9% housing credit application narrative

Project Name: Aster Place
Project Address: TBD Stone Quarry Road, Parachute, CO 81635 (adjacent to 10 Stone Quarry Road)

Executive Summary: Lincoln Avenue Communities LLC (LAC) is excited to resubmit Aster Place (AP), this would be the first affordable low-income family apartment development to be built in Parachute, CO or the Battlement Mesa Special District. The Town of Parachute continues to have residents that are rent burdened due to the increasing cost of living and extremely low inventory. The current vacancy rate for the overall PMA is 0.5% and the vacancy for LIHTC in the PMA is 0.0%. All surveyed properties had waitlists. Market rate housing in Parachute and Battlement Mesa is scarce and if you can find a vacancy, the properties are dated. Some were built in the early 2000s and others built in the early 1980s. While there are some market rate options within the Town of Parachute and Special Distract Battlement Mesa limits, there are only three market rate properties and again no LIHTC properties. Further exacerbating the pent-up demand in just the Town of Parachute and Battlement Mesa. There are over 200 eligible households (over 1,128 in the PMA) located just in Parachute and Battlement Mesa and these household unfortunately have no option but to rent in market rate units, when available, or move to another town that does have rent restricted communities. This project gives these households an option that currently doesn't exist. The market study states "*There are only two non-age-restricted LIHTC properties existing in a PMA with 1,128 income and size-qualified renter households and no new family projects have been completed since 2008, illustrating a void in the housing market.*"

Parachute and Battlement Mesa have plenty employment opportunities, but unfortunately very little housing. There are several large oil and gas companies like WPX Energy and Caerus Oil and Gas who have offices in Parachute or work heavily in the area. Solvey is the global leader in soda ash and they operate a Baking Soda plant in Parachute. This plant is one of the largest of its kind in the world. There is also a wide range of service, government, and educational jobs in Parachute. In talking with The Town of Parachute town manager, one of the barriers of entry for new businesses and companies in Parachute is the lack of housing. An investment of tax credits into Parachute would truly help the local community as more businesses would relocate and existing business could hire locally without the 20 plus miles commute. This tax credit investment would have a huge impact on the Town of Parachute's and Battlement Mesa's residents and workers.

LAC is working with the Garfield County Housing Authority (GCHA), whose mission is to "*assist low-income families with decent, safe, and affordable housing opportunities as they strive to achieve self-sufficiency and improve the quality of their lives; to provide necessary assistance to families for the purchase or rental of appropriate housing; to facilitate development of housing that is both affordable and attainable for lower income families*". If awarded, GCHA will partner with LAC as a Special Limited Partner, enabling the project to qualify for property tax exemption ensuring long-term affordability of the project. AP is truly a public/private partnership with the goal of creating affordable housing for the residents of Parachute. In addition to being a great partner to the project, GCHA and LAC will work together to develop a comprehensive service plan that caters to needs of the community. Classes like nutrition, continued education, financial literacy, resume/interview classes and many others.

The site is in a DDA receiving the automatic 30% basis boost and is already zoned for multifamily. It is located less than a mile from essential services, job opportunities, and schools, making it a great location for families. Below are some of the services within 2 miles of the site: Bus Stop Adjacent, Convenience Store 50 Feet, Fire Department 50 Feet, Park 0.1 Mile, Grocery Store 0.3 Miles, Neighborhood Shopping Center 0.3 Miles, Pharmacy 0.3 Miles, Medical Clinic 0.4 Miles, Senior Center 0.4 Miles, Recreation Center 0.4 Miles, Middle School 0.7 Miles, Head Start 0.8 Miles, Child Care 0.8 Miles, Library 1.0 Mile, City Hall 1.0 Mile, Police Station 1.0 Mile, Elementary School 1.1 Miles, High School 1.2 Miles, Post Office 1.3 Miles. One of the best services for our residents will be the Parachute Area Transit System (PATS) provides bus service in the market area. The nearest bus stop is directly east and adjacent to the subject. Residents can ride buses from this location to destinations in Battlement Mesa, Parachute and Rifle, with connections to the Roaring Fork Transportation Authority buses that have destinations from Glenwood Springs to Aspen. Please see Exhibit 10 for maps of the bus line service.

AP is zoned for the proposed 58 residential multifamily units, has no buildings in or near the floodplain, and is shovel ready meaning we can proceed straight to building permit review *(17 - Zoning Verification Letter, Flood zone verification)*. It will consist of 58 units with 1, 2, and 3 bedrooms, community building, open space and green space for outdoor activities, and ample parking. LACs design concept will certainly be at the top of the market. AP will utilize the same great design concepts CHFA has seen from us in the past (Exhibit 15 - site plan and renderings). The proposed development will consist be Type VB construction with 2 3-story buildings utilizing prefabricated building components such as trusses, wall panels and floor systems. The building will be walk up style apartments, but those breezeways will be covered and condition to help in the winter months. AP will be constructed as a slab-on-grade foundation. The exterior will be wood framed with a variety of exterior cladding materials articulated carefully to ensure durability and longevity to the building as well as provide a nice aesthetic for the residents and surrounding neighbors. Unit mix and sizes are in the table below:

Income Level	*Type of Unit*	*Unit Size (sq. ft.)*	*# of Units*	*Actual Rent per Unit*
30%	1 Bed 1 Bath Subsidized	800	2	$ 1,404
30%	2 Bed 2 Bath Subsidized	1100	4	$ 1,690
30%	3 Bed 2 Bath Subsidized	1250	2	$ 2,382
40%	1 Bed 1 Bath	800	1	$ 744
40%	2 Bed 2 Bath	1100	2	$ 893
40%	3 Bed 2 Bath	1250	2	$ 1,032
50%	1 Bed 1 Bath	800	1	$ 930
50%	2 Bed 2 Bath	1100	2	$ 1,116
50%	3 Bed 2 Bath	1250	1	$ 1,290
60%	1 Bed 1 Bath	800	4	$ 1,116
60%	2 Bed 2 Bath	1100	7	$ 1,339
60%	3 Bed 2 Bath	1250	4	$ 1,548
70%	1 Bed 1 Bath	800	4	$ 1,302
70%	2 Bed 2 Bath	1100	7	$ 1,562
70%	3 Bed 2 Bath	1250	4	$ 1,806
80%	1 Bed 1 Bath	800	2	$ 1,489
80%	2 Bed 2 Bath	1100	6	$ 1,786
80%	3 Bed 2 Bath	1250	3	$ 2,064

Some of the project amenities will include a community room, an on-site manager, a computer station, a fitness room, and an outdoor children's play area. According to our market analyst *"The one-, two- and three-bedroom unit sizes are 10%, 12% and 5% larger, respectively, than the overall surveyed weighted averages in the PMA*." Each unit will have many amenities not typically seen in affordable rental housing units in the market area. These amenities will include a patio/balcony for each unit, efficient heating and cooling systems, dishwashers, microwave ovens, refrigerators with freezers, garbage disposals, self-cleaning ovens, and in-unit washer and dryers. All appliances are Energy Star rated. AP will also enforce an on-site no-smoking policy.

AP will be 100% electric and will be seeking a ZERH certification, one of CHFA Guiding Principles to help reduce greenhouse gas emissions. The ZERH Certification incorporates high efficiency systems to promote less consumption of our natural resources and provide lower utility bills. This will include the heating and cooling systems, building insulation design, window efficiencies, Energy Star rated appliances, water conserving fixtures, and Energy Star lighting or LED fixtures. The design requirements for ZERH significantly reduces the projects energy consumption, we project the energy consumption reduction around 30%. In addition to the already significant reduction in energy consumption, AP will also install a solar package with 236 solar panels on the roof. Based on the NREL production analysis that accounts for sunlight, tilt and other variables our 236-panel system will produce over 200,000 kWh annually or offset of our projected energy consumption with the ZERH design by over 50% Please see exhibit 22 for our all-electric narrative, exhibit 8 on energy consumption and production and exhibit 15 for the solar package layout. While there are added cost for both the ZERH Certification and the solar package the reduction of energy consumption and the production of renewable energy helps offset those additional costs.

Residents will also enjoy a healthy living environment because of AP's use of green and healthy materials whenever possible, including low or no VOC products, formaldehyde free lumber goods, and sustainably designed materials throughout the development. With the proposed prefabricated exterior shell, trusses, wall panels and floor systems, the construction waste will be significantly reduced. The project will attain the NGBS Bronze certification in addition to the ZERH Certification. Overall, green building materials will be incorporated whenever possible to achieve a sustainable design and healthy environment for the residents. Please see the Energy Efficiency and Sustainability Form, sustainable narrative and NGBS Bronze summary located in exhibit 22.

The development will be funded with 9% Federal LIHTC, Solar Tax Credits, Construction Debt, Permanent Debt, Deferred Developer Fee, and a DOH soft loan in the amount of $2,900,000. Total development cost is $24,964,867. The permanent loan will be provided through CHFA SMART Program. Additionally, we are leveraging the CHFA Housing Opportunity Fund (HOF) to bring the 40-year amortization rate down from 6.75% to 6.25% (plus 0.125% MIP). Th CHFA HOF rate buy down equates to almost $450,000 of additional debt the project will receive. In addition to highly competitive rates on the permanent loan we are also receiving competitive tax credit equity pricing ($.87), especially for a rural area, based on the strength of the sponsorship. There is also a construction loan that will bridge the tax credit equity and permanent loan conversion through the construction period. A tax exemption is also contemplated in this transaction through the partnership with GCHA. Please see below and Exhibits 5, 6, & 7 for the financing LOIs.

First Mortgage - $8,200,000	LIHTC Equity - $12,615,000	DOH Soft Debt - $2,900,000	Solar Credits - $114,000	DDF – 1,078,867

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

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

  AP is not serving Homeless Persons.

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

    AP will not serve persons with special needs.

  - **Projects in Counties with populations of less than 180,000**

    AP is in Garfield County, which has a population of 62,432. Garfield County has 34.6% of the priority amount of 180, 000.

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

a. Market conditions:

Our market study by Prior and Associates surveyed the family LIHTC properties in the PMA. All 3 of the LIHTC project in the PMA had no vacant units and a long waiting list. The study also demonstrates a strong demand for this project with a capture rate of 11%, a 5% reduction from our unit mix last year. With 21 renters being added to the PMA annually through 2027 and no other planned LIHTC units in Parachute to account for pent-up demand, this project gives the residents of Parachute and Battlement Mesa an option that doesn't currently exist. While the PMA does reach outside of Parachute by definition, the demand in Parachute and Battlement Mesa is still strong. Through outreach with the town and the Housing Authority, we feel this project will reach the residents of Parachute and be extremely impactful.

b. Readiness-to-proceed:

If awarded credits, we anticipate construction on AP to commence March 2025 which would put us well within the carryover requirements of 14 months after reservation. We feel like we could accelerate the schedule but hesitate to promise starting construction in the winter in Garfield County. The site is zoned Medium Density Residential which allows the project's height, density, and construction type with no changes or special approvals. Since multifamily is a use by right we can go straight to building permit review. Again, we feel our actual schedule could move into the end of this year but are hesitant to start construction that time of the year due to inclement weather *(17 - Zoning Verification Letter)*. Assuming tax credits are awarded in June, we will have a review set of plans submitted to the Garfield County in September. We anticipate 60-90 days for the Garfield County to review and approve the plans.

c. Overall financial feasibility and viability:

The project is financially feasible. LAC is requesting $2,900,000 from the Department of Housing (DOH) soft funding. The GCHA will be a Special Limited Partner, and the tax exemption allows the project to target lower income residents. The combination of DOH soft funding, tax exemption, income averaging, solar credits, ZERH Certification (reduced consumption), solar package (energy production) and CHFA SMART Program with the HOF rate buy down from 6.75% to 6.25% allowed us to add 18 additional units from last year's 40-unit submission and still comfortably reach financial feasibility. Please see the attached equity letters from NEF *(Exhibit 6)*, and construction and permanent debt letter from Legacy Bank and CHFA *(Exhibit 5)*, and the letter of support from the Department of Housing *(Exhibit 7)*.

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

Since our founding in 2016, LAC has been driven by a commitment to provide individuals and families with quality, sustainable, and affordable homes. In just four years, we have achieved significant scale. As one of the nation's fastest growing developers, investors, and operators of affordable housing, we now proudly serve more than 22,000 units within 116 properties in 22 different states.

Shelton Residential/Asset Living is the proposed property management group. Shelton Residential/Asset Living is led by two respected professionals with more than eighty years of experience in the real estate industry, each having held senior executive positions where they were responsible for the administration, management, and leasing of real estate portfolios worth billions of dollars. In Phoenix, Arizona alone, this team has managed more than 160,000 units of multifamily assets both conventional and affordable and provided services to some of the nation's most respected real estate owners and investors. Since inception, the firm's vision and commitment to excellence has resulted in optimal performance for each managed asset.

e. Cost reasonableness:

AP meets the cost reasonableness test. The land price is at or below market value. Our 3rd party estimator's budget for the proposed development in the current market are in line with our experience in the area and our cost projections for the next 12 months. The project is leveraging below market land costs, flattening interest rates, settling construction costs, tax exemption, DOH softs funds, solar credits, reduced energy consumption, energy production through solar package, and the CHFA SMART Program with HOF rate buy down to minimize the amount of tax credits needed to complete the project. This project ranks in the top few projects of credits requested per unit based on the initial LOIs. AP is producing over $2,626,601 in annual credits but we are only requesting $1,450,000 limiting the credits per unit. While AP has taken all the necessary steps to keep this project affordable, the flattening of interest rates and construction cost do allow for more aggressive pricing than previous years. AP therefore meets all cost reasonableness tests as it relates to both construction cost and all other development costs required to complete the project.

f. Proximity to existing tax credit developments:

There are only 3 other affordable projects in the PMA. Those three projects total 123 income-restricted units. Eagles Nest in Rifle is 19.8 miles, Maxfield Heights is 19.1 miles and White River Village is 18.6 miles from the proposed property. There is a 4th project in Rifle currently proposed but is not complete. There are no LIHTC projects in Parachute or Battlement Mesa and only 3 market rate complexes.

g. Site suitability:

LAC chose this site for LIHTC family development because of its desirable location nearby amenities, job opportunities, outdoor activities, and the need for affordable family housing in the Parachute and Battlement Mesa. The density and style of development is appropriate for the location. The site will be relatively easy to build on as the property has little topographical change. The style of development is a 3-story building with 95 surface parking spots for families and will promote a sense of community for our residents. The ability to surface park and the expected ease of construction further enforces not only site suitability but also helps with cost reasonableness. The planned improvements are within the allowable uses, scale, and height of the existing zoning.

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

a. Justification for waiver of any underwriting criteria (minimum operating reserve, minimum PUPA or high PUPA, first year debt coverage ratio below 1.15 or above 1.30, minimum replacement reserve, vacancy rate below CHFA's minimum):

AP is not requesting any of the above waivers.

b. *Justification of the financial need for CHFA's DDA credit up to 130 percent of qualified basis:* AP is not requesting the basis boost as it already receives the boost as a Non-Metro DDA.

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

The market study does not suggest any changes to the proposed project.

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

There were no RECs, CRECs or HRECs found in the Phase I. The engineer did identify a BER or Business Environmental Risk and recommendations are below. There is no need for any additional testing, but the civil contractors and site work personnel need to use best practices. Additionally, the active radon system is contemplated and priced accordingly. - *Since future construction plans will likely involve significant excavation of soils, care should be taken during redevelopment. The soils should be properly characterized, and any subsurface improvements or contaminated soils encountered during redevelopment activities should be removed and properly disposed in accordance with applicable regulations. As a best management practice, the implementation of radon mitigating measures into the future residential building's design should be considered.*

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

While there is added cost for both our solar package and the ZERH Certification, we view these items as an overall benefit to the project and those cost are offset by additional debt proceeds due reduction in operating costs and solar credits. LAC does believe the stabilization of interest rates and the flattening of construction cost is a huge benefit to this project. LAC's design team, the utilization of prefabricated building components and general contractor will also aide in mitigating any additional cost that is unnecessary during our design process.

7. **In your own words describe the outreach that you have conducted within the proposed community and demonstrate local support for the project (including financial support):**

Since this project is zoned and a minimal approval process is required, we did not feel that any public outreach was needed at this time. If we, the Town of Parachute, Battlement Mesa or Garfield County believes more intensive outreach is warranted, we will follow those steps needed to inform the community. All discussions with the Town of Parachute, Battlement Mesa and Garfield County have been positive and supportive.

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

As a mission-driven affordable housing organization, Lincoln invests in the communities in which we operate. We take a resident-first approach, working thoughtfully and diligently to provide an array of on-site resources. Having access to a safe, high-quality, affordable home is the cornerstone of stability and success for families. Stability in the home is a catalyst for upward economic mobility. We believe that affordable housing solutions require diverse perspectives and lived experiences. We leverage a myriad of strategies and controls to ensure we identify and hire diverse talent regardless of race, ethnicity, gender, age, or sexual orientation, and we benchmark to evaluate the success of our initiatives. Our leasing practices also follow this same strategy and follow all best practices promoting equity. The limited affordable housing stock and rising cost of living in Parachute has made living and working in town impossible. Aster Place will bring substantial economic benefit to its residents and the local community through rental and utility savings for all our residents. LAC specifically is committed to the ZERH Certification reduces the community's energy consumption as well as a solar program that will produce enough energy to offset the consumption by 50%. Lastly and probably most importantly for the 200 plus eligible households in Parachute and Battlement Mesa, they can live and work in town without a 20-mile commute to the next available affordable housing in Rifle. The luxury of living and working in and around town will bring additional savings in gas, car repairs, and auto insurance premiums. Aster Place will directly impact economic mobility of all residents and will save each of them dollars at many different levels. The savings on rent, utilities, gas, etc. will allowing residents to build savings. It will also residents to put some of those dollars back into the local community adding economic benefits to local stores, restaurants, and businesses. LAC believes everyone has a right to a safe, high-quality, affordable home and we hope to do so for the residents at Aster Place.

9% housing credit application narrative

Project Name: Beeler Park Flats
Project Address: 5652 North Boston Court, Denver, CO 80239

<u>Executive Summary</u>

Mile High Development (MHD) is pleased to present this application for Beeler Park Flats (BPF), a 64-unit family-oriented affordable property at 5652 North Boston Court in Denver's high-value Central Park neighborhood featuring a close alignment between development program, community partnership, and area amenities to enhance residents' economic opportunity and support their upward mobility.

To summarize the project:

- Location: 5652 North Boston Court, Denver, CO 80239.
- Allowable density, including QCT/DDA/SADDA: Five stories (M-MX-5); not in a QCT/DDA/SADDA.
- Population being served: Families.
- Bedroom mix: 5 one-bedroom units; 51 two-bedroom units; 8 three-bedroom units.
- AMI targeting: 7@30%, 7@40%, 21@50% and 29@60% AMI.
- Unit amenities: in-unit washer / dryer; granite countertops; LVT flooring and carpet; Energy Star appliances; built-in microwave.
- Project amenities: Clubhouse (1,200 SF); Lounge / Leasing Office / Parcel Storage (1,150 SF); Bike Storage (200 SF); Public Restrooms (380 SF); Fitness Center (800 SF)
- Detail type of construction: The building will be built with slab on grade foundation, Type 3b construction with wood framing, TPO roofing. Building skin will combine masonry and metal accent panels at the base and cementitious Hardy panels for the exterior walls. Two stair towers and two traction elevators will serve the building.
- Access to public transportation within one-half mile of site: RTD Route 65; bike library proposed to enhance access to Montbello-Gateway Connector (0.8 miles) and RTD Route 42/88 (1.3 miles)
- Job centers: Montbello Industrial Park (0.8 miles), The Shops at Northfield (1.4 miles)
- How the project promotes opportunities for economic mobility: amenity-rich neighborhood supported by high-income households; five schools within 0.5 miles; partnership with

Foundation for Sustainable Urban Communities (FSUC) to deliver lifelong learning and sustainable transportation programs to enhance professional skills and job access, respectively.
- Type of services, how they're financed: FSUC will lease office space and share community space.
- Description of energy efficiencies: National Green Building Standards; electric ready with a fully convertible high-efficiency gas hot-water heating system; mini-split heat pumps; ceiling fans.
- Type of financing (local, state, and federal subsidies): CHFA LIHTC; CO DOH; CCD HOST
- Changes since the prior application: Compared to the prior application, MHD proposes to build more family units in a smaller project and to partner with FSUC to support healthy living, sustainable transportation, and lifelong learning for residents and neighbors alike.

BPF will introduce family-scale affordability to an affluent Denver neighborhood, helping deserving residents enjoy valuable services in the area. As a relatively new neighborhood in Central Park, Beeler Park enjoys a household income more than double the Denver average, home values nearly 1.5 times higher than median Denver values, and educational attainment about 10 percent higher than Denver.[1]

BPF will serve low-income households earning between 30 percent and 60 percent of area median income. Responding to Central Park's family-oriented amenities, a majority of the property will provide larger units designed to accommodate families who will benefit from the area's variety of neighborhood schools, extensive open space, and other family-oriented amenities and advantages.

Related to the neighborhood's relative affluence, Central Park's rich amenities include five schools offering daycare through high school education within 0.5 miles, adjacent neighborhood parks and regional trails, and nearby bus and shuttle services to employment opportunities at Montbello Industrial Park and the Shops at Northfield, train connections to Downtown Denver, Anschutz Medical Campus, and Denver International Airport, and easy highway access to myriad regional destinations.

MHD will enter a master lease with the Foundation for Sustainable Urban Communities (FSUC) to support the organization's mission to promote healthy living, lifelong learning, and sustainable transportation in Central Park through a low-rent lease for space to deliver its programs.[1]

FSUC's Healthy Living program works closely with be well, a grassroots movement of communities committed to promoting health equality and access for all. At Northeast Denver Housing Center properties, be well provides yoga and fitness classes, vaccinations, and a point-of-contact block captain to support resident health outcomes. MHD looks forward to be well taking advantage of BPF's on-site fitness center and community room to deliver health programs, policies, and practices at the property.

FSUC's Lifelong Learning initiative will provide adult education that complements significant primary and secondary educational opportunities in the neighborhood. FSUC has funded projects that advance

[1] The attached memorandum of understanding with FSUC defines lease terms.

academic achievement, parent engagement, or provides enrichment activities and has facilitated adult education to conveniently improve or expand residents' professional skills. MHD and FSUC expect that providing adult education courses at BPF particularly would help employees of the nearby Montbello Industrial Park grow their professional skills and compete for additional economic opportunities.

FSUC partners with Northeast Transportation Connections (NETC) to advance its commitment to Sustainable Transportation. MHD is excited to provide space for NETC to expand its successful bike library program to enhance access to nearby RTD bus and train services and the Denver Connector's Montbello-Gateway service. MHD's collaboration with FSUC and NETC will serve as an opportunity for CHFA to set a new standard for partnerships between housing developers and transportation providers to enhance access to and leverage complementary bike trails, bus corridors, and neighborhood shuttles.

Sustainability

BPF will be certified under National Green Building Standards (NGBS), with various sustainability features incorporated into the design. Anticipating state and local all-electric mandates, the project will be "electric ready," utilizing electric mini-split heat pumps for in-unit and common-area space heating and cooling and a fully convertible high-efficiency gas domestic hot-water system.

Recognizing that transportation is Colorado's greatest contributor to greenhouse gas emissions, BPF will partner with NETC to promote transportation demand management (TDM) strategies for clean mobility. In addition to hosting an NETC bike library and providing electric vehicle charging stations, other TDM strategies may include wayfinding on neighborhood trails and resident discounts on rideshare services. Partnering with NETC and promoting TDM should compensate for an unrepresentative WalkScore, which reflects not only the immediate Census block group's residential and recreational character but also the larger Census tract's industrial properties as well as highway and freight rail infrastructure.

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

BPF does not meet any of the priorities.

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

Market Conditions

Central Park is the region's most sought-after neighborhood. From Intelica/James Real Estate Service:

- Well located in the rapidly growing Northfield area of the Central Park neighborhood;
- Close to numerous local employers in northeast Denver and Commerce City, as well as a short distance from major employers in and around the Denver CBD;
- Future residents will have excellent access to neighborhood schools and parks along with numerous retail outlets and restaurants;
- Strong affordable demand across all AMI levels and unit floor plan sizes; and
- Limited competition for the subject in the Primary Market Area, and even less in the immediate Northfield area.
  I/JRES's market study indicates an overall capture rate of 14.9%. Moreover, Central Park enjoys in- migration from outside the primary market area. There is simply no comparison to Central Park.

Proximity to Existing Tax Credit Developments

There are eight existing family LIHTC properties in the primary market area that do not have Section 8 contracts. Most of these projects have low or no vacancies and long waiting lists to live in the very desirable neighborhood. The nearest properties are Northfield Apartments and Pinecrest (1.5 miles).

Readiness to Proceed

MHD has submitted the initial plans to the City's Affordable Housing Review Team (AHRT) and has been released from Concept Review. BPF is ready to proceed upon issuance of a tax credit allocation: zoning allows five stories; all utilities are available on site; and parking exceeds CHFA and local requirements. Since 2020, when MHD submitted an earlier LIHTC application, Beeler Park is substantially built out with detached single-family homes, open space, retail, and healthcare services that support walking and biking in the neighborhood.

MHD will use the same architect, contractor, and design at BPF as recently used at The Point Crossing, eliminating the need to research various building systems, cost to build, and means and methods. Relying on its extensive portfolio, MHD understands Denver's site development plan process, and it already has submitted BPF concepts to the City's Affordable Housing Review Team to position the project to expedite permitting, construction, and occupancy.

Financial Feasibility and Viability

MHD's close relationship and recent success with KeyBank, the project's proposed financial partner, add credibility to this application. KeyBank and its capital markets subsidiary would provide construction and long-term financing for BPF, and Key CDC would purchase the tax credits. Key Bank served as the construction lender and tax credit investor for The Point Crossing and provided a comprehensive package of short- and long-term financing and tax credit investments at Northfield Flats and Ralston Gardens.

Developer Experience and Track Record

MHD has developed over 50 commercial and residential projects in Colorado over the past 40 years, totaling over $650 million in the cost of completed developments. Since 2009, when MHD entered the affordable housing industry, it has participated as developer, co-developer, applicant, or co-applicant in developing nearly 1,000 LIHTC-financed units at ten properties throughout Metro Denver.

KTGY, an architectural firm with a strong regional presence and 90 architects, will design BPF. Among a lengthy portfolio of commercial and residential projects, KTGY designed MHD's Capitol Square Apartments, The Point Crossing, and Northfield Flats as well as the Shops at Northfield near BPF.

Brinkmann Constructors will price and build BPF. Brinkmann's significant Colorado portfolio includes Northfield Flats, Ralson Gardens, and The Point Crossing. Prior contracts with MHD relied on guaranteed maximum price agreements to address supply-chain issues, labor shortages, and variable materials pricing; BPF will utilize the same to deliver on time and on budget in an unpredictable environment.

Com Cap Property Services will manage BPF. Dating to 2006, the privately-owned Centennial-based company provides comprehensive management services for conventional, affordable, and senior residential properties for more than 3,000 rental units across the Front Range. Specializing in LIHTC properties and equipped with a fully integrated accounting system and compliance department, ComCap effectively manages a diverse portfolio of affordable housing based on strong relationships with government officials, low-income placement and housing organizations, and community leaders.

Project Costs
Utilizing wood-frame construction and using familiar designs from past successful projects, MHD has developed a cost profile that will deliver a high-quality project at a reasonable cost.

Site Suitability
Beeler Park suits new construction of affordable housing perfectly. A market-rate developer performed all due diligence for a multi-family project and then agreed to sell part of the property to MHD to comply with Central Park Master Plan requirements for affordable housing. The property's location in a built-out and relatively flat neighborhood with existing utility lines, existing transportation infrastructure, complementary land uses, and open space all facilitate timely and cost-efficient development.

3. Provide the following information as applicable: Waivers and Discretionary Boost

The project is not requesting any waivers to the underwriting criteria or a discretionary boost.

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

The market study overall was extremely positive and indicates strong demand for the project. One negative comment relates to the recommendation to provide more 40% and 80% units. The project could not use Average Income due to the Central Park requirement to provide all of these units at 60% or below. The AMI mix selected balances the desire to provide much needed 30% and 40% AMI units while being financially feasible.

5. Address any issues raised in the environmental report and describe how these issues will be mitigated.

The Phase I ESA found no RECs and did not recommend any further investigation.

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

There are no unusual features specific to the project driving the costs upward. Cost containment is achieved by the project using a similar design to its two most recent projects, Ralston Gardens and Northfield Flats which are currently under construction. Additionally, Mile High Development negotiated a very attractive land price, well below market rate.

7. Community Outreach

MHD has contacted the Stapleton Design Review Committee (SDRC), a group of outside experts in design and land use, as well as Central Park residents. BPF architect Nathan Sciarra, who lives in the Central Park and serves on the SDRC, reviewed plans with the Committee chair and received a positive response. Since prior public hearings and zoning have supported a larger project, MHD has not conducted additional outreach at this time.

8. Describe how the project contributes to promoting equity as well as economic mobility for residents

Few neighborhoods in Metro Denver could boast as much attention to primary and secondary education. Everbrook Academy – Northfield offers daycare one block from BPF. (Primrose School of North Denver also provides daycare one mile from the property.) Less than one half-mile from the property, Inspire Elementary School and Denver Green (Middle) School Northfield share a campus. Northfield High School and DSST Conservatory Green High School share a campus across East 56th Avenue from BPF.

Discussed in detail above, FSUC's Lifelong Learning initiative will educate adults and comprehensively support families' economic mobility. In addition, NETC services will expand access to the nearby Montbello Industrial Park, the Shops at Northfield, and proposed commercial redevelopment around Dick's Sporting Goods Park. Less than one mile from BPF, the Montbello- Gateway Connector and three RTD bus lines serve Central Park Station, where the A Line runs every 15 minutes for most of the day between Downtown Denver and Denver International Airport by way of Anschutz Medical Campus. Interstates 70, 270, and 225 also serve the area and connect to countless jobs in Metro Denver.

9% housing credit application narrative

Project Name: Canyons Affordable Apartments

Project Address: NE Corner of Hess Rd and South Havana St, Castle Pines, CO 80108

EXECUTIVE SUMMARY

BMC Investments is excited to present for consideration of a tax credit allocation Canyons Affordable Apartments, a four-story 50-unit affordable housing project (the "Project") within the Canyonside master-planned community ("Canyons") in Castle Pines, Colorado.

The Project is in a SADDA with direct access to I-25 at the northeast corner of Hess Rd and South Havana St and fills the missing void for affordable housing in the highly opportunistic micro-market. Utilizing an average-income structure to accommodate more units for households earning 30 percent area median income (AMI), the Project features a mix of one, two, and three-bedroom apartments for residents earning 30 percent to 80 percent of the AMI. The Project will serve low-income individuals and families of all age ranges.

Project units will range from 583-sf to 1,200-sf and will feature Energy Star appliances, in-unit washers and dryers, microwave ovens and General Electric or

Unit Mix				
AMI	**1-BR**	**2-BR**	**3-BR**	**Total**
30%	2	2	1	**5**
40%	-	-	-	**-**
50%	14	14	-	**28**
60%	3	2	-	**5**
70%	3	2	1	**6**
80%	3	3	-	**6**
Subtotal	25	23	2	**50**

equivalent appliances in every unit. Building residents will enjoy a large (+/- 715-sf) community room with a big screen television, kitchenette, and various seating arrangements to accommodate small or medium-sized events. The property also will feature a fully equipped fitness and exercise center. Just outside the main entrance, residents will enjoy immediate access to Canyons' robust network of 32 miles of trails. Across Hess Rd, Canyons has 2.0 million-sf zoned for future commercial and retail use, ready to employ prospective tenants working in construction jobs as well as staffing new and existing businesses. Additionally, the Project is a short commute to the RidgeGate Park-n-Ride lot and light rail station and is steps away from the Hess Rd/I-25 corridor, connecting residents to hundreds of thousands of employment opportunities in Downtown Denver, Denver Tech Center ("DTC"), and Castle Rock.

BMC designed the building to electrification-ready standards and Type V (wood-framed) construction, the most economical system for low-rise housing projects. The building skin will feature a mix of masonry, metal panel, and cementitious panels. The building will have one elevator, surveillance cameras, and secure entry and will be certified under National Green Building Standards.

BMC Investments is partnering with Warren Village to jointly raise necessary funds to provide various levels of support and services including but not limited to financial support, mental health services, and continued education and training to prospective residents.

An award to BMC would support a for-profit developer's ongoing commitment to leverage and scale financial resources to expand housing opportunities for all residents of all economic backgrounds in the community BMC calls home.

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

The Project does not meet any of the priorities.

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

<u>Market Conditions</u>: Market conditions for the Canyons Affordable Apartments are excellent. The site is adjacent to I-25 and is a short commute to the RidgeGate Park-n-Ride lot and light rail station which services the E light rail line with connections to all other RTD light rail lines. The Projects immediate access to additional amenity rich hubs like DTC and Castle Rock offers a rich palette of shopping, jobs, recreation, parks, and open space. The market study, produced by JRES Intelica, computes an overall capture rate of 20.8% for this PMA – a strong data point that indicates that successful marketing and lease-up of units at projected rental rates is a reasonable assumption.

The Project benefits from being part of the vibrant and successful Canyonside master-planned community, home to nationally recognized home builders such as Shea Homes, Tri Point Homes, and Infinity Properties and the soon-to-be 100,000-sf Life Time Fitness and 2.0 million-sf of additional commercial and retail space.

Proximity to Existing Tax Credit Developments: Even though there are 10 tax credit projects in the primary market area, the nearest tax credit developments to Canyons Affordable Apartments are Ridgegate (Talus) Apartments which is about 3.5 miles to the north and The Pines at Castle Rock which is about 3.5 miles to the south. A tax credit allocation within Canyons for the Project will fill the missing affordable housing gap along I-25.

Project Readiness: Canyons Affordable Apartments is ready to proceed upon receiving a tax credit allocation. The City of Castle Pines acknowledges the urgent need for affordable housing options in its 2019 Comprehensive Plan, recognizing increasing housing cost burden and encourages more diversity and high-quality housing in a range of types and prices like those planned at the Project. The Project would comply with local regulations and would achieve many goals expressed in recent plans for the area. Roads and utilities serving the site are set to be complete by the time the Project is ready to commence construction. BMC is very familiar with the entitlement process in Castle Pines, having completed the entire process on The Madison Apartments at Canyons. BMC has a letter of support from the City Manager in Castle Pines which states the City will provide the Project with expedited plan review and permitting.

Overall Financial Feasibility and Viability: The project is financially feasible. The construction numbers have been vetted by Alliance Construction who has significant LIHTC construction experience, and the team is very familiar with the Castle Pines development process.

Experience and Track Record of the Development Team and Management Team: BMC Investments, the applicant, has owned, operated, and developed an impressive array of residential multifamily, office, hotel, and mixed-used projects since its inception in 2011. Across Denver Metro, BMC owns and operates 4,593 workforce housing units, with a combined value of $900 million. BMC has completed nine development projects totaling $700 million in total project costs, including three completed multifamily projects comprising 708 units. Nine additional projects, with a total capitalization of $1.3 billion, are in various stages of development encompassing 198 hotel keys, 375,000-sf of commercial space, and 1,639 residential units, including the LIHTC-financed 210-unit Fitzsimons Gateway project in Aurora, which earned a low-income housing tax credit award in 2022 and will begin construction 2Q-2024.

To understand potential pitfalls and opportunities in a development deal, BMC leverages the expertise of its team as well as trusted consultants to create a detailed roadmap to delivery, complete with all aspects of development risk, before embarking upon a project. The Project consultant, Mile High Development (MHD), has completed or is under construction on ten LIHTC developments in the past twelve years in Metro Denver as developer, co-developer or applicant, producing nearly 1,000 units of LIHTC-financed affordable housing.

KTGY, a major regional design firm based in California with a significant presence in Denver, will design the Project. KTGY's local affordable-housing portfolio includes Capitol Square Apartments, The Point Crossing, and Northfield Flats – all in partnership with Mile High Development.

Alliance Construction, an experienced affordable housing general contractor, is providing project estimating services for this application and will build the project under a guaranteed maximum price ("GMP") contract. Alliance is an experienced multifamily general contractor with many affordable housing projects to its credit and is the general contractor for BMC's Fitzsimons Gateway project.

Project Costs: BMC bid the construction work to Alliance Construction Solutions, Deneuve Construction Services, and Palace Construction and reviewed the scopes and budgets in considerable detail to determine cost reasonableness. By engaging multiple contractors in the bid process, competitive pressure ensures the best pricing for the Project. Through in-depth discussion with the contractors and utilizing decades of experience in the construction and development industry, BMC determined that the bids were reasonable. As BMC moves further into the design process, BMC will monitor costs and solve any unreasonable prices increase.

Site Suitability: The Project is located within Canyons, a mixed-use community designed to promote a suburban lifestyle with 2.0 million-sf of developable retail, entertainment, and office use with direct access to the robust network of integrated recreational parks, plazas, and areas for walking, biking, and hiking, including:

- 32 Miles of Trails
- Daniels Park
- Reuter-Hess Reservoir
- Reuter-Hess Incline
- Pronghorn Park and Disc Golf Course
- 46 Acres Dedicated to Public Parks and Open Space

The Project is adjacent to I-25 and is a short commute to the RidgeGate Parn-n-Ride, connecting residents to regional employment destinations in Downtown Denver, DTC, and Castle Rock.

BMC has confirmed the City of Castle Pines support for the Project, which aligns with the City's strategic goals to bring income-restricted housing in an otherwise predominantly market-rate environment. To satisfy City requirements and accentuate transit proximity, the 50-unit project will provide 93 parking spaces – or 1.86 spaces per unit, exceeding the minimum requirement.

3. **Provide the following: Waiver of Underwriting Criteria and Justification of Discretionary Boost**:

Canyons Affordable Apartments does not request any waivers or a discretionary boost.

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

The market study suggests the Project has a low Walk Score, but the Walk Score is higher than nearly all the competitors and higher than the overall Walk Score for Castle Pines. The Project's Walk Score will continue to increase as the 2.0 million-sf of commercial and retail space is developed just across the street from the Project. The market study also showed a high capture rate for the 60% AMI units due to several large projects that have all 60% AMI units. The capture rates at the other AMI levels are extremely low – all below 5.5%. Canyons Affordable is only targeting 5 units at 60% AMI which makes the capture rate less of a concern.

5. **Address any issues raised in the environmental report(s)**:

The Phase I Environmental Study review is clean with no recognized environmental conditions ("RECs").

6. **Identify if there are any unusual features that are driving costs upward:**

The Project has no unusual features that are driving costs upward. All public improvements will be completed by the time the Project is ready to commence construction.

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

Thus far, there has been no community opposition. The Project has received tremendous local support from the City Manager and Douglas County Housing Partners. Please refer to the support letters submitted alongside this application.

8. **Describe how the project contributes to promoting equity as well as economic mobility for residents**:

Located adjacent to I-25 and just south of the RidgeGate Park-n-Ride, residents will have better employment opportunities while living in the Canyons, one of Colorado's most successfully developed master-planned communities. The deep affordability provided along with services from Warren Village enables residents to increase family savings and pursue higher education and training, both critical factors for promoting equity and economic mobility.

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)**:

Not applicable.

9% housing credit application narrative

Project Name: Carbondale Town Center

Project Address: Southeast Corner of Colorado Avenue and 6th Street, Carbondale, CO

The Carbondale Town Center is an ambitious new construction mixed-use affordable housing development in the vibrant community of Carbondale, Colorado. This project, comprising 39 residential units serving families, is designed to address the critical need for affordable housing in the immediate Carbondale community and the greater Roaring Fork region while fostering community engagement and sustainable development. The Project directly addresses the priority outlined in Section 2 of the QAP given its location in a non-metro county with a population of less than 180,000 (Garfield County population is approximately 62,000).

The Town Center site has sat vacant for more than 20 years and was acquired by the Town of Carbondale in late 2021. The site is in the core of Downtown and presents a prime opportunity for infill development and access to essential services, shopping, entertainment, transit, greenspace, and community activities. The Town solicited development proposals in 2022 and selected Artspace Projects as developer to bring much needed affordable housing options as well as commercial activation to the Site. Artspace and its local team of architects and planner, as well as the Town itself as a project partner, engaged in extensive community outreach and master planning throughout 2023, which culminated in an overall plan to prioritize the creation of housing options to include affordable rental, home ownership, and workforce housing opportunities.
The overall site will be developed in phases, the first of which is presented here as the Town Center project, which comprises 12 of the total 16 lots. Future phases will be independently owned and financed and will not share operational income, expenses, or encumbrances with this Project.

The Town of Carbondale has contributed to the Project site at no cost under an Option to Ground Lease which contemplates a long-term ground lease which will meet CHFA and federal tax requirements. The site was previously subdivided, and only the lots underlying the Town Center project are included in that Option benefitting this Project.

The Town Center project will create 39 thoughtfully designed and energy-efficient residential units in a mix of six Studio, ten 1-bedroom, nineteen 2-bedroom, and four 3-bedroom units.
Units will cater to a diverse range of income levels from 30%-150% Area Median Income (AMI), ensuring affordability for individuals and families in the Carbondale area. Each residential unit will include full

kitchens, dedicated deck or patio access to outdoor space (a local code requirement), and bulk storage for bikes, skis, and general household items. All CHFA required minimum amenities are included. In addition, Project amenities will include a community room, exterior deck, courtyard, bike racks, and EV charging stations. The Project will be served by an elevator, ensuring ADA compliant access to all project units and common spaces. A connecting bridge on the 2nd and 3rd floors will ensure all residents have convenient access to amenities, street entry, parking, and the Promenade, a pedestrian path which currently exists on site, beginning a ½ block south from Main Street and extending north where it connects to Town Hall, the Recreation Center, and the Rio Grande Trail system.

The Promenade is planned as an active commercial and retail center, providing recreation, shopping, and dedicated green space to the entire Carbondale community. The Thunder River Theatre is an active and vibrant community performing arts venue situated on the Promenade and adjacent to our proposed Project site. All ground-level development adjacent to the Promenade is required by Carbondale code to include commercial uses while residential is permitted on upper floors. The Project will include approximately 2,000 square feet of commercial space at this location to meet code requirements and to create non-residential creative spaces to bring further activation to the Promenade. The commercial space is included in the Town Center project construction and operating budgets, but all such costs have been segregated from the residential and are <u>not</u> included in basis. In addition, Artspace Projects will execute a master lease for all the commercial space, ensuring that commercial operating costs are covered independently from residential. Artspace will then sub-lease that space to third party tenants. The Project will <u>not</u> include or rely on commercial income for operations or debt service. Wherever possible, utilities will be sub-metered and billed directly to commercial tenants. Artspace has begun preliminary negotiations with a local arts programming and presenting nonprofit which intends to occupy the entire commercial space alongside the initial lease-up of the residential units.

The Town Center Project will be all new construction, slab on grade, with a combination of wood framing and steel structure. Interior and exterior finishes will be cost-effective and durable materials, including cement board, brick, wood, and metal panels. The exterior designs have been informed by local community input through charrettes, public comment sessions, and multiple presentations to the Town Board of Trustees and Planning Commission. Though the project will create a significant new structure on what has long been a vacant lot, the size, scale, and public presentation of the building has been intentionally designed to reflect the character of Downtown Carbondale commercial buildings to the south and east as well as the lower-density single family and municipal buildings to the north and west. The Project received unanimous approval from the Town Board of Trustees to advance the concept and project plans presented in this application. A letter of support from the Mayor, on behalf of the Board of Trustees, is included as an exhibit to this narrative. No project opposition has been encountered by the development team throughout the engagement, design, and approval process.

The Project will be all-electric for residential, common, and commercial utility service. Enterprise Green Communities Certification will be met, including Energy Star appliances and Water Wise design. A photovoltaic array will be installed to further offset electric consumption and meet local code requirements.

All required parking will be provided on-site, interior to the site and partially tucked under the upper residential floors. All 2-bedroom and 3-Bedroom units will have assigned tandem 2-stall parking. No parking is required for the commercial space and is not included in the project scope.

Of the total 39 units, 31 will be LIHTC restricted with four units at 30% AMI and twenty-eight at 60% AMI. All the 30% AMI units will be further supported by Project Based Vouchers (PBV) provided by the Garfield County Housing Authority. The remaining eight units will be unrestricted by LIHTC but targeted to the incomes and affordability of households from 100%-150% AMI which addresses local Carbondale affordability goals and requirements. For budgeting purposes, all rents for the eight unrestricted units have been modeled at 120% AMI rents. These units are expected to house workforce individuals and families who exceed LIHTC limits, but who are still facing significant housing cost burdens. As demonstrated in the included market study, the availability of both LIHTC and market rate housing is extremely limited in Carbondale and the surrounding region, which significantly drives costs upward and limits the ability of households to find housing, either to remain in Carbondale or to relocate there for work or family reasons. The Town of Carbondale struggles to make hires in critical municipal positions because the cost and availability of housing is not sustainable at the wage levels in the 100%-150% band. As such, the Town has committed $1million in capital funding to the project to secure 3 of the non-LIHTC units for housing municipal employees (either existing or new hires).

The Project will prioritize inclusivity, with a mix of unit sizes to accommodate various household compositions. Household income and rent limits will include a mix of 30%, 60%, and unrestricted Studio, 1-bedroom, 2-bedroom, and 3-bedroom units. Though unrestricted by LIHTC, the market-rate units will still be targeted to local Carbondale affordability guidelines of 100%-150% AMI. The mix of unit income limits and bedroom sizes have been intentionally distributed across the project as equitably as possible to offer the broadest spectrum of household size and income opportunities for housing.

The estimated total development cost of the Town Center Project is approximately $30.6 million, of which $23 million is hard cost construction. Artspace acknowledges that this per-unit figure is greater than most projects across the State of Colorado, but it is consistent with others in the immediate region. This is further supported by the US Census designation of the project site as in a Difficult Development Area, where project costs are typically financially difficult (if not infeasible) without additional support. That said, Artspace has sought to be as cost-effective as possible with all units and common spaces, while still delivering quality, dignified, and sustainable affordable housing. The project design and specifications are in line with prior completed projects in Colorado and represent simple, though attractive, and marketable unit layouts and finishes that also meet CHFA and local minimum requirements. The local costs for labor and materials, along with somewhat limited accessibility in the valley contribute most significantly to the construction costs. The general contractor for the project, RA Nelson, is well-established and has completed numerous similar projects in the region, including CHFA-financed multifamily, and the costs they have provided are in line with those prior builds.

Artspace has engaged with funders and lenders to identify sources for the entirety of the budgeted project costs, including LIHTC equity, permanent debt, state and local sources, philanthropic support (in the form of a Sponsor Loan), and deferred developer fee. Letters of support and programmatic guidelines for all sources are included with this application. Among those, the Town of Carbondale is preparing to submit for housing-related funds through two existing DOLA Local Government programs: More Housing Now and Strong Communities. Both sources target municipally owned infrastructure which supports affordable housing and is well-suited to the Town Center Project because the Town will retain ownership of the underlying land and utilities (subject to a ground lease). The More Housing Now application opens March 1 and is expected to be awarded at or around the same time as CHFA 9% awards are made. Artspace has similarly secured DOLA Local Government project support with prior communities in Colorado, including Trinidad and Ridgway, and our planned work in Salida and Grand Lake.

Artspace has further engaged with lending partners at CHFA for permanent debt for this project, which is expected to include a SIMPLE first mortgage paired with subordinate must-pay debt. The project budget and cash flows have assumed a LIHTC Gap loan which meets the program guidelines and maintains an overall debt-coverage ratio of 1.10 or greater. Artspace acknowledges that the LIHTC Gap fund is not yet launched and has included this source as it best responds to the total project debt capacity and meets the programmatic requirements. This source is necessary to present a complete and balanced Sources and Uses and further demonstrates the ability of this Project to be successful through the assembly of a multitude of funding mechanisms. We expect that application opportunities for the LIHTC Gap program will open during the period CHFA is reviewing this application.

Artspace Projects, Inc. has successfully developed more than 50 projects throughout the United States, including three completed projects in Loveland, Trinidad, and Ridgway, CO, with two more underway. Our full schedule of Real Estate Owned (REO) is included as an exhibit to this application. Through more than 30 years of this work, we have completed 100% of projects which received a tax credit allocation and maintain ongoing operational oversight and management of all required compliance and certifications. We acknowledge that a key component of that success lies in close engagement and ongoing communication with our funding partners, especially CHFA in our continued work in Colorado. With that said, it is important to state that we are currently experiencing an unprecedented situation in our entire history as an organization regarding our project in Colorado Springs which, among other sources, is utilizing 4% LIHTC allocated by CHFA. A detailed description of the situation with that project is included with this application. In short, following closing it became necessary to remove the general contractor due to scheduling delay, projected cost overruns, and incomplete subcontractor management. A replacement general contractor has been engaged, and an application for additional mortgage debt through DOLA Division of Housing is pending. It is expected that those funds will be approved in February 2024 and the project will resume with a scheduled completion in 2025. Unfortunately, CHFA was not adequately or appropriately included in regular updates as that situation evolved and progressed to this resolution. Artspace acknowledges that, at a minimum, the required Quarterly reports to CHFA should have been completed bringing this directly to CHFA's attention, and that delinquency was solely Artspace's responsibility. Artspace had been in regular contact with the

CHFA lending team during that time, but a direct conversation with the Tax Credit team should have been initiated. Artspace project staff have opened an ongoing dialogue with CHFA tax credit officers and will continue that through resolution and project completion. As of this application, all Quarterly reports for Colorado Springs have been submitted and will be diligently completed going forward and through completion and issuance of forms 8609. All such reports and annual compliance have been diligently completed for all prior Artspace projects in Colorado, as well as for similar agencies across the Country, and no issues with noncompliance (8823, etc.) are currently outstanding across our portfolio.

A Phase I ESA was conducted for the Project site in January 2024 which identified no Recognized Environmental Conditions. No further action is recommended and a copy of that Phase I report is included with this application.

The successful realization of the Carbondale Town Center affordable housing development will contribute significantly to addressing the shortage of affordable housing in Carbondale, fostering a sense of community, and promoting sustainable living practices. By providing accessible and inclusive housing options, this project aims to enhance the overall quality of life for residents while positively impacting the local economy and environment.

Through careful planning, collaboration, and a commitment to community engagement, the Carbondale Town Center aspires to set a benchmark for affordable housing developments that prioritize both the immediate and long-term needs of Carbondale, Colorado.

9% housing credit application narrative

Project Name: The Commons Phase II

Project Address: 3765 Marion Drive, Colorado Springs, CO 80909

Executive Summary

The Commons Phase II is a proposed 42-unit Permanent Supportive Housing (PSH) project located at 3765 Marion Drive in Colorado Springs that will be developed by Rocky Mountain Communities (RMC) and Homeward Pikes Peak (HPP). The community is the second phase of The Commons development, which includes 50 units of PSH in Phase I on a 2.58-acre site. Phase I was completed by RMC and HPP in March 2023 and is fully leased as of October 2023. Phase II proposes 32 one-bedroom, 8 two-bedroom, and 2 three-bedroom PSH units at or below 30% AMI in a 4-story building. It will include an elevator, ample community space, a fitness room, laundry room, dining/kitchen room, activity room, a picnic/BBQ area, playground, shared amenities with Phase I to not be duplicative, and 39 additional surface parking spaces. Due to the demand in Colorado Springs and this specific submarket, RMC and HPP have chosen to exclusively serve the most highly vulnerable population of individuals and families experiencing homelessness in Phase II as we did in Phase I. Each PSH unit will include a project-based voucher, which the partnership is applying for from the Colorado Division of Housing. The Phase II site is currently entitled for up to 69 units, but the availability of LIHTC equity spread across fewer units feasibly allows for a smaller building of 42 units to be financed.

The proposed 4-story building will be wood frame construction on a slab on grade foundation with TPO roofing along with brick and hardy panel. RMC and HPP will follow Enterprise Green Communities criteria and maximize energy efficiency through an LED lighting package, Energy Star rated appliances, and high efficiency fan exhaust ventilation. The project will include conservation and green building items such as high efficiency plumbing fixtures, efficient irrigation and landscaping materials, a radon ventilation system, and low-VOC interior paints, adhesives, and sealants. The property is conveniently located within a ½ mile of employment opportunities, seven K-12 schools, four healthcare providers, and two transit stops within 500 feet. Its proximity to community amenities will help promote economic mobility for residents. The building is also in a Qualified Census Tract (QCT).

The property will continue to utilize Housing First principles to first provide housing stability followed by wrap around supportive services. It will also incorporate Trauma Informed Design (TID) principles used in Phase I and Arroyo Village, which was also designed by our architect, Shopworks. Phase I currently provides on-site services that include case management, health care, support groups, substance abuse recovery groups, job skills training, employment support, recreational/budgeting opportunities, conflict resolution/mediation training, personal financial management, and benefits counseling. These same services will be available to Phase II residents, who will have access to case management, peer coaches, and community partners to support their education, training, and employment. Tenant support services utilize support systems that increase economic mobility and help transition out of the rental assistance program.

HPP will continue to use community partners to deliver these same services in Phase II. The supportive services budget for Phase II will be funded by the Colorado Division of Housing (DOH), Medicare, developer fee, cash flow, and fundraising that HPP will secure from community partners. Due to issues with methamphetamine at a few RMC properties, our property management department has instituted a zero-tolerance policy for meth use, which is grounds for eviction.

Narrative:

The partnership has made several key changes that will be integral to the success of Phase II:

- Engaged both a local architect and general contractor, Shopworks and Taylor Kohrs respectively, who each have experience designing and building affordable multifamily housing in Colorado Springs. Shopworks was selected in large part due to their extensive expertise in TID, and their thoughtful design approach is integral to creating a building for extremely vulnerable tenants.
- Dominium will continue to operate as a development consultant on the project, but RMC will operate as the lead developer and continue its expanded role in Phase II due to its involvement at this early stage of the project. RMC will be responsible for all work with local partners including City planning, zoning, and code enforcement, and they will also handle all compliance in-house.
- RMC has posted job descriptions for an additional Development Manager as well as a Vice President of Real Estate (to fill Mark Marshall's prior role) to further increase its organizational capacity and have sufficient staff to manage multiple LIHTC developments at one time in addition to other projects. Our Gateway Village development, which was recently awarded LIHTCs, will mainly employ the services of our consultant and will not require full staffing from award through closing, lease-up, and close-out. With the assistance of consultants, RMC has maintained sufficient staffing among its three-person development team this past year to manage our LIHTC projects, a hotel acquisition and repairs/upgrades, an entitlement process, construction/lease-up/rehab of a LIHTC project, two LIHTC applications, and multiple refinances. By the end of Q1 2024, RMC anticipates having a development staff of four in addition to its CEO, Mark Marshall, who remains available to provide his expertise.
- Applied lessons learned from Phase I to the scope of Phase II and designed resident services rooms with increased privacy, a larger maintenance shop, a larger playground, a dog play area, increased bicycle storage, an accessible trash room, and a smoking area.
- Working closely with our general contractor to reduce costs and plan our schedule to prevent any avoidable construction delays that were common during and immediately following the pandemic.

Some project costs, including land, site work, and infrastructure will be reduced due to their inclusion in Phase I. The full land value of $350,000 was incorporated into Phase I, and thus no land value will be incorporated into Phase II. Site and utility work, the detention pond, and a portion of the parking lot was constructed in Phase I and thus will not need to be fully constructed in Phase II.

Project financing will consist of a construction to permanent loan, tax credit equity, a loan from the Colorado Division of Housing, a loan from The City of Colorado Springs, a grant from the Federal Home Loan Bank, a Congressional Direct Award, and deferred developer fee. The Colorado Springs Housing Authority as Special Limited Partner will also provide a real estate tax exemption to the project.

Section 2 QAP:

1. The following priorities in Section 2 of the Qualified Allocation Plan (QAP) apply:
   - Projects serving Persons experiencing Homelessness as defined in Section 5.B 5
   - Projects serving Special Populations as defined in Section 5.B 5

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

   - Market conditions

     As demonstrated by the market study, demand for permanent supportive housing outstrips the supply in Colorado Springs and this market. The State of Colorado Division of Housing funding ended for the

Colorado Springs Metro Area Apartment Vacancy & Rent study, and consequently, reliable trend data for this market are no longer available beyond mid-2020. However, vacancies remain quite low among the comparable properties with all vacancy rates at 4.1% or below. The waiting list for The Commons Phase I filled quickly, and we remain the only property in the area providing housing for individuals and families experiencing homelessness.

- Proximity to existing tax credit developments
  - Academy Heights (201 units, 30-70%AMI) – 2.5mi
  - Plaza on the Platte (32 units, 40% AMI) – 1.9mi
  - Copper Creek Apartments (216 units, 60% AMI) – 2.6mi
  - Fountain Springs Apartments (228 units, 60% AMI) – 3.5mi
  - Residence at Village Green (22 units, 60% AMI) – 2.8mi

- Project readiness

  Zoning for The Commons Phase II is in-place and has been since the entitlement of Phase I.

  RMC and HPP have a track record of securing debt, equity, and public funding for prior LIHTC transactions including The Commons, Arroyo Village, and Meeker Commons by the Carryover requirement. RMC is also in the process of securing construction and permanent financing for Gateway Village and expects to close this summer, well in advance of this CHFA milestone.

  Due to strong initial interest from Letters of Interest (LOIs) received for this project, the Partnership is confident in its ability to secure construction and permanent financing along with an equity investor by the Carryover deadline. Based on projections of our development budget, we will incur more than 10% of the project costs by Carryover. Our general contractor's schedule indicates construction will begin within 12 months of the award as well.

  Our schematic design package has been diligently and thoughtfully developed to balance feasibility and utility with the overall goal to serve the needs of future tenants. Our team has analyzed the pre-construction budget with our architect and general contractor and has a high level of confidence in the projected costs as well as the overall project's readiness to proceed at this stage.

- Overall financial feasibility and viability

  Project costs have been extensively vetted with the design and construction teams and reflect the projected cost to support the new construction of the 42-unit community. We have also received several LOIs to support the construction and permanent financing of the project along with LOIs from equity investors. In addition, the Colorado Division of Housing, the City of Colorado Springs, and the Federal Home Bank Loan have all provided letters indicating their support for additional funding for this project. We also received a Congressional Direct Award Grant that will provide a substantial amount of funding. We will defer some developer fee to finance the remainder of the project. While we are clear on the execution and delivery of this development, the viability and feasibility of this project depends on the support of 9% LIHTCs in combination with the described funding sources to secure the financing of 42 new PSH units in the City of Colorado Springs.

- Experience and track record of the development and management team

  RMC has 30 years of experience as an owner, manager, and developer of affordable housing. In addition to acquiring, financing, and developing properties through several strategies, RMC has developed three

LIHTC properties withn its portfolio: Meeker Commons, a 4% LIHTC project awarded in 2000; Arroyo Village, a co-developed 9% LIHTC project awarded in 2016; and The Commons, a co-developed 9% LIHTC project awarded in 2020. RMC owns and manages over 1350 units across 10 properties located in Colorado and also manages over 300 additional units on a fee basis through our 3rd-party affiliate, Pillar Properties. The RMC management team is experienced in LIHTC and HUD compliance and reporting, and the team has a strong track record of meeting compliance standards and reporting deadlines.

Although The Commons was the first affordable housing project for HPP, they were partnered with RMC and Dominium, a developer with over 45 years of development experience operating in a pro-bono development capacity that also provided construction management for The Commons. Dominium is known for its high quality and cost-effective developments throughout the country. As they do not take any compensation for their services, their fees are reinvested in the development to benefit families experiencing homelessness and to build financial capacity for Homeward Pikes Peak so they can continue to serve the unhoused Colorado Springs community.

- Project costs

  The proposed project will be located immediately adjacent to Phase I of The Commons and will benefit from the utilities and infrastructure already in place. The site has a detention pond that will also serve Phase II once developed. The existing playground along with other amenities including the laundry room, computer room, fitness room, kitchen, hotbox, and community space will be shared with the residents and staff occupying Phase II. The construction of the 42 new units has no unusual costs associated with its development.

- Site suitability

  Based on the market study, there is strong demand for affordable housing in the immediate submarket. Its proximity to other developments does not impact the rental rates and demand of The Commons Phase II. There are limited PSH projects in Colorado Springs, none in the general vicinity, and currently only two others in the pipeline for the City as a whole.

3. Provide the following information as applicable:
   - This project is not requesting a waiver of any underwriting criteria.
   - The project is not requesting a CHFA Discretionary DDA basis boost – but the project does qualify for a 30% basis boost due to its location in a QCT as noted in the application workbook.

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

   The only weakness identified in the market study is that the unit sizes are generally smaller than its direct competitors. However, the analysis states this should not significantly impact the demand for the units supported by low vacancies for all unit groups.

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

   The environmental report identified two Recognized Environmental Conditions (RECs). The first involves a subsurface soil vapor investigation completed on the site in 2018 that found volatile organic compound

(VOC) concentrations exceeding the Environmental Protection Agency most stringent risk level. It is likely that the VOCs are due to offsite releases as there is no indication of VOC use in the site history. In addition, there is the likely presence of asbestos and Polynuclear Aromatic Hydrocarbons (PAHs) in the soil due to the former apartment complex burning down on the Site.

The professional recommendations to fully address these RECs are as follows:

a. The new buildings should be constructed with a soil gas mitigation system such as the most recent version of the ANSI/AARST CC-1000-2018-0523, Soil Gas Control Systems in New Construction of Multifamily, School, Commercial and Mixed-Use Buildings – Rev. 5/23. Such a system will protect against potential radon and VOC vapor intrusion. At completion and prior to occupancy, the new apartment complex should be tested for radon following the most recent ANSI/AARST protocol.
b. A limited subsurface investigation be conducted to test the soil for potential impacts from the former apartment complex that burned on the site. The soil should be tested for asbestos, PAHs, and lead. If exceedances of residential standards are found, the impacted soil can be managed by excavation and offsite disposal for capping under hardscape or a clean soil cap or a combination thereof.

RMC and HPP addressed similar concerns when developing Phase I, and we intend to continue following the recommendations proposed to fully address the identified RECs.

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

   There are no unusual project costs associated with this project, and the construction cost is priced competitively at approximately $311,000/unit.

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

   HPP has provided regular updates to the Pikes Peak Continuum of Care's (CoC) membership and the City of Colorado Springs, and they have provided additional outreach to the Coalition of Housing Advocates and Providers as well as the Pikes Peak Housing Network. There is resounding support from local service providers, the City, and the Colorado Springs Police Department Homeless Outreach Team and El Paso County. There has not been any expressed local opposition to the project.

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

   The housing first approach ensures this project has as few barriers to entry into housing as feasible. Staff will continue to actively work with applicants on documentation and apply for housing. Notice of available units will be shared through a variety of service providers, food banks, local government, and housing providers to provide outreach to people who may not regularly receive news or communication from the CoC. Once clients have moved into the project, case management, peer coaches, and community partners will work together to support residents' goals of education, training, and employment. Tenant support services will work with each resident to utilize as many support systems as possible to increase their economic mobility and plan for a successful transition out of the rental assistance program in a project-based voucher unit. HPP has a strong track record of supporting clients to make the successful transition to independent housing.

9% housing credit application narrative

Project Name: Conifer Heights

Project Address: 10250 County Highway 73, Conifer, CO 80433

Executive Summary:

Conifer Heights is a proposed development seeking to receive an allocation of 9% Low Income Housing Tax Credits, for the development of 56, 100% affordable & workforce multifamily housing units. Overland Property Group's (OPG) experienced development team is excited about the opportunity to bring housing to an underserved area of CO, being the first of any LIHTC community in Conifer and only the second in the foothills west of Denver. Located adjacent to the Highway 285 corridor, this development spans 7.25 acres in buildable area, and will include seven two-story buildings, comprised of twenty-eight two-bedroom & twenty-eight three-bedroom units (943 and 1,155 sq.ft., respectively), and an amenitized clubhouse. In collaboration with local stakeholders, Conifer Heights will be a sought-after place for residents of the foothills to proudly call home.

This development site is properly zoned with Jefferson County under the 'Planned Development' (PD) code and allows for up to 60 multi-family units in the Use Area 2, as shown in their zoning letter. The proposed 56-units will deliver a mix of affordable and workforce housing, with 6 units at 30% AMI, 16 at 50%, 16 at 60%, 12 at 70% and 6 at 80%. The project meets the need of low-to-moderate housing within Jefferson County's most recently approved consolidated plan. OPG, its management team, and development partners have extensive experience with the Average Income set aside and have chosen this to provide deeper affordability through wide-ranging income targeting, tailored to meet the needs of Conifer. The populations of high need for affordable housing identified by local stakeholders are the workforce, young professionals, and seniors. Developing a multifamily community will allow for residents of all age groups to call Conifer home for many years to come. The two- and three- bedroom units are ideal, and proven by the market study, especially for residents who are looking to downsize as they age, or who are starting their family in Conifer.

The development will be constructed with only the highest quality materials: utilizing post-tension slab construction, wood framing, steel support, lifetime architectural shingle roof, cultured stone, and hardi-board exterior. The interiors of each apartment will have amenities such as: knotty alder cabinets, energy star appliances (refrigerator, dishwasher, microwave/micro hood, oven/stove and full-sized washer, and dryer in each unit), high grade wood look LVP flooring, walk-in closets, a patio/balcony, carports, storage, bike racks, 9 ft ceilings and will be an all-electric design meeting 2021 IECC standards, as well as certification under Zero Ready Energy Homes (ZERH). The development itself will also have a long list of amenities including a clubhouse with leasing office, 24/7 fitness center, community room, business center, covered outdoor seating with BBQ grills, access to walking trails, and natural landscape. All told, the interior and exterior designs are intentional with a focus towards families, sustainability, and include spacious residential units & resident amenities.

The development team has worked extensively with its financing partners to ensure the most efficient use of all available funds. The sources for Conifer Heights will include 9% LIHTC equity, permanent loan, subordinate funding from the Division of Housing (CDOH), Jefferson County, deferred development fee, and a special limited partnership with Foothill's Regional Housing to ensure a property tax exemption, all together this is a development that exhibits strong financial viability.

1. **Identify which, if any, of the priorities in Section 2 of the Qualified Allocation Plan (QAP) apply:**
Though the town of Conifer has a population of less than 20,000, it is included within Unincorporated Jefferson County, and therefore our proposed development does not address any of the three priorities listed in Section 2 of the QAP.

2. **Describe how the project meets the criteria for approval in Section 2 of the QAP:**
Market conditions: Presented throughout the market study Conifer Heights demonstrates achievable rents, competitive amenities, and will be well received in the community due to the scarcity of affordable housing in Primary Market Area (PMA). Through the utilization of the Average Income set-aside, the proposed community will serve a wide range of AMI brackets in the PMA. The lack of housing options has created a low vacancy rate, being 4.1% overall. We anticipate establishing a waitlist, and the market study support operating with a vacancy rate of 5% or less. Additionally, the capture rate listed at 22.1% may seem high, but it is important to note that the only other comparable affordable units in the PMA are at 60% AMI. Conifer Heights will be serving a diverse population of families & workforce, at 30%, 50%, 60%, 70%, and 80% AMI, and is supported by the market study, clearly stating that "given the overall lack of multifamily housing, and specifically LIHTC multifamily housing, within the PMA, there appears to be a relatively strong underserved low-income base in the PMA." Low vacancy rates, significant lack of affordable housing options, and the rent advantage that Conifer Heights will have compared to market rate options, make this development extremely competitive in the market conditions.

Proximity to existing tax credit developments: There is only one existing LIHTC development in the PMA located over 16 miles away from the proposed Conifer Heights site. There has not been an award in the PMA since 2017, despite the growing need of affordable housing as residents are being priced out of their homes. The median home value is over $700K in Conifer, the highest in the PMA. As shown within our application, the Chamber provided a letter of support, stating "our organization supports this development given the need for affordable housing for our residents, senior citizens, and local workforce. The essential workers of this community, including teachers, public servants, healthcare workers, and first responders routinely experience labor shortages, and unfilled positions due to the lack of affordable housing within a reasonable distance of job opportunities in Conifer." Eventually, the effect of housing shortages will trickle into all aspects of the community. This is currently being seen as qualified employees are moving elsewhere in order to afford housing that allows them to also experience a level of financial freedom, and staying in Conifer, may not allow them to pursue that due to the high cost of living, well over 40% of their income-to-rent ratio. Specifically, schools are suffering in Conifer as they are not able to retain highly qualified teachers, including teachers with master's degrees- according to the Chamber, this has been a growing problem since 2020. The effect of schools, business, and other essential services (fire, medical, etc.) unable to retain quality professional has the potential to cause multi-generational problems. Adding affordable housing options to the housing stock is a viable solution, and the development of Conifer Heights is necessary in order for that to happen.

Project readiness: Finding a location in the foothills where land is zoned for multifamily, buildable, and relatively cost effective is extremely hard to come by. Conifer Heights is well positioned to move quickly through an administrative process with the county once awarded. The development site is properly zoned to allow for the 56 multifamily rental units shown in this application. The development team had a pre-application conversation with Jefferson County in early 2024 and have confirmed that this proposed development will be able to move toward building permits through their Site Development Plan review, an administrative process that will provide approval in a time frame consistent with the carryover requirement. A major contributing factor to our readiness to proceed is the availability of well water on our site. There are currently 3 wells identified on site, with the ability to drill up to 5 more (8 total wells allowed). Based on information from our water analyst, there is sufficient water available to accommodate residents and requirements from Elk Creek Fire. Per the County's zoning letter, and the provided timeline, our ability to obtain required site plan approvals is very feasible and gives Conifer Heights a competitive advantage.

Overall financial feasibility and viability: As shown within the most recent consolidated plan from Jefferson County and supported by Conifer community stakeholders, affordable & workforce housing, specifically 30%-80% AMI, has been identified as a significant need. However, the overall cost of developing in the foothills poses unique challenges when it comes to financial feasibility. These challenges have prevented the creation and construction of affordable units in the area. The development team has worked extensively with its financing partners to ensure the most efficient use of available sources.

We are experienced in leveraging multiple sources available in order for a development to successfully come to fruition- this is shown within our application through DOH funds, local support from the County, federal tax credits, fully funded operating reserve, RE tax exemption, and deferred development fee- all of which exhibit strong financial viability. The sources we are showing are competitive and provide for a 1.16 debt coverage ratio in year 1, increasing to a 1.43 in year 15, showing the financial health of this development over its lifetime. The investor and lender we have engaged for this application have experience working with us on deals across Colorado, that include the Average Income set aside, which is proven to provide deeper affordability for the population served. Overall, the structure of this development will bring together a variety of local, state, and federal funds to support the development of a high-quality affordable housing community, which will directly address an extremely underserved population in the foothills.

Experience and track record of the development and management team: Since 2002, Overland Property Group (OPG) has successfully developed, built, owned, and operated over 65 LIHTC properties across Colorado, Iowa, Kansas, Missouri, Oklahoma, and Texas- totaling more than 4,000 units and $800 million in development costs. OPG currently has four operating properties in Colorado:

- Tabor Grand Apartments, Leadville
- The Reserves at Steamboat Springs, Steamboat Springs
- Alpenglow Village, Steamboat Springs
- The Reserves at Green Valley Ranch, Denver

In addition to these stabilized communities, OPG is currently leasing up Anglers Four Hundred in Steamboat Springs, providing 75 affordable units utilizing the Average Income set aside, they received over 700 interested applicants when the interest list opened in November 2023. The Reserves at Eagle Point is preparing to begin construction in April 2024, and will provide 192 affordable units ranging from 30%-80% AMIs in the rapidly expanding area of Eastern Aurora. OPG has been directly responsible for the creation or rehabilitation of over 500 affordable units in the State of Colorado all of which have exceeded expectations in terms of equity pricing, quality, construction cost, construction schedule, lease-up, management, and financial performance. The development team also consists of Dan Morgan and Associates, who have successfully consulted on over 100 affordable housing projects to successfully receive funding, as well as Jones Gillam Renz Architects who have designed more than 65 Section 42 projects. Our property management partner, Mission Rock Residential, is well versed in the complexities of managing a tax credit development. They currently manage 30,000 units, including 4,300 LIHTC units, across 17 states. Additionally, they have experience in Steamboat Springs, and Eagle/Edwards, and will bring a unique understanding of leasing & operating in rural/mountain towns. Overall, our experienced group is built for the challenges of building and developing quality affordable housing that maintains its integrity for decades.

Project Costs: The development team has worked closely with our GC to better understand the landscape of this development site, and work through the cost estimate in order to ensure that we are prepared for additional/unique costs related to developing in the foothills, including adequate grading, rock ripping, water build out, appropriate structure supports, fire precautions, etc. It is important to note that our hard construction costs may be higher than costs shown in the Front Range. In addition to the unique costs listed, there are additional contributing factors to increased cost- including but not limited to labor, materials, transportation, and weather. Through conversations with the Conifer Chamber, utilizing local subcontractors, to the extent available & qualified, may be a potential way to mitigate increased costs. Our GC will look at all options for cost efficiencies in order to provide the highest quality construction, well within a reasonable budget.

Site Suitability: Properly zoned multifamily parcels, with access to quality & adequate water in Conifer are slim-to-none. As zoned by Jefferson County, is suitable for multifamily rental apartments, due to its proximity to amenities, future access to either county highway 73 or highway 285, and well water. The site itself is dome-shaped, and roughly 8,080 feet above sea level, it provides a naturally beautiful landscape, containing evergreen and deciduous trees. Our architect has worked to design a site that fits into the natural landscape, and seamlessly blends into the town of Conifer. About 0.5 miles to the south of Conifer Heights is a shopping center that includes a Safeway, Natural Grocers, restaurants, banks, gas stations, medical services, and other small businesses. Additionally, there is an RTD bus stop within 0.7 miles of the site that travels to Denver, and the Jefferson County elementary, middle, and high school are all within 1.0 mile- please see a detailed list of proximity to amenities below. Overall, the proper zoning, physical location, access to water, and landscape make this site extremely enticing for development, and ideal for multifamily housing. A site such as this is especially hard to come by in the town of Conifer, and the foothills as a whole- it is vastly important that the opportunity to secure this site through federal tax credits is taken advantage of now.

LOCATIONAL AMENITIES

#	Service or Amenity	Distance to Subject	Drive Time	#	Service or Amenity	Distance to Subject	Drive Time
1	Natural Grocers	0.2 miles	4 min	9	Elk Creek Fire Department	0.8 miles	5 min
2	Safeway Fuel Station	0.3 miles	4 min	10	USPS	1.0 mile	5 min
3	Flying J Ranch Park	0.4 miles	2 min	11	West Jefferson Middle School	1.0 mile	6 min
4	Safeway Grocery/Pharmacy	0.4 miles	5 min	12	Conifer Medical Center	1.0 mile	5 min
5	West Jefferson Elementary School	0.5 miles	4 min	13	Wells Fargo	1.1 miles	6 min
6	Conifer Senior High School	0.6 miles	4 min	14	CO Department of Public Safety	2.8 miles	7 min
7	Conifer Public Library	0.6 miles	4 min	15	Jefferson County Sheriff	6.4 miles	13 min
8	Bus Stop	0.7 miles	4 min	-	-	-	-

3. Provide the following information as applicable:

Overland Property Group will not be requesting any waivers for this development.

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

The overall weakness identified by the market study relates to the rural location of Conifer. As stated within the market study, a specified weakness is the potential decline in population starting in 2028, the market study is anticipating the total population to decrease at a rate of 0.2 and the renter population at a rate of 2.4. This clearly shows that residents in Conifer are going to either be priced out of their homes, or will not have any rental options, and are forced to look elsewhere for housing/rental housing options. Upon awarded, Conifer Heights would likely have rental units coming online in 2026 and would aid in the solution to prevent the town of Conifer form decreasing. This housing is clearly necessary, and without it, this thriving town could lose economic resources, employment availability, and residents who have called Conifer home for years, some their entire lives even. Being priced out, without an affordable alternative, will absolutely lead to a decline in population as the market study shows.

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

The Phase I Environmental Site Assessment concluded there are no recognized environmental conditions for this development site.

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

As mentioned, it can be challenging for developers to locate properly zoned sites that are reasonably priced and suitable for apartment buildings. These obstacles have made it difficult for developers to make affordable housing developments work in the foothills, as shown by the lack of affordable housing in the PMA. The development budget for Conifer Heights may seem high for 56-units, but we are accurately showing the higher land costs, grading/topography, well water build-out, additional fire measures; all costs necessary for developing in this area. Overland Property Group has experience developing in unique environments (Steamboat Springs, Leadville) and our design team, engineers, contractor, and other third parties are highly skilled in reviewing all options to ensure the economic feasibility of a development (local subcontractors, sales & use tax exemption, etc.) without compromising on safety & quality. We are confident that the positive impact this development will have on Conifer as a whole will be profound, and extremely well received by the community.

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

Community outreach for Conifer Heights began last fall when the site was identified as ideal for an affordable community. The development team was determined to better understand the lack of affordable units in Conifer, and how developing in this area would impact the community as a whole. Since Conifer is located within Unincorporated Jefferson County, there is no city/town jurisdiction. Conversations started with the County Commissioner for Conifer, who is an advocate for affordable housing. Ms.

Dahlkemper is dedicated to tackling the affordable housing crisis in Jefferson County, especially for working families, aging adults, veterans. She was able to point us to local community organizations & stakeholders who aided in our understanding of challenges, as well as the voiced desperation within Conifer for more diverse & affordable housing options. We have discussed with the Conifer Area Council, Mountain Resource Center, Elk Creek Fire, Foothills Regional Housing, and the Conifer Chamber of Commerce. The local support is consistent with the market study- showing that people are being priced out of their homes, employers are unable to fill positions, and that a range of housing from 30%-80% would be well received. Given the lack of current housing, there is a diverse range of ages and income levels that will be served. The challenges have been consistent as well, stating that water availability/quality, and fire mitigation are top priorities of the residents of Conifer. We have confirmed with our water analyst and engineer that this site has well water available to the standard necessary to meet our multifamily flow demands. Additionally, we have done water quality testing to ensure that total dissolved solids (TDS) meet or exceed EPA standards, and we are well within the acceptable limit, and again our water analyst has confirmed through the quality is excellent for multifamily, though it will be treated from the well itself, prior to reaching residents. For fire, we have met with Elk Creek Fire to understand and incorporate their access, building height, sprinkler, and water storage needs within our design. Upon award, we will work with Elk Creek to establish a fire management plan that will be shared with property management and residents to ensure we are doing our part to stop the spread of fires, to the best of our abilities. As our application will show, Jefferson County has HOME and CDBG funds available, upon award we will be pursuing these funding opportunities. Additionally, Foothills Regional Housing has given their intent to provide a property tax exemption through a special limited partnership, which is a significant contribution over the lifetime of a development. Overall, Conifer Heights seems to be well received, and the development team will continue to focus on fostering relationships within the community to ensure we are making decisions that create positive and lasting impact for everyone.

Included Letter of Support: Conifer Area Chamber of Commerce

8. Describe how the proposed development contributes to promoting equity as well as economic mobility for residents. Conifer Heights will provide deep affordability, allowing for a significant discount to current housing options available in Conifer and the PMA. This discount would enable residents to pursue opportunities they might not be able to if cost burdened by housing. Opportunities such as education, jobs, extracurricular activities, and the pursuit of financial freedom- with the potential for future economic mobility, and an improved quality of life. The inclusivity of average income also promotes a culture of diversity within a community, which helps create a sense of belonging and an increase to each resident's social capital. Bolstering an individual and family's social capital has been proven to have a drastically positive impact on one's health and overall well-being.

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

Conifer Heights is not an acquisition/rehab; this is not applicable.

9% housing credit application narrative

Project Name: The Current

Project Address: 674 Durham Drive (23 ¾ Road and F ¾ Road), Grand Junction, CO 81505

Executive Summary:
The northwestern quarter of Grand Junction lacks workforce housing of any sort, despite hosting thousands of entry level jobs with more on the way. Most affordable housing in the Grand Valley is at the east end, with many lower-paying jobs at the west end. This development pattern is unsustainable. It creates cross-town traffic congestion and contributes to air pollution; it wastes precious time and adds unnecessary automobile expenses for struggling workers.

The Current, the first phase of the 15-acre Confluence Subdivision, will begin to change that. The 54-unit, four-story building will provide convenient one- and two-bedroom apartments within walking and biking distance of hundreds of jobs, restaurants, medical services, shopping, and a large regional park – a true live/work/play neighborhood. Grand Valley Transit (GVT) bus stops and nearby transfer center enhance mobility throughout the entire valley. Community Hospital, adjacent to the Confluence Subdivision, recently opened a four-story addition and early childhood learning center that will create additional new opportunities.

The Current will welcome a wide range of households whose incomes range from 30% to 60% of AMI. **According to the Grand Valley Housing Needs Assessment, by 2030 our community needs to add approximately 1,600 apartments to the inventory serving between 30 to 60% AMI. That number will grow to more than 3,400 by 2040.** The anticipated allocation of 8 Project Based Vouchers will ensure affordability to even very low-income households. Three apartments will be ADA accessible.

AMI	1-Bedroom	2-Bedroom	Total
60%	18	4	22
50%	13	3	16
40%	5	3	8
30%	2	6	8
Total	**38**	**16**	**54**

The Current will set the standard for a new residential neighborhood, with an exterior consisting of an attractive mix of stucco, cementitious siding, and galvanized metal accents. The building orientation provides stunning views of the Grand Mesa to the east and the Colorado National Monument to the southwest. The lobby/lounge/fitness room will welcome informal community interactions, while the beautifully landscaped entry courtyard will beckon residents to join in outdoor activities, both active and restful. Located west of the newly upgraded 24 Road and north of the future F ½ Road Parkway, **The Current** is within walking/biking distance to thousands of jobs, shopping at Mesa Mall, and top-notch medical care at the recently expanded Community Hospital. It will also access the entire valley with new GVT bus stop on 24 Road. Canyon View Park, a 114-acre regional park is only ¼ mile away and features baseball and softball fields, basketball, dog park, grills, horseshoe courts, open space, multi-purpose fields, picnic tables, handicap friendly playground, shelters, skate facility, tennis courts, trails, volleyball, and a fishing pond.

The Current will be developed and managed by Grand Junction Housing Authority, which has over 25 years' experience in successful management of a portfolio of 472 apartments financed via LIHTC and has a waiting list that exceeds 1,000.

THE DEVELOPMENT: The Current

The 1.6-acre lot is part of the 15-acre Confluence Subdivision, a new community in the fast growing 24 Road Corridor. Significant planning and engineering have been undertaken by GJHA to create a multi-phase plan to ensure that adequate infrastructure will be available. This first phase necessitates off-site infrastructure, including sanitary sewer and stormwater detention for the entire acreage. GJHA is working diligently with the City of Grand Junction and adjacent property developers to ensure efficient and fair distribution of street improvements. The resulting density of **The Current** is 33.75 units per acre with the underlying zoning having no maximum limit. The building's design is highly efficient, leaving ample space for the community courtyard. Its central location makes it a launch pad for wherever residents want to go. The Grand Valley Transit (GVT) bus stop just east of the property enhances residents' options. EV charging to meet Colorado Electric Vehicle Ready Code will be provided on-site.

Construction Type: **The Current** is a 61,872 square foot, 54 Unit, 4-story Type VA building with R-2 & A-3 & B occupancies. The wood framed structure sits on a concrete grade beam foundation that is anchored to deep foundations consisting of helical piers or piles. The exterior envelope consists of a pitched roof, stucco, and cementitious siding elements, with fiberglass composite and storefront window and door systems. Each floor is serviced by two, 4-stop traction elevators. The building is protected by a 13R fire suppression system with vertical standpipes in both stairwells. The plumbing and light fixtures are designed to meet National Green Building Standards. The mechanical system is all-electric heating and cooling with a split duct system. The apartments will be bright and welcoming, with 9-foot ceilings, Energy Star appliances and lighting, walk-in or walk-through closets and large windows that provide abundant natural light. Interior finishes will be beautiful and durable, including walk-in showers and LVT flooring. The open kitchen features a room for a dining table, and a pantry for added storage.

Energy Efficiency: **The Current** will meet bronze-level National Green Building Standards, and include the following energy efficient features:

- High Efficiency, cold climate air source heat pumps
- Electric resistance individual water heaters
- Energy Star advanced lighting package
- Energy Star rated appliance package
- Utilization of ceiling fans in bedroom and living room locations
- Low flow water fixtures
- Resident Recycling centers on each floor
- Panelized wall construction
- Upgraded, low U-value glazing systems

- Untreated, low embodied energy, irrigation water for landscaping
- Passive Radon venting systems

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

Guiding Principles / Qualified Allocation Plan Priorities:

The Current responds to CHFA's Guiding Principles and Housing Priorities by

- ✓ *Serving the lowest-income tenants for the longest period.* **The Current** will serve households between 30% and 60% of AMI with a 40-year commitment. 59% of the apartments in **The Current** will serve persons at or below 50% AMI.
- ✓ *Assisting a diversity of populations in need of affordable housing*, that will promote opportunities for economic mobility and meet the needs of the community.
- ✓ *Providing opportunities for affordable housing within a half-mile walk of a bus stop with easy access to job centers that maximize the housing density.* **The Current** is within a quarter mile walk of a GVT bus stop, serving Mesa Mall and a City Market grocery store, Community Hospital, and the GVT West Transfer Station, providing connections throughout the Grand Valley.
- ✓ *To support maximum allowable density based on demonstrated market demand and available funding sources.*
- ✓ *Construction of an all-electric building.*
- ✓ Building in Counties with Population less than 180,000: Mesa County population is 155,703 (2020 Census)

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

Market Conditions: The Colorado Division of Housing Rent and Vacancy study for 3rd Quarter 2023 reports a Vacancy Rate in Grand Junction of 2.1%. Despite a surge in market rate construction, the market remains tight, and unfortunately rents continue to rise. The Novogradac market study reports that **The Current** will reach a stabilized occupancy within one to two months, will have a unit mix and unit sizes that are well-accepted in the market and a significant rent advantage over market rate comps. While the site is currently "car dependent" the location, in a developing neighborhood, is within walking/biking distance, via new multi-modal paths, to public transportation, employment opportunities, Community Hospital, Mesa Mall, a grocery store, a shopping center, various restaurants, and a community park, all of which are in good to excellent condition. No changes were recommended.

Proximity to Existing Tax Credit Developments: The nearest two (2) tax credit developments are located 3.5 miles southeast: Highlands and Highlands II - a senior property with a total of 136 units, which are in GJHA's portfolio and will suffer no adverse effects because of **The Current**.

Project Readiness: GJHA is committed to bringing **The Current** online quickly and is highly invested in its success. Schematic Design has been completed and Design Development is ongoing. Site Plan submittal, an administrative process that will be expedited by the City of Grand Junction, is scheduled for March 2024. Continued work on the design and entitlements will ensure that **The Current** will begin construction soon after allocation of the LIHTC.

Overall Financial Feasibility and Viability:

Applications to the State of Colorado Division of Housing will be submitted shortly after this application. The combination of pandemic related system shocks and inflation in building materials and labor have made the financial feasibility of this project challenging. Attention to cost-containment during design and the significant financial support of the City of Grand Junction have contributed to the viability of this development. GJHA has committed to defer $440,000 of its Developer Fee, a sponsor loan of $3,000,000, and to make an additional Gap Loan of $323,578. Local support in the form of an Innovative Housing Incentive Grant (IHOI) from DOLA was leveraged by funds from the City of Grand Junction and the GJHA to acquire the 15-acre parcel.

The City has committed an additional $1.5 million and $390,000 in pre-development funding, along with $757,184 exemption from development fees along with expedited review of the site plan.

<u>Experience and track record of the Development & Management Team</u>
GJHA has successfully developed two (2) Senior and five (5) Family projects in 25 years utilizing LIHTC funding with a clean record of compliance. GJHA owns and operates ten (10) affordable rental properties and administers over 1,400 Housing Choice Vouchers. GJHA's senior management is experienced in the development and management of affordable housing. CEO Jody Kole has led GJHA since 1992. COO Scott Aker joined GJHA in 2017 and has a strong background in human services and housing. The attached resume for GJHA outlines its strong 50-year history of professionalism. The Highlands (64 units) fully leased in 27 days and The Highlands 2 (72 units) in 15 days. The most recent project, 2814 (60 units), was fully leased in less than 30 days.

The Current is the fourth collaboration with the respected team of OZ Architecture and Shaw Construction. Shaw Construction is a leading builder of affordable housing in Colorado and has experience with all-electric construction. With more than 10,000 units completed throughout Colorado, Shaw's multi-family experience is unparalleled. OZ Architecture has extensive experience in multi-family housing development, including affordable and market rate units in both Front Range and Western Slope communities. The attached Resumes of each of our partners demonstrate the strength of this team.

<u>Project Costs:</u> When compared to our previous project, opened in 2021, construction materials and labor have experienced significant inflation. GJHA has worked hard to contain costs and shorten the construction period, which in turn holds down the construction-period interest. This was accomplished by selecting building materials that can be prefabricated off-site and delivered, reducing our reliance on a diminishing workforce in the local construction trades.

Additionally, it was necessary to develop a preliminary plan and subdivision, as well as design of significant public improvements for the entire Confluence neighborhood. These improvements include building the street, curb, gutter, sidewalk, ¼ mile of new sanitary sewer, domestic and irrigation water lines, as well as stormwater detention, that will serve future phases, but at a significant upfront cost.

<u>Site Suitability:</u>
As they say in real estate, location is everything. **The Current** will be a convenient, connected community in the fast-growing northwest area of Grand Junction. South of I-70 and north of Highway 6&50, the property is located north of the Mesa Mall and southeast of Community Hospital. The 24 Road Corridor was recently upgraded by the City of Grand Junction into a boulevard, complete with detached bike paths accessible to the Colorado River to the south and Canyon View Park to the north. The property is located within Zone X on the effective FIRM (2017); however, according to engineering firm SGM, recent improvements made to 24 Road result in the property no longer impacted by a 500-year flood event. A Letter of Map Revision (LOMR) has been prepared and is currently working its way through the FEMA review process to affirm SGM's determination.

For years, GJHA has endeavored to secure a property in this leading edge of the community. The acquisition, with the assistance of DOLA and the City, creates a land bank for future development that serves the people most in need of workforce housing.

3. **Provide the following information as applicable:**
   - **Justification for waiver of any underwriting criteria**
   - **Justification of the financial need for a CHFA Discretionary DDA basis boost of up to 30 percent of eligible basis**

   No waiver or basis boost is requested.

4. **Address any issues raised by the market analyst in the market study.**
   No issues raised.

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

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

   Challenges on the site include the need to build public street access to this otherwise landlocked parcel. A significant amount of underground infrastructure, specifically sanitary sewer and stormwater management required for this first phase of the Confluence property. The property is located within the 24 Road Overlay Zone, which requires specific design standards, such as wide sidewalks and enhanced façade design. The Geotechnical and Geologic Hazards Investigation performed by Huddleston-Berry Engineering & Testing, LLC revealed the presence of moisture sensitive soils. Therefore, Huddleston-Berry recommended a Foundation of either Driven Piles or Helical Piles, which is also a factor in cost escalation.

   Cost containment efforts have included a change to the roof from flat to pitched, a reduction of 8 units from the southern wing of the building without compromising the layout or amenities, utilization of all-electric, split system heating and cooling to minimize amount of mechanical space necessary, limited interior amenity spaces, simplification of exterior amenity areas, and constant attention to selection of materials and use of prefabricated construction methods where possible.

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

   GJHA has received letters of support from 19 community organizations, including economic development, health and human services, fellow housing providers, and all levels of government. These are a testament to the support of the mission of the GJHA and of this project. Neighborhood outreach was conducted during the entitlement process for the Confluence Subdivision with no registered opposition to the project.

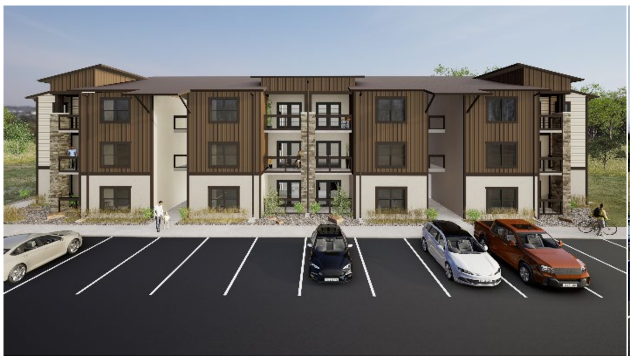
   The City of Grand Junction has invested over $20 million in public improvements in the 24 Road Corridor since 2021, with another $17 million in future investments scheduled for 2024-2025 for the F ½ Road Parkway to further improve access to and from the western end of Grand Junction. Most importantly, the **City of Grand Junction has committed $1.5 million to constructing The Current**, in addition to funds used to acquire the 15-acre Confluence campus, impact fee exemption worth $757,184 and $390,000 in pre-development funds. **The Western Colorado Community Foundation has committed $50,000** from local philanthropists as well as expressing a desire to raise an additional $50,000.

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

   The Current will promote equity and economic mobility due to its location and AMI mix. Over 6800 jobs, including entry-level retail workers making as little as $19,000 annually, exist within a 1-mile radius of **The Current.** Locating affordable housing within walking and biking distance and transit access to these jobs will promote economic mobility for these workers, who are currently spending too much of their income on housing and must commute several miles each way across the Grand Valley. Additionally, the nearby Community Hospital, who recently opened a four-story expansion and new childcare facility, will be an amenity available to residents of **The Current.** High-quality healthcare, within walking and biking distance, will further promote equity for working families.

9% housing credit application narrative

Project Name: GardenWalk of Cañon City
Project Address: 3232 Independence Road, Cañon City, CO 81212




Executive Summary:
We are excited to present GardenWalk of Cañon City, developed by Belmont Development Company, LLC, a transformative development aimed at addressing the critical need for affordable housing in the heart of Cañon City, Colorado. This initiative comprises a thoughtfully designed community featuring 42 units, providing a mix of 1 and 2-bedroom residences. The project will utilize modern, sustainable construction methods and materials, ensuring energy efficiency and adherence to the highest quality standards. GardenWalk of Cañon City is designed to cater to the diverse needs of the community, serving low-income households. Residents will enjoy a range of amenities, including communal spaces, landscaped areas, and recreational facilities. These features are designed to create a vibrant community where residents can connect, engage, and enjoy a high quality of life. Our development contributes to the economic mobility of residents by providing stable and affordable housing options.

GardenWalk's strategic location at 3232 Independence Road within the City's Urban Renewal District maximizes density on a ~1.5-acre parcel. The site's proximity to US Highway 50, the primary commercial corridor, enhances accessibility to services and employment centers.

The project caters to a diverse population, offering a thoughtful unit mix and income targeting. We are selecting the average income set-aside which will allow the income targeting to evolve as the needs of the market change over time. The initial unit mix and income targeting is 4 units at 30% AMI, 3 units at 50% AMI, 3 units at 60% AMI, 7 units at 70% AMI, 4 units at 80% AMI for 1-bedroom, and 5 units at 30% AMI, 2 units at 50% AMI, 2 units at 60% AMI, 7 units at 70% AMI, and 5 units at 80% AMI for 2-bedroom. This unit mix and income targeting was determined in an effort to target the bedroom sizes and income that are in higher demand in the PMA as determined by Novogradac. We are also focused on addressing inclusivity across income levels. Families, including those with young children will be the targeted population.

Units will offer various amenities, including window coverings, E-star rated ceiling fans, appliances, utility connections, and patios/balconies. Project amenities include a community building, playground, and fitness room, all enhancing residents' quality of life. GardenWalk will use high-quality construction, including a durable foundation, framing, roofing, and an energy-efficient building skin. Circulation is designed for accessibility with stairs.

Our development is immediately near several essential services that our residents will be able to quickly access without needing a car. The proximity to Highway 50 makes most of the commercial amenities and businesses in Cañon City easily available along one route, GardenWalk promotes economic mobility by facilitating easy access to employment opportunities.

There is a plethora of amenities and supportive services offered by our immediate neighbors located next door or across the street from the site including:

- Upper Arkansas Area Council of Governments, which is the local housing voucher distributor for DOH, offers an offsite Headstart Preschool program with free bus service for all attendees and senior services including monetary relief for health expenses, food pantry, and housing finance programs.
- Colorado WIC Clinic offers free services such as food pantry, breastfeeding advocacy, and nutritional guidance.
- Colorado Workforce Center offers free services such as job listing search, training opportunities, and career counseling.
- Loaves and Fishes Ministries offers rental assistance, emergency shelter, food pantry, transitional housing, rapid rehousing, as well as being the 501C sponsor for the nearby tax credit award Journey Home.
- Solvista Health offers behavioral healthcare to individuals who are on Medicare or uninsured.
- Fremont County Department of Human Services offers child support services and childcare assistance for teen parents and low-income parents.

GardenWalk aligns with Colorado's Renewable Energy goals by constructing energy-efficient housing. The development will be 100% Electric, have EV ready parking, be PV ready, and will incorporate NGBS Bronze building standards. Several landscaping strategies will be implemented to wisely use the valuable and limited resource of water.

The financing structure assumes equity generated from the sale of 9% LIHTC, construction and permanent loans from Cedar Rapids Bank and Trust, Colorado Department of Housing funds, deferred developer fee, and a significant incentive package of waived, or reduced local tap, impact, permit fees by the City of Cañon City. This approach ensures financial feasibility while maximizing the number of rental units, aligning with CHFA's Guiding Principles.

GardenWalk of Cañon City embodies CHFA's Guiding Principles by providing affordable housing, promoting equity, and fostering economic mobility. The site's strategic location, inclusive amenities, commitment to energy efficiency, and collaboration with the community position it as a noteworthy candidate for a Housing Tax Credit award. The project will be an integral part of Cañon City's commitment to meeting the diverse housing needs of its residents.

1. Priorities from the QAP:
GardenWalk of Cañon City will be in a Rural County, providing distribution of Housing Credits across the State. Fremont County population is less than 180,000, a CHFA priority. Additionally, Cañon City has not had a tax credit award since 2016.

2. Project Criteria for Approval:
Market Conditions:
The overall vacancy rate in the primary market area is just 4.8%, and the market study states that based on performance of comparables, existence of waiting lists, and lack of good quality rental housing, the demand for our development is anticipated to be strong. While the market study indicates a 4.8% vacancy rate, data from other sources indicates much lower vacancy. The 2022 American Community Survey states a rental vacancy for the City of Cañon City to be 2.1%. In 2019, the Upper Arkansas Area Council of Governments commissioned a county level Needs Assessment. The Needs Assessment reported a rental vacancy across the county of 0.9%, which is also consistent with indications from CHFA's Apartment Survey that generally shows 0% vacancies from quarter to quarter. The same 2019 Needs Assessment conducted a survey of Colorado Department of Corrections personnel that are working at the prison agglomeration at Highway 50- and Four-Mile Parkway. The assessment reported 35% of those surveyed commute from outside of the county. This same survey of workers showed 22% of the respondents would move to Fremont County and, amongst all the towns, 52% of respondents said Cañon City was the most appealing to them. A recent Community Needs Survey for the Fremont County Community Block Service Grant states 79.9% of respondents say affordable housing is an obstacle to self-sufficiency. The same survey showed 77.7% of respondents say affordable or safe housing is an urgent need. 2021 Census data shows 17% of workers travel 25 to 50 miles to work in Cañon City and 16.4% commute more than 50 miles to work in Cañon City. City staff and leaders are very conscious of this condition, and the City has incentivized development of multifamily housing through resolutions for fee waivers, concessions for development standards, and an Urban Renewal District that is accommodating to multifamily use.

Proximity to Existing Tax Credit Developments:
The Market Study listed seven different tax credit developments in our PMA. The last tax credit award in Cañon City was a 2016 9% award for supportive housing. Their sponsor, Loaves and Fishes Ministries, is entrenched in serving the homeless community in Cañon City, and we are proud to have their letter of support. A 1997 4% tax credit award was made to Heatherwood Apartments just a few hundred feet away. The next closest award is 1.75 miles away at Celtic Townhomes and was a 2005 9% award for 14 units. We are fortunate to secure one of the last vacant lots in our area, which is one of the few parts of town that provides the location criteria to create a competitive application under the current QAP.

Project Readiness:
The site is zoned for the intended use evidenced by a zoning letter included within the application. Review of the final site plan is administrative and does not require any additional approvals of the City that would involve a public notice process. The City is currently able to meet their review timeline per their office policy of fifteen business days and we expect a quick revision process. The Phase I Environmental Assessment indicated no Recognized Environmental Conditions were discovered. Preliminay plans have been priced by a paid third-party cost estimator; the cost to build the development included in the application is appropriate based on current information and the review of Belmont Construction Company, the General Contractor, as well as our architect and energy consultant.

Overall Financial Feasibility and Viability:
As presented, the project is financially feasible if awarded an allocation of 9% LIHTC and a relatively small discretionary basis boost. In addition to the federal equity from Midwest Housing Equity Group, Belmont is assuming construction and permanent financing from Cedar Rapids Bank and Trust, soft financing from the Colorado Department of Housing, and a deferred developer fee. The city will provide local tap, impact fee, permit fee waivers or discounts.

Experience and Track Record of the Development and Management Team:
Belmont Development Company, LLC, and its affiliated companies, collectively known as Belmont, bring together a seasoned team of professionals with a diverse background in Development, Construction, and Property Management. We have been actively contributing to the housing industry in Arkansas, Colorado, Kansas, Missouri, Oklahoma, and Texas for over three decades. Committed to providing affordable housing, Belmont's mission revolves around creating and enhancing such housing through exceptional service and care, ensuring profitable growth for owners and financial partners.

Responsible for securing funding, financing, and overseeing construction, Belmont has successfully developed over 40 communities encompassing more than 2,500 units. As an affiliate member of the National Council of State Housing Agencies, and other state coalitions, Belmont has been a steadfast supporter of the various housing and finance agencies.

Belmont Management Company Inc., formed in 2004, serves as the Management Agent for Belmont-owned properties and other multifamily housing entities, managing over 100 communities with over 5,000 units. Belmont Management ensures comprehensive property management services, covering marketing, leasing, maintenance, tax credit compliance, accounting, and financial services.

The key principals and personnel at Belmont are instrumental in its success. Ryan Hudspeth, the founder, leads Belmont's operations, focusing primarily on management. Derrick Hamilton, oversees development operations and construction activities, while Shawn Smith, coordinates development activities and secures financing. Johnny McClain manages day-to-day construction activities, and Paul Neissl serves as the Construction Project Manager.

Project Costs:
The project's preliminary costs have been reviewed and verified by a third party, Cost Engineers, Inc., as well as the Belmont team. A number of strategic measures have been taken to contain costs and bring resources to the development as well. Wallace Architects L.L.C. has designed a site plan and buildings that are highly efficient from an environmental and construction standpoint.

Site Suitability:
The site is relatively flat and is near several services and employment opportunities. The area caters to higher commercial and residential density through zoning, developability, and infrastructure. The site will require minimal dirt work and can potentially start during the expansion of Justice Center Road, which will be one of the points of access to the development.

3. Justification for Underwriting Criteria Waivers, Cost Basis, and/or CHFA Discretionary Boost:
We are requesting a relatively small discretionary basis boost for this project of ~3.0%. Due to the rural location, we are assuming lower credit pricing than metro market pricing. Local funding sources are currently limited. Our annual credits per unit are well within precedent levels with the discretionary boost.

4. Issues Raised in the Market Study:

The main issues raised by the market study relate to vacancy rates and walkability. Some of the comparable properties have relatively small unit counts, so when one or two are vacant, the vacancy rate is disproportionately high. However, the overall vacancy rate in the primary market area is just 4.8%, and, throughout the study, it states based on performance of comparables, existence of waiting lists, and lack of good quality rental housing, the demand for our development is anticipated to be strong. The other weakness mentioned was the low walkability score. As noted above, there are several amenities close by such as service providers in the immediate site area. The site is also in an area where the city has focused its infrastructure improvements.

5. Issues Raised in the Environmental Report and Mitigants:

No issues were identified in the Phase I report. No Recognized Environmental Conditions were noted. No further action is recommended.

6. Unusual Features Driving Costs Upward and Cost Containment:

Other than the inflationary pressure and the more rural location of the site, there are no unusual costs noted at this time.

7. Outreach to the Community, Local Opposition and/or Support for the Project:

The development team has met with the city planner, the manager of economic development, and the city administrator to discuss the suitability of the site. Since our meeting, the city, has extended their resolution waiving permit and water tap fees and made a baseline commitment under Proposition 123. The seller, the Cañon City Area Fire Protection District, has agreed to favorable terms in the purchase agreement such as minimal hard earnest money, a sales price much less than what the property was recently listed for and potential fee reductions on installation of fire equipment. The team's outreach effort has been focused on local non-profits, businesses, and city and county government offices. This outreach resulted in nine letters of support for our application.

8. How the Proposed Development Contributes to Promoting Equity & Economic Mobility for Residents:

GardenWalk of Cañon City will provide residents with new, high quality, energy-efficient housing that is affordable and conveniently located to their employment. The project will offer a mix of income levels and household types, fostering integration. As noted above, residents and workers in Cañon City are having to source housing in other counties due to the lack of quality affordable housing within the city. With rent stability, GardenWalk of Cañon City will allow residents to maintain affordability and support their long-term success. Through the extensive list of free or reduced cost supportive services we have mentioned being within a few hundred feet away translates directly to economic value for our tenants. Walkability to these sites also saves time and money related to transportation expenses. Additionally, we will serve a wide range of AMI levels, including over 20% of our units serving the 30% AMI category.

9. Acquisition and Rehabilitation is N/A.

9% housing credit application narrative

Project Name: **The Annex**
Project Address: **1603 Walnut Street, Boulder, CO**

Executive Summary
Imagine a single property in an unparalleled location that includes affordable apartments with a true mix of incomes, a place for young people to learn job skills, a community bakery and café popular among neighbors and tourists alike, and Boulder's premier event center where residents might work and visitors will enjoy incredible views and a modern place to gather. That is the dream that Grace Commons Church envisioned for this valuable land in downtown Boulder upon award of 9% LIHTC. The Annex will be funded by a land contribution and $750,000 in cash from the Church, as well as $150,000 from Boulder County, $1.2M from CDOH, $3.1M from the City of Boulder, $2.26M in permanent debt, solar tax credits, and 9% LIHTC. Coburn Partners designed the Type IIA steel-frame 4-story structure with a brick exterior, cedar siding, flat roof, two elevators and two interior stairs. The Annex will feature new energy efficient appliances, solar, and NGBS-Silver certification. The 1st floor includes a café and bakery for workforce training and career counseling for young adults as well as storage for the affordable units on the 2nd and 3rd floors. The 18 studios and 12 one-bedroom units, all with private balconies, include four units at 30% AMI, three at 40% AMI, three at 50% AMI, seventeen at 60% AMI, and three at 70% AMI. Residents will enjoy bike and car parking and a private rooftop deck with Flatirons views. The 4th floor event space will provide additional employment opportunities. The 1st floor space dedicated to career counseling will be included in basis as a Community Service Facility. The Annex deserves a 9% award for several reasons:

- **Economic Mobility:** In addition to the 1st and 4th floor employment opportunities, residents will have abundant access to jobs in Downtown Boulder. The Project brings affordable housing to where jobs are located, reducing the need for long commutes that cause social, economic, and climate consequences. The Annex is a unique opportunity to invest in economic mobility and affordable housing under one roof.
- **Walkable TOD Location:** Located only a block away from both the Pearl Street Mall and Downtown Boulder RTD station, the Project's location is considered a "Walker's Paradise." The site has a Walk Score of 98 and a Bike Score of 100, both far greater than any comparable property in the Market Study.
- **QCT:** The Project site is in a Qualified Census Tract.
- **Density:** The Annex obtained the maximum allowable density and FAR through Site Review.
- **Readiness to Proceed:** The Project Team obtained full entitlements in 2022 and applied for building permit in 2023 in preparation to start construction in Q3 of 2024. The Site Review approval, including two six-month extensions, requires the Project to be substantially complete by January 2026, which can be achieved if awarded 9% this round. Without an award this year, the Project would have to return to Planning Board for another round of entitlement approvals, risking its viability.
- **Lowest Income Tenants for Longest Period:** Grace Commons Church will execute a permanent covenant on the property to ensure it remains affordable and serves the Boulder community for generations.
- **Changes from Previous Application:** Per CHFA's recommendation, the Project now employs Average Income. This change allowed the Project to increase NOI and deepen affordability in many units, including an additional 30% unit and three 40% units. The Team also sought new construction pricing and value engineering that decreased hard costs by $1.4M in a time of rising construction costs. These savings helped decrease the LIHTC request by almost $200,000. The Project also entered a partnership with TGTHR, creating a pathway for TGTHR clients and residents of 1440 Pine Street to exit PSH and enter the

Annex's nearby affordable housing with a voucher and continued case management. The Project will also be placed on a housing authority waitlist, helping to add five additional points to the application score.

1. **Identify which, if any, of the priorities in Section 2 (QAP) apply:** Although none of the priorities in Section 2 of the QAP apply, the Project has set aside 13% of the units at 30% AMI and will provide career counseling and workforce development opportunities for young adults.

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

- **Market conditions:** As evidenced by the Market Study, there is strong demand for affordable units at the Annex in the Primary Market Area (PMA). "The overall surveyed vacancy rate in the PMA was 2.8%, including 0.6% at all surveyed LIHTC units. Most LIHTC projects had historical occupancy at or near 100% and some had waitlists," according to the Market Study. The Boulder rental market is both historically and currently strong, and the Annex will provide needed housing while not threatening the viability of nearby LIHTC properties.

- **Proximity to existing tax credit developments:** According to the Market Study, "although there are 163 competitive family LIHTC units in the development pipeline, the PMA has absorbed an average of 261 rental units annually over the past three years, while its vacancy rate declined during this period, and the most recently completed LIHTC projects absorbed 33 or 38 units per month during lease-up." Further, the Annex, "and all other new family LIHTC supply should be absorbed quickly and have limited impact on the occupancy of existing properties." More specifically, the Annex is located within about ½ mile of Walnut Place and Presbyterian Manor, both senior affordable property that will not compete with the family units at the Annex. The affordable properties in Boulder Junction, including Bluebird, SPARK west, Ciclo, and 30Pearl will not be direct competitors with the Annex given the separate locations. Finally, 1440 Pine—also within a ½ mile of the Annex—will not directly compete with the Annex but will instead provide a source of resident referrals. As youth prepare to move out of the permanent supportive housing at 1440 Pine, they may find nearby affordable units at the Annex. When they move out of 1440 Pine, the residents will receive three months of case management from TGTHR as well as the possibility of receiving tenant-based vouchers that will be accepted at the Annex. The residents moving from 1440 Pine to the Annex will live just a few blocks from their community while also having the opportunity to participate in job training on the 1st floor of the Annex. This transition will be further supported by the same property for both projects—Brothers Property Management.

- **Project readiness:** The Project is fully entitled and ready to proceed. The Project Team secured site review approval in 2022 and submitted for building permit in April 2023. The City provided the first round of comments to the permit application, and the Project Team anticipates receiving the building permit in approximately August 2024. The Project Team has received strong interest from potential lenders and equity investors to provide financing for both the commercial and residential components. Pending a 9% LIHTC award, the Project Team is on track for a financial close in approximately September 2024. Demolition and site preparation will begin in July 2024 and will last about 1.5 months. Construction, which will last an additional 18.5 months (total construction timeline of 20 months), will begin in September 2024 and finish in March 2025.

- **Overall financial feasibility and viability:** The Annex is financially feasible if awarded 9% LIHTC. The Annex received soft funding through Boulder County's Worthy Cause program and assumes additional soft funding from Grace Commons Church, the City of Boulder, the Colorado Division of Housing, solar tax credits, as well as deferred developer fee to complete the Project's capitalization. Since the Project is receiving substantial soft fund contributions, it would meet the 50% test for a 4% + State application and thus requires a 9% LIHTC award.

- **Experience and track record of the development and management team:** The development team has deep experience in capital markets, design, and construction of LIHTC properties in Boulder. The development consultant, Element Properties, developed Spark West (45 units) in 2018, Ciclo Apartments (38 units) in 2020, and Bluebird in 2024 (40 units); is currently developing Zinnia (55 units) and is consulting for Presbyterian Manor (78 units); and consulted for Nest Communities (238 units) in 2017. The three Element principals—Catherine Bean, Scott Holton, and Chris Jacobs—will play an important role in the Project. Catherine Bean will lead the Project with support from controller, Christy Valentine. Architect, Coburn Partners, brings local expertise in sustainable design and many affordable housing projects in Boulder. The General Contractor, I-Kota, was selected for its competitive pricing and impressive track record of building affordable housing projects across Colorado, including three in Boulder County recently. The Property Manager, Brothers Property Management, has deep experience in managing affordable housing and CHFA-administered programs, including the Boulder projects 1440 Pine, SPARKwest, and Bluebird. The Applicant, Grace Commons Church, has the financial stability to meet equity and debt guarantees and requirements.

- **Project costs:** Total Project costs have decreased from last application by $50,000 per unit to a cost of $603,046 per unit, including $413,183 per unit in hard costs. These costs provide more than housing, as they also include the space for the Community Service Facility that will provide career counseling to 15-to-24-year-olds who are not currently employed or enrolled in school. The Project Team worked diligently to value engineer and redesign the building. Significant savings resulted from alternate metal siding ($160,000) and a strategic modification of the building foundation along the zero-lot line resulting in a reduction of shoring ($170,000). The valuable parcel of land is also being contributed to the Project through a land lease that is paid with remaining cash flow.

- **Site suitability:** The flat site does not contain any topographic issues and utilities are readily available. It is ready for redevelopment and is possibly the best-located affordable housing projects in Colorado. The property is 135 feet from a bus stop, within 0.1 miles of the Pearl Street Mall, and less than ½ mile from the City of Boulder municipal building, a library, a post office, a convenience store, a neighborhood shopping center, a public park, a grocery store, and off-street bike paths. This urban infill project will provide residents with a strong sense of community, as they can easily access economic, cultural, and civic amenities. The Market Study states that, "the subject is in a desirable neighborhood of Downtown Boulder, with very good visibility and access to shopping, schools, services and recreation. Its location is slightly superior to all surveyed properties."

3. **Provide the following information as applicable:**
- **Justification for waiver of any underwriting criteria:** N/A
- **Justification of the financial need for a CHFA Discretionary DDA basis boost:** N/A

4. **Address any issues raised by the market analyst in the market study.** The Market Study gives the Project a capture rate of 30.8% which is above CHFA's 25% threshold, but provides several reasons why the capture rate is overstated and attainable, including, but not limited to:
    - "The surveyed LIHTC properties were 99% occupied and have mostly maintained historical occupancy rates at or near 100%, suggesting that the estimated number of income- and size-qualified renters is understated"
    - "The existing 50% and 60% AMI penetration rates are already well above the acceptable threshold despite surveyed 50% and 60% AMI units being 100% occupied and 98% occupied, respectively, further evidence that Claritas' estimate of existing qualified renters at these AMI levels is likely not accurate."
    - "The subject's proposed LIHTC rents provide a discount to average Class B market-rate apartments of 8% to 62% and provide a good to very good value to prospective tenants."
    - "Its setting in Downtown Boulder, with excellent access to major employers and mass transit service, will likely allow the subject to draw renters from outside of the PMA."

Given these and other considerations, the Market Study anticipates the Project should lease-up and reach stabilized occupancy within a month and has, "no recommended changes for the subject."

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

The Phase I environmental study found that the site was previously used for tire and automotive repair services, which is considered a Recognized Environmental Condition (REC). The Project Team ordered a Phase II report, which found no further evidence of RECs. See attached email from CHFA confirming waiver of the requirement to provide environmental reports that are less than twelve months old.

The existing building on site tested positive for asbestos containing materials in both the roofing materials and a small section of the drywall. Because the roofing material is non-friable, both EPA and CDPHE standards exempt these materials from NESHAP and CDPHE regulations during removal. The trace amounts of asbestos found in the drywall do not require abatement, but the demolition contractor will comply with the OSHA requirements in the asbestos report.

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

The mixed-use nature of the Annex contributes to higher construction costs but is also necessary to create this vibrant, multifaceted community in Downtown Boulder. Further, the Annex utilizes high-quality building materials – which add to the project costs – but also contribute to Downtown Boulder's historic character and create a strong sense of home for future residents. These high-quality materials were necessary to conform to the Downtown Boulder Design Guidelines and to obtain site review approval, which allowed the Project Team to design the densest possible building on the site. This attention to detail and commitment to quality is evident in the Market Study, which ranks the Annex apartments as superior to all other comparable properties in the area.

The City of Boulder Energy Conservation Code sets stringent requirements for high-efficiency buildings, particularly mixed-use buildings. Although these improvements are costly up front, they will benefit the Project by reducing the risk of ongoing utility costs.

It is also important to note that the Annex is applying the Community Service Facility provision in Section 42 of the IRS Code. This additional space is important to provide job training for both the Annex residents of the affordable housing as well as other participants from the community. Leveraging LIHTC for this important work increases Project costs but helps achieve the Project's and CHFA's shared goal of generating economic mobility.

After an RFP process in 2022, the Team initially selected a general contractor from a group of three. However, due to still seemingly high hard costs, in 2023 Grace Commons sought another estimate from a fourth contractor—I-Kota. By working with this new general contractor, the Team saved more than $1.4M in hard costs. Those savings include similar but more affordable windows, metal paneling, building wrap, and window blinds. The Team also modified the foundation to remove the cost of shoring. The Project Team will continue to explore additional ways to decrease construction costs while maintaining the intent and integrity of the Project.

High costs have also been mitigated through the sourcing of additional funds and the contribution of the land through a cash flow land lease. The Project is expecting $5,340,000 in soft funds and grants, approximately 30% of the affordable housing development costs.

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

There is strong community support for the Project as evidenced by the letters of support included in the application. Local and state governments, housing and human services non-profits, and the local chamber of commerce all expressed their support. Boulder County Housing Authority has also agreed to provide the

Annex with access to its waitlist. These organizations recognize the economic and social benefits of stable job and housing opportunities.

Local governments are putting financial support towards the Project. In 2022, Boulder County's Worthy Cause program awarded $150,000 to the Project. Both the City of Boulder and the Colorado Division of Housing have encouraged the Project to apply for gap funding once the Project receives a 9% award.

The Project Team also engaged the neighborhood extensively through written communications and private and public meetings during the design and entitlement processes. After hearing some initial concerns from the immediate neighbors about the 4th floor event space, the Team redesigned the space and collaborated with the stakeholders to create a better development and earn their support. Dozens of community members spoke in support of the Project at multiple Planning Board meetings, and the Planning Board unanimously approved the Project. City Council

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

Economic mobility and equity are integral to the Annex. Grace Commons Church is deeply committed to creating housing, particularly in a location where new development typically serves just the luxury market, as well as a community space that facilitates growth and stability. The Applicant intentionally opted to provide job training on the first floor in order to help young people gain skills to help them successfully enter the workforce. The need for service staff in Boulder is significant, and Grace Commons looks forward to partnering with A Precious Child, a local non-profit focused on supporting kids, as well as exploring additional potential partnership to expand the impact of the space. Grace Commons Church is excited to expand economic opportunities for young people in a vibrant downtown location.

Housing has not kept pace with the strong economic growth in Boulder over the past decade. The Boulder Community Foundation found that for every 3.5 jobs created, only one housing unit was added in Boulder County. The extreme imbalance in jobs and housing has contributed to long commutes and rising housing costs. Fifty-eight percent of renters in Boulder County spend more than one-third of their income on housing costs, compared to 46% of renters nationally. According to City officials, over 50,000 workers commute into the City of Boulder each day. The Annex promotes equity and economic mobility by providing high quality affordable housing and workforce training in the center of a local economy with demand for jobs.

The affordable units on the 2nd and 3rd floors are accessible to a range of incomes ranging from 30%-70% AMI. These newly constructed units are designed to provide residents with a strong sense of place and housing stability. Residents will have tremendous access to transit, jobs, and urban amenities right outside of their front door.

Among the residents will be clients of TGTHR who are actively climbing the economic ladder. Youth who have been living in the permanent supportive housing development 1440 Pine and are ready to move on to more traditional affordable housing often struggle to housing near their existing community and work. Grace Commons and the Annex have created a referral partnership that will give such residents a path to more stable housing near their friends, work, and case managers. Clients moving from 1440 Pine often receive a voucher and always receive an additional 90 days of case management that will aid in their transition. TGTHR will also include the Annex as a referral site for its scattered site housing programs for youth. Participants in this program will have access to case management and supportive services from TGTHR for up to 24 months and access to ongoing affordability. This partnership has the added benefit of generating a pipeline of potential tenants for the Annex.

The 4th floor event space helps the overall financial viability of the Project and provides additional economic opportunities. For example, a resident on the 2nd floor could learn culinary skills at the bakery on the 1st floor, practice for an interview in the Community Service Facility space, and then receive a job offer to cater an event on the 4th floor. They could live, learn, and work all in one building. The resident could go on to help manage a catering company and move from a 30% or 40% unit into a 60% or 70% unit. The Annex, designed to be a cohesive and inviting space that promotes collaboration, growth, and equity, will become an ecosystem of economic mobility. This unique Project leverages the incredible location and mix of uses to revitalize a downtown corner while providing housing, job training, and a café to benefit the entire community.

9. **For acquisition/rehab or rehab projects:** N/A

9% housing credit application narrative

Project Name: **The Grove at Cottonwood**

Project Address: **1354 Cottonwood St. Broomfield, CO 80020**

Executive Summary:
The Grove at Cottonwood is an affordable, accessible, neuro-inclusive community offering affordable independent living. The concept for the Grove at Cottonwood was seeded by a group of parents desperate for housing options for their adult children with Intellectual and Developmental Disabilities (I/DD) and nurtured by a CHFA Small-Scale Housing Technical Assistance Grant awarded in 2022. One of the first in Colorado, the Grove at Cottonwood is designed specifically to be an affordable residential community serving a neuro-diverse population while prioritizing the needs of our neighbors with I/DD who are in critical need of long-term, affordable stable housing where they can live, age in place, and thrive with their community. Since 2022, several focus groups and meetings were held to understand the needs of this vulnerable population and how to design a community to meet these specific needs. There will be one one-story building, one two-story building, and one three-story building (including an elevator). The 40 units will have 30 one bedroom unit types and 10 two bedroom unit types servicing incomes ranging from 30% of the AMI to 60%. Twenty-five percent (25%) of the units (10) will be specifically reserved for individuals with I/DD. To identify residents with I/DD ready to reside in an independent living community, Grove at Cottonwood has entered into MOUs with agencies that serve persons with I/DD, including Imagine! and FRIENDS of Broomfield, who will serve as referral agencies. Employing 811 PBV, and adhering to the related regulations, the remaining units cannot be limited to only individuals with individual and developmental disabilities. This offers the opportunity to create a mutually beneficial, integrated neuro-diverse population renting the balance of units (30) to a diverse population who meet the income requirements and background checks.

Thoughtful site design connects this property with the existing public walkways and park to the west, maintaining the neighborhood connectivity and more than 50% of the site is maintained as usable open space for residents. Within the dwelling units, the welcoming residential feel is continued with well daylit, open interior floor plans with comfortable and durable materials in light colors. Multi-source and adjustable LED lighting is intended to suit the resident's sensory needs. Indoor air quality is addressed using non VOC paints & finishes to be specified, as well as access to natural ventilation via large operable windows. Fully appointed kitchens with ovens, dishwashers, disposals, and refrigerators included. In unit laundry will be provided in Buildings A & B to account for the lack of proximity to the community laundry contained in Building C

Another notable project amenity is the Common House which will serve as the community hub, providing residents additional shared spaces outside of individual units to gather with family, friends, and service providers, as well as each other. The covered exterior walkways of Building C provide more than circulation to the units, with small gathering nodes located on each level, overlooking the central courtyard & community entrance and drive, giving visibility to the comings and goings of the residents. Not only does this encourage engagement with neighbors, it provides another layer of security for the residents.

The buildings are designed to utilize traditional residential construction materials and methods and will be wood framed buildings classified as Type VB construction under the IBC. Buildings A & B include on grade apartment flats with two walk up units in Building A. Building C is an elevator accessed building with covered exterior walkways accessing upper floor units. All unit entries are located facing the common green space allowing for community interactions and safety. While the priority population to be served are persons with I/DD, the design incorporates universal design principles ensuring accessibility and the site will offer services and amenities beneficial to older adults and small families. The design is 95% accessible with ground floor units in every building and only two walk up units in Building A. Elevator access is provided in Building C.

In addition to physically and cognitively accessible individual units, ensuring a safe and healthy environment for all residents is extremely important. We employed trauma informed design strategies throughout, such as continuous sightlines & accessible circulation with clear signage to aid in navigation throughout the site and buildings.

Privacy is a high priority for adults with I/DD, and some residents might have live-in caregivers. Design principles for individual units include: functional living areas that are not necessarily spacious, larger bedrooms, bathrooms, and storage areas, durable and easily cleanable finishes throughout an apartment, including in bathrooms, more maneuvering space (especially in bathrooms), lowered countertops (if physical accessibility is needed), open storage that is within reach, sound isolation between units to enhance acoustic privacy, natural daylight and sensory-friendly lighting that is easily controlled, soothing and pleasantly tactile colors and surfaces, rather than cold and sterile choices, direct or passive connection to the outdoors, private areas in the common house for social interaction to maintain privacy in the individual unit.

The Grove's Resident Concierge will support residents in accessing public transit services including RTD FlexRide, available to all ages and abilities, and the Broomfield EasyRide which is available to adults over 60 and individuals with a disability who are over 18. We will also have a property-designated van for use.

The residents of the Grove with I/DD will have a long-term disability and are eligible for community-based long-term care services and supports provided for under the state's Medicaid programs. In line with the shift from institutionally-based care to community-based care, I/DD services employ a Consumer-driven services model with residents accessing services and programs of their choosing in the broader community. The Grove has entered into MOU's with these community organizations to provide not only referrals, but also classes at the Common House for residents to enjoy, space to meet with clients and a ROI for the Resident Concierge to enable coordination of services between residents and service providers. Please see more detailed information in the attached response for 811 rental assistance from the Division of Housing.

Energy Efficiency

The Grove at Cottonwood is designed to meet 2021 IECC, Enterprise Green Communities 2020, and is targeting Energy Star Zero Energy Ready Home certification. The Grove design incorporates various sustainability elements: buildings designed with sustainable high energy performance strategies to minimize resource usage (energy and water), such as well insulated & sealed building envelope with balanced ventilation, natural daylighting, and connection to the exterior via large operable window openings; inclusion of low water, native and xeric plantings; minimal turf grass will be included and pollinator plantings; all three buildings include solar ready roof areas; rain garden areas and previous pavers included to minimize runoff and improve water quality; Electric Vehicle charging stations provided in accordance with City Code; secure, enclosed bicycle parking with maintenance station.

Priorities from the QAP:

While we are not electing the priority here, the Grove at Cottonwood the Grove at Cottonwood will provide housing to adults with I/DD. Using 811 PBV from DOH, the Grove will set aside 25% of units to serve persons with I/DD.

Project Criteria for Approval:

- Market Conditions:
- *Proximity to Existing Tax Credit Developments:* Within a couple of miles of the Grove at Cottonwood, there are six tax credit communities (built between 1995 - 2023) with four serving older adults. The Market Study asserts these senior properties are not realistically competitive with the Grove at Cottonwood with its prioritization to serve persons with I/DD. There are no tax credit sponsored communities prioritizing residents with I/DD in the PMA. The lack of communities serving persons with I/DD creates a significant demand for this type of housing.
- *Project Readiness:* The site is owned by BHA who acquired the land in May 2022 and is centrally located in the Northmoor neighborhood in Broomfield. Broomfield City Council for the City and County of Broomfield approved a Rezoning, ROW Vacation, PUD Plan, Final Plat and Site Development Plan in January 2024. The Grove at Cottonwood team has engaged Caddis Collaborative, an experienced LIHTC architect and leader in designing sustainable, person-centered, intentional communities. Additionally, Deneuve Construction has been selected to serve as General Contractor who offers experience in delivering LIHTC properties including in Broomfield (Crosswinds at Arista) and residential properties serving persons with I/DD (The Stella, The Elisabetta).
- *Overall Financial Feasibility and Viability:* The Grove at Cottonwood is financially feasible if awarded 9% tax credits this year. HOME-ARPA funds, in the amount of $1.43MM, have already been committed to the Grove by the Boulder Broomfield HOME Consortium. BHA has committed to carrying back any equity in the land after paying off existing obligations. In addition to the rezoning support in January, the town has committed to waiving a partial amount of local fees due. Other funding sources are assumed to be provided through the Colorado Division of Housing,

Impact Development Fund, and deferred developer fee. The participation of Imagine!, FRIENDS of Broomfield, and Blue Spruce providing referral services and financial support for services provision is also important to note, providing stability in the consumer driven service model.

- *Experience and Track Record of the Development and Management Team:* As Co-Developer/Co-Owner, the Broomfield Housing Alliance (BHA) is the independent housing authority serving the City and County of Broomfield. Rebranded as the Broomfield Housing Alliance in January 2022, BHA partners to create abundant, attainable, inclusive, and sustainable housing that gives all residents of Broomfield an opportunity to thrive. BHA solicited and selected to partner with BlueLine Development (BLD). BlueLine Development, Inc. is a real estate development company dedicated to creating and sustaining affordable housing. BlueLine Development was founded in 2011 and has since secured funding and completed construction on 52 affordable developments throughout the West. As the property manager, BlueLine Property Management Company (BLPMC) was started in November 2018 by the principals of BLD in an effort to more fully serve underserved populations. The Project's architect, Caddis and general contractor, Deneuve also have decades of Colorado affordable housing experience. To help facilitate, the developer has engaged RCH Jones Consulting who will assist with development.
- **Project Costs:** The costs submitted with this application reflect the current construction market in Broomfield, while also accounting for projected inflationary impacts and the unique site and design elements associates with I/DD. The development team and the GC, Deneuve, have been working on concert using several weekly OAC meetings in order to coordinate and inform the costs. The development team has looked for opportunities to streamline processes and minimize costs at every opportunity.
- **Site Suitability:** With the desire to provide a residential setting integrated into an existing neighborhood, the Grove is in an established neighborhood centrally located in Broomfield. Adjacent to the property is the Bal Swan Children's Center, a neuro-inclusive school. To the west, there is the 8-acre Northmoor park. On the northwest corner, there is the 10,000 square foot Glory Home, a group home currently owned by Flatirons Habitat for Humanity (FHFH) and offering housing for eight older adults as well as FHFH's offices. To the north and east, there are single family residences. Within one mile radius, there are multiple parks and open spaces. There are also several schools nearby, including Birch Elementary, Emerald Elementary, Aspen Creek, Broomfield Heights Middle School, and Broomfield High School. Additionally, there are three multifamily housing communities. Within a mile and a half, the community offers broader access to commercial and civic uses. This includes the Broomfield library and recreation center, as well as various service agencies and job opportunities.

Justification for Underwriting Criteria Waivers, Cost Basis, and/or CHFA Discretionary Boost:
As a result of the cost parameters associated with the site and the specific design intentions, we requested a cost basis override, which was granted.

Issues Raised in the Market Study:

The Market Study completed by THK notes that the subject's walk score is 23, lower than the City's overall score of 33 and the subject's transit score is lower than the City's overall score of 10. The Development Team recognizes that a consumer driven service model is reliant on consistent transportation and resident coordination. In support of this model and in response to the lower-than-average walk and transit scores, The Grove will purchase a van and BHA will employ a resident concierge to operate the van and provide necessary support to the individuals at the property within the framework of the consumer driven service model.

Issues Raised in the Environmental Report and Mitigants:
The environmental assessment has identified no evidence of RECs, VECs, CRECs, or HRECs in connection with the Subject Property.

Unusual Features Driving Costs Upward and Cost Containment:
Inflationary cost increases have heavily impacted the material and labor markets over the last several years. The need to extend domestic water and sanitary mainlines into our property adds a lot of utility costs. Additionally, since our project is at the maximum allowable 40 units, costs such as general conditions, sitework, foundations, and MEP services are amortized over a relatively small number of units. This results in a higher $/unit cost, compared to larger buildings. Furthermore, the population that this project intends to serve does have higher accessibility requirements. To help address these costs, the cost estimate has been put together using current market data from recent similar projects. Deneuve (the GC) used subcontractor budgeting and their own internal database of cost tracking to provide an informed cost estimate with an appropriate contingency to mitigate risks. Working alongside the design team, we've defined most cost-effective approach for this project while maintaining the usability and livability for the end-user.

Outreach to the Community, Local Opposition and/or Support for the Project:
Since 2022, BHA has engaged agency partners and the surrounding community. The Grove met Broomfield's required public engagement including a neighborhood meeting, Concept Review Public Hearing with City Council, Land Use Review Commission Public Hearing and final City Council Hearing (all publicly noticed). In addition, two additional neighborhood meetings were held, project progress was posted on the BHA website and Broomfield voice, and the BHA newsletter has included coverage as well. As we understand it, neighbor concerns relate to whether the proposed density, height and design are compatible with the surrounding area and whether the design adequately addresses traffic and parking for the potential use. While design of the Grove was guided by meeting housing needs, cost-efficiency and financial feasibility, input from the neighbors did influence the final design including removal of a initially proposed through street, lowering building height to mirror the existing adjacent building, increasing the density from east to west creating a buffer between the development and the single family residences on the east of the property, and adding additional parking. The Grove has prepared a Good Neighbor Policy, per Broomfield Code, and is committed to continued communication and engagement with the neighbors. Included with this application are several letters of support ranging from the city and county to service providers to potential future residences in need of this housing.

How the Proposed Development Contributes to Promoting Equity & Economic Mobility for Residents:
Development of 40 new affordable homes, 10 of which will be specifically targeted to individuals with IDD, creates opportunities for independent living and upward economic growth within populations that have traditionally been underserved. Individuals with IDD will have the opportunity to live independently while maintaining engagement in consumer services and contributing to the Broomfield workforce while living at The Grove.

9% housing credit application narrative

Project Name: Iliff Apartments
Project Address: 4770 E. Iliff Ave. Denver, CO 80222

Executive Summary: MGL Partners "MGL" is pleased to present this application to CHFA for 9% competitive Federal Low Income Housing Tax Credits "LIHTC" for the construction of Iliff Apartments, a 50-unit older adult apartment community located in the walkable University Hills neighborhood of Denver, Colorado (the "Project").

The Project's 1.12 acre site is located at the intersection of Iliff Ave and Dahlia Street in south Denver. The Project is not in a QCT or DDA. The site is considered a Transited Oriented Development (TOD); it is located 0.5 miles from both the RTD light rail and bus transit. The site is zoned G-MX-3 (General Urban Mixed Use 3) which allows up to 4 stories if Enhanced On-site Compliance is met. Minimum Enhanced On-site compliance requires that the building offer 10% of the total dwelling units (DU) at 60% AMI or below. The building will have 90% of the total DU at 60% AMI or below. **The proposed 4-story, 50-unit multifamily building is an allowable use and density according to the Denver zoning code.**

The Project will serve older adults, 62 and older, who make between 30% and 80% of the Area Median Income (AMI). The building will offer 44 1-bedroom apartments and six 2-bedroom apartments ranging from (605 SF) to (725 SF). The AMI mix will include: five units at 30% AMI; four units at 40% AMI; 12 units at 50% AMI; 24 units at 60% AMI; five units at 80% AMI (underwritten at 65% AMI). Average AMI is 55%. This Project will provide the **ONLY** LIHTC units between 61%-80% AMI in the PMA promoting the overall idea of housing equity in the metro area. The excellent location provides older adults with easy access to parking, public transportation, affordable healthcare, groceries, and other necessary amenities that all promote economic mobility.

Iliff Apartments will consist of a single four-story structure serviced by two elevators. The units will have entrances off double-loaded interior hallways. The common areas will primarily be on the first floor of the building and the fourth floor with a roof deck and lounge. Construction will be wood frame over a post-tensioned slab on grade with an attractive skin comprised of a combination of brick, stucco and siding. The roof will be flat with a 60 mil, fully adhered, single ply, cool roof membrane. Heating will be provided by Hydronic Fan Coils in each unit served from central water heaters that double as a domestic hot water source. This centralized hot water system will be configured so that in the future the heaters can easily be replaced by water source heat pump style electric water heaters, thus making the building 'all-electric ready'. Cooling is provided by roof mounted electric condensers. The buildings will be designed to be highly energy efficient complying with the 2020 National Green Building Standard (NGBS) program at a Bronze level evaluating Silver potential but implementing best practices from Enterprise Green Communities and Zero Energy Ready Homes such as efficient irrigation, efficient plumbing layouts, universal design elements, no smoking policy, and recycling on site and during construction, to name a few.

Unit amenities will include central AC, several closet spaces, spacious bathrooms with showers, low flow plumbing fixtures, cable TV hookups, free Wi-Fi throughout the building, window coverings/blinds, laminate plank flooring in the living areas and bathrooms, and carpet in bedrooms. All unit kitchens will feature wood cabinets, solid surface countertops, stove and oven, garbage disposal and Energy-Star rated appliances including refrigerator, dishwasher and in-unit stacked washer and dryer. Interior Project amenities include a large, flexible community space including a warming kitchen and folding tables and chairs for resident gatherings, an exercise room with a large interactive TV and group exercise equipment, a roof deck and adjoining lounge with views of the front range and Denver Academy, meeting rooms for service providers and 25 storage units for residents to use. Exterior amenities include a dog run, pollinator garden, community gardens and a shaded picnic area. The property will be served by a full-time, on-site manager and maintenance staff, as well as a service coordinator for four (4) hours a week. The coordinator will provide access to community supports and services and develop programs and resources that support a culture of wellness. The position is paid for out of the operating budget.

The total estimated project cost is $24,008,384 ($480,168 per unit). It will be financed using a combination of $13,149,526 of 9% Federal tax credit equity ($0.91); $2,575,000 of CHFA Risk-Share permanent debt; $2,700,000 of subordinate debt from IDF; $2,000,000 of HOST cashflow debt; $2,500,000 of CDOH cashflow debt; and $1,083,858 of Deferred Developer Fee (39.39%; paid back in year 14). MGL has entered into an agreement with the Denver Housing Authority (DHA) to provide sales, use and property tax exemption to the Project.

Key reasons why the Project deserves a 2024 award of 9% Federal tax credits:

- **Serving Unmet Affordable Housing Needs in Denver:** This Project will be the ONLY older adult building in the PMA offering units to renters who make between 61%-80% AMI. There are as many (or slightly more) income-qualifying households making 80% of AMI in the PMA as each of the 30%-60% AMI brackets, highlighting an unmet need in the community. The Project is also the ONLY age-restricted project in the PMA in the development pipeline.
- **Underserved PMA:** The PMA currently provides only 313 age-restricted LIHTC units with no units for residents with AMI needs between 61%-80% AMI.
- **The Project has an Ideal Infill Location:** The site is situated in a high cost and high barrier to entry market in one of Denver's most desirable neighborhoods. The Transited Oriented Development (TOD) site provides excellent access to the RTD light rail and bus transit (0.5 miles), soon-to-be-built Bethesda Park (0.3 miles), a shopping center with a pet store, several restaurants, a Target with a pharmacy and groceries, a convenience store, an urgent care and a low-cost medical center. The site is directly surrounded by single-family homes and townhomes, Denver Academy, and quiet, low traffic streets, making it an ideal environment for older adults. The land itself has several old-growth pine trees (many of which will be preserved) that will create a shaded, serene setting as well as reduce noise pollution from I-25.
- **Utilizing Average Income and Maximizing all Available Funding Sources to Deliver a Full Spectrum of Affordability:** The Project is using Average Income to serve AMI levels at 30%, 40%, 50%, 60% and 80% AMI with an average AMI of 55.0% to meet the wide spectrum of need in the PMA. It is maximizing all currently available sources of soft funds to achieve the lowest AMI levels possible.
- **Premier Sponsor:** MGL is a trusted, experienced LIHTC multifamily rental developer in Colorado spanning all income levels from deeply affordable to luxury. MGL has developed 15 LIHTC projects as the General Partner and 14 projects as a development consultant. We have focused our time and honed our expertise over the past decade on developing and renovating thoughtful, forward-thinking housing for older adults, both market rate and affordable. We've completed nine (9) recent older adult projects totaling 691 units and have 100 units under construction.
- **Wellness Package:** MGL has developed an innovative, sustainable and cost-efficient health and wellness concept, derived from its market rate luxury senior care model, to enhance our LIHTC older adult model.
- **Service Coordinator:** MGL has partnered with Eaton Senior Communities, a well-respected affordable community owner, operator and service provider, to provide limited services per week at the property. The coordinator will provide access to community supports and services and develop programs and resources that support a culture of wellness.

MGL Partners is under contract to purchase the Bethesda Professional Office Building Condominium (built in 1983) for $2.7M on June 1, 2024. The current zoning allows residential projects which provide 10% of their units at 60% AMI to build an additional story. Our proposed affordable Project allows the owners, many of whom are retiring, an increased land value while also providing a positive legacy through the creation of affordable housing for older adults in the community that they've been a part of since the early 1980s. The purchase price, at $54,000 per door, is considered market value for the neighborhood. The land cost is a relative value compared to land prices in the surrounding metro due to low tap and impact fees in Denver and its close proximity to utilities. IDF has earmarked $2.7M of their 2024 AHIF allocation for the purchase of the building in June 2024. MGL has completed all due diligence and does not anticipate any issues with the conveyance of the property.

The Project will meet two of Denver's Housing Goals identified in the Housing an Inclusive Denver Housing Plan; *Create affordable housing in vulnerable areas AND in areas of opportunity* and *promote equitable and accessible housing*. By building on an infill site in a desirable neighborhood in central, south Denver with easy access to transit, recreation, shopping and other amenities by walking, light rail or bus, the Project is creating new housing units in an area of opportunity for older adults at income levels ranging from deeply low income to moderate. Creating housing specifically for older adults in an established neighborhood will also reach the goal of *embracing diversity throughout neighborhoods* and *support housing as a continuum* by serving a range of income levels.

MGL has created a wellness package at our market rate older adult communities that we are going to deliver on a cost-effective basis to Iliff Apartments. Key components include: designing wide, well-lit stairwells to encourage resident use, hosting gardening workshops at the community gardens to encourage healthy eating and connection, and designing a flexible community space to fit all the residents and activating the space to host group meetings focused on exercise, overall health, healthy cooking, financial independence, and general mental health. More information is included as a supporting document to this application. Additionally, MGL has partnered with Eaton Senior Communities to provide a Service Coordinator position for a minimum of 4 hours a week at the property. MGL is actively looking for additional funding to expand this role to up to 8 hours a week. The Service Coordinator will connect residents (on a voluntary

basis) to local community supports and services (such as the DRCOG Area Agency on Aging) and act as advocate for the psychosocial and physical needs of residents, ensuring that residents live independently, and develop community partnerships to ensure optimal resource coordination.
To encourage aging in place, MGL will exceed the required number of accessible units: five (5) of the units (10%), instead of the typical 6%, will be fully ADA accessible and an additional two (2) units (4%), instead of the typical 2%, will be accessible for persons with hearing or visual disabilities. The balance of the Project units will be considered Type B, or convertible units, to address accessibility issues in the future. All community spaces will be fully accessible. Building security will consist of controlled access entry with an intercom system to each unit and security cameras at building entries. The buildings will be physically situated and architecturally detailed to take advantage of passive heating and cooling opportunities. The building's enclosures will be energy efficient with Energy Star windows and doors, R-49 insulation in the attic, R-20 in the walls, and R-10 at the foundation. All unit appliances, lighting and light fixtures will be Energy Star. To accommodate active older adults, the Project will offer 40 no-cost parking spaces (0.8 per unit). Four parking spaces (10%) will be pre-wired for electric vehicles. Ample on-street parking is also available adjacent to the site on Iliff Avenue. The building will be designed to be "solar-ready"; structurally engineered to support roof mounted solar panels in the future.

1. **Identify which, if any, of the priorities in Section 2 of the Qualified Allocation Plan (QAP) apply:** The Project will not meet any of the priorities in Section 2 of the QAP.

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

Market conditions: <u>There are no age restricted LIHTC units planned (or under construction) in the PMA other than this Project.</u> The City of Denver has a strong and growing demand for affordable housing for older adults. The Office on Aging estimates that by 2050, 24% of Denver's population will be ages 65+. The PMA has a historical 99% occupancy of all surveyed LIHTC properties and all have large waitlists. The site is highly marketable to older adults; it's located in an established, residential and mixed-use neighborhood immediately surrounded by Denver Academy, single family homes, an affordable medical center and low traffic streets making it a quiet yet stimulating environment for older adults. Yet, the site is only 0.5 miles from a light rail station, bus stop, shopping center, urgent care, and veterinarian. The Project's location is desirable and generally comparable or slightly superior to most surveyed projects. The Project's community and unit amenities are generally comparable to the surveyed age-restricted LIHTC properties. While its unit sizes are similar or smaller than average, they have efficient layouts, and half of the units will have access to on-site storage free of charge.

All surveyed LIHTC projects in the PMA were achieving max 2023 rents. There are no existing age-restricted LIHTC projects offering units above 60% AMI. Iliff Apartment's proposed 30%, 40%, 50% and 60% AMI rents are set at the max allowable amounts but the 80% AMI rents are underwritten at 65% AMI, or 81% of the max to provide flexibility during lease-up. The Project rents provide a discount to market rate apartments from between 32%-70%, offering excellent value to prospective tenants. Particularly, the 80% AMI rents, which are 32%-39% lower than the average effective Class A market-rate rents, serve a previously un-served niche in the market. The Project will have all owner-paid utilities, which underestimates the rent differential between the Project and the surveyed market-rate rents.

The Project would have to capture a total of 15.8% of the income- and size-qualified older adult (62+) renter households in the PMA to attain full occupancy, a marginal increase from the existing rate of 13.4%. Capture rates at each AMI band are as following: 4.4% at 30% AMI; 4.9% at 40% AMI; 25.9% at 50% AMI; 34.4% at 60% AMI; 1.1% at 80% AMI. The 50% and 60% AMI capture rates exceed CHFA's guidelines, however, the Project will not have any issues leasing up due to the following factors: very strong demand for the existing tax credit properties in the PMA, all existing LIHTC projects were achieving maximum rents and have long waitlists, **extremely low supply of age-restricted LIHTC units in the PMA (ONLY 313) to satisfy the demand**; and superior location for older adults in a walkable area with easy access to amenities, transportation, and services. The PMA is located in a high-cost area with very little affordable housing supply and abundant home ownership, affecting the number of income-qualified renters used to calculate capture rates. The PMA is expecting to gain 102 62+ households per year. Older adults typically travel from outside the PMA to find housing. The manager at the most recently delivered age-restricted community in the PMA, Lynwood, reported that only 30% of residents moved from nearby and 70% moved from outside the PMA.

Proximity to Existing Tax Credit Developments: The PMA has 12 LIHTC projects containing 1,129 income-restricted units. <u>However, only three projects are age-restricted; totaling 313 units.</u> The following senior tax credit units were surveyed and used as comparables in the market study: Lynwood Senior Apartments; Yale Station; Residences at University Hills; Denver Gardens Apartments: Pinewood Lodge; Village at Hampton Town Center. The closest senior LIHTC project on the south-side of 1-25 was delivered over 13 years ago. Compared to the surveyed senior LIHTC projects built from 2004 to 2023 the Project's location is desirable and generally comparable or slightly superior to most surveyed projects. The Project's community and unit amenities are generally comparable to the surveyed senior LIHTC properties. While its unit sizes are similar or smaller than average, half of the units will have access to on-site storage free of charge. All surveyed senior LIHTC properties were 99% occupied, most had historical occupancy rate at or near 100% and all had a waitlist or interest list. The closest LIHTC project, Albion Affordable Apartments, will be located at the intersection of I-25 and Colorado Blvd. It will offer 169 units for individuals and families 27 at 30% AMI; 61 at 60% AMI; 81 at 70% AMI. This is not an age-restricted property and is located in a loud, congested area.

Project readiness: The site is zoned G-MX-3 (General Urban Mixed Use 3), which allows for the development of multifamily housing up to four stories if Enhanced On-site Compliance is met and is use by right. MGL has the site under contract and will purchase the property June 1, 2024 with AHIF funds from Impact Development Fund. MGL is currently completing a NEPA and will demolish the building after the NEPA is completed prior to closing on the tax credit partnership. The Project has been accepted into the City of Denver's Affordable Housing Review Team (AHRT) process which will provide an expedited entitlement process. If awarded 2024 tax credits, the Project will close on the tax credit partnership and commence construction within 13 months of award.

Overall financial feasibility and viability: The Project is considered a small project at 50 units, which allows tax credits to be distributed to more communities and prevents the concentration of affordable units in a few large projects. The Project takes advantage of recently increased DOH and City of Denver unit funding maximums to reduce our tax credit equity request. Impact Development Fund has earmarked $2.7M of their AHIF funding to provide a low cost, 18-year term funding source to purchase the land. The Project averages 55.0% AMI with 21 units at or below 50% AMI. The Project has a 1.19 Debt Coverage Ratio and has deferred 39.38% of Developer Fee (paid in year 14). All 80% AMI units are underwritten at 65% AMI to allow flexibility during lease-up and preserve that ability to increase rents to their maximum. Operating expenses are conservative and approved by investor.

Experience and track record of the development and management team: MGL is in excellent financial standing and has stabilized all LIHTC projects it has been awarded. In the past 20 years, MGL has developed 15 LIHTC projects with MGL as the General Partner and 14 projects as a Development Consultant. In the past several years, MGL has completed nine (9) older adult projects totaling 691 units and has 100 units under construction. MGL also provides reliable, proven affordable housing development and financing expertise primarily to PHAs and non-profit organizations seeking real estate development and finance assistance. MGL Partners' co-founding partners, Greg Glade, Lisa Mullins and Mike Gerber and Development Director, Danielle Vachon Bell, have extensive experience in the development and financing of affordable multifamily rental housing.

The development team, consisting of all Colorado-based firms, Santulan Architecture, BC Builders and MGL has designed, financed, constructed 11 LIHTC and workforce housing projects together, including recent St. Stephen Senior Apartments. MGL has an excellent record of completing projects on time and on budget. MGL's property management firm, Silva-Markham Partners (SMP), manages all MGL's LIHTC projects. SMP has a proven track record of marketing and leasing affordable housing units on a timely basis, as well as, experience leasing and managing AI projects. MGL has a sterling compliance history that will be upheld on all future LIHTC projects.

Project Costs: The Project represents an opportunity to provide affordable homes to older adults in Denver, the economic hub of the state, but is able to take advantage of Denver's low tap fees, efficient parking requirement and affordable housing fund. The purchase price, at $54,000 per door, is considered market value for an established, highly-amenitized neighborhood in Denver and is relative in value to land in the surrounding metro due to low tap and impact fees in the City and County of Denver. The building is designed to be electric and solar ready, however, MGL is currently working with Group 14 and Xcel to understand how all-electric buildings are operating and how the existing grid in the area of the site can support an all-electric building. The Project is too small to be able to realize Xcel Energy's current rebate program, however, MGL is working with our sustainability consultant and the City of Denver's Office of Climate Action Sustainability and Resiliency (CASR) to identify all available funding sources for solar, electric and car-charging components. To reduce design costs and offset high labor and material costs, the building will feature efficient unit types and stacked floor plans in a single building. The land is flat, and, as an infill site, has immediate access to all utilities with no need for costly extensions. MGL will have to pay to demolish the building; current cost estimate is $100,000 which includes asbestos abatement and the cost of maintaining the site after demolition. MGL is partnering with DHA as a Special Limited Partner to provide sales, use and property tax exemption to the project which significantly reduces construction and operating costs. Overall, the proposed unit development costs are significantly below the CHFA maximum basis limits.

Site Suitability: This site is the best possible site for an age-restricted project; it's centrally located in Denver in an established, affluent residential and mixed-use neighborhood with single family homes and low traffic streets, making it a quiet, walkable environment for older adults. It's immediate surroundings, Denver Academy, single family homes and townhomes (ranging from $435,000 to $1,400,000), and an office building housing the Evans Medical Center offering affordable geriatric care, provide stimulating surroundings with easy access to healthcare. The site has a Walkscore of 62 allowing independent, mobile older adults an array of amenities to access on foot. The site is within walking distance to light rail, bus, soon-to-be built Bethesda Park at Iliff and Bellaire (0.3 miles from the site), and the large array of amenities at the intersection of Colorado Blvd and Iliff (a pet store, a vet, several restaurants, an urgent care, a bank, a convenience store, and an H&R block).

The site is considered a TOD site and has a transit score of 49% making it a “some transit” location. It provides access to a RTD light rail and bus stop (both 0.5 miles from the site) allowing residents to access downtown Denver, the airport and all of the many amenities located up and down Colorado Blvd, respectively. The site is considered close to Interstate 25, however the specific portion of the highway where the site is located has a 12-foot high barrier wall, as well as a row of single family homes and large trees separating the site from the highway, creating a significant noise barrier. The site is also within one mile of a library, recreation center, supermarket, post office, fire department and senior center. The site is generally flat with no floodplain or wetland issues. The site is zoned for multifamily and has all necessary infrastructure readily accessible for construction. Iliff Avenue allows for street parking providing the Project easy overflow parking. The building will be visible from I-25 which is excellent for marketing the units with the property signage.

3. Justification for waiver of any underwriting criteria/Financial need for a CHFA Discretionary DDA Basis Boost: The Project meets all underwriting criteria. The Project is not requesting a CHFA Discretionary DDA Basis Boost.

4. Market Study Issues: The market study recommended no changes to the Project. It did point out that the 50% and 60% AMI capture rates exceed CHFA’s 25% threshold; however, it further commented that surveyed senior LIHTC properties had high occupancy, long waitlists and were achieving the maximum allowable rents, indicating that the capture rate is not a reliable indicator of demand. There are very few LIHTC renters in the area due to the historic high cost of the area and low supply of LIHTC projects.

5. Environmental Issues: The Phase I Environmental Review of the 1983 construction did not indicate any environmental concerns, however it suggested an asbestos survey must be completed before demolition. MGL completed the asbestos survey in January 2024. It indicated two small areas (approximately 320 square feet of linoleum in the Janitor’s Closet and Electrical Rooms on both floors) will need to be abated by a Colorado-licensed asbestos abatement contractor prior to demolition of the building. MGL has $100,000 in the Development Budget to cover the demolition, abatement and maintenance of the site after demolition is complete.

6. Higher Development Costs: The Project is experiencing higher development costs due to, attractive land location, high interest rates, low equity pricing, and continued high construction costs. Interest rates are considered high relative to the last 10 years and are lowering investor yields and pushing down equity pricing as well as reducing the Project’s borrowing capacity. Construction costs have steadied across all market sectors from previous year’s month over month increases, but the impacts of high interest rates, material cost increases, labor shortages, supply chain delays, and insurance cost premium increases are still negatively affecting construction pricing. Additionally, the adoption of new codes and electrification is resulting in more expensive MEP designs then in previous years.

MGL has taken every measure to control costs while still providing an efficient, high-quality development in a superior location. MGL identified an obsolete office building in Denver whose owners are very motivated to sell. The current interest rate environment and a recent down-zoning of the site allowed MGL to purchase the property at a significantly discounted price. Asbestos testing results assured MGL that no extensive asbestos remediation is necessary. We are preserving the old growth trees and maintaining the existing parking lot. The site is flat and has proximate access to utilities. The building is designed to be efficient with stacked unit types and average unit sizes for the population served. There will be no underground parking. The site is located in Denver which offers low tap fees and reduced parking requirements for affordable housing which balances the premium of the superior location land cost. On the margin, the location in the Denver MSA, the high local demand, and MGL’s strength as a Sponsor will result in overall higher equity pricing relative to other 9% projects across the State.

7. Community Outreach: MGL has met with local Councilwoman, Diana Romero Campbell, who is very supportive of the Project. Despite by right zoning, MGL is presenting the Project to the University Hills North Community Registered Neighborhood Organization on February 20, 2024 to start a relationship and get their feedback. MGL has had multiple conversations with the owner of the office building next door holding the Evans Medical Center; they are very supportive of the Project.

8. Describe how the proposed development contributes to promoting equity as well as economic mobility for residents: Building a LIHTC building for older adults in an underserved PMA, as well as providing the only LIHTC units between 61%-80% AMI, promote the overall idea of housing equity in the metro area. The ideal location provides older adults with easy access to parking, public transportation, affordable healthcare, groceries, and other necessary life amenities that all promote economic mobility. Providing a Service Coordinator who will connect residents to local community supports and services further promotes economic mobility.

9% housing credit application narrative

Project Name: Kappa Tower III
Project Address: 9020 Northfield Blvd. Denver CO

Executive Summary:

- The project is located within the Central Park redevelopment area in east Denver. The site is zoned for five story construction with a parking ratio as low as .75 per unit. This phase fully utilizes the site to its fullest allowable density. It is in a QCT.
- The project will serve seniors 62+ in a mix of one-bedroom (60%) and two bedroom (40%) units
- AMI Mix: 9 units (30%) @ 30% AMI; 9 units (30%) units @ 40% AMI; 12 units (40%) @ 50% AMI
- Amenities: The building is designed to complement Kappa Tower II, the first phase of development opened in 2021. A walkway will connect both phases of the community and residents will have access to amenities in both buildings. These interior amenity spaces include a communal kitchen, private dining room, multi-use/flex rooms and fitness/wellness center, salon, dog grooming room, media/computer room, outdoor rooftop deck. Exterior amenities will be shared between the two phases, including defined health focused exterior space with communal areas that have southern exposure. Generous landscaping is provided in these open spaces as well as the following site amenities: raised communal planting beds, shaded seating area with a park like atmosphere for picnicking and cooking out, trellis, and a dog run. This phase of the project adds an exterior patio grill/BBQ area.
- Construction: The building is wood frame above a concrete foundation/slab. An elevator and two stairwells will provide access to all units and amenities. The building elevation will reflect stacked residential units with large windows that maximize daylight penetration into the bedrooms and Juliet balconies in the living room. Communal areas where the amenities are located will utilize a storefront system and will activate the building and the adjacent street through transparency and appropriate, rich architectural details. The exterior building materials will mostly comprise of pre-finished metal panels, brick, cementitious fiber board and flat membrane roof to match the first phase of the site. The building is all electric. The owner will pay all utilities.
- Public Transportation: At the Northeast corner of the site there is an existing bus stop with direct access to Central Park Train Station to the South. Another bus stop is located on Northfield across Central Park Boulevard which offers east west access on Northfield. The

site is very walkable. A half block to the west is the Runway 35 public park. Two blocks further are the Shops at Northfield Stapleton, a large shopping and entertainment district.

- Resident Services: The existing Kappa Tower II project offers an array of resident services which will be extended to residents.
- Energy Efficiencies: The building will be designed to meet and exceed the 2022 Denver Building Code, which requires a greater level of energy savings than a 2021 IECC compliant building. To accomplish this, the team anticipates designing an all-electric project with high efficiency heat pump space and water heating. Additional energy-saving features will be evaluated, including efficient ventilation strategies such as energy recovery for dwelling units, high performance windows, efficient building envelope, and optimized LED lighting and interior loads.

  The team anticipates pursuing 2020 Enterprise Green Communities certification, as well as Zero Energy Ready Homes certification. This combination of rigorous certifications will not only optimize the efficiency and sustainability of the building design, but also will be highly cost effective for the project, as it meets the requirements of the Denver Green Buildings Ordinance and will allow the team to pursue 45L tax credits for additional funding. By leveraging early design team coordination, green building certifications, and financial incentives and tax credits, the team will successfully push through the cost barrier of sustainability in a holistic way. This approach will result in a more comfortable and energy efficient building design at a lower cost to the building owner and future residents.
- Financing: The project will be financed through a contribution of donated land from Forest City along with a reservation of $1,168,378 in 9% tax credits, which translates to $9,931,212 in tax credit equity, a CHFA loan of $1,000,000, a loan of $1.050MM from the City of Denver through the Office of Economic Development, a loan of $1.050 MM from the Colorado Division of Housing, and a $600,000 sponsor loan.
- Previous Application: this project failed to receive an award in 2023. At that time, CHFA expressed no specific concerns re: the proposed development plans. Unfortunately, insufficient credit allocation exists to fund all qualified projects. Our project plans have not changed. We are pleased, however, that we were able to work with our contractor to minimize cost increases from last year.

Section 2 Qualified Allocation Plan Priorities

This project does not address the priorities listed in Section 2 of the QAP

Section 2 Qualified Action Plan Criteria for Approval

<u>Market conditions:</u> The need for affordable housing in Denver and this area is significant as Stapleton has become one of Denver's most desirable and expensive communities. The vacancy within the LIHTC projects surveyed on our PMA is less than 1%, with all projects maintaining long waiting lists of qualified applicants. The capture rate for existing projects is

23.4% and only goes up slightly to 25.3% with the addition of these 30 units. Our market study suggested that it would lease up within only two months with no need for concessions. KHI believes based on its phase one experience and the senior affordable housing needs in the area, this project will lease up in less than 2 months.

Proximity to existing tax credit developments**:** There are several existing tax credit projects in the PMA. This speaks to the overall attractiveness and growth of Stapleton over the last 20 years. Many of these are older and smaller tax credit projects. The nearest 9% tax credit project is the Northfield at Stapleton project, however that project serves families. Other than Kappa Tower II, phase I of this project, Stapleton has not seen a new senior very low-income tax credit project since 2003, which was Clyburn at Stapleton. Recently the Liberty View Apartments opened in Aurora nearby. It is now fully leased with a waiting list. Additionally, the St Stephen Apartments 3 miles to the southwest are scheduled to open in early 2025, with lease up to be complete well before the completion of Kappa Tower III.

Project readiness**:** The site is zoned for multi-family (M-IMX-5) and it is a use by right zone site. We have had a pre application meeting with the City to start the site approval process and comments from that process confirm that there are no regulatory impediments to the project as conceived. Starting the SDP process early with the Affordable Housing Review Team will expedite the city review. KHI has architectural plans and we expect to spend the six additional months working with the architects and the City of Denver to develop construction documents and then approximately seven months in permitting. Construction would commence in the second quarter of 2025.

Overall financial feasibility and viability**:** The proposed affordable rent levels are achievable in the market. Sixty percent of the rents are set at 30 & 40% AMI and the rest at 50% AMI. In addition to the equity raised through the sale of tax credits, the project will utilize a mix of traditional and alternative financial products. A traditional 1st mortgage will be obtained through CHFA's risk share loan program for $1MM. A soft loan of $1.1MM from the City of Denver Revolving Affordable Housing Loan Fund and a grant of $1.1MM from the Colorado Division of Housing will also be utilized.

Experience and track record of the development and management team:
Kappa Housing Incorporated (KHI), will own and co-develop Kappa Tower III @ Stapleton. KHI is a 43-year-old 501(c)(3) private non-profit corporation in good standing, organized for the purpose of providing housing for low- and moderate-income senior citizens. In 2021 KHI opened Kappa Tower II, which was subsequently nominated for an Eagle award. As one of the nation's only housing providers founded by a fraternal organization - Kappa Alpha Psi Fraternity Incorporated- we are supported and closely observed by dedicated leaders throughout the city and country. This association drives our commitment to empowering young men of color to become leaders through scholarships and ongoing support programs. Recently KHI was Received the 2024 Dr. Martin Luther King, Jr. Colorado Holiday Commission Humanitarian Award in recognition of its long-standing commitment and dedication to the people of Denver.

KHI engaged Medici Consulting Group, MCG, as its development consultant. MCG offers experience in all aspects of development, access to capital, and innovative financing and marketing ideas. MCG is a 25-year-old Denver-based development and construction management organization that has successfully developed over $125 million of affordable housing comprised of more than 1,350 units throughout Colorado.

Silva Markum Partners is a 3rd party property management group that focuses on affordable housing exclusively. They have over 30 years of experience and are currently managing 27 affordable apartment communities. They have experience with compliance for LIHTC, HUD, CDBG, HOME PBRA, and Bonds. They manage Kappa Tower I and Kappa Tower II.

Project costs**:** The development team's strong background in construction will produce a high-quality project at a competitive price. The project contractor (Alliance Construction) has developed several affordable housing projects on schedule and on budget, including the first phase of this property MCG has a proven history of developing value engineered, quality affordable communities. This phase has parking, curb and gutter and utilities already installed.

Site Suitability: The site is ideally located for senior family development. The site is generally flat with all necessary infrastructure readily accessible, and there are no unusual construction cost concerns. The shops at Northfield are located three blocks west of the project and offer a wide array of shopping and entertainment options in a pedestrian-friendly outdoor shopping configuration. New shops and services are rapidly being added in the area.
Parks and Recreation: The Runway 35 park is adjacent to the site and contains fields, sport courts, volleyball, and a community pool. Kappa Tower III @ Stapleton will have its own park like area for it tenants. The broader Stapleton redevelopment area offers a wide variety of open spaces, community facilities, and trails available to all residents of the community.
Public Transportation: Public transportation opportunities are excellent. The project is located immediately adjacent to an RTD bus line which provides immediate access to the Central Park light rail station 10 clocks to the south. Numerous walking and biking paths connect to all points within Stapleton. The Sand Creek trail provides access to regional biking and walking destinations.

Underwriting Waivers

- This project requests no waivers from CHFA's underwriting criteria.

Market Study Overview

The market analyst does not perceive any negative factors for the location and notes that the only weakness might be with seniors without cars. They note that the proximity to a bus stop immediately adjacent to the site significantly mitigates this issue. That has been the experience observed at phase one. The market analyst recommended walk-in showers in all units but based on requests and feedback from several residents in phase one we are planning for ADA accessible tubs in this phase. That would give the overall project 70 showers and 30 tubs. Some of the ladies living at phase one would really prefer to take a bath! Again, the overall capture rate for the area is 23.4% and only goes up to 25.3% with the addition of these 30 units. The market study concluded that the project has an outstanding location and sufficient demand in the market to lease up within two months or less based on Kappa Housing past experiences. Factors cited include very strong demand for the existing tax credit properties in the PMA; in-migration into this growing, highly desirable community in the PMA, driven in part by the location of the project near light rail; understated renter household growth in this rapidly developing PMA.

Environmental Report Overview
The environmental reports provided with our application confirmed that the site is free from any environmental concerns; the site is clean and ready to develop.

Cost Containment
There are no unusual features driving up costs on this project. Unique to this project are several features which decrease costs:

- Land is being donated at no cost.
- Tap fees in Denver are some of the lowest in the State.
- The existing Phase I project has paving, parking, curb & gutter and utilities completed, saving significant money.

Neighborhood Outreach
The first phase of this project has been in operation for several years and has been very well received in the community. We actively market to members of the local community. At this point in time, Kappa Tower is a well-received member of this neighborhood.

Economic Mobility
The inclusion of deeply affordable housing in one of the highest cost communities in the Denver metro area provides an opportunity for persons of all income groups to enjoy the same high level of community amenities and benefits. Economically, affordable rents provide residents the opportunity to use savings on healthcare, leisure time, and family needs in the same way more affluent individuals do, thereby creating equity amongst different income groups.

9% housing credit application narrative

Project Name: Kite Route Crossing

Project Address: 0 Canary Lane, Superior, CO 80027

Executive Summary

ZERO. That is the number of LIHTC units in the Town of Superior. It is also the number of age-restricted, 55+, older adult housing units in the Town of Superior. And while "ZERO" Canary Lane is also the street address of our proposed development, we are thrilled to have this opportunity to create the first LIHTC-financed income-restricted AND first age-restricted development in the Town of Superior - a vibrant Boulder County community that sorely needs both as it experiences the rapid (and successful) development of luxury market rate housing in the new Downtown Superior. Exacerbating the demand for affordable housing, the 2021 Marshall Fire, Colorado's most destructive wildfire in history, destroyed 391 homes in Superior, and collectively, over 1,000 homes in Boulder County. Many households impacted by the fire are still struggling to regain their footing. More than two years later, only 250 homeowners or renters – of the more than 1,000 impacted – are back in their homes. The opportunity to bring 48 units of *high quality, affordable, age-restricted* housing online in 2026, would have a measurable and material impact on the housing supply – affordable or otherwise – in the Superior and Boulder County communities.

4.5.1 Low-Income Housing Tax Credit (LIHTC)

According to HUD's LIHTC database, Superior does not have any LIHTC housing.

**Excerpt from Town of Superior Housing Needs Assessment, December 2023*

Kite Route Crossing will provide 48 units of much needed affordable housing for older adults aged 55+ in an ideal location, adjacent to the commercial core of the new Downtown Superior. The community will be built on a 1.78-acre infill site where a full-service grocery store, pharmacy, an ice rink and sport courts, medical services, public transportation and a variety of retail and recreational amenities are all within a few blocks.

Utilizing the Income Averaging program, the units will be restricted to senior households earning at or below 30%, 40%, 50%, 70% and 80% AMI. With a unit mix consisting of 36 one-bedroom and 12 two-bedroom units above a ground level community amenity space and covered parking, Kite Route Crossing is designed with older adults in mind.

The development will be 100% electric-powered, in furtherance of the State, County and Town sustainability goals. We intend to include rooftop solar and certify to Enterprise Green Communities standards. The units will be spacious and will include full kitchens, in-unit washers/dryers, luxury flooring, hard-surface counters and E-Star stainless-steel appliances, as well as a walk-in bedroom closet and a storage closet. Two-stories of wood-framing will sit over a podium deck. The efficient, double-loaded corridor design will provide convenient and accessible stair and elevator access to residents.
Project amenities include a dedicated property management suite, a multi-purpose community/recreation room, a fitness room, a dog wash station, as well as an outdoor terrace/seating area. The lobby will have an open-concept seating area with access to a private conference room.

With consultation provided by Group 14, the project will meet aggressive energy efficiency and greenhouse gas reduction goals through Enterprise Green Communities and ENERGY STAR for Multifamily New Construction certifications. To achieve these goals, the current design approach includes several high-performance building systems including: (1) all-electric cold climate split system heat pumps, (2) low power density LED lighting package and Energy Star appliances, (3) double glazed windows with U-factor at or below 0.29, (4) low flow plumbing fixtures and native landscaping, (5) a PV-ready rooftop with R60 insulation, and (6) Electric Vehicle-ready parking stalls. The project anticipates translating a high-performance design into lower operating costs. 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 through the integration of smart meters and leak detection systems.

The development is led by Pennrose, LLC (Pennrose), a long-standing and highly experienced affordable housing developer with an office in Denver. The property will be managed by Pennrose Management Company (PMC), a national property management company with over 13,000 units under management, including a 56-unit supportive housing development in Denver. The majority of PMC's units under management are regulated through LIHTC, HUD or other state/local programs.

In January, the Boulder County Housing Authority (BCHA) Board of Commissioners authorized BCHA staff to proceed with facilitating a Special Limited Partnership for the development, which if approved, will allow Pennrose to leverage additional private capital through a property tax and sales & use tax exemption. Pennrose and BCHA are fully committed to the success of Kite Route Crossing and will continue to advance design and programming in the weeks and months ahead such that, if awarded credits, the project will be ready to close and start construction in early 2025.

In addition to a forthcoming change of address request, we will take great pride in rendering irrelevant and outdated the proverbial goose-egg used to quantify both affordable and age-restricted housing in Superior: ZERO.

Priorities from the QAP:
Not Applicable

Project Criteria for Approval:

- **Market conditions:** Except for one outlier with an occupancy rate between 90% and 95%, all senior and family LIHTC properties surveyed by the market analyst, both in and outside the Primary Market Area, had historical occupancy rates above 95% and five of them maintain waitlists of between 25 and 892 applicants, or three months to five years. Highlighting the pent-up demand, the market analyst further concludes that, with the only age-restricted units at 70%

and 80% AMI in the PMA, Kite Route Crossing will provide much-needed housing options for seniors who do not qualify at the lower income thresholds.

- **Proximity to existing tax credit developments:** The market analyst identified 12 LIHTC properties within the PMA, totaling 1,099 units. Of those, four are age-restricted with a total of 306 units. The closest family or senior LIHTC comp is located 2.7 miles away on the north side of Louisville. Again, there is not a single income- or age-restricted rental development anywhere in Superior, which is why Kite Route Crossing is so important to diversifying the Town's housing inventory.

- **Project readiness:** The development is on track to achieve a financial closing within the next twelve months. The property is zoned for the intended use of residential development. However, in advance of initiating the permitting process, the Town has instructed the team to pursue a Planned Development Amendment to request minor amendments to the approved development standards, specifically, as it relates to parking, height, and design requirements. Per a zoning letter issued by the Town's Planning and Building Director, the anticipated timeline for Amendment approval is April 4, 2024.

- **Overall financial feasibility and viability:** Kite Route Crossing's construction costs are largely driven by complex site development conditions and, as such, will require multiple additional funding sources in addition to tax credit equity and construction/permanent financing from a senior lender. In addition to the federal equity for this application, we are assuming and have made initial requests for soft financing from the Colorado Division of Housing, the Colorado Division of Local Government, CHFA and BCHA – as it relates to the Proposition 123 Concessionary Debt Fund, and from BCHA via Ballot Measure 1B. We recognize through conversations with the providers of these resources that are all currently limited and/or out of cycle for application but that all anticipate a replenishment and/or will be made available via application in 2024, prior to closing and starting construction on the project. Further, as we've seen with initial releases of funding programs like Prop 123, demand is exceedingly high for these resources and those projects that are most "shovel-ready" are the ones that compete strongly. To that end, our team will continue to advance on all fronts – entitlements, design, cost estimating, and financing – during CHFA's application review process. We'll also be pursuing fee waivers and other in-kind support from the Town, who is considering what tools and resources it will need to advance the goals identified in its recent Housing Needs Assessment.

Commented [SB1]: make sure to include this with the application

Commented [BW2R1]: Yep - in the folder.

- **Experience and track record of the development and management team:** Pennrose, the project's sponsor, is a known national leader in affordable housing development and operations, having developed or redeveloped more than $5 billion of multi-family and mixed-use properties throughout the country since 1971. The Pennrose Mountain Region office is led by Shannon Cox Baker, who has been developing affordable housing in Metro Denver and Boulder County for nearly twenty years. Pennrose Management Company has over 13,000 units under management, the vast majority of which are in LIHTC and/or subsidized developments. RCH Jones Housing is the preeminent LIHTC financing consultant in Colorado. The project's civil engineer (Civil Resources) has intimate knowledge of the Superior community and code, having engineered the majority of new construction in the Town over the last ten years. The project's architect (SAR) and general contractor (I-KOTA) also have deep LIHTC and affordable housing expertise. Both have worked together on multiple Colorado LIHTC developments, and their reputations delivering exceptional projects on time and on budget are well-known.

- **Project costs:** The project's construction budget is based on schematic design drawings, local data generated by the general contractor and civil engineer and informed by the development team's recent development budgets. All other project costs are based on reasonable and recent experience with tax credit development closings in Colorado. The development team will continue to work diligently to keep project costs as reasonable as possible while balancing the need to ensure that the development quality meets the standards of the Downtown Superior.

- **Site suitability:** The site is suitable for development for a variety of reasons. Namely, it provides tremendous opportunities for employment, community engagement, health and wellness, and convenient access to amenities. Within walking distance of the site, there is access to public transit and open space, as well as amenities including a recreation center, a pharmacy, multiple commercial and retail options, and a supermarket. Additionally, the site itself is served by existing public utility infrastructure, facilitating an expedient permitting and development process. The site's slope and soil conditions do present a challenge, but they are not unique to the Town of Superior or Boulder County and are manageable according to both our construction team, geotechnical engineer, and civil engineer.

Justification for Underwriting Criteria Waivers, Cost Basis, and/or CHFA Discretionary Boost:
Not applicable.

Issues Raised in the Market Study: The Market Study reiterated the pent-up demand for LIHTC and especially senior LIHTC in the PMA and beyond and recommended no changes to the development other than underwriting the 70% and 80% AMI rents at a discount to market, which we have done, at discounts of 10% or more to the achievable market rents estimated by Prior & Associates.

Issues Raised in the Environmental Report and Mitigants:
The Phase I did not identify any evidence of recognized environmental conditions and did not recommend any further action or investigations.

Unusual Features Driving Costs Upward and Cost Containment: The high-cost drivers for this development are entirely driven by the site itself, which has a slope and expansive soils (not at all unique in Superior). The geotechnical investigation conducted by CTL Thompson indicated that the site is developable and our architect and general contractor has included each of the engineer's design recommendations in the design and cost estimate. In order to stabilize the site for construction, drilled piers and retaining walls are necessary. The building itself is rather straightforward and cost-effective and is designed to take advantage of the sloped conditions to provide covered parking and two stories of residential development, all well below the view plane of the neighbors above.

Outreach to the Community, Local Opposition and/or Support for the Project:
In socializing our plans for Kite Route Crossing, we have received a lot of encouragement and excitement for the development, especially given its focus on seniors. Several organizations, including Boulder County Human Services, Via Transportation, and Sister Carmen provided letters of support for the development, included in this application. We have not received any opposition from the community but will continue

to engage with neighbors throughout the PD Amendment process that is underway. We will work to address any concerns that may arise, though we believe we have designed a very thoughtful development, one whose size and scale fit right into its surroundings without disrupting the neighborhood character or impeding mountain views.

How the Proposed Development Contributes to Promoting Equity & Economic Mobility for Residents:
The Town of Superior's recently published Housing Needs Assessment (December 2023) states it well: "Superior's senior population is rapidly growing. This growth is unlikely to slow as Gen X'ers grow older. Seniors aged 65 year and older experienced the fasted growth since 2011, increasing by 246%." It goes on to recommend that "Superior should consider multiple housing options to meet the changing needs of seniors. These could include services to allow 'aging in place,' single-story homes with universal design, <u>rental properties that are targeted to seniors</u>, allowances for multigenerational living…" Seniors, and especially those on low- and fixed-incomes, are increasingly without options anywhere in Superior. Kite Route Crossing provides a thoughtful, high-quality option for seniors to live in Superior in a location where they can access the amenities and services they need within blocks.

9% housing credit application narrative

Project Name: "Orion" - Maiker Uplands (9%)

Project Address: 2880 W. 88th Ave, Westminster, CO 80260

Executive Summary

The Adams County Housing Authority dba Maiker Housing Partners ("MHP") respectfully proposes a new mixed-use residential project located in the Uplands master planned community near Federal Blvd & 88th Avenue in Westminster, CO. The single-phase community will serve households earning 30%-60% AMI and will include 10 units for adults with intellectual and developmental disabilities. The building will also be home to a new Adams County Head Start early education facility to serve children in the surrounding community. The 70-unit building will be organized into condominiums and managed via two separate LLLP's for each 4% & 9% application. The building's name is still TBD but condos have been given pseudonyms for ease. To wit:

1. **"Orion" aka Maiker Uplands LIHTC 9%**—the subject of this application—an ambitious 38-unit residential component containing 42,108 GSF and financed with 9% competitive LIHTC serving low-income families (28 units) and I/DD special populations (10 units);
2. **"Vega" aka Maiker Uplands LIHTC 4%,** being a 32-unit residential component containing 35,459 GSF and financed with Private Activity Bonds and 4% credits and serving low-income families; and
3. **"Galaxies" aka Maiker Community Service Facility**, a 7,373 NSF commercial space, duel-managed by Orion & Galaxies, and customized to contain a future Adams County Head Start preschool for up to 80 young children of low-AMI families.

MHP began its vision with an ambitious and community-centric design catering to family and special populations, while leveraging MHP's demonstrated experience in providing community engagement services (family self-sufficiency programs, financial coaching, job workshops, events, and more). Driven with the question of "How can a LIHTC development secure culture and equity growth", MHP's strategy started from the ground-up with aims to accommodate specialized design features, early educational foundations, a sustainability focus, and generous communal amenities—while doing so in a brand-new master plan where affordable housing is typically impossible.

Orion's goal is to build a safe harbor of transitional opportunity—a home designed to protect against winds of resident displacement, to provide breaks from socio-economic waves, and to grant an anchorage of growth and economic opportunity. Regardless of race, age, culture, orientation, neuro-patterns, and income, Orion aims to be a prosperous sanctuary for all.

Approval of Orion and receipt of 2024 tax credits will be a catalyst to providing the needed housing options for affordable and front-range residents. Securing 2024 tax credits are necessary because any delay has immense consequences. The County advised us NSP program ($1,400,000) may be removed by HUD. The City may revoke its contributions if MHP cannot assist its Proposition 123 commitment. Head Start's interest is contingent on starting construction ASAP. Future walkable amenities (shops, community centers, and transportation hubs) which benefit all low-income developments require MHP's storm sewer main. This market needs to satisfy a non-existent supply of I/DD housing. Current and future affordable developments do not come close to satisfying the urgent low-AMI demand. **This development is vital for the front-range, because 1,176 market-rate housing units cannot be built until 300 affordable units are developed.** For CHFA's convenience, this urgency is further discussed on the attached Addendum for Necessity.

Built in a historically Latino community and Qualified Census Tract 93.20, Orion shall retain this community's identity and provide an attractive destination with opportunity to blend with other income levels. The property is fully zoned PUD for mixed-use developments per Master Plan. Targeting 30%-60% AMI families and I/DD special populations (see right), we are building to the max 35du/acre density to provide as many units as possible. 1 & 2-bedroom units were chosen to cost-effectively meet the max density, to synergize with the nearby "Overlook at Uplands" mix (see question 2.ii), to provide independent living to the I/DD community, and to accommodate young families with the most potential for transition.

Unit Mix

AMI	*1BR*	*2BR*	*Total*	*Pop*
30%	4	-	4	I/DD
30%-PBV	4	2	6	I/DD
40%	3	2	5	Family
50%	7	2	9	Family
60%	9	5	14	Family
Total	27	11	38	

Location. Orion has an immediate charge and opportunity to build this community while new market-rate developments concurrently price-out existing populations. The 234-acre Uplands Master Plan has recently started grading and anticipates vertical construction in Winter 2024, with aims of 2,500 total units of diverse product. The Master Plan will provide 3,200 permanent jobs in retail/office/institutions; walkable commercial & mixed-use shops; bike-friendly multi-use trails; a mobility hub for transportation; and 47 acres of public parks and corridors to preserve mountain views. Our 2.173-acre parcel within the Plan grants unique integration with all residents and prospects nearby. The Maiker Uplands project will push the affordable unit requirement above the 300-unit threshold and allow the master plan to continue building a true mixed-income community.

Orion finds itself at an epicenter of major career hubs, being 20 minutes North of Denver and, 25 minutes Southeast of Boulder, and 15 minutes Southeast from Broomfield. The parcel is along the Federal Blvd commercial corridor and is easily connected via US-36, I-70, & the I-70/I-25 interchange. A bus stop is 400' away and cyclists may choose to ride to the Westminster RTD rail station. The village mobility hub will offer a shuttle service, rental bikes, scooters, and Zipcars. Walkability will be a main appeal with bountiful parks & bike paths, village center amenities, community spaces, retail shops, restaurants, and protected views.

Amenities. Generous onsite amenities include: an integrated outdoor courtyard (with tables, grills, greenspace, trellis, kids area, indoor/outdoor fireplace with seating, and art centerpiece); a rooftop patio; a community garden; a fitness room; a sensory garden walk path, a top-floor multi-purpose room; a community lounge and kitchen; a dog park; tie-ins to future walking and bike trails (accessing Westminster and Hyland Hills greenspace & sports fields); a 4,000 SFT playground (joint-use by residents & Head Start), and an adjacent 5-acre City park. Offsite amenities are listed in the Location section.

Community Services Facility ("CSF"). MHP will construct a CSF containing 7,373 NSF for the benefit of QCT 93.20 and the addition of a Head Start pre-school. A commercial space is required per the Master Plan. Classes will be limited to children ages 3-5 from families with <60% AMI. Studies show pre-school is an important factor in sociability and reading ability, and is positively correlated with high school graduations. The school will contain 4 classrooms, offices, meeting rooms, and a 4,000 SFT playground (which will be available to residents outside of business hours). Head Start anticipates a full-time capacity of 10 employees with 80 students. Head Start has already hired an A&E design team, selected a general contractor, and has full intent to rent the CSF as a tenant as soon as possible. MHP will deliver the CSF in "core and shell", estimated to cost $300/SFT. Head Start will pay for all Tenant Improvements. Because their capacity &budget must achieve growth, there is genuine concern that Head Start may remove itself if this project is delayed.

Special Target Population Design. All 10 I/DD units will be at 30% AMI, with 6 units having PBV's. The entire building and its 10 I/DD units shall be designed via best practices, and will meet The Kelsey Inclusive Design Standards' Essential Exemplary Badge. Consulting with The Kelsey and service providers will be continuous during design. is anticipated to serve as a blueprint for future MHP projects dedicated specifically to this population. This subject is discussed further on the attached Narrative and in question #1 below.

Construction. The entire development will be constructed together in a single phase, with a separate Schedule of Values which will break out the construction costs by each tax credit component. The 4-story Type VA building will be constructed with high-quality environmentally responsible materials for long-lasting durability. Diverse facades with brick, lap siding, fiber panels, and treated steel ensure an appealing look at every angle. Spread footings will be used instead of PT slab for remodeling ease. Centralized HVAC and hot water with split-system heat pump utilized for efficiency and cost effectiveness. The TPO membrane flat roof will include Solar panels. Dual elevators & stairwells promote circulation and connect to indoor & outdoor amenities along with windowed alcoves, natural light, full unit balconies, and a rooftop patio with mountain views. The cumulative building contains: 77,537 GSF; 50,363 SQFT residential; 10,906 SQFT circulation; 4,125 SQFT amenity; 7,373 SQFT core & shell commercial. Unit layouts and materials are thoughtfully designed for human circulation with a cost-effective luxurious feel. The Kelsey Inclusive Design Standards were utilized for building-wide and I/DD-unit specifications.

Sustainability—a core tenant of MHP's—is at the forefront of design with hopes to inspire others. MHP's team will construct and finance independently an abundance of PV solar panels above rooftops, walkways, and carports. Orion will be a Zero Energy Ready Homes certified building with 59 total electric-ready parking stalls: 5 EVSE installed, 15 EV-Ready and 39 EV-capable. Water-wise practices including water-reducing systems, landscape, & infrastructure will be included. Our Energy Strategies include EGC 2020 Plus; 2021 IECC; Xcel Energy Design Assistance; Energy Recovery Ventilation; micro-flooding resilience measures; and environmentally responsible materials with focus on Health Product & Environmental Product Declarations.

Financing. Financing for Orion will be achieved with a 9% LIHTC equity investment along with construction & permanent loans. Anticipated soft funding includes City HOME & CDBG funds; County NSP funds, DOLA funds, City incentives, and deferred development fee. See attached letters of support for specific amounts. MHP will provide 6 PBV's for Orion and will contribute its own $723,113 for gap funding. The tax credit partnership for the 9%/4% project will be organized into two condominiums and managed by two unique LLLP's with MHP as the General Partner of both.

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

This subject is further discussed in-depth on the attached Narrative. This project meets CHFA's priority of serving Special Population tenants and provides 10 units (26% of 38 units) for tenants with Intellectual and/or Developmental Disabilities (I/DD). MHP shall offer six PBV subsidized units (two 2-bed and four 1-bed units), and four 1-bed units targeting 30% AMI.

MHP proposes a service plan that promotes inclusiveness and independent living in the Uplands for the I/DD tenants. To achieve this, MHP will fund a suite of services provided by a Neuro-inclusion Coordination service. MHP will take the lead on arranging and providing services in partnership with North Metro Services, a Medicaid service provider for Adams County. Residents needing a caretaker are open to using their own, may use a 3rd party (e.g. North Metro), or MHP may offer qualified services as well.

Importantly, data from North Metro and Rocky Mountain Services ascertain significant demand. North Metro (Adams County) serves over 203 individuals with I/DD: 100 in "host homes" (living w/ non-family), 85 living with family, and can provide only 12 total units for independent living. North Metro believes 10 units will be "easily filled" referencing data showing a 7 year wait list for residential I/DD waivers. Rocky Mountain additionally serves 572 people in Adams County, with expectations of this being a "significate underestimate" of total people. While the Market Study did not gather I/DD data, it refers to the 1.9% cap rate for 30% AMI. US Census 2020 estimates people with cognitive disability to be 12,848 people in Adams County, and 2,205 people within the PMA.

MHP and its architect "Van Meter Williams & Pollack" consulted The Kelsey Inclusive Design Standards, who is striving to standardize building elements in effort to define an implementable, progressive approach to creating truly accessible and inclusive housing (see website.) VMWP is a certified Committed Firm of The Kelsey and we are pursuing The Kelsey Essential Exemplary Badge.

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

i. **Market conditions.** JRES Intelica CRE prepared a Market Study on 12/21/2023. Note: Capture Rate Analysis reflects both 4% & 9% applications, as all apartments will be completed simultaneously. The overall capture rate is 10.5%, comfortably below the 25% threshold. The capture rates in the PMA for existing affordable housing are extremely low for 30%, 40%, and 50% AMI's (1.9%, 1.1%, & 6.5% respectively). The 60% AMI units are above CHFA's threshold with a capture rate of 50.1%, however full lease up would only increase the capture rate by <5% and is an indication of population demographics and absence of other affordable units in the PMA. Furthermore, the low vacancy rate of 0.0%-1.7% of all comparable LIHTC demonstrations a pent-up demand for all LIHTC units.

JRES noted all three stabilized LIHTC properties ranged from low 0.0%-1.7% vacancy, which is significantly lower than the overall submarket vacancy rate of 5.6%. The Market Study notes strong demand across all units and furthermore the current unit mix and sizes are well positioned for this market. "70% of households in the PMA consist of 3 people or less, therefore the subject's unit mix which incorporates one and two bedroom units should match up well with market demand."

ii. **Proximity to existing tax credit developments.** JRES noted there are 8 LIHTC properties within the PMA, but only 4 LIHTC properties containing 502 units serve family populations and zero serve the I/DD. All properties had historically very low vacancies. As previously mentioned, "Overlook at Uplands" is a future pipeline in the Uplands Master Development, and was recently awarded 4% credits. This project intends to contain 247 units with 13, 40, 129, & 65 units at 40%, 50%, 60% & 70% AMI's respectively. The absence of 30% AMI and very low cap rates for 40% & 50% prove indifferent for absorption of new units. When considering comparative 60% units, Overlook shows a mix of only 25 one-bed units and 95 two-bed units whereas Orion has 9 one-bed units and 5 two-bed units. MHP's PHA waitlist asserts a strong list of 60% AMI demand all throughout Adams County

iii. **Project readiness.** This site is zoned for the proposed use and MHP is preparing for a construction commencement in December 2024. The only outstanding entitlement is an approved ODP, which MHP is on its 2nd round of comments with 3 rounds anticipated. Head Start will be the only community service facility tenant and is already developing its SD plan.

iv. **Overall financial feasibility and viability**. As with all MHP projects, this application meets the standard criteria for feasibility. Our usual, dependable banking partners have expressed support and interest. We have received strong support from the City of Westminster, Adams County, and DOLA. We anticipate $1,400,000 from Adams County via NSP funds, and anticipate $2,800,000 from DOLA via HDG. Furthermore, we anticipate generous commitments from Westminster including: HOME funds of $700,000; CDBG funds of $270,000; a tap fee incentive of $386,000; and further permit fee, development standards, and sales tax incentives. Any gap shall be alleviated by MHP's own financial commitment, estimated to be $723,113.

v. **Experience and track record of the development and management team.** Founded in 1974, The Adams County Housing Authority dba MHP Housing Partners owns and operates 18 communities and over 2,200 affordable units. The MHP Development team honors this tradition by being a part of four LIHTC rehabs (Overlook at Thornton, Yorkshire, Aztec, and Casa Redonda) and four LIHTC new construction (Alto, Crossing Pointe North, Caraway, and Crossing Pointe South) projects over the past eight years. Casa Redonda and Crossing Pointe South have recently completed construction, and MHP has just begun its remodeling project at Overlook at Thornton.

vi. **Project costs.** Construction costs have been estimated by JHL Constructors, who will be the general contractor. JHL based costs on 50% DD and schematic designs with active participation during design meetings. Total hard costs reflect current construction cost estimates and are expected to be $330,000 per unit (including commercial) or $297.92 per square foot. Commercial costs were minimized via a FAR reduction. JHL's early input on the cost-effective design method provided efficient stacking and unit layouts, minimizing redundancy with sufficient materials to benefit from economies of scale.

vii. Site suitability. The site for Orion is incredibly rich in resources and amenities for the future residents of the community and could not be better-suited for affordable housing. Resources for future residents range from employment opportunities, schools, shopping and transportation to park spaces, trails and nature that promote healthy lifestyles. The project is proximate to numerous RTD bus routes which connects to a nearby light rail station. Crown Pointe Academy (K-8) is 0.25 miles away. Market Study finds the property is within a short distance of multiple schools, a grocery store, a drug store, parks and a US Post Office. Future mixed-use commercial, walking trails, and a City park will also border our project. The site is also able to connect to all needed utilities located in close proximity. The slope of the site is also ideal for accessibility and ensuring maximum use of the community for all.

3. **Justification for waiver of any underwriting criteria / DDA basis boost. – N/A**
4. **Address any issues raised by the market analyst in the market study.**
    1. High percentage of competing 60% units. Although there is a higher number of 60% units in the PMA, the vacancy rates for new or renovated units is below 2% with demand remaining high.
    2. No in-unit washer and dryer. While desired, MHP finds that they are less efficient and economical for smaller units. Prioritizing other amenities and services outweigh the costs and assures appliance longevity and minimizes repair costs. MHP will provide community units on each floor.
5. **Address any issues raised in the environmental report(s) submitted with your application and describe how these issues will be or have been mitigated.** Pursuant to Phase I ESA dated 9/18/2023 and prepared by Terracon Consultants, Inc., there were no REC's, CREC's, nor SDG's found.
6. **Identify if there are any unusual features that are driving costs upward, as well as if there are any opportunities to realize cost containment (refer to Section 2 of the QAP for additional information).** The community service facility has raised eligible hard construction costs. This project has been designed to maximize solar energy generation and contains substantial panels on the roof, pedestrian walk ways, and carports—simply everywhere available. Finally, as stated and listed above, MHP has considered the absence of >2Bed units and has designed this property to include generous amenities such as a rooftop patio and sensory gardens to facilitate a community and neighborly oriented culture.
7. **Describe the outreach to the community that you have done and describe local opposition and/or support for the project (including financial support).** MHP has participated in an extensive community outreach campaign, beginning with the first Uplands Master Plan meetings and then conducting its own. We attended multiple presentations, listed to the arguments against the 234 acre master plan, and weighed as many concerns as practical. Upon MHP's own presentations for our 2.17 acre parcel, we found the community to be generally in support of affordable housing in its present location. In addition, the City and staff have been supportive of our project including with their financial support as noted in our letters of support.
8. **Describe how the proposed development contributes to promoting equity as well as economic mobility for residents.** This property stands as a floodgate against the influx of high-income homeowners driving out the existing culture and population. Oftentimes with master developments, many low-income families feel the sting of increased property values. Our Project provides modern amenities, beautiful parks, regional & walkable local job centers, and the new thriving area to those who normally won't have a chance to join. Instead of forced relocation, residents will have the mobility to benefit from new opportunities and higher-paying local jobs.

    In a historical Latino community, a wide range of target AMI's will ensure a diverse culture in a growingly homogeneous area. Young couples and starting families needing a 1 or 2 bed apartment will be able to find a secure home while saving income for the next step. I/DD individuals will find a non-isolating home to live on their own—perhaps for the first time. And all residents will find the stability to build their lives with stability in a cultural home they are familiar with.

    For the broader community, the future Head Start preschool begins low-AMI children on a path of early-reading, social behavior, and emotional readiness to what studies show correlate to high school graduation. For adults, MHP's Family Community Vitality program will provide community organizing with topics such as family self-sufficiency, financial coaching, healthy eating, and job training. These resources and more will help the *current* community remain *The* Community.
9. **For acquisition/rehab or rehab projects -** N/A

9% housing credit application narrative

Project Name: The Marq

Project Address: 251 E North Ave, Trinidad, CO 81082

Executive Summary

The Marq, led by Commonwealth Development Corporation of America (CDC), will deliver 34 units of new construction family housing in Trinidad, Colorado. The 3.11- acre site is in a 2024 QCT, contributes to a Community Revitalization Plan, and is zoned High Density Residential. With 17 two-bedroom and 17 three-bedroom units serving households earning 30%, 50%, and 60% of the area median income, the 100% affordable development seeks to meet the rising demand for affordable family housing. The Trinidad Housing Authority (THA) will be a special limited partner, qualifying the development for property tax exemption in addition to contributing eight (8) project-based vouchers.

Unit Type	AMI	# of Units
2 Bed/ 1 Bath	30%	2
2 Bed/ 1 Bath	50%	12
2 Bed/ 1 Bath	60%	3
3 Bed/ 2 Bath	30%	2
3 Bed/ 2 Bath	50%	10
3 Bed/ 2 Bath	60%	5
	Total	34

Unit amenities include Energy Star appliances, blinds, ceiling and bathroom fans, coat closets, walk-in closets, balcony or patio, and in-unit laundry. Site amenities include a clubhouse equipped with a fitness center, community kitchen, business center with free Wi-Fi, outdoor playground, and picnic pergola. The property has 63 surface parking spaces, including two (2) EV charging stations and six (6) handicapped stalls, in addition to providing ample bicycle parking. Designed by M+A Design, the Marq will include two (2) LEED Silver-certified 2-story walk-up apartment buildings with slab-on-grade timber construction, pitched roofs, and cementitious siding featuring varied facades.

Public transportation available to residents of The Marq includes dial-a-ride shuttle services and regional bus services with easy access to two (2) major employers, Mt. San Rafael Hospital and Trinidad State College. Other nearby amenities include grocery stores, schools, parks, youth centers, and medical facilities.

Property management will be led by the Colorado-based Total Concept, a community non-profit specializing in providing residents with access to a range of free educational courses aimed at empowering tenants to make informed financial decisions and improve their overall economic well-being.

The Marq is financially feasible with equity generated from the syndication of 9% LIHTC, $850,000 of DOH soft funds, permanent financing by CHFA, deferred developer fee, and waiver of impact and permit fees by the City of Trinidad. If awarded, The Marq would be Trinidad's second 9% LIHTC project and the only new construction affordable development focused on families. In contrast to the smaller one- and two-bedroom units of the existing Art Space Lofts, The Marq's 17 three-bedroom units provide much needed affordable housing for larger families.

1. Priorities in Section 2 of the QAP. The estimated population of Las Animas County as of July 1, 2022, is 14,327 (*United States Census Bureau*), thus satisfying the criteria for the third priority outlined in Section 2 of the QAP, non-metro counties with a population of 180,000 or fewer.

2. Meeting the criteria for approval in Section 2 of the QAP.

CHFA Guiding Principles: The Marq meets a majority of CHFA's Guiding Principles laid forth in Section 2 of the QAP, including:

- *Preference to rental housing projects serving the lowest-income tenants for the longest period.* The Marq will provide more than 10% of its total units to the lowest-income tenants (4 units at 30% AMI) and extend its Land Use Restrictive Agreement (LURA) to support affordable housing at this location for 40 Years. The market study shows 0 existing family units at 30% AMI in the PMA, thus proving the demand for deeply affordable family units in Trinidad.
- *Preference to projects in a QCT with a Concerted Community Revitalization Plan*. The project is located in a 2024 QCT and contributes to the City of Trinidad's Housing Now Program, a Concerted Community Revitalization Plan.
- *Provide for distribution of Housing Tax Credits across the State including rural areas.* Trinidad's rural location in Las Animas County has seen limited distribution of Housing Tax Credits since the program's creation, with only one other 9% LIHTC project existing in the area. Since the program's inception in 1986, The Marq will be the sole new construction development dedicated to families in this region and the only 9% LIHTC development to offer three-bedroom units.
- *Provide opportunities for qualified Applicants including underrepresented developers such as Women owned enterprises*. In September 2023, Principal Kristi Morgan acquired additional shares of The Commonwealth Companies sufficient to achieve a 2/3rds majority ownership status and in turn making the organization one of the largest, majority woman-owned, affordable housing development companies in the country. M+A Design is also a majority woman-owned by Kristi Morgan. Both companies are actively applying for WBE certifications, on both the national and state levels. We are committed to the utilization of MWBEs and other subcontractors throughout our various projects amongst the states in which we work.
- *Provide opportunities for affordable housing within a half-mile walking distance of public transportation and easy access to job centers that maximize the housing density.* Despite Trinidad's rural location, public transportation options like the South-Central Council of Governments (SCCOG) dial-a-ride service provides residents with access to employment and quality of life opportunities in the region, including easy access to Mt. San Rafael Hospital and Trinidad State College, two major employers in the area. Additional transportation choices include the Amtrak Train stop, which is 0.9 miles away, and the Bustang Outrider stop, located 1.1 miles away. Both stops provide services that connect Trinidad to other communities within Colorado.

- *To support maximum allowable density.* The Marq is optimizing the density of the 3.11-acre site through the successful rezoning of the area from medium to high density residential. We have taken into account both the surrounding residential character and the maximum density requirements in designing the project to make the most of the land, achieving just under 11 units per acre. Our objective is to blend with the existing landscape, ensuring our project complements the nearby architecture and fits into the local community.
- *To contribute to Colorado meeting its 100 percent Renewable Energy goals by 2040.* This all-electric development is designed to meet the Leadership in Energy and Environmental Design (LEED) v4.1. Silver tier, including water-wise conservation low flow fixtures, high-efficiency lighting and HVAC systems, and no smoking requirements in each unit. Site improvements will include EV parking, resident recycling, drought tolerant native xeriscaping, and onsite stormwater retention.
- *To reserve only the amount of Housing Tax Credits necessary for the financial feasibility of the project and for as many rental housing units as possible.* At $39,705 credits per unit, and while utilizing other sources such as DOH and Deferred Developer fee, The Marq is optimizing its Housing Tax Credit request to provide much needed family affordable housing to Trinidad.

Market conditions: The overall capture rate for the project is 22.9% indicating demand for family units in the area. The Marq addresses the absence of existing non-subsidized 30% AMI rents in the PMA by incorporating four 30% AMI units and being responsive to the demand from lower-income renters. Additionally, we will offer 3-bedroom units to meet the requirements of larger families, filling a crucial gap in housing options in Trinidad. The only existing non-deeply subsidized LIHTC project in the PMA, Trinidad Artspace Lofts (40%, 50%, and 60% AMI units), is attaining rent maximums and has historically high occupancy rates. With 258 income- and size-qualified renter households, The Marq's role in addressing this underserved component of the rental market is crucial. With no other new LIHTC projects in the development pipeline, we are poised to fulfill a critical need in the region.

Proximity to existing tax credit developments: The Marq would be just the second 9% tax credit project in Trinidad, highlighting the pressing need for affordable housing in the area. Notably, Art Space Lofts, located over 1.5 miles away on the opposite side of Highway 25, does not fully cater to the housing needs of families, a gap that The Marq aims to fill.

Project readiness: The development team has invested substantial effort in the predevelopment phase of the Marq project including fully entitling the site for High Density Residential to ensure its prompt readiness should it be awarded. Additionally, we have concluded the preliminary site plan presentation review with the city, addressing all comments from staff. The city has agreed to waive $70K in tap and permit fees, along with an extra $50K from the Housing Now incentive fund. The scheduled closing date is 12/12/2024, highlighting our commitment to a swift and efficient process. The site is shovel-ready for development, with utility connections and public infrastructure improvements in place. Upon notification of a tax credit award, the development team expects to submit for a building permit by September 2024 and close with lender and equity investor in December 2024, with a projected 15-month construction period and April 2026 placed-in-service date.

Overall financial feasibility and viability: The Marq achieves financial feasibility through use of 9% tax credit equity, permanent financing through CHFA's SIMPLE program, and $850K of soft funds from Colorado Department of Housing (DOH). The project's long-term viability is supported by considerable market demand, cost savings achieved through real estate tax exemption and energy conservation design, and strong rental revenue projects made possible through the Project Based Voucher support of the Trinidad Housing Authority. Favorable financing and strong project performance will enable the Marq to achieve a first-year debt service coverage ratio (DSCR) of 1.15 and continued stability beyond the fifteenth year with a DSCR of 1.24 while consistently meeting required reserve and expense obligations.

Experience and track record of the development and management team: Commonwealth Development Corporation has extensive experience in the development of low-income housing tax credit projects including successful LIHTC development in Colorado. Our team possesses the expertise, capability, and experience necessary to ensure the timely delivery of a high-quality living community. Commonwealth consistently ranks as a top 20 national developer of affordable housing and has successfully developed more than 100 projects (including five (5) Colorado developments) creating more than 8,000 tax credit units nationwide since our founding in 2001. Total Concept, the Property Manager, has experience in managing affordable housing in more than 15 counties in Colorado including existing properties in Las Animas County. They are well-versed in compliance matters including LIHTC and HUD programs and work closely with CHFA, DOLA, and DOH.

Project costs: The overall project costs for The Marq not only fall within the budgets of other successful Commonwealth projects but are also in line with those currently under construction. We've substantiated these costs with estimates from a local construction firm, Acorn Construction, the third-party general contractor we engaged for this project. A key element driving the project's cost-effectiveness is the design of a two-story, walk-up midrise building, strategically maximizing resource utilization, ensuring efficiency, and optimizing both land use and resident density. The estimated total cost is $9,788,480, with a standard 5% contingency included.

Site suitability: The vacant site includes public street access with sidewalks, bicycle lanes, and existing utility infrastructure, with city approval for intended multifamily use. The location offers ample nearby amenities, including convenience shopping (JR's, 0.4 miles), medical facilities (Samaritan Clinic, 0.4 miles), schools (SCCOG Early Learning, 0.4 miles, Trinidad Middle School, 1.1 miles, Trinidad Highschool, 1.2 miles), parks (Roundup Park, 0.5 miles, Wormhole Loop Trailhead, 0.4 miles), community resources (Youth Club of Trinidad, 0.6 miles, Southern CO Family Center, 1.5 miles), grocery (Safeway, 1.3 miles) and transportation (Amtrack Station Trinidad Stop, 0.9 miles).

3. Waiver for underwriting or Discretionary DDA boost. This item is not applicable.

4. Address any issues raised by the market analyst in the market study. According to the market study, there are no recommended changes for our project.

5. Address any issues raised in the environmental report(s) submitted with your application and describe how these issues will be or have been mitigated. The Phase I Environmental report discovered no Recognized Environmental Conditions (RECs). Therefore, there is no need for mitigation.

6. Identify if there are any unusual features that are driving costs upward, as well as if there are any opportunities to realize cost containment (refer to Section 2 of the QAP for additional information). By identifying regional partners like Acorn Construction and Total Concept, this has helped mitigate any potential cost drivers associated with Trinidad's remote location. Currently, there are no other known unusual cost drivers.

7. Describe the outreach to the community that you have done and describe local opposition and/or support for the project (including financial support). The Marq has garnered substantial backing from the community, receiving support not only from the Trinidad Housing Authority (THA) and the City of Trinidad but also from the Trinidad Urban Renewal Authority (TURA), a commission dedicated to eradicating blight conditions within the city.

   Additionally, we have actively involved local stakeholders, including SCCOG, which provides transit services and runs the SCCOG Early Learning Center, a free childcare facility conveniently located within 0.4 miles from our site. We have reached out to Mt. San Rafael Hospital and Trinidad State College, exploring potential collaborations to support their employees with housing needs and foster beneficial partnerships within the community. The Marq receives financial support through local partners, including project-based vouchers, property tax exemption, Housing Now Funds, and a waiver of tap and permit fees. Our outreach and collaboration with local stakeholders reflect our commitment to integrating with the local community and ensuring the smooth progression of this project. No opposition to the project has occurred.

8. Describe how the proposed development contributes to promoting equity as well as economic mobility for residents. 20.1% of Trinidad's residents live below the poverty line, with the median household income standing at an average of $47,800 (*United States Census Bureau*). The Marq addresses a notable housing gap in the area, emphasizing our commitment to tackling the critical issue of equity in housing. Our goal is to deliver new, secure, and professionally managed housing to an underserved community with a focus on deep income targeting. Through the incorporation of Total Concept's ancillary resident services, we aspire to not only provide homes for those who need them the most but also position our residents for long-term success.

9. Acquisition/rehab. This item is not applicable.

9% housing credit application narrative

Project Name: Montview Flats
Project Address: 5848-5868 South Rapp St. Littleton, CO 80120

South Metro Housing Options (SMHO), the housing authority for the City of Littleton, is pleased to present Montview Flats, a 50-unit family community in the heart of rapidly gentrifying downtown Littleton. Over the many years, SMHO leadership has partnered with the City of Littleton to implement a step-by-step community-wide strategy to combat rising unaffordability. The construction of Montview Flats will be the first opportunity for these long-term efforts to finally translate into affordable homes.

The road to Montview Flats began in 2017 with the City's first housing study (discussed in more detail in Comprehensive Housing Affordability Strategy Summary), which identified that housing prices in Littleton began increasing sharply in 2012, and revealed that while quality schools and proximity to employment were major draws, affordability had become a widespread concern across many demographics in the community. The study was followed quickly by a strategic planning process that led to comprehensive plan updates in 2019 (also discussed in more detail in CHAS Summary), which began to create development code context to ease the development of affordable housing.

A 2020 update to the study found that housing market conditions were worsening, with prices rising out of sync with wages, and the number of young families in the community declining. Housing unaffordability was cited as a major driver of recent elementary school closures by Littleton Public Schools, contributing to the widely shared sense that housing costs are a community-wide crisis. The study and its update formed the foundation for decisive action by community leaders, formalized through a Housing Task Force and culminating in unanimous passage of the City's Inclusionary Housing Ordinance (IHO) in November 2022.

The IHO includes fee rebates to boost the viability of affordable development, as well as critical relief from parking, density and lot size requirement that will make affordable development possible on sites where it was not before. Montview Flats takes advantage of one such site, an infill site of only 0.69 acres that sits just one block from historic Main Street in downtown Littleton and steps from the amenities that have consistently made Littleton a desirable community. The Montview Flats community would not have been possible without the cumulative efforts of SMHO and City leadership to change the city's development context, and will serve as an important proof of concept that the development code relief in the IHO works to unlock new housing possibilities for the community.

Located in Downtown Littleton and next door to SMHO's main office, Montview Flats will serve local families in a building that seamlessly integrates with the downtown surroundings, utilizing materials that are representative of Downtown Littleton, such as brick and stucco. The proximity to the heart of downtown will create direct access to critical amenities, including Arapahoe Community College, the regional trail system, light rail access with service to downtown Denver, and a rich variety of employment and retail opportunities. Inside, residents will enjoy an expansive amenity space, an interior courtyard, and a rooftop deck that, as highlighted by the market study, provides excellent views of the Front Range to the west. The project will serve a range of income levels, welcoming households earning 30% to 70% of the area median income (AMI) with a strong emphasis on the lowest income levels. Over half of the units will serve residents earning 30%-50% of the AMI, furthering SMHO's mission of providing affordable housing options to the Littleton Community, and 8 of units will also be supported by Project-Based Vouchers.

The design of Montview Flats maximizes the density of its urban infill site, leveraging parking reductions and utilizing rooftop detention to increase the possible building footprint and achieve 50 units in a 4-story elevator served building. Utilizing smaller unit layouts for some units was also key to maximizing the number of units within development code constraints (including setback requirements), resulting in 37 one-bedroom units and 13 two-bedroom units, averaging 529 and 784 square feet respectively. The project will include 10 units at 30% AMI; 6 units at 40% AMI; 14 units at 50% AMI; and 12 units at 60% AMI; 8 units at 70% AMI. Due to soil conditions associated with using an infill site, the foundation system proposed is drilled piers with concrete grade beams and a structural wood floor system. The building will be built with conventional wood framing. Cladding will be pre-finished metal panels, cementitious stucco and brick with fiberglass composite windows at public areas and vinyl windows at residential units. The top of the building will be a flat heat reflecting membrane roof.

The apartments will be heated and cooled with Packaged Terminal Air Conditioning (PTAC) units. An auxiliary sidearm will be utilized in the larger units, while a ceiling fan will assist with cooling in the urban one-bedroom units. The apartments will have full appliance packages including refrigerator, range, dishwasher, garbage disposal, microwave oven and washer/dryer. Indoor community spaces include a large community room with a kitchen, a living room/activity area, flex room and office space for management. The development will also include a rooftop deck with grilling stations and seating areas. Community gardens will be available on-site. All utilities will be paid by the owner. The building will be certified at the Bronze level under the National Green Building Standards (NGBS). Features include a heat reflecting roof, efficient windows and insulation, high efficiency HVAC and appliances, and a solar ready roof.

While much of Littleton lacks transit accessibility, the central location of this project provides excellent access to public transportation. Montview Flats is located 0.3 miles from RTD D Line station, providing transportation to employment centers including Denver's Central Business District. There is also an RTD bus stop about 300 feet south of the project that will provide residents with transportation up highway 88 ending at the Brentwood Shopping Center. Residents are also within easy walking distance to Main Street with access to many retail services along W. Alamo Ave and W Littleton Blvd. The site is steps from the Arapahoe Community College (ACC) campus, providing both access to career development opportunities for residents, as well as a convenient housing option for ACC staff. ACC also houses its Child Development Center on this campus, which accepts Colorado Child Care Assistance Program (CCCAP) and other child care assistance and provides exceptional quality care for children up to age 6.

The financing sources for Montview Flats include a first mortgage, and soft funding from Arapahoe County, the City of Littleton, the City of Centennial, and the Colorado Division of Housing. The City of Littleton has targeted ARPA funds to make this project possible, which must be expended by 2026, increasing the urgency of beginning construction as soon as possible. SMHO has invested significantly in this project, including an investment of over $3M to secure the uniquely well-located site. SMHO's investment will continue as part of the permanent capital stack with a carryback loan to the project on top of deferred developer fee. In order to bolster the operating budget and ensure that the project is serving more very low-income households, SMHO will provide eight Project Based Vouchers to Montview Flats and an exemption from property taxes.

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

2. Describe how the project meets the criteria for approval in Section 2 of the QAP:
Market conditions
Based on its unit size offerings, rents, and amenities, including the demand and location, the marketability of the Montview Flats project will be strong. Current capture rates for the PMA range from 0% for the 70% AMI units to 13.8% for the 60% AMI units with 5.3% overall. Once under construction units are included in the calculation, capture rates for the 30%, 40%, 50% and 70% units are 4.4%, 6.9%, 10.6% and 0.7%, showing high demand at those levels. Capture rates on the 60% AMI units increase to 21.1%, however the overall capture rate for Montview Flats is still 7.3% and strong demand is expected, especially given the wide range of AMI options.

As of 3rd Quarter, 2023, the project's market area had an overall multifamily vacancy rate of 4.8%. Vacancy and rent for one-bedroom units was 4.5% and $1,621, while vacancy and rent for two-bedroom units was 4.8% and $1,704. The vacancy rates in Littleton are well below Denver's 5.4% vacancy for the same time period. The market analyst concludes that there will be strong demand for both unit types evidenced by both low vacancies and extensive waiting lists at nearly every comparable property.

Proximity to existing tax credit developments
The project's PMA has four properties with income restricted units and only one of those properties was built in the last 50 years: Littleton Crossing Apartments. Located a half mile to the north of Montview Flats, Littleton Crossing Apartments is a very similar project to Montview Flats, both in size and style, but they also have 13 market-rent units. The property is an example of the need for affordable housing in the area as they currently have only one vacancy and 30 families are on their waiting list.

There is also a 2021 4% LIHTC project that is currently under construction 2 miles east of the site: Trails at Lehow. Montview Flats is a smaller project (50 units vs. 82 units), but Montview Flats also brings 40% and 50% AMI units to the community along with Project Based Vouchers. Trails at Lehow is also a half mile north of Lara Lea Apartments, another comparable property in the PMA, who has over 140 families on their waiting list.

Project readiness
Montview Flats has the strong support of City staff and elected officials and is not only ready to proceed but will continue to proceed during the CHFA review process. In recognition that longer local government review times have increased the challenge of meeting carryover, SMHO will invest in proceeding with site plan approval immediately during the CHFA review process. While this increases SMHO's already heavy initial investment in the project, the development team is committed to beginning construction as quickly as possible. As reflected in the project's zoning letter, the site is fully zoned for the intended use and is subject to administrative approvals only.

The City of Littleton is contracted through the IHO to provide expedited development approval and a designated staff liaison. Additionally, they have committed to Prop 123 in support of bringing more affordable housing to the city and implored SMHO to move forward with Montview Flats this round to meet that goal.

Overall financial feasibility and viability
The proposed financing plan for Montview Flats is feasible and includes strong local support. SMHO has been in discussions with The City of Littleton and Arapahoe County about financial support for the project through various affordable housing funding opportunities. The State Division of Housing has provided positive feedback for a request of gap funding and SMHO is committed to providing Project Based Vouchers in addition to a sponsor carryback loan.

Experience and track record of the development and management team

SMHO has over 50 years of public housing management experience with local knowledge and relationships in Littleton. Overlook at Powers Park, a 9% senior development, was SMHO's first LIHTC project in 30 years which was successfully developed and recently opened in partnership with Metro West Housing Solutions (MWHS). After gaining valuable experience, SMHO elected to take more of a leading role in development moving forward, as was always the plan. To that end, GL Development Advisors (GLDA) was retained to offer development assistance while forwarding SMHO's goals of becoming an independent and self-sustaining developer. In doing so SMHO is maintaining continuity by keeping Ryan Lunsford on the project team. Ryan acted as the primary project manager as a sub consultant for MWHS during the Overlook development. In addition, SMHO is utilizing the full successful development team from Overlook for Montview Flats, including the architect, general contractor, and financial consultant.

SMHO currently manages over 540 units, including 231 LIHTC units, in addition to administering Littleton's Housing Choice Voucher program. A Portfolio Manager position was recently created and filled, adding a layer of oversight to the management team. GLDA, as developer consultant, brings decades of LIHTC experience covering all aspects of the industry including development, financing land-use, Design, and construction. The partners and consultants of GLDA not only have extensive individual experience but have combined skill sets to create an effective and successful team.

Project Costs

SMHO has worked closely with Shopworks and Calcon with the design and costs, based on the project site and city requirements. The current drawing set is at the 100% Schematic Design level, allowing Calcon Constructors, the general contractor, to be accurate in pricing. SMHO, GLDA, Shopworks Architecture and Calcon have worked diligently to keep costs as low as possible while managing the unique features of the site.

Site suitability

Montview Flats is well suited for one- and two-bedroom units providing a range of affordability based on its location between downtown Littleton and the Arapahoe Community College campus. The property is within walking distance of shopping, a post office, public library and parks as well as a light rail station and several bus stops on three RTD routes. Located one block east of Santa Fe Drive and US Highway 85 as a major north-south arterial route through the metro area and one block south of Littleton and West Bowles as a major east-west arterial, Montview Flats provides proximity to employment, K-12 schools, a major medical center and grocery store.

3. Provide the following information as applicable:

No waiver on underwriting criteria nor CHFA basis boost requested.

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

The market study identifies strong demand for the project; however, a couple of items are noted. The size of the units is identified as slightly smaller than competing properties. Given the high level of unit design, and the access to high quality urban amenities, it is not anticipated this will significantly impact demand. Additionally, it is mentioned that a second bathroom could be considered for the two-bedroom units as more desirable to renters. Montview Flats is anticipated to offset this potential issue and be competitive in the market based on rents that include utilities and amenities provided such as in unit washer and dryer. Overall marketability as proposed is very strong.

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

The Phase I Environmental Site Assessment (ESA) report identified items within the review of Sanborn Maps and a previous geotechnical assessment, which prompted a limited Phase II ESA. Please see Attachment 1: Environmental Report for the Colorado Department of Public Health and Environment (CDPHE) accepted mitigation plan.

In the Phase I report, a noise assessment was completed on the property and a combined Day/Night Noise Level was identified at 69 decibels. This exceeds the HUD action level of 65 decibels. During the final phase of design, Calcon Constructors, along with Shopworks, will utilize the Sound Transmission Classification Assessment Tool to ensure that the combined attenuation of the proposed wall assemblies will bring interior noise to the required 45 decibels or less.

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

The Montview Flats project requires 1 or 2 hydrodynamic separators for water quality treatment and an underground detention vault that will be pumped to a sidewalk chase along Rapp St. This will add significant cost to the stormwater attention and stormwater quality infrastructure of the project. This is required because there is no stormwater infrastructure in the city streets.

Additionally, Littleton zoning code prescribed wall articulation techniques, massing techniques and a limited palate of permitted exterior building materials are also to be included in the design of the building. Compliance with the Zoning Code in this zone district significantly increases the cost of development in the downtown area of Littleton.

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

Although no formal community meetings were required, as the site is zoned by right, Montview Flats is the result of many years of collaboration between SMHO and community leaders to create a policy context to make affordable housing development more feasible in Littleton. SMHO engaged with elected officials, the Littleton Housing Task Force, and individual community members to shape the project plans. The Littleton Housing Task Force, which is made up of Littleton residents, representatives from City Council and staff, housing professionals, community non-profits, and businesses, has been particularly involved in supporting this development. The attached Local Letters of Support (Attachment 2) includes letters from individual Task Force members as well as Vibrant Littleton, whose leadership overlaps with the Task Force. The attachment also includes letters from Littleton non-profits Love INC of Littleton, and Doctors Care, both of which work hands-on with Littleton's low- and moderate-income residents in need of housing. SMHO has also garnered significant financial support from Arapahoe County, the City of Littleton, and even the neighboring City of Centennial.

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

The project contributes to promoting equity through the dispersion of affordable housing across the Denver metro area. Suburbs with relatively less affordable housing inventory still need to add affordable rental units for their residents, which is an accomplishment of this project. Montview Flats also promotes equity by creating affordable housing opportunities for very-low income households including 10 units for households earning less than 30% AMI.

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);

N/A

9% housing credit application narrative

Project Name: **Park Avenue Apartments**

Project Address: **3500 - 3600 Park Ave W, Denver, CO 80216**

Executive Summary

The Colorado Coalition for the Homeless (CCH) is proud to submit Park Avenue Apartments, a proposed new 60-unit supportive housing affordable apartment community using 9% LIHTCs and targeting chronically homeless households needing long-term housing and supportive services. The property, at 3500 - 3600 Park Avenue West, is in Denver Council District 9, and within a 2024 Qualified Census Tract.

The site is home to the former La Quinta Hotel and Old West Pancake House and was acquired by CCH in December of 2021, with partnership from Denver HOST and the CDOH Operation Turn-Key (OTK) funding programming. The site was selected not only for its ability to provide an immediate need as a non-congregate shelter site but also for its potential as a long-term redevelopment site for supportive housing. The buildings have reached their effective useful life end, are deteriorating rapidly and need to be replaced with new construction to provide lasting solutions to homelessness in our community. This 60-unit project represents the first phase of residential development at the 2.24 acre site, with a full build-out goal of 200 units.

The building is designed as a permanent supportive housing community, consisting of trauma-informed design best practices, and incorporating crucial feedback from CCH residents and clients with direct lived experiences. Design elements for this 61,500sf facility are driven by these principles and reinforced by our recent participation in a University of Denver TID study with Davis Partnership Architects, Shopworks Architecture, Group 14, and CCH development staff. In line with these principles, the main level will feature exposed wood beams and columns, with open corridors and natural light being illuminated by floor to ceiling storefront windows. The comfortable, welcoming, and secure lobby includes front desk staff, secured bike storage, case management and property management offices, access to protected outdoor courtyard, and other resident community spaces, including a media lounge, computer lab, kitchen, library, and multi-purpose spaces. The flexibility inherently designed in these spaces allow for both large and small group gatherings, and both programmed and un-programmed activities in safe and secure environments. Future uses of the multi-purpose area will be shaped by community need and can accommodate a variety of resident – driven needs. The property also includes a rooftop deck amenity space.

Park Avenue Apartments is conveniently located at Park Avenue W and Globeville Road in Denver, between downtown Denver, RiNo, and the Sunnyside neighborhoods. It is less than half a mile from the South Platte River Trail, half a mile from the 41st & Fox Light Rail Station, and three-quarters of a mile from a full-service grocery store and pharmacy. The location is served by a major RTD Bus Route (#38) and the property will provide RTD Neighborhood ECO Pass to each resident. The site also has great access to protected bike routes and trails and boosts a bike score of 85, thirteen points higher than Denver average. Finally, the project is located along a principal arterial road, allowing simple access to nearby job centers, regional attractions and additional services.

The unit AMI mix is between 30 – 60% AMI, and all sixty (60) units will be 1-bedroom, 1-bathroom apartments with a full kitchen, including Energy Star appliances, fridge, range, microwave, and dishwasher. Units are designed with an open floor plan and situated to bring in natural light and have ample storage space. Additional ground floor secure bike storage will be available, allowing for easy access while minimizing security concerns. Centralized laundry facilities are located on each floor.

The property is in the C-MX-8 zone district and is a multi-level building designed at 3 & 4 stories, allowing for a rooftop amenity with mountain and city - views. The building utilizes spread footing foundations, wood framing, including glulam timber beams and decking, a flat roof with TPO membrane, and an exterior cladding mixture of brick, cementitious panel board, stucco, and metal. The building will have two elevators and two sets of stairs for circulation. Common areas will have Wi-Fi internet access, and individual rooms will have internet and cable connections. The project will meet or exceed 2020 Enterprise Green Communities standards and WELL Building Standard certification requirements.

Services offered on site are modeled on CSH Quality Standards and will include counseling, life skills training, financial literacy, crisis intervention, and employment training to promote job readiness. CCH provides onsite staff dedicated to providing mental health services, case management, and front desk coverage to assist residents and support their housing stability. Supportive services will be funded through DOH TSS funds, PSH boost developer fee, Medicaid, sponsor fundraising, and cash flow.

Funding sources are projected to include 9% LIHTC equity, a permanent first mortgage and construction financing from FirstBank, FHLB AHP funds, gap funding from both HOST and DOH, and a deferred development fee commitment. The project has applied for sixty (60) state-funded project based vouchers from the Division of Housing simultaneously with this LIHTC application.

QAP Priorities:
This project will serve people experiencing homelessness and is a permanent supportive housing community.

Criteria for Approval:

Market conditions
There is significant and unprecedented local demand for housing for individuals experiencing homelessness or at risk of homelessness. The latest 2023 Point in Time count that surveyed 5,818 homeless individuals in Denver County and over 24,000 seeking homelessness services. This development is urgently needed to

address this need and provide lasting solutions to homelessness. The capture rate for this project is just 13%, and a market study projects a lease rate of 15 units per month, with stabilization occurring within four months of project completion. In all seven market evaluation categories, from market demand to project location, the project is rated 4 or 5 out of 5.

Proximity to existing tax credit developments

This project is less than a quarter mile from CCH's Renaissance Riverfront Lofts, an established LIHTC property that is stabilized since 2009. The proximity would allow for shared resources for staff and residents. No impacts are anticipated to existing leased and stabilized LIHTC properties and, evidenced by the Market Study findings, demand far outpaces supply for Permanent Supportive Housing properties in the area.

Project readiness

The project team successfully rezoned the site in 2022 to C-MX-8 to accommodate multi-family development. The project is fully controlled by the Sponsor and no further rezonings or public approvals are required for the development. Design work is being completed by Davis Partnership Architects with pre-construction consulting and pricing by Alliance Construction. Schematic design and project pricing are complete; 100% CDs will be complete in Fall 2024 along with up-to-date pricing. The project has been accepted into Denver's Affordable Housing Review Team (AHRT), has already submitted Concept Site Development Plan (SDP) and has received positive feedback. If awarded tax credits, the project will be eligible for coordinated building permit reviews and further support through AHRT to ensure milestone dates are achieved. This project meets the Project Readiness criteria.

Overall financial feasibility and viability

Project financing is based on the Sponsor's proven Renaissance Development Model that has been successfully implemented in the development of more than twenty affordable, multi-family projects. The model is designed to serve the largest number of special needs and formerly homeless individuals and families, together with the lowest income segment of the community. To accomplish and further CCH's organizational mission, the project incorporates multiple sources of financing and structures financing to cover the cost of development with limited long-term debt obligations, committing cash flow to services and resident support. Soft funding commitments for the Park Avenue Apartments are being requested simultaneously with this application from DOH, with voucher and services funding being requested through the DOH RFA. The financing, coupled with new PBVs, ensures that CCH can continue to house individuals at the lowest income levels, while ensuring sufficient revenue to cover the costs of operations, management, supportive services, and maintenance.

The site was acquired through partnership with CCH, Denver HOST, and CO Division of Housing, with CO Division of Housing providing a short-term acquisition loan through the Operation Turn-Key (OTK) program. This OTK Loan, maturing in 2026, was designed to be repaid to with permanent DOH gap funding. Redevelopment of this site is critically needed to realize the intent of the OTK program and to allow for sustained financial success at the property.

Experience and track record

CCH is a leading developer of supportive housing and service facilities both in Colorado and nationally. CCH maintains a skilled, in-house, 5 FTE real estate development team, which oversees all CCH construction projects including community facilities, LIHTC and NMTC developments, and mixed income, affordable housing developments. In 40 years of service, the Colorado Coalition for the Homeless has (or is in the process of) developing more than 2,400 units of supportive and affordable housing through 23 developments. Our housing approach integrates high-quality housing for homeless individuals and families with services and individualized needs and care. Our quality architectural designs and environmental standards add significant value to existing neighborhoods and cultivate pride and wellbeing among residents and the larger community. CCH is a multiple award-winning organization for its efforts in housing development, most recently being honored with a 2023 Eagle Award and the 2023 ULI Terwilliger Award for development of Legacy Lofts and Stout Street Recuperative Care. CCH has made significant investments in its property management division, housing assistance department and has significantly improved its management and maintenance teams in recent years. With enhanced compliance focus, all of CCH's portfolio is in full compliance with all LIHTC, CHFA loan, and other affordable housing program requirements.

The project development team includes Davis Partnership Architects, a highly skilled and proven local firm with extensive experience in LIHTC developments. Alliance Construction, based in Denver, is a leader in affordable housing construction, completing more thana dozen projects and over one million square feet of affordable housing in the past five years. Both project tax counsel, Bill Callison of Holland & Hart, and accounting firm, Forvis (formerly BKD), have demonstrated experience and skill in LIHTC projects and have partnered with CCH on many previous projects.

Project costs

CCH and its development subsidiary RHDC rely on the experiences and lessons-learned from 23 previous LIHTC developments to control costs throughout the entire project, ensuring efficient use of project sources. Project pricing is based on completed schematic design documents and consultation from third-party general contractor, Alliance Construction, and engineering and design professionals.

Planning for the full build-out in design, engineering, and construction has been considered at this phase and incorporation of larger utilities is designed and priced.

Site suitability

Park Avenue Apartments will be located within Globeville Neighborhood, which includes transportation nodes, local services, commercial retail, places of employment, parks, libraries, places of worship and more. The project is located off Park Avenue, off the I-25 corridor, providing convenient access to bus lines. It is half a mile from the 41st and Fox Light Rail Station, providing an additional transit option, and it is less than half a mile from the South Platte River Trail, providing easy bike access to downtown and points north.

Justification for waiver of any underwriting criteria or financial need for a CHFA Discretionary DDA basis boost of up to 30 percent of eligible basis: N/A

Market Study Issues: There are no issues or recommended changes to the project identified by the market study.

Environmental Report Issues and how they have been or will be mitigated: A Phase I report identified this site's historic use as bulk fuel storage. A limited Phase II report was conducted to further evaluate the area and found arsenic and lead levels below established EPA and CDPHE clean-up levels. All recommendations from the Phase I report and subsequent evaluations have been included in the proposals including the installation of a Vapor Mitigation Barrier. In accordance with the Environmental Reports and opinion of the Environmental Professional, all environmental issues have been evaluated and addressed.

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): In order to maximize efficiency of time and resources, wet utilities on-site have been designed and priced to accommodate all future phase development on – site. The project intends to realize some cost savings as future phases are planned and executed. Due to its relative proximity to the highway, premium windows and exterior elements have been priced to minimize noise exposure.

Community Outreach: Community outreach for this site began in early 2022 as CCH engaged community members and local organizations on the re-zoning of the site from Industrial to C-MX-8. This process revealed significant community support for a new affordable housing development at the site, as the property was rezoned unanimously, with opposition, and two written letters of support from the RiNo Art District and the Denver North Business Association (DeNoBa). Current community support is evidenced by a letter of support included in the application the District 9 Council Office. No registered opposition has been received to date.

Describe how the proposed development contributes to promoting equity as well as economic mobility for residents: CCH's holistic and proven effective approach to services, housing, and healthcare meet our residents 'where they are' and provide individualized services to promote economic mobility. This project will create a pathway for success to *all* residents. In addition to on-site services, job training, matching and financial literacy education are available to all residents.

Denver needs more supportive housing now. As of January 2024, Denver is nearly 600 units short of its supportive housing goals in the 5-Year Strategic Plan. Demand for more supportive housing in the community is extraordinary and we are facing a local crisis. We ask CHFA to prioritize PSH in Denver and provide a tax credit award to move this shovel-ready project forward.

9% housing credit application narrative

Project Name: **Range View**

Project Address: **250 Gunnison Avenue, Sagauche, Colorado 81149**

Executive Summary: Range View will be a public-private partnership between Saguache County Housing Authority (SCHA) and Northwest Real Estate Capital Corp. (NWRECC). It is a proposed 32-unit housing community serving families in Sagauche and the northern San Luis Valley, built upon land owned by SCHA that is provided on a long-term ground lease at a nominal annual rate. Because Range View will use land leased from SCHA and SCHA will participate as the Special Limited Partner, it will serve households earning between 30% and 60% AMI in perpetuity. This new construction, multi-family development will provide fourteen (14) 1-bedroom units, twelve (12) 2-bedroom units, and six (6) 3-bedoom units. These units will serve families whose income levels are between 30% and 60% AMI. The demand for an affordable housing property in Saguache is significant as demonstrated by the overall capture rate of 8.3%. **Range View would be the very first LIHTC award in Saguache County.** The design of Range View has been completed with a significant amount of public input from a variety of sources, including previous iterations completed through CHFA's Small Scale Housing Technical Assistance (SSHTA) program. In fact, the name Range View was suggested by a local resident and approved by the Saguache County Commissioners. The buildings are two-story walkups arranged around a central courtyard; a key feature provided after public input during the SSHTA process. SCHA and NWRECC conducted a visual preference survey in December, garnering public input on several architectural elements for Range View, including roof styles, exterior materials, and color pallets. The architectural elevations included for Range View were created after the visual preference survey was conducted and showed significant support for gable roof lines and stucco with stone accents. The choice of a gable roof also allows the opportunity for solar panels to be added if the project budget allows. Units will have an open floor plan combining the living room and full-sized kitchens that feature ENERGY STAR certified refrigerator, stove/oven, dishwasher, garbage disposal, and microwave. Unit sizes are slightly larger than is typical for this market, providing more livable space for families to utilize; however, they are not significantly larger they would cause vacancies at other properties owned and operated by SCHA. Range View will also incorporate several green build features, including ENERGY STAR rate appliances, high-efficiency lighting controls including motion sensors in common areas, water conserving fixtures in all units and community spaces, photo-voltaic ready design, enhanced storm water management, xeriscaping and native plantings, efficient landscape irrigation that includes weather sensors, passive radon mitigation systems, and annual assessments for energy performance. There will also be two (2) electric vehicle charging stations included in the initial design, with another two (2) parking spaces that are electric vehicle ready. Range View will be certified under Enterprise Green Communities by Group 14 Engineering, a premier energy and sustainability engineering consulting firm.

As a community serving families, Range View will have several project amenities suited for its residents. The community space is located on the primary corner of the development and will feature a welcoming entry that guides visitors and potential residents to the space. It will feature a community lounge with kitchenette, onsite leasing/management office, computer lab, fitness room, and laundry facilities. As noted earlier, there will be a central courtyard that will include several outdoor amenities including a playground/tot lot and community garden beds. Having a central courtyard at Range View will help enhance a sense of community, allowing neighbors to know one another in an informal setting. The location for Range View is ideally situated within Saguache. It is located 4 blocks from Mountain Valley School, which serves kindergarten through 12th grade and includes a pre-kindergarten program as well. Range View is within ¼ mile of downtown Saguache and a small grocery store and ½ mile of two municipal parks and the public library. Range View is also within an easy driving distance to Salida (45 miles north) and Alamosa (52 miles south), allowing residents of Range View additional opportunities for grocery stores, big box retail stores, and higher education opportunities.

Priorities from the QAP: Counties with populations of less than 180,000 – According to the 2023 American Community Survey, Saguache County has a population of 6,505. Range View is also within a ¼ mile of the Eagle Line Shuttle stop, a free service operated by Mountain Valley Transit to Alamosa and Salida.

Project Criteria for Approval:

- **Market Conditions:** There is a very strong demand for Range View in the Primary Market Area (PMA) and Extended Market Area (EMA), and the unit matrix of size and income levels was finalized to provide units that are of the greatest need in the community. Range View has a larger percentage of 1-bedroom units due to the household sizes in the PMA and EMA, with as many units as is feasible in the 30% and 40% AMI tiers. Range View also includes seven (7) units in the 60% AMI tier to increase the number of potential residents, even though these units would be underwritten at the 50% AMI level to maintain competitiveness in the market. The projected capture rate for Range View is 8.3% in the PMA and 4.5% in the EMA. Additionally, Range View would be the first residential rental property built in Saguache County since 1998 and the first LIHTC property ever built in Saguache County.
- **Proximity to Existing Tax Credit Developments:** There are 4 LIHTC developments in Center, 25 miles to the south, with the most recent built in 1998. In Poncha Springs, 40 miles to the north, there are 3 LIHTC developments with one rehabilitated in 2018. Confluent Park Apartments and The Iron Horse, which received LIHTC allocations in 2020, are 46 and 51 miles away, respectively.
- **Project Readiness:** Range View is ready to proceed upon an allocation of 9% tax credits and will meet carryover in late 2024 or early 2025, depending on construction commencement of the infrastructure. Multifamily development is allowed on the project site, and variances have been approved to allow construction across lot lines, allow water and sewer lines across lot lines, and for modular/panelized construction if necessary. The Town of Saguache also adopted the multiunit ordinance in early 2023. Prior to its adoption, only single-family homes and duplexes were allowed by the Land Use Code. Additionally, applications for the Strong Communities Program and LIHTC will be submitted contemporaneously to ensure financial viability of Range View. This is an important step as the two projects complement one another and provide mutually beneficial outcomes that will result in the construction of housing units in an area of Colorado that is in desperate need of new housing options. While it is possible to obtain building permits for Range View this summer, the offsite infrastructure and onsite improvements need to be built concurrently to meet investor requirements. The engineering required for the infrastructure will begin upon an award from the Strong Communities Program, which may delay the construction commencement until the spring of 2025, as Sagauche is located at 7,703 feet and the building season is limited in the latter part of the calendar year.
- **Overall Financial Feasibility and Viability:** Range View is financially feasible with an award of 9% credits. The proposed rural location along with the smaller unit counts and lower incomes within the PMA make the 4% tax credit option untenable. While there are limited local resources available,

especially considering some of the larger infrastructure projects need in the Town of Saguache, Range View was able to secure a $20,000 donation from the Town of Saguache as well as a $200,000 matching grant from Saguache County as part of the Stronger Communities infrastructure grant program. Because several voter approved sales tax measures have passed in the Town of Saguache and in Saguache County, a waiver of the Sales and Use tax was not practical. In addition to the equity earned from the tax credits, Range View will also include permanent debt through CHFA's Housing Opportunity Fund and the Division of Housing. The capital stack also includes funding through the Department of Local Affairs' Stronger Communities infrastructure grant and Deferred Developer Fee from NWRECC. We continue to seek additional funding for Range View through applications to various foundations, including the Colorado Health Foundation; however, we will not receive funding confirmation from these organizations until after the application deadline of February 1, 2024. Our consultant, RCH Jones, has run several iterations through their financial models and we have discussed the proposed financial stack with potential funding partners.

- **Experience and Track Record of the Development and Management Team:** NWRECC is a non-profit founded in 1999 to own, develop, and manage affordable properties to further the goal of providing affordable housing to everyone. Since then, NWRECC has increased its management portfolio to 90 properties in 8 states and developed a total of 40 properties in 5 states, with another 2 projects under construction. Additionally, NWRECC has been a co-developer on eight 8 projects within its footprint. Range View is a public-private partnership with Saguache County Housing Authority, who manages 2 existing projects in Saguache County. RCH Jones has also been hired as a consultant and brings a wealth of knowledge in financial analysis and project management.
- **Project Costs:** SCHA and NWRECC have worked closely together to manage project costs recognizing there are multiple factors that make Sagauche an expensive place to build, including the rural location, additional infrastructure requirements, climate conditions at 7,703 feet, and a design that was developed through public input. To help understand the current cost environment and mitigate costs as much as is reasonable, NWRECC engaged a third-party cost estimator/general contractor and has communicated with the architect to understand the cost implications using the 100% SD set. NWRECC has also had conversations with Colorado contractors as part of its due diligence.
- **Site Suitability:** The site for Range View is well suited for a multifamily community. It is located within ¼ mile of downtown Saguache and offers access to jobs and services. Upon completion, Range View will be within ½ mile of convenience stores retail shops and restaurants, community shopping, a grocery store, and public parks. It is also 4 blocks north of Mountain Valley School, allowing all school-aged children an easy commute to and from classes. Range View is also adjacent to U.S. Highway 285, providing excellent visibility to the property. Range View is also within a 45-minute drive to Salida and a 60-minute drive to Alamosa, providing access to additional amenities including large grocery stores, big box retailers, and higher education institutions.

Justification for Underwriting Criteria Waivers, Cost Basis, and/or CHFA Discretionary Boost: Range View will need a waiver of the Debt Service Coverage Ratio and requests the Discretionary Basis Boost available to CHFA. Due to a declining net operating income caused in part by the number of 30% AMI units, Range View will need to initiate its permanent debt above the 1.30 DSCR threshold. This is common for small, rural deals that do not have housing choice vouchers. Because Range View will utilize CHFA's Housing Opportunity Fund, it is able to leverage a larger amount of permanent debt to reduce the need for other funding mechanisms. In addition, the need to provide additional infrastructure as a component of the construction costs and the rural location that will increase material delivery and travel costs, Range View will need a Discretionary Basis Boost.

Issues Raised in the Market Study: The market study revealed a strong demand for Range View in the PMA and EMA. Other than a note about the lack of childcare and larger retail and grocery options in Sagauche, no issues were noted. The Board of Commissioners for Saguache County are actively recruiting childcare providers to establish a presence in Saguache, but none have been identified.

Issues Raised in the Environmental Report and Mitigants: The report did not raise any issues but did note the potential for remnants of a previously razed house and the presence of a gravel pile. These will be addressed in a soils management plan prepared by the environmental consultant upon an award of LIHTC.

Unusual Features Driving Costs Upward and Cost Containment: The overall design and choice of materials for Range View were completed through a Visual Preference Survey, though most of the selections were not overly expensive; however, the infrastructure needs and rural locations are having an adverse effect on the project costs per unit.

- Infrastructure: Due to the project size and the lack of a full-time fire department, Range View will require a sprinkler system that cannot be served by the current water lines surrounding the location. There will also be two (2) fire hydrants added in the right-of-way surrounding Range View as a part of the overall project to increase the size of the water line. Other infrastructure improvements for Range View will include the paving of the alley on the north property line and the paving of 2nd Street on the east property line, to include parallel parking areas on 2nd Street. To help contain the overall costs, Saguache County Housing Authority submitted a preapplication for the Strong Communities Program through the Department of Local Affairs (DOLA). Afte the initial screening by DOLA, SCHA was invited to submit a final application for the funding which will be done contemporaneously with this application. The Strong Communities Program would cover approximately eighty percent (80%) of the total cost of the infrastructure, including the engineering needed. Sagauche County has agreed to provide the twenty percent (20%) match up to $200,000, with SCHA contributing an additional $10,000 if needed.
- Rural Location: Saguache is a small town and does not have many contractors that would be able to contribute to the construction of Range View. Similarly, most materials will be sourced from outside Saguache County and require additional cost through shipping. To help mitigate these costs, Range View will be awarded through a competitive bidding process for qualified contractors ensuring previous LIHTC experience and a public works license, allowing both onsite and offsite construction be completed by a single contractor. Additionally, the development team for Range View will work with the general contractor selected to consolidate as many shipments and subcontracts as much as is possible.

Outreach to the Community, Local Opposition and/or Support for the Project: Prior to NWRECC's involvement Range View, several public meetings were held for this project. SCHA was awarded the CHFA Small Scall Housing Technical Assistance program and conducted several public meetings regarding the proposed development of 26 units at the location. This involved a total of five meetings to garner public input and support; the Housing Board meetings are also public and have a public comment section on the meeting agenda. The name Range View was selected from numerous ideas submitted by the public. NWRECC and SCHA hosted a "Visual Preference Survey" on December 18th to gather public input of several design aspects. These aspects included roof lines, exterior materials and color pallets, all of which were included in the building elevations submitted for Range View. Range View has not experienced public opposition, and this application includes letters of support from the adjoining neighbors.

How the Proposed Development Contributes to Promoting Equity & Economic Mobility for Residents:
Range View will promote equity and economic mobility in two ways:

i. Housing is Healthcare: There are numerous studies showing positive health outcomes for individuals with stable housing. The Saguache County Public Health Office has submitted a letter citing a Community Health Assessment (CHA) which was performed in 2023. The CHA demonstrated an above average need for housing in Saguache County as did the Market Study submitted with this application. Many households in Saguache County are unhoused or underhoused, including several with children. There are instances of families with children living in tents or storage sheds due to the inability to afford housing in our area. The CHA cited the fact that one in four adults worry about affording their rent and mortgage. The CHA also cited that housing issues are a major source of stress for households' mortgage and a contributor to suicide rates. Breathing, food, water, shelter, clothing, and sleep are listed in the foundation of Maslow's Hierarchy of needs. Five of these needs are related to housing and shelter, certainly, is housing. Individuals without adequate housing are at higher risk of substance abuse, mental trauma, medical illness, employment challenges, incarceration, domestic violence, and child abuse. Without the economic mobility granted by housing opportunities, individuals may be reluctant to leave a toxic relationship and will continue living in a dangerous situation. SCHA has received several applications in which the applicant sought alternative housing opportunities away from an abusive partner. The equity brought to the table allows members of the community to obtain safe and decent housing; an opportunity that would not be available to them without the existence of affordable housing. The Market Study clearly demonstrates a great deal of need for housing in Saguache and the surrounding area. The absence of housing opportunities keeps the local vacancy rates extremely low and precludes households from being economically mobile. New employment opportunities may not be viable if housing availability does not align with these opportunities, especially for those moving to Saguache and Sagauche County. This is even more challenging for those with children, as such a transition would also need to align with the end of a child's school year. Providing housing for individuals from both the area of Saguache and elsewhere in the state and nation is a critical piece to the long-term growth of Saguache. Many applicants on the SCHA waiting list are not residents of Saguache or Saguache County. The talents and knowledge of individuals that could have established roots in Saguache will go elsewhere if there is a lack of housing opportunities.

ii. NWRECC Stepping Stones and Bridge2Community: Believing that affordable housing can serve as a platform for accessing opportunities, NWRECC utilizes its Resident Services Department known as Northwest Stepping Stones to create strong vibrant communities by connecting residents with services and resources that promote self-sufficiency, community engagement, housing stability, and economic mobility. Northwest Stepping Stones provides our property management teams with information, tools and training to engage with residents and community service providers in five outcome areas: Community Engagement, Education, Financial Empowerment, Health & Wellness, and Housing Stability. In partnership with Findhelp.org, Northwest Stepping Stones offers a virtual resource and referral program called Bridge2Community (B2C). It provides instant access to free and reduced-cost services and resources in local communities and online. It's as simple as entering a zip code and checking off the services needed. Residents can use B2C to locate resources, apply for programs and benefits, and submit referrals directly to service providers. Staff can also use B2C to find local resources, submit referrals on behalf of residents, engage with community services, and report on resident outcomes.

9% housing credit application narrative

Project Name: **Residences at Delta II**

Project Address: **1498 Villa Street, Delta, CO 81416**

Executive Summary:

TWG Development ("TWG") and Delta Housing Authority ("DHA") are excited for this opportunity to present an application to CHFA for 9% Low Income Housing Tax Credits ("LIHTC") for Residences at Delta II (the "Project"). This new construction multifamily development will provide fifty (50) apartments for individuals and families earning at and below 60% of the area median income (AMI) and will complement the adjacent and leased-up Residences at Delta I, a senior deal with the intent to foster an intergenerational community. This new family housing will create an opportunity for seniors and youth to connect. Eighteen (18) units will be three-bedrooms, eight (8) units will be two-bedrooms, twenty-four (24) units will be one-bedrooms. Ten (10) units will be set at 30% AMI, five (5) units at 40% AMI, ten (10) units at 50% AMI, and twenty-five (25) units at 60% AMI. Unit amenities will include balconies, central A/C, Energy Star Appliances, and ceiling fans. Onsite amenities include clubhouse, a library, a picnic area, playground, a community garden, inter-generational community partnerships, and on-site management. Delta county is a small rural county with a population under 32,000. With a historically agricultural-based economy, 2023 household incomes in Delta are considerably lower than the Colorado median ($56,349 for a four-person household in Delta, compared to $86,500 statewide). Residences at Delta II will be two-buildings with approximately 57,000 GSF in a three-story, wood framed structure. The foundation design is a structural slab on grade with on-site surface parking. An acoustical mat with gypcrete will minimize sound transfer between the units. The building skin will be masonry brick combined with fiber cement lap siding matching first phase building. All exterior walls will utilize batt insulation with a weather barrier. The roof will have sloped asphalt shingles. The building will meet the team's goals of cost-effective to build and manage, visually appealing, and compatible with the surrounding neighborhood by leveraging the same team Residences at Delta I used. The project will meet the Bronze certification under the NGBS program which will include EV-ready spaces for future use as needed and will have solar panels for the 100% electric building design. Public transportation in the Delta County region is provided by All Points Transit (APT), which operates the Dial-A-Ride service. Dial-A-Ride is a door-to-door transportation servicing predominantly seniors and persons throughout Delta, Montrose, San Miguel, and Ouray Counties.

The Project is in census tract 9649, which is not in a 2024 QCT or DDA, but was in 2023. Financing for the Project will include federal tax credit equity generated from the sale of 9% LIHTC and solar credits, permanent financing from Colorado Housing and Finance Authority, soft financing from Colorado Division of Housing ("CDOH"), deferred developer fee, and a significant contribution of local tap, impact, and permit fees by City of Delta. DHA as a special limited partner in the deal will provide property tax exemption as well. Total soft financing (including application-proposed DOH and jurisdiction fee waivers) is expected to be over $3 million, representing approximately $63,000 per unit. Phase II of Residences at Delta would be a welcome addition to the community.

Priorities from the QAP:
Residences at Delta II is in a non-metropolitan county with less than 180,000 people.

Project Criteria for Approval:

- *Market Conditions:* The Property is situated in Delta, Delta County, located at the intersection of 15th and Villa Streets, adjacent Villas at the Bluff I & II, and Residences at Delta I. The current vacancy rate in the submarket is at 3.8 percent. There are significant waiting lists for the affordable properties in the PMA with DHA's own waitlists for individuals and families at 428 applicants. The market data indicates a required capture rate for individuals and families in the PMA of 8.3% total, 12.7% for 60% AMI, 7.7% for 50% AMI, 1.8% for 40% AMI, and 4.2% for 30% AMI. The adjacent family LIHTC properties were built in 2008 and 2015. Up Highway 50 is a USDA Farmworker Housing site, also funded with LIHTC and built in 2009.
- *Proximity to Existing Tax Credit Developments:* The adjacent family LIHTC properties were built in 2008 and 2015 and the other LIHTC development in Delta County is a senior community built in 1991, which is supported with USDA rent subsidies. Based on the extensive waiting lists at these developments and limited LIHTC vacancy in the market, this development should ease the ability for residents to secure permanent housing.
- *Project Readiness:* The site is zoned for the intended use evidenced by the zoning letter included within the application. Review of the final building plan is administrative and does not require a public process. The building plan approval timing is estimated to be approximately 4-5 months. The Phase 1 Environmental Assessment indicates that no Recognized Environmental Conditions were discovered. The Project is supported by the Delta City Council, Delta County Board of Commissioners, service providers, hospital, neighbors, the school district, and many local businesses. Their enthusiasm for the project is evidenced by the numerous support letters provided within the application and the very generous local contribution in the form of local fee waivers. Schematic drawings have been informed by the Phase I team and priced by a paid third-party architect and estimator and the proposed building is financially viable to construct based on current assumptions by the paid third-party cost estimator.
- *Overall Financial Feasibility and Viability:* The Project is financially feasible if awarded an allocation of 9% LIHTC. In addition to the federal equity from Redstone Equity Partners, TWG and DHA are assuming construction financing from Horizon Bank, permanent financing from Colorado Housing and Finance Authority, soft financing from DOH, town fee waivers and deferred developer fee. TWG, DHA, equity syndicators, lenders, and our local Colorado consultants RCH Jones and KDM Consultants have run the current project assumptions through their tax credit financial models. This extensive up-front underwriting has shown that as proposed, there are minimal risk points. Under current assumptions, the project maintains an estimated debt coverage ratio between 1.17x and 1.26x through the initial compliance period using standard escalation and vacancy assumptions. TWG will provide the guarantees including paying off any balance of deferred developer at the end of compliance. TWG's approach to internal collaboration between design,

construction, and management maximizes operating efficiencies without compromising resident comfort, ongoing compliance, or building durability and maintenance.

- *Experience and Track Record of the Development and Management Team:* The Partnership between DHA and TWG will tie into the strengths and experience of both organizations. Delta Housing Authority was formed in 1971 with the mission to build and maintain affordable and safe living facilities for qualified residents with an emphasis on respect, dignity, and cooperation. Delta Housing Authority owns and manages two neighboring properties, the Villas at Bluff I & II, as well as a scattered site inventory of public housing, a voucher portfolio, and numerous other programs to support low-income residents in the community. DHA has over 428 households on their waitlist, and very little turnover of their existing units. This great working relationship will help enable residents to age in place. DHA also provides the management services for Residences at Delta I which has fully leased up as of Q1 2024.

  TWG specializes in multi-family housing development, construction, and management. TWG has developed over 11,000 units across numerous cities and 18 states. To date, TWG has developed over 100 properties including affordable housing and market-rate housing with over $2 billion in total development costs. TWG has active developments in Indiana, Colorado, Pennsylvania, Michigan, Illinois, Missouri, Ohio, Georgia, Washington, Iowa, Utah, Oklahoma, Arizona, Alabama, Georgia, Tennessee, Louisiana, and Wisconsin. TWG Construction has served as the general contractor for the majority of TWG projects but works well with local general contractors when local contractors are better for the project. TWG Management has a positive maintenance and compliance track record. TWG's first Colorado LIHTC property is in operations and their second LIHTC property was completed in 2020 and is fully stabilized.

  To help facilitate this Project, the team has engaged RCH Jones Consulting, a Colorado based consultant, and KDM Consulting who will provide strategic direction and financial advisory services to the project. RCH and KDM have over 40 combined years of experience in the affordable housing industry having managed the development of various affordable housing communities across the US, particularly in Colorado.
- *Project Costs:* The Project costs have been informed by the same team that completed Residences at Delta I in 2023 and have been reviewed and verified by a third party. Construction costs in Colorado continue to remain elevated after the last few years of constrained labor and commodities markets and exacerbated by COVID and recent natural disasters across the nation. This upward pressure is especially significant on the western slope. TWG will also use their proven processes to effectively select sub-contractors and fully vet details during the bidding process We are also able to leverage national purchasing contracts for materials which in turn creates a more cost-effective project. Our pre-construction team is deeply involved from the beginning of a project.
- *Site Suitability:* The site is located in a developed residential area and is close to downtown Delta and is already served by utilities and is zoned for our proposed use. The Project is located adjacent to two of DHA's existing properties including Residences at Delta I. This proximity will create the opportunity to create a multigenerational campus, serving a broader spectrum of ages, incomes, and household types. It also offers the opportunity for long-term operating efficiencies.

Justification for Underwriting Criteria Waivers, Cost Basis, and/or CHFA Discretionary Boost:
Not applicable at this time.

Issues Raised in the Market Study:
No significant issues at this time.

Issues Raised in the Environmental Report and Mitigants:
According to the environmental report for the site, there are no REC's indicated and no additional investigation is warranted.

Unusual Features Driving Costs Upward and Cost Containment:
The remote location of Delta creates a unique set of challenges which drive costs upwards, mostly relating to proximity of construction material supply and the labor market. Most building materials will need to come from Grand Junction, which is located 40 miles away. Any material not readily available in local communities surrounding Delta will need to be transported in via truck, leading to higher transportation costs. The low supply of qualified subcontractors in the area leads to a less-competitive bidding process, requiring higher pay to attract the necessary talent for building the project. As with any construction project in recent years, inflation and material escalation is also a major factor causing increases in hard costs.

Outreach to the Community, Local Opposition and/or Support for the Project:
To aid community awareness of and participation in the development process, DHA has presented at to Delta County Board of Commissioners and Delta City Council. We have reached out to neighbors, service providers, City leadership and employers. The project has been well received as evidenced by the **large number of support letters presented within the application.**

How the Proposed Development Contributes to Promoting Equity & Economic Mobility for Residents:
Many Delta residents have lived in the county for generations and are now experiencing greater economic hardships as housing costs rise and the economy shifts away from the traditional industries in the area. Access to quality housing with stable rents and strong fair housing practices translates to increased health and financial equity and quality of life for individuals and families in this rural area. Housing stability for families can also translate into intergenerational opportunity, as adult children bear less of an economic burden supporting their parents.

9% housing credit application narrative

Project Name: Project Name: Sanctuary on Potomac

Project Address: 1280 S. Potomac Street, Aurora, CO 80012

Sanctuary on Potomac is part of a transformational housing and treatment model for people who are experiencing homelessness and have mental illness by co-locating three critically important social determinates of health: affordable housing, mental health services, and affordable health care. The development is located on a safety net campus and will feature 43 one-bedroom units of permanent supportive housing (PSH), mental health services (including crisis stabilization, respite care and substance use treatment), and community health care services.

Best Practice, Design: Sanctuary on Potomac incorporates the housing first model and trauma informed design to create permanent supportive housing with interiors that are protective, light-filled, and open. The 36,349 square foot building will also provide direct access to nature. Davis Partnership has worked extensively with WellPower Denver to build other PSH in the metro area, and we chose this team for their ability to harness the power of design to stabilize and transform lives. The one-bedroom units will have central air conditioning, blinds, vinyl tile floors, a refrigerator, stove/oven, dishwasher, microwave, and be fully furnished. The four-story, two elevator building will feature a lobby and reception area, administrative offices, a community room, wellness room, and a safe courtyard. Forty-five spaces of surface parking will serve staff and visitors, and a parking easement has been executed between AHA and AMHR to conform with City parking requirements. The building will have limited access entries, surveillance cameras, and on-site security staff after hours.

Sanctuary will have a slab on grade foundation and use wood frame construction for walls, stairs, and the roof. The exterior membrane of the roof will be a 60 mil TPO. Building systems will conform to the National Green Building Standards, Bronze tier, and appliances will be Energy Star rated. Five percent of units will be ADA type A, and all units will incorporate universal design elements. Exterior materials will include brick, stucco, and metal siding. Landscaping includes a private courtyard, garden beds and greenspace.

The campus is in a commercial and medical corridor zoned MU-OI Mixed Use – Office/Institutional District allowing for residential uses as well as office, medical, institutional, and commercial. The Potomac Campus Housing-Aurora Housing Authority-Site Plan was approved by Aurora's Planning Commission in November 2023. The Infrastructure Site Plan for the campus will receive a building permit in the Spring of 2024, and five months of construction are estimated for the work to be completed. This timing will ensure that AHA has a buildable site before our tax credit closing.

The site has excellent connections to public transportation. The location provides convenient RTD Route 11 bus service running every 30 minutes to destinations throughout Aurora, with connections throughout the MSA. The Florida light rail station is 0.3 miles southeast. The H and R Lines provide service to destinations throughout the Denver MSA.

Financing for the project will come from a first mortgage, tax credit equity, City of Aurora, Arapahoe County, Colorado Division of Housing, and Aurora Housing Authority. The City of Aurora has awarded Aurora Housing Authority $1.0 M in ARPA funds for predevelopment expenses for Sanctuary, and Arapahoe County has committed $1.2 M in HOME ARP, with another $600,000 in HOME forthcoming. Public support for this campus is significant. Aurora Mental Health and Recovery has assembled $7.0 M in ARPA from City of Aurora, $5.0 M in ARPA from Arapahoe County, and $1.3 M in ARPA from Adams County to support the development of this campus. AHA will purchase the land and pay a pro rata share of the site improvements totaling $1.0 M. Aurora Mental Health is dedicating Arapahoe County ARPA dollars to the infrastructure work anticipated to cost $3.6 M, this includes infrastructure for Sanctuary.

Aurora Housing Authority has dedicated 43 project-based vouchers to Potomac and anticipates all residents will have little or no income when moving in. To allow for longevity and income progression, the AMI targeting will include 33 units at 30% of AMI and 10 units at 50% of AMI. This dedication will allow for a streamlined referral of clients from Aurora Mental Health and Recovery to housing.

Income Level	*Type of Unit*	*Unit Size (sq. ft.)*	*# of Units*	*Actual Rent per Unit*
30%	1 Bed 1 Bath Subsidized	492	33	$ 1,538
50%	1 Bed 1 Bath Subsidized	492	10	$ 1,538

Best Practice, Services. Robust services will be offered on-site. Aurora Mental Health and Recovery will provide clinical case management, and Aurora Housing Authority will provide housing stability case management through the Family Services department. Services will be paid for by a tenant services reserve funded with the 5% developer fee boost, Medicaid billed through Aurora Mental Health, and the Colorado Division of Housing Tenant Support Services funding. The staffing model was designed after consultation with PSH operators including WellPower and Catalyst Housing.

Since our last application, Sanctuary has received $1.2 million additional funding from Arapahoe County. The development also received planning commission approval for the site plan. A parking easement was recorded confirming 27 parking spaces adjacent to our building, and 18 spaces on the larger campus.

<u>QAP Conformance:</u> Sanctuary on Potomac will serve persons experiencing homelessness as defined in Section 5.B 5. Aurora Mental Health and Recovery identified 4,400 individuals receiving treatment in 2022-23 who were unhoused. This number speaks to the crisis of homelessness among those struggling with mental illness.

Market Conditions. The primary market area (PMA) for the subject's homeless units is equal to the city of Aurora. Aurora Mental Health and Recovery will refer clients to Sanctuary on Potomac. Sanctuary on Potomac and all other homeless units planned or under construction would have to capture a total of 13.1% of the income- and size-qualified homeless renter households in the PMA to attain full occupancy. The vacancy rate at the permanent supportive housing developments was 4.4% in July 2023. The managers of PSH projects noted that vacancies are filled as fast as possible through the CES process or waitlist applicants, but tenant screening procedures can slow this process. The PSH property in the PMA had stable occupancy between 96% and 100% over the last year, while six PSH properties outside the PMA were steady at or near 100% or between 97% and 100%. According to the Point in Time Report 2023, Aurora had 572 people experiencing homelessness and 163 of these were unsheltered. One in four of these people is chronically homeless and 26% self-reported a mental health concern as a barrier to housing. AHA confirmed with Prior and Associates in January 2024, that market conditions have not changed since the time of the last study, and currently the overall surveyed occupancy rate for all PSH comps in Aurora and Denver is 91%.

Proximity to TC Properties. There are only two existing rental projects in Aurora that strictly serve the Homeless: Renaissance Veterans Apartments at Fitzsimons (59 units) and Providence at the Heights (49 units). Renaissance is located 4.7 miles North of Sanctuary and units are reserved exclusively for homeless veterans. Providence is located 1.7 miles to the Northeast of Sanctuary. Given that Aurora is the third largest city in the metropolitan area, the current inventory of 108 PSH units is severely inadequate.

Project Readiness. Aurora Housing Authority has executed a purchase agreement with Aurora Mental Health and Recovery. The Campus Infrastructure Site Plan was submitted in June 2023 and approval is projected to occur in Spring of 2024. AHA has 50% Design Development drawings and our application for a site plan was recommended for approval by the Aurora Planning and Zoning Commission at a public hearing on November 21, 2023.

Financial Feasibility. The success of PSH is dependent on three factors, the cost of construction of the building, funding and strength of services, and location suitability. Sanctuary on Potomac is strong in all three areas. The project budget provides for the construction of the building, complete building furnishings, robust security features and staffing ratios that consider the realities of operating a building for formerly homeless persons suffering from mental illness. Sources include tax credit equity, a first mortgage, and funding support from Colorado Division of Housing, Arapahoe County, and City of Aurora. The Authority also committed 43 project-based vouchers to the project to ensure a predictable income stream for the property and long-term stability for residents.

Operational staffing will be supplemented by housing stability and clinical case management. Funding for these positions will come from the $235,000 developer boost (5%), from Medicaid reimbursement billed by Aurora Mental Health and Recovery, and by TSS support from the Colorado Division of Housing.

Track Record Development/Management Team. Our team is accomplished and ambitious in carrying out our mission. Our executive Director, Craig Maraschky, has led AHA for 16 years and has served in leadership roles with Housing Colorado and Colorado NAHRO. Craig was 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 six years at the agency. She is supported by a growing team of visionary problem solvers including Sarah Vogl, Martin Petrov, and Heidi Mitchell. Les Arney leads our finance team and for 16 years has ensured our Authority's financial success. Our property management team is led by Cindy Gonzalez, who has been with the agency for over a decade. Property maintenance is under the leadership of Steven Romero. Adding to our strength is the financial consulting of Mark Welch.

The agency has 72 new units under construction, is poised to close on a re-sydication of 86 units in Spring 2024, and just opened 100 units at Walden35 on time and within budget. This speaks to the leadership of the organization, its financial strength, and the capacity of its staff to respond to the growing need for housing in Aurora. AHA owns and manages 969 units of affordable housing in 11 properties. Of these, 315 new units were brought online in the last six years, and 68 were modernized through an extensive rehabilitation effort. AHA has worked closely with the City to implement its new Housing Strategy, and amend the zoning code/UDO to include concessions for affordable housing development.

Clinical case management services for our residents at Sanctuary on Potomac will be provided by Aurora Mental Health and Recovery, another agency that has been serving the community since 1975. Aurora Mental Health and Recovery is licensed by Colorado Department of Human Services as the Community Mental Health Center dedicated to serve the City of Aurora. Not only will our residents have clinical supports, but they will be directly adjacent to the Crisis Center offering crisis walk-in, stabilization, detox, Connect2Care, respite, and enhanced substance use treatment services in one location. The agency also has expertise with Medicaid billing and will assist AHA to bill back eligible services for our residents.

Project costs. Sanctuary is made possible by the vision of Aurora Mental Health and Recovery to include permanent supportive housing on site. However, the size of the parcel allows for only 43 units, and the small number of units contributes to a high cost per unit. We are not able to provide economies of scale at this location, but we do have institutional support both from the City and from Aurora Mental Health for the creation of this sometimes controversial housing form.

Our confidence in our budgeted construction costs of $14,085,959 is sound due to the fact our general contractor, Denueve Construction, has priced a 50% Design Development set of architectural drawings with input from subs. This budget was re-examined for the current application and still holds.

Site suitability. The location gets a high walk (47) and transit score (49) compared to many Aurora locations. A HUD environmental assessment has been completed by City of Aurora staff, and the existing building on site has been demolished in readiness for new development. Sanctuary is within a half mile of a bus stop, light rail station, hospital, medical clinic, convenience store, neighborhood shopping center, Walmart and middle school, and within one mile of a grocery store, shopping mall, elementary school, high school, childcare center, park and recreation center.

Waive Underwriting Criteria. AHA is requesting a cost basis waiver for Sanctuary on Potomac to fund a tenant services reserve fund of $235,000. The request will maximize the tax credit request to $1,450,000. All of the requested increase will be exclusively directed toward the funding of this tenant reserve. Staffing ratios required by DOH (1:15) along with the opportunity to have an equity investor participate in the funding of these needed services will benefit the overall project.

Market/Parking Study Findings. The market study confirmed that homelessness is increasing in Aurora, that the community has a small inventory of PSH units, and that this development should be able to lease up in two months and, once leased, maintain a stabilized occupancy rate of 97%, and a yearly turnover rate of 15%. We have negotiated a shared parking agreement with Aurora Mental Health for additional parking on the campus.

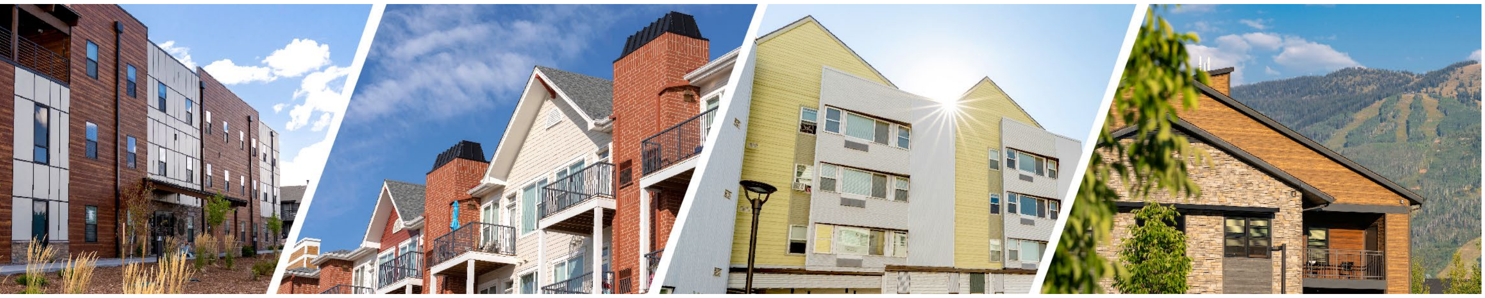
Phase I. No recognized environmental conditions were noted on the site in the Phase I.

Cost Drivers/Cost Containment. Sanctuary on Potomac is hampered from an economic cost perspective by its size. We can fit only 43 units on site, and this drives up costs per unit. AHA will also staff the property with a full-time property manager and maintenance technician. For a project of this size, we would usually split an FTE between properties to obtain a staffing ratio of 1:100. That is not feasible for a project serving a vulnerable and demanding population. We also have increased costs associated with providing overnight security. From a design perspective, since we are not fronting Potomac with our building, the City required additional architectural detail, adding costs to the project. We have explored cost containment measures throughout the design, but we have not identified any significant savings that are not currently reflected in the construction budget. In the future, there may be opportunities for potential savings with energy efficiency and resiliency programs through the new federal initiatives derived from the Inflation Reduction Act and Bipartisan Infrastructure Law.

Community Outreach. As we are working in partnership with Aurora Mental Health and Recovery, we participated in the Planning Commission approval process for the master site plan. That process required outreach to adjoining neighbors and a public comment process. Planning Commission approved our site plan and no public opposition to the plan was registered.

Equity/ Mobility. Coupling community mental health care with stable housing will offer a rare chance for households to combat inequity and realize personal and economic opportunity. Aurora's diverse population will be well served with housing, clinical care, and site-based services in one location. Homelessness affects employment and economic success, and Sanctuary will eliminate homelessness for its residents, thus improving multiple economic outcomes.

9% housing credit application narrative



Project Name: The Summit at Granby Apartments LP

Project Address: 23 Pioneer Drive, Granby, CO 80446

The Summit at Granby Apartments ("SAGA") *will be the first Low-Income Housing Tax Credit (LIHTC) development in Granby, Colorado.*

The Summit at Granby Apartments will be developed by the Summit Housing Group ("SHG") to provide 50 multi-family residences in a community that has long experienced a critical shortage of affordable housing.

SAGA's location just south of downtown Granby opens a gateway to abundant employment prospects, exceptional amenities, and modern living conveniences. As Grand County grapples with a growing affordable housing shortage, SAGA provides an innovative solution, aligning perfectly with the community's needs.

SAGA is uniquely positioned for success by the robust support of the town, county, and organizations such as the Fraser River Valley Housing Partnership (FRVHP), Habitat for Humanity, Mountain Family Center, The Grand Foundation, and the Grand County Housing Authority. The support of these organizations highlights SAGA's role as a solution for the families of the region. The development has also received endorsements from neighboring towns including Tabernash, Fraser, and Winter Park. During the public hearings and board meetings held by the FRVHP and the Town of Granby, the project received unanimous approval and support. This overwhelming endorsement was accompanied by generous financial commitments described below, highlighting the community's dedication to the creation of this project.

Executive Summary

a. **Location** – SAGA's location affords tenants excellent access to the town of Granby, either on foot or by vehicle via Highway 40. This key thoroughfare also provides access to employment opportunities in Tabernash, Fraser, Winter Park, and Hot Sulphur Springs. SAGA is located in a designated "Difficult Development Area" (DDA) for 2024. Additionally, the project site is zoned for up to 25 units per acre, allowing for an optimal unit count on the site.
b. **Population Served/ Bedroom Mix –** The project will serve low-income families residing in Granby and the adjacent towns. The table below shows the unit/bedroom mix and affordability mix.

Unit Mix				
Income Level	**1-BR**	**2-BR**	**3-BR**	**Total**
30%	1	1	1	**3**
40%	2	2	3	**7**
50%	3	4	4	**11**
60%	4	5	5	**14**
70%	3	3	5	**11**
80%	1	1	1	**3**
Employee	0	1	0	**1**
Total Units	**14**	**17**	**19**	**50**

c. **AMI Targeting -** This development will cater to households with incomes ranging from 30% to 80% of the Area Median Income. The average rents for SAGA will be 56.53%.

d. **Unit & Project Amenities –** Amenities will include an outdoor communal space featuring a firepit and barbecue facilities, dedicated raised garden beds, dog run, and a gazebo overlooking a children's jungle gym. Residents will enjoy private storage on their patios, a community room with a large-screen TV, a fitness center, a business office equipped with computers and a printer, and multiple electric vehicle (EV) charging stations. Each unit features Luxury Vinyl Plank flooring, LED lighting, solid surface countertops, a complete set of Energy Star-rated appliances including a garbage disposal, and in-unit state-of-the-art washer / dryers equipped with the latest technology, including Wi-Fi capabilities. This innovative design enables the units to consume less than 50% of the energy typically used by standard washer/dryers. Additionally, they incorporate heat pump technology, eliminating the need for external venting and operating efficiently on a 110-volt system. This integration of advanced technology underscores our commitment to energy efficiency and modern convenience.

e. **Type of Construction -** The foundation will employ standard crawlspace construction with a two-story modular design that will reduce the construction time to meet the shorter building season of the mountains. The roof will feature a combination of gable and hip styles, outfitted with class 4 hail resistant shingles and solar panels that will supply some of the power for operation of the project. The project will include covered, exterior breezeways with stair access to units. The exterior will be clad in durable low-maintenance LP Siding and Metal.

f. **Access to Public Transportation -** The site is conveniently located within 0.4 miles of a bus stop, offering free bus services between Granby and Winter Park every half hour during the winter months and every hour during the summer. A recently completed bike/walk path provides safer and more direct access to downtown. Additionally, an Amtrak station less than half a mile away offers train services to Denver and beyond.

g. **Services –** SAGA has formed a partnership with the Mountain Family Center (MFC), enabling the provision of various services within the development. These include a food pantry, financial assistance for rent, mortgage, and utilities, a thrift store, nutrition education, dental and vision vouchers, cancer treatment assistance, and diverse children's programs. The Mountain Family Center assists approximately 900 families annually. SAGA will also provide meeting space for the MFC to complete delivery of services to families and individuals within the development.

h. **Energy Efficiencies -** The development is engineered to meet Enterprise Green Communities standards and will utilize solar energy to offset energy costs in communal areas. Units will be equipped with Energy Star-rated appliances and the site will harness solar power for common areas, community rooms, exterior lighting, and EV charging stations, ensuring long-term efficiency and sustainability. This development enables families to have access to clean, healthy, and safe units, that are also designed for them to have an exceptional standard of living. This modular units will be built by Buena Vista, CO-based modular manufacturer Fading West, in collaboration with a General Contractor who will perform the infrastructure and site work.

i. **Financing -** In addition to the federal 9% tax credit equity, the proposed financing includes the LIHTC, DOH, STC, 45L Credits, Energy incentives, FRVHP funding, Town of Granby funding and local fee waivers. Additionally, SHG has committed to deferring a portion of its developer fee to support the development of the project. Churchill Stateside will be providing the perm and construction lending using a 538 loan for 40 years.

j. **Project Serving Special Populations –** SAGA will not be designed to serve any special need populations.

k. **Changes Since Previous Application –** Since our previous application, there have been several key enhancements to SAGA, each contributing significantly to the value offered to residents and the wider community. First, there has been a slight modification in the location: the project has been relocated from 3 Pioneer Drive to the more suitable 23 Pioneer Drive. Additionally, in a move to more effectively serve the community and optimize residential capacity, we have increased the proposed unit count from 45 to 50. In terms of financial accessibility, the income threshold has been adjusted from the 40% at 60% AMI set aside to an average income model. Furthermore, we are targeting 10% of our units for Veterans, demonstrating our commitment to addressing their specific housing needs. Using the partnership with FRVHP and GCHA we will be using their waitlist of veterans in order to fill our veteran priority. We will accept VASH vouchers if they are brought to the project. The nearest doctor's office to use is Middle Park Health for VA needs.

Through strategic partnerships with the Fraser River Valley Housing Partnership, the Town of Granby, Habitat for Humanity, Grand County Housing Authority, Mountain Family Center, Fading West, CS Structures, Grand Foundation, and Winter Park, we are poised to achieve significant economies of scale. This collaborative effort will enhance our ability to deliver the project in a timely and cost-effective manner. The Fraser River Valley Housing Partnership will act as a special limited partner, facilitating property tax abatement, reducing costs per unit by $23,000, and aiding in sourcing appliances and materials at reduced prices. The Town of Granby will contribute by reducing permits, waiving fees, and assisting in the permit/approval process, adding a further $18,800 per unit in value. Habitat for Humanity's involvement includes assistance with sales and excise taxes, material procurement, and a potential $500,000 grant for offsite road and utility infrastructure. The Grand County Housing Authority will provide a waitlist and assist residents with obtaining vouchers, while the Mountain Family Center will offer various services to residents, including access to their thrift store and food pantry.

Fading West, a modular manufacturing company, has been selected to construct the units, with CS Structures acting as the general contractor using local support labor. The Grand Foundation will assist residents with rent and security deposit funding. Winter Park's support highlights the project's significance as a vital LIHTC development in the valley.

The integration of the general contractor and architect (Wallace Architects) will facilitate more efficient communication and a streamlined construction process. The use of modular components will not only reduce construction costs through a fixed build and final customization process, but also significantly shorten the construction timeline. These cost savings and efficiency gains will substantially enhance the economic feasibility of the project.

1. **Identify which, if any, of the priorities in Section 2 of the Qualified Allocation Plan (QAP) apply:**
   - **a.** SAGA meet the following priority: "Projects in non-metro counties with a population of 180,000 or fewer (must meet requirements of Section 5.B.3.b." The Town of Granby has an approximate population of 2,218 and Grand County has a total population of 12,912.

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

     The market conditions for The Summit at Granby Apartments (SAGA) are highly favorable. Tailored to serve various income levels (30%, 40%, 50%, 60%, 70%, 80% AMI), SAGA addresses the underserved low-income segment in Granby. The market study found a capture rate of 12.7%. This favorable rate is evidenced by the zero-vacancy rate in the market and substantial waitlist of the single LIHTC property in the Primary Market Area (PMA). The Fraser River Valley Housing Partnership, a special limited partner in this development, has identified a primary need for 645-730 affordable housing units for working residents in its August 2022 Housing Needs Assessment. The assessment also reports a vacancy rate below 1% and a notable increase in average monthly rents since 2018. Due to the lack of affordable developments in the market area, it was necessary to utilize comparables from outside the PMA. These properties maintain waiting lists and high occupancy rates. The population within the market is projected to increase 2.7 percent, and the market area is expected to gain 56 renter households per year by 2028. These projections indicate stable but limited growth in the market area, demonstrating a need for new affordable rental housing. In addition, the proposed development is located within close proximity to all needed services and public transportation.
   - **b. Proximity to Existing Tax Credit Developments**

     There are no LIHTC developments in Granby. The table below shows the other tax credit projects south of Granby in Grand County:

Project	LIHTC	# of Units	Year
Wapiti Meadows	9	50	1994
Fox Run	4	64	2000
Old Town	9	60	2019

   - **c. Project Readiness**

     Pending credit awards, SAGA's construction is planned to commence in March 2025, aligning with the carryover period requirement of starting construction within 13 months post-reservation. The site, zoned as highway/general business HGB, permits single-family and multi-family dwellings by right as per Granby municipal code, chapter 16.95, section 16.95.010. Consequently, the development requires only building permits, which the town will expedite to fast-track its inaugural LIHTC development. A concept review request has been submitted, expected to take 4-6 weeks. Following a successful concept review and tax credit award, The Summit Housing Group will submit an application for a Site Development Plan (SDP). Fading West is collaborating on the site and building design, preparing for a swift project launch, with construction start scheduled for Spring 2025. CS Structures is the leading builder in the Northwest and has built multiple LIHTC and workforce housing developments as well as modular projects. Additionally, PNC Real Estate, the equity partner, permanent and construction lender, has a long-term relationship with SHG that will enhance an expedited closing.

   - **d. Overall Financial Feasibility and Viability**

     The project's financial feasibility is buttressed by conservative underwriting assumptions and strategic partnerships fostered by SHG. The Fraser River Valley Housing Partnership and the Town of Granby have pledged their financial support. Additionally, the project will benefit from 45L and DOLA Funding. SHG's robust relationships with various lenders and LIHTC investors will aid in securing advantageous terms for debt and equity investment.

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

Summit Housing Group, Inc. is a subsidiary of Summit Management Group, Inc. (SMG), a Montana corporation engaged in the development and management of LIHTC housing. A second subsidiary, Highland Property Management, Inc. (HPM), is tasked with the management of all of SMG's properties. Together the companies have developed housing in Colorado, (253 units leased and 40 that just completed construction), Montana (214 completed LIHTC units), Wyoming (908 LIHTC units built), South Dakota (67 LIHTC units built), Utah (230 completed LIHTC units), and Idaho (40 units starting construction in April). SHG is experienced and equipped to develop a project from acquisition through funding award, design, construction and closing. Summit Housing Group was also the recipient of the Novogradac National Family Project of Distinction Award in 2023 for our recently completed Academy Place Apartments in Broomfield, Colorado. HPM is experienced in LIHTC lease-up, compliance, and reporting, and currently managing 1,600 LIHTC units in Wyoming, Montana, Colorado, South Dakota, and Utah, with no unresolved 8823s. As an additional compliance safety net, HPM utilizes RightSource to review all applications for all new and existing LIHTC units as well as to provide ongoing training and support.

f. Project Costs

The project's construction and soft costs are based on initial schematic design drawings by Wallace Architecture, reviewed by SHG, Fading West and the general contractor. A conservative approach has been adopted for the cost estimation in this mountain town, accounting for all known costs and forecasting completion expenses.

g. Site Suitability

The site has easy access to transportation via a bus stop located less than 0.4 miles away. There is a free bus service that goes from Granby to Winter Park every half hour during the winter months and every hour during the summer. Recently, a new bike/walk path was completed and paved with access from the site to downtown which allows residents easier access to downtown without using the roadway. This route also cuts down on the total trip distance. Additionally, there is also an Amtrak station less than half a mile away that provides residents with easy access to ride the train into Denver, as well as access to multiple states.

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

a. Justification for waiver of any underwriting criteria

This is not applicable.

b. Justification of the financial need for a CHFA Discretionary DDA basis boost of up to 30 percent of eligible basis

This is not applicable.

4. <u>Address any issues raised by the market analyst in the market study.</u>

a. Capture Rates

Overall, the subject's capture rate is 12.7 percent. There are two competitive LIHTC properties located in the subject's market area. Due to the lack of affordable developments in the market area, it was necessary to utilize comparables from outside the PMA. These properties maintain waiting lists and high occupancy rates. The population within the market is projected to increase 2.7 percent, and the market area is expected to gain 56 renter households per year by 2028. These projections indicate stable growth in the market area, indicating a need for new affordable rental housing. In addition, the proposed development is located within close proximity to all needed services and public transportation. Therefore, it is believed the demand for the proposed development is sufficient to support the construction of the 50 affordable housing rental units. The Fraser River Valley Housing Partnership is the special limit partner in this development and produced a Housing Needs Assessment in August 2022 that notes a primary need of 645-730 affordable housing units for working residents. It is reported a vacancy rate below 1% and an increase of more than 100% in average monthly rents since 2018.

b. Unit Sizing

To provide the Town of Granby with as many units as possible to help them offset their large need for affordable housing we chose to limit the construction costs to increase the density of the development to 50 units. After discussion with CHFA and the Town we agreed to limit the size of units to aid in the creation of the development. Due to some challenging cost conditions on this project, including the rural location, costs of construction are much higher than other projects located in more urban areas. We have addressed these costs with the architect and the contractor to design the site and buildings to be the most efficient while using the least number of materials.

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

The Phase I Environmental Site Assessment, prepared in substantial conformance with the scope of limitations of ASTM Standard Practice E 1527-21, has not revealed any Recognized Environmental Conditions (RECs) in connection with the subject property.

6. **<u>Identify if there are any unusual features that are driving costs upward, as well as if there are any opportunities to realize cost containment (refer to Section 2 of the QAP for additional information).</u>**

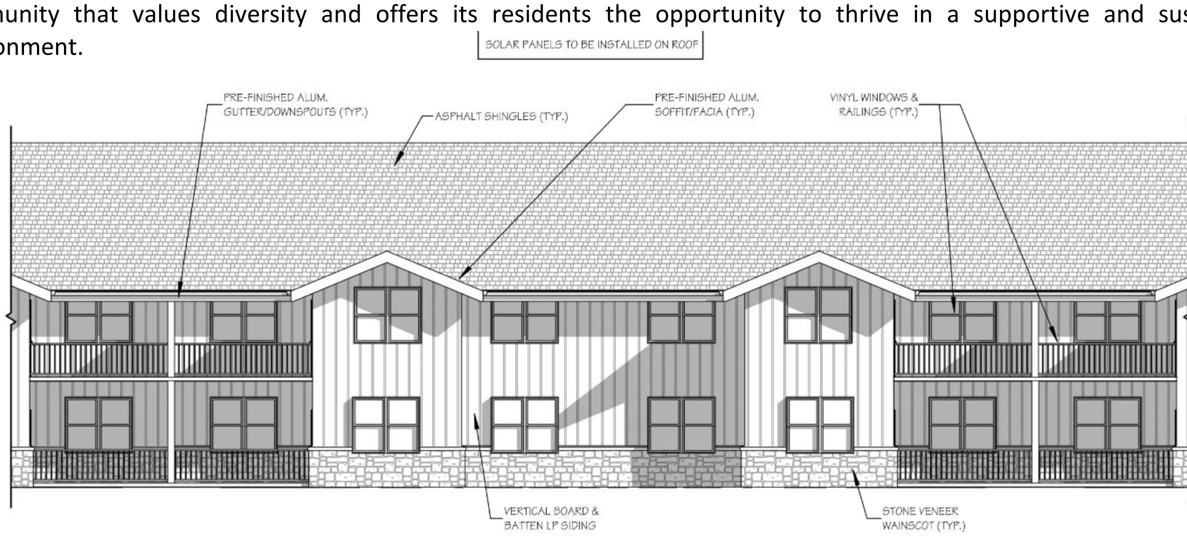
   Due to some challenging cost conditions on this project, including the rural location, costs of construction are much higher than other projects located in more urban areas. We have addressed these costs with the architect and the contractor to design the site and its buildings to be the most efficient while using the least number of materials.

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

   We have approached the Town of Granby and hosted a town meeting with the public in which the attendees unanimously approved the support of the project as well as the financial support of up to $18,800 per unit. We have also worked with the newly formed multi-jurisdictional housing authority Fraser River Valley Housing Partnership, who also conducted a board meeting and unanimously approved the support of the development as well as the financial support of up to $23,000 per unit. We have also received support from various local governmental agencies plus the neighboring towns of Fraser and Winter Park. We have additional support from Habitat for Humanity as our strategic partner, who has a potential development nearby that is awaiting an award of funding from the land banking funds program. We are not aware of any current opposition to the proposed project.

8. **<u>Describe how the proposed development contributes to promoting equity as well as economic mobility for residents.</u>**

   The proposed development represents a pivotal step towards fostering equity and enhancing economic mobility for residents in Granby and the broader Grand County, Colorado, a region characterized by its picturesque mountain landscape. By introducing the first Low-Income Housing Tax Credit (LIHTC) development in Granby, we are not only diversifying the affordable housing portfolio but also elevating the living standards within the community. This project's significance lies in its ability to accommodate residents whose incomes are at or below the 80% Area Median Income (AMI) level. By doing so, it addresses a critical gap in the housing market, particularly in a mountain town where the cost of living can be prohibitive for many. The introduction of this high-quality residential development is a substantial leap towards ensuring that members of the community, irrespective of their economic status, have access to safe, comfortable, healthy, and affordable housing. The strategic location of the development plays a vital role in promoting accessibility. Positioned in an area where affordable housing options are currently limited, this project will significantly enhance the availability of such housing in the county. This increased accessibility is not just a matter of physical proximity but also relates to the broader implications for community diversity and inclusivity. Furthermore, by providing affordable housing options, the development indirectly supports the local economy. It enables a more diverse workforce to reside within the community, contributing to the economic vitality of Granby and surrounding towns. This influx of workers from various backgrounds will enrich the community's racial and socioeconomic diversity, fostering a more inclusive and vibrant society. In addition to these direct benefits, the development's emphasis on sustainable and efficient living aligns with the environmental consciousness typical of mountain communities. This approach not only ensures long-term economic viability for residents but also contributes to the broader goal of sustainable development that exists in harmony with the natural beauty of the Colorado Rockies. In conclusion, the proposed LIHTC development in Granby is more than just a housing project; it's a commitment to equity, inclusivity, and economic empowerment in a mountain town. It is a visionary step towards creating a more equitable and economically vibrant community that values diversity and offers its residents the opportunity to thrive in a supportive and sustainable environment.



9% housing credit application narrative

Project Name: ***Sunrise at Shiloh Mesa***
Project Address: 8292 E. Woodmen Valley Road Colorado Springs CO

Executive Summary

- The project is located within a SADDA in east Colorado Springs. Density is governed by a PUD for the overall neighborhood and is not site specific. Please see attached zoning information.
- The project will serve seniors 62+ in a mix of one bedroom (90%) and two bedroom (10%) units
- AMI Mix: **15 units** (30%) @ 30% AMI; **12 units** (24%) units @ 40% AMI; **23 units** (46%) @ 50% AMI
- Amenities: Units will contain washers and dryers, storage, and walk-in closets. Amenities include an on-site manager, a large multi-purpose community room with TV and fireplace, mail and package room, activities and fitness center, and a welcome area and elevator lobby. Multi-purpose community and activities spaces are located near the 2 primary entrances/exits on the north and west sides of the building, including a west-facing patio and dog-run/relief area and a southwest facing open garden area. Other multi-purpose spaces include a library and internet café, and a rooftop deck and community garden space. 3 spacious 'social stations' are located adjacent to elevator lobbies on upper floors to promote and support social interaction in sunroom-style spaces.
- Construction: The wood framed building will have a stepped flat roof, post-tensioned slab foundation, water-wise landscaping appropriate to the climate, air conditioning and energy efficient furnaces. Exterior materials will include a mixture of brick, stucco, and lap siding.
- Public transportation is extremely limited in Colorado Springs, and is proximal to only 30% of its residents. The larger Shiloh Mesa development planned for a bus stop on the busy and growing east-west corridor of Woodmen Road, midway between Colorado Springs and Falcon, Colorado. Until then and to ensure access, a vehicle was funded by a local funding partner (Pikes Peak Area Council of Governments), has been procured, and is in use at a nearby senior project until this project opens. Volunteer and/or paid drivers from adjacent church volunteers (see Service Agreement) and Greccio (paid staff or other volunteers) at least 12-20 hours per week, depending on demand. Medical appointments will be supported by various local med transport options, including long-time partners, Envida and Silver Key.
- A key element of all Greccio housing developments is its Resident Resources offerings, which include direct services and support, partner collaborations, and referrals to a network of service providers. There is no cost to the residents, and programs and offerings are provided both on-site and in the community. Programming includes financial literacy, grab-and-go libraries, eviction prevention (emergency financial support), scholarships for personal enrichment and to increase earnings potential, food security programs/support, holiday events, social engagement, Cooking Matters classes, and an array of others. For unique needs of seniors, daily, weekly, monthly, and seasonal activities will be modeled after the very successful Atrium at Austin Bluffs property, in addition to volunteers from the adjacent church, as outlined in the WVC/CSM Service Agreement.

- Energy efficiencies: The building is being designed to meet and exceed 2015 IECC requirements. This will be an all-electric project with high-efficiency heat pump space and water heating. Additional energy-saving features will be evaluated, including efficient ventilation strategies such as Energy Star exhaust fans for dwelling units, high performance windows, efficient building envelope, and optimized LED lighting and interior loads. The team anticipates pursuing 2020 NGBS certification.
- Financing: 9% LIHTC equity, CHFA 1st Mortgage, CDOH HOME / HDG, City HOME, City Fee waivers, El Paso County Housing Authority loan, local and state sales tax abatement on materials, El Paso County Housing Authority loan, a low-interest pre-development loan from Myron Stratton Home and Foundation, and deferred developer fees.
- Enhancements to the project since earlier applications include the following:
  1) An Area Growth and Development summary and map are included (attached) in the application, demonstrating the rapid growth and services in the area, especially since first application in 2022.
  2) Like most of Colorado Springs, the project area is currently car-dependent until public transportation is expanded. The transportation plan is addressed in the 7th bullet point in this section and the Service Agreement with WVC/CSM until public transit is available.
  3) Review and improvements to internal spaces were made with input from senior residents and program staff, to enhance livability, social opportunities, and overall functionality.
  4) The Service Agreement also provides significant and detailed support from volunteers and Greccio staff to ensure an active and robust array of support (please review Agreement). The adjacent church's commitment to residents has been expanded to include donations and funding commitment for an emergency rental assistance and eviction prevention funds for residents.

Project Overview:
For almost 35 years, Greccio Housing has been the largest not-for-profit provider of affordable rental housing in the Pikes Peak region. Greccio's long track record of leadership and efficiency in affordable housing is recognized throughout the community and across the state. In 2019 the City of Colorado Springs donated land to Greccio for the development of the Atrium at Austin Bluffs apartments, which opened in late 2021. Building on that success, Greccio partnered with Woodmen Valley Chapel and its Center for Strategic Ministry (WVC/CSM) in order to house vulnerable and low-income seniors. Long-term relationships, alignment of missions, and complementary talents and assets were the foundation for ***Sunrise at Shiloh Mesa***. The land owned by WVC/CSM was set from its larger 112-acre development around the church, and is home to a congregation deeply committed to service. In combination with Greccio's expertise in affordable housing development, property management, and community partnerships, an agreement for the donation of land, cooperative and wrap-around support for residents, and long-term benefit to the community was executed. The result is ***Sunrise at Shiloh Mesa***, nestled between the Woodmen Heights church to the east, single-family homes to the north, townhomes to the west, and a retail/office zone to the south. The new development is in the highly desirable northeast portion of the city, between Colorado Springs and Falcon, CO, and on the high-volume east/west corridor of Woodmen Road.

Local affordable housing support has increased in Colorado Springs since 2016, matching rapid growth and meeting needs for affordable units. Greccio has been active in this development during that time, with projects in far **south** Colorado Springs (The Ridge - Broadmoor Bluffs), northeast/central (Atrium at Austin Bluffs), **southeast** (Bentley Commons Apts expansion), **east/central** (Rocky Mountain Apts – adaptive reuse), and now, in **northeast** Colorado Springs. With hundreds of units under construction and concentrated in the southeast, it is imperative to continue the geographic diversity of housing options. ***Sunrise at Shiloh Mesa*** represents not only this expanded geographic footprint in a rapidly-growing area, but is a unique development from the collaboration of a premier affordable housing provider and one of the largest churches in the City, with combined resources, and on congregational land.

The exterior of the building has been designed to complement the existing established neighborhood aesthetic, with angled roof elements. Exterior materials will include a mixture of brick, stucco, and lap siding. The design and location on the site respect and preserve site lines and sunlight to the single-family homes to the north, including a stepped-roof for reduced visual impact when looking south. The main entry and lobby will provide access to the site manager, a large multi-purpose community room, mail and package room, and library and internet café. A large multi-purpose recreation and activities room is located near the north entrance and includes exercise, entertainment, and social interaction options, a sunset-facing covered 'rocking chair patio,' and dog run/relief area. Three 'social stations' in the elevator lobby sunrooms on the upper floors, where broad windows provide light and openness for residents to enjoy west-facing views, the front range, and sunsets from every floor.

Section 2 Qualified Allocation Plan Priorities
This project does not address the priorities listed in Section 2 of the QAP

Section 2 Qualified Action Plan Criteria for Approval

- <u>Market conditions:</u> Our market study recommended no changes to the planned project and indicated that the project should lease up in 2 months due to the high demand for this product in the market. Surveyed LIHTC properties in and adjacent to the PMA had no vacancies, and maintained waiting lists, which indicates pent-up demand for affordable rental units. Completion of this project will only increase the total capture rate from 12% to 15.9% In addition to existing demand, the population of income-qualified seniors in the PMA is growing by 239 households per year. This is the only senior LIHTC development in the pipeline to account for this growth in demand. The project's rents offer rent savings of 39% – 65% compared to class B market rate alternatives.
- <u>Readiness-to-proceed:</u> The site is zoned to allow for the size of project contemplated in this application, and existing stormwater infrastructure will accommodate the site's needs. Required approvals are administrative. The development team held a pre-application meeting with city planning; staff indicated that the project was an appropriate use for this site. Site development plan approval can be easily obtained within the timeframe needed to reach carryover.
- <u>Overall financial feasibility and viability</u>: Greccio Housing is an experienced developer of affordable rental housing in the area. The proposed operating budget is based on validated comparable costs in its portfolio, and the corresponding debt load is feasible and appropriate. The City of Colorado Springs is supportive of the project. WVC/CSM is donating land for the project, and has executed a long-term agreement for volunteers and supportive services to ensure residents' stability.
- <u>Experience and track record of the development and management team:</u> Greccio Housing has served the Colorado Springs community since 1990. In that time, it has developed or acquired and manages almost 700 units of affordable housing in El Paso and Teller Counties. Greccio provides property management services using a centrally-located team-based maintenance approach to increase efficiency and responsiveness for its scattered-site properties, though several larger properties also operate with on-site staff. Greccio has an experienced compliance team with mastery of every major affordable housing funding source. This will be the third tax credit project developed by Greccio, and second as primary developer, in addition to 3 other LIHTC projects it manages. Greccio is a 1/3 partner of GPR Properties II, LLC, which recently broke ground on a 192-unit affordable family project in Southeast Colorado Springs. To assist in development of Sunrise at Shiloh Mesa, Greccio contracted with Medici Consulting Group as fee developer. Medici has a strong track record of successfully developing affordable housing in Colorado via the LIHTC program.

- Cost reasonableness: The proposed project is located on a flat site with immediate access to public roads and utilities. No major site work expenses are expected. The site is free and will be donated to Greccio by the WVC/CSM pursuant to the terms of the attached donation agreement. Tap fees in Colorado Springs are some of the lowest in the State and will save the project significantly. A regional stormwater system can be used, saving the need to provide for on-site detention. Recently enacted locally to encourage and incentivize affordable housing development in the City, materials tax abatement and other infrastructure incentives now reduce the cost of contruction.
- Proximity to existing tax credit developments: The PMA contains 8 LIHTC properties containing 2,029 income-restricted units. Of these, 5 are senior properties with 439 units. Of the 2,029 total LIHTC units available, 71% are set aside at 60% AMI. No units at ***Sunrise at Shiloh Mesa*** are above 50% of AMI, and 27 (54%) of the 50 units are at 30% and 40% of AMI. Our overall capture rate is 15.9%, well below the 25% threshold.
- Site suitability: This is an infill location in a developing and established neighborhood. The site sits in a small neighborhood bordered by newer single-family homes, townhomes, the church, and commercial/retail space. The site is undeveloped, flat, and adjacent to existing roadways. Utilities are adjacent to the site. A regional storm-water collection system will connect to the site, saving the expense of developing an on-site water quality and detention facility.

Underwriting Waivers - This project requests no waivers from CHFA's underwriting criteria.

Market Study Overview
Our market study indicates a severe need for affordable senior housing in the area, which is consistent with the City's identification of this as a significant community concern. There are almost no vacancies within LIHTC properties in the PMA or adjacent areas. Within the LIHTC sector, surveyed comparable LIHTC properties all maintain waiting lists. In addition to existing demand, the population of income-qualified seniors in the PMA is growing by 272 households per year. The study noted that our project had slightly higher rents than comparable senior LIHTC properties at the same AMI levels. However, no other comparable properties offer owner paid utilities. The associated utility allowance deductions account for the balance of the rent differential.

Recent experience leasing the Atrium at Austin Bluffs indicated that the demand for units at 30% - 50% AMI is strong, and residents apply from across the City and beyond. The project leased up on schedule and has maintained a waiting list since opening.

Environmental Report Overview
The environmental reports provided with our application confirmed that the site is free from any environmental concerns; the site is clean and ready to develop.

Cost Containment
There are no unusual features driving up costs on this project. Cost containment factors include:

- WVC/CSM will donate the land for this project at no cost.
- Tap fees in the City of Colorado Springs are some of the lowest in the State.
- Infrastructure offsets are offered by Colorado Springs Utilities, and the City has instituted a tax abatement program for affordable housing projects, saving hundreds of thousands of dollars.
- The surrounding neighborhood features a master planned storm water system, no on-site detention or water quality will be needed for our project.

Neighborhood Outreach

This project originated with WVC/CSM's intent to develop the land as affordable housing, and reached out to Greccio about how to best proceed; a common interest was quickly identified. Early input from the City's Chief Housing Officer revealed that one of the highest needs in the City and this area was affordable housing for seniors. The identified population was consistent with the missions of the Center for Strategic Ministry and Greccio Housing, and for use of the land.

Greccio presented the initial project intent, design, and supportive programs to residents and nearby Homeowners Associations. Even the location of the building on the lot, stepped 3rd/4th stories, and sloped roof on the north end are in response to adjacent homeowners input. While questions were raised, the stereotypical resistance to most affordable housing developments was non-existent.

Greccio has cultivated long-term relationships with major senior service providers, has a seat on the Board of Innovations in Aging Collaborative, and is a founding member of the Pikes Peak Housing Network. Broad support for the project is represented in letters of support, included in this application. They include service partners, governmental and non-governmental entities, and industry advocates.

Equity and Economic Mobility

Both internally and in collaborative partnerships, financial security and economic mobility are prioritized for greater opportunity and advancement for residents. Programs related to financial security and advancement include financial counseling, emergency rental assistance, eviction prevention, and scholarship opportunities. Greccio is closely aligned with nonprofits who serve chronically homeless through transitional housing as they seek long-term affordable rentals. Similarly, we partner with a land-trust model affordable homeownership nonprofit to help qualifying residents move into a primary method for building generational wealth, home ownership. As outlined in an Affordable Fair Housing Marketing Plan, we are intentional about providing access to affordable rental opportunities to those populations that are underrepresented or have less access to safe, stable, and affordable housing. Results of these efforts are a prime example of housing as a social determinant of health, as we strive to increase health outcomes for residents who are unequally impacted by the stressors of geographic access to health services, financial ability to meet healthcare costs, equal access to transportation and schools, and other social components that influence long-term health outcomes.

Greccio's recognized experience and expertise in bringing projects to fruition, collaboration with local partners for housing stability, and the unique coordination with Woodmen Valley Chapel and Center for Strategic Ministry on donated congregational land make ***Sunrise at Shiloh Mesa*** a creative, cost-efficient, and responsive model by which to meet the critical needs for senior affordable housing.

4% & 9% housing tax credit application narrative

Project Name: Viña Senior Residences
Project Address: 2150 East 49th Avenue, Denver, Colorado 80216

Summary: Columbia Ventures ("CV") proudly presents Viña Senior Residences, the second phase of the transformative 48th and Race master development and the only affordable senior rental property in the Globeville-Elyria-Swansea ("GES") area. This service-enriched housing project comprises 152 one and two-bedroom apartments, designed for residents aged 62 and older with incomes between 30% and 60% of the Area Median Income ("AMI"). The cornerstone of this development is an 8,000 square foot Community Service Facility ("CSF"), that will be operated as a Senior Center by Senior Housing Options. Programming for the Senior Center will be curated in collaboration with strategic partners that include Denver Parks and Rec, Denver's Office on Aging, Montessori Intergenerational Learning Center, Tepeyac Community Health Center, and the Denver Public Library. This initiative extends its impact beyond on-site residents, positively influencing the broader GES community.

The multi-phase 48th and Race master development covers a full city block (6.2 acres) adjacent to the National Western Center ("NWC"). Viña Senior Residences, a six-story building, features a vibrant elevated courtyard, podium parking, and GES' only Senior Center at the corner of 49th and Vine. Originally acquired, remediated, and rezoned from industrial to mixed-use by Urban Land Conservancy ("ULC"), the site is currently under fee simple ownership by a CV subsidiary, demonstrating a commitment to long-term affordability within the neighborhood.

Building on the success of Viña Apartments, 48th and Race's first phase, Viña Senior Residences offers residents access to the recently completed on-site Tepeyac Community Health Center and approximately 7,000 square feet of local retail space. The addition of a ground-floor Senior Center, combined with 48th and Race's proximity to the NWC Rail Station, Johnson Recreation Center, and Valdez-Perry Library Branch, positions Viña Senior Residences as a premier affordable senior living option in the Denver metropolitan area.

ULC and CV have outperformed the project's Community Benefits Agreement that was signed at the start of phase one, which has allowed for a continued quarterly dialogue regarding the long-term needs of the community and how subsequent phases of the master development can serve as an anti-displacement mechanism. **Please see Attachment 1 for more information on ULC and Columbia Ventures' community input process.**

Location and Density: The project site is located in the Elyria-Swansea neighborhood within Census Tract 35.01, which is a QCT. The site is zoned C-MX-8 allowing for residential multifamily use.

Population and Unit Mix: Viña Senior Residences will serve low-income seniors 62+ with a range of incomes at 30-60% AMI. The project consists of 152 units and a CSF in one building with separate condominiums for the 4% LIHTC project and the 9% LIHTC project. The 9% project consists of 5 units at 30% AMI; 5 units at 40% AMI; 26 units at 50% AMI; and 14 units at 60% AMI. The 4% project includes 6 units at 30% AMI and 96 units at 60% AMI. There will be 128 one-bedroom/one-bath units and 24 two-bedroom/one-bath units in the building. Apartments will be divided between the 4% and 9% condos primarily through vertical stacks of units.

Amenities: Each unit will have air conditioning, blinds, carpet, a ceiling fan, interior storage closet, refrigerator, stove/oven, dishwasher, garbage disposal, microwave and in-unit washer/dryer. Indoor common area amenities will include a fitness center, elevators, a business/library center with computers, as well as a clubhouse/ community room for resident gatherings and events. The outdoor, partially shaded patio will serve as green recreational areas with gathering and garden elements. Security will be provided through controlled access entries with intercoms and security cameras.

Construction Type: The proposed building is a 6-story structure with 5-story Type IIIA wood framing above a 1 story Type IA post tensioned concrete podium with conventional shallow foundations. The building skin will be a mix of pre-finished metal panels and fiber cement siding with masonry at level 1. Fenestration is to be vinyl windows in the units and fiberglass composite windows in shared areas. The building will have two stair cores and two elevators sized for stretchers on emergency backup generation. The roof will be white TPO designed to accommodate rooftop stormwater detention.

Public Transit: The site is transit rich and located within ⅓ mile of the 48th and Brighton / NWC RTD Station, offering express service to Union Station, connecting residents to all other areas served by the RTD light rail system, including downtown and central Denver, south Denver and the south metro communities, Aurora, Westminster and other north metro communities. Currently, the site is one block from the 48 and the 44 bus routes, which connect the neighborhood to downtown Denver, Lakewood, Park Hill, and Commerce City. The Denver Connector also offers free ride share services in the GES neighborhoods on weekdays from 6am - 8pm.

Services: CV will continue its commitment to provide service enriched housing by partnering with Senior Housing Options, Denver's Office on Aging, Denver Public Library, Tepeyac Community Health Center, Denver Parks and Rec, and other community serving organizations to deliver an 8,000 SF Senior Center structured as a CSF under section 42 of the IRS code. While specific program details will be finalized with the continued input and support of neighbors and community organizations, CV will ensure that the Senior Center's services and programs are at minimum bi-lingual (English and Spanish) and include vital and culturally relevant services that support the well-being of elderly GES community members, including:

- **Transportation Services**
  - Senior Center owned and operated shuttle
- **Health and Wellness Services**
  - Health Screenings and Consultations
  - Wellness and Exercise Classes
- **Educational Programs:**
  - Workshops and Seminars such as financial literacy, legal rights, and other topics relevant to seniors
  - Language Access Programs
  - Arts and Computer Classes
- **Nutritional Support**
  - Nutrition Workshops
  - Affordable Meal Options
- **Social and Recreational Activities:**
  - Bilingual Social Events
  - Luncheons and Game/Bingo Nights

The Senior Center is envisioned as a dynamic nexus for connection, education, and assistance, transcending its role as a mere venue for activities. The overarching goal is to cultivate a profound sense of community and enable older adults to lead autonomous, healthy, and enriching lives. Services will be made available at a nominal cost or without charge for individuals with incomes below 60% AMI, in accordance with CSF regulations. Project residents will enjoy enhanced accessibility and convenience to a range of services tailored to support aging in place populations.

Energy Efficiency: This project will be certified Enterprise Green Communities and comply with Denver Green Ordinance requirements above and beyond the locally adopted building code using the Green Building Certification path. The building mechanical system will include electric heat pumps for space heating and cooling and an energy recovery dedicated outdoor air system. A PV array will be provided on the rooftop of the building. Storm water will be detained and treated on site.

Financing: The project will utilize gap funding from the City and County of Denver Department of Housing Stability and the Colorado Division of Housing, Capital Magnet Fund subordinate financing, CHFA Housing Opportunity Funds, and a special limited partnership with the Denver Housing Authority for property tax exemption.

1. **Describe the bond financing structure:**

- Tax-exempt Bonds: $20,640,000 construction period; $11,240,000 permanent period
- Bond issuer and volume cap provider: CHFA bond-financed loan with CHFA as issuer and volume cap provider
- Lender and bond sale: Cash-collateralized tax-exempt bonds during construction with CHFA Risk-Share tax-exempt permanent loan (PAIRABLE program)
- Taxable construction loan for 4% project: $22,867,880

2. **Identify which, if any of the priorities in Section 2 of the Qualified Allocation Plan (serve Homeless Persons, serve persons with special needs, or in Counties with populations less than 180,000):**
The project does not currently serve any of the priorities from this section.

3. **Describe how the project meets the criteria for approval in Section 2 of the QAP:**
Market conditions: Similar senior LIHTC properties surveyed by the market analyst were 98% occupied and most had waitlists and consistently high occupancy rates over the past year, illustrating substantial demand for affordable senior housing. The market study also states that there are no other age- and income-restricted units in the development pipeline. The market study estimates that the Project will absorb 20 units per month, without concessions. After the project completes lease-up, it should have an average stabilized annual occupancy rate of 97%.

Property managers in the primary market area (PMA) noted significant percentages of tenants moving from areas outside the PMA. The manager at Viña Apartments reported that only 30% of its residents moved from nearby neighborhoods and 70% moved from outside of the local area, supporting high expected in-migration demand for Viña Senior Residences.

Proximity to existing tax credit developments: The PMA has 55 LIHTC projects containing 4,751 income-restricted units. Of these, ten are age-restricted projects containing 843 units that are comparable to Viña Senior Residences in terms of income restrictions. The market study surveyed six comparable senior LIHTC projects near Viña Senior Residences - five located in the PMA and one just outside the PMA. The comparable senior LIHTC properties identified in the market study include Downing Square (50 units, built in 1998), Dahlia Square Senior I & II (128 units, built in 2012 and 2014), Shoshone Senior (34 units, built in 2012), Chaffee Park Senior Residences (34 units, built in 2011), Conter Estates (114 units, built in 2002, 2009, and 2017), and Clyburn at Central Park (outside the PMA, 100 units, built in 2003). All of the comparable senior LIHTC properties had occupancy rates between 95.3-100%.

Project readiness: The project is currently zoned properly for multifamily housing. The site was purchased by Columbia Ventures in June 2023. The Project has been accepted into the city's Affordable Housing Review Team (AHRT) program which prioritizes affordable housing projects to reduce the time for permitting approvals. The project's financing, development, and required entitlement approval timeline will allow the Project to close by May 2025. Senior Housing Options will operate the Senior Center in partnership with other community serving organizations.

Overall financial feasibility and viability: The financial feasibility of a project of this size and range of affordability is made possible by the 4% and 9% LIHTC equity, the QCT basis boost, multiple sources of subordinate financing, and property tax exemption from partnership with the Denver Housing Authority. The cost containment realized by the expertise of the development team also helps support strong financial feasibility. The underwriting assumptions are reasonable and conservative and are based on recent Denver metro area project experience as well as current indicative terms from investors and funders.

Experience and track record of the development and management team: Columbia Ventures and its individual partners have been developing successful, high-quality, affordable and market rate rental housing properties for over 30 years. The founders of Columbia Ventures and Residential have developed over 28,000 residential units including almost 21,000 LIHTC units across multiple states. Columbia Ventures also has existing experience with the inclusion of Community Service Facilities in LIHTC transactions. The strength of the partnership with ULC and the ongoing community engagement that CV has continued through the development of Viña Apartments gives the project deep roots in the community and in the responsible stewardship of urban land use within Denver. With Shopworks Architecture guiding the architectural process, I-Kota as the general contractor, and Ware Malcomb as Civil Engineer, the Sponsors have a team with broad experience in development and in Denver.

Project costs: The project's construction costs were estimated by I-Kota, a local general contractor with extensive (>3,100 units built) LIHTC experience in Colorado, and the construction costs have been confirmed by Columbia Ventures. This will be the third project designed and built by CV, Shopworks, and I-Kota. The first was Viña Apartments, a 150-unit LIHTC community completed in April 2022. Viña was completed ahead of schedule and under budget. The second is Elevate at Aurora, a 137-unit development that closed on schedule in October 2023. The project's soft costs have been informed by Columbia Ventures' recent development budgets, and the operating budget has been informed by Columbia's comparable properties in concert with the property manager, Syringa Property Management.

Site suitability: The emphasis surrounding the master plan for the overall project concerns the need to create new residential and commercial opportunities in a neighborhood that has historically experienced disinvestment, isolation, and lack of community amenities. The successful completion and stabilization of Viña Apartments, the first phase, sets the stage for this additional phase of senior housing in a service rich location. Approximately two blocks from the site is RTD's 48th and Brighton/NWC Rail Station. The I-70 viaduct removal project is now complete bringing more connected community space, including parks and walkways, to residents. Phase I of the project brought a high quality federally qualified health center in the Tepeyac Community Health Center along with taqueria, Tacos el Huequito and fresh food concept Noir Market. These significant community achievements within the first phase of the master plan have set the stage for this second phase whose tenancy will require more immediate accessibility to these types of amenities and services. The site is adjacent to Elyria Park and the Johnson Recreation Center. Denver Parks and Rec ("DPR") is at the ready to collaborate with the Senior center on programming. Additionally, all residents 62 and older will have access to free DPR membership by way of the AOA program. Within 0.5 miles public transportation is provided via bus and rail service as well as other neighborhood amenities, including a post office and public library. The site is also within a mile of a grocery store and a convenience store. Recent City investment in the Johnson Recreation Center and Elyria Park next door to the site are part of a bigger plan to create a vibrant, active neighborhood. Recent park, bike lane, sidewalk, and enhanced streetscaping and public transit investments will connect project residents to amenities in the Cole and RiNo neighborhoods. The RTD station at National Western ensures transit within easy walking distance for active seniors who tend to be the most transit dependent for mobility. Bike and pedestrian infrastructure enhancements are now complete, connecting the site across York Street to the Swansea neighborhood and the Central 70 Cover Park. The four-acre park over I-70 includes a playground, splash park, sports fields and small amphitheater, in addition to space for food trucks and community gatherings. The National Western redevelopment is also expected to create an estimated 1,500 new local jobs in service and hospitality and enough daytime activity to support an increasingly diverse and rich number of new community amenities.

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

5. Address any issues raised by the market analyst in the market study.
The 40%, 50%, and 60% AMI penetration rates are above the preferred CHFA thresholds, however the surveyed senior LIHTC projects were highly occupied (98%) and all but one had a waitlist, illustrating substantial pent-up demand. In addition, anticipated ongoing renter growth is not included in the penetration rate analysis, nor does the calculation capture all Housing Choice Voucher holders who will be able to reside at the project. Additional support for strong demand for Viña Senior Residences is the project's large rent discount to market-rate rents (28-38% below Class B market-rate rents).

The penetration rates evaluate the percentage of qualified renters that the project, and existing and proposed properties, must capture to reach full occupancy. Another indicator of potential demand, the capture rate, is much lower for the project. The capture rates analyze the percentage of age-, size- and income-qualified renters in the PMA that the project must fill. According to data provided by the market analyst, the overall capture rate for the project will be 17.4%, including 3.8% at 30% AMI, 2.1% at 40% AMI, 9.7% at 50% AMI, and 38.9% at 60% AMI.

The market study notes that the project's unit sizes are slightly smaller than the surveyed senior LIHTC projects. However, the market study also states that the unit and project features are slightly superior, and its location provides good access to public transportation, recreation and healthcare.

6. Address any issues raised in the environmental report(s) and describe how these issues will be or have been mitigated.
Although the surrounding neighborhood as a whole has received attention for its need for environmental remediation due to surrounding and former industrial uses, the Project Phase I Environmental Assessments indicate that neither this parcel nor the areas immediately surrounding it have any Recognized Environmental Conditions (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. (Refer to Section 2 of the QAP for additional information.)

Cost pressures exist due to the small size of the site at under an acre and the desire of project stakeholders to maximize the site's density to provide more affordable housing for the community. CV has contained project costs by building the maximum number of units on the site possible without making the project subject to the high-rise building code (five stories of wood-frame construction over a one-story podium). Economies of scale are achieved by twinning 4% and 9% LIHTCs in one 152-unit building allowing for the sharing of core and shell and infrastructure costs.

8. Describe the outreach to the community that you have done and describe local opposition and/or support for the project (including financial support).
Columbia Ventures and the ULC have been deeply committed to community engagement and responsive development since the inception of the master development project in 2015. The project's program and design directly address neighborhood resident needs, serving as a primary tool to combat displacement in a rapidly changing neighborhood. Building on the success of the award-winning first phase, which addressed community priorities, the ongoing second phase focuses on the growing demand for service enriched senior housing.

The land acquisition and initial development phase involved public hearings before the City Council in 2015 and 2016 to approve a loan for land acquisition and rezoning, aligning with the Elyria-Swansea Neighborhood Plan. CV and ULC, in collaboration with community stakeholders, set priorities for the site, including the inclusion of a neighborhood-serving health clinic, a fresh food retailer, and 45 residential units at 30% AMI or below. The first phase delivered on these objectives and provided opportunities for intergenerational families to remain in the neighborhood.

In 2018, six community meetings were held to welcome local stakeholders into the planning process, with 161 total community participants attending. The series of meetings led to the execution of the Community Benefits Agreement, committing to ongoing community engagement throughout the development phases. The attached summaries of these meetings are available on the dedicated community communication website: https://48thrace.com/.

Since the signing of a Community Benefit Agreement with neighbors and community serving organizations, Columbia Ventures has conducted quarterly meetings to update the community and gather input on the overall project. The most recent meeting took place in January 2024, which included a follow-up presentation on Viña Senior Residences. Community response to the proposed service enriched housing project was met with positive feedback and a commendation for structuring a project that responds to the community's needs and desires.

Columbia Ventures is committed to continued communication as evidenced by the Community Benefit Agreement and their commitment to engage to with community at least once per quarter on an ongoing basis.

9. Describe how the proposed development contributes to promoting equity as well as economic mobility for residents.
The project intends to take a step toward mitigating resident displacement, the sponsors will be looking to adopt a marketing program through which eligible Elyria-Swansea residents will be actively notified of upcoming unit availability. This approach has proven effective for Viña Apartments, with **40 local households** moved in during initial lease up and 30 local households currently residing at Viña Apartments. CV will further support seniors through expanded outreach and marketing partnerships with GES, the City of Denver Commission on Aging, Senior Housing Options, and Tepeyac to ensure senior candidates are notified and supported through the leasing application/eligibility review process. In efforts to further expand economic opportunities to the community, CV will affirm and commit to extending local hiring and training opportunities to residents living within a 5-mile radius of the project. Outreach efforts on local hiring for Viña Apartments reached significant traction with a total of 24 project hires from February 2020 to January 2022. **See the attached project closeout summary from workforce hiring consultant, WorkNow.**

Additional Supporting Narrative Items:
Attachment 1: Summary of Community Meetings
Attachment 2: Letter from CSF Operator for Senior Services
Attachment 3: Support letters
Attachment 4: WorkNow Project Closeout Summary
Attachment 5: DPR Johnson and Swansea Rec Centers - Activities Flyers