing, Phase II

Project Address: 3002 N. Peoria St., Aurora, CO

Executive Summary: Peoria Crossing, Phase II will complete the multi-family housing campus at the intersection of Peoria Street and 30th Avenue in Aurora Colorado. The site is 2.3 acres and will accommodate 72 units of affordable housing conforming to current zoning and enhancing the neighborhood character of Morris Heights. This phase will be developed and managed by the Housing Authority of the City of Aurora (AHA). AHA has a strong track record responding to affordable housing needs in the community. Building on the model developed at Peoria Crossing, this phase II will provide housing affordable to those earning 30 to 60 percent of AMI. To serve the lowest income tenants, AHA will provide 14 Project-Based Section 8 Vouchers.

SUBJECT SUMMARY								
Unit Type	*30% AMI*	*40% AMI*	*50% AMI*	*60% AMI*	*Total*	*% of Total*	*Size (Avg.)*	*Type*
1BR	3	2	7	8	20	27.8%	691	E/4
2BR/1BA	2	1	4	9	16	22.2%	985	E/4
2BR/2BA	1	1	4	12	18	25.0%	1,046	E/4
3BR	2	2	5	9	18	25.0%	1,231	E/4
Total	8	6	20	38	72	100.0%	N/A	N/A
% of Total	11.1%	8.3%	27.8%	52.8%	100.0%	N/A	N/A	N/A
Source: Project Sponsor								

This transit-oriented development is located within a half mile of a light rail station, and offers access and alternatives for residents who do not own cars. At Peoria Crossing, Phase I, 34 of the 82 household have parking permits. It is our belief that, while some tenants park on the street, a significant number do not own a car.

Much of the risk associated with building at a new, untested location has been minimized given the successful construction and lease up of Peoria Crossing, Phase I. The site has been through an Environmental Phase I evaluation and the assessment has revealed no evidence of HRECs in connection with the property. The site is flat and utility connections have been established.

AHA believes a successful property responds to both the physical and emotional needs of residents. As such, phase two will provide:

- A diversity of unit types [one bedroom/one bath (20), two bedroom/one bath (16), two bedroom/two bath (18), and three bedroom/two bath units (18)].
- Unit amenities including air conditioning, blinds, carpet, a ceiling fan, coat closet, refrigerator, stove/oven, dishwasher, disposal and washer/dryer hook-ups.
- Common amenities including on-site management, laundry facilities, indoor bike storage, a community room, fitness center, computer room, playground, picnic area and community garden.
- Security features including limited access entries, surveillance cameras, and third party security patrols after hours.
- Resident supports including a site manager, maintenance technician and our ECHO team. Our ECHO resident services team provides support through the Education, Health and Wellness Coordinator, the Community Engagement Coordinator and the Opportunity and Self- Sufficiency Coordinator. These services are funded by AHA as part of our administrative overhead, they do not appear on the property operating budgets, but are a separate and valued part of our agency's strategic mission.

To ensure that our properties are connected and integrated into the community, we work with the local school district to assist in planning and staffing needs as our projects come on-line. We also provide registration materials to new residents so they may navigate the school enrollment process with greater ease.

The building will feature a spread footing foundation and wood framed structure above with CMU circulation cores for the two stairwells and the central elevator lobby with two elevators. The exterior facade will consist of fiber cement siding, stucco, brick, and vinyl windows with a TPO roof. The design team and the Housing Authority will ensure a cohesive and complimentary palette and scale to enhance the neighborhood and the residents it serves. Thoughtful design and a commitment to excellence are the underpinnings of our building strategy.

Peoria Crossing, Phase II will be designed for efficiency and sustainability to the National Green Building Standard. It is our intent to make design and system choices that increase energy efficiency, support water conservation and improve indoor air quality. The housing authority will purchase electricity from DHA's solar farm, and provide EV charging stations on site.

Peoria Crossing, Phase II will be financed with tax credit equity from Enterprise, construction and permanent financing from First Bank, soft funding support from the Colorado Division of Housing and the City of Aurora, and a deferred developer fee. This model represents tried and true partnerships with investors, lenders and governmental entities.

Bond Financing. AHA anticipates needing $13.0 M in PAB for Peoria Crossing, Phase II. The source of the PAB will be provided from one of two sources: either from the City of Aurora, or as a backstop, CHFA. The City of Aurora has made an initial recommendation that AHA receive $13.0 M of their 2020 PAB, yet Council has not formally approve that recommendation. The construction loan will use this $13.0 million in PAB for the tax-exempt portion of the loan, and the remaining $5.5 million will become a taxable tail. This will be a private placement and First Bank, the bonds will be purchased by First Bank as part of a Private Activity Bond Single Close Construction Financing loan transaction and First Bank will also provide permanent financing for the development.

QAP Conformance:
Market Conditions. Peoria Crossing, Phase II is located in a rapidly growing part of Aurora with a large, unmet need for more affordable housing. Within the PMA, the affordable vacancy rate 0.3 percent and this figure will not likely change as absorption has outpaced deliveries since the start of 2020. The demand for new units is driven by the lack of existing housing inventory and by robust economic growth in central Aurora. The list of new business endeavors includes the likes of Subaru, Amazon and Shamrock Foods. This economic growth points to an even greater demand for new units, ones that are affordable to the workforce.

Site Suitability. The metropolitan area is experiencing swift and transformative changes due to private and public sector investments. These changes demand an equally robust response regarding housing opportunity. While Peoria Crossing, Phase II will be one of many developments needed to respond to the impacts of this growth, it is primed and ready to be built in a location that serves the needs of residents and provides expansive economic opportunity given its proximity to the DIA corridor.

Proximity to existing LIHTC Developments. In the PMA, 72 percent of all new supply in the pipeline is market-rate housing. Existing affordable properties report very low vacancy rates and waitlists. Overall, the PMA has 30 LIHTC projects containing 2,447 income-restricted units. Of these, nine are age-restricted projects with 688 units, one is a 59-unit permanent supportive housing (PSH) project and 20 are family LIHTC developments with 1,700 units.

AHA's recent and direct experience leasing up Peoria Crossing in 2019, reinforce the demand for new affordable inventory. Access to jobs, medical services, schools, shopping, recreation and public transportation define this site. The only weakness is on paper; the capture rates for 60 percent AMI units exceed CHFA norms. While these norms do serve as wise guidance over time, our experience tracking in-migration during the lease up of Peoria Crossing, Phase I demonstrate that people will relocate from far and wide to find an new affordable place to call home.

Project Readiness. The Aurora Housing Authority has been playing the long game for decades. The project is shovel ready because of years of planning and investment that led up to this application. We own the land, we have the support of the City of Aurora, we have financing from trusted lenders, we have confidence in our team and we know that even given the uncertainty of construction pricing that our mission cannot wait for the day when everything is predictably certain. AHA is a team of problem solvers – before, during and after construction. AHA has never defaulted on a financial commitment, has never thrown in the towel when the economy faltered. We have never strayed from our mission and our dedication to increasing the supply of affordable housing in our community.

Experience and Track Record of Development & Management Team. Our team is seasoned and accomplished. Our executive Director, Craig Maraschky has led AHA for 13 years, and was most recently recognized as an outstanding legislative advocate by the National Association of Housing and Redevelopment Officials (NAHRO) in 2021. Dayna Ashley-Oehm leads a development team with four years at the agency, Melissa Stirdivant has devoted her lifetime of work to affordable housing and has been with the agency eight years, and recently, Sarah Vogel joined the team adding capacity and perspective to our group. We are fortunate to have Les Arney, our CFO, on our team. Les has been with AHA 13 years and has provided financial consistency and opportunity for the agency. This team adds to its strength the financial consulting of Mark Welch and construction design and consulting from Shannon Sperry.

AHA owns and manages 810 units of affordable housing in ten properties. Of these, 156 new units were brought on line in the last four years, and 68 were modernized through an extensive rehabilitation effort. Our managemnet team is lead by Cindy Golzales, who has been with the agency for over a decade. Cindy is supported by Doreen Padilla who is manager of compliance.

Our pipline includes 231 new units. This speaks to the leadership of the organization, its financial strenghth and the capacity of its staff to respond to the growing need for housing in Aurora.

Over the last four years, AHA has worked with the City to amend the zoning code/UDO to include concessions for affordable housing development, and has strengthened our partnership and educational efforts with City departments and elected officials. AHA is working closely with the City of Aurora to implement its new Housing Strategy, which specifically calls out the need for affordable homes available to service workers with close proximity to employment.

Project Costs. We are operating in a rising cost environment, and AHA has made design decisions to make this project work financially. We will not be building carports in this phase, which will save a half million from our construction budget. We are creating two-bedroom, one-bathroom units in the development (typically, we build two bedroom, two bathroom units). Based on an analysis of existing household size for Peoria Crossing, we determined that this change would not negatively impact residents or property management. We have also stacked our units in an efficient manner within the building, a clustered offices and common areas to improve flow and save space.

Our construction estimate came in at $17.6 M. The cost per square foot is in line with estimates received for Gateway and Liberty View (just over $200 per square foot). When compared to square footage costs for Peoria Crossing, this new phase is estimated to cost only eight percent more.

Financial Feasibility. AHA has owned this parcel since 2007, we have documented financial and political support from the City of Aurora, we have successfully worked with the State of Colorado, Division of Housing for additional soft funding support. AHA is modeling this project using First Bank for construction and permanent lending; First Bank is tried and true partner for the Housing Authority. Finally, we are estimating tax credit pricing to by .90 cents for federal and .74 cents for state. These estimates are conservative and reasonable given current market conditions.

Market Analyst Issues. The estimated capture rate for the 60% AMI units exceeds CHFA's 25% ceiling. However, the market analyst has indicated that leasing up these units is achievable because:

- LIHTC properties in the PMA have consistently high occupancy rates (at or near 100 percent).
- Comparable properties surveyed with 60 percent AMI units were 0.0 percent vacant and some of the projects with these units had waitlists.
- Peoria's first phase is 99 percent occupied and completed lease-up in 2019 at an average monthly absorption rate of 21 units.
- Peoria's first phase attracted 65 percent of its tenants from outside the PMA boundaries.

Community Outreach. Community outreach was done between 2017 and 2019 when the first phase came on line. Based on these meetings, we anticipate some concern from the neighborhood, but as with the first phase we will find ways of working with the neighborhood. We will need site plan approval from the City to move forward, but the community development department will now be at pre-application meetings. We will work with the City of Aurora's neighborhood liaison, Meg K. Allen, to establish relationships with designated neighborhood organizations.

4% housing credit application narrative

Project Name: Ralston Gardens Apartments

Project Address: 9250 Ralston Road and 5790 Garrison Street

Executive Summary

Ralston Gardens Apartments is a proposed 102-unit family/workforce project located in the heart of Arvada's "Ralston Valley" redevelopment area. The Arvada Urban Renewal Authority (AURA) has included affordable housing in their phased area redevelopment plan which also includes for sale townhomes, market rate multi-family housing, small scale retail and the Garrison Street Paseo, providing a connection for Ralston Central Park to the Community Garden.

This 4-story building will be located at the intersection of Ralston Road and Garrison Street (Southeast Corner) in the center of a strong single family housing area as well as an established retail area. This location provides walkable shopping and job opportunities to potential residents. In addition, there is an RTD Bus stop located next to the project on Ralston Road offering a transportation option to our residents to nearby Olde Town Station and the commuter rail (Gold Line) with transit service to

Unit Type and Number of Units			
AMI	**1-BR**	**2-BR**	**3-BR**
30%	8	0	0
40%	9	5	1
50%	9	6	1
60%	20	11	1
70%	20	10	1
Total Units	**66**	**32**	**4**

downtown Denver and the rest of the RTD rail network. Immediate access to transportation provides residents vast employment opportunities within the community and Denver.

Ralston Gardens Apartments will consist of a mix of 66 one-bedroom units, 32 two-bedroom units and 4 three-bedroom units, accommodating AMI levels between 30% to 70%.

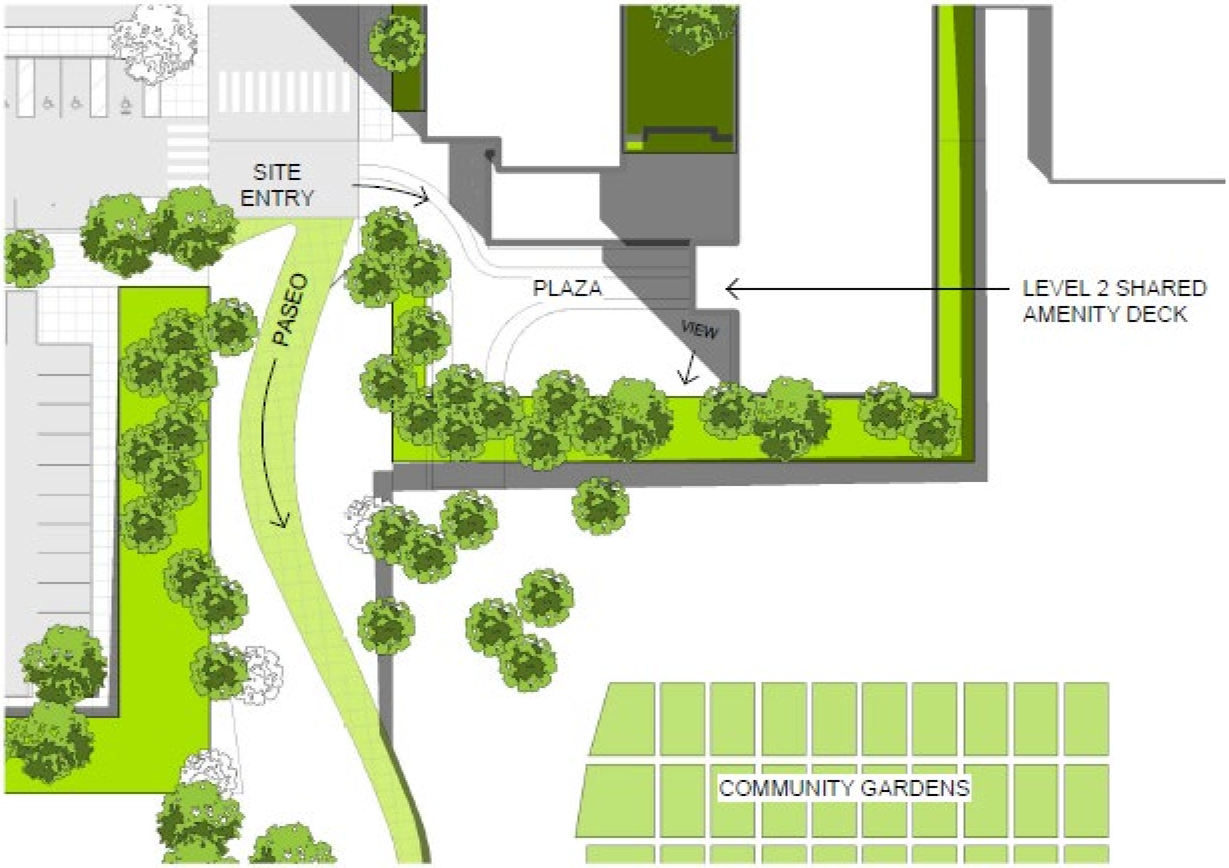
Ralston Gardens Apartments will work with the Arvada Housing Authority utilizing their project-based vouchers and their Homeless Navigation program to support the homeless population in Arvada. They have requested that the vouchers be used for the one-bedroom units. The Homeless Navigator works to identify unsheltered neighbors and assists this vulnerable population by connecting them with services and resources. The services through the Navigator Program will be coordinated and contracted through the Arvada Housing Authority.

The building will be constructed on slab on grade of Type 5 wood frame construction with a TPO cool roof. The four-story building is served by two elevators and two stair cores. The project will comply with the National Green Building Standard, seeking the Bronze certification. The exterior of the building contains masonry, colored cementitious panels, and metal accents.

Project amenities include an on-site leasing office, community room, fully equipped fitness room, an enclosed private outdoor courtyard, a plaza at the building entrance and large secure indoor bike storage room.

An additional amenity to the project is the community garden. It is accessible at the front door of the Ralston Gardens Apartments through a landscaped “Paseo” pedestrian walkway, a project currently being designed and funded by the City of Arvada and AURA that will be completed prior to the projected opening of the Ralston Gardens Apartments.

ralston gardens apartments



Bond Financing Structure

The anticipated financial structure for this project is that the bonds will be issued by CHFA and privately placed with the construction and permanent lender. There will be $16,100,000 of bonds issued for the construction period and upon conversion, $3,000,000 will be retired for a permanent bond amount of $13,100,000. It is anticipated that all bonds will be tax exempt. Additional funds needed during construction will be covered with the construction loan. There will not be any taxable bonds.

The tax credits will be leveraged with funds from the Colorado Division of Housing as well as deferred developer fees. The project is also made feasible through the tax abatement and project based vouchers from the Arvada Housing Authority.

ralston gardens apartments

Sources of Financing	
1st Mortgage	13,100,000
CDOH	2,000,000
	-
	-
	-
	-
	-
Deferred Developer Fee	1,185,556
Federal Tax Credit Equity	10,599,601
State Tax Credit Equity	4,320,000
Total Sources	**31,205,156**

Uses of Financing	
Land and Buildings	1,000,000
Site Work	1,136,290
Construction	19,711,569
Professional Fees	1,535,831
Construction Interim Costs	3,234,379
Permanent Financing	343,750
Soft Costs	342,375
Syndication Costs	30,000
Developer Fees	3,160,103
Project Reserves	710,860
Total Uses	**31,205,157**

Market Conditions

Market conditions are strong for this type of affordable housing project in this PMA in Arvada. The Market Study, conducted by James Real Estate Services indicates excellent market support in all AMI categories, with an overall capture rate of 6.3% for existing projects, and 9.4% for projects including those under construction and proposed projects. Vacancy rates among comparable properties in the area are very low with most properties having vacancy of 1.5% or less.

Walk Score

The Walk Score and Transit Score for Ralston Gardens is much higher than other properties in the area as well as Arvada as a whole. Ralston Gardens Walk Score is 62 compared to the average of 50 for Arvada and the Transit Score 38 compared to 29 for Arvada.

Proximity to Existing Tax Credit Development

There are no existing LIHTC projects in the immediate area of the Ralston Valley, and no proposed LIHTC projects in the PMA. The Alison Village project, a 100- unit 4% project being developed by Foothills (Jefferson County Housing Authority), commenced construction in June 2021, and is located approximately 2 miles to the south of Ralston Gardens in an entirely different part of Arvada.

Project Readiness

The project will be developed on two adjoining sites, both of which are under contract from the Arvada Urban Renewal Authority and meet CHFA's site control guidelines. The site is zoned for the proposed use, and has received all required City Planning Commission, City Council and City staff approvals in June 2021 for a conditional use permit (CUP). This CUP approval allows the project to be built on two separate, adjacent sites, with surface parking only on the western parcel (the Walmart out-parcel), and the apartment structure on the City Stores site to the east. The two sites are separated by a dead-end street (Garrison Street) which turns into a beautiful Paseo, currently under design, which will run directly in front of the new building and continue up a small incline bordering the Community Garden, a landmark in the City of Arvada.

With regard to environment status, many prior environmental studies, both Phase 1 and Phase 2 environmental assessments have been conducted by Terracon, a respected environmental firm, which completed updated Phase 1 Environmental Site Assessments (ESA's) for both sites on July 1, 2021 and did not identify any RECs in connection with the sites.

Financial Feasibility and Viability

Ralston Gardens is financially feasible, even though it is not in a QCT/DDA/SADDA. We have accounted for materials price increases, and we have been closely monitoring pricing on other recent projects with similar construction type, which makes us conclude that our total development cost budget is adequate. We will be carrying both a Contractor contingency and Owner's contingency in addition to conservative line-item assumptions for hard and soft costs. The development capacity of Mile High and Brinshore allows the project to benefit from more favorable terms from investors and lenders.

Developer Experience and Track Record

The development team of Mile High Development and Brinshore Development are highly experienced in this product type utilizing the 4% LIHTC program and working with CHFA, CDOH and Freddie Mac on two other recent projects, Sheridan Station Apartments and Capitol Square Apartments in Denver. This will be the 4th collaboration between Mile High and Brinshore (Sheridan Station, Capitol Square Apartments, Northfield Flats) over the past 4 years. Both firms have a history of delivering projects on time and on budget and being able to close the financial transaction in in a timely manner, even in the difficult COVID environment of the past 15 months. Brinshore and Mile High's track record, individually and as joint venture partners, is one of delivering on our commitments and never failing to complete a project successfully.

Property Manager Track Record

ComCap Management has been providing professional apartment management services for its clients since 2006. The company currently actively manages 2,482 LIHTC apartment units with 595 units to be added as projects are completed. ComCap's team of professionals have a broad spectrum of experience in the multifamily management business. Specializing in LIHTC properties, ComCap has a strong record in all the property management disciplines including a fully integrated accounting system and compliance department.

Project Costs

The Developers have selected Brinkmann Constructors to provide construction pricing, based on Brinkmann's familiarity with this product type and their recent analysis and budgeting for our Northfield Flats project in Central Park (128 units, 4 story, type 5A construction.) We have taken into account increases in many of the commodities and other building materials that have been fluctuating dramatically during the pandemic over the past 18 months and feel we have developed a very responsible cost model that has been confirmed by Brinkmann. We are carrying both a significant Contractor contingency and Owner contingency and have used very conservative assumptions in our line-item budgeting. Our total development budget is well supported by our financing assumptions.

Site Suitability

The site is ideal in that it provides the future residents of Ralston Gardens a great location in an established and safe residential neighborhood with a direct connection to bus and transit right at their front door. Ralston Gardens also provides residents with great shopping (including a Walmart Supercenter with a full supermarket) and job opportunities all within walking distance. Households with children will be able to walk their kids to school or to Ralston-Central Park across the street or to Wolff Park just a few blocks away.

There are no unusual features or conditions that are driving costs upward, and we have taken into account all opportunities for cost containment. We are building the most cost-effective construction type, slab on grade with 4 stories of Type 5 wood framed construction, and creating a 100% surface parking solution, instead of a more expensive podium or parking structure.

Community Outreach

Beginning in November 2019, the applicant conducted a major city-wide community meeting attended by over 120 people including City leaders, community leaders and the general public. The purpose was to educate the community on affordable housing in general, and our plans for this site specifically. Since then, we have conducted another community/neighborhood meeting with no opposition from the neighborhoods and strong staff support. This was followed by the Arvada Planning Commission meeting on June 2, 2021, with the commission voting unanimously to approve the applicant’s request to utilize the out-parcel site for surface parking only, with strong positive comments by the commissioners supporting affordable housing. On June 28, 2021, the Arvada City Council voted unanimously to approve a Conditional Use Permit to allow Ralston Gardens to utilize the out-parcel site for surface parking and gave a strong endorsement to the proposed project.

4% housing credit application narrative

Project Name: Residences on Acoma

Project Address: 1501 S. Acoma Street, Denver

EXECUTIVE SUMMARY

The affordable housing shortage unfortunately continues to grow, especially for those neighbors who are homeless, at low incomes, or "working poor" and has become worse over the last 18 months because of the Covid pandemic. Second Chance Center (SCC) has seen this firsthand as their clientele numbers have grown from 1,100 visits per month to 1,300 and their participants struggle to find not only housing but fulfilling employment as well. To address the growing employment needs, SCC has expanded their career development services over the last year by forming strategic partnerships with several trade organizations, the Denver economic development office, Colorado Dept. of Labor, business owners and others to be able to include paid apprenticeship placements as part of career development services, they offer. SCC has partnered with Mental Health Center of Denver, MHCD, in a unique delivery of services for this new housing development being offered to residents of Denver. SCC will make available career development services and paid apprenticeship services to all 118 of the residents at the apartment homes while MHCD will be the lead service provider to the supportive housing residents and there to lend support to the work force housing residents should it be requested. SCC continues to be a leader in services, advocacy and support to the communities they participate in.

The Second Chance Center, Inc. (SCC), in conjunction with BlueLine Development, Inc., LeBeau Development, LLC, and BlueLine Property Management Company is proposing the new Residences on Acoma housing development in Denver. Residences on Acoma will include 55 one and 7 two-bedroom supportive housing units targeting individuals and families who are homeless at or under 30% AMI and have a disabling condition. The Residences will also provide 45 one-bedroom apartments at 50% and 18 one-bedroom apartments at 60% AMI. The building mix will include 111 one-bedroom and 7 two-bedroom homes. Each apartment will have an Energy Star refrigerator, oven/range, dishwasher, disposal, ceiling fans and microwave. The two-bedroom units will also have stackable washers and dryers.

Construction

Residences on Acoma will be a four story, slab on grade, wood frame building designed with double loaded corridors to maintain building efficiency and will be serviced by two elevators. Exterior finishes will be a combination of metal, glass, stucco, siding, and other high quality exterior finish materials. All units will have high efficiency windows, increased insulation and air conditioning. The entire project will exceed the requirements for Certification of the National Green Building Standard (NGBS) and will include in excess of the 10% EV Charging Stations anticipating electric vehicle use.

Amenities
There will be approximately 10,000 square feet of administrative offices and service space on the first floor to serve all the residents. This space will include a large lobby with front desk, leasing office, hotel office space for service providers and meetings, community kitchen, lounge area, meeting room, multi-purpose room, mail area, and shared laundry. The outdoor community space will include patios, an eating/activity area, and a community garden.

Financing
Funding for Residences on Acoma will be provided by CHFA in the form of tax exempt bond capacity in the amount of $18,840,000 (55% of qualified basis), allowing the project to qualify for 4% non-competitive LIHTC and 4% State tax-credits. City of Denver funds and Colorado Division of Housing HDG grant funds will be used as gap financing. The project will be supported by 55 HCV vouchers from the Colorado Division of Housing. Residences on Acoma will follow all required cross-cutting federal regulations.

- Total construction financing required for Residences on Acoma is projected to be $23,540,000, of which $4,700,000 is expected to be taxable.
- Portion of bonds that will be tax-exempt and taxable
  - Tax-exempt bonds of $18,840,000
  - Taxable bond of $4,700,000
- Total federal LIHTC anticipated is $12,582,37 over 10 years, generating $11,575,780 in equity. Total state credits is anticipated to be $6,000,000 over six years, generating $4,320,000 in equity.
- Permanent tax-exempt financing is expected to be $12,700,000
- Lender and bond sale structure

  Residences on Acoma anticipates utilizing a private placement of the bonds at closing of construction financing, with a partial takeout at conversion and assumption of bonds in the amount of the permanent loan by the permanent lender.

Services
Mental Health Center of Denver (MHCD) will be the lead service provider for the PSH residents and Second Chance Center, in partnership with MHCD will provide supportive and career services to both the supportive and work-force housing residents. These services will include, but not be limited to Independent Living Skills, Employment Services, Mental Health Services, Substance Abuse Services, Health and Medical Services, Services for families and General Supportive Services. Services will be delivered via trauma-informed delivery practices in a building designed with trauma informed design principles. Services will be paid for with a combination of Medicaid funding, TSS dollars from Colorado Division of Housing, City of Denver supportive services grant, supportive housing 5% developer fee boost and cash flow from operations. For more detail on intakes, assessment, defining service plans and case management please see the comprehensive service plan provided with this application.

Strengths
This will be Second Chance Center and BlueLine Development's second venture together coming after the success of Providence at the Heights a 50-unit supportive housing development in Aurora. BLD and SCC will be Co-GP's and owners. Residences on Acoma will serve residents at or under 30%, 50%, and 60% AMI. This is an underserved population in this neighborhood with almost 4,000 qualified households in the area and very little affordable housing available and planned in the coming year. The housing development is near shopping, 2 blocks from an RTD bus stop, within a mile of three light rail stops, schools, a library and employment opportunities. The development also receives a 76 walk score which is well over Denver's average of 61.

While Second Chance Center and MHCD will operate the services component of Residences on Acoma, LIHTC compliance and day to day property management will be performed by BlueLine Property Management Company (BLPMC) an extremely knowledgeable property management company with experience in LIHTC, HOME and Section 8 project-based vouchers. SCC, BLD and BLPMC will work collaboratively at Residences on Acoma to create an environment conducive to permanently overcome homelessness and maintain housing and employment stability.

Weaknesses

While the property being near light rail stops is a strength, having the tracks near the building may also be a bit of a noise nuisance. However, the design team will account for the location with noise cancellation design implementations such as additional insulation and double pane windows.

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

Residences on Acoma meets the following priorities as defined in Section 2 of the QAP.

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

Residences on Acoma is the result of an experienced provider and advocate's desire to expand their housing and career services for homeless individuals as well as for those residents who have incomes at or under 50% and 60% AMI within the city of Denver. Second Chance Center currently serves over 60 homeless individuals every day. Residences on Acoma will be an expansion of that service with 55 of the 118 affordable units serving extremely low-income homeless individuals in the City of Denver.

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

Occupancy of the supportive housing apartments at Residences on Acoma will target people with a history of homelessness, have a disabling condition, are currently homeless or have acute special needs. The most vulnerable among the homeless in the Denver Metro area are living with a physical health need, behavioral health need and/or substance use disorder. Residences on Acoma will focus on the population that is living with a disabling condition that may impact their ability to remain stable in housing; the residents of the supportive housing will have an array of supportive services available to them on-site daily. Services will be delivered in trauma-informed best practice delivery. 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 homeless individuals as indicated by an estimated 1,306 good candidates at or below 30%, 2,360 at or below 50% and 1,194 at 60% identified by the market study, with only 43 units planned for 30% and 86 units planned for 60% AMI residents and zero planned at 50% AMI. These figures are further corroborated by high occupancy rates and wait lists at existing housing communities within the primary market area. Capture rates for the project are 7.4% up to 19.5% at 60% AMI. After consideration of projects under construction or in the planning process capture rates adjust to 13% at 30% AMI, 10.5% at 50% AMI and 26% for 60% AMI. Based on these calculations we anticipate a quick lease up and long- term stabilization for Residences on Acoma.

Readiness-to-proceed

The proposed project's site is currently zoned I-MX-5 which allows for multi-family development. The site is currently owned by 1501 S. Acoma Street Property Owner, LLC, who has executed a Purchase and Sale agreement with BlueLine Development, Inc.. Due to the current ownership structure, the site will be sold to the LLLP upon financial closing with investors. The development team met with the City of Denver's Planning and Zoning Department for a concept review and confirmed the current plan is an allowable use and is compliant with parking and zoning requirements.

The Phase I ESA shows No Recognized Environmental Concerns (REC) associated with former uses of the site. The current owner had soil abatement performed per previous findings and provided documentation showing the site is clean and ready for development.

The Residences on Acoma team has engaged Shopworks Architecture, an experienced Denver LIHTC architect, to design the building. Additionally, we received a construction estimate from Calcon Constructors, an experienced Denver LIHTC contractor.

Overall financial feasibility and viability

Residences on Acoma is financially feasible if awarded 4% Low Income Housing Tax Credits and 4% State credit as requested.

Residences on Acoma will have secondary funding sources through City of Denver homeless housing funds, and the Colorado Division of Housing Development Grant Funds and permanent debt. By utilizing the soft financing from the City of Denver and Housing Development Grant funds and low interest permanent secondary financing, Residences on Acoma is ensured of continued operations even in the event that the project's Housing Choice Voucher allocation is removed.

Development and management team:

Second Chance Center

Since 2012 Second Chance Center has provided services to men and women released from Colorado correctional facilities. During that time Second Chance Center has become the largest and most effective community re-entry program in the state through a focus on helping returning citizens transition to lives of fulfillment and success. Nearly 10,000 men and women are released annually from Colorado correctional facilities, with the majority returning to the Denver metro area. Nearly half of these individuals will end up back in jail within three years, indicated by a statewide recidivism rate of 44%. In contrast, Second Chance Center received over 1,300 client visits per month in 2021 and their recidivism rate was 10%.

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.

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, by professional developers who brought years of development experience to the table as well as a great zeal for the work they do. BlueLine has secured funding and completed construction on 35 different LIHTC projects, in multiple states, with approximately ten different nonprofit companies utilizing LIHTC, HOME, CDBG, NSP, TCAP, AHP, NAHASDA, Section 1602 and Section 8 programs. Please see the BlueLine Development Resume and List of Properties submitted with this application for more information.

Cost reasonableness

The costs submitted with this application reflect the current construction market in The City of Denver. These costs have been verified verbally from funders and in writing by a Denver LIHTC contractor who's worked with the architect on several projects and active in the Denver market. The development team has looked for opportunities to streamline processes and minimize costs at every opportunity. By utilizing an architect, contractor and engineers who are all familiar with the LIHTC process, the development team has been able 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

James Real Estate Services identified 22 affordable developments within the Primary Market Area. However, only eleven of these developments were considered comparable. Of the remaining 11 LIHTC projects, four affordable, tax-credit complexes and two market-rent projects throughout the market area were selected as the most comparable to the subject property based on their design, location, amenities, age and unit mix, and are included here as market comparables.

Site suitability

The property located at 1501 S. Acoma Street in Denver provides the development team a unique opportunity to revitalize and redevelop a parcel of land. The site is extremely walkable, with a walk score of 76 and is located within a mile of 3 light rail stations providing easy access to downtown Denver and the Tech Center and employment opportunities. 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 current RECs.

Justification for waivers

Residences on Acoma will not be requesting a waiver of the maximum debt coverage ratio of 1.30.

Justification of Financial Need

Residences on Acoma will not be requesting the CHFA DDA credit.

Market Study Issues

James Real Estate Services, JRES identified very few weaknesses which have been addressed earlier in the application; no dishwashers, site near train and light rail lines,

Environmental Issues do we have this yet?

The Phase I ESA, completed by Kumar & Associates, Inc., revealed no Recognized Environmental Concerns, and recommended no further investigation.

Unusual Costs/Opportunities for Cost Containment

The budget for Residences on Acoma contains line items for construction pricing escalation and estimation given the unpredictability of the construction and commodities markets over the last 18 months. The development team will continue to watch these markets closely to look for areas of savings and opportunities to secure advantageous pricing resulting in savings to the project. Additionally, with the passage of the zoning text amendment reducing required parking counts for affordable housing the team has been able to maximize site density with building rather than with costly parking spaces. This has equated to a savings of $23 per foot of construction cost.

Local Outreach

The design team for Residences on Acoma held an informational meeting on July 22nd with 74 attendees from Overland Park Neighborhood Association, Platt Park Neighborhood Association, Broadway Business District, Councilman Jolon Clark, Urban Peak employees and other interested parties. Members of the design team also met privately with CM Clark on June 28th and received positive feedback.

4% housing credit application narrative

Project Name: Wintergreen Ridge

Project Address: Approximately 0235 Antlers Gulch Road, Keystone, CO

Executive Summary

Gorman & Company, LLC is pleased to submit a 4% Federal and State of Colorado Low-Income Housing Tax Credit (LIHTC) application for Wintergreen Ridge, a 47-unit affordable housing development in Summit County (a DDA) that will provide one-, two-, and three-bedroom ***perpetually affordable*** units that target individuals and families earning 30% through 60% of Area Median Income (AMI).

Wintergreen Ridge will add to the existing 196-unit mixed-income development (156 non-LIHTC units and 40 LIHTC units) that was completed in 2019 and 2020 by the Sponsor at the adjacent site. By adding an additional 47 LIHTC units, we will maximize the density permitted, better balance family units into our mixed-income housing community and help mitigate the desperate need for affordable housing that exists in Summit County.

Wintergreen Ridge is designed to deliver excellent value by offering:

- Economies of scale to reduce costs and our credit request by optimizing site infrastructure already in place.
- Reduced costs through a ground lease instead of high land acquisition costs.
- Local funding in the form of property tax exemption and a $705,000 commitment from Summit County.

Wintergreen Ridge will include two free-standing, slab-on-grade, wood framed, three-story walk-up buildings with varied elevations, hardi-panel and stucco siding and pitched roofs. Parking will be on surface lots that meet the County's parking requirements. As evidenced by the zoning letter, the project must have 87 on-site parking spaces and will offer 88. The rent will include one space per unit. The 2.217-acre site is within 0.5 to 6 miles of many major employers and services in Summit County and is a TOD site served by a Keystone Resort Shuttle 0.1 miles away and a County-wide bus stop 0.2 miles away. Additionally, the site has access to an extensive network of pedestrian and bike paths that connect to points throughout the County.

The project will include all-electric buildings certified to the Department of Energy's Zero Energy Ready Home Program that also meets Summit Sustainable Building Code additions and exceeds 2018 IECC.

If funded, critically needed housing can help relieve an unprecedented housing shortage overtaking Summit County. As a ready-to-go site, we present an excellent opportunity to add perpetually affordable units quickly to a market with very high barriers to entry where local officials have declared a 'housing emergency'.

Project Location

Wintergreen Ridge is located between Keystone and Dillon along Highway 6. The site provides central access to many employers in the County: the outlet malls in Silverthorne (6 miles away), Summit County Government (8 miles away), and the ski hills of Keystone Resort (2 miles) and Arapahoe Basin (6.7 miles). Access is good toe County Schools (1.8 to 6 miles) and grocery/retail shops in Dillion (5 miles). The site is proximate to the retail and accommodation businesses that support Keystone, Frisco, Silverthorne, and Breckenridge (all within 12 miles). The accessibility of employment, services, and recreation enhances the desirability of Wintergreen Ridge.

Project Need and Urgency for Funding

The Summit County economy that *was expected* to pause during COVID-19 instead revved up in intensity, especially in the cost of housing. Simultaneously, many non-deed restricted rental units continue to be purchased by non-local Buyers and then relisted as "Airbnb" or "VRBO", effectively shrinking the housing stock. What is left for rent is scarce, very expensive, and often outside of the PMA. As units have been lost to short-term rentals, new units have been slow to come on-line. The Summit County Board of County Commissioners proclaimed a ***workforce housing crisis*** on June 22, 2021, warning that "irreversible changes" will result from a lack of action on the housing front. The proclamation calls for implementation of any viable strategies to address the shortage. "Obviously, housing is the core of what we are as a community, and unless we find a way through this crisis, we simply won't be able to maintain our community," Commissioner Tamara Pogue said. "We cannot do this on our own as Summit County government…We desperately need help from our partners…"

Population Being Served

The development will attract community workers who, in many instances, now live in overcrowded or distant housing. Units will be restricted to those earning 30% AMI, 50% AMI, and 60% AMI and better balance the family housing units at the Wintergreen campus by offering more affordable 2- and 3-bedroom homes than exist. Leveraging this LIHTC project into the mixed-income site will further benefit future residents of Wintergreen Ridge by offering a stable community of choice and 'move up' housing within the existing housing community as household composition or employment status changes. This is a unique attribute of Wintergreen Ridge that furthers the mission of the tax credit program and is exceptionally hard to replicate at other sites in rural areas.

Unit Mix and Amenities

The one-, two- and three-bedroom units will average 698, 897 and 1,163 square feet respectively. In-unit amenities will ensure long-term marketability of the project and include fully equipped kitchen, ample storage space and central laundry facilities. Other amenities are a BBQ/picnic area, access to hiking trails and a bus stop.

Type of Financing

The project will use 4% Federal and State of Colorado Low Income Housing Tax Credits, funding from the State Division of Housing, local contributions from Summit County, Deferred Developer Fee, and permanent and construction debt financing. The project will be helped significantly by savings through the Ground Lease structure as well as savings from the infrastructure already in place. These saved dollars will leverage the tax credits and help offset other unavoidable fees (such as tap fees). We will defer 33.4% of developer fee on a 15-year pay back schedule to assist in funding a financing gap on the project. We are providing letters of interest from Enterprise for 4% and State LIHTC equity and Citibank for construction and permanent debt.

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

- Total amount of bonds during the construction period is $9,275,000. We will have a $4,125,000 taxable tail for a total aggregate construction financing of $13,400,000.
- We would like CHFA to serve as Bond issuer and have limited our PAB request to 55% of the aggregate basis.
- Our construction and permanent lender is identified as Citi Community Capital.

2. Describe which priorities are being met from Section 2 of the QAP:

Wintergreen Ridge is being developed in a county with less than 180,000 population meeting the CHFA priority.

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

Market conditions: The market is desperate for new affordable housing units, evidenced by very long waiting lists (up to 132 applicants) at existing properties and the 2020 "Summit County Housing Needs Update" by Economic Planning Systems that shows that the County has a current need for 2,900 units of rental housing affordable up to 80% AMI. Affordable housing is critical for local employers to hire staff. Workers cannot stay in the county if they do not have stable housing. Year-round employment accounts for nearly 18,000 of more than 21,000 jobs in the county and drives the economic stability of the region. We saw this demand first-hand at the initial phase of Wintergreen, as we received our Certificates of Occupancy from construction during the peak months of Covid in 2020. Even with that major disruption, we leased all of units in the LIHTC and non-LIHTC units, illustrating significant pent-up demand for housing. As noted by the Northwest Colorado Council of Governments in a 2021 report in Attachment 9 "…many [mountain communities] do not see what could bring affordability back for local workers." It is our desire to help add affordability in communities where we can. As noted by the Market Study, the conditions are extremely favorable for this project:

- Wintergreen Ridge's rents will be 36% to 76% lower than market rate rental units in the PMA.
- Surveyed LIHTC properties in the PMA are 0.3% vacant, representing one unit that is pre-leased.
- Wait lists are between 40 and 132 persons long for LIHTC units, representing a two- to three-year wait. This indicates substantial pent-up demand for affordable housing.
- The site has good access to amenities and services as described above.
- On top of the existing housing shortage, the PMA will add another 122 renter households by the time this project will come online as shown on page 55 of the Market Study.
- There are only 259 total units in the development pipeline in the PMA (which is all of Summit County), including Wintergreen Ridge. This is reflective of the enormous barriers to entry in this market and the critical need for funding for this project.

Proximity to Existing Housing Credit Projects:

There is one 40-unit LIHTC project adjacent to Wintergreen Ridge that is fully occupied and has converted to its permanent financing. Throughout the PMA, eight LIHTC awards have been made historically in the County since 1987; most recently in 2020 in Breckenridge (Alta Verde 9% with 64 LIHTC units and 80 units overall), 40 units at the Wintergreen site in Keystone (a 9% in 2017), 2014 (Pinewood Village II, 4% PAB for 45 units), and 2012 (Sierra Madre II, 9%, 64 units). *Overall, there have been only 400 awarded LIHTC units in Summit County (or 1.2% of the 32,085 total housing units as shown in the census data in Attachment 9).*

Readiness-to-proceed:
The project is ready to proceed. The site is entitled for up to 243 units; 196 exist and this application is for the remaining 47 units. It will take four months for a site plan approval from the County. We received full zoning approval in May 2017 from the Board of County Commission. We have heard ongoing overwhelming support for the entire proposed project.

Overall financial feasibility and viability:
The Property Tax Exemption from the Summit Combined Housing Authority and the structure of a ground lease payment (rather than a loan acquisition at closing) are keys to project feasibility. Our experience developing in Summit County (both in Keystone and in Breckenridge) assures us of the feasibility of our project application.

Experience and track record of the development and management team:
Multi-family developments in mountain communities are not easy deals to put together or to see through to project completion. The Wintergreen Ridge project team has experience implementing projects in similar areas, including Wintergreen in Keystone (between 2018 and 2020), Alta Verde in Breckenridge (under construction), Sunlight Crossing in Steamboat (currently under construction) and Lion's Ridge in Vail (completed in 2016). We have a strong track record of completing projects on time and on budget. Our architecture and contracting teams are Colorado based. Overall, we believe we are the best suited team for the project at this site.

Gorman & Company will serve as Developer, **Gorman Architectural, LLC,** an affiliate of Gorman & Company**,** will serve as Architect of Record on the Wintergreen project. ***Gorman General Contractors***, LLC, an affiliate of Gorman & Company, will serve as General Contractor. As a "vertically integrated" development firm with in-house architecture and construction staff, Gorman has the capacity to produce affordable, multifamily development projects from concept to delivery. The Property Management will be led by ***Gorman Property Management, USA***, who has been managing our Wintergreen and Lion's Ridge sites since mid-2020.

Please see the resumes included with this application in Tab 10 for more information on our development team.

Project Costs:
Wintergreen Ridge is in a higher-cost-to-build area known for above average construction costs. We are utilizing cost saving measures in the form of a ground lease (versus expensive land acquisition) and are using design characteristics that allow for reduced construction costs (walkup buildings, no balconies, private entrances from interior hallways, a level site, and efficiencies from the neighboring completed Wintergreen units). We are requesting a waiver on the Basis Cost Cap, which will increase our Federal 4% credits, and not impact other competitive funding or projects. Our requested State Credit per unit is $14,894, while higher than we wish, is indicative of the construction cost environment and ensures project feasibility.

Site Suitability:
The site for Wintergreen Ridge is relatively level, has excellent access to Highway 6 and employment opportunities, offers great visibility, and is part of a larger mixed-income tract with open space and bus access, which is attractive to renters.

4. Additional Information

Justification for waiver of any underwriting criteria:

Our tax credit application is being capped under Method Three (Cost basis Limit Calculation). We are seeking a waiver to this requirement and to tie the Federal 4% LIHTC amount to Method One (Qualified Basis Calculation). Summit County is a high cost-to-build environment. Additionally, the current cost of construction has spiked over 20% in certain line items, and we are reflecting realistic costs. Please see our full summary of this request in Attachment 1. WGR – Cost Basis Waiver Request.

5. Address any issues raised by the market analysis:

- The capture rate totals 37% for all the Subject's units, including 44% for the 60% AMI units. The market analyst notes that the current capture rate of 27.1% total (and 31.7% for the existing 60% AMI units) is above the 25% CHFA threshold, yet the existing LIHTC units only have a 0.3% vacancy rate and maintain long wait lists, indicating sufficient and pent-up demand. The analyst also suggests a conservative 15% in-migration rate to the Subject, given rates of in-migration from PMA properties (between 10% ad 50%) as noted on page 36 of the Market Study. Therefore, the capture rate is not reflective of demand in this PMA and we are certain of high demand for this development.
- While some of the market rentals have a community room and swimming pool and the Subject does not, we believe the pent-up demand and access to bus routes and hiking trails will ensure high marketability.

6. Address any issues raised in the environmental report(s) submitted with your application:

A Phase I ESA for the site is included with this application. There were no issues raised in the report.

7. Identify if there are issues driving costs and cost containment opportunities:

The proposed project is being built in an expensive area known for above average construction costs. We have contained costs where possible (ex: a ground lease versus land acquisition) and are using design characteristics that allow for reduced construction costs (walkup buildings, no balconies, private entrances from interior hallways, a level site, and joint efficiencies with a simultaneous Workforce Housing project nearby).

8. Describe the outreach and local support for the project:

We have hosted several community meetings and updates to neighbors since the inception of the first phases of construction in 2018. We consistently hear support for affordable housing. In speaking with employers, renters and Elected Officials it was noted time and time again that the scarcity of affordable housing is at a crisis level and that new housing is needed quickly. We hosted a Public Meeting on Wednesday, June 23, 2021; unfortunately, there were no attendees. We presented the project to the Summit Combined Housing Authority on July 28, 2021 and received overwhelming support for the project. We often receive calls and emails from employers in Summit County asking if we have any new housing developments planned to help add to supply.

The consistent message in Summit County is that more affordable housing is needed as quickly as possible. Given this demand, the local proclamation of a housing supply crisis, the partnerships we are bringing with this project, and our track record of developing in the mountains, we ask that you award our Wintergreen Ridge application these tax credits.