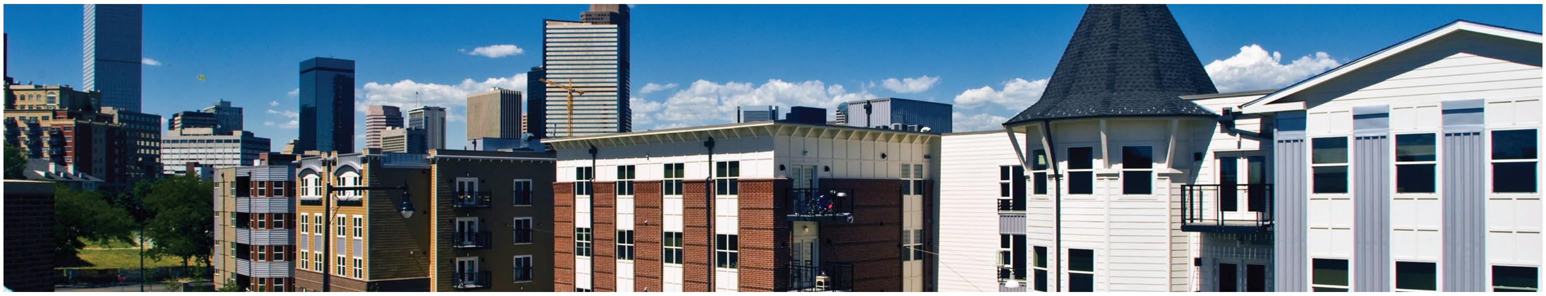
4% pab lihtc application narrative



Project Name: 8315 East Colfax Family Apartments & Early Childhood Education Center
Project Address: 8315 East Colfax Avenue/1500 Valentia Street, Denver CO, 80220

1. Executive Summary

Mercy Housing Mountain Plains (MHMP) is pleased to present the 8315 East Colfax Family Apartments project, an 81-unit affordable housing community with robust resident services and an Early Childhood Education (ECE) Center to be operated by Mile High Early Learning (MHEL), one of Denver's oldest and leading high-quality non-profit early education and childcare provider. Our application to CHFA is a critical milestone for MHMP and all project partners, including the City of Denver. In early 2019, MHMP was awarded the initial redevelopment rights of the parcels with a competitive RFP process with the City, who own the parcels. Since then, we have built on the community envisioning and planning done for the site through community outreach, engagement and planning. The project will meet two critical needs within the community 1) increase affordable housing to stem the ongoing involuntary displacement of long-time families and individuals with children, especially of working families while 2) increasing high quality and affordable childcare and early education in a virtual "child care dessert" for such services[1].

The project site combines two adjacent parcels (8315 East Colfax and 1500 Valentia St) though a partial alley vacation for maximum density and site efficiency. The building will be a five-story elevator structure (concrete podium with Type V wood framed construction) that has a brick and stucco exterior with metal accents, varied façade and flat roof. The units will have entrances along double-loaded interior hallways. Parking is structured in a garage on the ground floor of the building with entrance off Valentia Street. The building will be built to Zero Energy Ready Homes (ZERH) standards and will include 100% EV-ready parking spaces per Denver code, a solar PV array, active staircase and passenger loading and pick up for the ECE Center.

The ground floor ECE center represents approximately 7% of the building's Gross SF and is comprised of 5,658 SF of interior classrooms serving approximately 45 children (infants, toddlers and preschoolers) with another 2,398 SF of double height open-air covered play-area with light and air from southeastern exposure. This innovative and state of the art play area configuration meets all applicable licensing requirements and will embrace the urban nature of the site while providing security and year-round use. MHMP plans on a master-lease structure with MHEL for the ECE operation for the space to ensure operational success for the Center.

The project is an Equitable Transit Oriented Development (ETOD) opportunity and is adjacent to several bus stops for high frequency routes 15/15L serving access to downtown Denver, Aurora and connections to light rail among others. The City plans for developing enhanced bus rapid transit system (BRT) along the corridor in next 5 to 8 years. The purpose of ETOD is to invest early in transit-oriented development to ensure the

[1] The City of Denver's Office of Children Affairs in a 2019 Child Well-Being Summary ranked the East Colfax Neighborhood as an area of multiple obstacles to educational success, chief among these are limited opportunity for early childhood learning and achievement. https://www.denvergov.org/content/dam/denvergov/Portals/713/documents/reports/StatusOfDenversChildren.pdf

families and individuals have equity in access to the very public infrastructure that will attract private investment and potential displacement to the area. Mercy will provide annual NECO RTD transit passes to all households at the property to encourage the use of the adjacent public transit options.

8315 East Colfax Family Apartments meets seven of the ten stated 2020 QAP's guiding principles and will deliver superior value of the State's Tax Credit program by:

- Preserving long term affordability for a minimum 99-years via City Regulatory Agreement
- Exceptionally high energy efficiency standards and certification through the Zero Energy Ready Homes program
- ETOD opportunity for families with maximized density for larger bedrooms not offered in the market
- Investment in housing rather than land/acquisition costs via City of Denver land donation
- Delivering critically needed family focused affordable housing and childcare in a rapidly gentrifying neighborhood with 26% of units for households earning less than 40% AMI
- Investment in replicable mixed-use model for co-locating affordable housing and childcare
- Strategized financial structuring for maximizing leverage of federal and state tax credits nearly 2:1

With funding for 8315 East Colfax Family Apartments and Early Childhood Education Center, we can quickly provide long-term affordable housing to current East Colfax families and residents that are currently at-risk of displacement. This is an extremely time-sensitive chance to prevent involuntarily displacement and is unique from other projects in this round by offering integrated housing and childcare services that are critically needed.

a. Project Need & Background: The East Colfax Neighborhood is one of the City's most ethnically diverse with 65% of residents identified as non-white and 26% being foreign born. The neighborhood is also one of the City's poorest, with median household income of $44,000 which is below the 40th percentile for the City's median income[2]. The neighborhood is increasingly vulnerable for involuntary displacement and gentrification. The neighborhood broadly defined as East Colfax, from Quebec St to Yosemite St from west to east and Montview Blvd to 11th Ave from north to south, has remained one of the last "affordable" homeownership markets in comparison to others in Denver MSA. However, the census tracts comprising the neighborhood are part of the City's overall most gentrified tracts, which have helped place Denver in 2nd position in the U.S. for the most gentrified city[3]. Over 55% of renters in the neighborhood are paying more than 30% of income on rent. Recently, the City Council approved the ability to create Urban Renewal Area and TIF financing with a blighted designation for the East Colfax Area. The designation, while helpful to small local business owners for needed property improvements, will also increase a wave of gentrification along the commercial corridor, which is already occurring. Moreover, the project's census tract lost its QCT designation in 2020 because of these economic pressures. The site is not likely to be re-designated a QCT in the future as more displacement and gentrification occurs. This trajectory and the disparate impacts on communities of color have been exacerbated by the economic hardships of Covid-19, making creation of affordable housing more important[4]. ***Simply put, working families are at a high risk of losing their homes and being displaced in the East Colfax Neighborhood.***

The project is high priority for the City of Denver and the East Colfax Community. The City's current *East Area Plan* identifies creation of affordable housing and affordable childcare for families as the highest priorities. City of Denver HOST Department has graciously agreed to increase their intended soft funding amount to offset the equity loss caused by forfeiting the QCT basis boost in addition to donating the land *which*

[2] https://statisticalatlas.com/place/Colorado/Denver/Household-Income

[3] See National Community Reinvestment Coalition's 2020 Report https://ncrc.org/gentrification20/

[4] See articles: https://www.urban.org/urban-wire/covid-19-crisis-continues-have-uneven-economic-impact-race-and-ethnicity ; https://www.housingwire.com/articles/how-covid-19-has-disproportionately-impacted-communities-of-color/

__represents a City sponsored leverage of nearly $5.5MM toward the total project's permanent development costs.__ However, there is only a year and half window of time for MHMP to secure the required financing as stipulated with the City's PSA to access their leverage. ***__This is a time-sensitive funding request.__***

b. Population being Served & Services: Although perceived as "immune" from development pressures in the past, East Colfax Neighborhood has increasingly become an area of investor activity and home price escalation as noted. The property will serve families with a preference for households at risk of displacement, including those families doubled-up or transitionally housed in the among the East Colfax corridor's low-rent motels. The property will serve a broad spectrum of affordability, with 26% of units for extremely and very low-income families and the balance for households earning between 50% and 70% AMI. The Early Childhood Education Center will serve a blend of families from both the property and the surrounding community that income qualify under MHEL's guidelines for free and reduced enrolment. Likewise, there is a unique opportunity for resident service coordination between MHEL and Mercy Housing in providing wrap around health navigation, behavioral health services and financial literacy. Mercy Housing Resident Services will be available free of charge for all households and include after school and youth programing, job training and resume assistance. Mercy Housing plans on offering healthy food education and access to the youth and families at the property through partnership and linkages with Denver Urban Gardens and Project Worthmore's community agriculture program, who are both active in the neighborhood.

c. Unit Mix and Amenities: Consistent with the diverse needs of the neighborhood, this development will serve a wide range of household sizes and income levels, including housing for larger families. The 81 units will include 30 one-bedroom units, 30 two-bedroom units, 19 three-bedroom units, and two four-bedroom units. Income levels will also span a wide range from 30% to 70% AMI, __with a weighted average AMI of 53%.__ Of the 81 units, 16 will be restricted at 30% AMI, five at 40% AMI, ten at 50% AMI, 36 at 60% AMI and 14 at 70% AMI. Community amenities include a 2nd floor 4,900 SF courtyard with dedicated resident playground with raised garden beds, a fitness area a common area with community kitchen and lounge area for events and youth services programing. Security features includes on-site management, surveillance cameras, and limited access entries with intercom buzzer. Superior in unit amenities will include central air conditioning, mini-blinds, carpet, luxury vinyl tile flooring, cable TV and high-speed internet hook-ups, and a complete appliance package including refrigerator with icemaker, disposal, microwave, and dishwasher.

d. Financing: Financing for this project brings federal, state, local, and private sources to the table. The City of Denver is a dedicated partner to the project and is donating the parcels forming the site and committing significant financial resources as mentioned, including a commitment of up to $15.5 million in Private Activity Bond (PAB) and significant soft funding. Additional funding includes 4% LIHTC, State Affordable Housing Tax Credits, funding from the Colorado Division of Housing, the Federal Home Loan Bank (FHLB), deferred developer fee in addition to conventional permanent debt. For the financing associated with the ground floor ECE Center, MHMP is engaged in a capital campaign with significant foundational support committed from the Colorado Health Foundation and The Buell Foundation, among others. MHMP is partnering with the Denver Housing Authority for property tax and sales and use tax exemption.

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

The financing includes $14,200,000 of tax-exempt construction period bonds, a taxable tail during construction of $2,549,446 and $8,125,000 in permanent period bonds. The City of Denver has committed the PAB cap needed for the 50% test and will issue the bonds. A private placement is anticipated.

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

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

Although units will not be restricted to homeless or special needs populations, MHMP is committed to serving people with special needs. With 16 units serving households with incomes at or below 30% AMI, robust services and access to affordable childcare, these units are well positioned to serve low-income residents who may have special needs.

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

a) **Market conditions:** The market study documents high pent up demand for affordable housing units in the Primary Markey Area (PMA). ***Moreover, the East Colfax Neighborhood has not seen LIHTC investment for <u>new family affordable</u> in over 10 years.*** The average vacancy rate for LIHTC units in the PMA is 0.6%. Of seven LIHTC projects surveyed, occupancy rates ranged from 98% to 100% for the past year. The overall capture rate of 16.2% illustrates the strength of demand across income bands. The PMA does not have any 70% AMI units and there are 2,953 income qualified renters at this AMI level, resulting in the extremely low 0.4% capture rate for 70% units. The 30% and 40% capture rates are below 10% at 5.9% and 8.6%, respectively. Demand in the PMA is expected to rise over the next two years, with annual growth of 812 renter households. The market study expects an absorption rate of 28 units per month, reaching stabilized occupancy in under three months.

b) **Proximity to existing tax credit developments:** Given the very high level of demand for LIHTC units, this new development will neither negatively impact LIHTC developments in the PMA, nor be negatively impacted by other developments. There are 20 existing LIHTC projects in the PMA which are not age restricted, with 1,644 unsubsidized units. Seven surveyed LIHTC buildings are located within 3.4 miles of the property. Grace Apartments, a MHMP property, is the closest, 0.4 miles from the project. This 53-unit class C building was constructed in 1968 and has a vacancy rate of 17% because units are being held vacant for a renovation scheduled to begin summer 2020. However, the overall LIHTC vacancy in the PMA is approaching zero. None of the surveyed LIHTC projects in the PMA offered concession. The closest comparable property is Phoenix on the Fax, a 50-unit property 0.7 mile away on East Colfax. It has no vacancies.

c) **Project readiness**: The development team is well positioned to complete the City's site development plan review and building permit review to proceed to a closing in Summer 2021. MHMP has executed a Purchase and Sale Agreement (PSA) with the City of Denver for the site and has secured the bond cap needed to meet the 50% test from the City of Denver. City HOST and State DOH funding is forthcoming contingent on LIHTC award. *<u>Notably, 8315 E. Colfax has been identified by the City of Denver's Development Services as one of five initial affordable housing pilot projects that will receive expedited permit review from the Department and reduced fees – pending a LIHTC award. This will allow the team to simultaneously move forward on several review processes and is estimated to reduce typical City review period by 3-4 months resulting in faster unit delivery</u>.* Zoning is in place and no zoning waivers are required.

d) **Overall financial feasibility and viability:** As MHMP has currently proposed and structured 8315 East Colfax to be feasible if awarded State Tax Credits and 4% LIHTC. The project team Mercy Housing has assembled has experience in completing projects in challenging construction and difficult financial markets that may be forthcoming with the expected downturn related to Covid-19. The project is not seeking any waivers to CHFA underwriting and will benefit from a diverse set of sources for the residential and ECE components. Notably, our proforma does not include any rent revenue from the ECE commercial space. This is intentional to ensure operational success for our ECE partner, but also ensures long-term economic feasibility for the ECE and project. Our attached ECE Capital Campaign funding material show the build out costs for ECE tenant improvements are financially feasible with substantial committed support to date. As noted, the City of Denver is making a significant contribution to the project in soft funding and land donation and up to $15.9 million in bond cap.

e) **Experience and track record of the development and management team:** The development team has the depth of expertise needed to bring this project to fruition and the commitment to excellence in service which sets this project apart. MHMP is a regional affiliate of Mercy Housing, Inc., a national leader in housing development, preservation, management, and resident services, and headquartered in Denver, Colorado. Over the last 25 years MHMP has developed 40 multifamily and mixed-use developments, with over 3,000 affordable apartment units. Most recently, MHMP completed an extensive renovation and recapitalization of the 168-unit Holy Park community in Commerce City. The design team of VanMeter William Pollack LLP brings expertise in the design of mixed-use properties and a commitment to affordable urban development. JHL Constructors will be the General Contractor and has a strong track record delivering affordable housing projects on-time and on budget. Mercy Housing Management Group will manage the property and has excellent experience in managing LIHTC properties. For more information about the development team, please see *Development Team Resumes* attached.

f) **Project costs:** The project's construction and soft costs budgets have been developed using current, local data generated by JHL Constructors in close coordination with local subcontractors and are realistic in the current market.

g) **Site suitability:** The current parcels are a single story abandoned building and adjacent parking lot, currently susceptible to vandalism and security issues for the neighborhood. The demolition and redevelopment of the property will greatly stabilize the immediate block where it is located. The parcels were successfully rezoned in 2018 with broad community support to allow for 5 story structures. Besides being in a transit rich location, the site has a walk score of 73, rated "Very Walkable." The immediate area (0.1 miles) includes neighborhood grocery and convenient store and Asian food market. A post office and bank are both within walking distance (0.4 and 0.5 miles). Walmart and Safeway are available 1.3 miles and 1.5 miles away. Area amenities for families with children include Verbena Park with playground and picnic equipment (0.4 miles), Montclair Recreation Center with indoor swimming pool (1.2 miles) and neighborhood library (1.4 miles). The elementary school is 0.8 miles away. Other educational opportunities in the area include the Community College of Aurora, offering ELS classes, 1.8 miles away. Health care access is good with the Tri-County Health Department 0.5 miles away and a full-service hospital 2.8 miles away.

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

The market study did not recommend any changes and shows a strong overall capture rate for the proposed project.

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

A Phase I identified potential risk of soil and groundwater contamination from the adjacent property which was previously used as a filling station. In the Phase II, soil borings and ground water samples were tested. The Phase II found no indication that Site soil and groundwater have been impacted from the neighboring property and recommended no further action. Costs associated with asbestos inspection and mitigation has been included in the budget, as recommended in the Phase I.

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

The project's design makes efficient use of the limited 0.82 acre site. A public ROW partial alley vacation will be required to build over the current portion of alley that bifurcate the two parcels west to east. The alley vacation will require a new sanitary sewer and public ROW placed at the north end our property and portion of overhead utility relocation to the east side of the current alley running north-south. Mercy Housing has solidified all associated costs for the alley vacation with utility providers and civil engineering and included in our budget under off-site improvements. To meet the parking requirement on the constrained site, parking is provided in a parking garage and eight tuck under spaces, which comes at a higher cost compared to surface parking. However, the project received a parking reduction from the City of Denver associated with low AMI units and the site's transit access, please see *Zoning Documentation* for more detail. There are costs associated with meeting envelope and overall project energy sustainability goals, including the City's requirement for 100% EV ready parking. We know over the long-term cost savings outweigh the upfront costs and are passed on to tenants in lower utility bills and comfortability. The varied façade will minimize more expensive brick cladding but add visual appeal with mix of cladding and add to the East Colfax Corridor architectural fabric, while reducing the building's visual massing. The building's northern side steps back from the adjacent lower density residential at upper floors which causes some inefficiencies in ability to stack these units. The design team has increased the efficiency of the balance of units and building to offset this design feature. The large family sized units, which are needed in the neighborhood, reduces the total number of units achievable and increases the per unit total development cost.

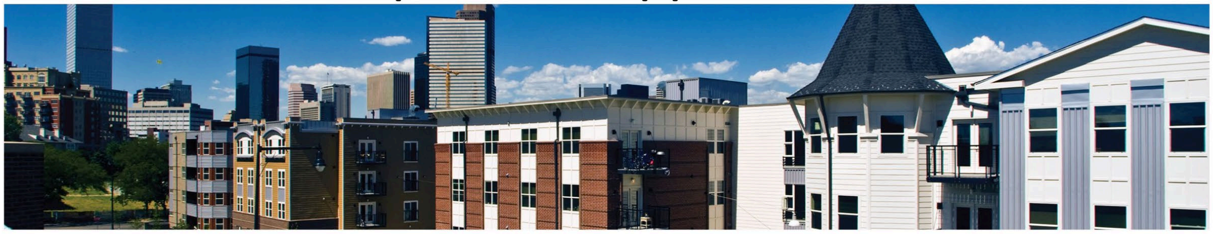
9. In your own words, describe the outreach to the community that you have done and describe local opposition and/ or support for the project (including financial support).

At the time of Mercy Housing Mountain Plain's response to the City of Denver's RFP for 8315 East Colfax & 1500 Valentia in Fall of 2018, City (HOST) staff had already initiated feedback and input from the community on the parcels through the acquisition and re-zoning processes. The overwhelming feedback from residents and local community stakeholders was desire for family focused affordable housing with a community serving commercial ground floor use. MHMP partnered with Radian Inc., a local nonprofit, to engage the East Colfax community as well and through that process formulated vision for affordable childcare and early education with co-located affordable housing. In Spring of 2019, Mercy Housing and Radian planned community engagement via survey, design charrettes and focus groups. Radian Inc and MHMP and MHEL performed initial community outreach during the Summer of 2019 with the East Colfax Neighborhood Association and neighborhood outreach. With advent of Covid-19 we transferred in-person engagement to a virtual platform during the Spring-Summer 2020. The project team hosted a virtual townhall Zoom meeting in June with good turnout. This townhall was recorded and is now available on our project website. Given the ethnic diversity of the community, we had interpretation available in the community's six most predominate languages. We recognize the limitation of virtual outreach in the current Covid-19 health pandemic but have made interpretation and translation of all project materials available. MHEL and Radian have conducted smaller focus groups recently to better define neighborhoods childcare needs in July 2020. A series of FAQs from engagements to date have been make available in English and six other major language represented in the East Colfax Community. The FAQs are also on our website. Lastly, the project has support from Councilmember Herndon and Sawyer's office, Denver Preschool Program, the Fax Partnership and the East Colfax Neighborhood Association as well as financial support from The Colorado Health Foundation, The Buell Foundation and The Staenberg Group. Please visit our website for more information on outreach to date https://www.8315eastcolfax.org/.

Attachment List of Supporting Narrative Documents

- *Attachment A*- MOU between Mercy Housing Mountain Plains and Mile High Early Learning (MHEL) for 8315 East Colfax Early Childhood Education Center and MHEL Background Information.
- *Attachment B* – Project FAQs from Community Engagement / ECE Architectural Renderings
- *Attachment C* – Community Letters of Support (East Colfax Neighborhood Association, The Fax Partnership, Councilmembers Herndon and Sawyer, Denver Preschool Program, Gary Community Investment)
- *Attachment D* – Radian Inc. Document – East Colfax Community Engagement & Demographic Data

4% pab lihtc application narrative



Project Name: Allison Village
Project Address: 5352 Allison Street, Arvada CO 80002

Executive Summary:
Jefferson County Housing Authority, d/b/a Foothills Regional Housing, is pursuing a 4% LIHTC award to redevelop Allison Village, an existing 37-unit property, with a 100-unit, 100% affordable, energy efficient, transit-connected (less than 0.5-mile to the RTD G Line station) development near Olde Town Arvada. Located within a QCT, the property is buffered by rental and owner-occupied multifamily housing. This area of downtown offers an exceptional quality of life, easy access to good jobs, strong schools and top-notch recreational amenities. However, opportunities to live in high quality, affordable rental housing in Arvada are few and far between. Current average rent in Arvada is $1,517 – affordable at an annual income of $60,674 – with a vacancy rate of 4.2%. Regional support for this development is evident based on bond cap allocations from three jurisdictions. Moreover, Arvada's comprehensive plan encourages the development of affordable housing for households earning the median income or below in redevelopment areas or *near transit stations* particularly given that less than half of the rental units in the city are affordable to non-family (small) households. Moreover, modern housing in Arvada is also a comprehensive plan priority since over 63% of Arvada's housing stock was built prior to 1980, which is considerably older than neighboring communities. FRH's proposed redevelopment of Allison Village is an ideal opportunity to further the city's comprehensive plan housing goals.

The proposed community will provide 72 one-bedroom units and 28 two-bedroom units for households earning between 30% and 70% AMI with a weighted average income of 49.60%. The average size of the units is 562 and 928 square feet for the one and two-bedroom units, respectively. The project will have substantially improved amenities over the existing development including covered parking, elevator service, central air conditioning, vinyl wood flooring (carpet in the bedrooms), dishwashers, and microwaves. Common amenities include a two-story community room with an outdoor patio with westerly views, a fireplace, a tv/game area, a kitchenette and private meeting rooms. An additional outdoor patio faces south and will be programmed with seating areas and irrigated planting beds for resident use. At the ground floor, residents will have access to a children's play area, dog/bike wash room, a small dog park, enclosed and secure bike storage, a picnic area with a basketball court, and a front desk/mailroom staffed by property management and leasing personnel. Approximately 7,000 SF of common area and amenity spaces are available for resident and staff use including a lobby with wi-fi access, staff offices, community rooms, meeting rooms, job training classes, fitness/yoga, and bike repair/dog washing rooms. The new community, designed by award-winning architectural firm Van Meter Williams Pollack, embraces the public realm on Allison Street with a pedestrian scaled façade and a welcoming sidewalk-facing patio. A large pedestrian path that also doubles as a fire lane, runs the entire length of the southern property line providing a pleasant and safe pedestrian and bike connection for residents, staff, and the surrounding community from Allison Street to the G Line and Olde Town Arvada.

FRH is advancing its existing partnerships with Red Rocks Community College, STRIDE Community Health Center, Jefferson County Department of Human Services, and CASA (Court Appointed Service Advocates) of Jefferson County to deliver services on-site. The services will be geared towards the (up to) 30 youth aging out of foster care who will receive a housing preference and project based rental assistance, along with the nine (9) Veterans housed on-site with VASH vouchers. The Veterans Administration will provide services to the Veteran-occupied units. CASA will provide housing referrals to FRH and its extensive volunteer network will serve as advocates for the young adults receiving housing. Currently, CASA is only able to provide housing/services to 34% of foster youth cases that need an advocate in Jefferson County; the need is great and unfulfilled. However, should the demand amongst youth aging out of foster care fall short of the 30 PBRA units, then the units will be opened to a broader range of income-qualified households. The foster care youth preference is not a formal set-aside and it expands on an existing partnership between FRH and CASA. All residents receiving PBV or VASH vouchers will be provided with an RTD light rail pass, in addition to seniors and residents with disabilities.

A recently adopted update to the Arvada zoning code has allowed for a substantial increase in density on the property. The new property will be comprised on one building with a three-story elevation connected to a four-story elevation by an enclosed walkway. The building steps up in height at the rear of the property in deference to the two-story townhomes on the adjacent site. The use of high performance building systems will meet the rigorous Department of Energy's Zero Energy Ready Home Certification. This means that each apartment will use 40-50% less energy than the typical apartment. The design pays particular care to resident health through the selection of green building materials and finishes, moisture management, and enhanced indoor air quality. The low flow plumbing package will result in at least 25% less water consumption than the typical apartment, and all landscaping will consist of native and adaptive plants. Allison Village will also comply with Enterprise Green Community requirements and the building is PV-ready and can accommodate a 160-kW rooftop solar array. EV-ready charging stations are included, along with secure bike storage to promote alternative modes of transportation. FRH will pay all utilities for common areas and for the tenants.

In addition to federal and state low income housing tax credit equity, the proposed financing includes the proceeds from the sale of private activity bonds, soft funds from the Colorado Division of Housing, a substantial contribution from FRH, deferred developer fee, a partial land carryback note by FRH, and a services reserve contribution from CASA – one of the project's in-kind service providers.

2. Describe the bond financing structure

- The current 55% level for the tax exempt PAB equals approximately $17,800,000, which will be paid down to a long term permanent loan using tax exempt PAB in the approximate amount of $11,750,000.
- FRH has sourced all tax exempt bond cap for this deal from the city of Arvada, Jefferson County, and the City of Golden. FRH will serve as the issuer.
- We are assuming a private placement execution for the PABs.
- All PAB will be tax exempt as we anticipate using a conventional construction period bridge that will be paid down at conversion.

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

4. Describe how the project meets the criteria for approval in Section 2 of the QAP:
a) **Market conditions:** The Allison Village market conditions are very favorable. The proposed 40, 50, and 60% AMI rents are 5-8% lower than the surveyed weighted average Class C family LIHTC rents. The property's 13.4% capture rate is below the CHFA threshold of 25% and attainable because the surveyed properties are 100% occupied and have maintained 100% occupancy and waitlists since November 2019, illustrating significant pent-up demand. Further, the 60-70% AMI rents provide a market advantage of 35-39% over the surveyed Class B market-rate rents and a 17-18% discount compared to the Class C averages, thus demonstrating better value. Lastly, 45% of renter households in the PMA have one person, so the one-bedroom units will be in high demand.

b) **Proximity to existing tax credit developments:** According to the market analyst, Allison Village is the only planned family LIHTC development in the PMA. The two other income-restricted properties in the development pipeline are both age-restricted and will not directly compete with Allison Village.

c) **Project Readiness:** Allison Village is nearly ready to proceed. In July, the development received unanimous conditional use approval from the Arvada City Council. All remaining entitlement reviews are administrative. The design team is at 50% Design Development and will be submitting its site plan for approval in August and expects approval by January 2021. A building permit will be secured by April 2021. All funding sources except for the DOH funding will be secured by mid-August when the City of Arvada votes to assign $2.1 million in 2020 bond cap to the proposed development. The balance of the necessary bond cap has already been assigned by the City of Arvada (2019), Jefferson County, and the City of Golden. FRH currently has fee simple ownership of the land through one of their subsidiaries. FRH is working with DOH and HUD to transfer the affordable housing agreements covering the existing property. Each tenant has received a Tenant Protection Voucher and the relocation process has begun. FRH will finalize tenant relocation and begin environmental remediation to ready the property for demolition once the transfer is complete.

d) **Overall financial feasibility and viability:** The project financing has been structured to leverage the state LIHTC request at $10,000 per unit and maximize other financing. Soft funding will include a grant from Colorado Division of Housing, a seller carry-back note from FRH, $4.5 million in FRH funding, deferred developer fee and a services reserve funding from CASA. Initial conversations with LIHTC investors indicated strong market interest and letters of intent from all funding sources are provided and demonstrate overall financial viability.

e) **Experience and track record of the development and management team:** FRH has been developing and managing affordable housing projects in Jefferson County since 1975. Please see attached information from FRH and our development team members for more information on our qualifications.

f) **Project costs:** The project's construction and soft costs budgets are based on 50% Design Development drawings, local data generated by the General Contractor (selected through a competitive process) and corroborated by other local construction information and informed by FRH's recent development budgets. FRH has worked to keep project costs as low as possible while balancing the requirements from the City and desires of the community. For more detail, see question 7 below.

g) **Site suitability:** Less than 0.5-mile from the heart of downtown Arvada, the site is an ideal location for an affordable housing development with one and two-bedroom units. It is well located within close walking distance of the RTD G Line light rail station and Olde Town Arvada. The Arvada (K-8) School is within 0.5 miles and Arvada High School is 1.5 miles away. Red Rocks Community College and Regis University are 1.4 and 2.9 miles from the site, respectively. The Oak Street Child Development Center, which provides child care, is less than 1.0 mile from the site and Jefferson County Head Start is within 0.25 miles. The library is 0.5 miles to the northeast and the Arvada United Methodist Church offers English as a Second Language classes (1.7 miles away). The Apex Senior Center, the Lutheran Medical Center, a full-service hospital, are within 2 miles of the property. Parks, recreation centers, and public pools are also within a few miles of the property.

5. Justification for waiver of any underwriting criteria:
NA

6. **Address any issues raised by the market analyst in the market study:** The market study did not raise any issues. However, 35% of the units will not have private balconies or patios. FRH eliminated nearly all of the private outdoor space on the north side of the property since it is in close proximity to the neighboring condominium units.

7. **Address any issues raised in the environmental report(s) submitted with your application and describe how these issues will be or have been mitigated:** A hazardous materials survey

of the existing property indicated that in the event of demolition, managing Asbestos Containing Materials, CFCs, and PCBs will apply. Expected remediation costs are reflected in the budget.

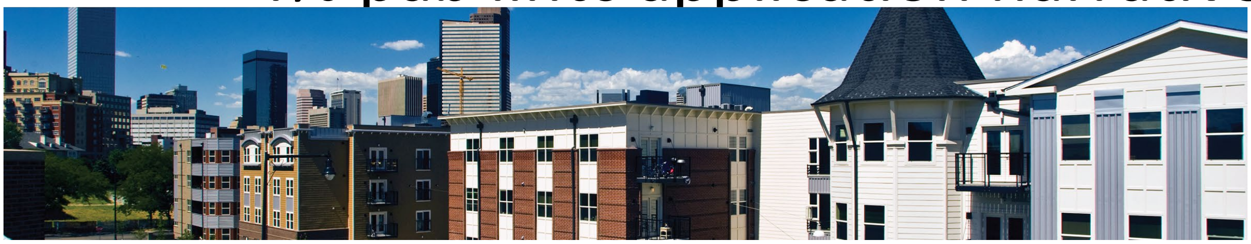
8. **Identify if there are any unusual features that are driving costs upward as well as if there are any opportunities to realize cost containment:** FRH and Milender White Construction have worked to build a very cost-efficient project: a four-story, wood frame structure with surface parking. The building will be constructed with durable materials and finishes in order to reduce long-term maintenance costs. The project development costs are very reasonable, while also incorporating design features required by the City of Arvada, including 30% open space coverage, private outdoor space, landscaped setbacks, and a masonry façade to suit the residential style of the surrounding neighborhood.

9. **In your own words describe the outreach to the community that you have done and describe local opposition and/or support for the project (including financial support):** There is support for Allison Village as indicated by the 5 to 1 Planning Commission vote and the unanimous City Council vote for conditional use approval. Several letters of support have been included with this application. To further FRH's commitment to providing an enriching environment for residents of Arvada and special populations, FRH has formed numerous partnerships with local service providers.

10. For acquisition/rehab or rehab projects, provide a detailed narrative that describes the proposed rehab plans 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, nature disaster).

NA

4% pab lihtc application narrative



Anglers Four Hundred : 400 Anglers Drive, Steamboat Springs CO 80847
Introduction:

Anglers Four Hundred is a great opportunity to satisfy the growing need for affordable housing in the community of Steamboat Springs, CO. Overland Property Group (OPG) is partnering with Yampa Valley Housing Authority (YVHA) yet again to expand upon affordable housing options in Steamboat Springs.. This partnership has already successfully built and fully occupied The Reserves at Steamboat Springs and is excited to be nearing construction completion at Alpenglow Village.

Anglers Four Hundred is a proposed 75-unit affordable housing development, that will consist of four, one bedroom (639 sq. ft), thirty-three two bedroom (804 sq. ft), and thirty-eight three bedroom units (1103 sq. ft) located in the central part of Steamboat Springs. This development is extremely pedestrian-friendly, with a bus stop, pharmacy, and grocery store just 0.2 miles away. Anglers Four Hundred will be constructed with high quality finishes, applying wood frame construction with HardiePlank exteriors and pitched roofs. These finishes will help withstand the potentially harsh winters that can come with mountain living. The interior of each apartment will have countless amenities as well, including: knotty alder cabinets, energy star appliances (refrigerator, dishwasher, microwave, ice maker, oven/stove, and full sized washer/dryer in each unit), vinyl plank flooring, walk in closets, vaulted ceilings, carpet, mountain views, and more. We are excited to offer community-wide amenities that include a basketball court, business center, community room, courtyard, elevators, exercise facility, on-site management, a picnic area, and playground. The market study provided by Novogradac & Company states that this amenity package is superior to the majority of other, comparable, existing properties.

Routt County has a profound need for affordable housing; with a population of 24,130, 56.3 percent of renting households pay more than 30 percent of their total income towards housing. Anglers Four Hundred will be only the third LIHTC development in Routt County in recent years and only the fourth development ever since the program started in 1986, the only other 4% development was developed in the early 1990's and is very close to exiting the affordability period. Anglers Four Hundred will offer units restricted at the 30% AMI bracket, as well as 40%, 50%, 60%, 70% and 80% AMI brackets. This project is targeting a very large AMI range (30% to 80% AMI), which is an amazing opportunity given the demand needed in the Yampa Valley.

Although the Yampa Valley Housing Authority and Overland Property Group knew Steamboat Springs has struggled with land scarcity and the quality of vacant sites remaining, they were able to secure the best piece of ground in the community. The proposed development location will provide proximity to jobs, groceries, parks, bus stops, biking trails, and is in an area that lends itself to affordable housing. The market study's analysis reflects no evidence of environmental hazards, or flood hazards and is hoping to kick off construction in 2021.

The proposed development has received a significant amount of support from the City of Steamboat Springs, Routt County, and its citizens. After watching the team of OPG and YVHA develop and rapidly lease-up the Reserves at Steamboat Springs there was an immediate consensus for and the extremely strong lease up the citizens of Steamboat strongly voiced the need for additional affordable housing in Steamboat. So much so, the public voted to increase the mil levy (November 2017) to support additional affordable housing development by YVHA. The Yampa Valley Housing Authority has committed to contributing $1,500,000 to this development, putting to use those recently created funds and the will of the people. Additionally, the City of Steamboat Springs and Routt County have committed another $500,000 to this project, bringing the total local financial support to this project to $2,000,000. The strong local support is understandable considering the lack of multi-family developments in Steamboat Springs in the last 22 years despite significant growing demand. The development also expects to receive funding from DOH for $645,000 which will also add to the project's success. This proposed project is a great opportunity to expand housing options in an underserved area and continue to help the Yampa Valley Housing Authority and Overland Property Group address the increasing problem of affordable housing, which many people believe is the largest issue facing Steamboat Springs today.

Bond Financing Structure

Anglers Four Hundred anticipates receiving a bond allocation from CHFA. Bonds will be sold through a public sale and CHFA will also be the construction and permanent lender through the HUD Risk Share program. The total bond issuance will be $18,000,000. The permanent bonds will be $8,900,000. The construction period only bonds will be $3,700,000 tax-exempt and $5,400,000 taxable bonds.

CHFA Priority

Routt County has a population of less than 175,000 so meets this priority. Despite its size, the region has a lack of affordable housing which leaves the community underserved.

CHFA Guiding Principles

<u>"To support rental housing projects serving the lowest income tenants for the longest period of time"</u>
Anglers Four Hundred will offer a wide range of targeted units at 30-80% area median income brackets, many of which are hard to come across in the Yampa Valley. In addition, it will serve these populations for the longest time by committing to a 25-year extended use period.

<u>"To provide for distribution of housing credits across the state, including larger urban areas, smaller cities and towns, rural and tribal areas.</u>
The rural mountain community of Steamboat Springs is in the far Northwest corner of Colorado which has only had two 9% LIHTC and one 4% LIHTC community, with the 4% development, Mountain Village, being allocated over 22 years ago. Additionally, Mountain Village is nearing the end of the Extended Use Period and is eligible for a Qualified Contract and is likely leaving the tax credit program. Expanding further, Northwest Colorado has only three tax credit allotments in over ten thousand square miles since the program started 32 years ago. Additionally, 4% developments have been very rare outside of the front range in mountain areas, further highlighting the unique development opportunity that this presents.

<u>"To distribute housing credits to assist a diversity of populations in need of affordable housing, including families, senior citizens, homeless persons, and persons in need of supportive housing"</u>
As noted in paragraph three, the project will feature a wide range of targeted units 30, 40, 50, 60, 70, and 80% AMI. Because of the lack of affordable housing in the northwest part of Colorado, studies indicate that citizens are willing to move out of the region to areas that are better served.

<u>"To provide opportunities for affordable housing within a half-mile walk distance of public transportation such as bus, rail, and light rail"</u>
The site location is 0.2 miles away from the nearest bus stop on the main free bus route. The local transportation services provide free transportation, expanding regionally to Craig, Hayden, and Milner for

$6, $5, and $1.50, respectively, each way. The site is also near a bike path which leads past many local amenities. Some of these amenities include a Safeway grocery store, shopping, and parks.

"To support affordable housing that is constructed and certified to advanced energy performance standards"
Anglers Four Hundred will be working with Group 14 and certifying through the through the Zero Energy Ready Homes (ZERH) program

"To support maximum allowable density when feasible based on demonstrated market demand and available funding sources"
Land is extremely scarce in Steamboat Springs. We have taken every step to maximize the density. While the site is about 10 acres, only about 3 acres are buildable.

"To reserve only the amount of credit that CHFA determines to be necessary for the financial feasibility of a project and its viability as a qualified low-income housing project throughout the credit period"
Developing in the resort mountain area of Steamboat is more expensive than in most other parts of the state, so affordable housing projects can be cost prohibitive. We have worked to stretch these credits to the greatest number of units possible. Additionally, the housing authority and other local funders are contributing $2,000,000 to the project while seeking additional funding from the state to leverage our tax credit funds. We are requesting only the amount of credits necessary for the financial feasibility of the development.

Market Conditions:
The site is in a diverse neighborhood near many local amenities and a growing neighborhood. Steamboat Springs median income is $86,700 and has had high demand for housing supply for many years. This is evident because as of 2015 56.3% of the Steamboat Springs population pays 30% or more of their income to rent. This is almost 7% higher than just a few years before. Many leaders around the community have identified affordable housing as a large issue in the community. This development, mainly being two and three bedroom units will target households of 1-5 member families.

The vacancy in the PMA is extremely low with almost all of the vacancies pre-leased LIHTC properties reporting no vacancies and available units renting within 24 hours and long waiting lists. Given this high demand the market study predicts the project to have a vacancy rate between zero and three percent. Despite having a low overall capture rate of 13%, we believe this capture rate is overstated considering it doesn't factor any inflow migration, which is substantial in a community like Steamboat Springs. This development as well as our Alpenglow development will be the only apartments available to the desperately underserved 30-80% AMI brackets.

The most telling factor in all the market data is the real-life data of the Steamboat Springs families and people who want and need the opportunity to live in an affordable, clean, safe, and energy efficient home. These people currently living in sub-standard conditions, overcrowded places, commuting from long distances through the mountains each day or even living in their car are waiting in very long lines for an opportunity. The two developments that compare to Anglers Four Hundred in Steamboat Springs, **The Reserves at Steamboat Springs currently has a waiting list of over 275 households for 48 units and Alpenglow Village has over 375 applications for only 72 units.**

Readiness-to-proceed: The development site is zoned Community Commercial (CC), which allows for multi-family development as a use by right. Additionally, our development team provides a readiness to proceed that exceeds the standard due to their years of experience and attention to detail long before construction begins. Not only does the Development Team have recent experience completing the Reserves at Steamboat Springs, but Jason Peasley (Director of YVHA) was formerly a City Planner in

Steamboat Springs and provides a wealth of information on the city's requirements. Our civil engineer and architects have not only worked with Jason on the current development, but have also reviewed all local, regional and state requirements in order to tailor the site plan to meet or exceed current rules and regulations. Through this process everything from the building design to construction materials is examined and checked.

Overall financial feasibility and viability: With the combination of local support of $2,000,000 from the Yampa Valley Housing Authority/City of Steamboat Springs/Routt County, DOH funds and federal tax credits, the project exhibits strong financial viability as further described in the pro-forma. The developer also has a proven track record in Colorado and the Midwest with its other Section 42 properties averaging 98.5% occupancy across over 3,000 apartment units.

Experience and track record of the development and management team: Since 2002, the developer has successfully developed, built, owned and operated over 55 properties across the Midwest and Colorado totaling more than 2,500 units and $450 million in development costs. OPG currently has two properties in Colorado. The Tabor Grand Hotel Apartments opened in 2014 after a $9 million renovation to much fanfare and excitement in the local community. The Reserves at Steamboat Springs, as previously mentioned, was developed in partnership with the Yampa Valley Housing Authority and has been a huge success. It is exceeding all expectations of equity pricing, quality, construction cost, construction schedule, lease-up, management and financial performance. The Yampa Valley Housing Authority, also owns and manages other projects in the City of Steamboat Springs. The Yampa Valley Housing Authority, along with Ross Management, will manage the property. Ross Management currently manages over thirty-four section 42-tax credit properties in the State of Colorado. The development team also consists of Dan Morgan and Associates, who have successfully helped countless affordable housing projects receive funding, as well as Jones Gillam Renz Architects and McPherson Contractors who have designed and constructed more than 75 Section 42 projects. Our experienced group is built for the challenges of building and developing quality affordable housing that maintains its integrity for decades.

Cost reasonableness: Anglers Four Hundred is a very high-quality development for the community of Steamboat Springs, it will provide very reasonable and efficient cost per unit for the city and region. Building off lessons learned from the Reserves at Steamboat Springs, and Alpenglow Village, OPG will be able to efficiently use the credits we receive to develop in this area.

Proximity to existing tax credit developments: Anglers Four Hundred is located 0.3 miles from the recently built Alpenglow Village and 3.3 miles from The Reserves at Steamboat Springs.

Site suitability: Located in the southern portion of Steamboat Springs, the site provides easy access to regional highways, bike paths, parks, and the bus stop. The currently vacant site is zoned Community Commercial which allows for multifamily developments as a use by right. All utilities are available on the site. Additionally, the site provides easy access to most local services and amenities; all of which are located within a 0.5-mile walk of public transportation stops.

i. Services and Amenities within 3 miles

1. Bank of the San Juans Adjacent
2. Bus Stop - 0.2 miles
3. Safeway - 0.2 miles
4. Safeway Pharmacy - 0.2 miles
5. Conoco Gas Station - 0.2 miles
6. Yampa River Botanic Park - 0.3 miles

7. UCHealth Yampa Valley MedicalCenter - 0.6 miles
8. Fire Station - 1.1 miles
9. Post Office - 1.1 miles
10. Steamboat Springs High School - 1.2 miles
11. Soda Creek Elementary School - 1.6 miles
12. Bud Werner Memorial Library - 1.7 miles
13. Steamboat Springs Middle School - 1.8 miles
14. Police Department - 3.0 miles

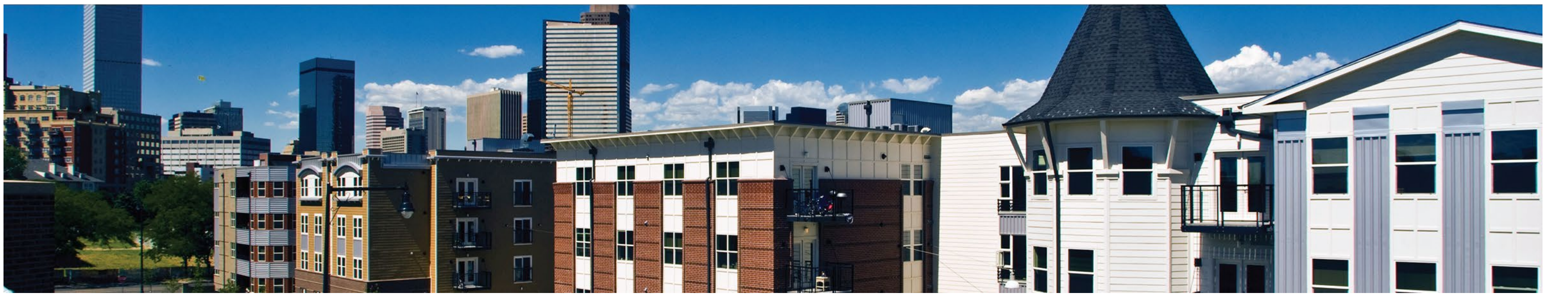
Address any issues raised by the market analyst in the market study submitted with your application:
The market study was very strong and there were no noted issues in the study

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 Phase I report did not identify and RECs.

Identify if there are any unusual features that are driving costs upward as well as if there are any opportunities to realize cost containment:
There are multiple factors that are unusual with this development, due to the location in the Rocky Mountains. These factors are: long term building design which is required due to extreme harsh climate conditions in the mountains, higher construction costs because of the challenges with labor, material and general conditions due to weather conditions while under construction, and city requirements which are more stringent than other communities. Even with these challenges, our experience allows us to succeed in the area and provide housing to a population in need. Our building design has proven itself in Steamboat Springs. Plans have been made to change the exterior, so that this community can have its own "feel", while still maintaining all the lessons learned from the previous construction process. This will provide substantial cost savings and efficiencies.

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):
The local support experienced with this development has been truly unbelievable, which is similar to what we experienced with the Reserves at Steamboat Springs. The community realizes the desperate need for affordable housing and has demonstrated that in many ways, including countless letters of support from businesses, not-for-profit organizations, the Steamboat Spring School District, the Steamboat Springs City Council and the Routt County Commissioners. Additionally, the community voted in late 2017 to approve an increase in mill levy to help fund affordable housing, which is the source of the $2,000,000 in funds the Yampa Valley Housing Authority has committed to this development. The support for affordable housing in Steamboat Springs is a true group effort unlike any we have seen before.

4% pab lihtc application narrative



Project Name: **Arvada House**

Project Address: **10175 West 58th Place, Arvada, Colorado**

Executive Summary

Arvada House is a 44-year-old, 88-unit building serving low and very-low income seniors 62 years of age and older near the intersection of Kipling Parkway and West 58th Avenue. Rents for all units have been supported by a HUD Section 8 Housing Assistance Payments contract since 1977. That contract will be renewed under the Mark Up to Market program at closing and extended another twenty years.

The property is in an excellent location and not in a QCT/DDA/SADDA. King of Glory Lutheran Church is immediately to the south, a King Soopers-anchored shopping center is adjacent to the east and there are parks within several blocks to the east, west and south. RTD bus routes run along W. 58th Ave. and Kipling one block to the south and Ralston Road two blocks to the east. The RTD G Line is accessible via bus down Kipling 10 blocks to the south. The Arvada Public Library, City Offices and medical offices are located along W. 58th Ave. to the east.

Arvada House is a six-story masonry building with a flat roof and stucco exterior served by two elevators. The units are all 1 BR, 1 bath 576 square foot with balcony, through-wall air conditioning, electric baseboard heat and cooking and natural gas fired hot water heater with all utilities paid by the owner. There are 43 surface parking spaces, laundry room, community meeting room and fenced picnic area. There is currently a HUD-approved Resident Services Coordinator onsite and, as a part of this transaction, delivery of enhanced wellness services and programs will be added and provided by Eaton Senior Communities, an award-winning, highly respected and experienced senior housing operator and a Special Limited Partner in the ownership of the project.

Rehabilitation will focus on energy / water efficiency and resident health and safety upgrades, improving resident amenities, wayfinding in the building and quality of life, and replacing aging systems to extend the useful life of the building. The scope of work includes replacement of electric baseboard heating units, kitchen appliances and cabinets, bathroom vanities and medicine cabinets, windows, interior and exterior doors, hot water heaters, air conditioning units, toilets and baths, flooring and structural elements such as exterior brick and wall supports, roofing and modernization of elevators. Free WIFI will be added for all residents throughout the building to enhance access to telehealth services and reduce the stress of social isolation. The renovation will add easily sanitized materials to reduce risk of exposure to bacterial and viral transmission in common areas such as laundry rooms, mailbox, and lobby. Site improvements will include a new pergola, planting, and monument sign.

Financing will be provided by a permanent loan from the sale of tax-exempt bonds enhanced by Fannie Mae and equity from the sale of federal Low-Income Housing Tax Credits and state Affordable Housing Tax Credits.

2. **Bond Financing Structure:** Related will utilize Fannie Mae's MBS as Tax-Exempt Bond Collateral (MTEB) program with Regions Bank acting as the delegated underwriting and servicing lender. In this structure bonds would be issued by CHFA and publicly marketed and sold by the bond underwriter with Fannie Mae guaranteeing the payments to the eventual bond holders. Due to the lack of available bond cap, the MTEB loan will be supplemented by a taxable Fannie Mae MBS that will be a co-equal first mortgage with the MTEB loan. Related has closed numerous MTEB loans and recently close two loans with this type of taxable tail structure.

The MTEB loan and taxable tail will be "perm loans" at closing meaning they will be fully drawn down at closing, will begin amortizing immediately, and there is no conversion test. The "warning" in the model assumes that this is a draw down loan and therefore does not calculate the correct amount of interest.

3. **QAP Priorities:** Arvada House does not qualify for meeting any of the priorities in the QAP.

4. **Compliance With Approval Criteria:**

a. *Market conditions*: The property has been over 95% occupied with a significant waiting list since it opened in 1976 and has a waiting list that could take two years to fill.
b. *Proximity to existing tax credit developments:* The nearest senior tax credit developments are in Wheat Ridge at 44th and Wadsworth Blvd and those projects do not have Section 8 subsidies. Another project has been approved in the market area but it too does not have Section 8 subsidies.
c. *Project readiness*: As an existing property, Arvada House needs only an award of tax credits and approval of financing and building permit to proceed.
d. *Overall financial feasibility and viability*: The Section 8 HAP contract with Mark Up to Market rents, current interest rates and tax credit pricing assure financial feasibility.
e. *Experience and track record of the development and management team*: Related Affordable LLC is one of the largest owners and operators of affordable housing in the country and as such has significant experience and capacity for both development and management. The rest of the team – Caddis Architects, Palace Construction and Community Builders Realty Services bring extensive local knowledge, experience, and capacity to the project.

f. *Project costs*: Palace is one of the most experienced general contractors in Colorado in terms of dealing with renovation of senior housing projects with residents in place. As such, their familiarity with costs and processes is virtually unmatched.
g. *Site suitability:* The proximity of Arvada House to shopping, a church, transportation, services, and recreation make this one of the premier senior housing locations in the Denver metropolitan area.

5. Underwriting Waivers*:* No waivers of underwriting criteria are requested for this project.

6. Market Study Issues: The market analyst raised no issues in the market study.

7. Environmental Issues: There were no issues raised in the environmental report.

8. Unusual Features: There are no unusual features of the site or building that are driving costs upward. All opportunities to realize cost containment in the rehabilitation work such as bulk purchasing, discounts for storage and delivery, efficient production will be considered along with installation and incorporation of energy efficient and healthy materials.

9. Outreach, support and opposition: Since the project is existing, no outreach was done to the community other than conversations with City staff and community groups who provide services to residents. There is extensive support for the project and its residents and for improvement of the project from the City. The City of Arvada has approved award of $4.3M of its 2020 Private Activity Bond cap in support of the project.

10. Additional Information:

a. *Proposed rehab narrative*: Related has developed a scope of work focused on energy and water efficiency and enhancing residents' quality of life and comfort with health and safety upgrades, by improving amenities, making wayfinding in the building easier and replacing aging systems to extend the useful life of the building. The comprehensive scope of work includes replacement of appliances, kitchen cabinets, bathroom vanities and medicine cabinets, more energy efficient windows and patio doors, interior and exterior doors, hot water heaters, air conditioning units, toilets and baths, flooring, and structural elements such as exterior brick and wall supports, new roofing and modernization of elevators. New screening will be installed on each balcony, a new awning will be installed over the entryway, and new ornamental elements will be added to the exterior of the building. Free WIFI will be added for all residents throughout the building to enhance their access to telehealth services and reduce the stress of social isolation. The renovation will also incorporate design features that use materials that can be easily sanitized to reduce risk of exposure to the coronavirus and bacterial illnesses in common areas such as laundry rooms, mailbox and lobby. Site improvements will include a new pergola, new planting, and a new monument sign.

b. Relocation plan: See Exhibit No. 29 for details.

c. Ten Year Rule: Arvada House has a Section 8 HAP contract and is exempt from the ten-year rule. See Exhibit No. 25.

d. Related Affordable acquired the property in **July 2018**. Cap Ex during their 2018 ownership was $20,700: ($19,000) IT Capital, ($1,300) A/C replacements, ($400) appliances.

2019: $14,000: ($6,100) flooring replacements, ($1,700) A/C unit replacements, ($3,200) alarm system repairs/REAC prep, ($3,500) IT Consultants
2020 YTD: $8k – ($600) appliance replacements. ($700) flooring replacements, ($2,600) A/C unit replacements, ($4,600) COVID cleaning supplies/expenses

e. Please see attachment headed 10.e, Explanation of prior relationships.

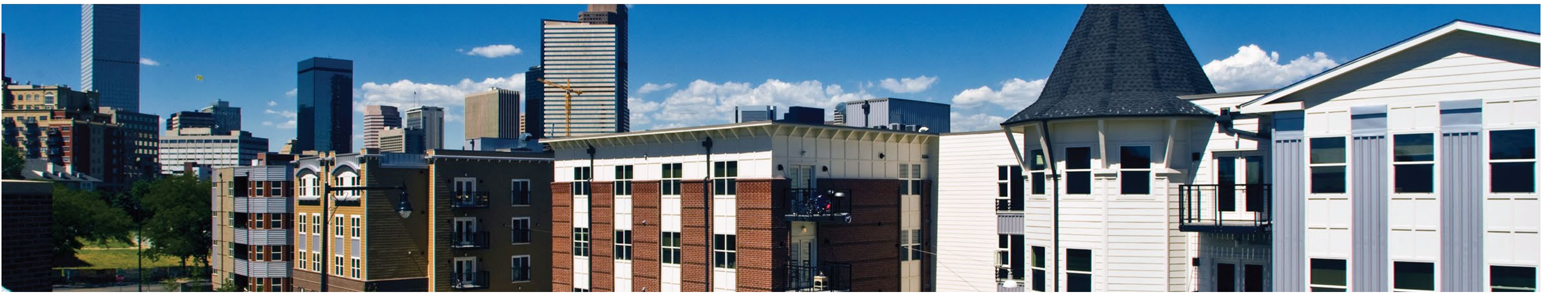
f. Past federal resources invested in the project include HUD Section 221(d)(4) mortgage insurance used to provide credit enhancement for the tax-exempt bonds used in financing the construction of the project in 1976. Other federal resources include Section 8 rental assistance for the last 55 years and Low-Income Housing Tax Credits that were used to perform a lesser level of rehabilitation 16 years ago.

g. There are no obvious design flaws to be corrected.

h. There have been no significant events leading to the current need for rehabilitation.

i. Also attached is a copy of the Rent Comparability Study that establishes the level of rents that will be approved after the rehab work is completed. These rents have been used in the application.

4% pab lihtc application narrative



Project Name: Aspgren Park
Project Address: 728 S Lipan Street, Denver, CO 80223

1. Executive Summary

St. Charles Town Company LLC is pleased to present Aspgren Park to the Colorado Housing and Finance Authority. Located ½ mile southwest of Interstate 25 and W Alameda Ave in qualified census tract 13.02 of central Denver's bustling commercial employment corridor, Aspgren Park is a proposed 216-unit, 7 building community with 100% of the units offered to households at or below 40%, 50%, 60% and 70% of area median income. 20 units are set aside for veterans transitioning from military to civilian life and the unit mix targets larger working families, with 45 1BR units (21%), 108 2BR units (50%), and 63 3BR units (29%).

Currently, the site is a blight on the community and is used as an unsightly railroad storage yard. Design of the stick frame 3-story walk-up community is influenced by an on-site barn from a historic on-site celery farm, which is to be saved as part of the project to house a maker-space, and features modern Scandinavian simplicity that compliments the simple aesthetic of the post war residences and commercial uses in the area. The design utilizes a steeper roof pitch than typical with asphalt shingles to match color with exterior sheathing to reflect a modern aesthetic. Post tensioned slab on grade foundations will be utilized and vertically/horizontally oriented cementitious, metal, and wood composite siding are contemplated exterior materials. Individually operated tuck-under garages are being utilized to eliminate surface parking and allow for the inclusion of an on-site urban garden and greenway. Please reference Section 14 of this application for additional design specifics.

Aspgren Park is served by four bus routes, route 11 which is within 150 of the project entrance and routes 3, 4, and 14 which are within a 2,650 foot walk (10 minutes) on Alameda and Mississippi. Alameda Avenue, which contains routes 3 and 4 is a high frequency transit corridor. Routes 11 and 14 offer service to Broadway Station and routes 3 and 4 offer service to Alameda Station. All four of these routes will provide light rail access to residents of Aspgren Park within 20 minutes one way travel time. Area amenities include three parks within ¼ mile, one of which is across the street from the community, and a fourth park is just ¾ mile away while the Platte River Trail connecting metro Denver via dedicated pathway is just 2,000 feet away. Area amenities are strong within one mile of the site and include grocery stores, restaurants, breweries, a library, schools, salons, florists, dentists, primary employment, and many other neighborhood serving uses.

The community is proposed to include units set aside for veterans to help those making the journey from military to civilian life. Approximately 200,000 veterans enter civilian life every year and while substantial transitional, economic, and housing resources exist for some subsets of the veteran population, those transitioning to civilian life are often left on their own and many find themselves wandering for years, others forever. Providing purpose driven veterans housing can help these service members find new meaning and fulfillment and help to combat the suicide epidemic in America, wherein 16 veterans take their own life every day. Realizing that many veterans have suffered life-altering injuries, Aspgren Park will also include enhanced accessibility features for ground floor units to serve veterans and others who live with physical limitations alongside a fully functioning on-site maker-space. The maker-space will be programmed so that veterans and residents can work with their hands, which many veterans cite as being therapeutic given their daily, tactile experience during their time serving. The associated maker-space educational programming will bring veterans, local business, and community residents together to explore their passions and share their talents. All the equipment, tools, software, and hardware needed to design, test, experiment, build, innovate, and collaborate will be provided as part of the project.

The community is to be financed with $29.6 million of tax-exempt private activity bonds with CHFA serving as the conduit issuer along with deferred developer fees, federal tax credit equity, state tax credit equity, and anticipated special limited partnership from the Denver Housing Authority to provide a property tax exemption. Applicant is also working with the City/County of Denver to obtain a local contribution in the form of a sales/use tax rebate and, if awarded, would like to pursue any recycled tax-exempt bonds which may be available at the time of construction loan closing.

2. Bond Financing Structure

The financing structure of Aspgren Park currently contemplates CHFA serving as conduit bond issuer only with Citibank, N.A. providing a forward rate-lock, construction to permanent loan to be marketed as a private placement. Construction period financing is to include $29,600,000 of new issue tax-exempt bonds alongside $18,200,914 of taxable bonds, though applicant intends to request from CHFA that all or a portion of the construction period taxable bonds be replaced with recycled tax-exempt bonds should they be available at the time of construction loan closing. Permanent period financing is anticipated to include a $29,600,000 tranche of tax-exempt loan proceeds and a taxable tail in the amount of $5,856,265. Again, should recycled tax-exempt bonds be available at the time of construction loan closing, applicant intends to request that CHFA allocate tax-exempt bonds at construction loan closing which could substitute the $5,856,265 taxable tail with tax-exempt permanent loan proceeds. Please note that while the applicant has a successful working relationship with the financing team proposed in this application, the applicant always runs a competitive process for debt and equity procurement and will obtain multiple proposals from interested debt and equity providers, including from CHFA, if the Aspgren Park project is awarded a preliminary allocation of tax-exempt bonds from CHFA.

3. Section 2 QAP Priorities

While Aspgren Park does not address specific priorities of serving Homeless Persons or Persons with Special Needs and is not located in a county with less than 175,000 people, it does meet 9 of the 10 guiding principles from the 2020 qualified allocation plan.

a) QCT: Aspgren Park is located in a qualified census tract of central/southwest Denver, an area of which has seen significant localized job growth, but little residential housing investment over the past four decades. New housing unit creation and residential investment is a primary goal of the City and County of Denver and Aspgren Park helps meet this need by contributing to a Concerted Community Revitalization Plan, Housing an Inclusive Denver, as evidenced by the letter of consistency and support from the City of Denver's Department of Housing Stability.

b) Distribution across the State: Aspgren Park is located in the center of a large urban area with a demonstrated and continued critical need for affordable and workforce housing. Aspgren Park is the largest project proposed within the City and County of Denver for 2020 Round 2.

c) Diversity of Populations: Aspgren Park serves an unmet need with its focus on units for families and veterans. During Denver's 3x5 Challenge lasting from 2014 to 2018, of the 4,561 affordable units constructed only 8.9% of those units were three bedroom or larger unit types. Aspgren Park will contribute 63 three bedroom units to Denver's housing stock with specific project amenities geared toward children and veterans. Further, many veterans experience that the stress of their service leads to divorce and while no specific data addresses divorced service members with kids, of the veterans we have spoken with a common trend amongst them was their experience as single parents with kids and their inability to find housing with adequate room and affordability; many simply gave up trying to establish a new life in Denver and moved to less expensive cities. The simple reality is that the majority of newly created and existing multifamily rental units are one and two bedroom units targeted to younger households and singles at the start of the new household formation cycle leaving larger family households with few options.

d) For-profit: Applicant is a for-profit entity with a demonstrated history of developing very high quality workforce housing assets timely and at some of the lowest costs per unit CHFA has seen in its portfolio over the last decade.

e) Public Transportation and Maximizing Density: While not exactly ½ mile from a high frequency bus corridor, the site is 2,650 feet (10 minute walk) from a high frequency bus corridor along W Alameda Avenue offering routes 3 & 4, but also sits adjacent to RTD Route 11 (one way trip time of 11 minutes), which is a circulator route connecting the site to RTD's Broadway Station, which offers connection to significant local and regional bus and light rail transportation. More importantly, the site sits adjacent to and among a concentration of primary employment uses within walking distance. Given this proximity to employment, it is reasonable to think that a meaningful number of future residents may be able to obtain primary employment within walking distance of Aspgren Park.

f) A component of the cost efficiency cited in section (d) above is density and the last three low income housing tax credit projects applicant and its affiliates have completed with CHFA have all maximized allowable density. The design for Aspgren Park utilizes a combination of tuck-under garages (individually operated garages) and an administrative parking reduction to maximize unit density. By eliminating surface parking there is more room on-site for residential buildings and the full utilization of a parking reduction for affordable housing (20% reduction from 1:1 to 0.8:1) allows the site to achieve a 42 unit per acre density in a cost efficient, 3-story walkup product that maximizes potential unit density under existing site/zoning constraints.

g) Energy Performance: Energy efficiency in building design is a quickly changing industry and it is worth pointing out both the applicant's utilization of rooftop solar at two existing low income housing tax credit communities and substantial energy improvements that Aspgren Park will exhibit. At Del Corazon (2015) and St Mark Village (2017), applicant has used hard cost contingency savings to install rooftop photovoltaic systems that supplement electricity usage creating a more resilient community while reducing each community's carbon footprint on-site. Applicant has every expectation that it will install a rooftop photovoltaic system at Aspgren Park, but that decision will ultimately be made based off of contingency usage during the construction period. In addition, new 2019 Denver Building Amendments to the 2018 International Energy Conservation Code (IECC) include several above code requirements, some of which are also in excess of green building requirements from required options available in the 2020 QAP:
   1. 5% of parking spaces have EV charging stations, 15% are EV ready, and 100% are EV capable
   2. Efficiency compliance requires performance 24% better than an IECC 2018 baseline; this is more stringent than EGC 2020 mandatory requirements, LEED certification, or NGBS Bronze.
   3. There is an entire building leakage inspection and testing requirement, including a thermal envelope air barrier review, which addresses similar infiltration performance issues as Energy Star certification
   4. There is a commissioning requirement, which addresses many of the functional testing and quality control requirements of Energy Star and LEED certification

h) Conversion to Other Use: Perhaps most importantly, the land on which Aspgren Park will sit is a highly desirable, but rare zoning in Denver which allows for a mix of uses, including for industrial development. Given the site's central Denver location, continued strength in the industrial sector, and the multiple offers applicant submitted to win control of the property, it is nearly certain that if Aspgren Park is not awarded private activity bonds in 2020, this parcel of land will be developed into an industrial use and Denver will lose one of its largest available and currently zoned parcels for affordable and workforce housing. While not an existing residential project at risk of converting to market rate, land availability in Denver is an equally pressing concern and the ability to develop a significant number of units in Denver is an urgent opportunity.

i) Financial Feasibility Necessity: In alignment with historical project performance and cost delivery on prior CHFA projects, applicant has requested a very modest tax-exempt bond allocation and state credit allocation which has the benefit of maintaining limited resources which can then be allocated to projects requiring greater assistance.

4. Section 2 QAP Conditions for Approval

Aspgren Park meets all the criteria for approval in Section 2.B of the 2020 QAP.

a. Market conditions: As the market study from Novogradac dated July 2, 2020 states, market conditions are considered excellent for the anticipated mix and income set-aside proposed within Aspgren Park. Location amenities, proximity to parks, and a central city location close to major transportation corridors are all cited as positive factors influencing the market demand for units at Aspgren Park, but the most apparent factor suggesting favorable market conditions is a lease-up absorption rate of 25 units per month, which is in excess of any market study applicant has ever received.

b. Proximity to existing tax credit developments: While there are a number of existing tax credit developments in the primary market area, most are stabilized properties with substantial waiting lists and the other two are modest communities comprising 110 units. One of these developments is under construction, Atlantis Apartments, which will have 45 units competing at the 40%, 50%, and 60% AMI set-asides however this project is nearly complete and should be leased up multiple years prior to any units from Aspgren Park placing into service. The other competing development in Westwood at 5048 Morrison Road is 3 miles west of Aspgren Park and all units should place in service more than a year prior to any units being ready for occupancy at Aspgren Park. The 55 units at the Morrison Road property only compete at the 40% and 60% AMI levels.

c. Project readiness: Aspgren Park is a proposed community with existing use-by-right zoning and a project design, construction, and financing team who have all worked together previously. While COVID-related delays are occurring at the municipal level, those delays are reflected in the project schedule identified in the electronic application and to mitigate these delays, the applicant works with a third party permit expediter to avoid the delays many developers typically experience while moving through the entitlement process. Applicant and its principals have completed in excess of 25 projects in the City and County of Denver and are experts in the entitlement process for Denver.

d. Overall financial feasibility and viability –As part of this application, applicant has also underwritten flexibility in its rental rates due to potentially lingering effects from COVID-19. As such, meaningful discounts to maximum rents are provided for certain unit types even though the market study suggests these rental rates can be achieved while maintaining not less than a 10% discount to market rent. Underwriting cushion into the gross potential rent will allow for the applicant to cover any unexpected cost increases which may occur from the time of (potential) preliminary tax credit award to the start of construction. Further, applicant has a demonstrated record of delivery high quality tax credit communities at some of the lowest prices per unit that CHFA has observed over the past decade. While Aspgren Park has a higher cost/unit than applicant's past projects in order to accommodate tuck-under parking garages and increase site density, overall project costs are still extremely competitive as evidenced by a very modest private activity bond request that is 11% lower than the 2020 Round 2 LOI average and a state credit request that is 74% lower on a per unit basis. Applicant has shown over the past decade that it has the ability to work quickly to deliver quality communities despite a challenging development cycle exhibiting a rapidly increasing cost environment.

e. Experience and track record of the development and management team: Applicant/developer and its principals have completed four previous tax credit communities in the State of Colorado with an additional 216 unit tax credit community under construction and anticipated to finish in summer 2021, on time and on budget. The third party property management company proposed for Aspgren Park currently manages three other tax credit properties for the applicant. The property manager's experience includes current management of 58 properties comprising 11,905 units, of which 13 are tax credit communities consisting of 1,323 units with a 14^{th} tax credit community totaling 216 units anticipated to start pre-leasing in October 2020. Property manager has never received an 8823 violation and utilizes a third party compliance verification consultant upon initial lease-up and on an ongoing basis.
f. Project costs: Applicant priced the hard costs for Aspgren Park with two general contractors, both of whom were within 1.3% of each other on total comparative costs. Applicant has included the higher of the two bids as part of this application to take the more conservative approach to project underwriting. As it is relevant to Section 15 of this application, applicant and its environmental engineer worked with local and state authorities, including both private and public professionals, to determine a scope of work for environmental soil remediation on-site and the project costs are inclusive of this remediation work. Please reference the letter from environmental engineer at the beginning of Section 15 for further information.
g. Site suitability – The proposed site is a generally flat piece of ground that slopes SW to NE, but with significant grade differential in the extreme southwest corner of the site. To accommodate the grade change, applicant has proposed a different building type with a stepped foundation system to best mitigate the grade change in this portion of the site. Otherwise, the site is well suited for residential development, has existing utilities in place, and applicant has received will serve letters from all major utility authorities including telephone and internet providers.

5. Underwriting Criteria Waivers:

No underwriting criteria waivers are being requested. Applicant has based the underwriting assumptions on the operations of projects with similar size and geographic location. It should be noted that the construction interest amount entered by applicant in the development budget exceeds the construction interest calculated within the electronic application due to the applicant accounting for one extra one month of construction interest cushion.

6. Market Study Issues:

The market study portrayed a very favorable opinion of the proposed Aspgren Park community, but cited a) proximity to industrial uses, b) adjacency to railroad tracks, and c) potentially competing projects as being potential weaknesses.

a. The market study analyst did contact the Railroad Administration who stated the tracks were only used once per week, so that is not anticipated to make any meaningful marketability impact.
b. Regarding nearby industrial uses, we disagree with the assessment of these uses being a potential weakness and instead, view their proximity as a strength. Being within such close proximity to primary employers is an opportunity for lower income households to eliminate travel time and costs out of their monthly budget. As you will read in our letters of support following this narrative, multiple local businesses reference nearby housing costs as a factor limiting their business growth and affecting their employee retention.
c. The market analyst cited three potentially competing projects within the PMA, but as stated in section 4b above, the timing of those projects is not anticipated to overlap or interfere with the delivery of units at Aspgren Park and the market analyst cites extremely low vacancy and substantial waiting lists at existing properties as being mitigating components.

7. Environmental Issues:
The environmental report identified four poly aromatic hydrocarbons (PAHs) as being present in the soil. Both historical and current uses of the property have contributed to PAH presence in the soils, but the main contributor is existing on-site treated wood railroad ties that are leaching into the soil. The railroad ties are required to be removed by the current property owner prior to transfer/purchase of the property by applicant. Applicant, in consultation with its environmental engineer, earthwork providers, waste facilities, and state environmental officials, has pursued a scope of work to pursue a voluntary cleanup (VCUP). Costs associated with the VCUP and related soil removal and remediation are reflected in the hard cost construction budget with administrative costs for processing the VCUP reflected in the development budget. Applicant has also designed a passive sub-slab mitigation system to further protect against any ground source vapor contaminants. No schedule impacts are anticipated as a result of existing site conditions and the VCUP process is anticipated to take place as part of the normal over-excavation, export, and import earthwork process. Please reference the clarification letter dated July 2, 2020 at the beginning of Section 15 of this application for further clarifying information regarding the site's existing environmental conditions.

8. Unusual Features Driving Costs:
The only unusual features of the project site are a grade issue at the SW corner of the site necessitating a split level foundation system for one of seven buildings and existing unsuitable soil conditions, which will need to be removed and remediated. Despite these unusual costs, estimated at a total impact of $1.3 million or $6,000 per unit, applicant is presenting a project anticipated to be on the low end of all projects submitted this round on a cost per unit basis. Efforts will be made to recycle unsuitable soil spoils at asphalt batch plants, who routinely recycle unsuitable soils with low level contaminants. Recycling unsuitable spoils has the potential to save $300,000 based on preliminary conversations with a single asphalt batch plant, though the viability of this arrangement is entirely dependent on demand at a point in time at the asphalt plant and is not being relied upon by applicant as part of this application.

9. Community Outreach
To date community outreach has included consultation with the local neighborhood association, many local businesses adjacent to the project site, the Railroad Administration, the City Councilperson for the area, the Mayor of Denver's office, the Denver Housing Authority, and the City of Denver's Department of Housing Stability. Additional community outreach was conducted in the veteran community via focus groups and interviews of veterans at three veteran serving organizations. Additional community outreach and engagement is occurring as part of applicant's submittal of planning documents to the City of Denver Development Services Department. Everyone consulted with by the applicant has had an opportunity to view the site plan for and proposed use of the site. Applicant expects that it will be able to work with the community on two primary community benefitting goals identified during consultation which include extension of W Exposition Avenue from the NW corner of the Aspgren Park site to an at-grade crossing at the NE corner of the site as well as playground enhancements for the adjacent Aspgren Park.

The repurposed barn turned maker-space has garnered substantial excitement from the community, including neighbors but also local businesses who are excited to contribute their knowledge with residents as part of a maker educational series and the applicant intends to work diligently with local businesses to curate the Maker Series on an ongoing basis if Aspgren Park receives a preliminary award that allow the development to move forward.

Very little opposition has been encountered to date. No opposition has been heard from local businesses, however a couple of residents who attended the applicant's state credit presentation voiced concerns about parking and traffic and wanted to make sure the applicant (as developer) was utilizing resources efficiently. That said, there seemed to be consensus within the hearing that if applicant could construct an extension of W Exposition Avenue, that would help to lessen the existing traffic impact along S Lipan Street, which is the neighborhood's main N/S commercial artery. One resident also commented about concerns of overcrowding at local schools and applicant has reached out to Denver Public Schools for verification of any impacts to the school system that might be triggered by development of the Aspgren Park community, but has not yet heard back.

4% pab lihtc application narrative

Barnum Residences
221 Federal Boulevard

Denver, Colorado 80219

September 16, 2020

Project Narrative

1. Executive Summary

The Barnum Residences ("Project") is 44 unit new construction Project which will include 44 Permanent Supportive Housing("PSH") units for previously homeless persons earning less than 30% of the adjusted median income ("AMI"). A request for 44 state funded project-based vouchers has been submitted to the Colorado Division of Housing ("CDOH") as well as a request for a $158,400 annual grant to cover a portion of the $351,750 annual supportive services budget ($7,994/PSH unit). The remaining costs of the supportive services budget will be covered by funds from the Denver Department of Housing Stability ("HOST"), the 5% PSH Development Fee, Medicaid, and Project Cash Flow.

The Project Owner will include a non-profit organization and thus exempt the low income Project from property taxes. This application seeks $7,400,000 in tax exempt private activity bonds from the Colorado Housing and Finance Authority ("CHFA"). The construction period financing will be provided by First Bank and the permanent loan will be arranged through the Freddie Mac TEL program. Subordinate financing has been requested from CDOH, HOST, and the Mercy Loan Fund. There will be a deferred development fee amounting to $341,100.

The Project will be located along the Federal Boulevard enhanced transit corridor and will include 27 one bedroom units, 12 two bedroom two bath units, and 5 three bedroom two bath units. The City has approved 24 parking spaces for the Project. The Project will be developed, designed, and constructed by a team that has worked together for many years. Construction is expected to start in June of 2021 and will be completed in 13 months.

A. Project Description and Amenities

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

The site will include a 3,000 square foot fenced in courtyard and numerous resident activities will be conducted in this space. To enhance pedestrian activity the City has required that the building be located to allow for an 18 foot tree lawn and an 6'-6" foot detached sidewalk along Federal Boulevard. The site is located in a Qualified Census Tract ("QCT") and is within close proximity to the Barnum Recreation Center and the Barnum Elementary School. The closest grocery store is the King Soopers at Federal and Evans which is a 12 minute drive from the site. The Project will provide weekly bus service for the residents to the King Soopers.

The 50,514 square foot building will have its primary entrance from Federal Boulevard. The controlled entrance will lead into a 3,700 square foot area that includes the leasing o;ffice, offices and meeting spaces for supportive services program, arts and craft room, children's playroom, and a community space.

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

Exhibit One: Occupancy by Income and Unit Type

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

B. Project Location

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

C. Type of Construction

The general contractor, Shaw Construction Construction Company, has prepared a detailed cost estimate based on the preliminary architectural drawings. The estimate amounts to $8,524,241 which is about $169/sf. The estimate does not include Davis- Bacon wage rates. Shaw will also develop a Section 3 plan that will include opportunities for WBE/MBE firms.

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

D. Energy Efficiency and Green Building Features

The project will certify at the Bronze Level through the National Green Building System. While a minimum of 238 points are required to achieve Bronze, a score of at least 260 is anticipated. In addition to being a smoke free building, optional criteria include reduced energy consumption from high performance HVAC systems, a low flow water fixture package, and Energy Star appliances. The project is targeting 24% energy savings beyond 2018 IECC, which scores at the highest level of efficiency performance within the NGBS energy section - Emerald. Storm water will be detained on site and there will be a dedicated waste recycling program. The project will qualify for the Xcel Energy Conservation Rebate Program. We expect to receive a $15,000 rebate and Solar Energy Tax credits will be generated as a result of the installation of a roof top 33 KW solar system which will generate 52,000 KWH in production. Group 14 Engineering has been retained to offer energy efficiency oversight and testing.

E. Supportive Services Plan

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

Potential residents for the PSH units will be assessed based on severity of vulnerability and other factors set forth in the Vulnerability Index- Service Prioritization Decision Assistance Tool (VI-SPDAT). Additionally, preference will be given to individuals and families who would benefit from services due to past involvement in the criminal justice system and behavioral health needs. 50% of the referrals will come from the Metro Denver Homeless Initiative ("MDHI") OneHome Coordinated Entry System, and the other 50% of referrals will come from the Mental Health Center of Denver.

The Rowdy Foundation will be the lead service provider at Barnum Residences and will partner with the Mental Health Center of Denver and other community partners. The Rowdy Foundation is a 501(c)(3) nonprofit created by Burgwyn Residential Management Services LLC ("BRMS") in 2018. BRMS commenced operations in June 2012 as a property management company serving market rate and affordable housing projects in the Denver Metro Area for nearly eight years. BRMS is a full-service management company that currently manages nine properties, two of which are "PSH" projects in Denver: (1) The Fourth Quarter located at 3150 Downing Street (36 units), which opened in 2010 and is 100% PSH, (2) Ruby Hill Residences (114 units), which opened in 2016 and 75% of the units are PSH.

2. CHFA Goals

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

A. CHFA Priorities

The Project meets the CHFA guiding principles for the selection of projects to receive an award of credits by providing housing for families in a QCT and is located within a two block walk to the high speed public transportation bus stop at West 4th and Federal. The Project projects a score exceeding 170 points.

B. Approval Criteria

1. Market Conditions

The market analysis prepared by Newmark Night Frank concluded that the proposed Project will be one of a very small number of new multi-family developments in the central section of the metro area and the only new affordable multi-family development currently slated for its Primary Market Area ("PMA") in 2020. Its location, along Federal Boulevard is good, and there is ample bus transportation to the Site.

Based on the findings of the market analysis, the unit mix and the unit sizes of the proposed development are well-positioned for its market. The units are in line with, or slightly larger than, the other comparable developments in the market. Future demand for the LIHTC units will increase in the PMA due the extremely low vacancy rate. Community amenities are a strength of the subject property and are typically more generous than competing properties. The market analysis revealed a capture rate of 22.1% which is below the CHFA threshold of 25%. The existing LIHTC projects in the market area all reported vacancy rates of 1% or less with long waiting lists of households desiring one and two bedroom units.

2. Readiness to Proceed

The Project has debt and equity commitments in place. The Site plan has been submitted to the Denver Planning Office for approval. Schematic drawings have been completed and the final architectural plans will be submitted to the Denver Building Department in the Spring of 2021 with a building permit expected in June of 2021. Construction will commence in June and the Project will be completed in July of 2022.

The Burgwyn Co., a member of the Ownership entity, currently owns the Site and will convey it to the Applicant at the Construction Loan closing.

3. Overall Financial Feasibility and Viability

The Project is expected to cost $14,764,358 or $335,554 per unit as illustrated in Exhibit Two.

Exhibit Two: Uses of Funds

Project Costs	Amount	Per Unit	Percent
Site Improvements	$ 963,667	21,901	6.53%
Construction, FFE, and Permits	$ 8,086,039	183,773	55.78%
Professional Fees	$ 688,394	15,645	4.66%
Construction Interim Costs	$ 1,091,527	24,807	7.39%
Soft Costs/Syndication	$ 212,328	4,825	1.45%
Permanent Financing	$ 322,944	7,454	2.22%
Operating Reserves	$ 202,000	4,590	1.30%
Development Fee	$ 1,704,727	38,760	11.55%
Development Fee (PSH)	$ 568,242	12,920	3.85%
Property Acquisition Costs	$ 925,000	21,022	6.27
Total	**$ 14,764,358**	**$ 335,554**	**100%**

The primary funding will be a 35 year permanent loan from Freddie Mac arranged by NorthMarg amounting to $4,897,200. The construction period financing amounting to $7,400,000 will be provided by First Bank of Denver. The Project owners expect to receive funding from HOST amounting to $993,350 CDOH funds amounting to $993,350, and a $300,000 loan from Mercy Housing. There will be a deferred development fee amounting to $341,100 The Xcel energy conservation payment will amount to $15,000. The Federal ($0.89) and State ($0.71) LIHTC will be sold to raise $7,090,395 as described in Exhibit Three.

Exhibit Three: Sources of Funds

Funding	Amount	Per Unit	Percent
Perm. Loan	$4,897,200	$117,020	33.17%
Second Mortgage	$300,000	$6,818	2.03%
State Loan	$993,350	$22,576	6.73%

City Funding	$993,350	$22,576	6.73%
Deferred Dev. Fee	$341,100	$7,752	2.31%
Limited Partners	$7,090,395	$167,963	48.02%
Xcel Energy	$15,000	$341	0.10%
Refund of Forward Lock Deposit	$97,944	$2,340	0.66%
Total	**$ 14,764,358**	**$335,554**	**100%**

4. Development Team Experience

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

5. Cost Reasonableness

The projected Total Eligible Basis for the Project is expected to be $13,161,801 which is substantially less than the amount allowed under the Method Three Basis Limits test ($14,526,946). The Federal LIHTC allocation requested ($524,685) amounts to $11,247 per LIHTC unit and the request for State LIHTC ($576,694) amounts to $13,107 per unit.

6. Proximity to Existing Tax Credit Developments

At present, there are 9 existing affordable units in the 30% of AMI program and 163 existing units in the 50% of AMI program in the market area. Only five percent of the affordable housing units in the market area serve households earning less than 30% of the median income. There are an additional 87 units in these AMI programs under construction and 181 units proposed in the area, one of which is the subject property. Thus, the total existing, under construction , and planned units amounts to 140 units in the 30% of AMI program, and 232 units in the 50% of AMI program. This equates to a required capture rate of 22.1% for the subject property. The market analyst believes this penetration or capture rate is achievable given the high demand in the area and the subject's unit mix, which targets lower income categories. The market area is also expected to draw residents from outside of the primary/secondary market area, in addition to the existing income qualified renter households.

7. Site Suitability

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

C. Justification for Underwriting Criteria Waivers

1. Operating Expenses

The Project operating expenses at 7,763 per unit per annum are above the CHFA minimum of $3,900. The debt service coverage is 1.42, the replacement reserve is $300/unit, and a five percent vacancy rate was used on the PSH units in the projections. The applicant seeks a waiver of the 1.30 debt service requirement from CHFA.

2. DDA Credit

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

D. Issues Raised by the Market Study

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

E. Issues Raised by the Environmental Reports

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

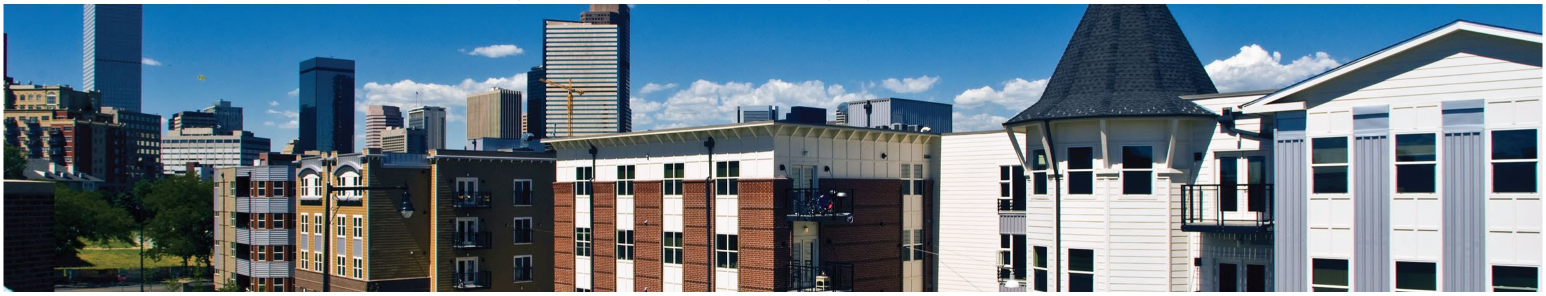
F. Unusual Features that Effect Project Cost

None

G. Outreach Efforts and Local Financial Support

On July 14th, we submitted this Narrative to the Barnum Neighborhood Association and attended a virtual meeting with the Association. There were no concerns about the Project voiced by members of the Association. A virtual meeting with Councilwoman Torres was conducted on July 16 to discuss the attributes of the Project. A recorded public hearing was held on July 28, 2020 and the results are included herein. No members of the public attended the hearing and we have not received any comments from the public concerning our presentation. HOST is considering a $993,350 Loan for the Project that will be used to cover the Site acquisition cost and tap fees. HOST has provided a statement that the proposed Project is consistent with the consolidated plan and a letter of support.

4% pab lihtc application narrative



Project Name: Beeler Park Flats
Project Address: 56th Avenue and Chester Way

Executive Summary

Beeler Park Flats is a 109 unit family project being proposed on one of the last multi-family sites in the Stapleton Redevelopment project, one of the most successful redevelopments, urban infill projects in the United States.

1 - Southeast Perspective Rendering

The 4,700 acre site, former home of Stapleton International Airport, was closed in 1995 when Denver International Airport opened. Re-development of this huge infill site started in earnest in 2001 when Forest City, the Master Developer, was selected by the City and County of Denver to lead the re-development effort on the abandoned airport site.
Fast forward to late 2019, the Stapleton Re-development was nearing completion, and began marketing the final 4 multi-family sites in the largely single family/townhouse/mixed use development. In one of the most competitive RFP processes in memory, with as many as 10 different multi-family developers submitting proposals for the sites in one and two parcel formats. Along with the opportunity to build higher density residential projects, the selected developers were required to assume the obligation of working with Stapleton to complete the final requirements of the Affordable Housing Plan(AHP)put in place as part of the original entitlement package by the City and County of Denver in 2001.

One of the successful bidders for the multi-family sites was RayLenn Properties, a large and successful southern California developer. RayLenn contacted Mile High Development in the spring of 2020 to discuss Mile High taking over the obligation to build at least 100 units of affordable housing as part of their obligation under the AHP. The Beeler Park site in the northern sector of the Stapleton Master Plan was selected as the most appropriate site for the affordable project because it was a separate and distinct site that did not have to be separated from or integrated into a larger building. It could be designed to accommodate the 100+ units required under the AHP.

In order to facilitate a structure to comply with CHFA's site control requirements, the structure that was agreed upon was for FC Stapleton II, the owner of the site, to sell the site directly to MHD, and for MHD to compensate RayLenn per their original Purchase and Sales Agreement, so they could complete their purchase obligation to FC Stapleton for the entire Beeler Park site. This documentation is now all completed, and MHD can demonstrate site control by virtue of purchasing the affordable site directly from the current owner, FC Stapleton II.

2 - Beeler Park Flats Site Aerial

The Beeler Park site is surrounded by recent residential and commercial development and a large open space area. It is a classic family site, with Inspire Elementary School and Northfield High School directly adjacent and within walking distance, and, as such, MHD worked closely with the Stapleton staff to develop a unit mix that includes a larger than normal allocation of three bedroom units. In order to supplement the project pro forma to support the additional 3-bedroom units (18 units) to serve the family market demographic, Stapleton has agreed to provide Beeler Park Flats with a $90,000 grant!

Beeler Park Flats is in a SADDA, which allows for the utilization of a 30% basis boost, which adds to the financial viability of the project. While the project is outside the ½ mile radius to a transit station (Central Park Station or Peoria/Smith Road Station), the developer will be providing NECO Passes (Neighborhood Eco-Pass) to each tenant, giving 100% of the units a full access pass to bus and transit options, and quick access to either transit station via local bus service, with a bus stop less than .4 miles away.

Beeler Park Flats will be constructed on a post tensioned concrete slab and consist of four stories of Type 5 wood frame construction consisting of a mix of 35 one bedroom units, 56 two bedroom units and 18 three bedroom units. The roofing system will consist of a TPO "cool roof" in compliance with the City and Country of Denver's Green Roof Ordinance. The building skin is a combination of cementitious panels of muted colors, selected specifically by KTGY to fit in with the surrounding neighborhood character.

Unit Mix and AMI Levels				
Unit Type	1-BR	2-BR	3-BR	Total BR
20%	1	1	1	3
30%	3	4	2	9
40%	5	7	4	16
50%	8	14	4	26
60%	18	30	7	55
Total Units - 109	**35**	**56**	**18**	**109**

2 - Northwest Perspective Rendering

Bond Financing Structure

The anticipated financial structure for this project is that the bonds will be issued by CHFA and privately placed with the construction lender and permanent lender, Citibank. There will be $15,200,000 of bonds issued for the construction period and upon conversion, $3,000,000 will be retired for a permanent bond amount of $12,200,000. It is anticipated that all bonds will be tax exempt. Additional funds needed during construction will be covered with the construction loan. There will not be any taxable bonds.

Sources of Financing		Uses of Financing	
1st Mortgage	12,200,000	Land and Buildings	1,500,000
City of Denver Host	1,635,000	Site Work	1,287,743
CDOH	1,200,000	Construction	19,610,714
Stapleton Funds	90,000	Professional Fees	1,083,650
		Construction Interim Costs	2,263,049
		Permanent Financing	213,900
		Soft Costs	352,805
Deferred Developer Fee	1,000,000	Syndication Costs	27,600
Federal Tax Credit Equity	9,939,459	Developer Fees	2,980,735
State Tax Credit Equity	3,746,597	Project Reserves	490,860
Total Sources	**29,811,056**	**Total Uses**	**29,811,056**

Market conditions

Market conditions are excellent for a new family project in the Stapleton Redevelopment area. Over the past 20 years, 5 other LIHTC projects such as: Kappa Tower (2018), Moline (2018), Northfield at Stapleton (2015), Central Park at Stapleton (2006), and Clyburn at Stapleton (2002) have been developed within the Stapleton project and have been well received in Stapleton. The market study shows a strong demand for all levels of AMI. With our virtual doubling of the normal amount of 3 bedrooms, from 9 units to 18, and an additional 56 two bedrooms, we are in a good position to attract families with 68% of the units being either 2 or 3 bedroom units.

Project Readiness

The site is surrounded on all four sides with City streets (56th Ave., Boston Ct., and Chester) and an alley which separates the site from a new townhouse development and is rough graded and ready for construction. No environmental remediation or unusual on-site or off-site improvement costs are required.

Overall Financial feasibility and viability

Beeler Park Flats is financially viable with validated construction costs from 3 qualified General Contractors, achievable market assumptions on tax credit pricing, and long-term financing alternatives available at a reasonable cost. Since there are no unusual on or off-site costs, and construction is a straight-forward type 5 wood frame construction type, the applicant believes that this is a very viable project. Beeler Park Flats is being produced at a density of 57 units/acre, a much denser project than many other residential multi-family rental projects in the area.

Experience and track record of the development and management team

This will be the third collaboration of the development team of Mile High Development and Brinshore Development on affordable housing projects in Colorado (Sheridan Station, Capitol Square Apartments, Beeler Park Flats). Both Mile High Development, with its many Colorado projects, and Brinshore with its development footprint throughout the mid-west from its Chicago base, have a history of successful projects. Management will be provided by COMCAP Management, an experienced and well-known local firm in both the development and property management space.

Project Costs

Project costs are in line or lower than those of the applicants last two projects, due to a finished site that is ready for construction; no podium or underground parking; the ability to have ground floor units, and ability to limit the height of the building to 4 stories. In fact, when the applicant conducted an RFP process with three qualified general contractors, all three submitted a total budget that was below the target cost that had been established for the project ($180,000/unit).

Site Suitability

The Beeler Park site is ideal both from a physical standpoint and from a locational standpoint. As stated above, the site is currently surrounded on all four sides with streets (3) or an alley. With 56th Avenue as its main arterial, connecting the project to major employment centers at DIA and Pena Station to the east, and the balance of Stapleton and the I-70 and I-270 corridors to the west. Beeler Park Flats is centrally located to many other amenities such as the Northfield Shopping Center, Dicks' Sporting Goods Park, two A-Line commuter rail stations (Peoria and Smith Road station), and Stapleton Central Park Station (A-Line). It is also accessible to the R-Line light rail station that travels from Peoria Station to Nine Mile Station in south Aurora, and connects with the F Line and H Line with service to the southeast office parks: Denver Tech Center, Greenwood Plaza, Inverness and Meridian.

The Applicant is not requesting any waivers of underwriting criteria.
There are no issues raised by the market analyst (Novogradac) in the market study.
There are no issues raised by the Phase One environmental report.

There are no unusual features that are driving costs upwards. To the contrary, this finished level site is "shovel ready". We have designed a building type and layout with KTGY, that is the simplest building program and one that we have completed many times, i.e., wood construction, four story, no parking structure, etc.

Because of the Covid-19 issue, we have been forced to limit our community outreach to the Public Meeting required by the State and CHFA for a state tax credit deal. We held the Public Meeting in a Go-To-Meeting format on July 7, 2020. No members of the public called in, but a full presentation was made and recorded by the design and development team, in accordance with CHFA instructions and procedures.

Sustainability and Health

Beeler Park Flats is pursuing a 2020 Enterprise Green Communities full certification with a double certification in WELL to prioritize and focus on human health and wellbeing. The Beeler Park Team will be implementing EGC 1.5 criteria-Design for Health and Well Being and will be partnering with Metro State University in an effort to roll out the Health Action Plan. Additionally, the 2020 EGC certification will automatically enable the project to earn WELL certification. WELL is the leading tool for advancing health and well-being for human health within buildings.

Project Name: Benedict Village at Willits Bend

Project Address: 90 Widget Street, Basalt, CO 81621

SECTION 1: EXECUTIVE SUMMARY

Archdiocesan Housing, Inc. (AHI) is excited to present a much-needed housing project in an area of the state where it has been extremely difficult to develop affordable housing. With our longstanding commitment to the needs of Colorado's mountain towns, we have the local knowledge and presence needed to identify market needs, entitle, build, and operate sustainable projects.

The proposed project is in unincorporated Eagle County, between Basalt and El Jebel, about 20 minutes from Aspen. Due to this area's attractiveness to affluent second-home owners, and high cost of mountain construction, this area retains some of highest home prices in the State, making it nearly impossible for working class households to live in the communities in which they work. According to the Greater Roaring Fork Regional Housing Study, the area immediately needs 2,100 affordable rental units at 60% AMI. Our project will address this exact need. This community will provide our residents with a wonderful quality of life, numerous job opportunities, excellent schools, and access to everyday services right in their neighborhood. It's the kind of place that provides an opportunity for our residents to make a lasting improvement in the lives of their families.

Please see the project details below in response to the specific questions required for Section 1:

- QCT/DDA/SADDA: project is in tract 3.01 and is located within a DDA
- Public Transportation: project is within a quarter mile of the Hwy 82/Sagewood L line stop and a half mile of the L Valley Two Rivers L line stop. Additionally, AHI is developing an agreement with the adjacent property owner which would create a 910-foot walk to the Hwy 82/Sagewood L line stop.
- Construction Type: post-tensioned slab, wood framing, shingle skin, enclosed walk-up stairs, surfaced parked.
- Population Served: individuals and families at 60% AMI or less

- Bedroom Mix: 75 units across four buildings; three 3-story walkup buildings and one 2-story townhome building. A total of eight studios, forty-four 1-bedrooms, eighteen 2-bedrooms, and five 3-bedrooms.
- Location: unincorporated Eagle County, adjacent to Basalt. Located in an existing PUD (Willits Bend) which is currently 40% developed with higher-end work/live condos built in 2009. Commercial uses within these condos include, for example, art studios, showrooms, and an exotic car storage facility. AHI is amending the PUD to allow for the remaining land to be developed as 100% residential with no commercial.
- Amenities: covered bike racks at each building, bike maintenance and cleaning station, three open-space parks, playground, dog run, covered BBQ patio, full-time on-site property management
- Energy Efficiencies: The project elects to certify under the NGBS standards.
- Types of Financing: of note, AHI will be contributing $3mm of funds bequeathed to us by an Aspen-area benefactor for the project. The balance of the project will be funded with 4% Federal and State LIHTC, tax-exempt debt, and State HOME and CDBG funds.

Other salient facts:

- Fritz Benedict: was a pioneer of architecture and design in the Aspen area, a student of the great Frank Lloyd Wright. Before his death, Fritz established the 10th Mountain Hut system, donated over 250 acres to Pitkin County open space, and bequeathed several million dollars to AHI for provision of affordable housing in the Roaring Fork Valley. Benedict Village is named in his honor and his bequest will be used to finance this project.
- Management Agent: for this project will be Housing Management Services (HMS), a wholly owned subsidiary of AHI. HMS manages over 1,700 low-income apartments across Colorado and Wyoming.
- Valley Properties: AHI owns, and HMS manages, three properties, 177 units, of low-income housing in the valley. These properties are Holy Cross Village (Gypsum), Machebeuf Apartments (Glenwood Springs), Villas de Santa Lucia (Carbondale).

SECTION 2: BOND FINANCING STRUCTURE

a. Total Bonds = $15 million; $15 million construction-period, $7.2 million permanent
b. Bond Issuer = CHFA; Eagle County will assign available bond cap in an amount TBD.
c. Lender = US Bank; Bond Sale Structure = Private Placement
d. $13 million of bonds will be tax-exempt; $2 million will be taxable (53% PAB test)

SECTION 3: QAP PRIORITIES

- Benedict Village meets the conditions of the priority for projects located in counties with populations of less than 175,000; Eagle County has a population of under 60,000.

SECTION 4: QAP SECTION 2 CRITERIA

- Market Conditions: The Roaring Fork Valley area experiences what is arguably the largest jobs / housing imbalance in the State. This small area has identified an immediate need for 2,100 affordable housing units. Our market study revealed that there are no vacancies in any affordable properties in the Valley. The rents at the proposed project provide a significant value proposition to our residents.
- Proximity to Existing Tax Credit Projects: The nearest property is the recently completed project in Basalt, Roaring Fork Apartments. There are 2 projects containing 54 units in this PMA that have not yet placed in service.
- Project Readiness: AHI is working now to finalize an amendment to the PUD for this site to allow for the construction of the planned project, as described in more detail in the attached letter from the County planning department. We expect final approvals to be in place prior to the applicant interviews later this fall. Construction will commence in August of 2021.
- Overall Financial Feasibility and Viability: The proposed affordable rent levels are achievable in the market. In fact, our rents are an average of 34% below the average Class B rents in the PMA. 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 complemented by grants from the Sponsor and State of Colorado.
- Experience and Track Record of Development and Management Team: AHI has been developing and operating affordable housing properties for over 50 years. Our portfolio includes 30 properties and over 1,700 units, of which 11 properties and 667 units have received tax credits. Our management agent, HMS, manages all our properties and has a strong track record of compliance, including no issuance of an 8823. We have never requested supplemental credits and our projects have been developed within their budgets.
- Project Costs: AHI has assembled a team of experienced professionals with a strong background in construction that will produce a very high-quality project at a very competitive price. The proposed project will take advantage of existing infrastructure improvements in the PUD area. We've created an efficient building design and parking configuration. In a climate of rapidly increasing construction costs, every effort must be made to design and execute on an efficient program.

- Site Suitability:
    - The site is generally flat and can be considered infill. The soils in this area are sandy with river cobbles, making for a stable and well drained site. Utilities are adjacent to the site in a relatively new roadway. There are no environmental, flood plain, or wetlands issues.
    - The proposed project is located in a well-developed location within Basalt. Amenities in the immediate area are numerous:
        - Education: The local public schools available to residents are well regarded. The elementary, middle and high schools are all accessible via school bus services available to students from the site. There are several other private and charter schools available as well.
        - Shopping: 1.5 miles north the site is the new Willits Town Center development, with grocery, restaurants, banks, gas station, misc. offices and other services. 2.5 miles east of the site is downtown Basalt, which offers a similar array of services.
        - Parks & Recreation: The Basalt area hosts a number of outdoor amenities; the Roaring Fork River trail is adjacent to the site. Other outdoor activities, such as fishing, hiking, skiing etc. are all available in abundance. There are several recreation centers and community parks throughout the Basalt area.

SECTION 5: WAIVERS

- N/A, no underwriting waivers are requested.

SECTION 6: MARKET STUDY ISSUES

- Prior & Associates noted that, although the subject's capture rate is above the 25% threshold, this capture rate is attainable because comparable LIHTC properties are over 99% occupied with waiting lists of several hundred applicants.
- The most recent LIHTC project, Roaring Fork Apartments, located less than 3 miles from Willits Bend, is 100% occupied with a 300-applicant waitlist.

SECTION 7: ENVIRONMENTAL CONCERNS

- The Phase 1 ESA raised no environmental issues for our site.

SECTION 8: UNIQUE COST FEATURES

- The cost for suitable land for multifamily in the Roaring Fork Valley comes at astronomical pricing, even compared to Denver's urban core. This is evidenced by the nearly $4mm price tag for the land at Willits Bend, the cost of which will be largely supplemented with the Benedict bequest funds.

- The cost for construction in the Roaring Fork Valley can exceed front range pricing by 50%, due to the lack of competition of construction firms and the cost to transport materials and employ laborers at such a distance to the Denver area.

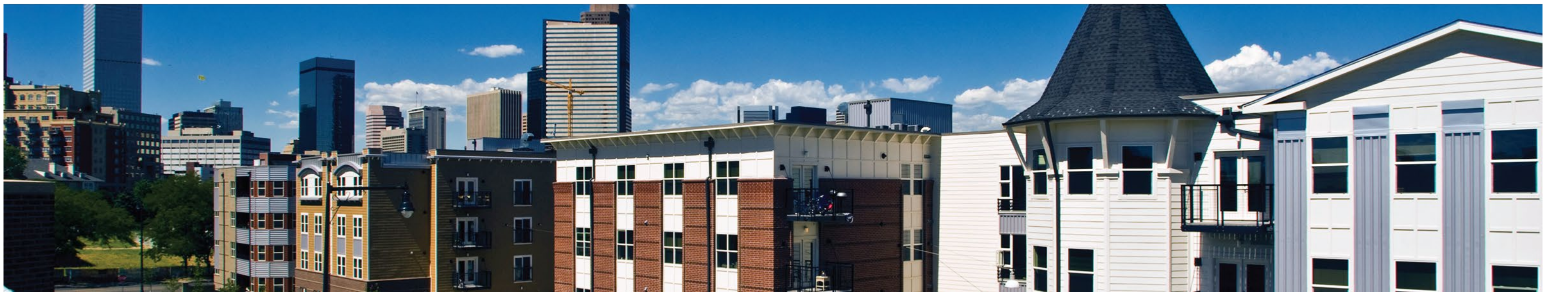
SECTION 9: COMMUNITY OUTREACH

- AHI has provided affordable housing for over 20 years in the Roaring Fork Valley and is a longstanding member of this community. We've met with every town and county in the Valley to explore development opportunities over the years. We know firsthand of the housing challenges in this area. Included in the application materials are numerous letters of support from government officials, community members and other stakeholders in the Valley.

SECTION 10: ACQUISITION/REHAB NARRATIVE

- New Development - Not applicable

4% pab lihtc application narrative



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

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

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

Of the 115 units, 62 units have project-based rental assistance from RD. The Project will preserve this valuable resource and allow the very low income residents in the properties to stay in their homes. The current average household income for the units in the Project that are supported with rental assistance is $13,200 – the Developer is proposing to preserve this critical financial support for families and seniors that need it most. In addition, CDI will utilize Income Averaging in order to include several 80% AMI units in the Project which will allow all existing residents to remain in their communities. All four properties are currently nearly fully occupied, and residents requiring relocation to complete the interior improvements will be temporarily relocated and then moved back into their communities after the renovation to their individual units is complete.

Park Ridge Apartments - Estes Park I, built in 1985 as an RD and LIHTC family property, has 24 one-bedroom units, six two-bedroom units, and two three-bedroom units for a total of 32 units, one of which is a manager unit. Of the remaining 31 units, 12 units have RD rental assistance. Five units will be restricted at 30% of the area median income (AMI), four units at 80% AMI, and the remainder of units at 60% AMI. The property consists of four two-story walk-up buildings with wood siding exteriors and exterior unit entrances. Park Ridge is located in southeast Estes Park along St. Vrain Avenue (St Hwy 7). The LIHTC use restriction expired in 2015.

Park Ridge Apartments - Estes Park II (fka Trail Ridge Apartments) is an existing RD and LIHTC senior (62+) development built in 1991 and consists of 23 one-bedroom units and a two-bedroom that serves as a manager unit. The 23 remaining units are all, and will be preserved as, rental assistance units for seniors.

Twenty units will be restricted at 60% AMI and three units will be restricted at 30% AMI. The development contains three two-story walk-up buildings with wood siding and exterior entrances. The site is located in southeast Estes Park along St. Vrain Avenue (St Hwy 7). The property's LIHTC extended use period expires at the end of 2022.

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

Park Ridge Apartments – Brighton (fka Platte Valley Terrace) was built in 1997 as an RD family property and has 22 one-bedroom units and 24 two-bedroom units (one unit is a manager unit). Of the 45 remaining units, 11 have, and will continue to have RD rental assistance. Four of the units will be restricted at 30% AMI, five units at 80% AMI, and the remainder of the units will be restricted at 60% AMI. The units are arrayed in six two-story buildings with brick and wood siding exteriors. The site is located in southwest Brighton near the intersection of Highway 85 and Bromley Lane.

The Project will certify under the National Green Building Standards (NGBS) program. For specific renovations that are planned for the properties and for the plan of temporary tenant relocation during rehabilitation, please see Section 10.

2. Describe the bond financing structure:

Construction Period Bonds: $9,685,000 Private Placement; Permanent Bonds: $0
Bond Issuer: CHFA
The City of Brighton has awarded $2,157,156 in PAB cap to the project.

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

a & b – N/A

c. Projects in Counties with populations of less than 175,000:

Lincoln County (Limon) had 5,610 residents as of 2018. The property to be acquired and rehabilitated in Limon will preserve 16 units with rental assistance for very low income families.

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

***a. Market conditions*:**

Three of the four developments that make up the Project are 100% occupied and are anticipated to continue to be fully occupied during and after rehabilitation of the units. The Project will preserve 115 units of affordable housing including 62 units with rental assistance for current residents who would have very limited housing choices if these deeply affordable rural units no longer existed.

b. Proximity to existing tax credit developments:

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

- Falcon Ridge (4.8/3.8 miles to the north) was completed in 2016 and has 48 units at 30%, 40%, 50%, and 60% AMI with 0% vacancy.
- Lone Tree Village (1.3/0.3 miles to the north) has a 2% vacancy rate and was completed in 1997 and has 57 units serving 50% AMI and 55% AMI families in addition to one market rate unit.
- Talons Pointe (4.6/3.6 miles to the north) was completed in 2003 and has 44 units serving 40% AMI, 50% AMI, and 60% AMI households with 0% vacancy.

  Each of the above properties has hundreds of applicants on waiting lists. No LIHTC developments have been awarded tax credits in the *Estes Park I or II* PMA since 2014.

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

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

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

c. *Project readiness:*

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

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

d. Overall financial feasibility and viability:

Combining the four properties into one tax credit project optimizes the financing structure by sharing the LIHTC and PAB costs. The Project financing includes assignment of the existing RD 515 subordinate loans, new RD 538 loans, and soft funding from the Colorado Division of Housing and Adams County.

Local community support includes a waiver of permit review fees by the Town of Limon. Chrisman has requested permit fee waivers from the City of Brighton, and their initial response has been very positive. Chrisman is also pursuing property tax exemption for the Estes Park and Brighton properties through a partnership with the Brighton Housing Authority and the Estes Park Housing Authority. If approved, Chrisman will pass along all of the benefit of the property tax exemption to the Brighton and Estes Park tenants by reducing the rents at these properties.

The construction work will be completed by Nunns Construction who also prepared the third party cost estimates included with this application. A single construction contract between the ownership entity and Nunns Construction will cover the work for all four properties. Based on previous projects that CDI has completed of a similar size and scope, it is anticipated that rolling the four properties into one project will create some cost savings. The cost estimates provided by Nunns closely matched CDI's internal cost estimates. At this time, Nunns Construction has not requested bids from subcontractors but will do so after the project receives a tax credit award. The proposed contractor structure will allow for the completion of the rehabilitation in a timely and cost-effective manner.

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

Chrisman Development, Inc. is an experienced affordable housing developer with many LIHTC projects and RD Development projects completed since the company's founding in 1989. CDI has developed or rehabilitated 67 affordable housing projects (2,103 units) with total project costs exceeding $216,000,000. CDI has a specific focus on USDA Rural Development properties, but has also worked with HUD Multifamily, LIHTC, HOME, National Housing Trust Fund, Oregon Agriculture Workforce Housing Tax Credits and projects with many local services in Oregon.

f. Project costs:

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

g. *Site suitability:*

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

5. Provide the following information as applicable:

a. *Justification for waiver of any underwriting criteria*: No waiver requested

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

There were no recommendations by the market analyst.

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

There were no issues or RECs raised in the Phase I environmental reports for the properties.

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

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

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

Chrisman Development has contacted the municipalities and housing authorities for each property location and has received multiple indications of support for the long-term preservation of existing affordable units in these communities without displacing any residents. Support letters from the Town of Estes Park, Town of Limon, Estes Park Housing Authority, and Brighton Housing Authority are included in this application (see attached). Limon has also agreed that it will waive its permit review fees, and Chrisman will submit an application to Brighton for permit fee waivers. Brighton has also committed all of its 2020 Private Activity Bond cap ($2,157,156) to the Project. The Brighton and Estes Park housing authorities are considering requests from Chrisman for property tax exemption for those three properties. Early conversations with the housing authorities regarding property tax exemption have been encouraging.

10. **For acquisition/rehab or rehab projects.**

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

Relocation: Due to the nature of the proposed rehabilitation, some of the tenants will need to be temporarily relocated while the interior of their units are being remodeled. A detailed Tenant Relocation Plan is included with the application. Based on previous projects of a similar size and scope, it is anticipated that the average length of time that tenants will need to be out of their units is 7 to 8 days for standard units and 15 to 16 days for ADA units. Relocation benefits for lodging and meals will be provided to each tenant. Additionally, the Developer has elected to use Income Averaging and include 80% AMI units in the Project to ensure that no current tenants will be permanently displaced.

Scope of Work: Brighton was originally constructed in 1997, Estes Park I (Park Ridge) in 1985, Estes Park II (Trail Ridge) in 1991, and Limon in 1994. From the date that each project was constructed, ongoing maintenance at each of the properties has occurred, but capital expenditures have been limited. To date, capital expenditures have included roof replacements (Brighton in 2018, Estes Park I in 2017, Estes Park II in 2013, and Limon in 2009), the replacement of individual HVAC units during unit turns, and some window replacements. Other than the initial funding that was used to construct each complex, CDI is not aware of any additional local, state, or federal resources that have been invested in any of these projects nor is it aware of any design flaws in the original plans. While the properties have been fairly well maintained, the passage of time and normal wear-and-tear has created a current need for each project to undergo significant rehabilitation. This level of rehabilitation is not possible without state credits.

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

Based on the proposed scope of work, each property will receive interior upgrades such as new kitchen and bathroom cabinets, sinks and faucets, toilets and tubs, energy efficient lighting upgrades, new smoke detectors and fire extinguishers, energy efficient appliances, new gas furnaces, new flooring, and interior doors. In addition, the scope also includes ADA unit conversions, office and laundry room upgrades, and the addition of dishwashers, garbage disposals, and air conditioning. Exterior upgrades at each property include new sidewalks, conversion of 10% of the parking spaces to be EV-charging station ready, new landscaping and irrigation system, new paint, energy efficient exterior lighting, trash enclosures, mailboxes, and existing site drainage issues at each of the properties will also be addressed. New siding will also be installed at Platte Valley Terrace, Estes Park II (Trail Ridge), and Limon.

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

4% pab lihtc application narrative

CLARA BROWN COMMONS: 3701 York Street, Denver CO 80205

Executive Summary

Clara Brown Commons (CBC) will anchor a new planned community in NE Denver's Cole Neighborhood. The property was rescued from decades of neglect and purchased in an auction by the TyL Foundation (TyL) as an act of friendship on behalf of the project sponsor, Mile High Ministries (MHM). The property is in a QCT and occupies the city block bounded by 37th and 38th Avenues and by York and Gaylord Streets. Eventually there will be three uses: the proposed 61-unit family oriented 4-story residential elevator building; 17 Habitat for Humanity townhomes for low-income buyers; and a community building with space for programs supportive of the rental and for-sale residences (Early Childhood Education, jobs placement, etc.).

The CBC building is planned to have a slab on grade foundation with wood frame construction, alternating composite siding and brick veneer exterior with aluminum glazing accents, and a flat roof. Units will have entrances off double-loaded interior hallways, and surface parking will be in the center of the site. The project embraces Enterprise Green Communities standards maximizing energy efficiency within budget parameters. Metro State University has agreed to team with Energetics, our Green Consultant to facilitate the Health Action Plan for CBC, maximizing health benefits for future residents (see attached supplement).

The Cole neighborhood has struggled due to low average household income and inadequate financial support for its schools, businesses, and other institutions. However, rapid gentrification threatens to displace residents in portions of the neighborhood. Derelict buildings on the site were demolished by the receiver prior to TyL taking title. Many new signs of life are bringing hope to the community and CBC will greatly enhance this forward momentum. Russell Square Park occupies the block SW of the site, while elementary schools and a Middle School and High School are just blocks away. New retail stores are moving in, and the nonprofit Inner City Health Center is directly across the street. An RTD bus stop is directly in front of the property, while other bus lines and the 38th & Blake light rail station are within a few blocks walk. The neighborhood association is optimistic about the future and has eagerly assisted MHM in developing plans for the new CBC community.

The CBC building will emphasize families with children, having a unit mix of 19 – 3BR, 28 – 2BR, and 14 – 1BR units. A generous portion of floor space will be dedicated to community life and programs reflecting MHM's commitment to people and the support groups that nurture community. Common area will be available for both informal and formal gathering and programing. MHM wishes to provide housing for the lowest income families. To further this goal, MHM has increased the number of 30% AMI units by 3 from the last application (moving 2 units from 80% and 1 from 50%). The AMI range is 20% - 80%, almost a third of the units (19 of 61) are in the 20-30% range with no project-based vouchers, and well over half of the units serve households earning 50% of AMI or less. MHM hopes to attract very-low income renters leaving transitional housing (including MHM's own transitional communities) who bring with them Section-8 tenant-based vouchers.

MHM was able to accomplish project financing goals through an aggressive capital campaign, supplementing the capital stack with over $3 million in donations (including discounted land price). The project will not seek set-aside funding for Permanent Supportive Housing programs, but MHM has substantial experience in resident programs and will use this experience to provide voluntary personal development programs for all residents. MHM will seek funds from the City of Denver, the State of Colorado, and a 4% + State LIHTC allocation.

The Clara Brown Commons Project and its Uniqueness

The mission of CBC is to promote belonging among residents and our neighbors by creating a safe and compassionate community where we can stabilize our lives, expand our economic capacity, and deepen our spiritual connectedness.

In 30 years serving homeless and very low-income families, MHM has witnessed how critical it is for families who have experienced trauma and insecurity to be surrounded and supported by local networks of compassion, hope and healing. Our purpose is to build such a “transformational community” at CBC with tools we have used for decades: on-site counseling and chaplaincy; education, enrichment, and job readiness programs including GED prep, ESL classes, basic computer skills, and connection to entry-level employment opportunities through the social enterprise businesses that we have launched; residential staff and a volunteer team recruited from residents; regular shared community meals; children and youth programming (ECE, after-school tutoring, recreation, counseling and play therapy). This blend of relationship and services has helped us companion families as they build more integrated, healthy, and inter-dependent lives – the kind of lives we all want for our families.

MHM’s executive director, Jeff Johnsen, lives in northeast Denver just down the street from the CBC property. The project grows out of 15 years of relationships, prayers and conversations with neighbors about an especially blighted property that has attracted crime and extremes of violence for nearly a generation. The neighborhood’s patience and resilience are now being rewarded with the opportunity to realize something beautiful and useful to support lower-income people in our neighborhood!

Since affordable housing and safe community is of paramount importance to MHM, the Colorado Village Collaborative will temporarily locate the “Tiny Clara Brown Commons” – a 14-unit tiny home village for women – on the future community center/ commercial portion of the property until that building is built (approximately 2 years). The 61-unit residential building and the Habitat Townhomes will add critical affordable housing long-term to the neighborhood: This project continues MHM’s record of serving some of the city’s most vulnerable families.

Project Strengths

- Strong Resident Programming: (described earlier) Some of these programs will be led by our own staff and interns, and some will be delivered through long-standing partnerships with volunteer-led organizations like Whiz Kids and Save Our Youth. By supporting truly affordable housing with this blend of relationship, targeted programming, and grace-filled spirituality, Clara Brown Commons will be the kind of community that helps all of us – residents and neighbors – fulfill our mission to stabilize our lives, expand our economic capacity, and deepen our spiritual connectedness. MHM will pay for this programming through:
  1. Private Philanthropy. MHM has cultivated an exceptionally diverse funding base, with over 90% of the funding for our core programs coming from private sources. The vast majority of our funding is from individual households – nearly 1,500 individual donors gave to our programs over the last year. Government sources account for only 8% of our funding.
  2. Deferred Developer Fee. MHM will commit $500,000 of its deferred developer fee to fund programming at CBC because we want this community to be one of the healthiest and happiest places to live in Denver – for both adults and kids.

- Community support: CBC enjoys strong support from neighbors who are pleased to see 30 years of extreme blight transformed and re-integrated into the life of the neighborhood. Our neighbors have been engaged all along in setting priorities for this project, reflected in how quickly the project moved through a change of zoning. “This is how we wish EVERY project would relate to its neighbors,” expressed several City Council members.
- Superior site location: convenient access to public transportation, including a bus stop in front of the building; a newly renovated public park right across the street; a new regional greenway within one block; a grocery store

and a department store soon locating within walking distance; a non-profit community health clinic across the street, with whom MHM has jointly served clients for over 30 years; schools within close walking distance – International Academy of Denver (formerly Harrington elementary) is a block away.

- Philanthropic support: MHM is raising $4.1 million in private donations for development of the entire CBC site. $3 million of that total has been applied to the multi-family building, and all of this $3 million has already been raised in gifts and pledges – contingent upon receiving an allocation.
- Placemaking strategy: The LIHTC building will leverage the development of non-profit community space and increase neighborhood stability through a mix of rentals and home ownership.
- Planned project amenities include a playground; large community space (with kitchen) for recreation, community gatherings, children's programs, counseling and chaplaincy offices; and next-door Early Childhood Education and satellite sites for partner non-profits (e.g. The Justice and Mercy Legal Aid Clinic & Denver Works).
- Resident Volunteers: MHM recruits and trains individuals and families within our communities whose mission is simply to be good neighbors, look out for the welfare of those who live near them, host community meals and other social events, and prime the pump for relationship and community programs.
- Contemplative space: Because we value inner peace, solitude and contemplative spirituality, we've been intentional to create physical spaces for these pursuits throughout the building and the property.

Project Challenges
All development projects have vulnerabilities and Clara Brown Commons is no exception. The MHM team has worked to identify and address these potential soft spots and to mitigate the risks associated with them:

- MHM is a first-time LIHTC applicant but is collaborating with experienced team members. Ray Stranske will work as developer and Dan and Adam Morgan will provide skills as tax credit specialists. These partners have worked with the tax credit program since its inception and have done numerous projects, many of them with each other. Although MHM has no previous LIHTC project experience, they have done several real estate development projects to serve their clients. These have all been successful, and MHM continues to operate and manage most of these properties, all of which are debt free.
- The CBC property has no parking garage. This choice was made to reduce construction costs. To lessen the potentially negative impact of attracting 80% tenants, MHM has reduced those rents for marketability.
- The CBC units are at the small end for comparable units. This choice, made to manage project construction costs, will be compensated for by adding amenities attractive to potential renters, including in-unit washers and dryers, ample common area and a pleasant outdoor recreation area visible from apartments and common area.
- The cost of land and construction in Denver is high. MHM has worked to mitigate this weakness by securing above average private donations, including a $1 million grant from the TyL Foundation to reduce the land cost by one fourth, a $1 million grant from the Anschutz Foundation and numerous grants from individuals to offset other project costs. There is huge demand for affordable housing in Denver, to house service workers and other lower income families, and the donated capital helps MHM to serve this unmet need.
- The Coca Cola bottling plant across 38th Avenue from the property is a commercial use that may not seem entirely compatible. MHM has reached out to the Coca Cola plant managers and they have been receptive to help in addressing noise reduction and other requests that MHM has made. A good working relationship is believed to be the best help in mitigating this risk.

Bond Financing Structure
- Total bond amount = $11,600,000
- Construction period bonds = $5,625,000

- Permanent bonds in place for permanent mortgage = $5,975,000

The anticipated structure for this project is that the bonds will be issued by CHFA and privately placed with FirstBank. It is anticipated that all bonds will be tax exempt. Additional funds needed during construction will be covered by the construction loan from FirstBank. There will not be any taxable bonds.

QAP Project Priorities

While the Clara Brown project does not directly address any of this year's project priorities, MHM's plan is to provide a place where "graduates" of their Joshua Station (and other transitional housing programs for formerly homeless families) will be able to move following their stabilization. MHM intends to actively welcome homeless individuals and families from DHA and other wait lists and has active programs that will support families in this next step of stabilization. Clara Brown is planned with 31% of the units available to very low-income households and hopes to welcome additional households who obtain vouchers.

Criteria for Approval

Market Conditions: The demand is strong for low-income housing in the primary market area and is becoming stronger as Denver rents continue to rise. According to the market study conducted by Prior & Associates, "The surveyed LIHTC units in the PMA were 0.2% vacant in July 2020 and four of the five projects…had waitlists with over 150 applicants…illustrating significant pent-up demand for affordable housing." The occupancy rate for the overall rental market in the PMA is 98% (99.8% in LIHTC units), further illustrating the high demand. CBC's 80% AMI units will be rented below the allowed maximum, to compensate for a slightly softer demand at this AMI level.

Readiness-to-proceed: The property was purchased by a friendly party (TyL Foundation), who agreed to lease the property to MHM for $1/year until MHM closes on the construction loan. MHM pursued and received a zoning change (approved February 2019) to meet the project's intended needs. MHM met with Denver CPD for a concept review to make sure there were no unknown impediments to development. MHM is bringing an unusually large amount of philanthropic donations to the project, and this fundraising goal has already been met – some commitments contingent on receiving a tax credit allocation.

Overall financial feasibility and viability: MHM has secured financing commitments to ensure feasibility of the project as envisioned and designed. The team has made reasonable assumptions about achievable interest rates, investor pricing, construction costs, and operating assumptions.

Experience and track record of the development and management team: This is MHM's first LIHTC project, but they have completed development projects (described elsewhere) that are successful, mitigating this concern. MHM has gathered an experienced team to enhance the likelihood of success for the project. The design firm and the general contractor have done multiple LIHTC projects in the Denver region. The property management firm has likewise managed many tax credit projects and has given guidance on budget and property design. Ray Stranske and Dan & Adam Morgan have worked on multiple LIHTC projects and provide experience for the development process. MHM will hire an experienced owner's rep for the construction phase to ensure a successful construction project.

Cost reasonableness: MHM has made every effort to contain costs in an environment of escalating land and construction prices. TyL Foundation committed to significantly reduce the land price to MHM. We chose surface parking over structured parking, and Juliette balconies replaced full balconies, along with other construction cost containments. The team was careful to maximize building efficiency while allowing ample space for programs, resident services, and community gathering, all to balance community benefit and cost.

Proximity to existing tax credit developments: The market study states; "There are no family LIHTC units, with or without rental assistance, within a 0.6 radius of the subject." There are other LIHTC projects in the PMA, but MHM wishes to specifically work to meet the needs of families with children. That fact and the urgent need for affordability in Denver lead us to believe this is a good time for the Clara Brown project to be built.

Site suitability: MHM has made every effort to maximize the number of units on the site, while accounting for extensive input from neighborhood residents on density and construction style. (E.g. neighborhood desired low density on the west side.) The master-planned block will include Habitat homes and nonprofit programs to benefit residents – ECE, jobs placement, etc. The neighborhood amenities described in "Project Strengths" make the CBC project highly desirable for future residents.

Market Study Questions

The market study conducted by Prior & Associates clearly shows the need for additional affordable housing in the PMA. The study does point out that although capture rates are higher than CHFA's preferred level, Prior believes the numbers are "…likely overstated, considering that the analysis does not account for renter growth." Prior states, "The proposed LIHTC rents provide a discount to market of at least 18% compared to the weighted average Class B market-rate rents and offer a good value to prospective tenants." The market study also concludes that the CBC's "…smaller one- and two-bedroom unit sizes will not impact its marketability, especially after considering that its overall amenity package is better than all surveyed projects with LIHTC units".

Issues in Environmental Report

The Phase I report revealed a PCE plume under the property. The Phase I recommendations conclude that this is not expected to pose a vapor intrusion impact problem. If any vapor problem is detected in post construction testing that is not dealt with through the passive vapor barrier that is planned in the construction (see construction budget and attached notes from conversations with the inspector who conducted the Phase I), then an active ventilation system can be added for about $15,000 which will be paid from the contingency budget. The site is within the Vasquez & I-70 Superfund site, but the Phase I concludes this has been satisfactorily addressed at this time through on-site sample/analysis. The Phase I also concludes that an on-site asbestos presence and neighboring sites LUST issues have been dealt with and that no further investigation is needed at this time.

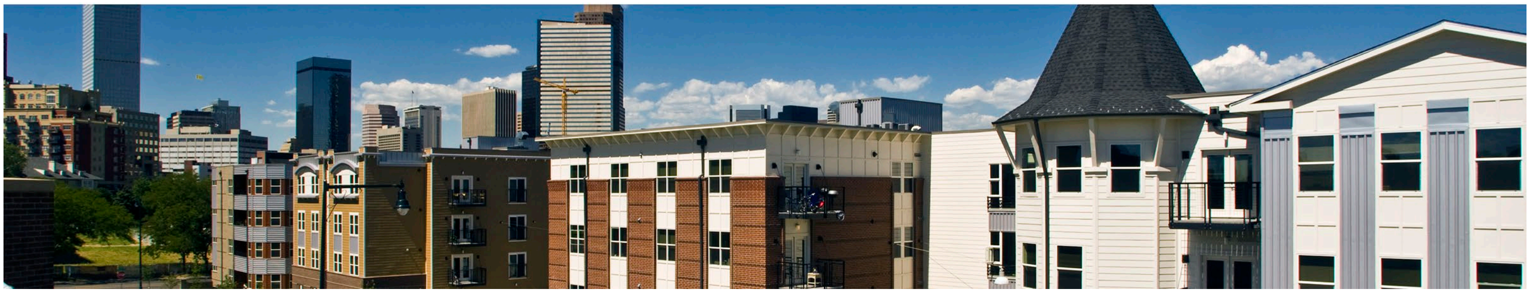
Cost Containment Efforts

The elements of the project that tend to contribute to the cost are land, high bedroom count, and the amount of common space. MHM has solicited and received a sizable price reduction of the land (explained above), which helps to offset the high cost of Denver land. The cost of the high bedroom count has been offset somewhat by a reduction in unit SF sizes. Since MHM has strong programmatic reasons for wanting a large amount of program space and community gathering space, they have opted to give up features such as full balconies in order to pursue their priorities. The team has gone through a value engineering exercise and will continue with more such efforts to continue to shave cost on the project.

Community Outreach

The very idea for this project emerged from 15 years of conversations with neighbors about the blighted property. More recently, MHM conducted 3 neighborhood meetings in 2018 and 2019, engaging over 80 neighbors and stakeholders. The meetings were streamed online and viewed more than 500 times; we provided free food, childcare, and translation services. An ongoing "CBC Values Survey" identified neighbor's priorities for development in a gentrifying neighborhood; 75% of all respondents shared that they wanted to feel proud of their involvement in making this dream become a reality. Our organizing team personally canvassed all homes within 200 ft of the property and delivered 300 flyers with an invitation for feedback on www.MyClaraBrownCommons.com. We received 72 letters of support from our neighbors during re-zoning. We hosted a neighborhood party the Saturday before demolition of the existing buildings with free food and a piñata custom designed to look like the blighted units being demolished. We are proud of our engagement efforts and refer readers to the more detailed addendum to this application. Please see letters of support (attached) from stakeholders and Cole Neighborhood Association.

4% pab lihtc application narrative



Project Name: Crossing Pointe South (Family buildings)

Project Address: 4220 E. 104th Avenue, (**Buildings 2 & 3),** Thornton, CO 80233

<u>Executive Summary</u>

Crossing Pointe South is the second and final phase of a multigenerational community created by the Housing Authority of Adams County, Maiker Housing Partners (formerly Unison Housing Partners), in Thornton. After the successful creation of 64 apartment homes for elderly families at Crossing Pointe North, Crossing Pointe South will complete the vision of an exceptional, inviting place for low and moderate-income families to be a part of a “cooperative” community. The 142 apartment homes will serve families earning between 30% and 70% of Area Median Income. Through the use of 34 previously-awarded project based vouchers, Maiker will be able to provide very low-income families an affordable place to call home.

Summary of Unit mix - Crossing Pointe South

Unit Type	Ave Sq Footage	# of Units	30% AMI		40% AMI		50% AMI		60% AMI	70% AMI
			PBV	NON PBV	PBV	NON PBV	PBV	NON PBV		
1 bed/1bath	624	51	3	3	2	4	7	8	3	21
2 bed/1 bath	879	25	2	1	2	1	2	6	1	10
2 bed/2 bath	902	51	3	3	2	4	7	8	3	21
3 bed/2 bath	1297	15	1	1	1	1	2	3	1	5
	Totals	**142**	17		17		43		8	57

This Transit Oriented Development, located only 1/4 mile from the Thornton’s Crossroads Station, is included in the Station’s Area Master Plan and identified as an “Opportunity Site” for providing critical affordable housing for residents of the area. The site is in an SADDA at the southeast corner of E. 104th Avenue and Colorado Blvd. in Thornton and provides excellent access to natural outdoor amenities, social and health services, recreational facilities, shopping, transportation and educational institutions. Crossing Pointe South is adjacent to open space and hard surface trails on two sides. It is within a 5-10 minute walk of many retail options, a 6 minute walk to the (under construction) Thornton Crossroads Station, and a 3 minute walk to the local bus stop. The location is a 25 minute commuter train ride from Union Station and a 35-minute bus ride from DIA, which are two major job centers.

Taking advantage of amazing natural features of the site, Crossing Pointe South will incorporate an outdoor “green” hard surface promenade (that doubles as an emergency fire lane) overlooking the Grandview Ponds Open Space. Other project amenities include plenty of surface off-street parking, raised garden beds, outdoor courtyard with play structures, community room with kitchen, fitness center, computer stations, on-site management, access to resident services, and building security system. All units will including the following: private outdoor balcony or deck, in-unit washer and dryer, refrigerator, stove, dishwasher and microwave, and individual heating/cooling unit with controls.

Crossing Pointe South will consist of two four-story, elevator buildings, with fiber-cement panel, brick, ribbed metal, and brick and stucco accents on the exterior. It is four floors of wood framing on a mildly reinforced slab. The building has staggered setbacks, balconies, varied elevations, and a flat roof. Units will have private entrances located along double-loaded interior hallways. In consultation with our architectural team of Van Meter Williams Pollack and Group 14 Engineering, this project will follow Zero Energy Ready Homes and Enterprise Green Communities Certification in its quest for ultimate energy savings and comfort for its residents. After the green charrette with the team we have estimated this project will achieve 96 optional points in the 2015 Enterprise Green Communities criteria.

In support of residents’ self-determined goals and in an effort to build community at Crossing Pointe South, Maiker Housing Partners will employ a .5 FTE Community Resource Navigator who will be assigned to the community. This .5 FTE position is included in the operating proforma. The role of the Community Resource Navigator could include but is not limited to the following:

- Collaborates with community agency partners to support the needs of the residents
- Shares information, resources and provides referrals for residents
- Engages with residents to identify needs and strengths of residents
- Through resident engagement, support residents’ desires of activities

Financing for the development will include Federal and State Low Income Housing Tax Credits with tax-exempt bonds utilizing Average Income. As described in the Inducement Resolution approved by the Maiker Housing Partners Board, it will issue up to $26,000,000 in Private Activity Bonds for Crossing Pointe South. Maiker anticipates needing about $24,200,000 of bonds to satisfy the 55% threshold during the construction period and about $23,100,000 for permanent financing. As the sponsor and as a housing authority, Maiker Housing Partners, will issue the bonds as a conduit issuer. For the construction loan we anticipate this to be a private placement utilizing tax-exempt bonds and to have a taxable tail for additional construction period debt needed.

Maiker has discussed the project with the State Division of Housing, Adams County Community Development and the City of Thornton. All entities have expressed support for the project in the form of letters and included their intention to grant soft funding if the project should be awarded tax credits. Additionally, Maiker Housing Partner's Housing Choice Voucher program has awarded 34 project based vouchers for Crossing Pointe South. These vouchers will support households earning at or below 50% Area Median Income.

Crossing Pointe South should be selected for tax credit award for several reasons. A few of those reasons include: the urgency to use over $1.2 million in **expiring** local funds, project readiness, efficient use of State Tax Credits, and use of Private Activity Bond cap outside CHFA's cap. The City of Thornton's $1.2 million in local financial support is discussed in the *Community Outreach* section below. Since the entitlement process for this site was started years ago when this and Crossing Pointe North were going to be one development, not only is the zoning in place for this project but the Subdivision Plat and Development Permit are approved and recorded. In an effort to utilize funds most efficiently, Maiker has requested approximately $559,000 in annual state tax credits. This project does NOT anticipate needing any PAB cap from CHFA since Maiker Housing Partners has its own bond cap ready to issue for this project. As the sponsor and developer Maiker will issue bonds for the project already allocated to Maiker from past years. Currently Maiker holds $21,350,000 in allocated bond cap that can be issued for this project. In addition, the City of Thornton staff will recommend to City Council on August 11th, 2020 that its entire current year of PAB cap of $7,489,544 be assigned to Crossing Pointe South. These amounts, together are more than the amount needed to cover 55% of the project's aggregate basis with bonds. Of the $21,350,000 in bonds from Maiker, $19,500,000 will expire by 2022, making this project's award of state and federal state tax credits more urgent.

A possible weakness of Crossing Pointe South could be considered the slightly smaller unit size than comparable apartments. According to the current market study some of the apartments at Crossing Pointe South are slightly smaller than overall surveyed weighted averages in the PMA. However, this is consistent with current trends where average unit sizes are shrinking as common area amenities are increasing. The slightly smaller units are offset by the fact that current design standards provide much better efficiency. The in-unit amenities of a balcony or patio, and in-unit washer/dryers will balance the slightly smaller units. In addition, there will be ample indoor and outdoor community space for all residents. As indicated by the market analyst, the inclusion of utilities in the rent and superior location will entice prospective tenants without concern.

Market conditions/ Proximity to existing tax credit developments: Crossing Pointe South meets or exceeds the Qualified Allocation Plan Section 2 criteria in all categories. The market study shows a strong demand for the proposed units in all Area Median Income levels. The following is the capture rate at each AMI level served by the project:
30% AMI (non-PBV) 2.7%, 40% AMI (non-PBV) 12.5%, 50% AMI (non-PBV) 16.2%, 60% AMI 38.7% and 70% AMI 2.7%. Although the 60% AMI units have a higher capture rate, the market analyst reported that the surveyed 60% AMI LIHTC units were 99% occupied and with only 8 units proposed at 60%, the capture rate will increase only slightly. The four closest LIHTC developments have 0-2% vacancy.

Project readiness: This project is in a very strong position to secure financing within 12 months of award as well as obtain permitting by the City of Thornton and consequently **close** on its financing. Building permits can be obtained in 8-12 months due to the following: 1) in March 2016 Thornton City Council approved the site to be zoned Planned Development which includes the 142 units proposed, 2) the Subdivision Plat for the entire site which includes Crossing Pointe South was approved and recorded in May 2018, and 3) the Development Permit was approved by the City's Development Permits and Appeals Board in February 2018. As most tax credit investors and lenders require building permits prior to closing on financing, Crossing Pointe South is in an excellent position to secure permits and close on financing following award. As was mentioned, the project was originally part of a larger project (separated into two phases: North and South), so the architectural team has completed at least 50% of the construction documents for the buildings.

Overall financial feasibility and viability: As the developer and sponsor of Crossing Pointe South, Maiker Housing Partners, is requesting the least amount of State Tax Credit financially feasible. The 6 years' worth of state tax credit equity of approximately $2.5M (~$559K) is essential to making the project viable. Maiker has assessed the project with the source of 4% Federal tax credits without state tax credits and the gap is insurmountable.

Experience and track record of the development and management team: Maiker has an over 40-year history of providing a wide range of affordable housing options to the residents of Adams County and will serve as Property Manager. The Housing Authority owns and solely operates over 1,680 units of affordable housing and is in partnership with the private and public sectors for an additional 1,560 units. Maiker has extensive experience with management and compliance of LIHTC properties in Adams County, including compliance for other soft funding sources. To date, Maiker has never received an 8823 nor asked for additional credits. Maiker's current housing development department has recently completed two non-competitive acquisition/rehab projects (Village of Yorkshire and Aztec Villa) and two competitive new-construction projects (Alto and Crossing Pointe North). All four delivered LIHTC units as scheduled. The Caraway is Maiker's most recent development of 116 affordable apartments which just closed on financing and started construction this July.

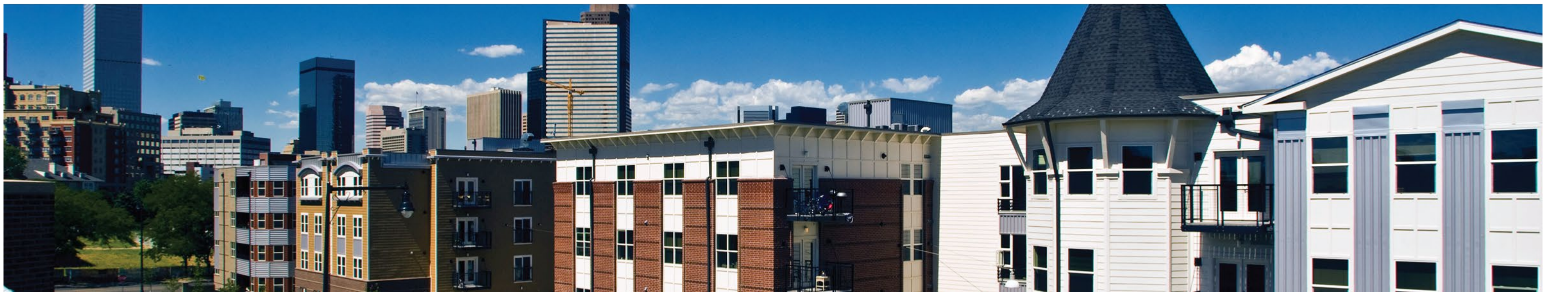
Maiker has put together another strong team with extensive affordable, multifamily housing experience. Maiker has procured **Van Meter Williams Pollack (VMWP**) for architectural services and **Milender White** as the cost estimator for predevelopment services. VMWP has successfully designed and completed 35 LIHTC projects for different agencies in Colorado and California. Milender White has completed over 3,000 units of affordable housing in Colorado. During the past couple years, the team has effectively rezoned, obtained Subdivision Plat approval and Development Permit approval for the site.

Project costs: Maiker has worked with the general contractor, Milender White, to understand the anticipated costs of construction for Crossing Pointe South. Since the architectural design is so far along the team believes the cost estimate to be accurate and no escalation has been added to the budget. The first phase of the development, Crossing Pointe North, constructed some important infrastructure that both phases will utilize such as the regional detention pond, some sewer lines, and established the easements needed for the drive to the south of the property that connects it to the RTD Thornton Crossroads Station. The City of Thornton acknowledges its costly tap fees and is currently working with Crossing Pointe South's MEP engineers to evaluate whether the project's tap size could be reduced. This could have significant tap fee reduction for the project. The Tap fees included in the budget are reflective of the City's current rates based on the engineer's current tap size proposed.

Site Suitability: The site for Crossing Pointe South is incredibly rich in resources for the future residents of the community and could not be better-suited for affordable housing. Resources for future residents range from employment opportunities to community spaces that promote healthy lifestyles. Crossing Pointe South is located across the street (Colorado Blvd.) from a grocery store, bank, restaurants, car repair and drug store. Public transportation is also conveniently located across Colorado Blvd. at the Thornton Crossing Roads future rail station. East 104th Avenue, which Crossing Pointe South fronts has frequent bus lines. Options for promoting health are in close proximity to the proposed project: Grandview Ponds Open Space is the parcel immediately to the east which has paved walking trails that will connect directly to Crossing Pointe South's sidewalks, Carpenter Park and Recreation Center is only 1.4 miles, and Centura Thornton Neighborhood Health Center is 3.6 miles north on Colorado Blvd.

Community Outreach: After the City of Thornton's largest financial contribution in its history for an affordable housing development at Crossing Pointe North, the City will, once again, provide up to $1.2 Million in financial support (CDBG funds, fee waivers, flexible development standards, and/or funding) for Crossing Pointe South. As indicated by their enthusiastic letter of support (included in the application), the financial support will expire if the project does not start construction in 2021. In 2017/2018 the City awarded Crossing Pointe North a sizable incentive package that provided up to $1.2M fee rebates. Adams County has been supportive of Crossing Pointe, recognizing that the project is a strong response to its 2015-2019 Consolidated Plan which states that new construction of affordable rental units is a goal for reducing the gap in rental units for households at or below 60% AMI. See letter of Support from the Adams County.

4% pab lihtc application narrative



Project Name: Eagle Meadow Homes- Phase 1

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

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

Eagle Meadow Homes (EMH) Phase 1 will have 93 units which CHP plans to income average with Area Median Incomes (AMIs) between 20-80%, with 20% of units below 30% AMI, 1/3 at 50% AMI and the remainder at 60-80% AMI with 5-10% discounts from maximim LIHTC rents. There will be a combination of 1, 2, and 3 bedroom units in order to deliver larger units to families with children, 23% one bedroom, 52% two bedrooms and 26% three bedrooms.

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

Additionally, CHP provides the following services to all residents: after school tutoring, adult education and an onsite Resident Services Coordinator and office to provide case management, navigation of government and community resources, administration of rental assistance loan/grant program, and events. This service provision (see Exh A for additional detail) will be critical for the units set-aside during lease-up for homeless families in the Aurora@Home Rapid Rehousing Program (RRH). When units turn, the Aurora@Home Landlord Recruiter will be notified for a first look. **EMH will provide the first and only units (8) at 20% AMI in the market area and will add 11 units at 30% AMI effectively doubling the number in the PMA.** These units will provide housing to the many extremely low income households in the area who do not have a housing voucher.

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

Construction and Energy Efficiency details

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

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

1. Describe the bond financing structure and include the following:
    a. Total amount of bonds with a breakout of construction period bonds vs. permanent bonds. *The construction period bond amount is estimated to be $22 million and the perm amount approximately $12 million.*
    b. Bond issuer - *We have a commitment of approx. $5 million in PAB from the City of Aurora which we would ask to be designated to CHFA for use on our project. We plan to use CHFA as our conduit bond issuer and have budgeted accordingly.*
    c. Lender and bond sale structure - *The bonds will be privately placed with First Bank who will act as construction and permanent lender.*
    d. Portion of bonds that will be tax-exempt and taxable
    Approximately $15 million of the bonds will be tax exempt and $7 million will be taxable.

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

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

While not a hard set aside, up to 19 units at 20% or 30% AMI will be set-aside for homeless families in the Aurora@Home Rapid Rehousing Program (RRH). In the event that no qualified homeless households are found, the units are opened to all income-qualified households, but when units turn, Eagle Meadow Homes will give first notice to the RRH program to fill those units. The Aurora@Home RRH program (See attachment A for detail) rehouses homeless families that meet both the traditional HUD homeless definition, as well as families that are doubled up or living in motels, as defined by the McKinney-Vento Education Program. There will be no project-based rental assistance for the soft set aside homeless units.

Market conditions Demand for Eagle Meadow Homes is high with an overall capture rate of only 12.6%. Generally demand for rental housing in the PMA is high with an overall surveyed 97% occupancy rate and 99% occupancy rate and waitlists at surveyed family LIHTC properties and the strong renter growth forecasted. Although the completion of all new rental supply in the development pipeline is expected to increase the PMA's vacancy rate, 78% of all new supply is market-rate and the almost 100% occupancy and waitlists at surveyed family LIHTC projects suggests that any increase in vacancies would be at market-rate projects, especially considering the potential impact of the COVID-19 pandemic on household incomes.

Proximity to existing tax credit developments The PMA has 25 LIHTC projects containing 2,238 income-restricted units. Of these, 17 are general occupancy projects with 1,704 units, of which 428 are deeply-subsidized, one is a 50-unit permanent supportive housing project and six are senior properties with 410 dwellings. Another project, Village at Westerly Creek Building 3, has 24 senior units and 50 family units. Eagle Meadow's non-subsidized homeless units will compete somewhat with the permanent supportive housing project, while it's family LIHTC units will compete more directly with the 1,276 non-subsidized family LIHTC units in the PMA. Of the planned or under construction units, there is only one large family deal that is a similar product and there is not much overlap as that property is almost all 60% AMI units.

Project readiness Eagle Meadow was ready to apply in the previous 4% state credit round in 2019 but the extra time has only significantly improved many aspects of the project. Starting in the Fall of 2019, the City of Aurora and the Urban Drainage and Flood Control District (UDFCD) began the Toll Gate Creek Improvements Project that is relocating the creek to the north. When CHP originally purchased the site, the 100-year and the 500-year floodplain areas covered 3 acres of the 4.82 acre site. The TGC Improvement Project has decreased the floodplain on the site to just a few outer edges in the planned open space, adding over 2.5 buildable acres for additional units.

Further, the City of Aurora approved its Unified Development Ordinance (UDO) in August 2019, originally started in 2014. The new Ordinance has special provisions for affordable housing that: 1) reduces the parking requirement to 0.85 spaces per unit; 2) waives the 35% covered/attached garage requirement; and 3) reduces the amount of brick from 60% to 20%. Finally, the site zoning converted from the existing R-2M (density of 20 units/acre) to R-3. There is no applicable density limit for R-3; it is limited by setbacks, height limits, and other site factors. All of these changes made for a more efficient, cost effective project.

CHP has attended two pre-application meetings with the City of Aurora: the first meeting was in November 2018 before the adoption of the new UDO, and the second meeting was in December 2019. Since the site is zoned R-3, CHP can proceed directly after tax credit award to submitting the Site Plan for approval by the City of Aurora Planning Commission. A Subdivision Plat will be approved administratively during the same timeframe. As proposed on the Schematic Design, there are no additional requirements for any variances or waivers to the Aurora Unified Development Ordinance (UDO). The prescribed timeline for approval is approximately 12-14 weeks following submission of the Site Plan/ Subdivision Plat.   Building permits can be issued for the project after Site Plan Approval. Construction documents and building permit review is an administrative process by the City of Aurora Public Works Staff and takes approximately 8-10 weeks for approval following submission of the plans. City staff reviewed the Schematic Design and thought that it was appropriate for the context of the area and likely will have staff support.

Overall financial feasibility and viability This project has strong local support from the City of Aurora, Arapahoe County, State of Colorado and the Aurora Housing Authority. This support is due in large part because CHP is such a willing partner in the community, always looking for ways that they can meet the housing and service needs of low income households. The underwriting is conservative and CHP is donating the land to the project as well as deferring a portion of their developer fee.

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

Project costs The project team has been working for months to refine the project design and costs. In designing the site lay-out, CHP looked at several options including 4-story buildings with elevators, yielding 200 units on the 4.82 acres site. However, CHP selected the option for 3-story walk up buildings yielding 162 units, as it would be more compatible with the surrounding 2- and 3-story residential buildings and is a less expensive housing type to develop. Further, CHP is donating the land, which was an excellent investment since the flood plain designation has been massively scaled back.

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

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

5. Provide the following information as applicable:
    a. Justification for waiver of any underwriting criteria – Not applicable

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

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

Finally, the 60% AMI capture rate is just slightly over the 25% threshold, due largely to the addition of 175 units 60% units in one project. The capture rate of 27.8% includes 85 senior units as competition, but the populations served are quite different. Nonetheless, EMH is only adding 8 units at 60% AMI which is a minimal impact. Further the 60% units are discounted 5% from maximum LIHTC rents, and coupled with lower utility costs offer a good value.

7. Address any issues raised in the environmental report(s) submitted with your application and describe how these issues will be or have been mitigated. A Phase I was completed and did not recommend any additional environmental investigations

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

   CHP and the development team have worked very hard to craft a project that is attentive to construction cost while keeping in mind the on-going maintenance and operating costs of the development. This has meant designing and pricing to what the product needs to be for a sustainable affordable housing project. However, a few items that factor into the costs include:

- This is Phase 1 of a two phase project which requires some site work and underground utilities to be completed now for the future phase. The team has worked hard to split those costs as evenly as possible but some, such as the water line connection, must be included in the first phase.
- The project includes PV panels which does increase the cost of the project but greatly reduces ongoing operating cost for owner and tenants.
- The exterior of the buildings have been designed to meet City requirements but with cost effective materials.
- The balconies increase cost somewhat but CHP views that as a critical amenity for families with children to allow for air quality and outdoor access.
- The ratio of units with 2 bathrooms is higher on this project than projects of similar size. But these are family units, in alignment with the mission of CHP, and that extra bathroom will make the units substantially more livable.

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

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

4% PAB LIHTC Application Narrative

Project Name: Fitzsimons Veterans Independent Living Center

Address: 1919 Quentin Street, Aurora, CO (TBD SE corner of Montview Blvd. & Quentin St.)

Executive Summary

The Housing Authority of the City of Aurora (AHA) proudly submits this LIHTC application to construct 59 units of senior (55+), independent living apartments designated for Veterans, Veteran spouses and Gold Star Family members. The Fitzsimmons Veterans Independent Living Center (FVILC) is located on a 2.3 acre site in a Qualified Census Tract (QCT) on the Fitzsimons campus. The project is at the center of health care innovation in the metro area and is adjacent to RTD Bus Route 20 and within a half mile of Fitzsimons Station light rail station.

The building features a four-story, wood-framed, slab on grade structure featuring 60,922 gross square feet of well-designed residential units, connected amenity areas and supportive programming space. The design includes 49 one-bedroom, one-bath, and 10 two-bedroom, one-bath apartments. The entrance visually connects community spaces, offices and residential units, while the courtyard provides outdoor amenities including community gardens, a dog run and a BBQ area. Each floor has a common balcony, laundry facilities and trash chutes.

The building's two elevators and two vertical stair towers provide ample circulation between floors, and enhance the space through natural light and warm materials. The exterior will feature brick complemented by metal and cementitious siding. Roofing will consist of a highly energy-efficient, TPO system with rigid insulation.

Sustainability will be achieved through solar farm electricity purchases, pre-wiring for photovoltaic panels, window glazing, insulation, access to public transportation, pre-wiring for electric vehicle charging stations, and multi-modal infrastructure including bike parking and pedestrian paths.

Funding for the development will combine state and federal LIHTC equity, construction and permanent debt from FirstBank, soft funds from the City of Aurora and the Colorado Division of Housing, deferred developer fees, and owner funds. AHA will dedicate 14 Project Based

Vouchers to ensure deep, and long-term affordability. AHA has received a grant from Xcel Energy's EV Supply Infrastructure Program contingent upon the award of tax credits.

This project represents more than a decade of work by AHA to manifest commitments made when the Fitzsimons Army Base closed. Veterans will live in a beautiful, new community, pay affordable rents, have access to acclaimed medical care and be supported by staff in a vetted model established at other senior AHA properties. Since the last tax credit application, nine additional units have been added to the design, taking advantage of a favorable affordable housing parking ratio, and the reconfiguration of common spaces.

Bond Financing Structure
Private Activity Bond (PAB) allocation has been awarded from the City of Aurora ($10.0 M) and will be combined with $2.0 M carryforward from AHA. The Housing Authority will issue the City of Aurora allocation. The bonds will be purchased by FirstBank as part of a Private Activity Bond Single Close Construction Financing loan transaction (100% tax exempt) that will also provide permanent financing for the development.

Serving Vulnerable Populations/Senior Veterans
Many federal, state and local organizations have a stake in this development, and AHA worked closely with the Veterans Administration (VA), Colorado Department of Human Services (CDHS), the City of Aurora to design a project that connects and completes the campus while expanding services for residents. In addition to property management, the building will have a half-time Service Coordinator position to help residents access medical care, transportation, food banks, and social opportunities. Specifically, the Service Coordinator will advocate for residents around mainstream benefits such as Old Age Pension, SNAP, Social Security, Medicare and supplemental insurance. The project development budget includes a tenant services reserve to support funding this position over 15 years.

Nationally recognized, Fitzsimons includes educational, patient care and research facilities enhancing Aurora's neighborhoods through a regional mobility network and existing open spaces. The site includes community gardens, walking paths, covered bike parking, a dog run and courtyard oriented to maximize the green space between this building and the VCILC. Knowing that seniors face risk factors stemming from social isolation, the project will be pet-friendly, and facilitate connections between people and resources spanning the three developments. The building's interior includes community space, a common kitchen, a computer lab and library.

QAP Criteria
Market conditions. The Market Study, prepared by Prior & Associates in June 2020, indicates a strong demand for age-restricted affordable housing units in the primary market area despite the first wave of COVID-19 impacts. The project will attract tenants from Aurora and the Denver MSA. This is constant with data collected by AHA showing that 63 percent of initial

renters came from outside the PMA at Peoria Crossing (completed in December 2019); and that 81 percent of senior renters came from outside the PMA at WVC3 (completed December 2018).

Average vacancy rates in senior properties have increased from 2.0 percent to 4.0 percent since our last market study. The study indicated the, "current occupancy rate may suggest that demand for senior housing has decreased, it is more likely that only leasing activity has slowed due to health and safety concerns that are especially relevant for seniors." The unit size, condition and location make it highly competitive in attracting tenants. The study identifies a capture rate for 55+ veterans in Aurora for Project Based Rental Assistance at 2.8 percent and LIHTC at 8.0 percent. Proximity to the VA hospital will be a compelling draw for tenants.

Proximity to Existing Tax Credit Developments. The market study identifies twenty-eight existing LIHTC projects within the PMA (2,288 income-restricted units). Six are age-restricted projects (479 total units/277 deeply-subsidized), and 22 are non-age restricted properties (1,809 total units). The subject's senior LIHTC units will compete directly with the 202 non-subsidized senior LIHTC units existing in the PMA in terms of target market and income restrictions, while its 14 deeply-subsidized units will generally compete directly with the 277 senior deeply-subsidized dwellings.

Project Readiness. The site is under the State (CDHS) jurisdictional control. AHA was awarded the proposal to develop the site on August 30, 2018. RFP 2018000233 provided a specific development timeline. This LIHTC application allows AHA to meet the design and financing goals set forth in the RFP. However, it is imperative that we get an award of tax credits in this round to maintain the support of our institutional and political allies.

The Site Feasibility Study provided specific development guidance that was incorporated into our design. The 1999 Memorandum of Agreement coupled with House Bill 16-1397 clearly indicate development intent. The site does not require zoning or development plan approval from the City of Aurora's Planning Department. However, building construction documents and site infrastructure plans will be reviewed and permitted through the City of Aurora. AHA will employ the same State/City of Aurora process navigated by Colorado Coalition for the Homeless for the Veterans Renaissance Apartments at Fitzsimons.

Overall financial feasibility and viability. As demonstrated through our application, the project is feasible due to the donation of the land, tax credit equity, soft-funds from both the City of Aurora and the Colorado Division of Housing, favorable financing, and deferred development fees. Our model includes lenders and equity partners with whom the Authority has had great success.

Experience and track record of the development and management team. The development team (AHA development staff, financial consultant, and owner's representative) is well seasoned. AHA has successfully sustained itself through varying market conditions since 1975. AHA owns and manages 810 units of affordable housing in 12 developments (11 of these utilized LIHTCs) in Aurora.

Although these are unprecedented times, our AHA property management and family services staff are is managing well during the pandemic. AHA is working with NAHRO, the City of Aurora, and the State to access rent stabilization and homeless prevention support for our residents. Rent collections have seen dips, but AHA continues to maintain adequate cash flow. Overall non-payment rates for our tax credit properties averaged about 12 percent over spring and earlier summer. A significant percentage of households struggling to pay rent have applied for assistance. Properties with more federal subsidy remain stable. AHA has a consistent, positive track record with CHFA, lenders, equity investors, compliance, physical inspections, and City officials. As a testament to ongoing support, please see the letter from Mayor Coffman.

Project Cost. Since the last application, the development team has improved the per unit cost by adding nine units. A reduction in common area square footage and favorable affordable housing parking ratios allowed for this increase in units. Overall, AHA has reduced the per unit total development cost by $40,000. Given the population served, donated land, and the legislative intent, AHA has designed a building with spaces to enrich and enhance the lives of the residents.

Site suitability. The Development's close proximity to the VA hospital will positively impact veterans by reducing commuting times and increasing access to medical and social resources. The residential campus includes skilled nursing at the Veterans Community Living Center, and CCH's permanent supportive housing at the Renaissance Apartments at Fitzsimons.

Accessibility both within the building and around the community is paramount, and AHA is designing each unit to be ADA Type A (as defined in the International Building Code). This approach assures apartments will remain functional as residents age or experience mobility decline. This design feature, coupled with staff support, allows residents to age in place. This model has been a proven success at other AHA senior properties. The site plan considers human-scale movement throughout the 15-acres, providing walking paths, bike storage and natural wayfinding to existing bus stops.

This urban-infill site is well suited for the senior, veteran population. Proximity to acclaimed medical facilities, transportation and ancillary services consider the holistic needs of residents. The site's walk score is 64, a significant improvement from Aurora overall. As noted in the market study, the location provides "excellent access and visibility." Roadways to the site and throughout the larger Fitzsimmons development provide access and multiple routes for circulation. Aurora Plaza shopping center is 1.3 miles south of the site, and includes a King Soopers grocery store. Aurora Center for Active Adults is within 1.5 miles of the site.

Storm sewer, water, and sanitary sewer infrastructure are in place. Grades fall three to four feet from south to north and a detention pond exists at the north end of the site. The proposed design maintains the detention pond serving the entire 15-acre campus.

Market Study Issues: The Market study does identify the PMA's required senior capture rate above the 25% CHFA threshold. However, offsetting factors counter this limit.

> "The 50% in-migration rate utilized above does not likely adequately account for demand. The subject's location next to a state-renowned medical center and within a mile of the VA hospital will substantially enhance its draw factor and ability to fill units with renters in migrating from outside of the PMA."

Environmental Report Issues: The Phase 1, conducted by Strategic Environmental Management indicated a landfill was once located within 300 feet of the property. Subsequently, further methane testing was done on site. Results confirmed there is no methane detected on the site.

Cost Drivers/Containment: The current cost environment is extremely challenging. COVID work stoppages and tariffs are causing significant unpredictability. Imported light fixtures have seen a 15 percent increase over last year's pricing. Concrete is rising by two percent each quarter; in the past concrete prices increased only annually. Our owner's representative said storefront windows, raw steel and rebar have seen significant increases. All this calls for a cautious approach to budgeting and a flexible approach to implementation. AHA will work very closely with our GC and architect to make material choices that will be available and work within our existing budget.

Community Outreach: This project caps decades of political will, starting with the Fitzsimons Army Base Closure in 1999, and the McKinney-Vento Homeless Act giving 15-acres of surplus federal property to the Colorado Department of Human Services to house Veterans. After construction of the VCLC in 2002, the parcels flanking the nursing home sat vacant. AHA and the City met countless times with Colorado Department of Human Services (CDHS) representatives as well as members of the General Assembly to encourage development of the remaining parcels. Representative Su Ryden of Aurora took action and sponsored HB 16-1397, mandating the expeditious development of the parcels. This phase completes the vision for the site by offering a continuum of Veterans housing honoring and enhancing their lives.

The land is owned by Colorado Department of Human Services, and an RFP was prepared to fulfill the statutory directive to build additional housing for veterans. Primary community outreach has been with staff of the VCLV, the VA, and CCH. It is our desire to develop and sustain a connected campus. Outreach is documented through numerous letters of support. This is a unique development parcel, surrounded by biomedical commercial uses and typical neighborhood opposition is not anticipated, and we received no comments at our public hearing on July 30, 2020.

4% pab lihtc application narrative

GARDEN APARTMENTS
Executive Summary

Garden Apartments is an existing 85 unit HUD Section 8 family housing project located across four sites within central and southeastern Colorado Springs.

- La Salle Gardens, 24 units - 2346-2416 E. La Salle St
- Bennett Gardens, 16 units - 2551 E. Cache La Poudre St. & 920 Bennett Avenue
- Union Gardens, 20 units - 905 & 915 S. Union Boulevard
- Verde Gardens, 25 units - 3310, 3320 & 3334-3350 Verde Drive

The project was built in 1981. In 2009, Signet Partners, HUD's restructuring agent, approached Western Region Nonprofit Housing Corporation (WRNPHC) about acquiring Garden Apartments. The project was in danger of defaulting on its Section 8 contracts, as the previous owners were not able to complete the HUD Mark-to-Market full restructuring. In order to preserve the Section 8 subsidy, WRNPHC obtained small acquisition loans from the Colorado Division of Housing and the City of Colorado Springs to acquire the project and complete the HUD Mark-to-Market Restructure.

The Garden Apartments serve the very poorest households in Colorado. 42% of the tenants have incomes under 10% AMI, with several reporting no income at all. 80% of the tenants report income at or below 20% AMI. No tenant earns over 50% AMI. In addition, the project pays all utilities, with no utility allowance credited to the tenants. The project provides a significant number of three and four-bedroom townhome subsidized units, along with traditional apartments which are available to the low income families of Colorado Springs. These are extremely important subsidized units which need to be preserved.

The 40 year old project is now in great need of upgrades and improvements in order to continue to provide adequate and safe housing to this at risk population. WRNPHC is proposing to reorganize the ownership in order to bring in 4% bond and State Tax Credit equity that will allow for approximately $16 million in renovation to the four sites.

Bond Structure

- Request is for a total bond allocation of $8,000,000 (52% of aggregate basis). Of this, $5,200,000 will be construction period only bonds. The remaining $2,800,000 will be used during construction and then convert to permanent bonds.
- CHFA is requested to act as conduit bond issuer. As indicated in the 7/24/20 letter from Steve Posey, the City of Colorado Springs will consider using a portion of the City's PAB allocation for the Garden Apartments project.
- The bonds sale will be structured as a private placement with ANB Bank.

- There will be no tax-exempt tail; the $8,000,000 bond issue funds all construction period costs.

Area Overview

La Salle Gardens, is conveniently located just south of Constitution Avenue and just east of Union Boulevard. The 24 units include six 4-Bedroom and eighteen 3-Bedroom apartments. Nearby amenities include public transit, Wasson High School and East Junior High School, as well as several places of worship.

Bennett Gardens, 2551 E. Cache La Poudre St. & 920 Bennett Avenue, with 16 units including eight 1-Bedroom an eight 2-Bedroom units, is also very close to public transit, near St. Mary's High School and several places of worship.

Union Gardens, 905 & 915 S. Union Boulevard, has 20 units with twelve 2-Bedroom and eight 1-Bedroom apartments. Public transit is within .15 mile, near Adams Elementary School, and close to a convenience store, and several places of worship in the area.

Verde Gardens, 3310, 3320 & 3334-3350 Verde Drive, has 25 units consisting of eight 1-Bedroom, eight 2-Bedroom, five 3-Bedroom, and four 4-bedroom units, as well as the project office for all sites. Access to public transit is directly across the street. A family market and convenience store are within half of a mile. This property is near Pikes Peak Elementary School and Head Start, directly southwest of Leon Young Baseball Park, and numerous churches in the area.

Project Strength / Weakness

The Garden Apartments serves a very vulnerable population and represents an invaluable resource to the community. Subsidized housing for low-income persons is in critically short supply, and it is essential to preserve what housing is left. As with most municipalities, the City' of Colorado Springs' Housing Plan identifies the preservation of subsidized housing as one of its top goals.

The recapitalization of this project in 2009 stabilized the debt and income. However, the HUD contracts are limited to annual OCAF adjustments. This means the project is not eligible for typical HUD post rehab rent adjustments. As a result, the project's income available to service debt is somewhat restricted. In addition, the project pays all tenant utility costs. Therefore the project utility expenses are higher than normal. Tax credit equity will thus be a very important component of the funding, since the amount of debt available will be limited. HUD has previously contributed funding to the nonprofit owner. This secondary financing will continue to be put back into the project's funding structure. Additionally, because this preservation of subsidized housing for very low income households is a priority of both the City and the Colorado Division of Housing, additional funding is expected from these sources.

Section 2 Priorities

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

Section 2 Guiding Principles:

- The project serves a very low income population; 90% of residents earn less than 30% of AMI.
- The project will commit to the maximum extended LURA; as a non-profit sponsor, WRNPHC intends to operate the facility as affordable housing in perpetuity.
- The proposed project will serve very low income and the disabled.
- The proposed project is well within ½ mile of public transportation.
- The proposed project is over 40 years old and is urgently in need of renovation
- The project would be eligible for almost $11,000 per unit State credit. The state credit requested per unit is only $9,003 per unit despite the fact that the project includes a relatively high number of three and four-bedroom units. The state credit per bedroom is $4,048.

Section 2 Criteria for Approval

a. Market conditions: The need for Section 8 family units is significant, and the project maintains a lengthy waiting list for interested applicants. Generally speaking, there is a metro area wide shortage of section 8 housing particularly for three and four-bedroom units.

b. Readiness-to-proceed: The project has been in operation for many years, and has been operated in its current form since built in 1981. The proposed renovations do not constitute a change of use and will not require planning & zoning review or approvals. Building permits can be pulled upon submittal of drawings for the applicable item (i.e. only portions of the work will require permits). In terms of financing, the team is ready to apply to the City and State as soon as an award of credits is received. An application for HUD's approval of the debt restructure is also planned to be completed as part of the initial closing at same time as the admission of the tax credit investor.

c. Overall financial feasibility and viability: WRNPHC has operated this project since 2009. Budgeted operations are based upon historical expenses and will have a high degree of accuracy. The debt load supportable by the proposed project's NOI is accurately sized. The City and State have funding available to supplement previous acquisition funding. The seller carry-back note and resubordinated HUD notes will be available. The sponsor will defer a portion of its developer fee. We feel confident that our projections are accurate.

d. Experience and track record of the development and management team: WRNPHC, the Salt Lake City based project sponsor, was formed in 2003, with a focus on preserving and renovating HUD Section 8 projects using tax credit resources. Starting in Rock Springs, Wyoming with the first renovation in 2005, WRNPHC has developed 4,000 units of housing in 11 states. WRNPHC has developed a rehab process where tenants stay in place. The construction budget includes funding to move tenants belongings daily, and a temporary relocation budget includes funding temporary locations and furnishings for the tenants, while their particular unit is having work done. The development team has long experience working with tenants and property managers during the construction process to overcome hurdles that come with completing renovation while the tenants remain in the units. The construction team is very experienced in proper communications with tenants, and respecting personal belongings while working in units.

Additionally, WRNPHC provides third party property management services through its affiliated management company, Key Property Management. Key has extensive experience in the requirements of combined HUD and LIHTC compliance issues. To assist in the development of the proposed project, Daniel G. Morgan & Associates has been engaged to assist with the development in Colorado. They have a strong track record of successfully developing housing in Colorado through the LIHTC program.

e. Cost reasonableness: The proposed project will result in extensive renovation to each building, and a complete replacement of interior lighting, fixtures and cabinets. The experienced development team uses smaller construction firms with less overhead for non-structural construction projects. Having 15 years of development experience allows the team to do many things in house which less experienced developers would hire out. Knowledge of regional costs, as opposed to only area costing, assures that pricing will be kept within budgeted standards. Nothing unusual is driving costs up in this project.

f. Proximity to existing tax credit developments: There are several existing tax credit projects in this area. As a 100 subsidized project, however, this project will not directly compete with unsubsidized LIHTC projects.

g. Site suitability: The project has successfully operated at this location for over 40 years with many amenities in the immediate area.

Underwriting Waivers

Because of the high ratio of expenses to income, the debt service coverage ratio declines rapidly over the first 15 years, requiring DSCR in excess of 1.30 in year one, in order to keep the year 15 coverage ratio above 1.15.

Market Study

The Market Analyst concluded that “The property has no apparent weaknesses” and also scored the project with the highest score (5) in all categories.

Environmental

The Phase I Reports for each of the four sites revealed the presence of no recognized environmental conditions. The Phase I for each site states no additional recommendations and no further assessment is deemed necessary. With regard to the proposed transaction, the planned scope of work involves no new construction, and the renovation of the property will not disturb soils. In keeping with the Phase 1 findings, no further assessment is required at any of the four sites.

Cost Containment

There are no unique issues driving up costs at this project. The scope of work is fairly typical for older renovation projects and involves primarily improvements to interior finishes, the building envelope, and cooling.

Community Support

The City of Colorado Springs has identified the preservation of Section 8 housing as one of its top housing priorities, and the project is consistent with their housing and consolidated plans, as shown in the attached letters of support.

Renovation Plan

Complete renovation of 85 existing apartments to include all interior finishes, bathrooms, kitchens, windows, doors and various EGC upgrades to lighting, ventilation, fixtures and appliances. Other improvements will include adding air conditioning, new roofs, accessibility improvements, security enhancements (cameras, access controls, etc.), and wiring for future electric car charging stations. The construction scope of work includes all the items listed in the Physical Inspection Report.

Relocation Plan

Included in the application materials is a short relocation plan stating the planned renovations will not require residents to permanently relocate. Several vacant units will be held to temporarily house residents during the short period of time when their unit is being renovated. Costs for providing furnishings and materials for tenant and contractor meetings are included in the budget. A budget for labor cost to move resident's belongings is also included in the construction budget.

Other Notes for Renovation of the Project

- The 10-year rule has been met; however' the project is exempt as a HUD subsidized project.
- The project contains no design flaws or obsolesce issues that cannot be easily addressed with the proposed renovation.
- The property has no safety issues. In terms of fire safety, it is alarmed and sprinkled and contains two elevators and multiple staircases for emergency egress.
- Other than the passage of time, there are no significant events that have led to the current need for rehabilitation.

4% pab lihtc application narrative

Project Name: Highland Trails Senior Residences
Project Address: 5890 S. Alkire, Littleton, CO

<u>1. Executive Summary:</u> Four Corners Development, LLC (4CD) is pleased to resubmit an application for Highland Trails, a new construction project for Seniors, aged 55+ located within a SADDA at 5890 S. Alkire with public transportation located within .02 miles (RTD bus) of the site. The RTD Route 59 provides continuous service 7 days a week. As a second submittal for this application, 4CD embraced the feedback received from staff and secured unchallenged zoning approval for a 37.5% increase (24 units) in density. This continued support by the Planning and Zoning Commission and Jefferson County Board of Commissioners, provided the momentum to make this project financially viable for the 4%/State round; efficiently maximizing the increased production of affordable housing units. If funded, Highland Trails will represent the first affordable senior housing development to be built in this area of unincorporated Jefferson County. Existing capture rates at all **AMI levels is ZERO**. The 88-unit new construction, 4-story structure will serve an expanse of income levels – AMI mix includes 23% of units at 20-30% AMI; 13% at 40% AMI; 16% at 50% AMI; 20% at 60% AMI; and 28% at 70-80% AMI. Foothills Regional Housing (FRH) has awarded 20 Project Based Vouchers for the very-low-income seniors at 20-30% AMI. FRM has provided a letter of intent to provide property management services upon a LIHTC award. Furthermore, upon award, 4CD will pursue adding FRH to the partnership which would allow for a property tax abatement.

Highland Trails Affordable Housing – Unit Mix

	20% AMI	*30% AMI*	*40% AMI*	*50% AMI*	*60% AMI*	*70% AMI*	*80% AMI*	*Total Units*
1 Bed/1 Bath	4	16	9	9	10	10	6	64
2 Bed/1 Bath			2	5	8	7	2	24
Total Units	4*	16*	11	14	18	17	8	88
% per AMI	5%	18%	13%	16%	20%	19%	9%	100%

*20 total Project Based Vouchers for 20% and 30% AMI units

The site is owned by 4CD and is shovel ready with all services available and adjacent to the site. Construction will be wood frame over a slab-on-grade foundation, with exterior stone, Hardie siding and backer board finishes for the building skin. Vertical circulation for the double loaded halls will be provided by two elevators and 2 stairwells. A secure single-point card access will open to well-appointed common amenities centralized on the main level, and will include a fitness room, computer/library room, community room with entertainment kitchen, and wellness/services office for general clinics; blood pressure screenings, and nutritional consultations provided through senior service providers. Units will range in size from 739 to 942 sq. ft. with 9' ceilings and include full kitchens with E-star appliances, washer/dryer, ceiling fans, linen closet, step-in shower, large windows and closets, individual heating and cooling, and private patio/balcony. Outdoor amenities include greenspace, bocce court, pavilion for sheltered outdoor dining and entertaining. Residents will also have access to an adjacent large community garden at Waterstone Community Church. The project will be certified under Zero Energy Ready Home (ZEHR) program and Enterprise Green Communities. Additionally, this project has agreed to waive the qualified contract process for the maximum 25 years.

Supportive Services:

Following is a list of the countywide-service providers and organizations we have contacted who have agreed to provide resources and services to residents (see support letters provided): Seniors' Resource Center; Love INC; Denver Regional Council of Governments; HealthSet; Centura Health; Jefferson County Senior Reach; Waterstone Community Church; and Active Minds, ensures this project supports Jefferson County's Consolidated Plan and Aging Well Plan. These plans focus on meeting basic senior needs, housing, physical and mental health, wellness/prevention, caregiving and support services, social and civic engagement, and transportation and mobility challenges. Seniors' Resource Center, Love INC and Waterstone Community Church will provide no cost/low cost transportation services.

Financing:

Highland Trails will leverage the tax credits with multiple other sources of funds. These additional sources include HOME funds from both Jefferson County and the State. The project was also approved for 20 Project Based Vouchers (PBVs) from Foothills Regional Housing and anticipates partnering with the housing authority for a property tax abatement.

2. Bond Financing Structure

Highland Trails will be financed through a public sale bond issuance by CHFA. CHFA will also be the construction and permanent lender through the HUD Risk Share program. The total bond issuance will be $17,580,000. The permanent bonds will be $10,900,000. The construction period bonds will be $2,136,000 of tax-exempt bonds and $4,544,000 of taxable bonds.

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

a. **Market conditions:** Highland Trails provides the first opportunity to introduce LIHTC senior residences into this PMA. There is no existing income restricted senior apartment properties throughout the entire PMA, nor any within several miles of the PMA boundaries. **Existing capture rate at all AMI levels are Zero.** The total overall capture rate including the proposed is 8.8%, highlighting the significant need for affordable senior housing in this underserved submarket of West Littleton and Unincorporated Jefferson County. Jefferson County has identified an aging senior population and estimates an increase of senior renter households 62 year of age to increase by 5.4% annually between 2019 and 2024. The proposed AMI mix of 20% through 80% will provide a broader reach to both the extremely low-income, as well as moderate-income seniors. Highland Trails achieved the highest rating of 5 in the categories of Market Demand, Unit Mix, Unit Size and Amenities, Proposed Rents, Overall Marketability and Marketability. These are significant ratings when considering the comparable properties used were either new, or high-quality senior apartment properties which have recently received LIHTC awards, along with several Market Rate properties in the PMA. Regarding location, the Highland Group rated Highland Trails "higher/superior" in comparison to every other property in the analysis.

b. **Proximity to existing tax credit developments:** The nearest housing developments are approximately 7-12 miles from the proposed site.

c. **Project readiness:**
   - 4CD owns the 3.39-acre site
   - Density of 88 units (37.5% increase) approved on June 16, 2020
   - Formal Site Development Plan SDP ready to submit for approval upon award
   - SDP and Building permits are administrative approvals
   - Site is shovel ready: Water, Electric and Sanitation are adjacent to site
   - 4CD has spent approximately 1.4 million in hard costs to date; confirming our commitment to providing affordable housing to the severely underserved Littleton market
   - Construction expected to begin in the Summer of 2021

d. **Overall financial feasibility and viability**: 4CD has rezoned and restructured the deal to maximize density to compete under the 4%/State Tax credit. 4CD will leverage federal and state equity, first mortgage, construction loan, deferred developer fees and Jefferson County and the State of Colorado soft funding. Highland Trails is viable and offers letters of intent from private and public funders reflecting current market conditions. Based on these discussions and a detailed review of our financial projections as presented in the application, we believe the combined sources are sufficient to meet the project's expected costs. 4CD has received multiple letters of intent for the Federal and State equity so is confident in their ability to execute the transaction.

e. **Experience and track record of the development and management team:** The partners of Four Corners Development boast over 60 years of combined experience designing, developing, and managing over 3,000 affordable housing units in Colorado, Missouri, Texas, Oklahoma, Georgia, Utah, Arizona and Nebraska. To date, 4CD has delivered three (3) CHFA-funded senior communities on time and within budget: Oakshire Trails (2015); Peakview Trails (2016); and Woodgate Trails (2017). In addition, 4CD has a strong history of partnering with Housing Authorities and service providers. Highland Trails will provide an enriched service environment that will benefit vulnerable older adults.

f. **Project costs:** Total project cost is $25,355,522 or $288,131 per unit. Hard construction costs total $16,772,530 or $190,597 per unit. 4CD has diligently and successfully achieved increased density from 64 to 88, thus keeping overall project costs reasonable in today's market.

g. **Site suitability:** The site is ideally located and well suited for affordable senior housing on S. Alkire Street, just north of W. Bowles Ave. It was selected specifically for an independent senior community due to its location and the unmet demand for affordable senior housing within the PMA. The desirable location provides excellent visibility from Bowles and provides nearby or adjacent access to shopping, pharmacy, banking, medical, recreation, and public transportation within 1 mile; with entertainment and the Senior Resource center within 3.5 miles. The project's zoning and density maximizes the feasible density and fully utilizes the site designation as a TOD. The site is fully served by fire protection, law enforcement, medical and elderly service providers.

Furthermore, all electric, water and sanitation utility services exist and are accessible adjacent to the site with capacity to serve this project.

4. Waiver Justifications: No waivers requested.

5. Market Study conclusions from analyst:
Strengths:

- Based on rent and occupancy date, both the 70% and 80% AMI units will be perceived as an exceptionally good value to potential renters in those income brackets.
- The increased number of units from 64 to 88 is a positive change – capture rates have not changed as a result of the increased units.
- The planned subject units are generously and appropriately sized for the range of targeted AMI levels; good balance of cost-effectiveness and desirability.
- The site is very marketable and appropriate for this use – combining natural beauty and views with access from major road, as well as offering nearby services and amenities.

Weakness:
The Highland Group noted one minor weakness; a rating of 4 vs 5 for location. The rating was based solely on residents being required to cross a 6-lane street to access some amenities. The analyst recommends 4CD and management work with the local jurisdiction to increase pedestrian crossing time (currently 40 seconds) and installation of a median for residents. Given the increased 'free' or 'greatly reduced' delivery options for food, groceries and pharmacy items, since the original study was conducted, we believe this is a relatively low concern. However, Seniors' Resource Center, Love INC and Waterstone Community Church will provide no-cost/low-cost transportation services. In addition, 4CD has budgeted $3,000 annually to supplement transportation services for residents.

6. Environmental Review: Both the Phase I Environmental Site Assessment (ESA) and Business Environmental Risks (BER's) evaluations conducted by NV5 revealed no evidence of Recognized Environmental Conditions, or BER's in connection with the property.

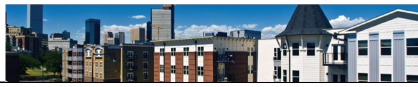
7. Cost Containment: As is common throughout Colorado, the site has a presence of claystone bedrock and expansive clay. Carlson Consulting Engineers, Inc. provided a preliminary evaluation and recommends either spread footing founded on non-expansive/processed material or on drilled piers. Upon award, 4CD will conduct further geotechnical investigation and select the most cost-effective development solutions. Highland Trails' integrated design process employs best practices from Enterprise Green Community and Zero Energy Ready Homes. The project will include solar-ready design to accept future photovoltaics panels and electric car-charging stations. The project will be certified under ZEHR. The vertical integration of architecture, development, and construction, in addition to the extensive team experience in LIHTC development, further provide management of project cost efficiency.

8. Community Outreach: 4CD hosted two neighborhood meetings to solicit input from neighboring residents and businesses. Notifications were mailed to property and business owners within a 500-foot radius of the site, as well as twenty-four (24) registered Homeowner Associations within a 1-mile radius of the site. Additionally, signs were posted on the site and notices were published in the local paper and on Jefferson County's Planning and Zoning website. Neighbors who attended the meetings were supportive of the development and no opposing issues were raised. Both rezoning hearings granted the requested zoning changes on the consent agenda; no opposition from businesses or property owners were present. 4CD has engaged in extensive outreach with public and private senior services providers, churches and faith-based organizations in Jefferson County. Staff will partner with community organizations to connect residents with activities, services, social networks and other services provided by the community organizations. 4CD has met face-to-face with the following senior service providers, agencies and community organizations in Jefferson County to build community support: Foothill Regional Housing (formerly Jefferson County Housing Authority), who is committing 20 Project Based Vouchers to the project; Seniors' Resource Center; Love INC; Jefferson County Senior Reach; HealthSet; Centura Health; Denver Regional Council of Governments (DRCOG); Active Minds; and Waterstone Community Church which is adjacent to the proposed site.

<u>The following Letters of Support may be found in Procorem:</u>

- Lisa Cutter, Representative, Colorado House District 25
- Chris Lynn, President & CEO – Seniors' Resource Center
- Kathryn Roy, Executive Director – Love INC
- Karin Stewart, Program Manager – Aging Well, Jefferson County
- Leslie Dahlkemper, Chair – Jefferson County, Board of Commissioners
- Casey Tighe, Member – Jefferson County, Board of Commissioners
- Libby Szabo, Member – Jefferson County, Board of Commissioners
- Zane Robertson, President & Co-Founder – Active Minds

4CD is committed to working with providers to address individual and collective needs residents may require. A health and wellness room, along with community space is incorporated into the building design and available for service agencies to provide educational programming and services on a group or individual basis. A resource center within the library will be set aside to provide information on available programs that include health, case management, legal, nutrition and social activities. As the project advances through the SDP process, 4CD and its partners will continue outreach efforts with the neighborhood, businesses, and service providers to continue to foster strong community partnerships and relationships with service providers.



4% PAB LIHTC APPLICATION NARRATIVE
JEWELL APARTMENTS

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

1. **Executive Summary:**

Jewell Apartments, the “Project”, will provide 81 units of quality affordable family housing as Phase I of a two-phase development of a 4.11-acre infill development site located west of Havana between E. Jewell and E. Colorado Avenue in Aurora. The site is in a Qualified Census Tract (QCT). The Project’s location is desirable for modest-income households as it is 0.2 miles from an RTD bus stop, and within walking distance to nearby employment opportunities, childcare, medical services, grocery, and other retail facilities, and a community park. The Project directly supports housing objectives in the Aurora Places Comprehensive Plan and 2020-2024 Consolidated Plan by creating new, affordable service-supported mixed-income housing inventory.

Community Housing Development Association (CHDA) is requesting tax credit funding for Phase I which will include 23 1-bedroom units; 44 2-bedroom; and 14 3-bedroom units. The Project accomplishes an overall average income of 58.15% AMI by targeting 11% of units at 30% AMI; 6% at 40%; 12% at 50%; 51% at 60%; and 20% at 80% AMI. Phase II will provide up to 50 units affordable to low/moderate income families or seniors age 62+.

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

The building will be a 4-story elevator structure on a concrete foundation with brick, fiber cement lap siding exteriors and faux wood siding on the upper levels, a west facing roof deck and a spacious courtyard, and a flat roof designed to be solar ready. Each unit will have central air conditioning, bay windows, blinds, a mix of carpet and vinyl plank floors, a ceiling fan, coat closet, built-in island, refrigerator, stove/oven, garbage disposal, dishwasher, microwave and in-unit washer/dryer. The building will meet the Enterprise Green Communities Criteria. The heavily treed and park-like area on the north one-third of the site will be preserved as a nature/recreation area for residents. Phase I development will include construction of Fulton Street on the west side of the site and accompanying sidewalk connecting Jewell Avenue to Colorado Avenue. This will assist with local traffic challenges and provide better pedestrian and vehicular access to a nearby City Park.

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

The total estimated Phase I project cost is $26.7 million. Total funding sources include $12.5 million in in Federal 4%/State LIHTC equity; $500,000 HOME funds from the City of Aurora; $800,000 in Arapahoe County HOME/CDBG funds; $975,000 in State HOME funds. The construction loan will be approximately $18 million. The permanent financing will include $10.1 million in CHFA Tax Exempt Bond Financing and $520,000 a Capital Magnet loan from Impact Development Fund. Aurora will provide $4.9 million in PAB Bond Cap. Arapahoe County will also provide Bond Cap if available.

2. **Bond Financing Structure:**
   a. $13.3 million bond cap
   b. $4.9 million – City of Aurora PAB. Balance from Arapahoe County if available and/or CHFA for use with CHFA bond-financed loan.
   c. Lender and bond sale structure will be public.
   d. $18 million construction loan with $13.3 million tax-exempt and $4.7 million taxable.

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

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

a. Market conditions

There is a strong demand for affordable family housing in Aurora and Arapahoe County. The City's 2020-2024 Draft Consolidated Plan identifies more than 24,000 households that are severely cost burdened paying more than 30%-50% of household income for housing. The Plan calls for adding 900 new affordable rental housing units to the market during 2020 – 2024 prioritizing housing that accommodates families. Policy recommendations in the City's draft Housing Strategy, which is currently under review by City Council and open for public comment, include supporting development of mixed-income housing projects offering a variety of housing costs. This includes expanding housing types throughout the City to serve the "missing middle". Supporting workforce development to strengthen the local economy is also included in the Housing Strategy. As a mixed-income, service supported family project, Jewell Apartments is highly responsive to the City's housing and economic development goals. Additionally, Arapahoe County has confirmed that creating additional affordable housing units is a priority of its 2014 – 2019 and 2020 - 2024 Consolidated Plans.

The Market Study further reinforces the demand of housing proposed by the Jewell Apartments. The Project's overall capture rate is 4.8%, including the newly proposed units, reflecting an increase from the current 4.3% capture rate in the PMA. Current capture rates without in-migration are 3.4% at 30% AMI, 3.4% at 40% AMI, 11.2% at 50% AMI, 8.5% at 60% AMI and 0.2% at 80% AMI. The PMA has 13,520 income-qualified households for the Project's AMI mix, with a projected annual growth of 862 renter households over the next two years. Jewell Apartments proposes to use the Average Income approach to meet the needs of renters who exceed the traditional 60% AMI LIHTC cap. The PMA does not have any existing or planned family 80% AMI units but has 4,751 income-qualified renters at 80% AMI creating a strong demand for this product type. The project will include 16 units at 80% of AMI to help meet this demand.

The Project will provide a mix of 1-bed, 2-bed and 3-bed units. The three nearby comparable family LIHTC properties surveyed by the market analyst - Willow Street Residences, Fox Crossing 1 &2 and Dayton Meadows were built in 1996 and 2000. Two were renovated in 2015-2016. All are in average to above average condition. All have large waitlists with 170 – 250 applicants. These properties had slightly lower 40%, 50%, and 60% AMI rents. However, the market analyst notes the difference is likely due to utility allowance calculations. The low vacancy rates, lengthy waitlists, and high historical occupancy suggests the surveyed properties are obtaining the maximum 2020 LIHTC rents. The market study indicates the likelihood that the Project will achieve maximum rents, however, CHDA will reduce 80% AMI rents to 70% AMI and 21 units of 60% AMI to 55% AMI rents to provide flexibility to accommodate actual wages of the target market. None of those three comparables offer units between 61%-80% AMI.

b. Proximity to existing tax credit developments

There are ten existing family LIHTC projects in the entire PMA containing 1,038 units that are considered comparable income-restricted apartment properties. This includes four LIHTC projects in the subject 80247 zip code. Three projects in the PMA are within 1.4 miles of the subject and were utilized for comparability by the market analyst. This includes CHDA's Willow Street Residences which has experienced near 100% occupancy for the past 3+ years. None of the ten comparable family projects had AMI levels above 60%. Jewell Apartments will differentiate itself by providing 57 units between 61% AMI - 80% AMI. There are 4,039 income-qualified renters at 60% AMI, and 4,751 income-qualified renters at 80% AMI. Even with ten tax credit properties in the PMA, all buildings have large waitlists and an average vacancy of 1.2% showing pent-up demand for affordable rental housing.

c. Project readiness

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

Once an allocation of tax credits is awarded, CHDA will actively work to secure the balance of needed funding well within 13 months. In the interim, the City of Aurora is recommending approval of $500,000 in HOME and $4.9 million in PAB cap to City Council for approval August 5, 2020. Arapahoe County has provided a preliminary funding commitment for $400,000 in HOME and additional to-be-determined gap funding from HOME/CDBG once an allocation of tax credits is awarded. The County has also verbally advised that PAB bond cap may be available if not otherwise allocated to two other projects that requested bond cap prior to CHDA. The Project meets the CDOH HOME criteria of 10% of units at 30% AMI. CDOH has provided a LOI to partner with the Project and anticipates receiving a funding application pending an award of tax credits.

CHDA plans to locate its corporate offices in onsite commercial space that is required in conjunction with the MU/IO zoning. CHDA operating and program staff will occupy this space. Additional "Institutional" space will be created for delivery of resident and community programs and services. CHDA has begun discussion with Arapahoe/Douglas Works regarding onsite program delivery. This is directly supportive of the City's workforce development objectives in its Housing Strategy. AllHealth Network has advised of their interest in establishing a small onsite mental health clinic. Interest is preliminary given the unknown timeline combined with current and anticipated pandemic-related budget constraints. Other prospective services include visiting food bank and library services; health care services; life-long learning programs for residents and surrounding community. CHDA will actively pursue Memoranda of Understanding with program delivery partners once project funding is secured and a development timeline is determined.

d. Overall financial feasibility and viability

The Project financing structure provides strong assurance of long-term operation as a financially viable affordable housing project. It facilitates a beginning DSCR of 1.17 which increases to 1.38 in year 15 and pays all deferred developer fee from cash flow by year 10. Projected rents and operating expenses are based on experience with comparable properties and considered conservative and achievable. CHDA has secured $2.275 million dollars in soft funding for the Project to keep our request for competitive State tax credits as low as possible, however, the Project would be infeasible without the State LIHTC equity.

CHDA is in good standing with the IRS as a 501(c)3 and is financially stable. CHDA properties are compliant with all grant, loan, and investor targeting and performance criteria. CHDA's 50-unit Nine Mile Station was fully leased and occupied during COVID and will convert to permanent financing in October 2020.

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

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

f. Project costs

To maximize the buildable land and allow CHDA flexibility to create additional housing units in the future, the site will be developed in two phases. For Phase I, CHDA's design team, Parikh Stevens Architects, created a 4-story, wood-frame, stacked-unit building design to keep construction and design costs as low as possible. The project will comply with ECG requirements including third party documentation. ECG threshold design guidelines have minimal impact on the cost of new development (with the exception of the third party documentation). The ZERH design compliance adds significant cost (estimated $250,000+) and coupled with stable, extremely low utility costs translate into an extensive payback period, even with high discount factors. In a low cap rate, low interest rate environment, the ZERH marginal design costs over ECG compliance add a significant upfront subsidy request coupled with a negative economic payback, so we have elected to forgo the ZERH full design compliance. The Project includes new building technologies to create a tight building envelop with efficient aquatherm heating units to keep operating costs low. In addition, the Project is eligible to receive an Xcel Energy Rebate of approximately $0.25-0.40 per square foot, achieving an estimated 20-30% savings from the Project's baseline energy costs. The building was designed to be 4 stories to maintain significant amounts of open spaces for families to use. The landscape plan includes 100% native and xeric plantings and an EPA rated smart irrigation system to both limit and control water usage.

BC Builders assembled the construction budget estimate by obtaining bids from various trades, as well as extrapolating costs from recent comparable projects including CHDA's Nine Mile Station Senior Living (January 2020 construction completion). SMP, CHDA's property management company, provided the projected operating budget, which includes consideration for recent significant increased insurance premiums. Other project costs were informed by CHDA's; MGL Partners'; and 2 Oaks Partners' experience with financing, developing, constructing, and owning comparable multifamily properties.

g. Site suitability

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

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

The site location is considered "Very Walkable" with a walk score of 76 which is 77% higher than the City of Aurora score of 43, and 37% higher than the comparables from the market study which averaged 56. The site's average transit score is 42, which is 11% higher than the City score of 38. There is a bus stop located 0.20

miles from the site along Jewell Avenue and another located the same distance away on Havana Street that provides public transportation options to several inter-city locations.

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

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

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

7. Environmental Issues:

There were no environmental concerns or needed mitigation for the site identified by the Phase I environmental audit. To prevent potential vandalism and public safety issues, CHDA will demolish the existing vacant, non-habitable 1952 ranch-style home and small outbuildings in 4^{th} quarter 2020 utilizing its own resources. A small amount of floor tile with Asbestos Containing Material will be abated prior to demolition.

8. Higher Development Costs:

To meet City requirements, Phase I will include constructing Fulton Street as a north-south through street connecting Jewell and Colorado Avenues, along with an adjacent pedestrian pathway. This is desired by the City to ease traffic challenges and create community access to the City Park north and west of the project site. As the lower of the two development sites, Phase I site work will address drainage and retention requirements. As a result, the project will incur more upfront site work costs in the first phase.

To help offset the high site development costs, CHDA will request that the Aurora Housing Authority (AHA) become special limited partner in the tax credit partnership. This will facilitate real estate tax exemption as well as exemption from City building permit and plan review fees, and sales taxes. (The value of these exemptions for CHDA's recently completed Nine Mile Station was approximately $265,000 in development cost savings, and $80,000 in annual real estate tax savings). AHA has advised they will review this request once a tax credit allocation has been awarded. (AHA is a SLP on two CHDA-owned properties.) Project financing is also projected to include approximately $2.675 million in combined HOME/CDBG funding from Arapahoe County, the City of Aurora, and CDOH. Both Arapahoe County and the City have indicated that they will consider increased need for gap funding based on final project costs.

9. Community Outreach:

CHDA hosted a virtual Public Hearing to discuss the Project and application for State Tax Credits/PAB cap via a Go to Meetings on July 22, 2020. The Ward IV City Councilman Juan Marcano was the only attendee. Prior to the meeting, CHDA met with the Aurora Community Development Director, Councilman Marcano; leadership for the Aurora Housing Authority; Arapahoe/Douglas Works; and Arapahoe County Community Development Staff. CHDA also met with the former owners of the site to learn about the site's history and share its development plans. Once the Project receives an award of tax credits and is moving forward with site plan and building design, CHDA will conduct comprehensive community outreach with the assistance of Councilman Marcano and City Neighborhood Services staff. The development team will host community meetings to discuss development plans and seek input regarding the project design, phasing, and the construction process. CHDA does not anticipate neighborhood opposition that would impact the project's readiness to proceed.

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

4 percent PAB LIHTC application narrative

Project Name: **KRISANA**

Project Address: 1380 & 1385 S. Birch St., Denver, CO 80222

1. Executive Summary

Project Description:

- **Joint venture between Lexton McDermott and Kentro Group**
- **Located on former Colorado Division of Transportation (CDOT) site, Denver**
- **150-unit community for individuals and families**
- **City of Denver required 150 affordable units as condition of the land sale**
- **Community consists of two adjacent buildings**
- **Subterranean, under building, parking at large building**
- **Krisana is in a Qualified Census Tract (QCT).**
- **Public transportation is 0.3 miles (RTD bus) and the light rail station is 1.3 miles away**
- **Wood frame construction, 3 stories on a podium and PT slab**
- **Roof: TPO, 60 mil**
- **Building exterior: brick, stucco, cementitious siding**
- **2 hydraulic elevators**
- **Wood interior stairwells and stairs**
- **Circulation: double loaded halls accessed by elevators & stairs**
- **141 total parking spaces**
- **Affordability mix: 30%, 40%, 50%, 60% AMI's**
- **31 Studio; 69 one-bedroom units; 50 two-bedroom units**
- **National Green Building Standard (NGBS)**
- **Energy Star appliances**
- **Secure access entry**
- **Amenities and features: fitness center, community room, kitchen, courtyard with noise control, children's playground, and barbeque area in courtyard**
- **Density; 79.79 units per acre**

The Background of Krisana

The proposed Krisana community is part of a master plan being created for the 14-acre site that once housed the headquarters of the Colorado Department of Transportation (CDOT). When complete, the site will contain a large grocery store, several restaurants, shops, a park, and other community gathering places. There will also be market rate apartments.

The site was sold by the City of Denver to the Kentro Group. As a condition of the sale, the city required 150 affordable apartments be part of the master plan. Kentro Group asked Lexton McDermott to join in a joint venture to provide the affordable housing.

2. Bond Financing Structure:

The following describes the bond financing structure:

The total amount of bonds utilized during the construction phase is $24,500,000, of which $18,400,000 will be tax exempt and $6,100,000 will be taxable. At conversion, the tax-exempt portion will remain at $18,400,000 and the taxable portion will be reduced to $1,232,000 resulting in a combined permanent loan of $19,632,000.

- We are seeking a tax-exempt and taxable construction loan from US Bank that will convert into a Freddie Mac Tax-Exempt Loan and Freddie Mac Taxable loan per the terms described in the attached term sheets from US Bank and Orix Real Estate Capital (dba Hunt Real Estate Capital) with CHFA as the bond issuer/governmental lender. The aggregate amount of tax-exempt bonds exceeds 50% of the project's aggregate basis but does not exceed 55% of the project's aggregate basis.

Orix Real Estate Capital will be the permanent funding lender and the bonds will be structured as a Freddie Mac Forward Commitment Tax Exempt Loan (TEL) with a Freddie Mac Forward Commitment Taxable tail. The permanent interest rates will be fixed prior to initial closing. CHFA will be issuer and governmental lender.

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

Krisana is not being developed to meet these priorities.

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

a. Market conditions:

- All affordable communities in the PMA are 100% occupied.
- Strong demand for affordable apartments continues to exist in Denver.
- The current capture rate is 5.5%. When Krisana is added, the capture rate is 6.9%, well below the 25% rate benchmarked in the QAP.

b. Proximity to Existing Tax Credit Projects:

There are 9 affordable family communities within the PMA. Every one of the communities are 100% occupied, with a waiting list, and no concessions have been offered.

Primary Market Area LIHTC Unit Inventory

Primary Market Area LIHTC Unit Inventory							
Project	**Location**	**YOC/Rehab.**	**Units**	**30%**	**40%**	**50%**	**60%**
Forest Manor	625 S. Forest Street - Glendale	1974	103	0	0	0	103
Garden Court Yale Station	5155 E Yale Circle - Denver	2016	66	6	11	30	19
South Oneida Club	1010 S Oneida - Denver	1997	47	0	0	0	47
Presidential Arms	3595 S Washington Street - Englewood	1963	33	7	0	12	14
101 Broadway (1)	101 Broadway - Denver	2019	106	0	0	0	106
Broadway Lofts (1)	3401 S Broadway - Englewood	2018	111	0	0	0	111
Broadway Junction (1)	1165 S Broadway -Denver	2009	60	25	10	25	0
Lincoln Terrace	25 E 5th Avenue - Denver	2008	74	5	40	29	0
CCH Lincoln	589 S. Lincoln - Denver	1994	7	0	0	7	0
Total Existing			**607**	**43**	**61**	**103**	**400**

Prepared by Newmark Knight Frank Valuation - Denver (6/20)

(1) Located adjacent to western border of PMA

c. Project Readiness:

- The site is properly zoned. Zoning was approved by Denver City Council December 3, 2018.
- The Phase I Environmental Report indicates that the site is environmentally "clean," with no issues.
- The construction cost estimates are competitive, and the General Contractor is experienced.
- Tax credit investors are lined up to purchase both Federal and State tax credits.
- A concept plan was submitted to Denver Planning and work has begun on the Site Development Plan (SDP).
- Site plan and construction drawings approvals are administrative.

d. Overall Financial Feasibility and Viability:

- Project meets goal of using least number of tax credits to provide feasibility.
- Budget meets or exceeds CHFA underwriting requirements.
- No waivers are required or requested.
- Strong interest from investors and lenders.
- Sponsor financial strength enhances guarantees.
- Deferred development fee paid in 5 years.

e. Experience and Track Record:

- Lexton McDermott, formerly McDermott Properties, has developed 3000 multi-family units, all in Colorado.
- The sponsor has a long history of developing and operating affordable housing complexes in a highly efficient and responsible manner that has earned industry recognition and praise from investors, lenders, local communities, state and federal agencies and above all, satisfied, happy residents.
- Our Development Team includes seasoned and industry recognized professionals in the legal and accounting areas.
- The project design team consists of Architects and Engineers who have designed multiple projects for the Sponsor.

Property Management Experience

- ComCap Management, LLC, an affiliate of the Sponsor, will manage Krisana.
- ComCap currently manages 2,803 family and senior tax credit units. The company has excelled in marketing and lease up of new communities, and recently completed lease up of Westwood Crossing and Oakridge Crossing.

f. Project Costs:

- Total project cost is $ 39,990,863 or $266,606 per unit.
- Hard construction costs total $25,300,739
- Hard construction costs per GSF is $160.95
- Hard construction cost per unit is $168,672
- Given the project size, 150 units, the costs are reasonable in today's market.

g. Site Suitability:

- Site has proper zoning for multifamily
- Denver Planning Department reviewed conceptual plan.
- Site is in a premier location in Southeast Denver.
- RTD bus is 0.03 mile from the site, light rail is 1.3 miles from site.
- Walk score is 70.
- Shopping, dining, medical facilities, churches, and recreational opportunities are nearby.
- Close to Ellis Elementary School.
- There are no flood plains or environmental hazards.

5. Provide the following information as applicable:

No waivers are requested for Krisana.

6. Market Study Issues*:*

No issues were raised in the Market Study.

7. Phase One Environmental Study Issues*:*

No issues were raised in the Study.

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

The following adds cost to the project:

- Subterranean garage adds additional costs.
- Concrete podium upon which 3 stories of apartments will be constructed.
- Requirement for underground water detention and water quality.
- Krisana buildings are divided by public street and requires two (2) separate city submittals.
- The two separate buildings impact exterior wall/interior volume ratio. This impacts costs as there are an increased number of roof/wall intersections, etc. Also, a second foundation is required.
- The studios, being smaller, add to increased per unit cost

9. **Outreach and Local Support:**
The Kentro Group began introducing Krisana to the public in January 2018. Public meetings were held at the Ellis Elementary School, on the following dates:

January 25, 2018	May 3, 2018	September 27, 2018
March 8, 2018	June 7, 2018	November 14, 2018
April 5, 2018	July 12, 2018	

At the December 3, 2018 Denver City Council Meeting, many neighbors spoke out about the need for and their support of affordable housing on the former CDOT site. Support for affordable housing has been extraordinarily strong as evidenced by the enclosed Letters of Support.

Due to statewide Covid 19 restrictions introduced in March of 2020, we have not been able to hold any additional public support meetings.

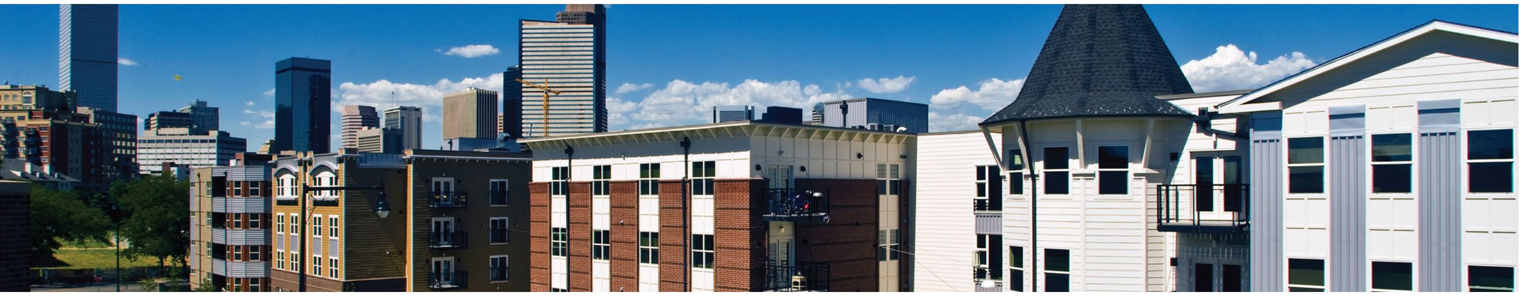
It should be acknowledged that at public meetings, some opposition to the new community was voiced by several people. This opposition was based on:

- Concerns about the possibility of increased traffic. The previous CDOT office use did not produce much traffic. Some thought that the apartments, proposed commercial buildings, and restaurants would produce additional traffic.
- Concerns about the height of the buildings. Kentro agreed to reduce the height from 5 stories to 3 stories as a transition to the single-family homes bordering the site.
- Concerns about density. Some residents suggested fewer affordable units. This is not possible because Denver requires 150 affordable units be built.

Additionally, positive support has come from the following:

- Paul Kashmann, Denver City Council Member for District 6
- Robin Kniech, Denver City Council Member at Large
- Debbie Ortega, Denver City Council Member at Large
- State Division of Housing
- HOST, Office of Economic Development, City of Denver
- All Saints Catholic Church
- Greek Orthodox Metropolis Cathedral
- Ester's Neighborhood Pub/Restaurant

4% pab lihtc application narrative



Project Name: Montbello FreshLo Hub ("The Hub")
Project Address: 12300 East Albrook Drive, Denver, CO 80239

1. Executive Summary

Overview: The Montbello Organizing Committee (MOC) presents the Montbello FreshLo Hub ("The Hub")—a community-driven and supported mixed-use project carefully designed to address the critical housing deficit, missing healthy food and diet options, and cultural heritage goals of the diverse Montbello neighborhood. Selected by the Kresge Foundation from over 526 applicants across the United States, The Hub is one of twenty-three FreshLo (Fresh, Local and Equitable) projects to receive national funding and support. The Hub will feature 97 affordable apartments; a healthy foods grocery store and nutrition education center; several small community retail spaces; offices for local non-profits; and a two-story cultural arts wing. The Hub will bring the first family LIHTC development to the historically underserved Montbello neighborhood.

Units and Affordability: Montbello is above all a family neighborhood, with an average household size of 4.05 which is 58% larger than the metro Denver average. To best serve this family-oriented community, The Hub will offer a wide range of generously-sized units and layout options. The LIHTC project will include 49 one-bedroom apartments, 33 two-bedroom apartments, and 15 three-bedroom apartments for families earning at or below 30-70% of the area median income (AMI). Of the 97 total units, seven will serve households earning at or below 30% AMI, 17 units will serve households at or below 50% AMI, 55 units will serve households at or below 60% AMI, and 18 units will serve households at or below 70% AMI.

Location: After a three-year planning process and participation from over 2,500 Montbello neighborhood residents, the abandoned RTD Park and Ride (vacant since April 2016) emerged as the preferred location for The Hub. Montbello is one of Denver's largest and most diverse neighborhoods with 61% of the total 38,000 residents identifying as Latinx, 24% African American and 11% Caucasian. The neighborhood consists predominantly of single-family homes with relatively few multifamily rental options. The site is in a Qualified Census Tract and State designated Opportunity Zone.

Connectivity: Access to public transportation is excellent with a bus stop adjacent to the site offering frequent service by two bus lines (Route 42 and 45). Together, these routes include stops at three rail stations—Peoria, Gateway Park, and Central Park. Route 45 offers residents a 7-minute ride to the Peoria Station which provides access to employment centers at the Anschutz campus, DIA and downtown via the "A" and "R" lines. The site is very walkable and has convenient pedestrian access to employment and neighborhood amenities such as a library, post office, municipal center, multiple schools, park, and health center. The Hub will renew and enhance the entire Montbello community with a central and welcoming place for healthy living, cultural exploration, and safe gathering.

Construction and Energy Efficiency: The building will consist of one level below grade parking constructed out of cast in place concrete grade beam walls supported by deep piers with slab on grade parking surface. Reinforced columns supported by deep pier foundations will support two levels of post tensioned concrete slabs. Floors 3-7 will be constructed out of fire-retardant wood exterior bearing walls, supporting engineered open web floor trusses, and engineered roof trusses. Exterior finishes will consist of storefront glazing, brick masonry, cement fiber panel, architectural metal panels, and stucco. Roofing membrane will be a single ply membrane system. See **attached** for more detail on the building's construction type.

The Hub's green building mission is *to improve the Montbello community by creating a building that enables an ecologically sustainable, healthy, and prosperous environment that improves the quality of life.* The building will surpass the overall thermal performance requirements and verification of the 2015 ICEE of 24% and will certify under the National Green Building Standards (NGBS) program. The Hub will meet the NGBS Bronze certification level and currently exceeds the baseline score of 231 by an additional 58 points. The project is also on track to meet the highest certification level in energy efficiency (Emerald) and will strive to achieve Silver status for the majority of the remaining categories. See the NGBS **attachment** for more information about the project's green building features.

Amenities: Residents of The Hub will enjoy multiple amenities including a full appliance package with microwaves and ovens; in-unit washers and dryers; underground parking (with resident-only keycard entry); and access to common areas. Residents will have easy access to youth programming (such as dance and art classes in the cultural center) and various health providers (including the dieticians and nutritionists in the grocery store and mental health service providers housed within the available community office spaces). In addition to the grocery store, retail space, and other opportunities on the two first floors, the third floor common and fitness rooms will open onto a residents-only patio featuring space for community gardens, outdoor programming, and grilling stations. Each floor of the residential area will open off a central interior corridor serviced by two stairwells and two elevators.

Financing: The local financial partners and investors demonstrates strong neighborhood and citywide commitment to The Hub. MOC purchased the land from RTD in February 2020 and has received a commitment of $700,000 for the land acquisition and predevelopment expenses from the City and County of Denver's Department of Economic Development and Opportunity. The LIHTC project will seek Private Activity Bonds from Denver's Department of Housing Stability and will also utilize subordinate financing from the Colorado Division of Housing. The Project will partner with Denver Housing Authority to receive a property tax exemption. The Project will additionally seek federal LIHTC and State AHTC.

The commercial portion of the project including the grocery store, retail spaces, black box theater, rehearsal rooms, and community office space will be financed using a combination of New Markets Tax Credit (NMTC) financing, capital campaign proceeds (advanced through a bridge loan of $2,250,000), foundation Program Related Investments (PRI) (subordinate debt of $3,500,000) and conventional debt financing ($7,796,448) serviced by the lease revenue from the building tenants and operational fundraising. Currently the project has interest from over six Community Development Entities who have received NMTC allocation from the current round announced on July 15, 2020 (see **attached** NMTC cut sheet and CDE letters of interest) and significant support from local foundations for capital campaign grants and PRI, including The Colorado Health Foundation's consideration of a $3,000,000 grant and a $2,000,000 PRI (see PRI letters of interest).

2. Describe the bond financing structure and include the following:
Construction Period Bonds: $17,695,000, Private Placement
Permanent Bonds: $12,765,000, Private Placement
Bond Issuer: City and County of Denver (requested)
Portion of Tax-exempt Bonds: $17,695,000

3. Identify which, if any of the priorities in Section 2 of the Qualified Allocation Plan (QAP):
The Montbello FreshLo Hub Project does not directly respond to any of the Section 2 priorities.

4. **Describe how the project meets the criteria for approval in Section 2 of the QAP:**
   a) **Market conditions:** The Montbello neighborhood is desperately in need of quality affordable housing. The market study notes that existing inventory of multifamily housing is extremely limited in the Montbello neighborhood. The overall vacancy for the submarket area is 4.3% which is lower than the overall Denver County rate of 5.2%. The extremely low vacancy rates at two new LIHTC projects in the primary market area (Moline at Stapleton - 2019 & Northfield at Stapleton - 2015) indicate a strong demand for high-quality affordable units. Two large market rate multifamily properties in the PMA are around 50 years old and in only fair condition. Due to the limited stock in the submarket, the market study does not provide an absorption rate but notes that Moline at Stapleton leased its 180 units in four months at a rate of 45 units per month. The overall capture rate is 6.7% based on existing and proposed units and with zero in-migration. The highest capture rate occurs for the 60% units (18.2%), but the analyst states, "Despite this, the remaining demand for 60% AMI units in the PMA is still 30 times the 55 subject units in the 60% band." As evidenced by low vacancies and relatively low capture rates in all AMI bands, the market study indicates there is strong demand across all unit types.
   b) **Proximity to existing tax credit developments:** As noted in the market study, there is very limited multifamily housing in the PMA. There are five comparable LIHTC projects with a total of 474 LIHTC units. None of these LIHTC properties are located in the Montbello neighborhood and none include units for households at or below 70% AMI. The market analyst concluded that three of the these five LIHTC properties are most comparable to the subject property based on their design, location, amenities, age and unit mix. One of the three most comparable LIHTC properties was built in 1974 and survives in fair condition. The two recently constructed LIHTC projects are 1.8 and 2.7 miles from the project site. These two properties have very low (2.2%) or no vacancy, and one has 300 applicants on their waiting list. The low vacancy rates and high waitlist numbers indicate substantial pent up demand and successful lease up of The Hub.
   c) **Project readiness:** The Hub is well positioned to complete the predevelopment process and proceed to closing in less than 9 months of the LIHTC commitment. The site is owned by the applicant (MOC) and is zoned for mixed use development. The project's financing, development, and required approval timeline will allow the project to close in August of 2021. The development team has applied for Denver's new Affordable Housing Pilot Program which offers expedited development review and a $50,000 reduction in building permit fees. The commercial portion of the Project has received extremely strong interest from NMTC financing partners (see CDE and lender letters) and will close simultaneously with the LIHTC financing.
   d) **Overall financial feasibility and viability:** MOC has acquired the site and has acquisition and predevelopment funding committed from the City and County of Denver's Office of Economic Development and Opportunity. A Private Activity Bond capacity request has been submitted to the City and County of Denver's Housing Stability Department in the full amount needed for the Project. Other expected funding sources include $1,455,000 in HOST funds and $1,100,000 in soft funding as well as a $2,000,000 CHIF loan from the Colorado Division of Housing. The project has applied for property tax exemption through a partnership with Denver Housing Authority. The non-residential portion of the mixed-use project will be financed with New Markets Tax Credits and will be a separate condominium.
   e) **Experience and track record of the development and management team**: MOC has carefully assembled a development team with the depth of tax credit experience and the breadth of community involvement vital to complete this much needed mixed-use project. The project is a partnership between FLO Development Services LLC (principals are John Huggins of Longs Peak Advisors, LLC; Denise Burgess of Burgess Community Development; and Willie Shepherd of Platten Strasse, LLC and Burgess Community Development) and the Montbello Organizing Committee. John Huggins has over three decades of experience working in affordable housing and with LIHTC projects. He has been an active participant in the development of three LIHTC projects in Colorado – University Station Apartments (9%) and Ash Street Apartments in Denver (4% & State) in addition to Eaton Street Apartments in Westminster (4% & State). His responsibilities for these developments included negotiating the non-LIHTC public financial support

(Ash and Eaton); securing the initial land acquisition/site control (University Station); and participating in design and financial planning through construction (Ash and Eaton). John also has experience with New Markets Tax Credit projects as both a developer and public finance official. Van Meter Williams Pollack LLP merges their LIHTC expertise with The Roybal Corporation's affordable housing experience to create a formidable and diverse architect team, augmented by consulting and engineering firms Boulder Engineering; Wilson & Company; KL&A, Inc.; Olsson, Inc.; and Group14 Engineering with deep experience in affordable housing. I-Kota LLC is the expected General Contractor. I-Kota has participated in pre-construction and construction of over 1,000 units of LIHTC housing. Currently, Silva Markham Partners, a leader in Denver affordable multifamily housing management, is the residential property management firm. NAI Shames Makovsky is the anticipated manager of the commercial portion of the project.

f) **Project costs**: I-Kota has been involved in reviewing the project design and providing cost estimates. Based on their recent experience with very similar building types, the development team has a high degree of confidence in the current estimates and in the reasonableness of the overall project costs. The project's per-unit hard cost of $250,000 includes larger unit sizes to serve the Montbello market with its much larger than average household size as well as underground parking. However, cost-sharing with the NMTC project components allows for economies of scale in the project's hard costs. More detail on cost containment measures is included in question 8 below.

g) **Site suitability:** As the product of extensive community outreach and organization, The Hub is uniquely suited to its site. The Hub is an integral component of the broader Far Northeast Denver neighborhood vision (described in the Community Revitalization Plan section). Transit access is excellent with an adjacent bus stop and additional bus lines that connect to commuter and light rails at the Peoria Station (one mile from the site). The Hub's location positions residents and community members for multiple employment opportunities with commercial and industrial businesses both within walking distance and accessible via transit such as the Anschutz Medical Center, Veterans Affairs Medical Center, and Denver International Airport. See the Transit Oriented Development **attachment** for detail on transit options at the site.

The Hub's walkability score is significantly above the Denver average of 61 at 77 or "very walkable". The Hub will be the center point for a multi-modal Walkable Loop featuring improved sidewalks, bike lanes, and street crossings that traverses the neighborhood and connecting residents to retail, arts, community gardens, and schools. The site is less than half a mile from a library, post office, elementary school, park, and Denver Health's Montbello Family Health Center.

5. Provide the following information as applicable:

a. Justification for waiver of any underwriting criteria - N/A

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

There were no recommendations or issues raised by the market analyst.

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

The Phase II found no RECs at this site. The Phase I recommended a Phase II investigation due to the potential for contamination from an adjacent property with an historic use as a dry cleaner and other nearby RECs. Soil borings taken in the Phase II found no sign of contamination and no sign of ground water contamination. No mitigation is required.

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

This project is a dense urban development with the associated expenses of maximizing density in high rise construction. The site is not large at just over an acre. The need for structured underground parking is one driver of costs. The building is seven stories with associated high-rise construction costs and requires two elevators within the residential area to serve the 97 units. The geotechnical soils report suggests that the underlying soil conditions require a drilled pier foundation, which impacts costs.

Cost containment measures have already been taken by the development team and many more are planned as the development team finalizes the design and builds the project. The team has completed one round of value engineering review with the general contractor and will have formal value engineering reviews and make design adjustments at each phase of the design. Alternate materials will be specified where possible to maximize competitive pricing. The general contractor will maintain a trend log throughout the design and construction process. The development team has a very detailed cash flow projection for the pre-development period and will create the same for the construction period. The team will work with the architect and general contractor to maintain very tight schedule control and to monitor and control labor costs. In addition, the land was acquired at a very advantageous price of $4,300 per residential unit.

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

The Hub is possibly the most community inspired and directed project in Denver's history. Literally thousands of Montbello residents have participated in the conceptualization and planning for this project.

In 2014, a group of Montbello residents began organizing their neighbors in response to the closure of the last full-service grocery store in the community, which temporarily rendered the neighborhood a Food Desert. Catalyzed by their efforts to bring back a grocery store to the Montbello neighborhood, this group of residents incorporated themselves as the Montbello Organizing Committee (MOC).

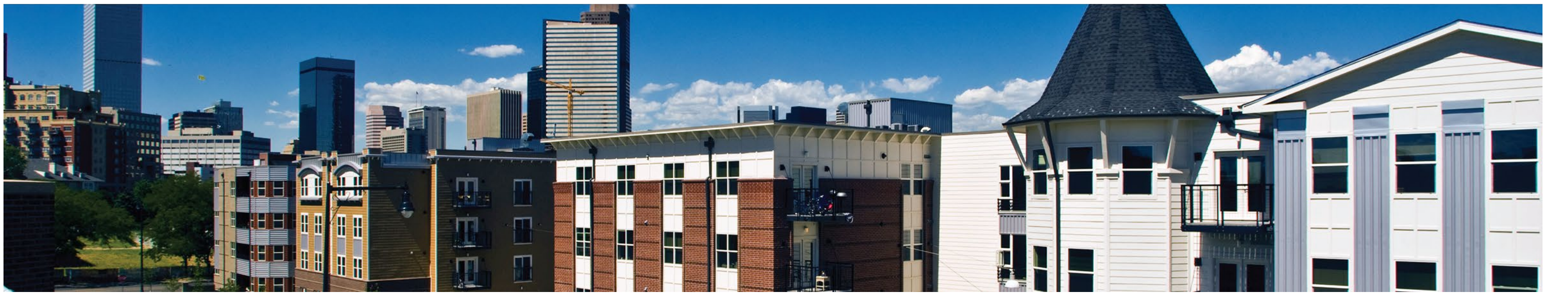
In 2016 and 2018, MOC led two community-wide surveys that were completed by over 2,500 people. The results highlighted the need for affordable housing, a grocery store and community arts space in Montbello. From this feedback, MOC began to build a foundation for the FreshLo Hub. In March 2018, the Urban Land Institute completed an Advisory Panel study process for the community, culminating in a report (available upon request) which called for a fresh food market, cultural hub, affordable housing and a walkable loop to connect the site to nearby civic amenities.

Early this year the MOC Community Engagement team met with the community and began sharing early design renderings and asked residents to "dream with us." After such a meeting, a Montbello mother cried as she expressed how thankful she was that The Hub would allow her to continue living in her community despite the lack of affordable housing. At every turn, the promise of The Hub brought hope to residents. In the end, the Community Engagement team collected hundreds of dreams and organized them into the main policy impact areas which are addressed through the FreshLo Hub: access to fresh, healthy food; affordable family housing; small business and community spaces; and culturally relevant programming.

The public hearing required for the CHFA application was **attended by over one thousand participants** via Zoom and Facebook Live. One participant and community leader, Vernon Jones, tearfully explained that The Hub "is what will help heal the community. This gives the community hope. And this will hold us up for generations to come… I mean, this is, this is why we're alive—to do this kind of work."

The Community Engagement team has received numerous support letters for the tax credit application (**attached**) and will continue to build and maintain strong connections in Montbello. Each commercial tenant in the NMTC project will be asked to choose one or more aforementioned policy impact areas that they will commit to addressing by crafting an individualized Community Benefits Agreement. These agreements and policy areas will be audited every two years, thereby holding residents and businesses accountable to the Montbello neighborhood's needs as they evolve over time.

4% pab lihtc application narrative



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

1. Executive Summary

Boulder Housing Partners (BHP), the Housing Authority for the City of Boulder, is pleased to present the Mount Calvary Senior Housing community, a 60-unit affordable senior-housing project. Mt. Calvary will include eight 30% AMI project-based vouchers provided by BHP, three 40% AMI units, and 49 50% AMI units with 54 one-bedrooms, and six two-bedrooms. These targeted rents along with BHP's commitment of eight project-based vouchers will help serve those most in need of housing.

This adaptive reuse project will include the construction of a new 60-unit apartment building in conjunction with the preservation and renovation of the existing sanctuary structure on the site. The lower level of the sanctuary building is currently home to the Rainbow Childcare Center, and BHP intends to renovate the childcare space and preserve this important community serving use on the site. The upper level of the sanctuary would be renovated to provide offices, meeting rooms, and common amenity space for residents. The opportunity to create new affordable senior housing in conjunction with the needed renovation of the childcare space is a unique partnership and an opportunity that will provide for two very significant community needs in affordable housing and access to quality childcare. Rainbow Childcare and BHP are very interested in collaborative programming between the two uses, which we envision could include gardening, story time/reading, cooking, and other intergenerational engagement. The benefits to both children and seniors from this type of partnership would be numerous.

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

In addition to 4% and State tax credits, Mt. Calvary has received tremendous local support and financing commitments. This includes a significant local contribution with the City of Boulder awarding their 2020 Private Activity Bond cap to the project in addition to $3.15 million in City of Boulder affordable housing funds that supported the purchase of the land. BHP also anticipates an additional $2.8 million from the City of Boulder and $900,000 from Boulder County Worthy Cause. In addition, BHP has also committed $500,000 to help fill the financing gap and reduce the State tax credit request. These combined sources represent a significant local contribution to make this project a reality.

The Mount Calvary project will consist of three-stories of wood-framing on a spread footer foundation system. Parking will be provided in two surface parking lots on both ends of the building. The new structure will consist of a double loaded corridor, primarily oriented in the east-west direction, with a small wing that turns toward the north-east. The design includes three outdoor terraces designed to take advantage of the expansive views from the site and provide comfortable outdoor gathering spaces for different times of day and seasons. These outdoor spaces will also be responsive to the importance of socially distant gathering areas for seniors given the likely need for such areas in the post-pandemic environment. The ground floor will feature two large patios that provide a variety of seating arrangements. The existing social trail on the northern portion of the site will be improved and formalized, providing residents with a beautiful walking path and increased connectivity to the surrounding amenities.

The units will all feature air-conditioning, ample storage, a full Energy Star appliance package, and in-unit washers/dryers. In addition to typical amenities found in LIHTC projects the units at Mt. Calvary will meet the City of Boulder's livability standards by providing ample kitchen storage space, large closet spaces, durable countertops, and thoughtfully designed living spaces. The units have been designed with large windows to take advantage of the views from the property and to bring in as much natural light as possible.

The exterior of the building will include a mix of stucco, Hardie lap siding, and Nichiha fiber cement panels and siding. The exterior skin of the building is designed to reflect the natural surroundings of the site by highlighting earth tones and seeking to elegantly blend the building into the prominent hillside on the site. The project will feature a high level of sustainability including a Variable Refrigerant Flow (VRF) HVAC system, high-level of insulation, Energy Star appliances and a solar ready design. The project will also certify under the Zero Energy Ready Homes (ZERH) initiative in addition to self-certifying under the EGC 2015 criteria, underscoring BHP's commitment to providing an exceptionally sustainable building.

2. Bond Financing Structure

a. Total amount of tax exempt bonds: Up to $14,500,000 at the ~55% level
b. Bond issuer: Boulder Housing Partners
c. Lender and bond sale structure: Private Placement
d. Portion of bonds that will be tax-exempt and taxable: $14,500,000 will be tax-exempt we anticipate using a conventional bridge in second positon to help pay for construction period costs.

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

BHP is providing eight project-based vouchers to serve vulnerable seniors at or below 30% AMI and intends to use these vouchers to serve the lowest-income households who may be at risk of homelessness, though at this time we will not specifically target the populations outlined in Section 2 of the QAP.

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

a) Market conditions

Mt. Calvary is in a highly desirable neighborhood that provides significant amenities for senior residents. The project is within a ¼ mile of one of the largest shopping and retail centers in Boulder as well as multiple RTD stops. The project has an overall capture rate of 15.2%, and importantly provides all units at 50% AMI or below. Given that nearly 70% of the comparable units in the PMA are rent restricted at 60% AMI, Mt. Calvary will provide housing for a very underserved segment of the market.

b) Proximity to existing tax credit developments

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

c) Project readiness

BHP has invested significant resources to ensure that the Mt. Calvary site is ready to proceed upon an award of tax-credits. The site is properly zoned, and BHP received a favorable review of the project through the City's Concept Plan Review process. BHP has also worked closely with our architect and general contractor to ensure the cost estimates are accurate and achievable. The project team will continue to move forward with design documentation and BHP anticipates the project would be ready to start construction in the fall of 2021.

d) Overall financial feasibility and viability

Construction in the Boulder market can be expensive due to high demand for construction labor, a lengthy entitlement process, and significant green building requirements. However, the Mt. Calvary project was designed to minimize costs while still creating a thoughtfully constructed building. The project will benefit from significant local financial contributions, including the City of Boulder's 2020 PAB allocation. BHP has a strong track record of bringing our projects to fruition, and we believe the conservative underwriting presented in our application along with the project's location in a DDA will ensure that Mt. Calvary is financially feasible as presented. BHP has also contributed eight project-based vouchers to the project to ensure stable rental income and provide deep affordability.

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

Mt. Calvary will be developed and managed by Boulder Housing Partners. BHP has over 50 years of experience building and managing affordable housing developments, including experience successfully managing over 800 apartments financed through the tax credit program. The development team has combined experience with the development of more than 13 LIHTC projects, construction management, stabilized lease-up, and management of these projects throughout the City. The project team, including the project architect, civil engineer, accountant, tax credit attorney, general contractor/cost estimator, and development consultant, has extensive experience with affordable housing and housing development in the City of Boulder. Please see the project team's résumés for detailed information.

f) Project costs

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

g) Site suitability

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

5. Provide the following information as applicable:
BHP requests a cost basis limit waiver for federal tax credits. Please see attached letter for more details.

6. Address any issues raised by the market analyst in the market study.
The market analyst notes that the capture rate for the 50% AMI units is 34.2% (with the overall capture rate at 15.2%). However, as acknowledged in the market study, there are only 124 comparable 50% AMI units in the PMA and all feature waitlists and full occupancy. BHP strongly believes that there will be significant demand and no absorption issues for the proposed 50% AMI units at Mt. Calvary given the facts above and that nearly 70% of comparable senior units in the PMA are restricted at 60% AMI.

7. Issues raised in Environmental Reports
The Phase I Environmental Assessment did not raise any issues.

8. Unusual Features that are Driving Costs Upward and Opportunities to Realize Cost Containment
The constructions costs for the Mt. Calvary project are largely driven up by the preservation and renovation of the existing sanctuary on the site combined with the stringent City of Boulder energy code. In the design and scope of the sanctuary renovation every effort was given to reduce the overall cost, while also meeting the expectations of the City regarding the preservation of this structure. In addition, the new apartment building will feature a highly efficient VRF system to provide heating and cooling to meet the City's energy code. This system adds approximately $6,500/unit above HVAC systems typical of other affordable projects. To help offset these costs, BHP focused on providing a compact and efficient building that takes allows for cost effective framing, plumbing, and construction phasing.

9. Community Outreach
As part of the planning process for the Mt. Calvary Senior Housing project, BHP conducted a robust community engagement plan. This included a community open house in January, a design workshop in February, and an innovative online survey in April that was responsive to the COVID19 restrictions on gatherings. Through these events BHP gathered a significant amount of input that has informed the design of the project. Project features that were directly influenced by the engagement process include:

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

While there are certainly still concerns about traffic and density impacts from the surrounding neighborhood, the overall response to the proposed project has been very positive. This was evident in a well-received Concept Plan Review Public Hearing before the Boulder Planning Board and City Council's decision to not call-up the project for review in June. In addition, the Mt. Calvary project has received strong local financial and political support.

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

Renovation Scope

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

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

The lower level renovation will focus on safety upgrades for the childcare space including a new Ansul hood in the kitchen, asbestos mitigation, and upgrading the fire suppression system. The renovation will also include providing ADA upgrades for the space, including a new two-stop Lula lift.

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

10-year rule & Major Capital Expenditures

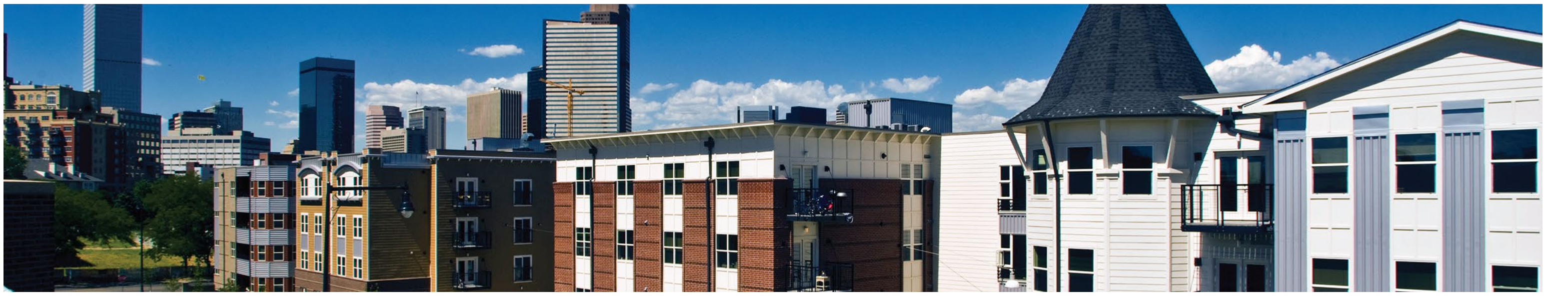
There have been no major capital expenditures over the past two years at the site and BHP has confirmed that there are no 10-year rule issues, as evidenced in our 10-year rule opinion included with the application.

Relocation Plan

BHP has determined that the Rainbow Childcare Center may be temporarily displaced by the renovations planned for the space they currently lease from BHP. The estimated construction duration of the renovations is approximately 6 – 8 months, and Rainbow will temporarily relocate from the site during that time. BHP, Rainbow, and the City of Boulder have had preliminary discussions around alternative locations where the childcare could operate during this timeframe, which includes potentially using a portion of the East Boulder Recreation Center.

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

4% pab lihtc application narrative



Project Name: Oak 140
Project Address: 140 E. Oak Street, Fort Collins, CO 80524-2825

1. Executive Summary:

Made possible through a partnership between Housing Catalyst and the Fort Collins Downtown Development Authority (DDA), Oak 140 will be the first LIHTC project for families in downtown Fort Collins. Located on the site of a former Elks Lodge at Oak and Remington Streets, Oak 140 will be a mixed-use development with 79 affordable apartments and two ground-floor commercial spaces. The site is located in a Qualified Census Tract (QCT) and has been vacant for more than a decade. Designated by the City of Fort Collins as having high potential for infill/redevelopment, the site is a prime opportunity to bring workforce housing into downtown while maintaining the distinctive urban and pedestrian characteristics of downtown with office space occupying the ground floor.

By using Income Averaging, Oak 140 will be able to provide affordable rental housing for a wide range of incomes, between 30 and 80% of the area median income (AMI). Seven of the apartments will be restricted to families earning up to 30% AMI, six apartments will be restricted at 40% AMI, 29 apartments each at 50% AMI and 70% AMI, and eight apartments will serve families earning up to 80% AMI. Housing Catalyst is setting rents for the 70% and 80% AMI units well below the LIHTC maximums in order to enhance the project's marketability and meet all lender and investor requirements. Oak 140 does not include any apartments at 60% AMI due to the predominance of 60% AMI units in the City's existing portfolio of LIHTC units.

Oak 140 will consist of four studios, 58 one-bedroom apartments, and 17 two-bedroom apartments. Unit amenities include vinyl flooring and Energy Star appliances consisting of in-unit washers and dryers, microwaves, and dishwashers. Project amenities include an on-site leasing office, community room with a community kitchen, exercise room, bike storage, and an elevated terrace with gardens and seating areas. Oak 140 is ideally located for public transit use and easy access to job centers across the City. The site is within a quarter-mile of multiple bus stops with daily service to most areas of Fort Collins and adjacent cities, along a bike route and adjacent to a bike sharing program, and located a half block east of College Avenue providing next-door access to hospitality and retail jobs. The site is also in a highly walkable location close to many amenities, including a nearby farmers market.

The project will be a five-story, one-elevator building with a brick veneer, metal panel siding and stucco exterior and a staggered setback elevation, a spread footing foundation, and flat roof with white TPO roofing. It will consist of three stories of wood frame construction on top of two levels of CIP post-tensioned concrete decking. The apartments will have entrances off double-loaded interior hallways. Resident parking will be available in a parking garage on the second floor of the building. The units will face the street and the surrounding buildings, while the common areas will be within the building and on the third-floor shared terrace. Oak 140 will certify under the Enterprise Green Communities program and comply with all City of Fort Collins Energy Code requirements. Features include Energy Star appliances, LED lighting, low/no VOC contents of materials, and water conservation fixtures.

The two ground floor commercial spaces will be separately owned by the DDA and Housing Catalyst. The DDA intends to lease their space to a governmental entity and Housing Catalyst will occupy the other space for office use. These commitments substantially minimize the risk related to ground floor commercial vacancy in the project. In order to make the project most successful, Housing Catalyst has executed an option for the additional property at 143 Remington and committed to fully fund the acquisition in exchange for future ownership of a ground floor office space.

The development of Oak 140 is possible due to several local financial contributions to the LIHTC project. The DDA will ground lease the land to the tax credit project at a nominal amount and also contribute substantial soft funding to the LIHTC financing stack. As the developer and owner of the LIHTC project, Housing Catalyst will bring sales and use tax and property tax exemption to the project; in addition, Housing Catalyst will provide eight project-based vouchers, making it financially feasible for the project to serve more households at 30% and 40% AMI. The project has also obtained full Private Activity Bond cap commitment for the project from the City of Fort Collins and Larimer County. The City of Fort Collins will also contribute fee waivers for all 30% AMI units. Additional soft funding from the Colorado Division of Housing will also be committed.

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

- Construction Period Bonds: $16,729,913, Public Offering
- Portion of Tax-exempt Bonds: $13,285,000
- Permanent Bonds: $7,075,000, Public Offering
- Bond Issuer: Housing Catalyst

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

Oak 140 does not directly respond to any of these Section 2 priorities.

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

a. Market conditions

The market study anticipates strong demand for units at Oak 140. The overall capture rate is 7.5%, ranging from 0.2% on the 80% AMI units to 18.2% on 50% AMI units, showing that there is significant demand for all of the project's unit types. The market analyst adds that the capture rates do not account for sizeable renter growth in the Primary Market Area (PMA), which results in overstated capture rates. Rental rates for Oak 140 are in line with other affordable developments in the PMA, and there is very low vacancy for LIHTC projects in the PMA (0.8% overall). The market study concludes that the "PMA has an illustrated need for income-restricted rental housing." With the PMA gaining 447 renter households per year, demand for units will only continue to increase within the PMA as more residents in need of affordable housing move to the area.

b. Proximity to existing tax credit developments

There are 33 LIHTC projects in the PMA (which is equal to the boundary of the City of Fort Collins), six of which are age restricted. The other 27 non-age restricted LIHTC properties have 2,230 units. The closest existing tax credit developments are over a mile from the site. Buffalo Run, built in 2000, is 1.1 miles from the site and has units restricted at 40% and 50% AMI. CARE Housing at Greenbriar, built in 1995, is 1.6 miles from the site and consists of units restricted at 50% and 60% AMI. The majority of family LIHTC units in the PMA are restricted at 60% AMI (1,127 units), while none of them serve 70% or 80% AMI residents. The creation of affordable units for households earning up to 80% AMI is a priority for the DDA. Just 61 of the family LIHTC units in the PMA serve 30% AMI households.

c. Project readiness

The DDA already owns most of the project site, and Housing Catalyst has an Option to Purchase the remaining parcel in order to expeditiously move the project forward. Housing Catalyst will transfer the remaining parcel to the DDA so that the DDA will own all the project land.

Housing Catalyst and the DDA have been working collaboratively with the selected design team (Shopworks Architecture and Ripley Design), and the general contractor (I-Kota Construction) since early 2020. The architecture and site plan have now been unanimously approved by the Downtown Development Authority Board of Commissioners, and a Project Development Plan has been submitted to the City of Fort Collins. The synergistic design effort involved various stakeholders and resulted in a project with strong staff and community support. All utilities are available to the site. Housing Catalyst anticipates a construction start date of May 2021, less than six months after the receipt of a tax credit award. See the attached addendums for a description of the entitlement and public outreach processes.

d. Overall financial feasibility and viability

Because of the relatively small size of the site, the desire to maximize density, and the need for ground-floor commercial space, a 4% LIHTC financing without state credits is not financially feasible. Oak 140 will leverage the state credits with the land contribution and $5.35 million in development funding from the DDA, $630,000 in gap funding from the Colorado Division of Housing, and exemptions from property and sales & use tax. This high amount of leverage allows Housing Catalyst to request state credits in an amount well below the average request in the funding round, both in total state credits and state credits per unit. Housing Catalyst has also secured all the Private Activity Bond cap needed for the project from the City of Fort Collins and Larimer County.

The construction cost estimate is based on 100% complete schematic drawings, which confirms the financial feasibility of the project. In addition, Shopworks Architecture and I-Kota Construction have identified potential risks and challenges to the project and incorporated them into the project budget. The non-residential portion of the mixed-use project will be financed separately by the DDA and Housing Catalyst and will be separate condominiums.

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

Established in 1971, Housing Catalyst has 49 years of experience in affordable housing development, property management, and successful administration of HUD grants and funding agreements. Housing Catalyst owns and manages over 1,000 units of public and affordable housing and administers over 1,100 Housing Choice Vouchers. The mission of the organization is to create vibrant, sustainable communities throughout Fort Collins, and Oak 140 advances this mission by bring deeply affordable and workforce housing into downtown. The DDA brings its nearly 40 years of experience as a partner in downtown commercial real estate projects to the Oak 140 project.

Housing Catalyst and the DDA are partnering with S.B. Clark Companies for their expertise in mixed-use and commercial real estate projects as well as their LIHTC financial consulting services. S.B. Clark has nearly 20 years of experience in affordable housing finance and has been the financial consultant on many successful New Markets Tax Credit projects including a LIHTC and NMTC combination project and another LIHTC/NMTC project currently in the closing process.

f. Project costs

The project's construction and soft cost budgets have been developed using current, local data generated by I-Kota Construction and informed by Housing Catalyst's recent development budgets.

g. Site suitability

Oak 140 is located in the Old Town neighborhood of Fort Collins, just a short block to the east of College Avenue near the intersection with Mountain Avenue. The site, which was formerly an Elks Lodge, has great access to public transportation, including frequent buses and easily accessible bike shares. The site has a Walk Score of 90 – a "Walker's Paradise" (the average walk score in Fort Collins is 37). Oak 140 is within four blocks of several convenience stores, three grocers and farmers' markets, three fitness centers, a daycare center, a park, and a library. Two elementary schools, Harris and Laurel, are 1.1 and 1.4 miles from the site respectively. UCHealth Poudre Valley Hospital is 1.9 miles southwest of the site. The area is full of employers, including Colorado State University 0.7 miles to the south and numerous retail and services locations along College Avenue. Other employment centers, like hospitals and big box retail areas, can be easily accessed by bus. The area along College Avenue offers many family-friendly places to shop and to eat.

5. Provide the following information as applicable:

a. Justification for waiver of any underwriting criteria

N/A. Housing Catalyst is not requesting a waiver of the Cost Basis limitation on annual credit.

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

There were no recommendations or issues raised by the market analyst.

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

The Phase I ESA conducted by AEI Consultants cited one potential Recognized Environmental Condition due to the historical presence of gasoline underground storage tanks and a dry-cleaning facility on the site in the early 1900s and recommended a Limited Phase II Subsurface Investigation. Soil and groundwater samples were analyzed for the Limited Phase II, and no contaminants were detected in amounts that exceeded allowable limits. AEI concluded that no further investigation was warranted.

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

While the location of the project furthers the dispersal of affordable housing across the City, the downtown location of the Project causes construction costs to be higher. The parcel is just an acre in size, and structured parking is needed to accommodate the required number of parking spaces for the project. Oak 140 adheres to the guiding principles in Section 2 of the QAP by maximizing the allowable density at the site, which is especially important to accomplish at this location. A mid-rise building is required to maximize the density of the site. Housing Catalyst is proposing five stories in order to blend in with the surrounding development – three stories of wood frame construction on top of two levels of CIP post-tensioned concrete decking – which contributes to higher costs. The project will have one elevator.

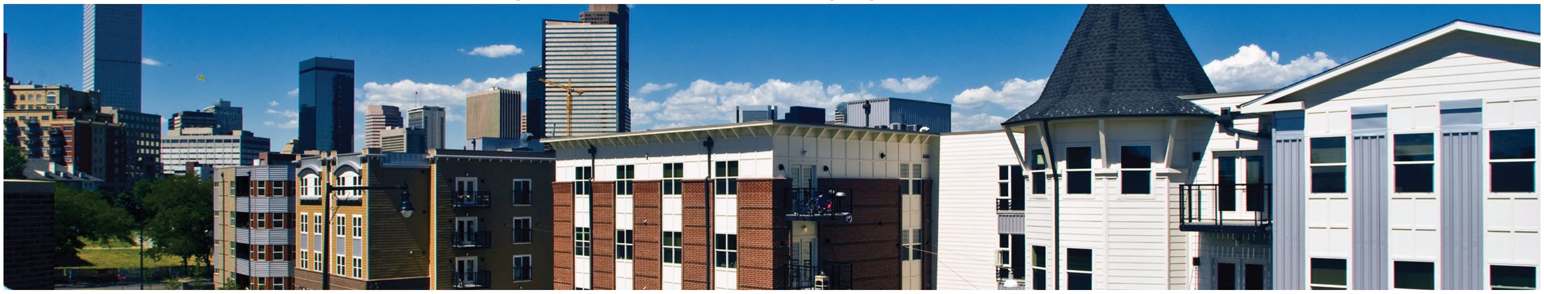
Housing Catalyst can realize cost containment in the financing costs of the LIHTC project by utilizing a Public Bond Offering backed by the general revenues of Housing Catalyst for the project's construction and permanent debt due to Housing Catalyst's AA- issuer credit rating. This financing structure offers lower interest rates and financing fees than alternative 4% LIHTC financing products. Costs are also reduced due to a ground lease provided by the DDA at a nominal cost. Housing Catalyst, Shopworks Architecture and I-Kota Construction have worked together to implement design and constructability strategies that lower costs while maintaining the quality, sustainability, and durability goals of the project.

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

The DDA held a three-day planning and design charrette for the Oak 140 project in October of 2016. The DDA Board, Housing Catalyst, and City and County government officials participated in the charrette. One of the DDA's objectives for the development of the site was to address a unique community need that could not be addressed without the involvement of the public sector. The charrette resulted in three options for the development of the site – all options consisted of a mixed-use project that included multifamily residential and ground-floor commercial space. Oak 140 honors the vision to address a unique community need – affordable rental housing for families in the downtown.

Housing Catalyst and the Downtown Development Authority (DDA) are committed to thoughtful, transparent, and inclusive public outreach. Utilizing national best practices and tools developed specifically for affordable housing development, Housing Catalyst traditionally works to uncover any key issues and stakeholder desires at the beginning of the process. With a long-standing reputation for quality and transparent public outreach, Housing Catalyst is proud to continue this commitment for Oak 140. The strategy to involve the community in the planning and design process is underway. Over the past few months, Housing Catalyst, the DDA and Shopworks Architecture have jointly conducted numerous individual and small group stakeholder meetings via Zoom. Additional details are provided in the Outreach and Entitlement Addendums.

4% pab lihtc application narrative



Project Name: Pearl Street Apartments

Project Address: 9151 and 9191 Pearl Street, Thornton, CO 80229

1. **Executive Summary:** MGL Partners (MGL) is pleased to present this application to CHFA for 4% competitive State and Federal low income housing tax credits for the construction of Pearl Street Apartments, an 80-unit average income, family apartment community located in Thornton, Colorado (the “Project”).

Listed below are the top reasons why the Project deserves a 2020 award of 4% State and Federal tax credits:

- **The Project has an Ideal Location:** Qualified Census Tract (QCT); South Thornton Urban Renewal Area; DR COG Urban Center; Light Rail access within 1.5 miles; Easy access to 1-25; First ring suburb infill location
- **Serving Unmet Housing Needs in Thornton:** MGL Partners optimized the AMI mix to provide units from 30% AMI to 80% AMI in a key economic market that has not seen new family LIHTC units since 2006. 53% of Project units will be at the lowest capture rates: 4.2% for 30% AMI, 0.9% for 70% AMI and 0.7% for 80% AMI.
- **Maximized Sources of Funds to Deliver a Full Spectrum of Affordability:** tax-exempt debt, local City of Thornton HOME/CDBG funds, Adams County HOME funds, CHFA Capital Magnet Funds, Colorado Division of Housing HOME funds and Deferred Developer Fee.
- **High Level of Community Support and Investmen**t: Property Tax Exemption through the Adams County Housing Authority (Maiker). HOME funds from Adams County, HOME/CDBG funds from the City of Thornton.
- **Vacant Infill Site:** Site has never been developed and is currently contributing to neighborhood blight. The Project will help catalyze new development in the neighborhood.
- **Premier Sponsor:** MGL is a trusted, seasoned LIHTC developer in Colorado. In the past 16 years, MGL has developed 13 LIHTC projects with MGL has the General Partner and more than 14 projects as a development consultant.
- **MGL has a Track Record for Delivering Daycare Adjacent to Affordable Communities:** MGL has successfully built two Head Start daycares in Metro Denver. The land for the daycare will be subdivided, improved, zoned and contributed to Head Start at no cost.
- **Community Amenities Designed to Respond to Future Pandemics:** A business center on-site with individual “Office Pods” to allow flexibility for working from home, ample outdoor space, multiple unit entrances to allow greater social distancing, all 2-BDs and 3-BDs will have 2 bathrooms if residents need to quarantine a family member.

The proposed 80-unit development will be situated on side-by-side vacant parcels, total 4.604 acres, in a centrally located, economically reviving neighborhood in original Thornton. The Project will be located in a QCT, within a quarter mile of a neighborhood shopping center, bus stop, Spanish grocery store, childcare center and high school, within a half-mile of a hospital, elementary school, middle school, convenience store, medical clinic park, city offices, and city park complete with trails and a lake, and within a mile of a grocery store, library and Walmart. The central location is ideal for residents commuting to jobs in the metro area; it's between the 84th street and the Thornton Parkway I-25 entrances and 1.5 miles from the new RTD North Line Original Thornton-88th Light Rail Station, which offers a 17-minute train ride directly to Denver Union Station. The Project is located in a DRCOG Urban Center and the South Thornton Urban Renewal Area which have both been a focus of the newly updated Thornton Comprehensive Plan, approved by City Council on July 14, 2020, and the City of Thornton's 2019 Housing Needs Assessment. The City is supportive of the proposed Project because it will meet both DRCOG's and the City's objectives by developing vacant land in a prime infill location into a high-density, vibrant mix of multifamily and service uses serving both the Project's residents and the local community with a transit and pedestrian friendly design.

The Project will be positioned to serve individuals and families who are largely underserved in the PMA. Through Average Income, the Project will provide eight units at 30% AMI, nine units at 40% AMI, 23 units at 50% AMI, six units at 60% AMI, 18 units at 70% AMI and 16 units at 80% AMI. To meet the current needs of the community, 70% AMI units will have discounted rents to 65% AMI and the 80% AMI units will have discounted rents to 70% AMI to provide more affordable rents for families. The Project will have an average AMI of 58%. All units will be preserved for the maximum affordability period of 40 years.

The Project will consist of three, three-story walk-up buildings with enclosed breezeways and controlled entry/access. Construction will be wood frame over a post-tension slab with a skin comprised of a combination of brick, stucco and siding. The roof will be pitched, asphalt shingles. The Project will offer a mix of 1-BR, 2-BR and 3-BR units; the 40 1-BR units will be 625 SF, the 29 2-BR units will be 875 SF and the 11 3-BR units will be 1,050 SF. All 2-BR units will have two bathrooms to better serve families.

The Project will be amenity rich with ample indoor and outdoor community space and will have beautiful, efficiently designed units. Indoor amenity space will include a large exercise room, a flexible community space to gather for events and host service providers, as well as a business center that will include "Office Pods" to meet the increased work-from-home needs of residents. Outdoor amenity space will be protected from the street and include a picnic area, community gardens, a playground and a dog run area. The Project will also include storage units on a first-come-first-serve basis and an on-site leasing office.

Each of the 80 units will include walk-in closets, in-unit washers and dryers, air conditioning and full kitchens including stoves, refrigerators, dishwashers and disposals. All 2-BR units will have two bathrooms to provide more flexibility for families and to allow for a "quarantine" bathroom if members of the household are sick and need a dedicated bathroom. The units will be accessed by a series of stair towers that each only serve up to 12 units. This design, absent of a corridor and elevator, allows for minimized interactions with other residents should there be a future pandemic, allows for more controlled access to units and encourages exercise.

To meet the City's requirement of providing 10% commercial space coupled with the Project's proximity to several schools and the focus to serve families, MGL will dedicate 5,000 square feet of land on the northeast side of the site to a future daycare provider. The City of Thornton has dedicated funds, such as the South Thornton Area Revitalization (STAR) grant program, for commercial development within the Urban Renewal Area, as well as other economic incentives that a future operator could access. The land will be sub-divided from the LIHTC property and will be fully improved and entitled to start construction as soon as a service provider is identified. MGL has already reached out to Adams County Head Start, the area provider, and they have expressed an interest in the opportunity.

MGL will certify the Project through Enterprise Green Communities (EGC) to create highly energy efficient buildings. Green features include: Energy Star appliances, high R-value insulation and windows to create a tight building envelop, low-flow faucets and toilets, LED lighting, passive daylighting features, and an aquatherm heating system. The building will be solar-ready and eight parking spaces will be prewired for EV charging stations. In addition, the Project is eligible to receive an Xcel Energy Rebate of approximately $0.25-0.40 per square foot, achieving an estimated 20-30% savings from the Project's baseline energy costs.

The Project will be financed using a combination of 4% Federal and 4% State tax credit equity, Citi Bank permanent tax-exempt debt, local City of Thornton HOME/CDBG funds, local Adams County HOME funds, CHFA Capital Magnet Funds, Colorado Division of Housing HOME funds and Deferred Developer Fee. MGL has partnered with Maiker Housing Partners to provide the Project a property tax exemption.

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

a. $9,550,000 of Permanent Bonds and $3,150,000 of Construction Bonds
b. CHFA conduit bond issue
c. Public Sale
d. $12,700,000 exempt and $5,800,000 of taxable. $18,500,000 total.

3. QAP Section 2 Priorities The Project will not meet any of the priorities in Section 2 of the QAP.

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

a. Market conditions

There is a strong demand in the PMA for a new family tax credit development serving deeply affordable and workforce AMI levels. **There has been no family LIHTC new construction built in the PMA since 2006**. The proposed Project will provide 53% of its units at the lowest capture rates, 4.2% for 30% AMI, 0.9% for 70% AMI and 0.7% for 80% AMI. The rest of the units will be provided at capture rates well within CHFA limits (17.1% for 40% AMI, 15.6% for 50% AMI) except for the 60 % units (38.6% for 60% AMI). Although the existing 60% AMI capture rate of 38.3% is above the acceptable threshold, the surveyed 60% AMI LIHTC units were 99% occupied with waitlists, suggesting that the estimate of qualified renter households at 60% AMI is understated, while the subject will only increase the 60% AMI rate 0.3 percentage points. The total capture rate for the Project is 18.6% which only reflects a 1.2% increase in the PMA. The capture rates do not include in-migration, however, the PMA has been adding 220 renter households annually. All the tax credit properties in the area are stabilized and have low vacancy and long waitlists. Prior and Associates states that the Project will not have difficulty competing for tenants or attaining its required market share based on its unit features, location and condition generally exceeding the market standard for income-restricted properties in the PMA and should be fully leased within four months of opening.

b. Proximity to existing tax credit developments

The PMA has 10 existing LIHTC projects, all stabilized, containing 1,435 income-restricted units that are considered comparable with Pearl Street Apartments. Of the 10 comparable LIHTC projects, two are within one mile of the site. Five of the 10 the comparable properties were built from 1972-1987. There have been no new family LIHTC properties completed in the PMA since 2006. All properties are 99% occupied and typically had large waitlists and historical occupancy rates at or near 100%.

c. Project readiness

MGL has a purchase option on both parcels of land and will execute on the purchase of the properties if the Project receives an award of tax credits. Both Project parcels are zoned City Center which allows for 50 dwelling units (DU) per acre and together requires 157 parking spaces. The Project's density is driven by the Mixed Use Neighborhood (MUN) comprehensive plan designation which allows 18 residential DU per acre but requires that 10% of the site be non-residential. The proposed Project is 80 units (17.4 DU per acre), includes 10% non-residential uses (future daycare, community area, leasing office, business center, and exercise area) and provides 166 parking spaces, exceeding parking requirements by seven spaces. The preliminary site plan has been approved by the planning department. The Project is eligible for all soft costs that it has included in the Project financing.

d. Overall financial feasibility and viability

MGL has secured Project funding from all available state and local funding sources, which includes: Colorado Division of Housing, City of Thornton, and Adams County. The Project has also received a property tax exemption from the Adams County Housing Authority (Maiker). The Project has secured Capital Magnet funds from CHFA and has deferred 49.47% of the Project's Developer Fee. MGL has confirmed with all soft cost providers that the proposed dollar amounts are conservative and that the Project is eligible for funding. MGL has underwritten the Project conservatively while achieving a low State tax credit to provide more credit to other eligible projects. MGL has used a 1.17 DSCR, $5,550 for operating expenses due to increasing insurance premiums and costs associated with COVID-19/future pandemics, and will be able to repay all deferred developer fee within 11 years. Because of our lower affordability, high cost of the land, high Thornton tap fees and high construction costs, the Project is not viable without the Colorado State credits.

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

MGL is in overall excellent financial standing and has stabilized all tax credit projects it has been awarded tax credits for. In the past 16 years, MGL has developed 13 LIHTC projects with MGL as the General Partner and more than 14 projects as a development consultant. MGL also provides reliable, proven affordable housing development and financing expertise primarily to housing authorities and non-profit organizations seeking real estate development and finance assistance. MGL Partners' co-founding partners, Greg Glade, Lisa Mullins and Mike Gerber, have significant experience in the development and financing of affordable multifamily rental housing.

The development team consisting of Parikh Stevens Architecture, BC Builders and MGL Partners has designed, financed, constructed over 11 LIHTC and workforce housing projects together. All the projects have been completed on time and under budget. MGL's property management firm, Silva-Markham Partners (SMP), manages all of MGL's LIHTC projects. SMP has a proven track record of marketing and leasing affordable housing units on a timely basis. MGL has a sterling compliance history that will be upheld on all future LIHTC projects.

f. Project costs

The Project is considered a small to midsized project at 80 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 represents an opportunity to provide affordable homes to families in an economically growing first ring suburb, often difficult to develop in due to higher than average city tap and impact fees. The Project's site and building design reflects a tested model that provides a beautiful, urban, street facing building but has an efficient, energy saving design that lowers construction costs, creates better unit layouts and lowers utility costs. The proposed project costs are 16% below the CHFA maximum.

g. Site suitability

The Project has an excellent infill location in a QCT, between the 84th street and the Thornton Parkway I-25 entrances and 1.5 miles from the new RTD North Line Original Thornton-88th Light Rail Station. The central location will provide affordable homes in close proximity to jobs associated with the rapidly growing light industrial, fulfillment and distribution centers, a segment of the Colorado economy that will experience continued growth in a post-pandemic economy. The site has 300 ft of frontage along Eppinger Blvd which provides good visibility to attract residents. The site is withing walking distance to several community amenities including: three levels of education, a daycare, a grocery store, a medical center, several churches, several restaurant options and recreational opportunities.

The site is appropriately zoned and meets the requirements of the newly approved Comprehensive Plan (approved July 14, 2020). The Project achieved City approval of the preliminary site plan and will move forward through the City entitlement process with only administrative approvals. In order to meet the 10% commercial requirement of the zoning, the Project will dedicate 5,000 SF of commercial space for a future Head Start Daycare program use focused on serving families of low-to-moderate incomes. All utilities are adjacent to the site.

The subject's average walk score is 54, which is 74% higher than the city of Thornton score of 31, 29% higher than the comparable average and is considered "somewhat walkable". The subject's average transit score is 41, which is 73% higher than the city of Thornton score of 24, 28% higher than the comparable average of 33 and is considered an area with "some transit." The transit score does not reflect the new light rail line expected to open in September 2020. The land immediately surrounding the Project is a mix of uses: a three-story commercial office building to the south, retail to the east, two story multifamily to the west and surface parking associated with the Thornton high school to the north. The Project will complement the surrounding uses and contribute to the creation of a walkable neighborhood by creating an engaging street frontage.

5. Provide the following information as applicable:

a. Justification for waiver of any underwriting criteria. The Project meets all underwriting criteria.

6. Market study issues

Although the Project's proposed rents are higher than the Class B LIHTC averages and LIHTC comparables, its net rents are lower because all utilities are included. In addition, all 70% AMI units will have discounted rents to 65% AMI and all 80% AMI units will have discounted rents to 70% AMI to accommodate the incomes of the community currently. The market analyst did not recommend any changes for the Project.

7. Environmental Issues

The Phase 1 Environmental Report did not report any issues. A professional relocation company will need to be hired to relocate the small colony prairie dogs living on the site.

8. Higher Development Costs

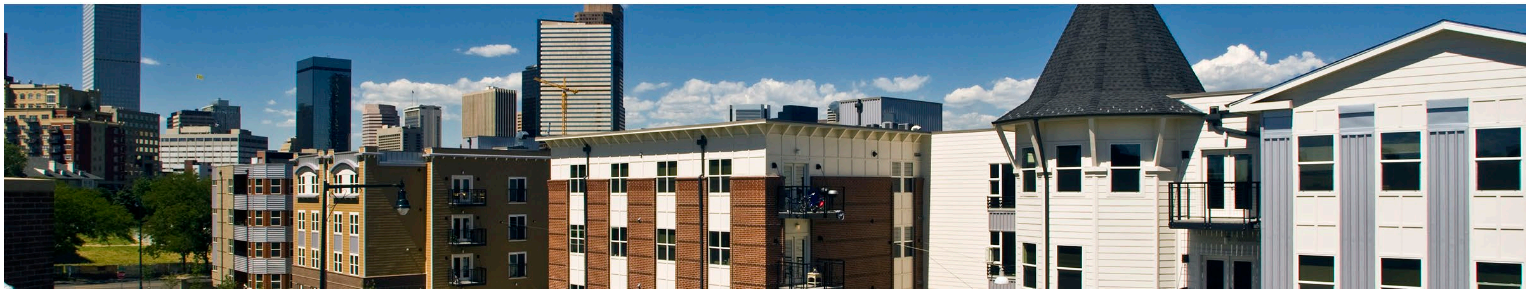
MGL has taken every measure to control design costs while still providing an efficient, high-quality development. The land is flat, vacant, without any environmental issues and located within a QCT. With the recent Comprehensive Plan approval, the max density of the site was reduced to 82 units (of which MGL is developing 80 to create a more efficient building design). The reduction in the density resulting form the change in the Comprehensive Plan was partially offset by a reduction in the land purchase price in the agreement to amend and extend the contract.

9. Community Outreach

MGL hosted a public hearing for State Tax Credits virtually through Go To Meetings on July 29, 2020 but did not have any participants. MGL posted a notice for the public hearing in the Northglenn-Thornton Sentinel and the Westminster Window. If the Project receives an award of tax credits, MGL, Parikh Stevens Architecture and BC Builders will conduct a series of neighborhood Open Houses to discuss the development and solicit feedback about the development design and the construction process. MGL does not anticipate any neighborhood opposition that would impact the Project's readiness to proceed.

10. For acquisition/rehab or rehab projects: Not applicable.

4 % pab lihtc application narrative



Project Name: Rhonda’s Place

Project Address: 211-225 South Federal Boulevard, Denver, CO

REDI Corporation (REDI) is based in Denver, CO and serves the front range of Colorado. The mission of REDI is “to provide special needs persons with affordable housing facilities and services specifically designed to meet their physical, social and psychological needs and to promote their health, security and happiness”.

Over the past five years Denver’s homeless population has grown significantly, point in time data shows an increase from 2,349 homeless individuals in 2015 to 3,943 counted in 2019. Of those households, 3,137 were single adults. There is an immediate need for affordable one-bedroom units to house those who are or who have been homeless, have incomes at or below 30% AMI and who would benefit from supportive services to remain stable in housing.

To address this growing need, REDI Corporation and BlueLine Development, Inc. have partnered together to propose Rhonda’s Place, a 50-unit low income housing tax credit development with supportive services provided by the Mental Health Center of Denver (MHCD). Rhonda’s Place will be located on South Federal Boulevard, and will include 49 one-bedroom supportive apartments for people who are homeless, individuals with a disability and /or behavioral health condition and those who would benefit from the supportive services being provided on site in addition to one manager’s unit. Each apartment will have an Energy Star refrigerator, dishwasher, oven/range, disposal, and microwave. Conference space, service provider offices, a common area kitchen, laundry and lobby have been programmed in to the first floor in order to promote socialization and utilization of services among residents. The site, located in qualified census tract 9.03, is located within half a mile of 13 bus stops, providing easy access to all parts of, and amenities in, Denver.

Rhonda’s Place will be a three story, slab on grade, wood frame building designed with double loaded corridors to maintain building efficiency. Stairs at the east and west ends will service the building. The building will have a flat, membrane roof and the exterior will be clad in different profiles of masonry and metal siding. The amenity space will be constructed with glulam beams and columns with large fiberglass windows and a brick masonry base course. All units will have high-efficiency windows, increased insulation rating and air conditioning. To mitigate sight concerns for apartments on the first floor facing Federal we’ve sloped the building floor as it moves south along Federal. Window heights at apartments will be at 9.5 feet above the sidewalk. Additionally, first floor apartment windows facing Federal will have a reflective glazing to prevent views into the apartments. The entire project will certify through the Enterprise Green Community program. There will be approximately 4,228 square feet of administrative offices and service space on the first floor. This space will include a leasing office, offices for supportive services partners, a front desk reception area, a mail receiving area, bike storage, a community laundry room, a community kitchen and a great room. The outdoor community space will include a patio, green space, and a vegetable garden.

Funding for Rhonda's Place will be provided by CHFA in the form of 4% state LIHTC equity, city of Denver tax exempt bonds used for construction and permanent financing, city of Denver Housing Loan funds and Colorado Division of Housing HSP grant funds. The project will be supported by 49 Homeless Support Vouchers (HSP) from the Colorado Division of Housing and Denver Housing Authority. Rhonda's Place will follow all required cross-cutting federal regulations.

REDI Corp, in partnership with the Mental Health Center of Denver will provide permanent supportive services to residents of Rhonda's Place. These services will include, but not be limited to, Independent Living Skills, Employment Services, benefits acquisition assistance, access to Mental Health Services, Substance Abuse Services, Health and Medical Services, and General Supportive Services. Additionally, REDI, through its property management company, Ross Management, is providing an On-Site Manager who will live on site and provide additional front desk coverage on weekends, shift changes and provide additional support to both residents and staff. For more detail on intakes, assessment, defining service plans and case management please see the comprehensive service plan provided with this application.

Rhonda's Place will be a community of hope and healing for those who have experienced homelessness in the Denver Metro area who are in dire need of a stable, safe home. By combining housing and services under one roof, these residents will find themselves engaging with service providers in a community of acceptance, hope, and opportunity. By adding the housing units proposed for Rhonda's Place, the city of Denver will be taking a positive step towards addressing homelessness by creating 49 new affordable units to address the housing needs of the most vulnerable in their community.

1. Describe the bond financing structure and include the following:
    a. Total amount of bonds with a breakout of construction period bonds vs. permanent bonds.

    The City of Denver has preliminarily committed up to $8,000,000 in Tax Exempt Bond Cap to be used for construction and permanent phase financing. Total construction financing required for Rhonda's Place is projected to be $10,442,000, so the $2,942,000 difference between total construction financing and tax-exempt bonds will be issued as a construction period taxable tail by the construction lender.

    The permanent takeout will be a fully tax-exempt loan in the amount of $5,060,000, with LIHTC equity coming in to pay off the $2,440,000 tax exempt difference and $2,942,000 taxable tail.

    b. Bond issuer (please specify whether you are seeking a CHFA bond-financed loan, a CHFA conduit bond issue only, or bonds from another municipal source).
        i. If CHFA is the bond issuer, private activity bonds will be limited to ~52% of the aggregate basis.

    The City of Denver will act as bond issuer for Rhonda's Place.

    c. Lender and bond sale structure (public sale/ private placement, takeout, securitization, etc.).
    Rhonda's Place anticipates utilizing a private placement of the bonds at closing of construction financing, with a partial takeout at conversion and assumption of bonds in the amount of the permanent loan by the permanent lender.

    d. Portion of bonds that will be tax-exempt and taxable
    $7,804,000 in tax exempt, $2,638,000 in taxable.

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

Rhonda's Place meets the following priorities as defined in Section 2 of the QAP.

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

Rhonda's Place is the result of an experienced housing advocate's efforts to expand their services for homeless individuals coupled with a core team of local non-profit, government and community members desire to address the growing need of affordable housing within the city of Denver. REDI Corporation currently provides multiple housing programs within the city of Denver. Rhonda's Place will be an expansion of that service by offering 100% affordable units serving extremely low-income homeless individuals in the City of Denver. Homeless adults are an under-served population in the city of Denver and there are very few 30% AMI units available for extremely low-income households experiencing or coming out of homelessness.

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

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

Market Conditions - Analysis of the primary market area indicates a shortage of housing available to residents earning at or below 30% AMI, with low capture rates of 1.6% as indicated by the point in time study's estimated 3,137 single adult homeless individuals. Currently, these candidates have only 421 existing units targeted to 30% AMI. These figures are further corroborated by high occupancy rates and wait lists at existing housing communities within the primary market area. Based on these calculations we anticipate a quick lease up and long-term stabilization for Rhonda's Place.

Readiness-to-proceed-The proposed project's site is currently zoned E-MX-3 which allows for multi-unit dwellings. REDI Corporation has executed a Real Estate Purchase Contract with the current owner of the land. The development team has been working with the City of Denver's Planning and Zoning Department on initial site plan approval by attending a site plan concept meeting on November 25, 2019.

The initial Phase I ESA showed two Recognized Environmental Concerns (REC) associated with former uses of the site. The development team underwent additional soils and ground water testing, which revealed no environmental contamination. The site is clean and ready for development.
The Rhonda's Place team has engaged Shopworks Architecture, an experienced LIHTC architect, to design the building. Additionally, we have procured Calcon Constructors, an experienced LIHTC contractor with an office in Denver, to act as General Contractor.

Overall financial feasibility and viability -

Rhonda's Place is financially feasible, if awarded 4% Low Income Housing Tax Credits as requested. The project is eligible to receive a 30% basis boost due to its location within a HUD designated Qualified Census Tract (QCT). This boost is necessary to ensure project viability through what has become a proven financing structure for permanent supportive housing projects.
Rhonda's Place will have secondary funding sources through the Colorado Division of Housing, Homeless Solutions Programs Funds, City of Denver General Funds and deferred developer fee. By utilizing the soft financing from the Colorado Division of Housing Homeless Solutions Programs Funds and City of Denver General Funds as the only sources of secondary financing, Rhonda's Place is ensured of continued operations even in the event that the project's Homeless Solution Voucher allocation is removed.

Experience and Track Record of the Team

REDI Corporation

REDI was created in 1974 to conduct fund raising events to assist mentally ill clients with vocational training opportunities. In 1978, Denver Health and Hospital asked REDI to focus on providing housing for this population. REDI with the aid of a $500 startup grant, took the lead in securing Section 8 subsidies for housing and advocating services for the mentally ill. REDI has carried out its mission to provide special needs persons with affordable housing facilities and services specifically designed to meet their physical, social, and psychological needs, and to promote their health, security and happiness.

Today, REDI Corporation remains committed to its mission and boasts two founding Members who remain active and engaged on the Board of Directors. REDI is proud to have acquired and developed 10 properties. These properties consist of seven multifamily independent living sites and three assisted living homes which collectively provide fine homes to approximately 160 clients. As a further demonstration of REDI's commitment to serving the specials needs of the chronically mentally ill, REDI was awarded a grant from HUD for a Service Coordinator for the special needs population.

REDI has the resources and the commitment to develop and preserve affordable housing while providing for persons with special needs. It remains a strong advocate in providing quality affordable housing and partnering with service providers to serve this special needs population.

BlueLine Development, Inc.

BlueLine Development, Inc. is a real estate development company dedicated to creating and sustaining affordable housing. Their success comes from forming partnerships and utilizing all available funding resources. The goal of each development is to provide a comfortable, healthy home to those who need it most. BlueLine Development was founded in 2011 and has since secured funding and completed construction on 28 affordable developments throughout the West. In Colorado, they have an excellent track record of developing affordable and permanent supportive housing developments. BlueLine Development thrives on the unusual and difficult developments and finds satisfaction in assisting organizations who are helping the populations in Colorado who are most underserved and in need. Please see the BlueLine Development Resume and List of Properties submitted with this application for more information.

The Ross Management Group

The Ross Management Group, formed in 1986, specializes in the management of conventional, tax credit, affordable and service-enriched housing, as well as senior residential properties and retail/commercial real estate. They have successfully leased new developments resulting in maximum benefits for the investors and have expertise and experience in addressing the complex eligibility and reporting requirements often associated with diverse financing of tax credit properties. They have provided expert witness testimony regarding the entire spectrum of the property management profession. Additionally, they consult with owners to review building design feasibility, determine tenant eligibility, process housing assistance payments, perform budgeting and oversee overall management practices.

The Ross Management Group has received several awards including the Community of Quality Award for Exemplary Family Development from the National Affordable Housing Management Association and the Department of Housing and Urban Development has twice recognized them as the "HUD Management Agent of the Year" for the six-state region. They have also received awards of excellence for specific properties from various state and local regulatory agencies.

Ross Management currently operates 24 affordable housing developments totaling over 2,700 in Colorado, Oklahoma and North Dakota. These developments include financing through the Low Income Housing Tax Credit Program, HOME Investment Partnerships Program, Section 8, Section 202 and Section 236 programs. For more information please see the Ross Management Resume and List of Properties submitted with this application.

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

Proximity to existing tax credit developments - James Real Estate Services identified 42 affordable developments within the Primary Market Area. However, only five of these developments were considered comparable. Further analysis of these comparables can be found in the market study submitted with this application.

Site suitability – The property located at 211-225 South Federal Boulevard provides the development team a unique opportunity to revitalize and redevelop the South Federal corridor. The site is extremely walkable, with a walk score of 86 and is located within a half mile of 13 bus stops, providing easy access to amenities and employment opportunities. The site is currently level and vacant, so excavation and site work requirements are minimal. The Phase I ESA submitted with this application found two RECs, however additional testing showed no environmental contamination on the site.

Justification for waivers – Rhonda's Place is requesting a waiver of the maximum debt coverage ratio of 1.30. By structuring the project with as little permanent debt as possible, the development is ensured of continued operations and financial stability in the event that project based voucher appropriations are cut or third-party funding for services are decreased. Through the higher DCR, Rhonda's Place would aim to serve as many extremely low income individuals as possible in the event operating subsidies were removed. Additionally, the project is able to ensure long term viability of the services budget due to the owner's commitment of cash flow to support services for the life of the project.

Justification of Financial Need - Rhonda's Place is in a HUD designated QCT and is not requesting use of CHFA's discretionary boost.

Market Study Issues - James Real Estate Services identified existing vacancies in peer group properties as a weakness of the project. However, Rhonda's Place will be fully vouchered and will be required to utilize the coordinated One Home entry system, which will ensure quick lease-up of units upon turnover. Additional JRES identified the fact that the closest large scale grocery store is two miles away. However, the site is proximate to 13 bus stops and will have supportive services on-site to ensure tenants' needs are met at all times.

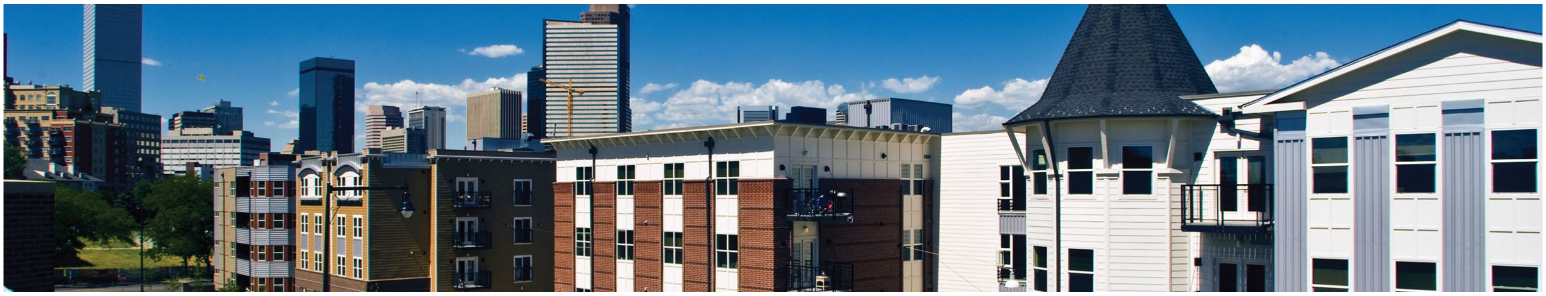
Environmental Issues - The Phase I ESA, completed by Kumar and Associates, revealed two Recognized Environmental Concerns for historical uses. Additional testing was immediately undertaken and no contamination was indicated. Please see the environmental reports submitted with this application.

Unusual Costs/Opportunities for Cost Containment – Because of Enterprise Green Communities and City of Denver requirements, the project will be required to show a net 24% energy reduction over comparable properties. The most efficient way to meet this goal is through the use of a rooftop photovoltaic system, which will cost approximately $75,000. The development team will syndicate solar tax credits equal to 22% of the cost of this system, or $16,500. These credits will be sold to the investor limited partner at the same rate as the Low -Income Housing Tax Credits, resulting in an offset of these costs of $14,850.

Local Outreach – REDI Corporation is in the City of Denver and receives great support from local and county agencies. REDI staff have continually engaged City administration and staff for support of this project and feedback has been positive thus far.

Additionally, a community meeting was held virtually on July 16, 2020. Councilwoman Torres was invited and had representation attend in her stead. The surrounding RNO's were invited and representatives from Barnum and Valverde RNO's attended. The RNO's were supportive of the project and a recording of the meeting with sign in sheet have been attached to this application.

4% pab lihtc application narrative



Project Name: Trails at Lehow
Project Address: 300 West Lehow Ave., Englewood CO 80110

AFFORDABILITY	MARKET STUDY	PARTNERSHIPS	SUPPORT
10% at 30% AMI & Lower (2 units at 20% AMI)	9% Avg Capture Rate	Innovative Housing Concepts (Englewood HA)	City of Englewood Mayor Olson
25% units at 40% AMI & Lower	2-3 year wait list in comparable LIHTC	Integrated Family Community Services (IFCS)	Division of Housing
41% units at 50% AMI& Lower	Surveyed current LIHTC .8% vacancy	FRIENDS FIRST	Arapahoe County
54% AMI (weighted)	Unit & Project features exceed mkt standard for LIHTC	Tri-County Health	Littleton Public Schools – Superintendent Ewert
5-yrs since AHTC award in in Englewood (2015)		Xcel Energy	

1. Executive Summary:

Overview: Cohen-Esrey Development Group (CEDG) along with Innovative Housing Concepts (Englewood HA) and Integrated Family Community Services (IFCS) are pleased to present "Trails at Lehow". Trails at Lehow will offer 82 units of housing targeted to families earning 20% to 70 % of AMI. Further, 34 units will offer deep income targeting at 50% AMI and below. This will increase housing attainability for the area's workforce families given the current vacancy rate in area LIHTC properties is .8%. With a "Very Walkable" Walk Score of 74, Trails at Lehow will provide exceptional access to multi-modal transit options, education, retail, and employment opportunities. CEDG has entered a memorandum of understanding (MOU) with IFCS to provide a part-time resident services coordinator. This position will be funded through the Trails at Lehow's operational expenses. This coordinator will be on site to assist residents with supportive services such as financial literacy, job preparation, income support, and other enrichment programming, which will include working with FRIENDS FIRST to provide mentorship for kids, age 11 to18, and Tri-County Health to deliver public health services and resources to the residents. The overall result is to triangulate services for the residents to provide support through community, mentoring, and health. These programs will be further enhanced as we learn the needs and desires of our residents.

Children residing at the Trails at Lehow will attend Littleton Public Schools (LPS). The elementary school is located 0.5 miles to the southeast, and the high school is located 0.6 miles to the southwest. The middle school is slightly further away, at 1.7 miles to the southwest. LPS Superintendent Brian Ewert and Chief Operating Officer Terry Davis expressed strong support of the project and indicated they would welcome the students living at Trails at Lehow and they requested we keep them updated on our progress so they can effectively design future transportation and bus stops for our students. They agreed that the new housing will improve housing opportunities for students, their families, and teachers.

CEDG, based in Kansas City, is a highly skilled national affordable housing developer with 20 Low-Income Housing Tax Credit (LIHTC) properties in 9 states. CEDG brings national experience and a strong local presence to its first

Colorado project. Lisa Sorensen, formerly of the Denver Housing Authority, is the foundation of CEDG's Colorado presence. Lisa is the Director of Development and will participate in all aspects of the development of Trails at Lehow. Across its portfolio, CEDG has a proven track record of successfully delivering high quality affordable housing and has demonstrated their commitment to serving the needs of the resident by building communities that **empower people to thrive.**

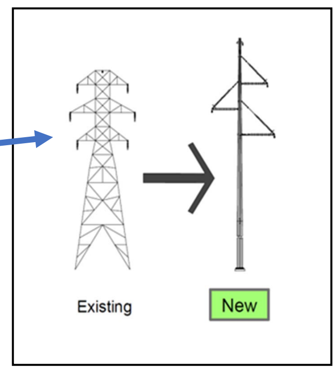
Unit Mix and Affordability: Trails at Lehow will serve a diverse range of income levels and household sizes currently underserved by existing affordable rental housing. The majority of units offer two- or three-bedrooms. The project includes 32 one-bedroom units, 40 two-bedroom units, and 10 three-bedroom units. This diverse income mix increases housing attainability for acutely underserved income levels across the primary market area (PMA). This is evidenced by the very low capture rates of 0.7% for 20% AMI units and 1.1% for 70% AMI units with an overall capture rate of 9.1%.

AMI	Units	% of Total
20%	2	2%
30%	7	9%
40%	10	12%
50%	15	18%
60%	33	40%
70%	15	18%

Location: The site is in the Brookridge neighborhood of Englewood and is in a Qualified Census Tract. The site has easy access to the commercial corridor 0.2 miles away. It is very walkable, has good access to multi-modal transit options, and offers easy access to education and shopping. Further, access to recreation is exceptional, as the adjacent Dry Creek Trail provides bike and pedestrian access to various playgrounds and county parks and the development will add a connection to the trail.

The site has some limitations. It is bound by the Big Dry Creek flood plain to the south. Further, an Xcel Easement that includes a power line is located on a northern section. To avoid triggering a FEMA review, and potential 12-month delay, CEDG and Davis Architecture sited the building outside of the floodplain and Xcel easement. We have optimized the available land to provide 82 units and sufficient parking with a minimal 3.5% parking reduction request.

The Xcel easement includes a "cage-based" power line that will be changed out to a single pole and will have reduced lines from 8 to 4. Please see the letter from Xcel in Narrative Attachments that summarizes the schedule, the goals and the funding of this project which is expected to start July, 2021 will be completed by December, 2022.



Construction and Energy Efficiency: Trails at Lehow is a single apartment building with four/five levels and is elevator serviced. The wood-framed building is a combination of slab-on-grade construction with a portion of the building consisting of a 4-story over podium parking and the remainder is a 5-story slab on grade. The staggered setback exterior façade consists of textured concrete block or cement panel with 40% masonry, glass or wood accents, and a flat TPO roof. Lehow will be built to Enterprise Green Communities standards which will include 14 EBV ready parking spaces, identified on the site plan. There are 138 parking spaces with 9 under podium and 129 surface parking.

Amenities and Services: The excellent amenity package targets the needs of families and <u>**exceeds**</u> the comparable LIHTC standard for the PMA. A part-time resident services coordinator from IFCS will provide resident services Common amenities include the playground/tot lot, computer room, picnic/BBQ area, exercise room, a community room with a kitchen, a dog run and a bike/ski repair station. The community will offer 20% more bike storage than required and a paved connection to the Big Dry Creek bike path. In-unit amenities include washers and dryers and ample storage for families with a large coat closet, linen storage in laundry rooms and walk-in closets where possible. Each unit will have air conditioning, blinds, carpet, faux wood flooring, cable television hookups, a ceiling fan, patio/balcony, and a complete appliances package with refrigerator, stove/oven, dishwasher, garbage disposal, microwave, and stone countertops. Overall, the units are spacious with an average size of 919 sq ft and 2 bathrooms in all 2-bedroom and 3-bedroom units. In addition to unit and community amenities the property will have a part-time resident service coordinator and we will work with Tri-County Health to design a healthy based building. As noted in the Tri-County letter of support: **"As Englewood's local health department, we are pleased to see Cohen-Esrey Development Group's proposal to bring more affordable housing units to the Tri-County area and are impressed with the developers' attention to bringing healthy community design to this site."**

Financing: Trails at Lehow will benefit from significant local contributions, including $400,000 from Arapahoe County and property tax exemption via partnership with Innovative Housing Concepts, (Englewood Housing Authority). In addition to LIHTC and State AHTC's, the funding package will include conventional permanent debt of $10.7 million, Division of Housing soft funding of $1,000,000 and a deferred developer fee. With the goal of being most efficient with the scarce AHTC financing, we have **limited our request to $820,000 or $10,000/unit.**

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

The tax-exempt construction period bonds are estimated to be $12,250,000, with a taxable tail during construction of $6,066,796, and permanent bonds of $10,730,000. The 50% test is at 52.68%. CHFA will be the bond issuer and CEDG anticipates a private placement. Arapahoe County has not decided on bond cap allocation and will recommend the allocation based on the tax-credit award. Please see attached our application to Arapahoe County.

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

Although units will not be restricted to homeless or special needs populations, 11% of the units will serve households with incomes below 20% or 30% AMI and resident services will be offered to all. These units are well positioned to serve extremely low-income residents who also often meet HUD's special needs/disabled qualification.

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

a. Market conditions

The market study demonstrates strong pent up demand in the PMA for units with this affordability mix and concludes this family friendly unit mix is appropriate for the target market where 26% of households have three or more people. The reported vacancy rate in the PMA is 3.7% for all units, while the vacancy for LIHTC units in the PMA is approaching zero. The required total capture rate of 9.1% illustrates the strength of demand across income bands. The PMA does not have any 20% or 70% AMI units, resulting in the extremely low capture rates of 0.7% and 1.1%, respectively. Demand in the PMA is expected to increase by 270 renter households per annum over the next 2 years, with no other LIHTC projects in the development pipeline. Further, the project is projected to absorb at a rate of 15 units per month and reach stabilized occupancy in five months, without concessions.

b. Proximity to existing tax credit developments

Given the very high level of demand for LIHTC units in the PMA, this new development will neither negatively impact LIHTC developments in the PMA, nor be negatively impacted by other developments. There are six existing LIHTC projects in the PMA that offer a total of 282 units for families. The closest, and highly comparable, existing tax credit project is Littleton Crossing. It opened in 2019 and is located 1.4 miles from Trails at Lehow. This property offers only one- and two-bedroom units between 40 and 60% AMI, as well as market rate. It reported 20 households on the waiting list for LIHTC units.

c. Project readiness

Overall, the City of Englewood is very supportive and wants to see this site developed as affordable housing. The development team has had two Design Review Team meetings with the City of Englewood Community Development and have reached an understanding of all requirements for the development to proceed. We have done extensive work to analyze the site, and after a few iterations, we successfully addressed the challenges of the site: Floodplain & Xcel Easement. We have confirmed with the city flood plain administrator we can build without triggering a FEMA map revision. We have also confirmed with Xcel that we can park and bury water detention in the easement. Zoning is in place, and the remaining steps to building permits are administrative. The 3.5% parking space reduction was approved by the City, see attached in the zoning documentation section for more detail. The site is under contract and the full development team is ready to proceed upon award of tax credits. The project's financing, development, and required approval timeline will allow the Project to close in summer or fall 2021. It should be noted the land contract terminates if an award is not received and it does not appear likely we will be able to renew the land contract to apply for a future round.

d. Overall financial feasibility and viability

The overall financing plan is very feasible. CEDG has secured support for a financing application from Arapahoe County and the Division of Housing. Feasibility is further enhanced by the commitment of a property tax exemption from the Englewood Housing Authority. CEDG has a strong relationship with Bank of America and Cedar Rapids Bank and Trust. The underwriting assumptions are reasonable and conservative and are based on current indicative terms as evidenced by the letters of interest from Bank of America.

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

CEDG, headquartered in Kansas City, brings more than 50 years of experience in affordable and market rate multifamily housing and owns & manages more than 68,000 units in over 550 properties Consistent with their corporate model, CEDG will self-manage this property through Cohen-Esrey Communities LLC (CEC) who will bring expertise in affordable housing management to Trails at Lehow. CEC plans to hire local property management personnel and provide the support & resources needed to successfully lease and certify residents. CEC leadership has already received income averaging training. All onsite property staff will complete CHFA's Colorado based income averaging training prior to marketing and pre-leasing activities. Adherence to CHFA's Unit Designations and Unit Parity will be fully defined and required in the property's operating procedures. The single building will be very helpful in managing the income averaging compliance.

CEDG is working with local companies, including Davis Partnership Architects and Taylor Kohrs. Both are very experienced with LIHTC development in Colorado. S.B. Clark Companies, the financing consultant, is supplementing CEDG's national expertise with their in-depth knowledge of the Colorado market. Please see Development Team Resumes for more information.

f. Project costs

CEDG has worked hard with its development partners to design a high-quality project with above average in-unit and community amenities for families, while keeping project costs low. Despite the site constraints of the Xcel easement and the floodplain which have resulted in the need for buried detention in 2 locations and the partial podium structure needed to provide sufficient parking, the hard costs are estimated to be approximately $209,341 a unit, or $227/net rentable square foot. The project's construction budget was derived from recent local data generated by Taylor Kohrs and soft costs budgets have been developed from relevant CEDG & S.B. Clark experience. For more detail on cost containment see question 8 below.

g. **Site suitability** –

The Trails at Lehow site is an excellent fit for this family-oriented development. The adjacent Dry Creek Trail provides a total of 12 miles of recreational biking and hiking, and links the development to a water park, a skate park, and a children's zoo. It is of note that Arapaho Community College is also less than a mile away. A grocery store, pharmacy, and various casual dining options are also in close proximity. Walk Score has rated this site as a 74, which is considered "Very Walkable". Transit connections are good, with a bus stop 0.3 miles away, and connections to light rail 1.3 miles away, providing easy access to downtown Denver. For more information on the site's Transit Oriented Development, see the Scoring section.

5. **Provide the following information as applicable:**
   a. Justification for waiver of any underwriting criteria – No waivers are requested.

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

The study rates the marketability at 5 out of 5 and makes no recommendations for changes. The only "weakness" listed in the market study is the electric tower, which is being downsized as previously mentioned and the market analyst expects the reconfigured electric pole to minimize any negative impact.

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

The Phase I found no Recognized Environmental Conditions on the site. Portions of the site are in a 100-year floodplain, but the report did not recommend changes.

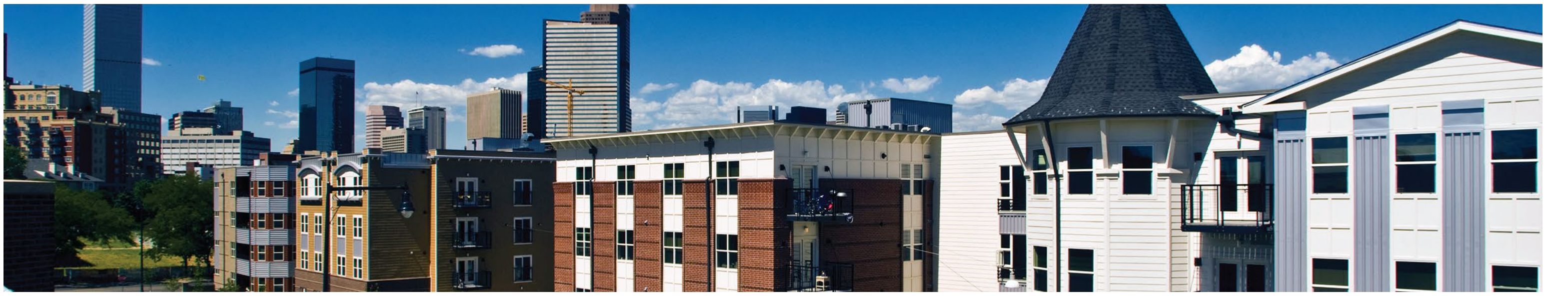
8. **Identify if there are any unusual features that are driving costs upward as well as if there are any opportunities to realize cost containment.**

As discussed in items 4c & 4f above the site has significant constraints (Xcel Easement & Floodplain) which drove costs upward; however, this has been mitigated with the following: 1) To help mitigate the stormwater management solution, the increased costs include 2 buried water detention and infiltration systems and these costs have been mitigated by utilizing a synthetic container system rather than a precast application or landscaped-based systems allowing for maximized land value for the development. This newer form for water detention has proven to be very cost effective. 2) The use of the podium parking was used only to the extent needed to provide sufficient parking for the site. The result of only a portion of the building being 5-story slab on grade and the other portion being 4-story over the podium parking. This also resulted in an additional advantage that allows the fire department to travel under the building to access the entire site.

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

The support for this project has been amazing. The City of Englewood is supportive of the project as evidenced by the support letter from Mayor Olson. The Englewood Housing Authority has given preliminary commitment and anticipates final approval of a Special Limited Partnership upon award of tax credits. The Littleton School District also supports the project and has provided a letter of support. We have a MOU with Integrated Community Family Services (IFSC) to provide on-site resident services and a letter of support to demonstrate future partnership with FRIENDS FIRST and Tri-County Health. At the Englewood City Council meeting on July 20th the city council overwhelmingly approved the motion to support Trails at Lehow. Of the seven city council members, five voted to support the project, while two opposed. The two opposing votes were not the result of opposition to affordable housing, but a desire for growth and general development restrictions. These two opposing votes represent the only negative feedback received.

4% pab lihtc application narrative



Project Name: The Village at Solid Rock

Project Address: 2520 Arlington Drive, Colorado Springs, CO

1. Executive Summary

The Village at Solid Rock will be a collaborative project by Commonwealth Development Corporation and Solid Rock Community Development Corporation (Solid Rock CDC). The project was conceived out of Interfaith Alliance of Colorado's Congregation Land Campaign which sought to pair faith groups with experienced developers to meet community housing needs. This project is the first of its kind in Colorado Springs and it will serve as a model for future partnerships. Commonwealth will be the lead developer, providing all financial guaranties, and has identified Greccio Housing to oversee the management of the property. Commonwealth and Solid Rock CDC will be co-general partners and the project will be turned over to Solid Rock CDC in Year 15. Solid Rock CDC is a community-based nonprofit whose mission is to build a diverse Southeast Colorado Springs economy. Solid Rock's work emphasizes the importance of small business development, affordable housing and infrastructure improvement which results in a healthy community environment.

The team has outlined three key objectives for this project: 1) Provide area residents with new, safe, high quality affordable housing options. 2) Revitalize the community with an attractive development while being sensitive to gentrification. 3) Make use of under-utilized church property to serve the community.

The project is being developed in Census Tract 08041005300 (Census Tract 53) in SE Colorado Springs, a part of the city that has higher than average rates of poverty and rent burden. This Qualified Census Tract (QCT) has a poverty rate of 30%, over two times the number of households living below the poverty line than the city as a whole. Residents in SE Colorado Springs also experience severe rent burden at a rate that is nearly 40% more than the rest of Colorado Springs. Additionally, Census Tract 53 is home to more residents of color than any other part of the City. African American households represent nearly 20% of the population in this tract, which is over two times that of the rest of Colorado Springs. Equity in housing is a critical issue for the City and The Village at Solid Rock will directly respond to this need by delivering new, safe, professionally managed housing in an underserved community.

Residents at the property will be able to walk to local schools (0.35 mi), access public transit (0.17 mi) and take advantage of several nearby parks (0.40 mi). With Greccio's involvement in the project, all residents will have access to their Resident Resource Center and important programs such as eviction prevention, homework club and life skills classes. Solid Rock CDC will also work to engage residents at the property in their economic development and health initiatives for the community.

The Village at Solid Rock will consist of 77 new construction units in a single elevatored, four-story building. All units will be accessed off double-loaded interior corridors and will be equipped with energy efficient lighting and appliances. The ground floor will have amenities for residents including a community room, a fitness room, a leasing office and private meeting space. The building will be oriented around a landscaped courtyard. The development will maximize space on the site by planning the improvements in conjunction with the adjacent Solid Rock Christian Center. The site will feature shared ingress and egress, shared stormwater detention facility and parking that will accommodate both uses. Below is a summary of the unit and AMI mix:

Unit Type	% AMI	Size**	# of Units	Net Rent Range
1 Bedroom	30% - 80%	735 SF	15	$417 - $1,029*
2 Bedroom	30% - 80%	960 SF	33	$498 - $1,233*
3 Bedroom	30% - 60%	1257 SF	29	$574- $1,211

*80% units will have 70% rents
** Includes balcony area

Financing will come from a variety of sources including federal and state LIHTC, City of Colorado Springs HOME funds, Division of Housing HOME funds and the El Paso County Trust Fund. The project has overwhelming support in the community and from City and County leadership.

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

Tax exempt bonds will be issued by the City of Colorado Springs. We have requested $11,500,000 of short-term construction period bonds and $7.3M of long-term bonds. It will be a private placement transaction. Citibank, who Commonwealth has done a number of transactions with, has expressed interest in buying the bonds and a preliminary letter is attached to this application. Final selection of the lender will be done on a competitive basis following award of tax credits.

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

The Village at Solid Rock meets the following guiding principles in QAP:

A. Preference to the lowest-income tenants: Average AMI for The Village at Solid Rock will be 55%.
B. To give preference to projects in a Qualified Census Tract (QCT): This project is located in a QCT.
C. To provide distribution of tax credits throughout the state: As the second largest city in Colorado, Colorado Springs faces a large and growing housing shortage.
D. To provide opportunities to a variety of qualified Applicants of affordable housing, both for-profit and nonprofit: The partnership formed between Commonwealth and Solid Rock CDC

seeks to leverage each entity's expertise and to build capacity for Solid Rock so they can continue their affordable housing efforts in SE Colorado Springs.

E. To provide opportunities for affordable housing within a half-mile walking distance of public transportation such as bus, rail, and light rail with easy access to job centers that maximize the housing density. A Mountain Metro Transit bus line is one block from the property.

F. To support maximum allowable density: The Village at Solid Rock will be one of the densest developments in SE Colorado Springs at approximately 38 units per acre upon completion. The team has spent considerable time getting the site rezoned to accommodate high density multifamily.

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

a. Market conditions

With an overall growth rate approaching 2% annually and on target to be the largest metropolitan area in Colorado within the next 30 years, Colorado Springs has an acute shortage of affordable housing units. The most recent comprehensive affordable housing needs assessment conducted by the City of Colorado Springs and El Paso County projected a deficit of over 16,000 units for low, very low and extremely low-income households. The overall capture rate for the proposed units is 7.9%. As noted in the market study, the PMA is adding 590 renters annually and there are only 40 other non-subsidized family LIHTC units in the pipeline.

b. Proximity to existing tax credit developments

The closest tax credit developments are both 1.75 miles from the site. Fountain Springs Apartment is 1.75 miles east of the site and Hillside Pointe is 1.75 miles west of the site. There are no tax credit projects within the immediate vicinity of the project.

c. Project readiness

Having received soft commitments of funding from the City of Colorado Springs and the El Paso County Housing Authority (both subject to receipt of tax credits), the project will be nearly fully funded upon receipt of tax credits. The final step will be to then secure HOME funds from the Division of Housing. The project has been accepted in the Rapid Response program at the City which will help expedite final site plan approval and building permits. The property received zoning approval in July, which means remaining entitlement work is strictly administrative and includes site plan and building permit approval.

d. Overall financial feasibility and viability

The Village at Solid Rock will use income averaging in an effort to serve a wide range of household incomes. The higher income units act to cross subsidize the lower income units and allow for sound operating projections through Year 15 and beyond. Strong interest from local funders, including the City of Colorado Springs and El Paso County provides good leverage.

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

The team assembled for this project brings both local and national experience. Commonwealth Development Corporation has successfully developed and placed in service over 2200 tax credit units. The Commonwealth Companies include development, design, construction, and property management. In recognition of its development work, Commonwealth has received many awards including Excellence in Community Design from the City of Greeley, CO in 2016.

Commonwealth has earned a spot on the AHF Top 50 Developers list for the past few years. For 2018, Commonwealth was ranked #7, up from #22 in 2017. Commonwealth is supported by over 300 employees who have the capacity to see each project to completion.

Solid Rock CDC has been working in the local community for over a decade. Led by Pastor Ben Anderson, this community development organization understands the needs of area residents and has an excellent track record of leveraging local resources and expertise to complete economic development projects. It has always been the dream of Solid Rock to be a leader for positive impact in Southeast Colorado Springs even before the purchase of the property at 2520 Arlington Drive. As the visionary of Solid Rock Christian Center, Pastor Ben wanted Solid Rock to be a hub for business development, growth opportunities and community impact. With the bi-partisan passing of House Bill 17-1326, the Justice Reinvestment Crime Prevention Bill, the opportunity arose for the vision when Solid Rock won a grant to invest in the community to help reduce recidivism. This was only the beginning as SRCDC has continued to be innovative in its approach to be a positive impact in Southeast Colorado Springs. A goal of this project is to expand Solid Rock's capacity as a community-based organization so they can continue serving local residents. Stable housing is a key indicator of community health, and the exposure to affordable housing development they will get from this project will allow them to undertake new opportunities in the future and to take over full ownership of this project in Year 15.

Greccio Housing will be the property manager upon completion. Greccio is a local nonprofit that helps create stable, safe, and supportive affordable housing options and has quickly gained expertise in tax credit development and management. Greccio currently manages over 500 units locally.

f. Project costs

Total project costs are in line with other projects Commonwealth has completed or has in process. The single, L-Shaped building is efficient from a cost perspective. The cost estimate attached to this application indicates hard costs of $152.60 per square foot. A 5% hard cost contingency is being held outside of the construction contract. The team feels confident in this estimate and the overall construction budget.

g. Site suitability

The development site is flat and served by all utilities. The site also borders three streets, easily allowing for multiple accesses and pedestrian focused improvements by connecting the building to public sidewalks. We have maximized the density on the site and minimized the number of onsite parking spaces by utilizing street parking for some of the required spaces. At 38 units per acre, The Village at Solid Rock will be the densest development in the immediate neighborhood. The development site was rezoned in 2020 to allow for high density multifamily, which was enthusiastically supported by both the community and the City. Colorado Springs has invested millions of dollars in Southeast neighborhoods in recent years. Transit capacity has nearly doubled since 2010. Significant improvements have been made to roads, stormwater infrastructure, public safety and parks. New investments in housing will compliment these efforts as the City looks to continue revitalization work in the area.

5. **Provide the following information as applicable:**

We are not seeking any waivers.

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

The market study shows strong support for the project. The one recommendation outlined in the report suggested the 80% units be reduced to 70% rents. This change has been made in the application. The average capture rate is 7.9% and all units will achieve significant variance to market. The comparable LIHTC properties in the market area report occupancy of 98.5% and several properties have long waitlists "indicating strong pent up demand for low-income rental housing in the PMA".

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

The environmental Phase I concluded there are no Recognized Environmental Conditions on the site.

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

Overall per unit costs are in line with past projects Commonwealth has completed and in line with the market. There are two unique factors that will influence the project's costs. First, developing multifamily on the western portion of the property will trigger the need to bring the entire site, including the existing church property, up to current stormwater standards. This will add some additional cost, but not a material amount since a stormwater detention will be required for the apartments. Stormwater facilities will be upsized slightly to account for water management on the eastern portion of the property. Second, the existing church parking lot will be relocated to the eastside of the church to make room for the shared access into the site.

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

The team has conducted significant outreach in the community in the planning stages for this project. Prior to Commonwealth joining the team, a community meeting/charette was held by the team from Interfaith Alliance, Radian and Solid Rock CDC. This meeting focused on soliciting input from the community about plans to redevelop a portion of the site. Commonwealth and Solid Rock CDC held another neighborhood meeting in January 2020 to discuss details of the development plan. Community support at both meetings was extremely positive and the team has endeavored to hold additional meetings at various project milestones. The rezoning process also involved the broader public. There was no objection raised at Planning Commission or the two City Council meetings where the land use case was heard. The City of Colorado Springs and El Paso County are fully supportive of this project. We have included support letters in this application, including preliminary funding commitments.