4% housing tax credit application narrative

Project Name: 901 Navajo Street
Project Address: 901 Navajo Street, Denver, CO 80204

Executive Summary: 901 Navajo Street will be the first development in Colorado to provide supportive and affordable housing combined with a health clinic focused on serving American Indian/Alaska Native[1] (AI/AN) individuals and families, a population that is both overrepresented among unhoused and low-income populations and has worse health outcomes and higher mortality rates than the overall population[2]. This 190-unit development with 94 permanent supportive housing (PSH) units, 96 units of affordable, service-enriched housing, and a Federally Qualified Health Center (FQHC) to be operated by DIHFS, aims to address both the housing and health disparities within Denver's AI/AN community. 901 Navajo Street (the "Project") is a collaboration between Mercy Housing Mountain Plains (MHMP), Native American Housing Circle (NAHC)[3], and Denver Indian Health and Family Services (DIHFS)[4] to bring a new, holistic approach to serving this population, that often feels "invisible." The development team recognizes the historic trauma that the AI/AN community has endured—a result of centuries of injustices, displacement, colonialism, and systemic racism—and is striving to make 901 Navajo Street not just a building, but a home and a community hub for AI/AN individuals and families in the Denver metro area[5]. 901 Navajo Street meets all of CHFA's Guiding Principles in the QAP, as detailed below.

Location and Transit Access: The Project is located in a Qualified Census Tract (QCT) in the La Alma-Lincoln Park neighborhood of Denver and adjacent to the Denver Housing Authority's (DHA) recently-redeveloped mixed-income Mariposa District. The Project will have 1- to 4-bedroom units serving households earning up to 30-60% AMI. In late 2022, Mercy was selected by DHA via a competitive RFP process to redevelop the Project site as part of the "DHA Delivers for Denver" (D3) program, providing a long-term $100/year ground lease. The Project is a Transit Oriented Development (TOD) located 425 feet from the 10th & Osage Light Rail Station, which will promote economic mobility by providing residents with access to jobs and services. All residents will be given free transit passes.

Building Program & Construction Details: The building will be a seven-story elevator structure with a stucco and brick veneer exterior, varied façade, and flat roof (2-story Type I construction concrete podium and five stories Type III construction wood framed structure at floors 3-7). The Project will encompass a holistic "two buildings – one community" design and programming approach that Mercy has successfully employed in other parts of the US, accommodating both permanent supportive and affordable units in one development with two internal wings. While all project amenities will be shared by all residents, there will be two resident service cores—the west core focused on families and the east core focused on individuals transitioning from homelessness—to accommodate each population's specific needs. Accordingly, the west wing of the building and west elevator lobby serves the "family" wing consisting of 31 one-bedroom,

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[1] "American Indian/Alaska Native" is used here to match terminology used by Indian Health Services and the Census Bureau and does not purport to be the preferred terminology for all indigenous people.
[2] See Metro Denver Homeless Initiative 2023 Point in Time Count (https://www.mdhi.org/pit) and "Disparities" by Indian Health Service (https://www.ihs.gov/newsroom/factsheets/disparities/)
[3] NAHC was founded by members of the established local Native led and partner nonprofit organizations with the mission to advocate for and provide affordable housing opportunities for AI/AN people experiencing homelessness and housing instability in the Denver Metro area.
[4] DIHFS is a long-time Mercy partner with their current clinic at Decatur Place Apartments. Established in 1978, DIHFS is an Urban Indian Health Program whose mission is to provide culturally competent services that promote quality health for American Indian and Alaskan Native adults, children, and families in the Denver metropolitan area.
[5] The Project will adhere strictly to Fair Housing laws and affirmatively market to the AI/AN community which is historically underserved.

41 two-bedroom, 31 three-bedroom, and 6 four-bedroom units, and the east wing of the building has 81 one-bedroom apartments for individuals transitioning from homelessness. The units will have entrances along double-loaded interior corridors. The clinic will be on the first two floors of the east end of the building and operate completely separate from the residential component. The Project scope also includes the construction of two rights-of-way, extending 9th Street from the east and Osage Street from the north to extend the street grid (the new development to the north will construct the connecting segment of Osage Street). Both rights-of-way will use a "shared street" configuration with a design speed of 10mph, operating more like a pedestrian promenade along the south and west faces of the building. This design concept both enhances walkability and maximizes the developable area of the site.

Community & Apartment Amenities: Project amenities include a generous front porch with community gardens, a traditional round gathering space for residents and community events at the southeast corner, first floor green courtyard and interior play area, a 2nd floor courtyard with playground, 3rd floor terrace, fitness center, community kitchen, laundry rooms, food pantry, and bicycle maintenance/storage. Security features include on-site management, 24-hour staffed front desk/security presence, security cameras, limited access entries with intercom buzzer, and an overall building design approach using Crime Prevention through Environmental Design (CPTED) principles. Unit amenities will include central air conditioning, mini-blinds, luxury vinyl tile flooring, carpet, cable and high-speed internet hook-ups, and a complete appliance package including refrigerator, stove/oven, disposal, microwave, and dishwasher. Parking for residents will be provided in a subterranean garage with 85 total spaces: 63 dedicated to the residential component and 22 shared with the clinic which will be available for residents on nights and weekends. With 94 units reserved for homeless and disabled households unlikely to have cars, the overnight parking ratio for the 96 affordable units is 0.89.

Sustainability: The ambitious building sustainability package aims to reduce energy use and operating costs, including: all-electric systems, cold-climate heat pumps in every unit, Enterprise Green Communities (EGC) standards, EV-ready parking spaces, and an approximately 304kW solar PV array on the roof estimated to offset 28% of the building's electricity load. The high-performance envelope construction of the building is aimed to meet Zero Energy Ready Homes requirements.[6]

Trauma-Informed and Culturally-Responsive Design: The Project follows best practices for trauma-informed design and for serving AI/AN populations, led by team members that specialize in each[7]. The design team conducted focus groups with residents and front-line staff at two local MHMP PSH developments and AI/AN community members, including many with lived unhoused experience, to advise on the building design and programming. The design presented in this application incorporates the feedback from these focus groups to create a community that will foster mental well-being. The AI/AN focus groups focused on providing traditional gathering spaces that would foster a sense of community and provide connections to the land and nature. There is a shared history of trauma – from centuries of racism and displacement – that came through in the discussions often as a feeling of being untethered from tribal and family connections, living in Denver and away from ancestral lands. To address this, the design team created a 1,500 square-foot traditional round community gathering space at the southwest corner of the site, just off of the main entry vestibule to serve as a main community and event space for the building.

Supportive Services: Services at the Project will use a trauma-informed approach tailored to residents' needs, with a team of on-site case managers serving the 94 PSH households providing clinical behavioral health services, as well as culturally-responsive housing stability, health and wellness, financial literacy, job readiness, and youth services provided on-site and available to 190 households. The detailed services plan submitted to the "Creation of Supportive Housing" RFA in parallel with this application (attached) outlines a tightly-coordinated program, staffing, and financing plan that the services team—made up of Mercy Housing, WellPower, DIHFS, and NAHC—created collaboratively to utilize each organization's strengths. Notably, Mercy has committed to fund a significant resident services reserve using paid developer fee ($1.9 million PSH developer fee boost and up to $1.5 million in additional paid fee for $3.4 million total).

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[6] Since ZERH has not been finalized for buildings over 5 stories, the Project is not certifying to ZERH for this application. Refer to DOE's guidance: https://www.energy.gov/eere/buildings/zero-energy-ready-home-program-faqs

[7] Refer to resumes for Group 14 and Ratio Design that facilitated the Trauma-Informed Design focus groups, and Amaktoolik that led the AI/AN focus group sessions

Health Clinic: The FQHC operated by Denver Indian Health and Family Services will represent approximately 10% of the building's square footage. It will provide primary medical care, dental services, vision, behavioral health, nutrition and wellness, and laboratory services to the AI/AN community, residents of 901 Navajo Street, and the surrounding community, and host wellness activities related to nutrition and fitness. The new clinic will be double the size of DIHFS's current clinic, allowing for an expansion of services and a greater number of patients served. DIHFS estimates being able to serve an additional 2,000 patients, for a total of more than 4,100 patients and 15,000 visits annually.

Residential Financing: The Project's financing will include 4% Low Income Housing Tax Credits, Colorado Affordable Housing Tax Credits, Energy Tax Credits, tax-exempt bond financing, a subordinate AHIF loan, city and state gap funding, a special limited partnership with DHA for property tax exemption, and a $100/year long-term ground lease from DHA. Operating subsidies for the PSH units include 94 project-based vouchers[8], city and state services funding, Medicaid revenue, and services reserve funded by a portion of paid developer fee (refer to attached DOH PSH RFA Application).

Commercial Financing: The commercial portion of the Project will be financed separately from the residential portion, without the use of LIHTC or PAB; instead, the clinic financing will be a combination of equity from NMTCs, equity from DIHFS, and capital campaign proceeds. The project has nine letters of interest for NMTC allocation from Community Development Entities (CDE), and a total of 16 CDEs are actively tracking the project, making the chance of securing NMTC allocation extremely likely. Additionally, the project has significant support from the philanthropic community and there are lenders willing to provide a bridge loan to future campaign pledges. (see **attached** NMTC financing summary)

1. *Describe the bond financing structure:* The tax-exempt bond financing will be a private placement.

- Construction Period Bonds (Tax-Exempt): $46,385,000
- Permanent Bonds (Tax-Exempt): $22,550,000
- Bond Issuer and volume cap provider: CHFA
- Taxable Construction Loan: approx. $4,100,000

2. *Identify which, if any, of the priorities in Section 2 of the Qualified Allocation Plan (QAP):* The Project will dedicate 94 units (of 190 total) or 49% to persons experiencing Homelessness with a disabling condition, as defined in Section 5.B 5 of the QAP. The unit mix within these 94 is: 81 1-BRs, 5 2-BRs, 6 3-BRs, and 2 4-BRs. This mix is tailored to the highest needs in the most recent Point-in-Time Counts (72% of households were single adults, most with a disabling condition)[9], while also providing larger units for families which are rare within supportive housing developments.

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

Market conditions: The market analyst concludes that there is demand for all unit types in the Project and that the Project can lease 35 units per month and reach full occupancy within 6 months without concessions. The market analyst concludes that the capture rates in the market study understate actual demand for low-income rental housing in the Primary Market Area (PMA)[10]. The overall capture rate for the Project's family units is 51.5%, a modest increase from the existing capture rate of 41.9%, with notably lower capture rates for the 40% AMI units (30.1%) and 50% AMI units (43.2%). Pent-up demand for affordable units is evidenced by a low overall LIHTC vacancy rate in the PMA (3.3%) at these properties over the past year. The capture rates are also overstated because they do not include in-migration. The market analyst notes the developing nature of the PMA and that large percentages of tenants have come from outside the PMA at surveyed properties. The Project's capture rates also do not consider projected renter household growth or households with tenant-based vouchers. The market analyst also points out that the Claritas population data used for the capture rate calculation may be understating the actual number of renter households in the PMA (17,516) by as much as 5,000 households. Furthermore, NAHC notes that a substantial number of emergency housing assistance requests they receive from AI/AN households report income just above the 50% AMI limit for their Emergency Solutions Grant program, indicating a large demand for 60% AMI units within the targeted population.

The 2023 Point-In-Time count found 5,818 unhoused individuals in Denver, including 3,352 sheltered persons and 1,423 unsheltered individuals, and AI/AN individuals were overrepresented 3.5x to their share of the population. The capture

[8] HOST anticipates approving the 94 City-funded vouchers internally upon review of the DOH application submitted simultaneous with this application, and sharing a conditional commitment for the vouchers with CHFA by the end of August 2023.
[9] See Metro Denver Homeless Initiative 2023 Point in Time Count https://www.mdhi.org/pit
[10] The Project's PMA includes the La Alma/Lincoln Park, Baker, Sun Valley, Valverde, Sloan's Lake, Barnum, and Barnum West neighborhoods.

rate for the Project's PSH units is low at 15.5%, and the market study states that this capture rate is attainable considering the very low vacancy at the PSH comparables (2%).

Proximity to existing tax credit developments: *Family* – There are 32 existing family LIHTC projects in the PMA which are not age-restricted or 100% special needs, with 2,380 general occupancy units, which reflects the fact that the PMA includes two large mixed-income DHA redevelopment communities: Sun Valley and Mariposa. The market analyst's comparable survey included 5 of these family LIHTC projects. The Mariposa properties, developed by DHA between 2013-2016 are adjacent to the Project and include 240 unsubsidized, income-restricted units for families. Located 0.6 miles from the Project is 12th and Elati Residences with 66 units (1- and 2-BR) at 30-60% AMI, built in 2008. Located about a mile from the Project are: Broadway Residences (built in 2006, 67 units of 1- and 2-BR at 50-60% AMI), and Lincoln Terrace (built in 2008, 74 units of 1- and 2-BR units at 30-60% AMI), and the Quayle (106 units of 0-, 1-, and 2-BR at 60% AMI). Occupancy at these properties ranges from 95-100%.

PSH – The market analyst reports that there are 4 special needs properties with 187 units and 84 units for homeless households within two family LIHTC properties in the PMA. Within a half mile is Palacio Inca Apartments: 12 units for 40-50% AMI. Two special needs LIHTC properties are located 1-2 miles from the Project - Forum Apartments (100 PSH units, built in 1965, and under renovation), and Atlantis II Apartments (60 units at 60% AMI and 24 PSH units). Three special needs projects are about 3 miles from the Project: Rhonda's Place (PSH/special needs with 49 PSH units), Veterans Apartments (26 PSH units built in 2009), and Brandon Courtyard (103 LIHTC units including 59 PSH units built in 2020).

Project readiness: Zoning is in place for the Project, and the development team is well positioned to complete the city's site development plan and building permit review to achieve closing in September 2024. The Project has been accepted into the city's Affordable Housing Review Team (AHRT) program which prioritizes affordable housing projects to reduce the time for permitting approvals. The Project's schematic drawings are 50% complete and Mercy's concept plan submission was reviewed positively by the city. All of the needed city approvals to obtain permits are administrative.

Overall financial feasibility and viability: The Project is financially feasible, aided by: the QCT basis boost, equity from five different tax credits (4% LIHTC, AHTC, 45L & 48 energy credits, and NTMC), and multiple sources of local and state financial support including HOST's provision of 94 project-based vouchers and DHA's provision of property tax exemption and the land. Furthermore, Mercy's exceptional lending partnerships with banks, CDFIs, and other funding institutions will maximize the private sector contribution to the Project. State credits in this Project will be highly leveraged by other resources and efficiently utilized with a per unit State credit amount of <$6,000, and will also contribute to a high impact Project for the city and the AI/AN population across the Denver metro.

Experience and track record of the development and management team: MHMP is a regional affiliate of Mercy Housing, Inc., the largest nonprofit owner and developer of affordable housing in the country,[11] and headquartered in Denver. Mercy has the experience, knowledge, and persistence to assemble the multiple sources of financing and operating subsidy and coordinate all aspects of project management in order to make the vision for 901 Navajo Street into a reality. Nationally, Mercy Housing has 364 properties and 28,975 units in operations or construction, including over 3,700 permanent supportive housing units across 52 properties. Over the last 28 years MHMP has developed or acquired/rehabbed 41 multifamily and mixed-use developments with over 3,200 affordable apartment units, including more than 200 units of permanent supportive housing in 6 projects. Mercy Housing Management Group (MHMG) will manage the property and has excellent experience in managing LIHTC and permanent supportive housing properties. Mercy has pioneered a "blended management" approach that integrates resident services personnel into everyday property operations to help residents maintain housing and resolve conflicts. MHMG also recently formalized its expertise in PSH management through its new PSH Operational Excellence guidebook, a comprehensive manual that ensures best practices are consistent across all of Mercy's properties and staffing.[12]

The development team's approach to the Project has been thoughtful and thorough, the result of a carefully-selected and experienced design and construction team. The architect, RATIO, is an international design firm with a regional office based in Denver and extensive experience designing affordable and permanent supportive housing within mixed-use projects in Denver. The general contractor, Alliance Construction Solutions, has 40 years of experience constructing multifamily, office, mixed-use and institutional facilities in Colorado including 25 affordable housing projects along the Front Range. For more information about the development team, please see *Development Team Resumes* attached.

[11] Affordable Housing Finance Magazine's "AHF 50" 2022 rankings https://www.housingfinance.com/tag/2022-ahf-50

[12] An excerpt of the PSH Operational Excellence guidebook is included as Attachment 17 to the DOH application

Project costs: The Project's construction budget has been developed using current, local data generated by Alliance in close coordination with local subcontractors, and is realistic in the current market. Project soft costs have been informed by Mercy's recent development budgets, and the operating budget has been informed by Mercy's comparable properties.

Site suitability: The La Alma-Lincoln Park neighborhood of Denver, where 901 Navajo Street is located, is one of Denver's oldest residential neighborhoods and is centered around a 16-acre park and recreation center. The Project is one block from the 10th & Osage light rail station and 2 blocks from the park, and is also adjacent to DHA's 14-acre Mariposa District. Mariposa is a major redevelopment that started with DHA's replacement of 250 units of dilapidated public housing in 2013, and has been completed over 3 phases with more than 580 units of mixed-income housing, including new for-sale townhomes located across Navajo Street from the Project site. The neighborhood also includes several local nonprofits and social enterprises focused on youth and artistic programs that will benefit future residents of 901 Navajo Street: Art from Ashes, Youth on Record, Osage Café and Mercado, and Bikes Together. Additionally, the Project has a walk score of 77, rated "Very Walkable," and the immediate area (0.1 miles) includes the Mariposa Child Care Center and a convenience store. A library and King Soopers are both within walking distance (0.4 and 0.5 miles). The Project is located within 0.3 miles of the neighborhood elementary school and 0.5 miles from the middle and high schools. Other educational opportunities in the area include Emily Griffith Technical College 0.25 miles to the north, and the Auraria Campus, which includes the Community College of Denver, the University of Colorado-Denver and Metropolitan State University of Denver, 0.7 miles to the north.

4. *Describe any requests to waive underwriting criteria.* Please see the cost basis waiver request (**attached**).

5. *Address any issues raised by the market analyst in the market study.* The market analyst had no recommended changes to the Project.

6. *Address any issues raised in the environmental report(s) submitted with your application and describe how these issues will be or have been mitigated*. A Phase I ESA was completed by CLEARCC – StatesWest Environmental (July 11, 2023) which identified one REC connected to chlorinated solvents at the site and recommended further subsurface investigation. A Phase II was completed by CLEARCC (July 18, 2023) and found that the concentration of detected low level tetrachloroethylene was below the groundwater standard threshold. The Phase II report recommended a Materials Management Plan (MMP) in the event that contaminated soil or land fill materials are encountered during excavation. Mercy will create and follow an MMP for the Project and will also obtain an asbestos inspection of the existing building prior to demolition and remediate any Asbestos-Containing Materials as required. Notably, while the site was used historically for coal and petroleum storage, the Phase II findings indicate that significant remediation completed by past owners was successful in removing contaminants, and the development budget includes funds to cover the removal and disposal of contaminated soil that is still likely to be encountered during excavation.

7. *Identify if there are any unusual features that are driving costs upward as well as if there are any opportunities to realize cost containment (refer to Section 2 of the QAP).* The Project includes features that increase costs as well as features that contain costs. To meet parking needs on the constrained site, parking will be provided in a subterranean parking garage, which comes at a higher cost compared to surface parking. Per unit costs are also higher because 20% of the units in the Project are three- and four-bedroom units to accommodate larger families. Project costs are also increased by the City's requirement to construct two new rights of way to extend Osage Street from the north to connect to the 10th & Osage light rail station and connect to 9th Avenue.

There are also cost-reducing features of the Project that help offset the higher cost drivers above. Mercy has designed the Project to maximize the number of units on the site (one level of underground parking and five stories of wood-frame construction over a two-story podium) while keeping the building under the high-rise building code for best cost-efficiency. Moreover, developing one building with a separate LIHTC condo and NMTC condo allows for cost-sharing with the NMTC component of the Project and economies of scale in the Project's hard costs. In addition, costs are contained by the Project bearing only nominal land cost due to the $100/year ground lease from DHA.

8. *Describe the outreach to the community.* Mercy has conducted extensive outreach and engagement with the community for this Project, with consideration of the history of the neighborhood as well as the target population for the development, and focused on key components where stakeholder feedback could inform the design and programming of the development. After being selected to develop the Project site, Mercy collaborated with DHA in transitioning the community engagement process to Mercy. In response to feedback from the neighborhood during DHA's rezoning process, Mercy proactively scaled back a portion of the east façade to match the townhome context across Navajo Street. Mercy conducted two public design workshops to gather feedback on the Project vision and community healthcare service needs in addition to the trauma-informed design and culturally-responsive design processes described above (see

the **attached** community engagement and trauma informed design reports). Mercy will also keep the community informed about the development through a Project website and email list with periodic updates.

See **attached** letters of support: DIHFS, NAHC, Councilwoman Torres, the La Alma-Lincoln Park Registered Neighborhood Organization, DHA, Colorado Access, Denver Indian Family Resource Center, and Enterprise Community Partners.

9. *Describe how the proposed development contributes to promoting equity as well as economic mobility for residents.* Mercy Housing's mission is to provide housing to those most in need, and in recent years Mercy has renewed its focus on combating racial inequity, including implementing a Racial Equity Lens that serves as a first step in defining the concept for every new project. This organization-wide approach led to Mercy's partnership with NAHC and DIHFS in order to create a holistic health and housing development at 901 Navajo Street that will address both the housing and health disparities that the AI/AN community faces as a result of centuries of structural racism (see the **attached** NAHC Housing Needs Assessment). As part of Mercy's Racial Equity Lens for real estate development, Mercy has also set goals for Minority Business Enterprise, Women Business Enterprise, and Section 3 Business participation in the Project (**attached**). The Project's proximity and access to educational resources and job centers—paired with the supportive services that will be offered to all residents to support job readiness—will mean that 901 Navajo Street is not just a home and AI/AN community hub, but a launchpad for all residents to meet their goals and thrive.

4% housing credit application narrative

Project Name: 1001 Lincoln St
Project Address: 1001 Lincoln St, Denver, CO 80203

Project Highlights

1001 Lincoln St (the "Project") will transform an underutilized, one-story office building into a seven-story, 125-unit multi-family apartment building located in the Golden Triangle/Civic Center neighborhood of Denver. 1001 Lincoln St responds to several CHFA Guiding Principles and meets the threshold for preliminary applications. The Project helps solve two major Denver issues, bringing life back to an empty office building and the lack of affordable housing stock. The proposed Project is a unique housing proposal because it offers advantages such as location, speed of delivery, and environmental efficiencies.

The Project will provide an opportunity for individuals with lower incomes to live in an area with convenient public transportation, access to jobs, walkable retail, and new development. The Project is in census tract 27.05 which is a Qualified Census Tract and a Difficult Development Area (DDA). According to the market analyst, Prior & Associates, there are eight market-rate developments with 2,020 units under construction in the Golden Triangle neighborhood. New development in the Golden Triangle neighborhood is typically luxury apartments with high rents.

1001 Lincoln St will be able to deliver units faster than new ground-up development. The Project will reuse the infrastructure component of the current building, such as the parking garage, foundations, and exterior walls, thereby reducing construction costs, timeline, and waste. I-Kota, the Project's general contractor, estimates that the Project will save 5-6 months of construction by re-using the existing building components compared to scraping and starting over. The site is zoned D-GT which allows for the Project's proposed use. The Project has also been accepted into the City and County of Denver Affordable Housing Review Team ("AHRT"), see acceptance letter as **Attachment #1**, which should make the Project's SDP (Site Development Plan) and building permit review process more efficient. Kentro Group and Lexton McDermott (the "Sponsors") will continue the design and entitlement efforts to be able to break ground in the summer of 2024.

Sustainability is a major focus of the Project. The Project will have solar panels which, in addition to being more energy efficient, will save on energy costs. The Project will significantly reduce environmental waste by utilizing the current on-site improvements. I-Kota estimates that by utilizing the existing foundation and precast wall at the site, the Project saves approximately 3,000 cubic yards of concrete, resulting in a reduction in carbon dioxide emissions by 10,260,000 pounds. Based on the United States Environmental Protection Agency's website calculator, the savings from the project equates to the greenhouse gases emitted by 1,036 gasoline-powered passenger vehicles driven for one year. The Project will certify under the highest National Green Building Standard (NGBS) standard of Gold which would include energy star-rate appliances, LED lighting, and solar. The Sponsor will be promoting alternative modes of transportation and provide a large bike storage area on-site. Additionally, the Project intends to be a member of the Transportation Solution Foundation, a transportation management association with a mission to increase the availability and use of transportation choices in the Denver area. See the Transportation Solution Foundation's letter of support as **Attachment #2**.

Project Information

The project will contain 20 studios, 87 one-bedroom units, and 18 two-bedroom units for individuals and families. 14 of the units (11.2%) will be for households at or below 30% AMI, 43 units (34.4%) for households at or below 50% AMI, 49 units (39.2%) at or below 60% AMI, and 19 units (15.2%) at or below 70% AMI. 1001 Lincoln St will utilize income averaging to allow for higher incomes in an area that is in need of workforce housing while still providing housing opportunities for lower incomes.

1001 Lincoln St is conveniently located near multiple Regional Transportation District (RTD) bus stops. A bus stop is located at Lincoln St and 11th Ave, 370 ft from the Project, with regional and local bus services headed north. Another bus stop, Broadway and 11th Ave, is 475 ft from the Project and is serviced by regional and local routes headed south. A local eastern route can be found at 12th and Broadway St, 0.2 miles from the Project. A local western route can be found at W. 13th Ave and Broadway, 0.4 miles from the Project. Civic Center Station, 0.7 miles from the site, is one of the two regional bus terminals in downtown Denver. The bus bays are served by RTD regional buses and the RTD Free MallRide through downtown to Denver Union Station. Please see **Attachment #3** for a comprehensive map of RTD transportation within a 0.5-mile radius of the Project and just beyond. The availability of public transportation near the site allows residents of the Project to easily access transportation throughout Denver, especially downtown.

The Cherry Creek Trail is 0.5 miles from the Project. The trail is a 40-mile route that begins in downtown Denver and connects suburban and rural Arapahoe and Douglas Counties. The trail is one of the premier biking and walking trails in Denver and makes commuting by bike more accessible for residents, especially those working in downtown Denver.

The Project's common amenities will include a community room, exercise room, second-story courtyard, on-site manager, picnic/BBQ area, flex space to accommodate coworking and support services, café, limited access entries, and surveillance cameras. The main level will contain a large bike storage room. Each of the Project's units will have a washer/dryer, wall air conditioning, blinds, carpet, high-speed internet hookups, cable TV hookups, refrigerator, stove/oven, and dishwasher. Tenants will be allowed to have pets.

1001 Lincoln St is located near the many amenities that downtown Denver provides, such as food, healthcare, cultural experiences, education, and jobs. The site is 0.8 and 0.9 miles from two different King Soopers, 0.7 miles from Ideal Market, 0.2 miles from City Store Market, 0.6 miles from Trader Joe's, and 0.8 miles from Ace Hardware. Denver Health is 0.7 miles away, providing care services such as emergency services, dental care, primary medicine, and more. Compassion Road Academy is 0.3 miles from the Project, Morey Middle School is 0.9 miles away, and Sunken Gardens Park is 0.7 miles away. The Project is 0.7 miles from the Denver Art Museum, 0.3 miles from History Colorado, 0.6 miles from the Clifford Still Museum, and 0.5 miles from the Kirkland Museum. The Denver Public Library is 0.4 miles from the Project and offers library passes to check out for many of the nearby museums and cultural institutions. Many of these Denver museums and cultural institutions also offer free days and other low-cost options for community access. The Auraria Campus in Denver is just under two miles from the Project. The 150-acre campus is shared by three separate and distinct institutions of higher learning: Community College of Denver, Metropolitan State University of Denver, and University of Colorado Denver. The Project allows easy access for part-time or nontraditional students to have access to educational opportunities and jobs. The Project is around one and a half miles away from the heart of downtown Denver which provides opportunities to a wide array of job opportunities.

The site is currently improved with a single-story office building with an underground parking garage. The construction will preserve the parking garage and the exterior walls of the office building; it will then add a transfer slab with five stories of wood. This will be a Type III constructed building with two elevators. The modern exterior skin will include a mix of concrete, glass, and fiber cement/metal panels. The Project falls into two Design Overlays, therefore, exterior skin will be a focus to fit into the neighborhood.

The Project will utilize gap funding from the City and County of Denver (HOST) and the Colorado Division of Housing (CDOH) and a special limited partnership with the Denver Housing Authority for sales/use tax and property tax exemption.

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

Construction Period Bonds (Tax-Exempt): $25,000,000 - Private Placement; Permanent Bonds: $14,014,000 - Private Placement; Bond Issuer: CHFA; Taxable Construction Loan: approx. $6,250,000.

2. Identify which, if any, of the priorities in Section 2 of the Qualified Allocation Plan (QAP): Project does not serve Homeless Persons, persons with special needs, or low population counties.

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

- **Market conditions**

The Project has an overall capture rate of 7.2%, including 3.1% at 30% AMI, 6.8% at 50% AMI, 9.9% at 60% AMI, and 0.9% at 70% AMI. The Project's overall required capture rate, as well as all rates by AMI level, are well below CHFA's preferred threshold of 25%. The market study reported that, in the Primary Market Area (PMA), the Class B LIHTC properties were 97% occupied and Class C LIHTC properties were 100% occupied with high historical occupancy rates. This shows that the PMA has a very strong demand for affordable rental housing. In addition, the PMA is expected to add 250 renter households per year, which is not included in the capture rate analysis. The market analyst concluded that the Project's location and unit amenities are either comparable or slightly superior to other LIHTC properties in the PMA.

- **Proximity to existing tax credit developments**

The PMA has 35 LIHTC projects containing 2,440 income-restricted units. Of these, nine are age-restricted projects with 811 units, six are PSH properties with 543 dwellings, and 20 are non-age-restricted properties that have 1,086 dwellings, of which 306 are deeply subsidized. The Project will compete most directly with the 780 non-subsidized family tax credit units. The closest existing tax credit project is Broadway Residences at 1135, built in 2006 and located approximately 0.2 miles from the Project. This property offers 50% AMI, 60% AMI, and market-rate units and has a vacancy rate of 1.0%. The other comparable LIHTC properties in the PMA selected by the market analyst were: Quayle Building constructed in 2019, located 1.0 miles away with 4.7% vacancy (offering 60% AMI units); Lincoln Terrace built in 2008 and located 0.7 miles away with 2.7% vacancy (consists of 30, 40 and 50% AMI units); Residences at Capitol Heights constructed in 2001 and located 0.4 miles from the Project with 6.9% vacancy (60% AMI and market-rate units), however, all vacancies are in the market rate units; and 12th & Elati Residences built in 2008 and located 0.5 miles from the Project with 0% vacancy (30, 40, 50, and 60% AMI units). Capitol Square Apartments, a recently completed LIHTC project, is 0.4 miles from the Project, but they did not respond to requests from the market analyst to complete a project survey. The Sponsors reached out to Capitol Square management, who indicated that the property is 98% occupied.

- **Project readiness**

The Project is properly zoned and the remaining entitlement approvals include site plan and building permits. All utilities are provided to the site and the Project is anticipated to receive permits and begin construction at the end of the second quarter of 2024.

- **Overall financial feasibility and viability**

The cost reduction realized by utilizing the existing structure and the project's location in a QCT helps support strong financial feasibility. Historically, QCT and DDA areas in Denver fluctuate, so the timing and location of the project are ideal at this time. Without the QCT or DDA boost, the project would have a gap of approximately $4.2 million. The state Affordable Housing Tax Credit makes the project financially feasible because 46% of the units are for households at 50% AMI and below. The underwriting assumptions are reasonable and conservative based on recent Denver project experience as well as current indicative terms from investors and funders, as well as extensive visibility into debt and equity market dynamics of the Project's financial consultant.

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

Kentro Group, Co-Sponsor, is a private commercial real estate investment company recognized for a growing portfolio of affordable housing, workforce housing, market rate housing, core-rated grocery-anchored shopping centers and a commitment to urban street retail, ground-up, and corporate build-to-suit developments. Kentro Group has partnered with Lexton McDermott on previous LIHTC projects to get into the affordable housing industry. One successful LIHTC project the partnership developed is Lynwood Senior Apartments, a 62-unit project for seniors in Denver that was fully stabilized in less than 90 days from construction completion. Kentro Group and Lexton McDermott are also under construction with Krisana Apartments, 151 units located on a former Colorado Department of Transportation site. With 1001 Lincoln St, Kentro Group plans to build upon its affordable housing development experience.

The Sponsors have a strong commitment to their affordable housing projects and plan to defer more than 50% of the developer fee in 1001 Lincoln St and will fill additional gap if needed. With Krisana Apartments, the Sponsor deferred 100% of the developer fee and kept over $2 million of equity in the deal to make the project feasible and keep it moving forward. In addition to Lynwood Senior and Krisana, Lexton McDermott has developed 22 other LIHTC projects with over 35 years of real estate development experience.

ComCap Management has been providing professional apartment management services for its clients since 2006. The company currently manages over 2,600 apartment units, including Lynwood Senior and Krisana Apartments. ComCap's team of professionals has a broad spectrum of experience in the multifamily management business. Specializing in LIHTC properties, ComCap has an impeccable record in all of the property management disciplines including a fully integrated accounting system and compliance department.

- **Project costs**

Utilizing the existing structure will bring down costs and shorten the construction timeline. I-Kota reports that the Project will save an estimated $60,000 per unit compared to a new build based on their recent experience in the market. Additional information on project costs has been incorporated throughout the narrative.

- **Site suitability**

1001 Lincoln St is well suited for a LIHTC development due to nearby amenities and access to public transportation. The Project is along a minor and collector street in a mixed residential and commercial neighborhood. Its location provides good visibility and access to shopping, arterials, and services. The Project is within 0.5 miles of a convenience store, neighborhood shopping center, middle school, bus stop, hospital, library, medical clinic, and park, and within one mile of a grocery store, elementary school, high school, light rail station, head start and recreation center. The Project's walk score is 98, which is 61% higher than the Denver score of 61, 3% higher than the comparable average, and is considered "Walker's Paradise."

4. **Describe any requests to waive underwriting criteria (if requesting). Please see the preliminary checklist for additional narrative requirements for justification of the waiver**.

None

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

The market analyst had no recommendations or issues raised in the market study.

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

The Phase I concluded that there was no evidence of RECs, Controlled RECs (CRECs), or Historical RECs (HRECs) in connection with the site.

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

Cost containment has been incorporated throughout the narrative.

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

The Sponsors held a public meeting on July 19, 2023; no members of the public attended. The Project has received local support evidenced by a support letter from District 10 City Council Member Chris Hinds (**Attachment #4**), State Senator Chris Hansen (**Attachment #5**), and Thriving Families, a non-profit located near the Project that serves low-income women and their children. There is no known opposition to the Project.

Additionally, the Sponsors have been in communication with NEWSED, a local non-profit, to offer services at the Project. NEWSED offers courses such as housing counseling, financial counseling, and small business training. NEWSED and the Sponsors believe that a partnership would work well for the two organizations and benefit the future residents of 1001 Lincoln St. The two groups are in the process of moving toward a Memo of Understanding that would make NEWSED the exclusive supportive service provider for the Project. Please find **Attachment #6** expressing NEWSED's support for the Project and partnership.

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

1001 Lincoln St promotes equity and economic mobility for residents by providing an affordable place to live near jobs and public transportation. Residents will have access to downtown Denver which provides opportunities for jobs at all income levels. By providing housing at 1001 Lincoln St, residents of the Project will save time and money on transportation.

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

4% housing tax credit application narrative

Project Name: 4995 Washington Street

Project Address: 4995 Washington Street, Denver, Colorado

Evergreen Real Estate Group (Evergreen), an experienced LIHTC developer, owner, and manager of affordable housing, in conjunction with Globeville, Elyria-Swansea Coalition (GES) – has a simple, achievable plan to build a 170-unit, 100% affordable housing development that will include a Denver Public Library at the ground level, along with community-oriented and community land trust-owned commercial space. With a focus on families, 50% of the units (85 units) will be 3-bedroom and 4-bedroom units, providing family-size units in a neighborhood with a history of displacement of families. 35% of the units (60 units) will serve people at 30% AMI and 50% of the units (85 units) will serve people at 30% AMI - 50% AMI. The 4995 Washington Street project is located on a prominent corridor in the Globeville neighborhood that is at the genesis of a transformation, with millions of dollars committed to public investments by the City of Denver in the immediate area. The project site will be ground leased from the City of Denver and is in the middle of $50 million of funded streetscape and infrastructure improvements on Washington Street, adjacent to future greenway improvements, major public park improvements, as well as two bridges that connects the neighborhood with The National Western Center, a major billion-dollar City of Denver-sponsored civic project. The 4995 Washington Street project is a priority project of the City of Denver and has the full support of the City of Denver and The Office of Housing Stability (HOST) with soft funds, a 99-year ground lease, and Private Activity Bonds. The site sits in a QCT, and is currently zoned for multifamily, presenting the unique opportunity for a transformational high-density, high-design affordable housing project in one of the most disinvested neighborhoods of Denver.

Evergreen has worked closely with the HOST to ensure deep targeting of units that will meet the need of the community, providing new opportunities for prospective tenants, and in particular families. This building will offer 170 new rental apartments organized around two raised courtyards based on community input, that represents the history and culture of the past and present residents of this historically blue-collar neighborhood. The proposed concept includes 70 one-bedroom units, 15 two-bedroom units, and 52 three-bedroom units, and 33 four-bedroom units. This 100% affordable development will serve individuals or families at 30%, 40%, 50%, 60%, 70%, and 80% AMI, with all unit types available at each AMI level.

This visually striking building, designed by John Ronan Architects and EJ Architecture, will sit on a 3.98-acre site on Washington Street, the soon-to-be "new Main Street" of Globeville. The exterior cladding is a mix of Corten Steel and galvanized metal in a unique "scalloped" shape – inspired by the industrial heritage of Globeville. The building will use cast-in-place concrete on the ground level with rocks from the South Platte River, as well as cross-laminated timber (CLT) as a major component of the structural support. 4995 Washington Street will be the first affordable housing development in Colorado – and one of only a few in the country - to use prefabricated CLT as a major component of design. A main goal of the design approach was keeping environmental justice in mind, as Globeville was one of the most polluted zip codes in the United States for many years. 4995 Washington Street will include two separate courtyards above the surface parking, providing nearly 1 acre of green space and a play area for all residents on-site. The all-electric construction of the project will support electric cold climate heat pumps, electric water heaters, electric unit cooking, and EV-ready charging stations. In the above-average sized units, residents will enjoy open floor plans with market-comparable amenities, including full kitchens with Energy

Star appliances and LED lighting, step-in showers, in-unit washer and dryer, low flow plumbing fixtures, vinyl plank flooring throughout the units, free on-site surface parking and garage parking under the courtyards, access to a resident community room, as well as a fitness center, elevated courtyards, and on-site property management and building maintenance personnel.

The Development Team has compiled a very creative capital stack of federal, state, local, and nonprofit sources of financing for this project that includes support from HOST, State of Colorado Division of Housing, Impact Development Fund, The Colorado Health Foundation, Denver Public Library RISE bonds, State and 4% federal LIHTC, Energy Star 45L credits, Deferred Developer Fee, CHFA Housing Opportunity Funds, and CHFA permanent debt.

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

- Total amount of bonds with a breakout of construction period bonds vs. permanent bonds: There will be a tax-exempt construction loan in the amount of $53,719,968 with a taxable "tail" of $12,185,990. There may be two tranches of the tax-exempt bond portion of the construction loan – one sized to the permanent loan and one a construction-only tranche.
- Bond issuer and volume cap provider: City and County of Denver has indicated they are willing to transfer $25,000,000 in PAB to CHFA in support of this project, with CHFA as bond issuer.
- Lender and bond sale structure: Private Placement
- Portion of bonds that will be tax-exempt and taxable: $53,719,689 in tax-exempt bonds and $12,185,990 in taxable construction loan proceeds

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

While this project does not specifically address one of the three priorities in Section 2 of the QAP, this project does provide very deep affordability and family-size units, consistent with the goals of the HOST Strategic Plan, and also addresses quite a few of the Guiding Principles in Section 2.A of the QAP

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

Market conditions

The market analysis provided by JRES Intelica CRE concluded that the proposed project has a very strong unit mix, unit sizes, and reasonable rents, and would be supported by strong market demand. The market study mentioned the long waiting list at the peer group properties. There are not currently any four-bedroom units for lease in the PMA and the market supports the demand and likely strong absorption of these family-size units. The market study notes that:

- *Larger units, especially four-bedroom floorplans, are not very common among the subject property's competitors, even though this floorplan style is found throughout the Denver market in small numbers. The presence of four-bedroom units at the subject property is supported by the fact that just under 50% of the households in the PMA consist of 3 people or more.*

Proximity to existing tax credit developments

There are only three other affordable, "family/workforce" tax-credit complexes that are comparable to 4995 Washington. The Aria Apartments and Marycrest Apartments (Aria II) are two LIHTC properties that consist of a 72-unit property and 65-unit property respectively and are 3.6 miles from the proposed project site of 4995 Washington. These properties currently have no vacancy, and a waitlist of 500 individuals and families. The Elisabetta is a 91-unit LIHTC property 0.6 mile from 4995 Washington with a waitlist of over 25 families, which opened just before the Covid pandemic started. Globeville Townhomes is a 62-unit Denver Housing Authority property 0.5 mile from 4995 Washington with no vacancy, and 197 families on the waiting list.

Project readiness

This project will be ready to proceed to submit permit drawings to the City of Denver in January 2024. The development and design team have been working with the City of Denver's Affordable Housing Review Team (AHRT) since December 2022 and will be out of Concept Design with the City of Denver Department of Community Planning & Development (CPD) in August 2023. The site is currently zoned for mixed-use multifamily, and the building has been designed to be fully compliant with all requirements of the City of Denver Zoning, Energy, and Building Codes. This project team has been engaged with the Globeville community for more than a year to discuss the needs of the community, building design, and overall project development process and project progress. All environmental, geotechnical, survey, parking study, and energy scoring work has been completed. The Project Team has also completed a comprehensive pricing exercise based on very detailed schematic design set of plans and has completed thorough value engineering work. With the assistance of AHRT, this project is currently on track to have a building permit from the City of Denver by the end of Q2 2024.

Overall financial feasibility and viability
The project has been designed to **maximize non-LIHTC and non-CHFA** resources, starting with an allocation of tax-exempt bond volume cap from the City and County of Denver in the amount of $25,000,000. With this commitment, we are requesting only $28,719,968 in tax-exempt bond volume cap from CHFA for 170 units, representing $168,940 in CHFA volume cap per unit, a very efficient use of a scarce resource. The first mortgage is in line with our letter of intent from CHFA for permanent debt in the amount of $18,570,000 with a 6.50% rate, which will be locked in at closing on a 40-year term and amortization. Using standard 2/3 trending, the project begins 1.11 debt coverage in Year 1, and trending toward 1.30 in Year 15, including CHFA HOF funds and meeting all minimum DSCR requirements of CHFA as the permanent lender. We have requested that CHFA provide a Housing Opportunity Fund loan in the amount of $1,000,000. Impact Development Fund has also committed to support this project with a Capital Magnet Fund loan in the amount of $1,700,000, as well as a $5,000,000 soft loan. The City of Denver HOST has committed $11,650,000 in gap financing and for the acquisition of two adjacent parcels. The Colorado Health Foundation is a committed supporter with $6,000,000 set aside for this project, to be used between the residential portion and the commercial portion of the project in the form of loans and grants. If awarded, this project has received a letter of support that qualifies it for the Division of Housing gap financing in the amount of $6,800,000, based on the Metro Denver location. The Denver Public Library has set aside $9,000,000 of RISE bonds for the purchase of the Globeville Denver Public Library Branch. 4995 Washington is also being supported by Denver Housing Authority, in the form of a commitment to act as a Special Limited Partner, which provides a property tax exemption. Of the $115,651,938 total development cost, over 50% of the projected funding is not derived from LIHTC equity.

Experience and track record of the development and management team
Evergreen Real Estate Group principals bring nearly 100 years of combined experience in the affordable housing industry in various roles as owner, lawyer, consultant, property manager, educator, architect and urban planner. Evergreen Principals have developed over 2,500 units of low- and mixed-income housing in Illinois, Indiana, Wisconsin and other states, using the full range of affordable housing financing programs, from 4% and 9% LIHTC, to HOME and CDBG funds, to Section 8 and RAD resources. The EREG team currently has 3 LIHTC projects under construction, 1 project scheduled to close and start construction by the end of 2023, another 5 projects actively under development (a mix of 9% and 4% projects), including the Rifle Apartments project recently awarded 9% LIHTC by CHFA. Denver-based project manager Javonni Butler has 10 years of experience in real estate and will be overseeing the project from Colorado.

The Globeville, Elyria-Swansea Coalition Organizing for Health and Housing Justice (GES) is a group of neighborhood leaders and community organizations working to align community health and the well-being of their neighbors through advocacy campaigns to prevent displacement of our neighbors, activate resident-driven leadership, protect historically marginalized neighborhoods, preserve affordability in housing, and promote a culture that welcomes neighbors who value our long-standing culture, interconnectedness, and commitment to equity.

Evergreen Real Estate Services, LLC (ERES), Evergreen's property management company, manages more than 10,000 units of housing in nine states, with a mix of affordable, senior, market rate, and special needs properties, many covered by HUD operating subsidy contracts. ERES has a property management staff of more than 350 people, including accounting, compliance, human resources, and other corporate staff as well as site staff.

EJ Architecture, based in Lakewood, has cultivated a specialization in designing high-quality affordable multifamily housing. Elizabeth Johnson, the firm's owner, has over 30 years of experience in all areas of design and construction from traditional architecture to design-build. She has completed multiple projects for local Housing Authorities and has extensive knowledge of the process from design inception to tenant occupancy.

John Ronan Architects, founded in 1999, is an internationally-recognized design firm based in Chicago and comprised of dedicated design professionals committed to producing architecture of the highest quality, marked by conceptual innovation, exploration of materiality, and a rigorous attention to detail. Working across a wide range of scales and project types, the firm seeks to produce that which is compelling and memorable. The firm has been the recipient of numerous National AIA awards, including an AIA National Housing Award and an AIA/ALA National Library Award for the Independence Library and Affordable Housing project in Chicago, one of the first library-housing colocation projects nationally.

Milender White is a general contractor based in Denver that is dedicated to delivering outstanding results on every project, unsurpassed service to clients, with a total commitment to safety, quality, and integrity. Milender White has built thousands of affordable housing units within in the City of Denver and the State of Colorado, and is a longtime partner of Denver Housing Authority, for-profit and non-profit developers, hospitals, schools, and other valued clients.

Gilmore Construction is a Denver-based general contractor, serving the Rocky Mountain region's public and private sectors for decades. Gilmore Construction has built housing and commercial projects throughout the City of Denver and is currently leading the construction of the FreshLo Hub mixed-use affordable housing project in the Montbello neighborhood of Denver.

Project Costs
The Milender White/Gilmore Construction team has extensive experience with both LIHTC and market-rate multifamily development, specifically in Denver, and their detailed schematic design level cost estimate draws on their strong relationships with trusted subcontractors and their historic corporate cost database to validate the proposed project's costs. The construction, design, and development team have been working together for over a year in a collaborative and iterative fashion to design a building consistent with the budget included in this application. The residential construction costs included in this budget are $414,125 per unit, fully consistent with recent, escalated construction pricing.

All other soft costs, including financing costs, are based on direct review of professional service fees in the market, or on conversations with lenders and investors about rates and terms relating to debt and equity placement. Because of the strong cashflow, Evergreen is deferring approximately 40% of its allowable developer fee to keep overall project costs down. We believe that the total development cost of just under $617,095 per unit – excluding all commercial costs - is reasonable and appropriate given current economic conditions for a development of this size, scope, and significance.

Site Suitability
The location on Washington Street in Globeville ensures that this project will be a catalytic and placemaking project for an important corridor in the City of Denver. The project site of 4995 Washington is in the middle of $50 million in forthcoming City of Denver-sponsored infrastructure and streetscape improvements that are designed, funded, and commencing construction in 2025. The City of Denver has constructed and opened the 51st Avenue Bridge that connects the Globeville neighborhood to The National Western Center, giving residents the opportunities for jobs, recreation, and educational opportunities the Colorado State University SPUR campus. There is also a new outfall and bridge planned for 48th Avenue, giving residents another access point to the South Platte River Trail and The National Western Center. There are millions of dollars funded for improvements to Argo Park, Carpio-Sanguinette Park/Heron Pond and Heller Open Space, Platte Farm Open

Space, and the South Platte River Trail – all within a short walk or roll of the 4995 Washington project site. The project site is just north of the RiNO neighborhood in Denver, giving residents access to shopping, grocery options, dining, banking, healthcare, education, parks, library, employment, and public transportation.

4. **Describe any requests to waive underwriting criteria (if requesting).**
   There are no requests to waive underwriting criteria.

5. **Address any issues raised by the market analyst in the market study.**
   There were somewhat elevated Capture Rates, which are directly correlated to the sparse and dispersed residential population of the PMA due to historical lack of housing options.

6. **Address any issues raised in the environmental report(s) submitted with your application and describe how these issues will be or have been mitigated.**
   There have been a Phase I, Phase II, and Material Management Plan completed for this project. The Phase I did recognize, due to the location of the project site, that there was potential for groundwater and soil contamination. The Phase II concluded that there were low levels of impact of petroleum hydrocarbons and metals throughout the project site. Our environmental consultant recommended we have a Materials Management Plan prepared for use during construction activities. Due to low levels of contamination found on-site, there are no reporting requirements to the State of Colorado.

7. **Identify if there are any unusual features that are driving costs upward, as well as if there are any opportunities to realize cost containment. (Refer to Section 2 of the QAP for additional information.)**
   The irregular shape of the site provided by the City and County of Denver contributes somewhat to the costs of the project. The development team was successful in putting several additional parcels of land adjacent to the City-owned parcel under contract for this project, but two small privately-owned parcels at the northwest corner of the block still require a building footprint that is somewhat more complex than a typical L- or U-shaped single structure. In addition, the large proportion of three- and four-bedroom units in the building, a requirement of the HOST RFP, drives the overall square footage above that of many nearby comparable projects with fewer units for large families. The design team has aggressively optimized key aspects of the building while still providing first-rate design, ultimately shaving more than $12 million from initial estimated costs.

8. **Describe the outreach to the community that you have done and describe local opposition and/or support for the project (including financial support).**
   We have been involved with the Globeville community for over a year on this project. GES Coalition, the nonprofit partner on the development team, has been leading the community engagement efforts in Globeville. The development team has had public meetings, one with over 200 people who attended to learn more about the project, multiple group center meetings in Globeville with over 30 attendees per meeting, regular visits to Garden Place Academy (Denver Public School in neighborhood), and small "cafecitos", specifically for Spanish speakers, led by GES Coalition. The community has been a valued member of the project development process and has helped lead the direction of the overall building design and commercial uses.

9. **Describe how the proposed development contributes to promoting equity as well as economic mobility for residents.**
   4995 Washington Street is going to give dozens of families the opportunity to live in a city where they work with amenities on-site that will encourage educational, economic, and social progress. Having access to a Denver Public Library branch will be a significant benefit to people on-site who are applying to college, applying for new jobs, and furthering their learning to acquire new skills. The location of 4995 Washington will give residents access to the job centers of Downtown Denver, RiNo District, The National Western Center, and neighboring Adams County.

4% housing credit application narrative

Project Name: Albion Affordable Apartments

Project Address: 2280 S Albion St., 2222 S Albion St., 2236-2250 S Albion St., Denver, CO 80222

The *Albion Apartments* is a proposed 169-unit, family-oriented affordable multifamily development located in Denver's transit-rich, University Hills neighborhood. This development has the possibility of housing and impacting an astounding 798 people (assuming full capacity at 2 people/bedroom). The proposed development "prioritize[s] new affordable housing and increase[s] housing diversity, particularly in an area near transit, services, and amenities to support households of different sizes, ages, and incomes," as the May 2023 Near Southeast (SE) Area Plan states. Important city plans known as Blueprint Denver and Housing an Inclusive Denver, also suggest that the majority of new affordable housing should be located near transit corridors to give residents convenient access to jobs, education, services, and amenities. The *Albion Apartments* is located only **0.2 miles away or a short 5-minute walk** from RTD's Colorado Station, a public transit hub for 3 bus lines (21, 40 & 46), and a light rail line allowing for easy access to all parts of the metro area. To optimize the use of transit, Delwest is pursuing the RTD Neighborhood EcoPass for all residents (included in the proforma's operating costs). With proximity to transit and an extremely high walk score plus the planned Early Childhood Center (ECE), Boys & Girls Clubs of Metro Denver (BGCMD) programming, and high-quality neighborhood schools, residents of all ages will have **ample opportunities for economic mobility.** This is a once-in-a-lifetime possibility to serve families in a premium location without traditional barriers of transportation, employment opportunities, and quality education. Taking into consideration the goals outlined in the Near SE Area Plan and CHFA's guiding principles in the Qualified Allocation Plan (QAP), receiving a 2023 tax credit award is crucial due to the rapid changes to the QCT, especially in this higher-income area of Denver. This designation is up for review at the end of 2023 and could easily go away. This project would be at risk of losing the QCT financial benefit (see attachment). Delwest knows this risk all too well. If our *Holly38 Apartments* had not been awarded Tax Credits in 2021, the 253-unit affordable apartments in Northeast Park Hill would not be under construction today as the area has lost its QCT designation. Receiving a 2023 tax credit award this calendar year is critical for another reason. Delwest feels fortunate to have the unique cooperation of three sellers and a large tenant working together to sell the four different parcels for this development. Working with multiple sellers will make it more challenging to extend terms past this year (please see attached letter of support from Hopebridge).

Unit Mix				
AMI	**2-BR**	**3-BR**	**4-BR**	**Total**
30%	20	4	3	**27**
60%	44	11	6	**61**
70%	60	14	7	**81**
Total Units	**124**	**29**	**16**	**169**

The *Albion Apartments* will have programs that serve the anticipated resident population. To ensure that the many children living at the property (27% large bedroom units) will be supported, there will be space designated and licensed for an Early Childhood Education (ECE) Center and enrichment programs for older kids (e.g., homework hours, etc.). Delwest, a Colorado-born company, has established a relationship with Wildflower Schools (see attached letter), a national foundation focused on bringing quality (Colorado Shines 3-5 ratings) Montessori schools to underserved communities. Together, Delwest and Wildflower have established a sustainable financial model; Delwest will charge $1.00/year for the lease and Wildflower will provide loans with generous terms to cover start-up costs. The financial model is based on nearly 100% subsidized tuition, assuming all residents qualify for Colorado Child Care Assistance Program (CCAP) as well as the recently adopted Universal Preschool Program (UPP). In the fall of 2024, the first Delwest-Wildflower preschool, Girasoles Montessori Preschool, will open at a Delwest affordable property in Commerce City. Delwest believes providing quality care, without barriers of transportation and cost, has a dramatic impact on the whole family. To address the shortage of ECE teachers, Delwest will look to current residents first.

Delwest is committed to ensuring all residents have access to quality programs and education. The neighborhood public schools (University Park Elementary, Merrill Middle School, Thomas Jefferson High School) are strong and well-regarded. The children housed here will have excellent preschool through 12th-grade educational opportunities. In addition to having strong neighborhood schools, residents (ages 5-17) will be fully supported through the Boys & Girls Clubs of Metro Denver (BGCMD) programs (see attached letter). Delwest has a strong partnership with BGCMD. During the 2023 summer, Delwest sponsored BGCMD programming for all Delwest school-aged residents. The sponsorship included transportation and programming. Properties without stand-alone Clubs nearby had BGCMD programs on-site. Together, Delwest and BGCMD eliminated barriers of transportation and membership. Delwest and BGCMD are pursuing the on-site Club model at *Albion Apartments* since there is not a Club nearby. BGCMD's mental health team will also be available to kids and caregivers, providing the opportunity for multi-generational support and impact.

Before partnerships with Wildflower and BGCMD, Delwest privately funded on-site COVID-19 vaccine clinics affording residents access to immunization, learning pods, and summer programs to support families with schools closing and learning loss due to the pandemic. The Delwest team partnered with local organizations to get meals delivered to the properties, boosted the internet, provided Chromebooks, and hired qualified assistants to work with the children in the clubhouses. The programming continued through the summers. Delwest is excited to build on what we provided, knowing the resources and expertise that come with our partners, will benefit Delwest residents even more.

In addition to the proximity of transit, employment opportunities, and quality educational programs, the *Albion Apartments* will contribute to Colorado's Renewable Energy and Climate Action goals as the project design is Electrification Ready. The *Albion Apartments* will be certified under Enterprise Green Communities Criteria as well as comply with the advanced pathways of Zero Energy Ready Homes. The hot water heating system is an example of thoughtful Electrification Readiness as well as long-term preparedness and planning for a more sustainable future. Instead of individual water heaters, there will be gas-powered centralized boilers on each floor. The architect left ample, back-of-house (BOH) space to incorporate boiler rooms (see BOH labels in drawings) in the next iteration of drawings. Conduits will run from the boiler to individual apartments. When the technology for dependable and economical water heating becomes available, the centralized boilers will allow for an easy transition to electrification.

The *Albion Apartments* are located in an area that historically has not had new affordable units, especially for families. According to the Near SE Area Plan, the area is short approximately 2,200 units of affordable housing. The most recent family-focused affordable housing was delivered in 2015. Albion Apartments will meet the desperate need and serve 169 families and individuals with a range of incomes from 30 to 70 percent of AMI. The market study also noted the dramatic shortage of affordable homes for larger families. If *Albion Apartments* is to obtain Project Based Vouchers from Denver Housing Authority (DHA) or vouchers from different available sources, a priority identified in the QAP will be met. The unit type, quantity, and income range summary is below.

Unit Type	#	Max. Occupancy	Avg. Sq. Ft.	Income Range
2 Bed 2 Bath	124	496	988	30% to 70%
3 Bed 2 Bath	29	174	1,126	30% to 70%
4 Bed 2 Bath	16	128	1,592	30% to 70%
Totals	169	798	180,632	

The *Albion Apartments* will be a dynamic place to call home. Meetings with former District 4 Councilwoman Kendra Black (see attached letter of support) and current District 4 Councilwoman Diana Romero Campbell (see attached letter of support) provided input that has been incorporated into the design of the project. Both Council Members are passionate about affordable housing and education. The Near SE Area Plan suggests "development should improve connections to the surrounding neighborhoods while providing community services and destination and should exemplify best practices in sustainable design and climate resilience." In response, the *Albion Apartments* will house a public commercial gathering space (for example a coffee or ice cream shop).

In addition to the commercial space, there will be a licensed ECE center, program areas, outdoor play structure, community space with kitchen, tables, and TVs, plus a flex room in the clubhouse. The building will be five stories of Type III wood framing on a 2-story concrete podium built on spread footings. Along Albion Street will be 2-story townhomes (9 units). These units will complement the large clubhouse (10,000 sq. ft.) at the south end of the building (steel framed walls). Two stretcher-compliant elevators and three well-lit stairwells will enhance the naturally lit corridors as tenants move through the building. The exterior skin will be stucco and brick and the roofing will be a "cool" membrane (60 mil) with a 20-year warranty. The building will be Electrification Ready using a cold climate split system heat pump that is most appropriate for these larger units (rather than the typical PTAC/VTAC systems). Units will have "market rate" finishes and "market rate" views. The finishes will include granite-hard surfaces, kitchen islands, LED lighting, Energy Star appliances, ceiling fans, dishwashers, garbage disposals, microwaves, central air conditioning, in-unit washer and dryers, window coverings, and smart locks to give residents a home they can be proud of and feel secure. Plus, many residents will enjoy the premium panoramic views.

The design of the *Albion Apartments* adheres to many priorities in the Near SE Area Plan (adopted May 22, 2023) including reducing the visual impact of parking. To answer this recommendation and acknowledge the feedback from CHFA during our concept meeting, the parking structure will be on the first and second levels, behind the nine, 2-story 4-bedroom townhome units. The townhome units will not only hide the parking from Albion Street but also provide a residential feel. There will be 0.9 parking spaces/unit exceeding Denver's requirements. Delwest will also include 18 EV-ready parking spaces.

The sources of funding for this project include up to $29.21 million in construction loans, $43.75 million in Private Activity Bonds, and $29.8 million in permanent loans from CHFA (please refer to page 3 of the CHFA Letter of Interest). In addition, the budget includes both federal tax credit equity ($33.7 million) and state tax credit equity ($4.6 million). Delwest is seeking additional loans from the City of Denver and the Colorado Division of Housing (seeking $7.68 million each). Please see letters of intent from HOST and CDOH. Delwest will defer $3.7 million (45%) of the developer fee. The financing for this project meets the 50% test.

Market conditions: The existing capture rates for the proposed project are as follows:

- 1.8% at 30% AMI,
- 2.3% at 40% AMI,
- 4.8% at 50% AMI,
- 6.4% at 60% AMI,
- 0.0% at 70% AMI, and
- 0.0% at 80% AMI.

These capture rates are significantly below the maximums for CHFA LIHTC projects.

Proximity to existing tax credit developments: The PMA has 6 LIHTC family projects containing 585 units and 5 LIHTC senior projects containing 370 units in proximity to the *Albion Apartments*. The closest existing tax credit project is Garden Court at Yale Station. Garden Court consists of 66 units for families, was built in 2015, and is located approximately 1.4 miles southeast of the *Albion Apartments*. The closest family project is in Glendale, approximately 3 miles north.

Project readiness: To secure project readiness, Delwest has made non-refundable and refundable earnest money deposits. The proposed use on this site is allowed under its existing zoning. The plans are being reviewed under Denver's Affordable Housing Review Team (AHRT) meaning the site plan is prioritized and permits are expedited. The existing Delwest team has a history of having projects ready to proceed on the schedule provided to CHFA and other lenders. The schedule included in the application calls for construction to begin in April 2025 and take approximately 24 months (April 2027) with lease up to be complete by the end of 2027.

Delwest Management Corp. will manage the *Albion Apartments*. With their extensive experience and success in managing and marketing affordable and market-rate properties, the *Albion Apartments* will be a seamless addition to their portfolio. The Delwest Management team has a successful history of completing lease-up within the time limit to which they commit, by using a variety of marketing methods, including attractive and noticeable signage. The location of this development affords premium visibility for long-term and attractive signage promoting ongoing leasing and ensuring full occupancy.

Overall financial feasibility and viability: This project is financially feasible with a waiver of the basis limitation for tax credits. This is largely due to the structured parking needed for this building and the general increase in construction costs over the past year. Delwest believes it is justified to serve family residents with incomes that range from 30% AMI (16%) to 70% AMI (48%). Again, based on the market study, there is a great need for these larger units in this community.

Experience and track record of the development and management team: Delwest is a Denver-born real estate development firm, with employees and an office in the Cherry Creek North neighborhood. Delwest was founded in 1993 by Joe DelZotto. His background includes overseeing the planning, financing, and delivery of new and redeveloped single-family homes, townhome and condominium communities, multi-family buildings, and assisted living facilities in both the U.S. and Canada. DelZotto's roots in the industry go back to his grandfather, who immigrated to Canada in 1927. Like his grandfather, DelZotto immigrated to the US and made Colorado home. Here, he built a strong, reputable company that makes an impact on his community. An advocate of the industry, DelZotto has served on the board of Housing Colorado. He was part of the CHFA Tax Credit Advisory Group and is a current member of YPO.

Under DelZotto's leadership, Delwest has grown to be one of the most respected developers in Colorado. Delwest has a growing focus on social impact. DelZotto and his team believe social impact is possible through their continuation of developing and managing quality affordable housing for Coloradans with low and moderate income as well as partnering with organizations that have a proven track record of positive outcomes with traditionally underserved communities. Over the last decade, Delwest has successfully provided the Denver Metro Area with 671 new affordable units. See resume for detail.

Project costs—The general contractor's cost estimate is approximately $175/Sq. Ft. and $294,000/unit, both of which are within a reasonable range.

Site suitability—This is a reasonably flat site with basically a rectangular shape, that allows for maximum density with 114 units to the acre. "Wet" utilities, including water and sanitary sewer mains, as well as storm drainage, are readily available in the adjacent streets and all dry utilities are also readily available nearby.

Five LOIs were sent to adjacent parcels of land including 4175 E. Iliff, 2280 S Albion St., 2222 S Albion St., and 2236-2250 S Albion St.. Delwest went under contract on 4 of the 5 parcels (2280 S Albion St., 2222 S Albion St., 2236-2250 S Albion St.). The decision to terminate 4175 E Iliff was made because of the difference in zoning and our many attempts to creatively combine all parcels with our Architect, each requiring submittals to the Community Planning and Development Department, proving it wasn't feasible.

Address any issues raised by the market analyst in the market study—The market study is very positive about this project. The other LIHTC projects in the market area are 98% occupied and have waiting lists ranging from 36 to 300 applicants. The proposed rents are considerably below those of nearby comparable units. With such a low supply of available units in an area that the Near SE Area Plan considers large and multi-generational families a vulnerable population, the Albion Apartments will focus on family-sized units by offering 2-, 3-, and 4-bedroom units.

Address any issues raised in the environmental report(s) submitted with your application and describe how these issues will be or have been mitigated. The Phase I Environmental Site Assessment completed on June 2, 2023, revealed no evidence of recognized environmental conditions (RECs), controlled recognized environmental conditions (CRECs), historical recognized environmental conditions (HRECs), or *de minimis* conditions in connection with the site.

The site consists of an assemblage of 4 parcels, all with existing structures that are currently occupied. The buildings are all one level, built in the 1950s and 1960s. No different than any other building built during those years, there will be asbestos mitigation required. Once the buildings are vacated and Delwest can complete asbestos testing, the final budget for mitigation will be determined. Delwest has addressed both the asbestos testing and abatement in our budget, based on preliminary bids from contractors.

Unusual features effecting costs— The unusual features effecting costs are large units suited for family groups in an area of Denver with great schools where land tends to be slightly more expensive, as well as structured parking, space for an ECE Center, and a substantial play area.

Community Outreach and Local Support— The project has local support including anticipated funding from HOST and property tax abatement from DHA. After meetings and outreach with District 4 City Council Members as well as the North University Hills RNO, Delwest has only received support.

Promoting equity as well as economic mobility for residents — By design, the development affords multi-generational economic mobility. Three- and four-bedroom units, grocery stores, subsidized Early Childhood Education, great neighborhood schools plus quality after-school programming, a major transit station, surrounding employment opportunities and parks all within walking distance provides real opportunities for an underserved population who has faced insurmountable barriers. Delwest's efforts to address and dismantle these barriers are ongoing; this development in this location is a real opportunity for greater equality and inclusivity.

4% housing tax credit application narrative

Project Name: **The Ascent at Hover Crossing**

Project Address: **1764 & 1780 Hover St, Longmont, CO 80501**

Executive Summary:
The Ascent at Hover Crossing will provide 75 units of much needed family-friendly affordable housing in a high-opportunity neighborhood in Longmont. The community will be built on a 2.4 acre infill site in northern Longmont where a full-service grocery store, pharmacy, hospital, outdoor recreation opportunities, public transportation and a variety of amenities are all within a few blocks.

Utilizing the Income Averaging program, the units will be restricted to households earning at or below 30%, 40%, 50%, 70% and 80% AMI. With a unit mix consisting of 21 one-bedroom, 30 two-bedroom, 21 three-bedroom and 6 four-bedroom units, a standalone community center and the potential for an on-site Early Childhood Education Center, The Ascent is designed with families and children in mind.

The development is a joint effort between the Longmont Housing Authority (LHA) and Pennrose, LLC (Pennrose), a long-standing and highly experienced affordable housing developer. LHA owns the property and selected Pennrose as developer partner via a competitive process. As additional evidence of local support for the development, LHA and the City of Longmont have committed $2.4 million in soft funds in addition to 18 project-based vouchers committed by LHA to ensure its most vulnerable residents have an opportunity to live in the community. LHA will also serve as property manager, bringing its experience, market knowledge, and a considerable waitlist to the project.

The Ascent will be built to be 100% electricity powered, in furtherance of the State's and Longmont's sustainability goals. In collaboration with the local utility company, the Platte River Power Authority, we anticipate incorporating rooftop solar into all buildings on-site, and the community will be built to NGBS Bronze standards. The units themselves will be spacious and all will include full kitchens, in-unit washers/dryers, and additional closet/storage space. The wood-framed buildings will sit on post-tensioned slab on grade foundations and provide circulation through multiple open-air screened breezeway stairwells. The PV-ready roof consists of sloped asphalt shingling over ice and water shield, with cavity insulation at the top of ceiling R-60 blown insulation.

Project amenities, located in the centralized community building, include on-site property management, a multi-purpose community room, fitness room, an indoor play area, and an outdoor playground/seating area. The lobby will have an open-concept seating area with access to a closed-door office and conference room for privacy when needed. The two residential buildings will be 3-story wood frame structures and will have sloped roofs, high ceilings, and open-air stairwells for safety and visibility.

With consultation provided by Group 14, the project will meet aggressive energy efficiency and greenhouse gas reduction goals through NGBS Bronze and ENERGY STAR for Multifamily New Construction certifications. To hit these goals, the current design approach includes several high-performance building systems including: (1) all-electric cold climate split system heat pumps, (2) low power density LED lighting package and Energy Star appliances, (3) double glazed windows with U-factor at or below 0.29, (4) low flow plumbing fixtures and native landscaping, (5) a PV-ready rooftop with R60 insulation, and (6) Electric Vehicle-ready parking stalls. The project anticipates translating a high-performance design into lower operating costs. Energy Star Portfolio Manager software will be used to reconcile energy budget to actuals, and property management will proactively address consumption spikes if they occur.

Multifamily dwellings and educational facilities are both permitted uses in the site's Mixed-Use Neighborhood (MU-N) zoning, provided that any multifamily achieve a density of at least 18 units per acre. The Ascent will achieve a residential density of approximately 31 units per acre. The site is not in a HUD designated QCT or DDA.

In addition to the housing and common amenities and pending financial support to do so, LHA and Pennrose intend to incorporate a two-story, three-classroom Early Childhood Education center on the north side of the property, complete with its own secure indoor and outdoor play areas, reception area, office space, conference rooms and kitchen area. The Wild Plum Center, a long-standing local provider of early childhood programs, specializes in working with HEAD START-qualifying low-income families and provided design consultation for the space. Although funding for the ECE is not fully committed at this time, multiple local and statewide foundations have indicated interest and funding eligibility for the project, and LHA and Pennrose have identified and intend to apply this fall for state and local government sources to support this component as well. The ECE would be available to any qualified interested families living at The Ascent, but it would not be exclusive to residents and would also serve the surrounding Longmont community.

Pennrose and LHA are fully committed to the success of The Ascent at Hover Crossing and will continue to advance design and programming in the weeks and months ahead such that, if awarded credits, we'll be ready to close and start construction before summer 2024. Incorporating an ECE into the development would provide a valuable service to the community and would allow the development to meaningfully address two of Longmont's greatest challenges – affordable housing and affordable early childhood education - in one convenient location.

1. **Bond Financing Structure**:
   - $18,250,000 in PAB paid down to $11,500,000 in long term PAB
   - CHFA will be the bond issuer and volume cap provider
   - Forward Construction to Perm structure anticipated with a private placement single lender
   - 100% of the bonds will be tax exempt. There will be a small conventional second during construction.
   - In addition to tax credits, tax-exempt bonds, and deferred developer fee, additional sources for The Ascent include soft funds from the Colorado Division of Housing and from the City of Longmont and proceeds from the sale of 45L credits.

2. **Priorities in Section 2 of the QAP:**

   Not Applicable

3. **Criteria for Approval in Section 2 of the QAP:**

- Market conditions: The LIHTC properties in the PMA evaluated by the market analyst were 98% occupied and all of them had steady occupancy between 96% and 100% since mid-2022. Two of them have waitlists ranging from 30-145 applicants. The market analyst further concludes that The Ascent's close proximity to shopping, transit, education, employment and healthcare services make its location superior to most of the surveyed properties.
- Proximity to existing tax credit developments: The market analyst identified five LIHTC properties within the PMA, totaling 1,002 units, all of which again average over 98% occupancy and range from 96% to 100%. Further, all are at least 1.3 miles away from The Ascent.
- Project readiness: The development is on track to achieve a financial closing within the next twelve months. The entitlement process is administrative, and the gap funding requests are backed by letters of support. Conversations are underway with multiple potential funders of the ECE space, but should that component not come to fruition, the residential development would proceed without it.
- Overall financial feasibility and viability: As contemplated, the Project is financially feasible if awarded an allocation of 4% LIHTC and State AHTC. In addition to the federal and state equity for this application, we are assuming construction to perm financing from R4, soft financing from the City of Longmont and CDOH, an award of Project Based Vouchers from the Longmont Housing Authority, a seller carry-back loan and deferred developer fee. We are also assuming a partnership with the Longmont Housing Authority as Co-General Partner. The equity syndicators, lenders and our financial consultant, RCH Jones Consulting, have run the current project assumptions through their tax credit financial models. This extensive up-front conservative underwriting has shown that as proposed and with the current information, there are minimal risk points. Furthermore, we are accounting for the volatile construction pricing by including appropriate contingencies. Our collaborative approach with development, design, construction and management teams maximizes operating efficiencies without compromising resident comfort, ongoing compliance, or building durability and maintenance.
- Experience and track record of the development and management team: Pennrose, the project's sponsor, is a known national leader in affordable housing development and operations, having developed or redeveloped more than $5 billion of multi-family and mixed-use properties throughout the country since 1971. The Longmont Housing Authority has been serving the City of Longmont since 1975 and owns and manages 461 affordable apartments for seniors, families, and formerly homeless. RCH Jones Housing is the preeminent LIHTC financing consultant in Colorado. The project's architect (VMWP) and general contractor (Deneuve) also have deep LIHTC and affordable housing expertise. Both have worked together on multiple Colorado LIHTC developments, and their reputation delivering exceptional projects on time and on budget is well-known.
- Project costs: The project's construction budget is based on schematic design drawings, local data generated by the general contractor and informed by the development team's recent development budgets. All other project costs are also based on reasonable and recent experience with closings. The development team has worked to keep project costs as low as possible while balancing the market volatility that is forecasted to occur between LIHTC award and closing.
- Site suitability: The site is suitable for development for a variety of reasons. Namely, opportunities for employment and education, transit, medical services, outdoor amenities, a pharmacy and a supermarket are conveniently accessible. Additionally, the site itself is zoned for

the intended use and is served by existing public utility infrastructure, facilitating an expedient permitting and development process.

4. Underwriting Criteria Waiver Requests

We have requested a cost basis override from CHFA based on a number of factors described in the request letter.

5. Issues Raised by the Market Analyst

The market analyst's evaluation table (on a scale of 1-5 with 5 being the highest), provides The Ascent with a score of 5 for market demand and 4 for location, unit mix, proposed rents, and marketability, ultimately concluding that the property should successfully lease up in 15 months and maintain 97% occupancy at underwritten rents. The only score of 3 in the table was for unit sizes, noting that some of the unit types are slightly smaller than the weighted average of the surveyed set, and that is largely driven by design efficiencies and a focus on low-energy consumption in addition to shared common area and family friendly amenities.

6. Issues Raised in the Environmental Report:

The Phase I did not identify any evidence of recognized environmental conditions and did not recommend any further action or investigations.

7. Unusual Features that are Driving Costs Upward, and Opportunities to Realize Cost Containment:

There is nothing unusual or unique about the site itself that directly drives costs upwards, but we are still in an environment of demand for labor and materials outstripping supply while local energy and building codes are rightfully becoming more onerous. All of these elements continue to drive elevated constructions costs. However, this applicant team including our architect, contractor, and engineers have worked together successfully before and are all committed to working diligently, including through the time between application submission and CHFA award announcements, on advancing design and seeking cost containment opportunities without compromising quality. Lastly, incorporating the ECE Center at the time of initial housing development will allow for economies of scale and efficient project management, mitigating added costs associated with the nonresidential component of the development.

8. Outreach to the Community and Any Local Opposition and/or Support for the Project:

We are proud to share that The Ascent has not received any local opposition, written or vocal, throughout our planning process with the City of Longmont and associated community outreach and public hearings. Rather, what we have seen is excitement for the project and anticipation about when it may be delivered. Surrounding retail providers are excited about the prospects of new residents and the neighbors we've spoken to understand the need for affordable housing, and potentially childcare, opportunities in their neighborhood. The City of Longmont has been especially supportive of the development as evidenced by its commitment of $2.4MM in local and ARPA funding as well as 18 project-based vouchers, and providing seller financing for the land.

9. How the Proposed Development Contributes to Promoting Equity as well as Economic Mobility for Residents:

As the National Low Income Housing Coalition aptly states, “Opportunity starts at home.” With a rent they can afford and a welcoming community to call home, residents of The Ascent will have the foundation they need to move themselves toward financial independence. Removing the stress of monthly housing costs from their lives while at the same time providing easy walking access to a variety of services and amenities and public transit will add up to meaningful monthly savings and provide a platform to achieve work-life balance. The Ascent’s commitment to family-friendly housing, with an abundance of 3-bedroom and 4-bedroom units and indoor/outdoor play spaces, is especially rare in the Longmont market and will provide an opportunity unavailable to most low-income families. Add in the potential for an affordable ECE on site, and historically underserved families will have the opportunity to truly thrive at The Ascent**.**

4% housing credit application narrative

Project Name: Atwood Commons

Project Address: 130 Third Avenue, Longmont, CO 80501

Brikwell Olive Grove Housing Solutions presents Atwood Commons, a proposed 72 unit, four story building in downtown Longmont. The property will have one- and two-bedroom units with an AMI set aside from 20% to 80% AMI. This property will provide the first unsubsidized 20% AMI units in Longmont, meeting a significant unmet need. Furthermore, since the design and entitlement processes are so advanced, the completed units could be delivered by the fall of 2025, a full year or more ahead of other state credit developments awarded at the same time. The level of detail available in the plans and budget also enables the development to mitigate against cost escalation and get to closing more quickly.
Atwood Commons has meaningful local support from the City of Longmont and the Longmont Housing Authority, which has provided significant momentum for the project. The City of Longmont has committed to a $1 million cash flow loan and reduced municipal fees by $500k. In addition, The Longmont Housing Authority has awarded the development eight project-based vouchers as well as agreed to partner for property tax exemption. These critical local commitments will likely be lost if the project is not funded in this upcoming round.

Location

Atwood Commons is located on a one-acre parcel, at **130 3rd Avenue, Longmont, CO 80501**, in the qualified census tract 134.01. It is four blocks East of Main Street, two blocks East of the City of Longmont's Civic Center (Longmont Housing Authority, library, community development, services) and considered very walkable with a walk score of 82 (compared to Longmont's average walk score of 39). The nearest bus stop is 260 feet from the building, and this service provides transportation throughout Longmont and connections to regional transit. Atwood Commons is ideally located to provide access to employment opportunities and economic mobility with its proximity to the Longmont Civic Center and Main Street stores, employment, and restaurants. To encourage the use of public transit, the building will apply for a NECO pass and has budgeted an RTD pass for every household.

Unit and project amenities

Unit type	20% AMI	30% AM	50% AMI	60% AMI	70% AMI	80% AMI	Total
1 Br / 1 Ba	2	2*	7	2*	2	3	18
2 Br / 1 Ba	2	7*	18	10*	8	9	54
TOTAL	4	9	25	12	10	12	72

- **Four units at 30% AMI and four units 60% AMI will have Project Based Vouchers.**

Each of Atwood's units will have central heat & air conditioning, blinds, luxury vinyl plank flooring, high-speed internet hookups, refrigerator, stove/oven, dishwasher, disposal, microwave, and in unit washer & dryer. The common amenities will include on-site management, bicycle maintenance/storage, a community room with kitchen, exercise room, picnic area, playground, business center, and package holding area. Its security features will include electronic access entries, security cameras, courtesy patrol, and a front door call box. The tenant services will be provided by OUR Center and are to include adult education classes, computer classes, resume writing, job search assistance, social activities, and more.

Atwood Commons is conceived as a four-story "L" shaped single building, holding the southwest corner of the site, with surface parking and EV ready tuck-under parking. Atwood will be constructed with wood framing (type V-A) over an on-grade spread-footing foundation, with a flat reflective white TPO roof (good for dual sided PV). Atwood will have dual secured access points at the vertex of the "L", with the public front door on the South side facing 3rd Avenue, adjacent to the community room and leasing/management office. The resident parking and exterior amenity access is on the North side of the building, adjacent to the mail room and indoor bike storage. Building circulation will be conditioned interior corridor, serviced by an elevator, making all units fully ADA visitable; with elevator lobby and end of corridor daylighting by full-light windows incorporating trauma informed design details. Stair cores made of CMU block with glass block daylighting accents flank both sides of the building. Exterior skin comprises fields of fiber cement panel, shake siding, vertical siding, and lap siding, composed in a modern, mountain color palette similar to current design trends in hospitality and multifamily.

Services

We are very pleased to have an MOU in place with OUR Center, which is conveniently located a block away (~600'). Atwood's proximity to their offices makes for an ideal partnership. The services OUR Center will provide include: Community Café hot meals program, Community Market food pantry, financial literacy/budgeting classes, employment assistance referrals, life skills training program, parenting support groups, assistance with referrals to agencies for childcare and transportation, and emergency financial assistance as needed. These services will be provided on-site at Atwood as well as at OUR Center offices nearby. We will also work with OUR center staff and Atwood residents to create other services and programs that residents would like to see offered.

Energy Efficiencies

Atwood Commons is conceived as an all-electric community and has engaged Group 14 Engineering to provide sustainability certification and commissioning to the following standards including: 1) 2021 International Energy Conservation Code (IECC), 2) National Green Building Standard (NGBS) – Bronze Certification, and 3) ENERGY STAR Multifamily New Construction Certification for the 45L Tax Credit. Atwood will also utilize onsite rooftop Photo Voltaic solar panels to generate electricity and offset community energy usage. The PV solar panel array is anticipated to generate 232,400 kWh/year. The project will adhere to water-wise and non-functional turf new construction requirements.

Financing

Atwood will be financed using tax exempt Private Activity Bonds, and equity from the sale of Federal, energy and state LIHTCs. Additionally, Atwood has applied and been awarded $1,000,000 in funds from the City of Longmont. We will also apply to DOH for funding once we have our LIHTC award.

Describe the bond financing structure and include the following:

- **Total amount of bonds with a breakout of construction period bonds vs. permanent bonds.** Total construction bonds equal $22,210,465. Permanent bonds equal $9,027,802.

- **Bond issuer and volume cap provider (please specify whether you are seeking CHFA bond-financed loan(s), CHFA conduit bond issuance only, or if bonds will be issued by a local issuer other than CHFA)** CHFA will be the bond issuer and volume cap provider.
- **Lender and bond sale structure (public sale/ private placement, takeout, securitization, etc.)** Bellwether will provide a private placement bond structure, which will serve as both construction and permanent financing.
- **Portion of bonds that will be tax-exempt and taxable.** Tax-exempt bonds will be $14,828,732 with a taxable tail of $7,381,733.

Market conditions

The LIHTC comparables in Longmont were 98% occupied, all had steady occupancy at 96% to 100% since March or June 2022, and two had waitlists with 30 to 145 applicants, illustrating substantial pent-up demand for affordable rental housing. All surveyed LIHTC properties were attaining rents at up to 60% AMI at or near the maximums suggesting that the Atwood can achieve the maximum allowable 30%, 40%, 50% and 60% AMI rents. Atwood has discounted both the 70% and 80% rents to below LIHTC maximum rents and below market rate to better serve those residents.

The city of Longmont recently completed a housing needs assessment which documented an affordability shortage of 2,173 units of housing for households at 50% AMI and below. Additionally, the number of cost burdened renters earning between $35-50K and between $50-75K grew over 40% from 2013 to 2021. Nearly 7,000 households in Longmont are cost burdened and another 5,700 are severely cost burdened (spending more than 50% of their income on rent). Cost burden and severe cost burden collectively affect over half of Longmont renters. Longmont is experiencing a housing crisis and the City is strongly supporting all affordable housing efforts across the board.

Proximity to existing tax credit developments

The primary market area has 25 LIHTC projects containing 1,927 income-restricted units. Of these, six are age restricted projects with 346 units and 19 are non-age-restricted properties that have 1,581 dwellings. Atwood will compete directly with 1,581 of the tax credit units that are comparable in terms of income- and age-restrictions. As noted above the LIHTC comparable have virtually no vacancy and sizeable waitlists, highlighting the fact that new LIHTC units will not compete with existing LIHTC units. The City of Longmont has not received a LIHTC award for a family development since 2019.

Project Readiness

Atwood Commons is unique in project readiness as it has been in design and entitlement for over 18 months with the City of Longmont and all referral agencies. Zoning is considered use-by-right, and with the most recent Site Plan submittal (v5 submitted 7/27/2023) Longmont Planning approval of the specified multifamily development is anticipated to be received Q3 2023. These critically needed units can be delivered within two years of application, a year or more earlier than most state credit developments.

Design & Construction Status

The current design documents represent a 50% Design Development (DD) set with schematic MEPs. Assuming tax credits are awarded, full construction documents will be completed by Q2 2024, with an anticipated building permit and groundbreaking in early Q3 2024. Given the 1-acre parcel and single building four-story, wood structure, construction of Atwood Commons is anticipated to take approximately 15 months, with an anticipated certificate of occupancy and grand opening in late Q3 2025.

Overall Financial Feasibility and Viability

The development has been underwritten conservatively (3% escalation, 5% contractor hard cost contingency, 5% owner hard cost contingency) to best manage the current volatility in the cost market. The ability to commence construction within 2-3 quarters of LIHTC award, significantly mitigates cost escalation risk and financing risk facing other projects that are not able to close as quickly. Additionally, the general contractor (KCI) is Longmont based and has been able to run a buy-out/bid process with the regional subcontractor market based on the 50% Design Development plan set, further mitigating project cost risk in construction pricing. The soft cost budget is directly informed by currently engaged design and consultant contracts. With this level of certainty, Atwood Commons is a viable and financially strong opportunity.

Experience and track record of the development and management team

Brikwell's leadership has over 50 years of aggregate real estate investment and development experience. Further detailed in the Development Experience chart. Over the past 17 years Brikwell principals have developed 3,700+ multifamily units and 3.3M+ SF of retail/office space, totaling $1.8+ billion of constructed cost. In addition, Brikwell's current affordable housing portfolio comprises 618 units with a capitalized cost of ~$47 million. Longmont Housing Authority acting as property manager brings a wealth of experience and intimate knowledge of the Longmont market. All other members of the team (GC, Architect, etc.) have executed multiple successful LIHTC projects in the past. Please see the resume section for additional details on the team.

Project Costs

As exhibited in the Detailed Cost Summary, the project General Contractor (KCI) was able to utilize a well-developed set of design plans to price Atwood Commons with a very high level of specificity. KCI is local to Longmont and active in the multifamily construction space, such that Atwood Commons is a great fit for their skill set and subcontractor relationships. Many of the project line items were sent out for bid to multiple subcontractors, with which KCI has direct project experience and long-standing relationships. The project cost represents detailed take-off and direct subcontractor buyout/bid work, with known and vetted subcontractors who have experience in this type and scale of multifamily construction. The selected subcontractor costs represented in the project costs budget, will ultimately result in a higher quality project that fits within the intended scope, budget, and schedule.

Site suitability

Atwood Commons is on a minor arterial street with very good visibility and access to shopping, public transportation, schools, recreation, government services and employment options. It is just East of Downtown Longmont and across the street from OUR Center. It is within walking distance of a bus stop, convenience store, library and municipal services; within 0.5 miles of neighborhood shopping, childcare, a park and elementary school; and within a mile of community shopping, a grocery store, medical clinic and senior center. The site is a model infill location.

Underwriting Waivers We are not requesting any underwriting waivers.

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

The market analysis suggested that the project consider increasing the unit sizes, and/or add balconies. In studying this consideration, and hypothetically increasing unit size to previously built market rate sizing, Atwood Commons would be reduced to 55 total units, with an increased cost of $112,000/unit. This change would drastically reduce both the availability of affordable units offered (-24%), and increase cost (+27%) such that economic viability would be challenged. Atwood unit sizes represent current trends in market rate and affordable housing, more efficiently planned units (with higher 9' ceilings and larger windows) that live and feel as large as previous generations of housing. Further, the market study does note unit size will not be a competitive disadvantage but would only make the project a bit more similar to market rate product. We are confident that the superior location, modern unit design and quality building amenities will be sufficient to make Atwood Commons a successful and vibrant community.

Address any issues raised in the environmental report(s)

A Phase I ESA (5/19/2023) and Phase II ESA (7/6/2023) were conducted for the project site, identifying the need to export ~300 CY of diesel/oil impacted soil. The project remediation plan and budget contemplate this cost and scope of work, to be completed by a certified contractor, supervised by an environmental engineer, and conducted to all EPA standards. Please see further detail in the Environmental Assessment Detail.

Any unusual features that are driving costs upward, any opportunities to realize cost containment

Atwood Commons has maximized efficiencies and simplicity in design to directly address the current cost environment. The single wood structure, with stacked unit plans and a dual loaded corridor, is cost effective in design by providing both economies of scale and a maximized floor area to skin ratio. Utilizing all electric building systems reduce the number of utilities run to and throughout the building, complemented by a rooftop solar PV array. The current cost analysis represents a buyout of 50% DD plans, and the ability to break ground within 2-3 quarters of tax credit award reduces the potential impact of cost escalation over time.

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

The City of Longmont invested in the community-wide Envision Longmont process beginning in 2016 in which the Planning Commission and City Council revised the property's land use designation to Mixed Use - Downtown. The continuing community commitment to this designation are indicated in the 2020 Envision Longmont Future Land Use and Transportation System Plan and the 2022 Official Zoning District Map updates. Over the past 18 months, through the site planning process the team has interfaced and received the support of Longmont's: Planning Staff, Downtown Development Authority, Transportation Planning, Public Works Engineering, Drainage & Natural Resources, Power and Communications, Fire Department, Police Department, Housing Department, and Housing Authority. Financial support of the project has been received by the City of Longmont in the form of discounted municipal fees (approx. $500,000), and a soft funding loan from the Longmont Affordable Housing Trust Fund ($1,000,000). Additional support has been received from the Longmont Housing Authority and City Council in the approval of our Special Limited Partnership (rec. from City Council 6/20/2023). Additionally, Longmont Housing Authority approved the award of eight project-based vouchers to the development, strengthening the economic viability. The Longmont Housing Authority, as property manager and partner, has also provided continual design input to the team in the design process of Atwood Commons. We are grateful for the opportunity to work with such quality community partners on another successful development that directly addresses a growing need and will benefit the Longmont community for decades to come.

Promoting Equity and Economic Mobility

As a community, Atwood Commons promotes equity and economic mobility by serving residents of all backgrounds by following Fair Housing practices and accepting a wide range of income levels from 20-80% AMI. By design, the building/outdoor amenities are intended to be both convenient and healthy (fitness, bike storage) as well as foster personal growth, friendship, and community growth through social interaction (BBQ/social gathering area, community room, business center). On a neighborhood level, Atwood Commons' proximity to downtown Longmont, which serves as a central hub for employment, services, and social interaction enables the same opportunities, resources, and treatment for all. Accessing downtown is an easy walk and not limited by having a vehicle/bicycle. In addition, we are budgeting a RTD NECO pass for every household to enable zero cost regional transit. Finally, our partnership with OUR Center located only two blocks away (detailed above), is intended to provide a vast array of onsite and offsite services that serve all residents of Atwood.

Additional Supporting Narrative Items

MOU with the OUR Center
OUR Center Brochure
Support Letter from Habitat for Humanity of the St Vrain Valley
Alternative Parking Study

4% housing credit application narrative

Project Name: Beeler Park Flats

Project Address: 5652 North Boston Court, Denver, Colorado 80239

Executive Summary

Mile High Development (MHD) is pleased to present this application for Beeler Park Flats, a four-story, 112-unit family oriented LIHTC affordable housing property featuring a majority of two and three-bedroom residences that would accommodate families earning between 30 percent and 60 percent of area median income. This site is one of the last sites designated for affordable housing within the original Stapleton Master Plan. Purchasing the Central Park master planned neighborhood several years ago, Brookfield committed to fulfilling an Affordable Housing Plan with the City and County of Denver. Beeler Park Flats would help Brookfield fulfill the agreement and continue its reputation for providing housing in great neighborhoods at all income levels and price points.

The project's guiding principles weave throughout this proposal, primarily providing family-oriented affordable housing in a high-amenity neighborhood rich with pre-school through secondary education, expansive open space, multimodal access, and a variety of jobs. Sixty-six two-bedroom units and twelve three-bedroom units would comprise nearly 70 percent of the family-oriented property; the balance would be thirty-four one-bedroom units. Beeler Park Flats' residents would benefit from the property's advantageous location within one half-mile of five schools offering daycare through high school education. The property's adjacency to neighborhood parks and recreational paths leading to regional open space complements the development program's focus on family housing and amenities. The property's multimodal connections

Unit Mix				
AMI	**1-BR**	**2-BR**	**3-BR**	**Total**
30%	4	7	1	**12**
40%	4	7	1	**12**
50%	7	12	2	**21**
60%	19	40	8	**67**
Total Units	**34**	**66**	**12**	**112**

to regional employment via nearby highway and transit services would extend residents' economic opportunity to jobs in retail, manufacturing, healthcare, and other sectors across Metro Denver.

The property's development program and services would complement nearby educational assets from daycare through high school – a highly unusual amenity for a suburban location. The property's adjacency to North Commons Lawn, a major open space area, with nearby connections to Central Park's expansive network of open space and Rocky Mountain Arsenal complements the development program's focus on family housing and amenities. Dick's Sporting Goods Park's community fields less than one half-mile away further invite healthy recreation through an organized youth soccer program.

The property's multimodal connections to regional employment in Downtown Denver and at Denver International Airport would extend residents' economic opportunity. The property's location on East 56th Avenue just east of Central Park Boulevard, which leads to Interstate 70, Central Park Station, and Downtown Aurora, facilitates short commutes to a variety of jobs and services. Three bus routes serve the intersection of Central Park Boulevard and Northfield Boulevard less than one mile away, connecting to RTD A Line train service between Denver Union Station and Denver International Airport or to nearby neighborhoods like Central Park, Montbello, and Green Valley Ranch.

Approximately 1.5 miles from the property, the Shops at Northfield encourages short trips to anchor stores like Super Target, Macy's, and JCPenney as well as 50 smaller shops and restaurants. Kroenke Development, which owns Dick's Sporting Goods Park and three Denver-based professional teams, has proposed developing an additional shopping and entertainment district near the site, increasing jobs and services in the neighborhood.

Architectural features of the 112-unit property include brick, metal panel, and cementitious siding, vinyl windows, and storefronts at the ground level showcasing building amenities, including a large community room with seating and television as well as space for birthday parties, community gatherings, and other resident events. A fully equipped fitness center rounds out the amenities.

Sustainability – Beeler Park Flats will be certified under National Green Building Standards (NGBS), with various sustainability features incorporated into the design. The project will be designed to be "electric ready," in anticipation of the coming conversion to all electric standards by the City and County of Denver and the State of Colorado. At a minimum, the property would utilize a fully convertible high-efficiency gas hot-water heating system that would support electric hot-water heating in the future, while the electric heating, ventilation, and air conditioning system will provide split system electric heat pumps and ceiling fans throughout the property, making the property nearly an all-electric building at completion and ready to convert from gas hot-water heating to electric heating when required to achieve full electrification at very little additional cost. The parking area also would promote clean electric use, offering electric vehicle (EV) charging stations and EV-ready parking spaces.

1. Bond Financing Structure

The bonds for this project will be issued by CHFA and will be privately placed with the construction and permanent lenders. There will be an estimated $19,900,000 in tax-exempt bonds issued for the project. Of those $6,800,000 will be retired at construction completion for a permanent bond amount of $13,100,000. All of the bonds will be tax-exempt (no taxable tail) though there will be a portion of the construction loan that is taxable.

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

The project does not meet any of the Priorities.

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

Market Conditions – Central Park is one of the most sought-after places to live in the metro area. With great highway and transit access, as well as shopping to fit every family's needs and desires, the various neighborhoods, schools and parks provide a great climate for raising a family while also being at the center of a large and growing job market, with DIA, the Fitzsimons Medical complex, a variety of industrial parks and great access to Downtown Denver, offering virtually everything a family could want in a housing location.

Quoting from the Market Study prepared by Intelica/James Real Estate Services, in the strengths & weaknesses analysis on page 16, as follows:

"Well located in the rapidly growing Northfield area of the Central Park neighborhood";

"Close to numerous local employers in northeast Denver and Commerce City, as well as a short distance from major employers in and around the Denver CBD";

"Future residents will have excellent access to neighborhood schools and parks along with numerous retail outlets and restaurants;"

Strong affordable demand across all AMI levels and unit floorplan sizes;

"Limited competition for the subject in the Primary Market Area, and even less in the immediate Northfield area;"

The Market Study indicates an overall Capture Rate(Existing Units)of 14.9% which is well within acceptable standards. Additionally, we have found in past market studies in other Central Park Neighborhoods and subsequent projects that that there is an "in-migration" factor when it comes to Central Park, and we can expect this in-migration from outside the PMA to show up in our marketing/leasing interest from prospective tenants just before project completion. There are simply too many attractive factors apparent to potential tenants when they are comparing living at Central Park versus living in a free-standing building in another community. The bottom line is that there is just no comparison!

Proximity to Existing Tax Credit Developments – There are eight existing family LIHTC properties in the primary market area that do not have Section 8 contracts. Most of these projects have low or no vacancies and long waiting lists to live in the very desirable Central Park area. The nearest properties are Northfield Apartments and Pinecrest which are about 1.5 miles away.

Project Readiness – Beeler Park Flats is ready to proceed upon issuance of a tax credit allocation. Zoning for the four-story project allows five stories; all utilities are available to the site; and parking exceeds all requirements of the City and County of Denver and CHFA. Since 2020, when Beeler Park Flats submitted to CHFA an earlier tax-credit application, the surrounding neighborhood substantially built out to the north, where Dick's Sporting Goods Park is thriving. Retail services within walking distance of the site have been completed and many other medical, dental, and emergency (urgent care) services are readily available.

Mile High Development is very familiar with this design and construction approach, having just started construction on Northfield Flats in central Park just over 1 mile away with the same Architect/General Contractor team, as well as the Point Crossing project in Aurora, with the same team. This eliminates the need to research various building system, costs to build, and the best "means and methods" to construct it in the most efficient way. We also know how to move it through the City of Denver's Site Development Plan(SDP)process as quickly and smoothly as possible, having just worked with the City's "Affordable Housing Review Team(AHRT)"on the Northfield Flats project which resulted in completing the SDP process in just 9 months, an almost unheard of short period of time. No other City in metro Denver has anything like the AHRT, which was put in place several years ago to "fast-track the entitlement(SDP) process for affordable housing projects. We have been asked by the AHRT team to submit our Concept outline for Beeler Park Flats soon after filing the application, so that we would be in the best possible position to proceed quickly in case we were to be successful in acquiring a Tax Credit allocation in this round.

Financial Feasibility and Viability – MHD's close relationship and recent success with Key Bank, the project's proposed financial partner, add credibility to this application. Key Bank and its capital markets subsidiary would provide construction and long-term financing for Beeler Park Flats, and Key CDC would purchase the Federal and State tax credits. Key Bank has provided letters of support to indicate their interest in again working with MHD to produce a top-quality affordable housing project. Key Bank served as the construction lender and tax credit investor for The Point Crossing, which is fully leased and currently converting to a permanent loan with Rocky Mountain Community Reinvestment Corporation. Key Bank also provided a comprehensive package of short- and long-term financing and tax credit investments at Northfield Flats and Ralston Gardens, facilitating permanent loans from Fannie Mae for both projects, which are now under construction with completion scheduled for fall 2024.

Developer Experience and Track Record – MHD and its founder and principal, George Thorn, have developed over 50 commercial and residential projects in Colorado over the past 40 years, totaling over $650 million in the cost of completed developments. Since 2009, when MHD entered the affordable housing industry, it has participated as developer, co-developer, applicant, or co-applicant in developing nearly 1,000 LIHTC units at ten properties throughout the Metro Denver area at a cost of over $300 million, including:

1. Yale Station Senior Apartments, Denver (2011, 50 units, 9% LIHTC)
2. University Station Apartments, Denver (2014, 60 units, 9% LIHTC)
3. Garden Court Apartments, Denver (2016, 66 units, 9%LIHTC)
4. Ash Street Apartments, Denver (2017, 112 units, 4% LIHTC)
5. Sheridan Station Apartments, Denver (2021,133 units, 4% LIHTC)
6. Capitol Square Apartments, Denver (2022, 103 units, 4% LIHTC and State Credits)
7. Eaton Street Apartments, Westminster (2018, 118 units, 4% LIHTC)
8. The Point Crossing, Aurora (2022, 63 units, 9% LIHTC and State Credits)
9. Northfield Flats, Denver (2024 - under construction, 129 units, 4% LIHTC and State Credits)
10. Ralston Gardens, Arvada, (2024 – under construction, 102 units, 4% LIHTC and State Credits)

Beeler Park Flats is being designed by KTGY, an architectural firm with a strong regional presence and a staff of over 90 professionals in its Denver studio. Among a lengthy portfolio of commercial and residential market rate and affordable housing projects, KTGY designed Capitol Square Apartments, The Point Crossing, and Northfield Flats for Mile High Development as well as the Shops at Northfield near Beeler Park Flats.

Brinkmann Constructors would provide pricing and build Beeler Park Flats. Brinkmann's significant Colorado portfolio includes Northfield Flats, Ralson Gardens, and (with KTGY) The Point Crossing, completed in 2022. Prior contracts between MHD and Brinkmann relied on Guaranteed Maximum Price agreements to address supply-chain issues, labor shortages, and variable materials pricing; the team would do so again with Beeler Park Flats to deliver on time and on budget in this unpredictable construction/development environment.

Com Cap Property Services would manage Beeler Park Flats. With a history dating back to 2006, the privately-owned company based in Centennial, Colorado, provides comprehensive management services for conventional, affordable, and senior residential properties for more than 3,000 rental units across the Front Range. Specializing in LIHTC properties and equipped with a fully integrated accounting system and compliance department, ComCap effectively handles a diverse portfolio of affordable housing, including LIHTC – Section 42 Tax Credit, City and State HOME Programs, HUD Project Based Section 8, HUD Supportive Housing Programs, and Community Development Block Grant Programs. The company's strong relationships with government officials, low-income placement and housing organizations, and community leaders demonstrate their commitment to delivering high-quality, affordable housing to Colorado families.

Project Costs – Beeler Park Flats would be built as a four-story, slab on grade, wood framed (Type 5) construction type, which is the most cost-efficient method for this product. MHD has worked closely with Brinkmann Constructors to develop a budget that reflects today's construction cost market, based on the very recent completion with Brinkmann of The Point Crossing, a 9% LIHTC project in Aurora next to the Nine Mile Station light rail station. This project was also designed by KTGY and contains most of the same building design elements/materials and features except for the electric ready HVAC and Plumbing and Electrical systems being used in Beeler Park Flats. MHD has also just completed Guaranteed Maximum Price contracts with Brinkmann on both the Northfield Flats and Ralston Gardens 4% LIHTC projects which are now under construction and very similar to Beeler Parks Flats in that both are 4 story buildings featuring similar building systems and amenities.

Site Suitability – The Beeler Park site suits new construction of affordable housing perfectly. Prior to MHD agreeing to purchase the property, a market-rate developer performed all due diligence for a large multi-family project and then agreed to sell part of the property to MHD in 2000 to comply with Central Park Master Plan neighborhood requirements for affordable housing. The property's location in a built-out and relatively flat neighborhood with existing utility lines, existing transportation infrastructure, complementary land uses, and open space all facilitate timely and cost-efficient development.

4. Describe any requests to waive underwriting criteria

The project is requesting a waiver to the basis limits. Despite the very efficiently designed project, inflation has meant many projects will exceed the limits and the basis waiver is needed to make the project feasible.

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

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

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

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

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

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

8. Community Outreach

MHD has been in contact with the Stapleton Design Review Committee(SDRC), a committee of outside experts in design and land use, as well as citizens who live in Central Park. Mr. Nathan Sciarra, our Architect with KTGY, lives in the Central Park Neighborhood for some years, and serves on the SDRC, has reviewed plans with the Chairperson of the Committee and received a positive response to the proposed plan. Since the project site is zoned to accommodate this project, and MHD has had two on-line community public hearings since 2000, with no opposition, MHD did not feel it was necessary to conduct additional community outreach at this time, as MHD is proposing to develop a nearly identical building on the same site as MHD proposed in the 2020 CHFA application.

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

Research consistently emphasizes the fundamental role of education in promoting economic mobility. Located within a ten-minute walk of a variety of schools ranging from day care to high school and dedicating more than 70 percent of units as two- or three-bedroom family-sized apartments, Beeler Park Flats inherently encourages its youngest residents' economic mobility.

The property further fosters economic mobility among adults by virtue of the property's proximity and multimodal connectivity to some of Metro Denver's largest employers, including the Montbello Industrial Park, Anschutz Medical Campus, Denver International Airport, and Downtown Denver. The Shops at Northfield includes dozens of storefronts with service-industry positions as well.

Public open space enhances equitable access and enjoyment of nearby natural amenities. An intricate network of parks and trails complements the adjacent North Common Lawn, outside Dick's Sporting Goods Park, and throughout nearby Rocky Mountain Arsenal National Wildlife Refuge.

10. For rehab projects, provide a detailed narrative that describes the proposed rehab plans/scope of work

Not applicable

4% housing credit application narrative

Project Name: CCH Broomfield Senior Apartments
Project Address: 118th Ave. at Wadsworth Blvd. Broomfield, CO 80020

Executive Summary

Christian Church Homes (CCH), a highly experienced non-profit senior affordable housing developer, owner, operator and service provider, is pursuing a 4% and State LIHTC allocation to finance *CCH Broomfield Senior Apartments,* a new construction affordable senior community of 96 units in Broomfield, Colorado. CCH has previously been awarded tax credits by CHFA for its successful Hatler-May Village 76-unit affordable senior development in Colorado Springs. CCH's proposed senior-focused project concept meets a critical housing need in this community. The market demand study reports: "There is strong demand for new affordable senior units in Broomfield, with the only two existing properties fully-occupied with waitlists. In total, those two properties have only 138 units. There has not been a new senior LIHTC property opened in Broomfield for 19 years, since 2003. Total age- and income-eligible households after factoring out-of-market draw is projected at 2,541 in 2022".

CCH Broomfield Senior Apartments will provide a supportive services and amenity-rich environment where the community's seniors across the income spectrum can thrive. CCH has a proven track record in Colorado, with Hatler-May being CCH's most recent new affordable development, and CCH has collaborated closely with the City and County of Broomfield staff to better understand the housing needs in this community. The proposed project directly responds to the community's need for senior housing by offering a deeply affordable unit mix, a design that promotes enjoyable and healthy living, the City's rich array of senior services and CCH's on-site staffing and services plan that will support residents to successfully age in place while maintaining maximum independence.

Located adjacent to The Harvest Station master planned community on Wadsworth Boulevard, *CCH Broomfield Senior Apartments* will be a three-story slab on grade wood framed building with two elevators, designed to serve seniors aged 55 and over. CCH worked to maximize the density on the site providing 96 units on 2.1 acres. With CCH now owning the entire site, the campus now can provide approximately 200 units of affordable housing over the 6.1 acres once the campus is built out.

Unit Mix			
AMI	**1-BR**	**2-BR**	**Total**
30%	14	1	**15**
40%	4	1	**5**
50%	14	1	**15**
60%	41	7	**48**
70%	11	1	**12**
Employee	-	1	**1**
Total Units	**84**	**12**	**96**

Unit Amenities will include: full kitchens with energy-efficient appliances, including microwaves and dishwashers; free in-unit Wi-Fi; step-in showers; Juliet balconies; vinyl plank flooring; coat closets; blinds; and 9' ceilings.

Common Amenities will be centralized on the first floor of the building and will include a large community room with an entertainment kitchen and pantry. This space will serve as the focal point of *CCH Broomfield's* services programming, along with a dedicated van. Additional community amenity spaces will include:

- 3rd Floor outdoor seating area with view of the front range
- A library, computer room and exercise room
- Centralized laundry with small additional laundry areas on each floor
- 2nd Floor Seating area

Outdoor amenities will include:
- A community patio and BBQ Seating area
- small outdoor gathering spaces
- Community Garden

Changes from Prior Application:
- Increased density with an additional floor (4 stories total) and now 96 units (increased from 72)
- Increased affordability with an average AMI of 53.9% (previously 59.6%)
- Previously there was to be a market rate assisted living facility on the same parcel. That project stalled so CCH stepped in and purchased the entire site and plans to develop it entirely as affordable housing with CCH Broomfield as the 1st phase of 96 units.
- The project will be All-Electric and certified through ZERH
- CCH has worked continuously over the past year to development community support and relationships. They have MOUs with Broomfield FISH to provide meals and an array of other services as well as with CO CarShare to locate 2 electric vehicles on site for residents to use at discounted rates
- Parking was increased to 94 spaces from 58 spaces.
- CCH would like to highlight the walkability and transportation options available at this site. Please see the provided area amenity walking map. The project will also provide van service and have a car sharing service on site. In addition to its van service, the City of Broomfield met with CCOB Housing, Open Space, Parks, Engineering and Traffic regarding accessibility to the area of our site. There is a large amount of activity that will be occurring near us (under construction, financed, planned, etc.) that will serve the accessibility and mobility of all residents in the area. CCOB Transportation is working with the Broomfield GIS team to create a map that will include all the mobility/accessibility points improved, underway or planned for the area. Please see the letter provided by the Broomfield Housing Division which provides links to these Bike/Pedestrian Maps and Transit Service.

Bond Financing

CCH Broomfield is anticipated to be financed with $22,000,000 in publicly offered construction period bonds issued by CHFA. Of those, $18,400,000 will be tax-exempt with $3,600,000 as the taxable tail. There will be $12,600,000 in construction period bonds and $9,400,000 in permanent bonds. It is anticipated that CHFA will be lender through their CAPABLE loan program.

Energy Efficiency

CCH Broomfield will be an all-electric development and be certified through Enterprise Green Communities (EGC) and Zero Energy Ready Homes (ZERH). CCH has contracted with Energetics to provide EGC and ZERH Certification and integrate energy efficiency into the design from the outset. CCH is working with Energetics to maximize building performance, reduce energy usage, increase indoor environmental air quality, and minimize environmental impact for the life of the property.

Market conditions

The overall capture rate for the project is 18.7%. There is strong demand for new affordable senior units in Broomfield, with the only two existing properties charging maximum rents with little or no vacancy. In total, those two properties have only 138 units. There has not been a new senior LIHTC property opened in Broomfield for 19 years, since 2003. Total age- and income-eligible households after factoring out-of-market draw is projected at 1,998 in 2023.

Proximity to existing tax credit developments

There are three existing senior LIHTC properties and one project with 100% Section 8 rental assistance.
1. Broomfield Greens (2003) 50 units: The property reported full occupancy charging maximum rents with a waitlist of 76.
2. Town Centre Senior Apartments (2000) 88 units: The property reported that it is typically full occupied with charging maximum rents but is currently at 94% occupied and in the process of creating a waiting list.
3. Heritage at Church Ranch 205 units: The property is about 2.5 miles away in Westminster opened in March 2022. It is fully leased charging maximum rents with an interest list of 281.
4. Maryel Manor (1980s/2016 PIS) is an older, income-restricted senior apartment property. All units have Project Based Section 8.

Project readiness
CCH purchased the entire 6.1 acre parcel for development. The site is zoned Planned Unit Development, currently governed by the Harvest Station Planned Unit Development Plan. Prior to the issuance of building permits, this property will need to undergo a concept plan review, followed by a final plat, site development plan (SDP), and planned unit development plan (PUD) amendment. The development review applications for a final plat, SDP, and PUD amendment can be submitted and reviewed concurrently and undergo two hearings: one before the Land Use Review Commission and the second hearing before the City Council. The typical timeframe for these processes is 29 weeks. The formation of the Broomfield Housing Authority aka Broomfield Housing Alliance (BHA) will also expedite the City's approval of funding and fee reductions. This project is a high priority for Broomfield as they recognize the critical need for affordable senior housing so we anticipate expedited processing. Applicants/developers may submit the building plans after the Land Use Review Commission hearing. The timeline for building plan approval is approximately 2-4 months. CCH has the benefit of concept plans being previously reviewed during The Olivia's concept review process plus access to the City's notes. This may help shorten the process time. Please see the support letter from BHA

On July 18, 2023, CCH received the initial 1st round of comments from the City of Broomfield regarding the Final Plat, Site Development Plan/Urban Renewal Site Plan application for the Broomfield Senior Apartments project, submitted back in May 2023. CCH is currently in the process of addressing all comments and planning to resubmit the application by August 21, 2023. Based on the change in scope of work (addition of 24 units, totaling 96 units) CCH anticipates receiving Site Development Approval by December 2023 and the building permit early 2024.

Overall financial feasibility and viability
CCH Broomfield Senior Apartments has strong support from the City of Broomfield and with the formation of the Broomfield Housing Authority will be in line to receive City in lieu fee funding along with reduction in impact fees. CCH also has a very strong balance sheet with over $37 million in reserves plus they purchased their new Headquarters building last year and have strong positive cash flow. The development budget for this project has been vetted by CCH's development team, the general contractor, property management, engineers, and architects to ensure a high level of efficiency with its design and costs. CCH's strong financial position, along with it's real estate investment in Broomfield, should assure CHFA that even if costs go up, that CCH can cover any gap and keep the project on its projected schedule with no delays.

Experience and track record of the development and management team
CCH Broomfield will be developed, owned, and managed by Christian Church Homes. Christian Church Homes (CCH) is a private, non-profit 501(c)(3), California corporation, whose mission is to "Provide Affordable Quality Housing in Caring Communities." CCH currently manages 56 affordable senior housing apartment properties in seven states, providing over 5,000 units of service-enriched, affordable rental housing.
Christian Church Homes has owned and operated Hatler-May Village in Colorado Springs since 2016. Hatler-May

Village is an affordable three-story property offering 77 one- and two-bedroom apartments for low- income seniors. Christian Church Homes' founder developed one of the first federally-subsidized senior communities in 1959 in Denver, Campbell-Stone Memorial Residence. CCH has developed a total of 26 facilities since 1964, including 21 funded by the HUD Section 202 Supportive Housing for the Elderly program. CCH is currently constructing or rehabilitating over 300 units for low-income seniors. All of CCHs housing properties serve elderly residents.

Project costs

CCH understands that the current inflationary environment has created instability in projecting construction costs. Measures we have taken to further control construction costs include:

- A very efficient a 4-story design that maximizes usable square footage to keep costs down
- Utilizing both an architect and general contractor who are focused on maintaining budgets in order to achieve future CCH business as we expand our portfolio

Site suitability

Broomfield is an excellent location for housing for low- and moderate-income seniors. The City/County of Broomfield has created unique and superior access to all of its key governmental, recreational, and cultural services by collocating them in one area, Broomfield Commons which is about 1 mile from CCH Broomfield. Broomfield Commons is centrally located and easily accessible by car and bus. Within Broomfield Commons is a new, large recreation- community-senior center, as well as a library, auditorium, and all human services, city services, police, and court services. Also within Broomfield Commons is Broomfield Community Park, with an 80-acre park/pool and sports complex and 237 acres of open space.

A pedestrian overpass over US-36 directly to RTD's Broomfield Station begins about 21⁄2 blocks west of the site, adjacent to Harvest Station Apartments. Broomfield Station provides extensive and frequent regional (Denver area, DIA, Boulder County) and local routes in all directions.

Adjacent to Broomfield Station are a number of restaurants, coffee, salons, and services businesses within Arista Uptown. Also, numerous restaurants, retail and service businesses are located north of the site, both along US-287 and all along 120th Ave. Please see the provided walkability table.

An RTD bus stop is located immediately adjacent to the site (Route 128), with a route accessing the core retail and services areas in Broomfield, including Broomfield Commons, RTD's Broomfield Station, and the Arista mixed-use development. That route is temporarily not in service due to COVID but we expect it to be active well before the opening of CCH Broomfield. The site is easily accessible via car, located near the intersection of US-36, US-287, and CO-128. It is also a half mile walk to the RTD Broomfield Station light rail and transportation hub.

Justification for waiver of any underwriting criteria or basis boost

CCH Broomfield Senior is requesting a waiver to the basis limits. This is justified due to the rising constructions costs that many projects are facing. CCH Broomfield requested and received approval to submit a Phase I ESA that was slightly over 12 months. There were no RECs identified in the study.

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

Two potential weaknesses were noted in the Market study: Walkability and lack of balconies.

Walkability: Please see the provided walkability table. Also, the project will include van transportation and will coordinate with the City of Broomfield's van service. We also have an MOU with CO CarShare to locate 2 shared electric vehicles on site that residents will be able to use at discounted rates. As mentioned earlier, it is a half mile walk to the RTD Broomfield Station light rail and transportation hub.

Regarding the lack of balconies, CCH's experience is that typically balconies are underutilized and create maintenance issues. The project will include Juliette balconies and a third-floor outdoor seating area along with the rich array of first floor amenities and outdoor spaces. This will be a sociable community for seniors when the design of the CCH

Broomfield Senior Apartments is combined with the market rate development and the services offered there.

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

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 site is mostly vacant except for one single family home on the property. While there will need to be significant site work. As noted above, CCH is investigating all building typologies to maintain costs especially since CCH is committing its own funding.

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).

CCH has been working with both the City Housing Committee and Planning Department as part of the master developer concept review process. The team has also met with the City of Broomfield Senior Services department to begin the coordination of our project and service package to complement the City's robust Senior Services program. Letters of support from the City are included with the application. CCH now has a MOU's with both Broomfield FISH and CO Car Share and expects partnerships with both Senior Resources of Broomfield and the City of Broomfield Senior Services.

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

Multiple studies have shown the impacts of creating opportunities for low-income residents to live in Higher Resource areas. Broomfield with a high-income average of over $107,000, 87% Caucasian demographic with only 4.9% of residents characterized as living in poverty is the definition of an upper income, high resource community traditionally excluded for low income residents due to high rents and low availability of subsidized apartments. Broomfield has an average rent of more than $2000 and the proposed CCH development will offer lower income residents a chance to live in a resource strong community that they otherwise would not be able to.

Complementing the CCH community and our service package is the City of Broomfield Senior Services with their rich array of services including Nutrition (Meals on Wheels, Lakeshore Café, Healthy Hearts, Project Homecoming), Transportation (Easy Ride, Flex Ride, Grocery Delivery) and Support Services (Newcomer's Coffee, Cop Talk, History Talk, a variety of other classes and services). These services, combined with the goal of residents not paying more than 30% of their income on rent, will allow residents to become acclimated to the community, save money, and thrive! Our development will help diversify Broomfield and our residents will become an integral part of the community.

Documents Accompanying the Narrative

- Broomfield Housing Division Walkability and Transit Letter
- Services Provided at the Nearby Broomfield Community Center
- Support Letter from Broomfield FISH
- MOU with Broomfield FISH
- MOU with CO CarShare
- CCH Supportive Services Narrative
- CCH Sample Supportive Services Plan
- Neighborhood Walkability Table

4% housing credit application narrative

Project Name: Chrysalis Apartments
Project Address: 1777 Franklin St., Denver 80206

EXECUTIVE SUMMARY: The Chrysalis Apartments will be a newly constructed apartment building on the site of the former Bainbridge Apartments (9% LIHTC) at 18th & Franklin Streets in Denver. The existing building & adjacent duplex, which currently house 15 income restricted units, which are beyond their initial 15-year LIHTC period, will be demolished, and replaced with a new 7-story, trauma-informed designed building that will include 70 units to serve as Permanent Supportive Housing (PSH) for Empowerment participants and individuals coming off the Coordinated Assessment System (CAS). The current residents, all subsidized with portable Denver DHS funds, will be relocated to other Empowerment properties between the time of a LIHTC award and the start of construction (9-11 months) as was recently done for another Empowerment property. The proposed unit breakdown is as follows:

No.	Type	Sq.Ftg.	AMI	Rent
30	0 Bdrm.	448	30%	$1,390
35	1 Bdrm.	573	30%	$1,585
5	2 Bdrm.	756	30%	$1,925
70		37,292		

The proposed design meets Denver's zoning requirements for affordable housing, including limited parking spaces (9) since it is located near several bus lines. The building will have ample community space on the 1st floor with not only group meeting spaces but also 24/7 peer support staffing at a "front desk" that has a full view of all entries, **both elevators** (a second one has been added as suggested by CHFA staff) and stairwells which will ensure great security. The program and staffing at the building will provide a sustainable and holistic approach to the challenges faced by homeless people and those involved in the criminal justice system, especially women. There will also be a small outdoor garden/meditation space and the kitchen adjacent to the community living room will be an exact duplicate of the unit kitchens so it can serve multiple purposes of a demonstration/training kitchen, a staff break area and as support for tenant events. All corridors will have daylight access as part of the trauma-informed design. The front porch along Franklin will allow residents to share in neighborhood life plus the bicycle facilities will exceed Denver requirements so residents can easily access the protected bike lane planned for Franklin St.

All tenants will be provided with project-based vouchers from either the Colorado Division of Housing (CDoH) or City of Denver (HOST) specific to adults experiencing homelessness with a disabling condition or other special needs. Empowerment will serve as the lead service provider Empowerment has decades of experience successfully providing programs to these clients. The services will be funded through a combination of State of Colorado funds, Medicaid, a Services Reserve Fund Empowerment, grants and cashflow from the operation of the property. The owner of the Project will be a Colorado limited liability limited partnership with The Empowerment Program Inc., a Colorado 501(c)3 nonprofit, or its subsidiary affiliate, as the general partner to qualify for a 100% property tax exemption. The LIHTC investor limited partner will be admitted to the partnership at equity closing.

This 7-story, elevator equipped building will be metal framed with stucco and brick exterior, a flat membrane roof on a post-tension foundation and 1st floor podium. To reduce costs, the upper floors will be framed using the BYLD system (a site-fabricated, panelized light-gauge metal system) and the lower portion of the building will be covered with easy-maintenance brick to meet neighborhood design guidelines. All units are 100% stacking for construction efficiency and cost control. The vertical trash chutes will be designed for trash, recycling and compost in accord with recent Denver ballot initiatives. The building will include nine (9) Type A accessible units, which exceeds code requirements. The two-bedroom Type A units are designed with in-home companion living in mind. The HVAC system will include VTAC units so it will be 100% fossil-fuel-free and the roof plan is laid out to support a substantial solar panel array. The building will be certified via both Enterprise Green Communities and Zero Energy Ready Homes. Bus service is available within 100 feet of the site and light rail within one mile.

1. BOND FINANCING STRUCTURE

It is assumed that the bonds will be issued by CHFA. The City of Denver has indicated a willingness to provide volume cap (7/26/23 letter from HOST). Empowerment will also request a proposal from CHFA to be the construction and perm lender. It is anticipated that the bonds will be sold as a private placement if a bank is the lender or a private placement or public sale if CHFA is the lender.

Construction / Perm PAB	$	6,000,000	
Construction Only PAB	$	11,000,000	
Total PAB	$	17,000,000	*
Taxable Bonds	$	-	

* 53,09% of projected aggregate basis

2. QAP PRIORITIES ADDRESSED

This project will meet two of the three priorities specified in the 2023 QAP:

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

3. QAP SELECTION CRITERIA MET

Market Conditions – The market study prepared for this project gives it the highest rating for meeting market demand and says, "The subject should fill at least 30 units per month, reaching stabilized occupancy in just over two months, without concessions. If the sponsor can use its existing client base and starts the qualification process prior to opening, then it is reasonable that all units could be filled in less than two months, without concessions." Empowerment intends to begin pre-leasing prior to opening. The only weakness noted in the market study is that some nearby PSH projects have vacancies mostly due to "eviction, undesirable SRO unit arrangements and tenants needing increased care…". It was noted that all these vacancies were in the process of being filled with CAS or waitlist applicants, but the lengthy screening process made filling units quickly, difficult.

Proximity to existing tax credit developments – The market study focuses on nine, nearby comparable PSH projects, the closest of which is 0.6 mile distant and five others are between 1.0 and 1.3 miles distant. The closest one is 100% occupied, four of the others within 1.0 to 1.3 miles, are 99% occupied while the fifth is currently under renovation so has some vacancies due to that. It has been Empowerments experience that they have little difficulty leasing up or keeping PSH units leased from the two sources of tenants from which they will be drawing applicants and that prospective tenants do not travel long distances (over 1.5 miles) seeking services and shelter. Their nearby main office, which is only 0.7 mile away or a 3-minute bus ride, is available for additional services that residents of this property might need (e.g., group therapy sessions, etc.)
Project Readiness. – The site for this project is zoned for the proposed use and has completed the Concept Review so the plan complies with all zoning and infrastructure requirements. Once an approval for tax credits to this project is received, the team is ready to proceed with final construction drawings, city building permit approvals and start of construction.
Overall Financial Feasibility and Viability. – As with other Empowerment LIHTC projects, this one meets all the standard criteria for feasibility. The ownership and management team of Ross and Empowerment, who currently work together at Odyssey Apartments, have years of experience working with participants like those that will inhabit this project, insures its viability.

Experience of the Team. – the Empowerment team has over 30+ years of experience developing & owning LIHTC projects, including over 100 apartments all serving people below 50% AMI and one PSH transitional property for the same population that will inhabit Chrysalis Apartment. Further, Empowerment will be the lead service provider at the new Greyhound-Empowerment apartment in Commerce City.

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

One of Empowerment's primary goals is to help people obtain and maintain stable, safe housing by providing individualized care management, long-term supportive services, and resource coordination. Empowerment consistently surpasses the required success rate of 82%, with 100% of the residents successfully maintaining their housing or moving to other permanent housing. Indeed, Empowerment's success in achieving resident outcomes at the five transitional and permanent housing apartment buildings it currently owns and operates is outstanding and has been credited with decreasing the number of Denver men and women living in poverty. It was selected by Denver in 2021 to reopen a women's community corrections facility that was closed due to poor management by a for-profit operator. This Project, Elevate, opened last summer and has received considerable notice for its early success.
All Empowerment services utilize trauma-informed, harm reduction, non-judgmental, and strengths-based approaches that are gender-responsive and culturally inclusive. The on-site programming that would be provided at the Chrysalis Apartments includes but is not limited to:

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

- **Employment Services** including individualized job placement and support maintaining employment, post-secondary career counseling, assistance registering for community colleges and technical education programs, resume support and assistance with work-related tools and clothing.
- **Education & Support Groups** regarding trauma and substance use disorders, including relapse prevention, trauma recovery, trauma narratives and anger management programming.

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

Empowerment's experience in developing, financing, opening and overseeing management and providing services to PSH and other affordable housing developments in the Denver metro area is excellent. The team understands the market and the specific requirements of vulnerable populations and are well-versed in harnessing local and national resources to ensure all stakeholders are engaged, aligned and supported.

Project Costs. – Costs are in line with similar projects. We can realize some saving since most of the site infrastructure is already in place. Additionally, we are using an experienced group of team members with whom Empowerment has had previous experience.

Site Suitability– The already works for similar cliental in an older, smaller property Empowerment has owned and operated for the past 15 years. It is a flat site that is near bus lines (one adjacent and 4 nearby), the following services and amenities are nearby:

- Grocery stores—7 block walk
- Numerous other retail outlets (clothing, restaurants, cleaners, etc.)—2 block walk to Colfax
- Public Recreation Center—0.7 mile
- Elementary schools—4 block and 7 block walks
- Middle School—7 block walk
- Regional Park—0.7 mile

The walk score of 94 is "*4% higher than the comparable average and is considered a "Walker's Paradise*.""

4. **WAIVERS—** This project has requested a waiver to the cost basis limitation. The 6.8% increase from the 2/1/23 application is due to the contractor's estimate being based on the a more in-depth calculation of projected cost considering the more complete design, continuing increase in construction costs, and the delay of construction start by about six months. In addition, the hard cost/unit may by higher than other PSH projects due to the commercial Davis-Bacon rates, estimated to be $444,836 or $6,400/unit.

5. **Market Study Issues**—The Market analyst gave the project the highest evaluation score (5) in all categories except Unit Sizes that received a 4. The analyst's statement was that "*The subject's proposed two-bedroom unit size is slightly smaller than the market standard for both homeless and LIHTC properties. However, its proposed design, unit features, project amenities and tenant services are generally in line with the surveyed projects with PSH units, and it will be a newer product in excellent condition. Overall, the subject will be competitive in the market given its target market.*" Empowerment's experience indicates that the two-bedroom unit size will not be a problem.

6. **Environmental Issues**

   The Phase I environmental report found no issues with this site.

7. **Unusual Features effecting costs**—Chrysalis Apartments includes considerable common areas and spaces designed to provide trauma informed areas that support recovery and which

are not typical for other rental projects. Even with these features and the goal of being a Zero Energy Ready project, the costs are not excessive. The one design feature that has driven up costs is the 7-story height, which maximizes the density allowed under Denver zoning for affordable housing. As noted above, this has increased costs.

8. **Community Outreach**—There has been formal and informal community outreach to neighborhood residents over the years of operating the existing LIHTC facility on the site. In addition, the team held a meeting with the CHUN neighborhood organization in February to get their input on some elements of the site plan and solicit their support for the replacement project. The result is the strong support letter included in the application materials.

9. **Promotion of equity and economic mobility**—Empowerment's reason for existing is to promote equity for typically disadvantaged people and its programs are structured to encourage, train for, promote, counsel for and support economic mobility.

4% housing credit application narrative

Project Name: **Compass Pointe**

Project Address: **Oakshire Lane and Beaumont Street, Pueblo, CO 81001**

Kittle Property Group is excited to present Compass Pointe for a second time. The site plan and project approach has been significantly improved to include 60 additional units, making more efficient use of an excellent site in a great location in the Eastwood neighborhood of Pueblo, Colorado. Historically, this neighborhood was disenfranchised from the City of Pueblo, and community leaders are seeking to right those wrongs with public investment and extensive new growth in the area. Overall, Pueblo is growing quickly, the housing shortage is acute, and Compass Pointe will make a positive contribution to the more than 4,000 housing units needed over the next 10 years[1].

The site is adjacent to the Veterans Affairs Office, a solar garden, park, and single-family neighborhoods. There is ease of access to Highway 50 and Highway 47, a transit stop within 225 feet, and close proximity to numerous job hubs and education opportunities. This site is in a Qualified Census Tract. Compass Pointe will consist of 192 units in six buildings. It includes a diverse unit mix of one through four-bedroom units with income averaging. Specifically, 10 units will be at 30% AMI, 6 at 40% AMI, 9 at 50% AMI, 133 at 60% AMI, 18 at 70% AMI and 16 at 80% AMI. Kittle Property Group has responded to local market demand for larger units to serve families, including intergenerational families who are struggling in the current tight housing market. Residents will also enjoy a comprehensive amenities package, including a clubhouse with leasing office, pool, fitness center, business center, and game room, dog park, in-unit washers/dryers, and 36 garages.

There will be six residential buildings, a freestanding clubhouse, maintenance building, and five garage buildings. The residential buildings include four buildings that are three stories, and two buildings that are two stories. This development will be all-electric with residents will be paying their own utilities, except trash, through a sub-metering system. This provides a system that keeps residents from being overburdened with deposits but encourages the conservation of resources. Security cameras will be in place for tenant safety. NGBS Bronze certification will be the green standard used. Compass Pointe has generated a great deal of support from the City and County staff and elected officials, Pueblo Housing Authority and the broader community. Evidence of this support includes commitment of $750,000 in

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[1]Workforce housing need established in *Pueblo Housing Assessment and Strategy* September 2021 Gruen Gruen + Associates page 36.

local HOME Funds, local private activity bond inducement, fee waivers, and letters of support from the Mayor, Pueblo Housing Authority, the Chamber of Commerce, and the YWCA.

Project Finance

The project will be financed with 4% LIHTC, State Affordable Housing Tax Credits, Private Activity Bond proceeds, Colorado Division of Housing Funds, a local contribution of $750,000, net operating income contribution during lease-up, and deferred developer fee. Pueblo County and City of Pueblo have both committed to assign their private activity bond cap to the project. Property tax exemption and sales and use tax exemption through Pueblo Housing Authority is anticipated, but not included in underwriting at this time.

- Total amount of bonds: ~$29,000,000 in tax exempt PAB at the 54% level with a local PAB contribution. The long-term PAB are expected to be about $17,258,000.
- Bond issuer: CHFA as a conduit.
- Lender and bond sale structure: We are expecting a private placement execution.
- Portion of bonds that will be tax-exempt and taxable: $29,000,000 of the bonds are expected to be tax exempt. We are assuming a ~$15,620,000 taxable tail during construction.

QAP Priorities

Compass Pointe is located in a non-metro county with a population under 180,000.

Criteria for Approval in Section 2 of the QAP

Market conditions:
The market conditions in Pueblo indicate a highly favorable environment for this proposed project. Pueblo County is projected to need 9,600 housing units over the next 10 years. Housing supply has fallen significantly short of population growth, particularly in multifamily construction and for households below 80% AMI. Residential construction in the City and County of Pueblo was hit hard by the Great Recession and never fully recovered. New building permits dropped from 1,400 to 120 issuances per year between 2001 and 2011. Recovery has been slow, with permit levels now at about 50% of pre-recession levels. And, nearly all permits in recent years are for single-family detached housing.

More than half of renters in Pueblo County are cost burdened. The percentage of households with cost burden increases to 67% for those in the 30-50% AMI category and 75% for households below 30% AMI[2]. The primary market area has a vacancy rate of 0%. The Pueblo Housing Authority maintains a waitlist which currently has 1,552 applicants seeking affordable rental housing. The project market study notes

[2] Ibid.

extensive pent-up demand for multifamily development of this type and price point. The total capture rate is 7.4%. Lease up absorption is anticipated to be 15 units/month with no concessions.

Proximity to existing tax credit developments:
There are 33 family LIHTC properties in the primary market area. Six LIHTC properties are located within five miles of the site and identified as the primary comparable properties. Compass Pointe generally has comparable rents and location, and slightly superior amenity package and condition. Compass Pointe is the only non-deeply-subsidized family LIHTC project planned or under construction in the position to respond to the extensive pent-up demand. The market study notes excellent condition, larger unit sizes and superior project amenities are Compass Pointe's most significant strengths. The project is located in a rapidly growing area, which City leadership has been specifically seeking to make investments that improve the diversity of housing types, jobs and services.

Project readiness:
The project is ready to proceed. Kittle Property Group completed a rezone process in 2022, and the Site Plan has been approved by Planning Commission and Town Council and is ready to proceed to building permit plan set review. All utilities are available and easily accessible from the property.

Site Control:
Kittle Property Group has an executed contract for purchase of the site. The contract meets CHFA site control requirements. There is a second amendment, extending closing to November 17, 2023. An additional 30-day extension is available.

Overall financial feasibility and viability:
Compass Pointe is financially feasible if it receives the requested allocations of 4% LIHTC and AHTC. Kittle Property Group, US Bank, the proposed equity partner, and the financial consultant, RCH Jones, have run the project through their tax credit financial models, providing consensus on its financial viability under the current assumptions.

Experience and track record of the development and management team:
Ranked in 2018 by Affordable Housing Finance as one of the nation's top 10 largest affordable housing developers, Kittle Property Group's expansive portfolio includes over 20,000 apartment homes in 18 states, providing quality homes for over 35,000 individuals and families. Kittle Property Group's first development in Colorado, River Bend Residences, is a 9% deal in Idaho Springs that completed stabilized operations in early 2021.

Kittle Property Group is a vertically integrated company that serves as the developer, the property manager and general contractor of its properties. As long-term owners, durability and sustainability and operating efficiencies are important to Kittle Property Group – as is a solid commitment to the communities in which it does business. Kittle Property Group has learned through experience that local partnerships are key to a project's success. That is why Kittle Property Group has worked extensively with local stakeholders in Pueblo and partnered with RCH Jones Consulting and Williford LLC. RCH Jones Consulting and Williford LLC are local experienced consultants with a cumulative 40 years of experience in the affordable housing industry, mostly specific to Colorado.

Project costs:
The project costs for Compass Pointe reflect current hard cost information and have been reviewed and verified by a third party, Cost Engineers, Inc. While construction costs in Colorado have been increasing rapidly, the proposed construction approach very familiar to Kittle Property Group, and the company's vertical integration is key to their ability to contain costs. In order to account for the volatile commodities and labor markets, Kittle Property Group has included an owner hard cost contingency along with additional soft cost contingency and allowances for cost progression.

Site suitability:
Compass Pointe is located in the Eastwood neighborhood of Pueblo, which is a suitable location for a non-age restricted multi-family property. This site has convenient vehicular access and good visibility from adjacent streets. There is a transit stop within 225 feet of the site, with service to downtown and several employment hubs. The immediate neighborhood includes residential uses, institutional uses, parks, vacant land, as well as US Veteran's Affairs Department Nursing Home and Eastwood Heights Park. This site has good access to shopping, employment, services and schools. Specifically, Baca Elementary school is 425 ft from the site, and East Side Child Care, Rocky Mountain Head Start, Heaton Jr. High School, Pueblo East High School, and Pueblo Community College are all within two miles.

The site is a level, buildable, infill site, which will connect to existing utilities and residential streets. There are no recognized environmental conditions.

Issues Raised by the Market Analyst in the Market Study
None.

Justification for Waiver of any Underwriting Criteria
We have requested a waiver of the 12-month Phase I ESA requirement because the May 2022 report shows no RECs. We have approval to do so from CHFA.

Issues Raised in the Environmental Report Submitted with Your Application and Mitigation
None.

Unusual Features that are Driving Costs Upward and Opportunities to Realize Cost Containment
Kittle Property Group is proud to bring forward a project proposal that we feel has exceptional cost containment. We have increased the density on the site, enabling us to spread the land and soft costs across more units. We have proposed an all-electric project, and have completed energy modeling for an alternative UA, enabling us to bring more debt to the project. And, our proven scale and vertical integration gives us purchasing power that improves our competitive advantage in this volatile market.

Description of Outreach to the Community and any Local Opposition and/ or Support for the Project
Brenda Haddad with Kittle Property Group has done extensive outreach in the community, including several trips to Pueblo to meet with community leaders. Outreach included meeting with the Mayor, City councilman for this district, City Council, City staff, Executive Director of the Housing Authority, Chamber of Commerce, YWCA, County Council, Community Commission on Housing & Homelessness, and members of the Eastwood neighborhood. Throughout that process, she has gathered feedback that has helped to inform the project design and financing strategies, as well as gathered encouragement and tangible support for the project in the form of financing commitments and letters of support.

Describe how the Proposed Development Contributes to Promoting Equity as well as Economic Mobility for Residents

Access to quality, affordable housing is key to reducing intergenerational poverty. The housing we are proposing at Compass Point will support families with the stability of affordable rents, professional property management, and new construction. Access to high quality affordable housing creates better outcomes for people across health, longevity, education, and income metrics, including increasing the likelihood of children finishing their high school education.

Kittle Property Group takes this mission seriously and has initiated a partnership with the Housing Authority of Pueblo to provide homes that have amenities that cater to family needs. Compass Pointe offers an important second step on the housing ladder, which is missing for many in Pueblo. Steven Trujillo, Executive Director, has said that his primary purpose in forming a partnership with KPG is to free up subsidized housing inventory for those most in need. The goal is to take those who have been able to use their time within the Housing Authority units to improve their economic status and move into Compass Pointe. This development will provide amenities on par with most market rate units and be able to provide a long-term home, and stability, for families looking to eventually purchase their first house.

The City of Pueblo has a population that includes 54.71% non-white population, and the neighborhood in which Compass Pointe is located is historically majority Latino. It is especially important that we invest in this community to provide the same level of affordable homes that can be found in other Colorado cities. Given the lack of housing supply in Pueblo in general, this development is one of the City's most significant opportunities to increase affordable housing supply in the near future.

4% housing tax credit application narrative

Project Name: Denver Dry Preservation
Project Address: 700 16th Street, Denver, CO 80202

Executive Summary: Perry Rose LLC (the "Developer") presents Denver Dry Preservation (the "Project"), a 106-unit affordable project that preserves and rehabilitates current units and adaptively reuses former commercial space to create more affordable units in downtown Denver. Located in a Difficult to Develop Area (DDA) on the city block along California Street between 15th Street and 16th Street, the Project is an existing 51-unit residential project in a building that also includes for sale market rate lofts and commercial space. The Project will rehabilitate the current 51 rental units (of which 39 are currently Low Income Housing Tax Credit (LIHTC) units and 12 are market rate units) and convert the 12 existing market rate units to LIHTC units. The LIHTC units are at risk of becoming market units which would displace some of the long-time residents who rely on this affordable property's superb location near their employment. The Project will also convert two floors of existing commercial/office space into 55 additional new construction adaptive reuse LIHTC units (see Attachment 1 for OZ Architecture's Project Narrative). The 106 total affordable units will serve work force and family residents at 30% to 80% AMI, with an overall average income at 57%. Perry Rose has chosen the average income test to allow for 16% of the units to be restricted at 30% AMI and below, while also targeting households at 70% and 80% AMI ("missing middle"), income bands that are not currently addressed downtown. The 12 existing market units that will be transitioned to LIHTC have strong demand evidencing the ability to achieve the higher 70% and 80% AMI rents.

The Denver Dry Goods Building was originally built in 1888 as a three-story structure on a quarter block in downtown Denver. Over the next 40 years, three major additions to the building increased its size to approximately 330,000 square feet in a six-story building that spans an entire city block. In 1916, the building was the largest department store west of Chicago. The Denver Dry retail chain was purchased by the May Companies in 1986. Under the May Companies ownership, the downtown store was closed and threatened to be demolished. With the leadership of Mayor Federico Peña, Mayor Wellington Webb, the Denver Urban Renewal Authority and Jonathan Rose Companies, a major renovation of the building was completed in 1994 using LIHTC, Historic Tax Credits (HTC) and Tax Increment Financing (TIF). This renovation transformed the former department store into a mixed-use, mixed-income structure consisting of retail, office, affordable and market rate housing and paved the way for several other downtown developments to pursue similar renovations, ultimately leading to a transformed downtown Denver (see Attachment 2 for more of the Denver Dry Goods Building's history).

In 2019, the Denver Dry was fully occupied and consisted of 120,000 square feet of retail, 30,000 square feet of office, 60,000 square feet of affordable and market rate units, 77,000 square feet of market rate for-sale condominiums, and 43,000 square feet of common area. However, the Pandemic dramatically impacted downtown Denver and the Denver Dry Goods Building leaving its commercial space mostly vacant. In response, Jonathon Rose Companies, a current owner of space in the building and one of the nation's leading developers focusing on the preservation and development of affordable housing, proposed converting the vacant office and retail space into a new affordable housing complex while renovating the existing LIHTC units (see Attachment 3 for a Cross Section of the building). The renovation will also include the conversion of the steam heating to an electric heating system in the LIHTC apartments that will increase the building's energy efficiency and reduce greenhouse gas emissions.

In addition to the steam conversion, elevators in the building will be updated along with the historic windows, façade, and common areas. The scope of rehabilitation to the existing 51 units includes restoration of the historic windows and the conversion from steam heat to electric heat using split system heat pumps paired with electric baseboard heat (PTA units for the alley side units). Existing units will receive new paint. Seventy percent of the existing units have been renovated over the past ten years. The remaining 30% will receive similar interior renovations over the next ten years. Current units include LVT flooring, walk-in closets, large windows, 16-foot ceilings, and storage areas. The 55 new units will be constructed within the existing historical building framework and will have similar features to existing units like walk-in closets, restoration of the large historic windows, 16-ft ceilings, along with new kitchens and appliances. New units will also have in-unit washer and dryers and a "gear room" for storing bicycles, skis, and other items.

Management is currently on-site at the existing project and will have renovated offices in the basement (current management offices on the third level are to be converted to two residential units). The on-site leasing office will provide supportive services that relate to the Jonathan Rose Companies core values of linking affordable housing to education, healthcare, food, and civic engagement (i.e., creating Communities of Opportunity with Resident Services Coordinators). The Developer provides similar services in other communities. The leasing office area will include a package handling system for the security and privacy of the tenants. Residents will have access to the co-working/office center that features open office space as well as two private offices and a conference/meeting area available by reservation. The business center will have commercial restrooms, wireless internet, mail drop off and processing. Residents will also have access to a 1,250 square foot fitness center with treadmills, exercise equipment, free wights and areas for yoga and stretching. Other amenities include secure single point of access, business center kitchenette, elevators, historical interiors, and common area washers and dryers.

Denver Dry Preservation's location is highly desirable with close and easy walking access to retail, grocery, restaurants, and cultural centers. It is also located across the street from the 16th Street/California Street light rail stop, providing easy access to the entire metro area. The Project has a Walk Score of 98 and a Transit Score of 87. It is a "Walker's Paradise"/ "Excellent Transit."

The Project will be financed with 4% LIHTC, Colorado State Affordable Housing Tax Credits (AHTC), HTC, local funding from the Division of Housing and the Department of Housing Stability, and energy/ CASR funding sources. The Project is true preservation of LIHTC units as the current Land Use Restriction Agreement (LURA) expired in 2023. Not only does the Project preserve 39 LIHTC units in downtown where it is more difficult to develop affordable units, it also adds 12 affordable rehabilitated formerly market units and 55 new affordable units in vacant commercial space. In 1994 the Denver Dry Goods Building's conversion of a vacant department store to residential and commercial was a catalyzing event that provided a new path for downtown Denver. The current Project, 29 years later, could also create a new path for the recovery of downtown by helping to preserve and adaptively reuse the same building and will, hopefully, catalyze the downtown of 2023 that has suffered severe economic decline and loss of office and retail tenants due to the pandemic.

1. **Describe the bond financing structure:**
   Construction Period Bonds (Tax-Exempt): $28,380,000 – CHFA Risk Share Public Placement; Permanent Bonds: $9,687,000 - CHFA Risk Share Public Placement; Bond Issuer: CHFA; Taxable Construction Loan: approx. $4,570,000; PAB volume cap requested from CHFA.
2. **Project does not serve Homeless Persons, persons with special needs, or low population non-metro counties.**
3. **Describe how the project meets the criteria for approval in Section 2 of the QAP:**
   Market conditions: The Project has a total capture rate of 22.6%, which is minimally increased from the current existing capture rate for the PMA of 21.7%. The Project's capture rates for the 30% AMI and below units is 11.3% and the capture rates for the 40% AMI and below units is 20.9%. The 50% and 60% AMI income band capture rates are higher at 29.6% and 56.7% respectively, both minimal increases from the current existing unit capture rates. The 70% and 80% AMI bands are both under 1% for capture rates. While the capture rates are higher for the 50% and 60% AMI bands, Perry Rose and the Market Analyst believe these rates are achievable partly because LIHTC units in the building are already leased up at the 60% AMI band and those residents are anticipated to stay. The in-migration is set at 20%, which the Market Analyst believes may be understated given the desirable location. LIHTC unit vacancy in downtown Denver is very low indicating high demand for units restricted to 60% AMI and below. Additionally, the minimal increase in the existing capture rates indicates that the units will be easily rented. The Market Analyst states that the Project could lease 25 units per month and reach 97% occupancy in two months without concessions for the new units.
   Proximity to existing tax credit developments: The Project's PMA includes 59 other LIHTC projects with a total of 4,395 income-restricted units. About half of those units are permanent supportive housing (PSH) or age-restricted units, leaving 2,022 units that directly compete with the Project. While this is a higher density of LIHTC units than other Colorado places, it is also the higher density of residents and specifically residents who work in downtown Denver in a variety of jobs who need affordable housing. There is only one other current planned project in the PMA: 2700 Wewatta Affordable, which is 56 units of PSH and not in direct competition for residents with the Denver Dry Preservation project. As a true preservation and new construction project, Denver Dry Preservation will preserve the 39 existing LIHTC units and likely maintain most of the residents in those 39 existing LIHTC units. In addition, the Denver Dry will create 67 new, much needed downtown LIHTC Units. Please see the Market Study for the list of other LIHTC projects in the PMA.
   Project readiness: The Project is currently zoned D-C, which has multi-family housing as a use. The administrative process for obtaining building permits is expected to take up to nine months after the initial drawings are submitted. The Project is aided by its current ownership structure, which can easily be acquired and assigned to the tax credit partnership.
   Overall financial feasibility and viability: The Project is financially feasible due to the DDA boost and the Colorado AHTC equity. The historic tax credits and the funding from sources for the steam conversion from CASR also make the project feasible.

Experience and track record of the development and management team: Perry Rose LLC, the Denver Affiliate of the Jonathan Rose Companies, is comprised of two managing members, Johnathan Rose and Charles Perry. The firm has actively developed affordable housing for over three decades. Projects in Colorado include the Denver Dry Goods Buildings, Highlands Garden Village, and Aria Denver, formerly the Marycrest Convent Campus. All three of these award-winning projects were at the forefront of new urban, green, mixed-use, mixed-income, healthy development, and historic preservation. These projects have contributed crucially needed quality affordable and workforce housing in urban infill settings.

Project costs: Costs for the Project are managed as the acquisition/rehabilitation units have been renovated over the years and are in good repair. The current renovations to be completed are relatively minor, but still essential as the building is converted from an old steam heat system to an all-electric system for the residential units. Perry Rose also has a template for completing the adaptive reuse of the commercial space into new residential units similar to the 1994 conversion in residential units.

Site suitability: Denver Dry Preservation has an ideal downtown Denver location with access to all the city has to offer just outside the front doors. Public transportation is ideal in the location, as is access to amenities like retail, restaurants, cultural facilities, services, and job centers. The site is also ideal because it is already home to 39 existing LIHTC units that have an expiring LURA in 2023. These important units will be preserved as affordable and added to with the 12 current market rate units that will be converted to LIHTC units through the Project. Additionally, the use of the vacant commercial space in the building is essential adaptive reuse of space that, since the Pandemic, is not being used in the downtown corridor.

4. **Justification for waiver of underwriting criteria:** A cost basis waiver is requested for the Project and is included as an attachment. Developing affordable LIHTC units in the current financial climate is expensive in general, though added cost factors specific to this Project include the steam conversion, all-electric LIHTC units and the creation of new units within the confines of an historic building. See Attachment 4.
5. **Address any issues raised by the market analyst in the market study.** The Market Study notes that the 50% and 60% AMI capture rates are higher than CHFA's preferred threshold of 25%, however, the market analyst does not believe this will negatively impact lease up as the completion of units will result in minimal increases to the existing capture rates. 50% and 60% AMI units at the existing capture rates continue to lease well in the PMA and the PMA has very low vacancy for those units. The Market Study also notes that the Project does not have on-site parking. The lack of parking has not historically affected lease up because of the ideal location, walkability, and transportation. The analyst states that the lack of parking will likely not affect lease up.
6. **Address any issues raised in the environmental report(s) submitted with your application and describe how these issues will be or have been mitigated.** No RECs were found in the Phase I Environmental.
7. **Identify if there are any unusual features that are driving costs upward as well as if there are any opportunities to realize cost containment (refer to Section 2 of the QAP).** Perry Rose has been able to contain costs by reducing the amount of construction and renovation to the basement level that will house amenities for the residents but will provide a 1,252 square foot fitness center located in the basement space. Prior plans for the basement included a community room for events, community kitchen and pantry for preparing meals for events and offering shared foods and additional co-working space. However, the Developer was able to keep some enriching amenities but reduce the size the space for the common amenity area to cut on costs.
8. **Community Outreach and Support** There is substantial support for the Project as can be seen in the letters of support from local leadership (Attachment 4 and sent to CHFA). The original Denver Dry Goods Building rehabilitation was transformational to downtown and local support shows the enthusiasm to retain this Project as affordable housing and continue the building's renovation and adaptive/reuse to include more affordable units for downtown Denver residents.

9. **Contribution to promoting equity as well as economic mobility for residents.** The Project contributes to promoting equity and economic mobility for residents by providing unique, beautiful units to residents at 80% of AMI and below in a job-rich downtown corridor with excellent access to transportation, education opportunities, employment, retail, and arts/cultural events. Proximity to all that the city has to offer promotes equity among residents of the Downtown corridor and access to a large variety of jobs and opportunity encourages economic mobility for residents. The on-site Resident Services Coordinator will help residents access case management, health, education, and financial services to promote equity.

10. **Acquisition/Rehab Narrative**

Proposed rehabilitation to the existing 51 units will include the conversion from steam heat to electric heat using split system heat pumps paired with electric baseboard heat or PTAC units for the alley side units. All existing units will receive new paint. 70% of the existing units have been renovated over the last ten years. The remaining 30% will receive similar interior renovations during the next 10 years such as new paint, flooring, new kitchen and bathroom cabinets, new appliances, new electric water heaters. A PCNA received by the Developer confirms these renovations and schedules.

Denver Dry Preservation LLC will retain a relocation consultant to manage the relocation of the approximately 10 existing market rate residents and to provide relocation options consistent with HUD relocation guidelines. Please see section 29 of the application for more information on the Relocation Plan. Prior to relocation, current market rate residents will have the option to be income-qualified to see if they can use one of the new income-restricted units. The Property Management staff and relocation consultant will coordinate the relocation process for the 39 existing LIHTC units with the construction project management team and residents. During the installation of the new systems in the 39 existing LIHTC units, which will occur during normal business hours, the LIHTC residents will be relocated to the business center in the basement when construction is occurring in their unit. The business center is accessible, and access controlled, from the street and building elevators. While using the business center for relocation, the residents will have access to restroom facilities, private office areas, conference room and co-workspace, free internet, and a kitchenette area. The business center is in the same general area as the leasing office. Rob Straka, Project Manager for Denver Dry Preservation, has participated in this type of relocation process for other Jonathan Rose projects in the past. Residents will return to their dwelling units to sleep at night and during other non-business hours.

The 10-year rule opinion was provided by Klein Hornig and supports the acquisition cost being basis eligible.

Capital expenditures over the past two years for the existing 51 units include: Unit upgrades: drywall/ paint ($23,000), carpet ($20,000), new cabinets ($7,000), vinyl composite tile flooring ($13,000), and other maintenance such as elevator repairs ($5,600), and water/sewer line repairs ($32,500).

The current ownership structure for the Project is shown in section 18 for Site Control. Two entities currently own the considered parts of the Project: Denver Building Housing LTD (DBH) and Denver Dry Retail LLC (DDR). No related party will own more than 49% of the new LIHTC entity.

Past local, state, and federal resources used in the building were LIHTC, HTC, TIF and a CDBG Urban Development Action Grant (UDAG), all used during the 1994 financing. The LURA from 1994 expires in 2023. In 2010, the principal amount of the UDAG loan was written down to $3,237,815 with a 1% rate and is annual interest payment only (approximately $30,000 per year). The principal amount on the note is cash flow (or sale) dependent and the note expires in 2099.

The Project has been well-maintained over the past 30 years and 70% of existing units have been renovated within the past ten years. The remaining 30% of the units will receive similar interior renovations as they turn over and are re-rented.

4% housing tax credit application narrative

Project Name: Dorcey Community Housing

Project Address: **Red Creek Springs and Kiwiquest**

Posada Inc. is an experienced affordable housing developer that is proposing the development of Dorcey Community Housing. The agency has assembled an experienced LIHTC development team that has successfully completed LIHTC developments in the area and around the state. The proposed 61-unit development will be located on the Southwest side of Pueblo, a previously unserved area of the community. Pueblo is one of the lowest income cities in the state and is demonstrating one of the highest unemployment rates. The demand for affordable housing is significant given the critical housing shortage in the City and County. The primary driver of demand is Pueblo's current vacancy rate, which is currently 3 percent. Pueblo's diminished housing stock has yielded significant rent increases. Average apartment costs in Pueblo from June 2020 to December 2021 have increased 42% for efficiency apartments, 16% for one-bedroom apartments, 13% for two-bedroom apartments, and 15% for three-bedroom apartments (Colorado Division of Housing and Southern Colorado Residential Rental Association). Rent increases stabilized in 2022 with an average increase of 3%

The project will be constructed on a site that is in close proximity to all necessary services with access to City bus lines and has required roads and utilities available to the location. The site is level with good soil conditions making it an optimum location for multi-family development. The property will be made available to persons/families with incomes at 30, 40, 50 and 60% AMI and will be comprised of one, two and three bedroom units. By increasing Pueblo's affordable housing stock, Posada seeks to reduce intergenerational poverty and increase economic mobility through the provision of quality affordable housing to a population of low income persons and families whose needs are not met by the open market. The developer has received financial support from local charities, private foundations, and local government to assist in the project's development. Project details are provided below.

- location and allowable density including if it is in a QCT/DDA/SADDA, The development is proposed on a 10.8 acre site at Spring Creek and Kiwiquest on the southwest side of Pueblo. Density requirements are being met in that the density per zoning required for the development is 1000 square feet per unit plus and additional 15% of floor space for green space. That calculates to 61,000 square feet for unit construction and 9,150 square feet for green space for a total of 70,150. The 10.8 acres will have 470,448 square feet.

- population being served; bedroom mix;

The development will serve persons/families at 30, 40, 50 and 60% AMI. There will be 18 one bedroom, 26 two-bedroom and 17 three-bedroom units. One-bedroom units will have 726 square feet, two bedrooms will have 856 square feet and the three bedrooms will have from 1,283 square feet.

- location and allowable density, AMI targeting;

The development will be located on 10.8 acres of land in the southwest corner of Pueblo. The density requirement is not to be less than 1000 square feet per unit plus 15% for green space. This development proposes to have 61,000 square feet for the housing units plus another 9,,150 square feet for the green space for a total of 70,150 square feet. There are no LIHTC projects in close proximity. When completed the development will serve persons/families and 30, 40, 50 and 60% AMI

- unit and project amenities;

Units will have energy star refrigerators, energy star dishwasher, electric range and washer dryer hookups. All units will have mini-blinds. Units will be all electric powered by roof mounted solar. Project amenities include an office. Site amenities include playground, picnic/BBQ areas, athletic court and surface parking. Site will be fenced.

- detail type of construction (including foundation type, framing, roofing, building skin, circulation, stairs, elevator(s), etc.);

Construction will be wood frame on slab on grade foundation. Gable roof system with asphalt shingles. Exterior side will be stone, metal and Hardie siding. Units will be single story duplexes. Units will have high efficiency spray foam insulation in walls and ceiling areas. Development will be fully electric and power fully provided by roof mounted solar panels. There will be 10 EV charging stations. All units are fully ADA accessible.

- access to public transportation within one-half mile of site and job centers (if applicable) and how it promotes opportunities for economic mobility;

Public transportation is available within .03 miles of the site affording easy access to government services, shopping, employment, recreation, schools and health services.

- type of services and how they are financed, if applicable;

  NA

- description of energy efficiencies (if applicable, include advanced energy performance standards and certification tier);

  All units and clubhouse will have spray foam insulation on wall and ceiling areas. Entire project will be all electric and all power provided by solar arrays mounted on roof systems designed to maximize solar benefits. Heat/cooling system will be Mitsubishi dual zone ductless heat system with heat pump. Systems are extremely efficient with long life spans. Systems come with a 12 year warranty. Water heating will be electric high efficiency. Solar panels have a 30 warranty.

- type of financing; local, state, and federal subsidies; etc.

  Primary permanent financing would be provided by investor equity from Alliant Capital $ 14,190,802, permanent loan from the Colorado Housing and Finance Authority, Smart loan of $ 5,000,000 and a HOF loan/grant of $ 750,000, $ 4,697,551from the Colorado Division of Housing, $ 600,000 from the City of Pueblo, Posada Inc. will provide a cash flow loan of $ 1,830,000, a deferred development fee of $ 770,000 and a land donation of $ 170,000. The Daniels Fund, $ 71,940; and Pueblo Triple AIM Corporation, $ 23,750; provided grant funds for the development.

- what, if anything has changed since previous application (if applicable);

  NA

- if the project is for Homeless/Special Needs Housing, describe how the proposal follows best practices (trauma-informed design, funding for services, experience, etc.).

  NA

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

   The development proposed is in Pueblo County which has a population of less than 180,000. This meets the priority identified in the QAP. In addition, Posada Inc., serves as the primary provider of assistance to the area homeless population which will benefit from the proposed development. The project also has a number of ADA units which will be used to house area residents with disabilities or special needs.

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

   - Market conditions

     As identified in the market study there is an extremely strong demand for affordable housing In this area. Occupancy is 97.0%. Proposed rents are a significant bargain in the market area. There are few projects in the pipeline to meet the areas pent up demand for affordable housing. Absorption rate is only 8.4% and project lease up in four months. Estimated occupancy rate is 97% with an average turnover rate of 10% per annum.

   - Proximity to existing tax credit developments

     There are no existing LIHTC developments in close proximity to the proposed development.

   - Project readiness

     Development team is in place to begin development immediately if LIHTC's were awarded. Annexation, zoning and site plan approval will be in process during LIHTC review process. Zoning has been approved. Full plans and specifications could be in place by December 2023, with construction loan and partnership closing in spring of 2024. This would allow for construction to be started in spring 2023.

   - Overall financial feasibility and viability

     If approved the proposed financing meets the underwriting criteria of the proposed permanent lenders and equity investors. It would provide for the long-term maintenance and economic viability of the development.

   - Experience and track record of the development and management team

     This would be the second LIHTC development being undertaken by Posada, Inc. They have put together a team of seasoned LIHTC professionals, architects, engineers, contractors, tax attorney, CPA, lenders, equity investors and development consultants that have an established history of LIHTC development in the area and around the state. Posada Inc. has been the primary developer/manager of affordable and homeless housing in the Pueblo market area.

   - Project costs

Project costs were developed by HE Whitlock Construction and HGF Architects. Projections were developed using pricing from project currently under construction in the area, historic industry data and conversations with subcontractors and material suppliers. Total cost per unit is $ 460,772, with hard costs of $ 357,992, soft costs of $ 102,999 and land costs of $ 2,787 per unit is being donated to the project. The developer fee would be $ 44,098 per unit but 100% of those funds are being deferred or lent back to the development.

- Site suitability

  Site is level ground with good soil conditions which allows for quality construction with a minimum special design features. All infrastructure is available at site including roads, water, sewer, electric, gas, phone and cable eliminating the need to expend roads and utilities. On the North, East and South side of the property are primarily single-family homes. There is also a church located on the East side of the property. To the West is a mobile home park. The site is well located for access to shopping, schools, public recreation areas and health services. Public transportation is available within .03 miles. Site is located in an area of Pueblo not served by other affordable housing developments.

3. Provide the following information as applicable:

   - Justification for waiver of any underwriting criteria

     We are requesting a waiver of PUPA expenses due to the property tax exemption made possible by the special limited partnership with the Housing Authority of the City of Pueblo. We estimate a per unit savings of $ 491 per unit per month. If you add that savings to our PUPA of $ 4,326 in gives us a PUPA of $ 4,817, well above CHFA's minimum of $ 4,500 PUPA.

   - Justification of the financial need for a CHFA basis boost up to 30 percent of eligible basis

     We are not requesting the 30% boost of eligible basis

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

   No issues were identified in the market study.

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

   The environmental study found no historical environmental issues and found nothing in their physical review that warranted additional environmental study.

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

The costs for the development are within acceptable range according to CHFA underwriting. We did add energy efficiency upgrades, some solar, EV charging stations, high efficiency heating and cooling systems, spray foam insulation, that have an upward impact on costs. In addition, site infrastructure is expensive due to length of site. While all infrastructure is necessary for this portion of the development, it will reduce costs for planned future affordable housing development on adjacent site.

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

Posada has initiated outreach efforts to engage the community in the Dorcey Community Housing development plans. The organization's philosophy is to engage early and often. By identifying local leaders to discuss plans, the agency sought input on the development. Services that will be offered on-site including after-school tutoring for resident children are a direct result of community input. With a successful LIHTC award, Posada plans to hold a series of community meetings not only to provide planning information but to establish working relationships with the neighborhood.
The development name Dorcey Community Housing is in honor of the late Father Roger Dorcey who served as a Catholic priest in Pueblo at nearby Our Lady of the Meadows Church. Father Roger preached and lived a spirituality of hospitality. Father Roger's dream was to create a community center to serve people of all ages through the provision of care, mentoring and community. Father Roger was killed in a car accident at the age of 59 on July 23, 2005. The Roger P. Dorcey Community Project embraced Posada's plans for the creation of affordable housing to support Pueblo's low-income individuals and families and contracted the sale of the land to Posada. Purchased in 2008 for $170,000, the Project administrators have elected to sell the property at the 2008 purchase price of $170,000 to Posada. Discussions with the Diocesan Liturgical Council of the Diocese of Pueblo has yielded unwavering support for the project. The proposed Dorcey Community Housing development is situated on a parcel next to Our Lady of the Meadows church on Red Creek Springs Road. Posada's Developer has been in contact with local government, community organizations, the Housing Authority of the City of Pueblo and area residents to assist in project design and targeting.

4% housing credit application narrative

Project Name: **The Edge Apartments Phase III**

Project Address: **Boyd Lake Avenue and 15th Street, Loveland, CO 80538**

1. Executive Summary

The Loveland Housing Authority requests an allocation of 4% LIHTC and State LIHTC for the development and construction of the 66 unit, 100% affordable, multi-family project named "The Edge III." The Edge III is the third phase of our very successful The Edge project. Upon completion of Phase III, The Edge will provide 205 units of much needed affordable workforce housing to Northern Colorado (139 units are currently in service). The Edge III will consist of studio, one, and two bedroom units, with 12 of the units serving very low 30% AMI income levels. The inclusion of studio apartments are in response to waitlist demand, and also lend themselves well to potential State vouchers that serve special populations such as homeless youth. The Edge III will have access to existing amenities which include a clubhouse with programming, a tot lot, a playground, and community gardens. This project will meet or exceed Enterprise Green Communities 2020 standards, which will facilitate the creation of quality affordable design while ensuring long term sustainability.

The Edge III will consist of 3 buildings, each a 3 story walk-up, with architecture that matches The Edge I and II. The buildings will be wood frame construction on a slab-on-grade foundation, with cement board siding and partial stone veneer. The flat roofs will be protected with a TPO membrane roofing.

The Edge III units will be well-appointed, with each including the following amenities:

- Patios/balconies.
- Washers/dryers.
- Individually-controlled heat and air conditioning.
- Window coverings.
- Full kitchens with self-cleaning oven/range, dishwasher, disposal, and refrigerator.

Unit Mix

AMI	0-BR	1-BR	2-BR	Total
30%	4	6	2	**12**
40%	4	3	1	**8**
50%	7	9	4	**20**
60%	9	12	5	**26**
Total Units	**24**	**30**	**12**	**66**

The site is adjacent to The Edge I and II, which offers a superior location for residents due to its proximity to many employers and amenities, including Centerra Promenade Shops, Rocky Mountain Outlet Stores, local banks, Medical Center of the Rockies, McKee Hospital, Orthopedic Center of the Rockies, Loveland Sports Park, Mountain View High School, High Plains Elementary School, and numerous dining establishments, among many others. In addition, The Edge III will have a direct connection to the City of

Loveland's recently completed Centerra Trail extension, which provides connectivity to the existing intra-city Recreation Trail and the Regional Trail network. Access to COLT, the City of Loveland's public transportation system, is available two blocks from the site on Eisenhower Avenue, and the site also provides convenient access to Interstate 25.

The Edge community continues to receive a tremendous amount of support and has been awarded Affordable Housing designation from the City of Loveland. On July 18, 2023, the Loveland City Council approved fee waivers in the amount of up to $1,420,786. In addition, the Loveland Housing Authority intends to apply to the Colorado Division of Housing to request $2,640,000, and the Loveland Housing Authority will provide approximately $2,250,000 from reserves for the project.

Another strength of this project is the Loveland Housing Authority's proven experience in the development and management of LIHTC housing. In the past fifteen years, the Loveland Housing Authority has developed over 500 LIHTC units in Loveland and the surrounding communities, and has earned an excellent reputation for design, construction, and management of Section 42 funded properties.

Assuming a tax credit award, the project will break ground in the summer of 2024.

1. Bond Financing Structure

The bonds for this project will be issued by Loveland Housing Authority and will be privately placed with the lender chosen via an RFP process. Potential lenders include Bank of Colorado, ANB Bank, Wells Fargo and others. LHA will issue $13,000,000 in tax-exempt bonds. Of those $8,500,000 will be retired at construction completion for permanent bond amount of $4,500,000. All of the bonds will be tax-exempt (no taxable tail) though there will be a small portion of the construction loan that is taxable.

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

The Edge III application does not meet any of the priorities addressed in the Qualified Action Plan.

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

Market conditions
As identified in our Market Study we have a very strong market demand for this project, with a total existing capture rate of just 24%. Vacancies within our existing portfolio of housing are currently under 2%, which primarily represents the time required for unit turnover and new resident processing time. Our current wait list contains nearly 4,000 households appropriate for this project.

Proximity to existing tax credit developments
The Edge III project will be adjacent to the existing The Edge Phases I and II, also owned and managed by the Loveland Housing Authority. The Edge III will leverage the successful programming and amenities provided at The Edge, and will expand on the proven success of the affordable housing project.

Project Readiness
The Loveland Housing Authority is a very experienced developer that delivers on its commitments. The site is owned by the Loveland Housing Authority, has all required zoning and all off-site improvements are complete. The architectural design is complete through the Design and Development Phase. Once LIHTC credits are approved, The Loveland Housing Authority will be in position to begin vertical construction in the spring of 2024, with completion by summer of 2025.

Overall financial feasibility and viability
As the third phase of The Edge project, The Edge III benefits from the experience of The Edge development. The design and costs have been reviewed and vetted to be as accurate as possible and appropriate value engineering opportunities have been taken. The operating budget is based on historical operations, so no significant fluctuations are expected. There is proven demand with nearly 4,000 appropriate households on the Housing Authority's wait list.

The Loveland Housing Authority has a proven track record and relationship with equity and debt providers and will be able to successfully close this transaction in a timely fashion.

Experience and track record of the development and management team
The Loveland Housing Authority, which has an excellent track record of completing LIHTC projects on time and on budget, will be the developer of The Edge III project. The key development principals have a combined 40+ years of developing and managing tax credit financed developments. The Edge III will be the 16th successful LIHTC project developed by the Loveland Housing Authority, with all previous LIHTC projects except one being new construction projects.

Loveland Housing Authority has retained he design firm of OZ Architecture and the General Contractor Pinkard Construction, the same team that has successfully completed The Edge I/II projects. Both of these firms have a vast amount of experience with multi-family LIHTC projects.

Project Costs
Due to the intense building activity in Northern Colorado in particular and all along the front-range, construction costs have increased significantly over the past several years. The Loveland Housing Authority is working diligently with our General Contractor and Architect to identify and incorporate appropriate cost savings measures. As reported by our partners, the primary driver in construction cost escalations are increased labor and material costs.

Site suitability

The site for The Edge III is ideal for a LIHTC multi-family development. The site is owned by the Loveland Housing Authority, has all appropriate zoning, and all off-site improvements are complete. As an expansion of the proven The Edge development, Edge III residents will have access to existing amenities which include a clubhouse with programming, a tot lot, a playground, and community gardens. The project is in close proximity to numerous employment and service opportunities, is close to the City of Loveland's public transportation system, is easily accessible to Interstate 25, and will have adjoining access to the City of Loveland's recreation trail system and the regional trail network.

4. Describe any requests to waive underwriting criteria

The project is requesting a basis limit waiver. This waiver is justified due to the rising construction costs as well as the high tap fees. LHA and the City of Loveland are both contributing funds to offset these costs.

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

    No issues reported.

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

    No issues reported.

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

   There are no unusual features increasing the cost of the development, with the exception of the need to adhere to the architectural guidelines set forth by the Metro District. Note: The project has been removed from the Metro District for funding purposes, and only the architectural guidelines apply to the project.

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

   The Edge III will be an expansion of The Edge, which is a very successful and highly regarded affordable housing community in Loveland. In large part due to the success of The Edge, the Loveland Housing Authority is receiving much support for the third phase of the project.

   The Edge III will benefit from the City of Loveland's affordable housing incentives which include forgiveness of all Sales and Use taxes related to the construction of the project, fast tracking for project review and approval, and reduced site development standards to assist with project cost control. The City of Loveland's Affordable Housing designation is has resulted in fee waivers of approximately $1,420,786. Consistent with previous projects, the Housing Authority will apply to the Colorado Division of Housing for $2,640,000, and the Housing Authority will contribute approximately $2,250,000 from reserves to the project.

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

Affordable housing options are very limited in Loveland, as evidenced by LHA's waiting list which currently stands at approximately 4,000 households. The Edge III will promote equity and economic mobility by providing residents with a quality housing option in a community where market rent for a 1BR apartment is $1,585, much more than what someone earning 60% or below of the area median income can afford. A 2021 Regional Housing Study commissioned by LHA found that while Loveland is a job generator, 77% of Loveland's workforce are in-commuters. Simply put, Loveland's workforce cannot afford to live in the community. Fortunately, with an average AMI of 49%, the Edge III will provide 66 new affordable housing units that will provide an opportunity for people to live closer to work, fostering job advancement, increased earnings, ultimately leading to pathways to economic advancement. Because there are a variety of needs in the assisted housing population, all Edge III residents will also have access to resources including basic needs, healthcare, veteran, mental health, and transportation support services through Aspire. Aspire is a non-profit partner to the Loveland Housing Authority with a mission of connecting LHA residents with multidimensional resources that will provide the support and inspiration to elevate their quality of life.

Please see attached letters of support from the following:

Jacki Marsh, Mayor of Loveland
Denise Meyer-Mullhaupt, Disabled Resource Services
Jon Mallo, Loveland City Council, Ward IV
Olga Duvall, Salvation Army
Alison Dawson, Disable Resource Services
Alison Hade, City of Loveland, Community Partnership Office
Paul Christensen, Aspire 3D
Marilyn Heller, League of Women Voters

4% housing tax credit application narrative

Project Name: **Flats at North Broadway**

Project Address: **101 Ping Lane, Eagle, CO 81631**

The Flats at North Broadway (the “Project”) is the first phase of a multi-phase development of the North Broadway Neighborhood in Eagle, Colorado. It will serve a critical housing need in the Eagle Valley, and, in addition to serving the unmet housing needs, the Project will set in motion a transformation in the Town of Eagle that is highly anticipated along the river front. The overall development effort will create a three-acre river park that is adjacent to the Project’s Central Plaza and will be interconnected via trails, sidewalk, and bike paths connecting the future residents and community to this exciting new neighborhood in the Town of Eagle. The first phase of the Project, undertaken by Elmington, plans to deliver 138 Units at or below 100% of the Average Median Income (“AMI”). The proposed unit mix will include 41 one-bedroom units, 70 two-bedroom units, and 27 three-bedroom units. Seven units will be designated as accessible units and distributed across all unit types and buildings.

The Project, situated on a total assembly of 17 acres, is highly visible from I-70 and will inspire the community that provided the vision for the North Broadway Neighborhood in the Eagle River Corridor Plan in 2015 (“ERCP”). Amenities will include both indoor and outdoor active places for recreation, health, and wellness and are orientated close to the ground floor commercial space proposed along the Central Plaza. The goal is to foster and create a sense of place by hosting seasonal community events and welcoming people to the neighborhood for active play along the river front water park adjacent to the site. The Project envisions future connectivity to the park and a comprehensive trail system, both of which are planned in conjunction with the other publicly planned efforts outlined in the ERCP and the additional pedestrian connections will further advance the connection to transit bus stops, fairgrounds, and downtown businesses.

The Flats at North Broadway is an integral piece to the North Broadway Neighborhood development. It will begin transformation of the neighborhood in partnership with the local community, deliver on critical infrastructure investment supported by the Eagle Downtown Development Authority, and help kick off an opportunity for additional infill on as many as four additional tracts of land that are being platted in conjunction with the effort. The improvements to the North Broadway Neighborhood will seamlessly connect to the proposed Grand Avenue improvements. Ultimately, it will showcase the North Broadway Neighborhood as a successful implementation of a rural-inspired, resort-style community plan made possible through a Public-Private Partnership. This Project seeks to celebrate the community, protect the environment and natural habitat by which it is surrounded, and leverage tools and resources to stimulate investment.

Elmington believes that *People Are the Difference*. Thus, the resident experience will not be compromised in our effort to deliver an exemplary project. By way of inclusion, the Flats at North

Broadway is specifically tailored to the input received from stakeholders for successful integration into the mountain lifestyle community. Notable items range from the combination of structured and surface parking that will serve flexible lifestyles to all-electric buildings which incorporate sustainable design and systems, solar installations, EV-charging/ready parking, onsite storage, and a roof top deck overlooking the river and pocket play areas for families. In-unit amenities will include air conditioning, blinds, carpet, luxury vinyl plank flooring, a coat closet, refrigerator, stove/oven, dishwasher, internet connection, and garbage disposal. Additional interior project amenities will include on-site management, access control, an entry call box, and security cameras to ensure the safety and well-being of our residents.

Construction will be a wood-framed building with wood-framed stairs and elevator cores, clad-in masonry, and fiber-cement siding. The North building will be a mix of wood-framing and wood-framing on podium. Site development includes removal of the existing structures and clearing the site. New construction includes extension of utilities, new curb and gutter, sidewalk, and parking. The exterior architecture will include a street-facing façade with sweeping roofs as a welcoming gesture to the development. This portion will consist of two to three stories of Brick Veneer, referencing the architectural style of downtown Eagle. As the building moves towards the river, it steps down to three stories to break down the mass of the building and to create a more intimate experience/scale as people pass by on the multi-use trails. The building base material will be a Brick Veneer which will extend up multiple stories beyond the ground level and the building will be topped with Fiber Cement Siding, bringing the visual texture, scale of planks, and warmth of wood to the building while being durable and cost-effective. Recesses for Juliet balconies and a datum below the roof will be lined with a Fiber Cement Panel to emphasize the depth and shadows within these spaces.

1. **Describe the bond financing structure:**
   Construction Period Bonds (PAB): $30,400,000 tax exempt and $11,040,820 taxable;
   Bond Issuer: CHFA Permanent Bonds: $21,517,192 - Private Placement;
   PAB Volume Cap Provider: $7,000,000 (approx.) Eagle County assignments FY 2023 + FY 2024;
   $23,400,00 (approx.) CHFA 2023 4%/HTC Award
   Lender/Structure: Citibank;
2. **Identify which, if any of the priorities in Section 2 of the Qualified Allocation Plan (QAP):** The Project is in a non-metro county with a population of 180,000 or fewer.

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

a. **Market conditions:** The total number of qualified renter households in the primary market area is 550 at 60% AMI and the total qualified for up to 100% AMI is 933 households. These figures do not account for factor of in-migration and suggest a total capture rate for the combined 138-unit project is 27.3%.

b. **Proximity to existing tax credit developments:** The PMA has 10 LIHTC projects containing 958 income-restricted units, all reported 100% occupancy with waitlists. The market analyst noted the existing supply of restricted rental units captures just 21.1% of the qualifying households. With the expected new affordable rental unit supply of 138 units in the PMA the capture rate increases to 27.3%. Reference to comparable market-units in the PMA, a discount of 10-17% is offered for the proposed 18 units restricted to 100% AMI. The market study concluded that the Project's location and amenities are superior or comparable to all identified comparable properties in the PMA.

c. **Project readiness:** The Elmington team of professionals and consultants have been working with the Town of Eagle over the past 18 months to assemble required lands and garner support for the vision necessary to deliver the desired outcome of the ERCP at the North Broadway Neighborhood. The efforts outlined in our Zoning Exhibit contained herein demonstrate that this engagement has resulted in numerous modifications over the course of the last year to ensure viability of the Project and a predictable outcome for a timely closing that will ensure we meet the tax credit timelines. The overall efforts include two different Concept Plan submittals through the Sketch process whereby comments were received from numerous referral agencies and stakeholder groups in the Community, including most recently the Eagle Planning and Zoning Commission, the Eagle Town Council, Eagle County, and the Eagle Downtown Development Authority.

The annexation and rezoning applications for each respective parcel of land under contract are currently pending with the Town of Eagle and are scheduled to be completed in September. The approvals will create a vested right under the North Broadway PUD Guide framework supporting the proposed Project. Immediately thereafter and without delay the Elmington team will submit the Preliminary Subdivision Plan, which has been completed, to finalize the Subdivision Plat. The subdivision plat and plan review are estimated to be complete by the end of 2023 and will permit the team to pursue the building permit for construction thereafter. The permit application for the Project will be submitted in early 2024 to ensure a timely closing by the end of 2024.

d. **Overall financial feasibility and viability:** The Project's overall feasibility is supported by the incredible need in a high-cost rural, resort community and the project has received a commitment of FY 2023 and expected FY 2024 private activity bond cap from Eagle County, along with supporting gap funding and property-tax exemption for all units of the project (at or below 100% AMI). Elmington has received LOI's for all required tax credit equity (Federal & State), construction debt, and permanent financing for the Project. Elmington is also committed to the underlying infrastructure costs that will connect the development and is firmly committed to the overall effort at the North Broadway Neighborhood.

e. **Experience and track record of the development and management team:**
Elmington has significant experience and a long-track record of developing, delivering, and managing high quality affordable housing developments. Based in Nashville, Tennessee, Elmington has developed approximately 12,444 units multifamily units in either new construction or substantial rehabilitation in the last 10 years and manages a portfolio of 278 communities across 12 states totaling over 43,000 units.

Elmington has extensive experience in a variety of community development financing tools, including private debt, private equity, 9% and 4% Low Income Housing Tax Credits (LIHTC) awards, HUD rental assistance programs, Tax Increment Financing (TIF), Payment in Lieu of Taxes (PILOT), Community Development Block Grant (CDBG) Program, Equity and Tax-Exempt Bond, Barnes Fund, Project Based Vouchers (PBV), Project Based Rental Assistance (PBRA), Home Investment Partnership Program (HOME), and Amazon's Housing Equity Fund. We are well-versed in the requirements associated with HOME funds, National Housing Trust Funds, Section 3, Davis Bacon, DBE/WBE, Subsidy Layering Review, and other regulatory requirements. We are familiar with all the HUD regulations and requirements.

Elmington has successfully managed to completion 22 new-construction affordable housing developments representing over $500,000,000 in completed construction. The largest number of construction sites Elmington Affordable has managed at one time is 19, with an average project size of approximately 210 units. Elmington has a fully staffed predevelopment and construction management team in place to fully manage and coordinate a team of architects, engineers, and contractors as they design and develop multifamily projects with attention to detail of every aspect. Elmington is dedicated to ensuring each project is constructed in accordance with the owner and design team's requirements and vision, ensuring an on-scheduled and on-budget project. Approximately 80% of projects have been completed on time and within budget. For those projects not completed on time and within budget, reasons include the COVID-19 pandemic and associated supply-chain disruptions, as well as labor shortages. Other overages are merely based on owner preferences to improve the aesthetics and amenities of the property.

f. **Project costs:** The costs of the Project, while not insignificant, are reasonable for a new tight infill site with limited access points and challenging grades. The Project Team has spent over a year obtaining all necessary due diligence and working through various design-build approaches and phasing strategy to find the highest density solution for the Project and is confident in the numbers produced. The Project costs leverage efficiencies with the larger neighborhood-scale development (i.e. shared trunk infrastructure, foundation/retaining wall systems, min. required parking requirements = expensive parking structure, district stormwater quality/detention = modified 100-yr floodplain, expansive parks and open space amenities).

g. **Site suitability:** The Flats at North Broadway will be transformative and create the North Broadway Neighborhood envisioned by the Town of Eagle. The combined 17-acre site has been intentionally designed to connect the outdoor features of the site to the public gathering spaces and site amenities including the Eagle River Park and trail system. All environmental due diligence and investigations have been completed as part of the Town of Eagle's requirements.

4. **Describe any request to waive underwriting criteria (if requesting):**
   a. Justification for exceeding the Cost Basis Limits criteria: Please see the Cost Basis Waiver included in the Supporting Documents (sub-folder #10).
   b. Justification of the financial need for CHFA's DDA credit up to 130% of qualified basis: *N/A*

5.Address any issues raised by the market analyst in the market study. Only three weaknesses were raised in the Market Study which concluded the project is very marketable and should successfully be absorbed into the primary market area.

- ***While many of the subject's features and amenities are desirable and unique, they also increase construction costs, which might impact feasibility.*** Project Amenities are included in the budget.
- ***The property's elevators might not appeal to some families, but 85% of its units have 2 or 3 bedrooms.*** One elevator per building is provided for convenience and accessibility. Stairs are included.
- ***The design provided to us does not show good access from units in the south building to the parking structure in the north building.*** Additional design work will advance circulation and connections.

6. Address any issues raised in the environmental report(s) submitted with your application and describe how these issues will be or have been mitigated: The Phase I Environmental Site Assessment (ESA) identified a single Recognized Environmental Condition ("REC") as possible contamination of soil and/or groundwater from prior operations of a dry-cleaning facility adjacent to the project site. A Phase II ESA was conducted to sample on-site soils and monitor/test ground water and concluded the potential

REC was a non-issue. Other supplemental studies, surveys, and engineering reports have also been commissioned to ensure all project design and environmental considerations are satisfied.

7. Identify if there are any unusual features that are driving costs upward, as well as if there are any opportunities to realize cost containment. (*Refer to Section 2 of the QAP for additional information*): The project is situated along Grand Ave between the Union Pacific rail line and the Eagle River. It has limited access to support the overall density desired at the location. The site challenges related to access required additional assembly of land at Brooks Lane to ensure two points of access were available for the development to ensure fire and life safety vehicle access. Other limitations that have been addressed with the site plan and orientation of the buildings include the topography across the site, the protection of wetlands, and the limitations created by the flood plain and desired river set-back.

8. Describe the outreach to the community that you have done and describe local opposition and/ or support for the project (including financial support). Elmington has been engaged with the Town of Eagle and the vested local stakeholders involved with developing the Eagle River Corridor Plan since putting the initial parcel of land under contract in early 2022. The Elmington team has focused on the challenges of the site and the desired outcomes to ensure a result that is consistent with the vision. Our local community engagement consultant (*Commfluent)* has been instrumental in connecting us with numerous stakeholders to ensure input informs design. The engagement with the community is ongoing and has also included a formal comment period in the form of a sketch plan submission. This allowed planning, zoning, and the Town Council to review and comment on the plans prior to our formal submission. The overall process with the Town of Eagle has been challenging, yet rewarding, and it will ultimately ensure a desired outcome is delivered at the North Broadway Neighborhood. See *Stakeholder Engagement List* (in sub-Folder #10).

9. Describe how the proposed development contributes to promoting equity as well as economic mobility for residents.
The Flats at North Broadway will promote equity and economic mobility for the residents and the Town of Eagle by promoting and creating better access to health-promoting housing which is proven to increase the overall well-being of the residents and the community. The development team has focused the site design effort in Eagle to include the basic utilization of health determinant factors that address current inequality and health disparities individuals are experiencing in Eagle. They include cost (affordability), conditions (quality), consistency (residential stability), and context (neighborhood opportunity).

Our ability to deliver housing to the market at a cost to the resident that is well below the market will ensure individuals and families are not over-burdened with household costs; and therefore, they will have the means for more economic mobility. Workforce housing in Eagle is in high demand, yet there are very few quality options currently available. The thoughtful design, achievable density, and overall connection to downtown Eagle that is proposed at the Flats at North Broadway will be immediately impactful by creating high-quality, sustainable housing. This development will allow residents and employers to benefit from living and working in their community. The added stability to the housing market will also have a direct benefit to the employers and businesses that want to grow in the region with more access to employees and customers. The Flats at North Broadway will invariably create more consistency and stability to the surrounding community by reducing dependence on the automobile, decreasing daily commutes to work, and providing improved connections to transit options, recreational activities, services, and employment. The mixed-income approach also ensures that a diverse population will be served by each respective unit type and at different levels of affordability. In this context a more cohesive and diverse population choosing to live and thrive in Eagle will be made available.

Additional Supporting Narrative Items

a. Radon mitigation: A passive radon mitigation system is designed and included in the cost of construction per the mandatory requirements and will be tested prior to occupancy. If at-grade units tests are in an unacceptable range the system will be converted to passive and retested.

b. Commercial Space Narrative: Please see supplemental narrative and exhibits in sub-folder 10.

4% housing credit application narrative

Project Name: Gateway Village Apartments
Project Address: 414 Southridge Road Fort Morgan CO

Executive Summary:
In 2016 Rocky Mountain Communities acquired the Gateway Village Apartments from the local housing authority in order to preserve this community asset as affordable housing. Built in 1975, at no point has the project been renovated. A section 8 contract subsidizes 44 units and is set to expire next year. We believe that the time is now to completely renovate the project, recapitalize the debt, and renew the HAP contract for another 20 years. We are pleased to have the opportunity to present our plans for this transaction once more.

Since our application submittal last year, we have made several changes to this proposal:

- We ordered a Rent Comparability Study (RCS) to underwrite post-rehab rents in advance of renewing our HAP contract.
- The scope of the planned renovations is more expansive and now addresses all issues noted in the CNA report and includes those identified by CHFA in our follow-up meeting.
- We have worked closely with the general contractor to reduce costs whenever possible and worked to shorten the construction timeline.
- We have created a much simpler and cost-effective temporary relocation plan for residents. No one will be moved off-site, and everyone will have the option to move back into their existing home at the completion of construction.
- We have created a much simpler and cost-effective temporary relocation plan for residents. No one will be moved off-site, and everyone will have the option to move back into their existing home at the completion of construction.
- We ordered a Rent Comparability Study (RCS) to underwrite post-rehab rents in advance of renewing our HAP contract.
- Medici Consulting Group has been engaged to act as our development consultant and has been actively working on both construction and financial matters leading up to this resubmittal. Bryan Cave has been engaged as counsel.

The project is located in Fort Morgan, the county seat of Morgan County, which is designated as a Difficult to Develop Area. With a population of over 11,000, it is the largest community in northeast Colorado. Employment in the area is driven by the agricultural industry, with a large presence by Cargill and Leprino Foods, along with oil and gas and the various supportive services associated with these industries. In 2022

Fort Morgan was the subject of an HGTV series titled “Hometown Makeover” where numerous renovations, streetscape improvements, murals, and other projects were featured.

The project will serve a diverse mix of residents. 44 of the 120 units are subject to a Section 8 contract serving households earning less than 50% AMI. The project also serves about a dozen families earning below 80% and another dozen earning above 80% AMI. Many of these higher income residents are employed at the local Cargill meat packing facility, which offers competitive wages. As such, our proposed AMI mix serves a wide range of income levels that addresses both the opportunities and challenges facing residents of this community. With stable housing it is our goal to see that all residents eventually position themselves to take advantage of what is a strong employment market.

The project’s diversity extends to the unit mix. While the project offers 14 one-bedroom units, the majority of units are designed for large families. Of the 120 total units, 54 are three bedrooms and 22 are four-bedrooms. The remaining 30 units are two-bedrooms. As a result, the project serves a very large number of children. Fortunately, Gateway Village is across the street from Pioneer Elementary School and about a half mile from the and about a half mile from the middle school on Southridge Road.

The project is comprised of two distinct components. The first involves the renovation of 96 existing apartments. The scope is extensive and will result in the replacement of all interior finishes, HVAC equipment, exterior skin, and windows. In conjunction with this work, new insulation, vapor barriers, thermal windows, and high efficiency HVAC equipment will be installed to greatly reduce energy consumption and utility bills for residents. The second element of the project involves demolishing the existing office and constructing a new 24-unit apartment building with new ground level offices and community spaces. Leasing, laundry, community rooms, and maintenance will be located on the ground level, and the upper two residential floors will be elevator serviced. The elevator will allow us to locate our fully accessible ADA units in a well-designed and accessible facility, which would have been extremely challenging and costly to do in the existing buildings.

Rocky Mountain Communities and Gateway Village will meet and exceed energy efficiency requirements through holistic and thoughtful solutions that respond to the specific conditions of the project. Under the umbrella of the National Green Building Standard (NGBS), the new 24-unit building will be designed to be all-electric on the first day of occupancy and utilize and utilize highly efficient heat pump water heating systems combined with heat pump vertical terminal air conditioners (VTAC). The engineering and design of all-electric buildings is in a period of discovery and transition, but the technology is advancing rapidly, and RMC will take advantage of that collaboration and use it to develop an energy system for Gateway Village that is efficient and cost-effective for the residents. The renovated buildings will also be transformed under NGBS by installing highly efficient, sealed combustion furnaces with heat pump condensing units, low flow plumbing fixtures, and upgraded electrical fixtures and systems. Most importantly, the renovation will take advantage of the need to deconstruct the exterior walls of each building as required for asbestos mitigation by rebuilding those walls with spray foam insulation and high-performance new windows to create a very efficient thermal and air barrier envelope similar to or even greater than the performance of an envelope of a newly constructed building.

The project will be financed with an equity investment from US Bank, a loan from CHFA, soft funding from the State of Colorado, and a seller carry back note. An existing HAP contract subsidizes 44 units and will be assigned to the tax credit partnership for a new 20 year term at higher, post-rehab, rent levels.

Bond Financing Structure

The bond structure for the project will require construction period bonds totaling $29MM. Of that total $24MM will be tax exempt and $5 will be taxable. The permanent bonds will total $8.660MM. The $24MM PAB request equals 54% of aggregate basis. CHFA will be the issuer of the bonds and provide the majority of the bond cap needed. A small amount of cap will be assigned to CHFA by Morgan County, as detailed in the included letter. As described in the term sheet provided by CHFA for the construction and permanent loan, the bonds would be subject to a public sale, the proceeds loans to the project pursuant to the terms in the letter.

Section 2 QAP Priorities

The project is located in a non-metro county with a population of 180,000 or fewer. Morgan County Colorado has a population of 27,000.

Section 2 QAP Criteria for Approval

- **Market conditions** – The market conditions for this project are strong. Nearby LIHTC projects are over 99% occupied with waiting lists. On average, rents will be 23% less on average than nearby comparable class B market rate projects, providing a significant cost savings to prospective residents. The project is expected to lease up at a rate of 30 units per month without concessions.
- **Proximity to existing tax credit developments** – There are three exiting LIHTC projects in Ft. Morgan that that total 107 units built between 1994 and 2014. If awarded, Gateway would be the first new project in the City in over 10 years.
- **Project readiness** – This project is ready to proceed. The project is a use by right. Our schematic design package is well developed, with an expected submittal in February 2024 and approval in late April. The readiness of the project to proceed is a unique aspect of our application.
- **Overall financial feasibility and viability** – Project costs have been extensively vetted with the design and construction team over the past year and now accurately reflect the cost to renovate and construct new units on this site. As Property Manager, Rocky Mountain Communities has created a viable operating budget based on historic operating costs along with comparable costs in its portfolio. The corresponding debt load is appropriate for the projected NOI. The City of Fortt Morgan has agreed to assign its PAB cap to CHFA in support of the project. The State Division of Housing has funding available for this project and has issued a letter of support for the proposed unit mix and funding. In advance of closing, we will apply to HUD for an increase to our Section 8 rental subsidies pursuant to the results of our RCS, which will substantially increase rental income. At the same time, the rental subsidy contract will be reissued in the name of the tax credit partnership for a new 20-year term.
- **Overall financial feasibility and viability** – Project costs have been extensively vetted with the design and construction team over the past year and now accurately reflect the cost to renovate and construct new units on this site. As Property Manager, Rocky Mountain Communities has created a viable operating budget based on historic operating costs along with comparable costs in its portfolio. The corresponding debt load is appropriate for the projected NOI. The City of Fortt Morgan has agreed to assign its PAB cap to CHFA in support of the project. The State Division of Housing has funding available for this project and

has issued a letter of support for the proposed unit mix and funding. In advance of closing, we will apply to HUD for an increase to our Section 8 rental subsidies pursuant to the results of our RCS, which will substantially increase rental income. At the same time, the rental subsidy contract will be reissued in the name of the tax credit partnership for a new 20-year term.

- **Experience and track record of the development and management team** – –RMC has a 30-year track record as an owner, manager, and developer of affordable housing. In addition to acquiring, financing, and developing properties through a number of strategies, RMC has deployed LIHTC for the development of three owned properties: Meeker Commons, a 4% LIHTC project awarded in 2000; Arroyo Village, a co-developed 9% LIHTC project awarded in 2016; and The Commons, a co-developed 9% LIHTC project awarded in 2020. RMC manages its own portfolio of over 1300 units in 9 properties located across the state of Colorado. Through its third-third-party affiliate, Pillar Property Management, RMC manages an additional 300 units on a fee basis. The RMC management team is well versed in all areas related to LIHTC and HUD compliance and reporting. The team has no history of failing to meet compliance standards. Since our submittal in 2022, RMC has hired Medici Consulting Group (MCG) to assist in the development of this project. MCG has a strong track record helping not for profit organizations renovate and construct tax credit housing.
- **Project costs** – The proposed project will be located on a flat site with immediate access to public roads & utilities. Tap fees in the City of Fort Morgan are some of the lowest in the State and will save the project significant amounts of money. The new construction project has no unusual costs associated with its development. The 96-unit renovation is extensive in scope, which comes at a cost. Of note is the necessity to remove all asbestos containing drywall, a cost which is expensive. On the other hand, it will also allow us access to the wall cavities where we can install new high-performance insulation to lower ongoing energy usage and operating costs. We are also replacing all exterior siding, windows, exterior staircases, interior finishes and landscaping to complete an exhaustive scope of work.
- **Site suitability** - This is an infill location, with a long-established multi-family housing development on site. It is adjacent to an established neighborhood, elementary school, and neighborhood park. It is an ideal location for young children. Utilities are adjacent to the site. The site is less than a mile from the center of Fort Morgan (Main St. and Platte St.) with numerous shops, groceries, gas, and other services.

Underwriting: Provide the following information as applicable:

- Justification for waiver of any underwriting criteria – N/A
- Justification of the financial need for a CHFA basis boost up to 30 percent of eligible basis – N/A There is no need for additional credits for this project.

Market Conditions: The market study indicated a strong demand for affordable housing in this market area and notes and notes that very few multifamily projects exist in Morgan County. Capture rates at all levels are less than 5% apart from the 60% level, which is at 16%. While some of those units could have been lowered to 50% AMI, we elected to set them all aside at 60% to maintain as large a marketing window as possible in this very small community. We also have a number of 80% AMI and market units in this project. The units we have set aside at these levels are currently occupied by households at those same income levels. Because we have had no difficulty leasing units at these rent levels in the past and did not want this transaction to involuntarily displace current tenants, we felt that it was appropriate to set these units aside at the proposed AMI and rent levels.

Environmental Issues: Apart from one historical and remediated issue, the site is free of any environmental issues. As noted in the Phase 1 report, one apartment unit had previously been contaminated with methamphetamine but has since been cleaned and cleared for occupancy.

Project Costs: As noted earlier, apart from extensive asbestos remediation, there are no unusual project costs associated with this project.

Local Support and Outreach: RMC has informed the residents of Gateway Village of the proposed renovation and new construction and also held a public hearing at the community to discuss the LIHTC Application that includes State Credits in accordance with the Colorado Act. RMC has reached out to the City of Fort Morgan and Brush Housing Authority and they have stated that they are willing to commit their PAB cap to CHFA to go toward the redevelopment of Gateway Village. There is no known opposition to the renovation and expansion of Gateway Village. Members of City Council, current residents, and stakeholders in the area have been supportive of the project.

Economic Mobility: As noted above, employment opportunities in the Fort Morgan Community are numerous, and can be well paying. With stable housing appropriate for families, we have seen residents take advantage of these opportunities to increase their income and anticipate the same for future residents. At the same time, affordable rents will help families manage their expenses, allowing them to increase savings.

Acquisition Rehab Project Notes

- The proposed scope of renovation work is exhaustive: new siding and windows, new exterior staircases, various landscaping, drainage, and parking lot improvements. On the interior, the units will be gutted to structure; new insulation and drywall will be installed. New flooring, lighting, kitchen, and bathrooms will be installed. A new high-efficiency furnace and hot water heater will be installed along with new air conditioning. A detailed summary of all improvements is attached to this narrative.
- Due to the extensive nature of the planned renovations, residents cannot stay in their apartment during construction and will be relocated to other vacant units on site. By holding units vacant at turnover now, we anticipate having accumulated an appropriate number for this relocation plan by the time we begin construction. A relocation plan is included with our application materials.
- The project is currently owned by a wholly owned affiliate of RMC and will be sold to a newly formed tax credit partnership also managed by RMC. RMC will earn no sales proceeds from this transaction and will instead provide a seller carry back loan in the amount of the sales price less existing debt to be paid off at closing. Tax counsel has reviewed the proposed transaction along with past ownership and determined that the project satisfies the ten year rule. An opinion related to the same is included with our application materials.
- The project has had no major capital investment since it was constructed in 1975. As a result, the current need for rehabilitation is due not to design problems, disaster, etc. but simply to deferred maintenance that operating funds were unable to address.
- To our knowledge, apart from an ongoing HAP contract for 44 apartments, no federal, state, or local resources have ever been invested into this project.

4% housing credit application narrative

Project Name: Glenwood Gardens

Project Address: 51993 Highway 6, Glenwood Springs, CO 81601

Glenwood Gardens

Cohen-Esrey is pleased to present Glenwood Gardens, along with our partners at the Garfield County Housing Authority and City of Glenwood Springs, where we are growing a cutting-edge affordable community for families and workforce of the Roaring Fork Valley. Along with 20 vouchers from the Housing Authority, we will offer the only 20% and 80% AMI units offered in Garfield County. We have a beautiful site and concept that will plant the seeds of a legacy development for the community.

This remarkably unique project exemplifies a Colorado Mountain community in 2023 – All-Electric, Energy Star certified, with solar generating over 30% of total utility consumption on site (249kW). We offer 45 garage parking spaces (out of 182 spaces), 99 (of 131) elevator-served units, conditioned hallway corridors throughout, each unit has a large storage unit, 39 bike spaces, 14 EV-ready parking spaces, and two bus stops nearby. The project boasts a variety of unique amenity spaces such as fitness center, modern clubhouse, a basketball half-court, dog wash, trash chutes and rooftop deck with panoramic Glenwood views. The development was designed to instill pride and establish a long-standing community of local residents who would otherwise be displaced.

Deep affordability was our guiding value as we shaped our unit mix, with City input and proactive market study intel. 51% of 131 units are at or below 50% AMI. There are 20 vouchers supporting 20%, 30%, and 40% AMI units; in addition to unsubsidized 30% and 40% units. 61% of units are family-sized dwellings. The 60% AMI income level and one-bedroom units were minimized based on existing supply analysis and community input. By serving the greatest need, we target the greatest demand.

Community partnerships underscore our strategy to deliver this important project in a Difficult Development Area (DDA). Cohen-Esrey has worked since October 2022 to unlock this site's potential, switching from a rural water district to City utilities, and keeping the City regularly updated as this project has evolved. The City has indicated funding support for fee rebates, local Prop C funds, and has opted into Prop 123. CDOH has indicated funding support for a soft loan and the new THLF program. Garfield County has indicated support and will consider allocating Private Activity Bond capacity.

1. **Describe the bond financing structure and include the following:**
   We are projecting a total PAB amount of $36,442, 933 which is approximately 55% of reasonably expected basis with $16,884,381 for the permanent period. We anticipate an equity loan of $4,087,899 during construction. Please see letters from US Bank for the Construction and Equity loan and PNC for the permanent loan financing. We are requesting PAB from CHFA, however we have also requested PAB from Garfield County which is on the agenda for the 8/7 Board Meeting. We will request that Garfield County allocates their PAB for 2023 & 2024 the bonds to CHFA with the designation to be used for Glenwood Gardens. CHFA will be the issuer.

   Please note our application includes a Short Term, Cash Backed Bond issuance (ST Bond) where the PAB bonds are cash collateralized for 30 months which benefits the project for 2 reasons. First, given current interest rates, the reinvestment income is sufficient to cover the ST Bond interest expense while also potentially generating positive arbitrage (earnings). Note we have not included any positive arbitrage in our sources in order to be conservative. The second benefit of this structure is that the ST Bond interest expense on the fully cash collateralized bonds is eligible basis which generates additional tax-credit equity. The ST Bond structure will convert into a tax-exempt, forward permanent loan of approximately $16,884,381.

2. **Identify which, if any, of the priorities in Section 2 of the Qualified Allocation Plan (QAP):**
   Glenwood Gardens is in Garfield County and meets priority 2A of the QAP: Projects in non-metro counties with a population of 180,000 or fewer and have met requirement 5.B.3.b. Garfield County has a population of 61,685 according to the 2020 Census.

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

Market conditions: The market study notes that pent up demand exists throughout the Roaring Fork Valley, beyond what the market study is able to demonstrate. There is not a single available affordable unit in the PMA. It is very likely that households that are unable to find affordable housing simply leave the region, starving it of workforce labor and family households.

- ✓ Overall capture rate of 13.6% using CHFA methodology, and 4.3% using NCHMA methodology.
- ✓ While within CHFA's standard, it is still overstated due to the severely constrained nature of the Roaring Fork Valley housing market.
- ✓ Zero vacant units among LIHTC or subsidized properties, and 5 out of 6 maintain lengthy waitlists.
- ✓ The market study indicated a 5/5 marketability rating based on location, design, and amenities.

The shortage of housing throughout the Roaring Fork Valley is much worse than the CHFA methodology can capture as it would require a significant leakage factor to capture demand outside the immediate PMA, as well as households who have had to leave the PMA due to housing unaffordability or instability.

Proximity to existing tax credit developments: Glenwood Springs has a total of three tax credit properties and two fully-subsidized properties. Machebeuf Apartments (LIHTC) is about a mile to the west and fully occupied. The others include Glenwood Green Apartments (LIHTC) in West Glenwood, and Glenwood Manor (LIHTC/Sub), Manor II Apartments (Sub), and Sunnyside Apartments (Sub) in central Glenwood. None have vacancies; 4/5 have lengthy wait lists. A South Glenwood 9% project was awarded in 2023 and will serve senior households.

Project readiness: Cohen-Esrey has worked on this project since October 2022. Since then, we have completed the grading plan and Schematic Design (SD) set, significant geotechnical investigation with CTL Thompson, finalized our request for parking reduction, prepared to exit the Mitchell Cooper Ditch & Water Company, and received a will-serve letter for City water. Walter Environmental & Engineering Group is conducting the Part 58 Environmental Assessment (EA), triggered by HUD Voucher requirements. The EA will be complete in early November with a HUD Authorization to Use Grant Funds (AUGF) expected in late November.

Understanding the seasonal constraints for heavy site work that necessitate a summer construction start, it was imperative to get a head start on potential site issues and funding requirements. Upon award, our longest lead item to closing is building permits. The City of Glenwood has quoted us 9-10 months for this process. Glenwood Gardens will be ready to break ground before the summer of 2024 is over.

We have kept the City of Glenwood Springs Community and Economic Development division in close consultation throughout the pre-development process. They are regularly updated on any changes to the project and based on extensive conversations, we anticipate strong support for our project as we go through the remaining entitlement process.

Overall financial feasibility and viability: As contemplated, the Project is financially feasible if awarded. Cohen-Esrey received four different equity proposals and four different debt proposals, which combined with all of our recent closings, gives a firm grasp of current credit pricing, and equity/debt terms. We have submitted reasonable terms reflecting actual offers by prospective funders, looking ahead to 2024. In addition to 4% and State credits, U.S. Bank has provided terms for Solar and 45L Credits.

We have obtained significant gap resources for the project at this early stage, including City fee rebates for approximately $900,000, and just under $1 million in a deferred soft loan from Impact Development Fund. U.S. Bank has also offered to partner with us on a Federal Home Loan Bank AHP application, for which we expect to be competitive based on the community need for our deep affordability. The Colorado Division of Housing soft loan is also shown at the current rural funding level, and we can layer on an additional hard-pay loan from CDOH, but cannot yet provide a local Prop C or Prop 123 commitment at time of application due to program rules still evolving for Prop 123 and local Prop C. Glenwood Springs has opted into Prop 123 and that will be an option available for this project. Another potential relief valve is Capital Magnet Funding, based on 51% of the unit mix at or below 50% AMI. Our local counsel in Glenwood Springs has informed that our Mitchell Cooper water shares may be worth $350,000. Additionally, Cohen-Esrey has had a $350,000 grant from Colorado Health Foundation on each of our three previous CHFA awards.

Experience and track record of the development and management team: Cohen-Esrey brings more than 50 years of experience in affordable and market rate multifamily housing and has owned and managed more than 68,000 units in over 550 properties. Consistent with our corporate model, CE will self-manage this property through Cohen-Esrey Communities LLC ("CEC") who will bring strong expertise and capacity.

CEC will manage a growing portfolio of at least four new properties (611 units) under development in the Mountain West region, including Trails at Lehow in Englewood (4%), Panorama Heights in Colorado Springs (4%), The Launchpad in Colorado Springs (9% PSH) and The Railyard in Ogden, UT (50% affordable and 50% market rate). CEC will hire local property management staff and contract any services needed to successfully lease and certify residents. 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 integrated in operating procedures.

CE has developed a reliable roster of Colorado partners, including KTGY Architects and Haselden Construction. Both are very experienced with development in the Mountains and KTGY is particularly experienced with LIHTC. Our civil engineer is Glenwood-based SGM, and local geotechnical engineers have been retained through CTL Thompson. RCH Jones Consulting is supplementing CE's financial modeling with their in-depth knowledge of the Colorado market. Please see Development Team Resumes for more information.

Cohen-Esrey was recently ranked the 18th largest National Affordable Housing Developer by Affordable Housing Finance magazine, and we continue to grow. CEDG utilizes its size to diversify its experience and portfolio, selectively pursuing horizontal integration (where it is beneficial), and leveraging our significant pipeline to exercise construction buying power. Despite being a large, high-capacity developer, we refuse to develop carbon copies of past successes. We believe that is evident from the remarkably well-designed and unique projects we have brought to Colorado. Our goal is to deliver uniquely ideal built environment outcomes for each site that we identify – the perfect project for each community.

Project costs: Cohen-Esrey has conducted an extensive costing exercise, vetting costs with two different general contractors. While we will continue to give two GCs (Haselden and CFC) bidding opportunities, we are moving forward with Glenwood-based Haselden, who has extensive experience in the Mountains, strong sub-contractor relationships, and impressive multifamily and Federally-funded construction projects. Haselden is keen to collaborate with us on this legacy project in their own community, and provided great detail on current construction pricing. In addition, we are holding an allowance for approximately 1.5% construction cost escalation.

Cohen-Esrey, KTGY and Haselden have worked iteratively to deliver the most efficient possible project. We implemented modular building footprints, switched costly soil-nail retaining walls to a less costly gravity stack design, incorporated efficient VTAC's ducted through truss cavities, and streamlined floorplans to just seven unit types. These are just four examples of cost containment strategies.

Site suitability: The market study emphatically confirmed the suitability of Glenwood Gardens as a site for family housing. As evidenced by the high-end market-rate property 50 feet to our east, Glenwood Gardens enjoys a prime location for any multifamily development. The site is beautiful and serene, and homes regularly sell for over $1 million across Donegan Road to the north. The Glenwood Springs Golf Club is a mile north, and Glenwood Springs Middle School is a mile to the west. There are two RFTA bus stops within 350 and 1,000 feet. The site is proximate to West Glenwood shopping malls and restaurants.

4. Describe any requests to waive underwriting criteria (if requesting). Please see the preliminary checklist for additional narrative requirements for justification of the waiver.

We have requested an override of the cost basis method for calculating tax credit basis.

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

No significant issues were raised in the market study, which indicated a 5 out of 5 marketability rating.

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

The Phase 1 ESA identified zero known or suspected Recognized Environmental Conditions. We are moving ahead with the Part 58 Environmental Assessment due to project-based voucher requirements.

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

Glenwood Gardens is a costly project due to its location, sustainability, unit mix, and local planning and design requirements. Cohen-Esrey has worked tirelessly to assemble the sources and partners necessary to fund the project, and as a result, this project is viable and ready to proceed. The site slopes upward evenly at 13%,

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

Glenwood Gardens was planned around local partnership from the very beginning. We have kept the City of Glenwood Springs staff in the loop from Day One, and they are regularly updated on any changes to the project. Both the City and local Housing Authority have contributed input on our unit mix, as well as providing significant resources for this project. Garfield County is also extremely supportive of affordable housing and has discussed a willingness to dedicate a portion of Private Activity Bond cap for this project. All three potential public partners - the City, County, and Housing Authority - have provided letters of support for our application. It is worth noting that due to the City's ardent support and ongoing partnership, their letter was co-signed by the City Manager and Mayor.

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

Glenwood Gardens is a legacy development designed to instill pride and establish a long-standing community of local residents who would otherwise be displaced. Cohen-Esrey and the local community have assembled the right resources for a project that addresses the most underserved needs in the Roaring Fork Valley: very-low income targeting, family-sized units, and workforce housing.

Glenwood Gardens maximizes sustainability and community equity outcomes, and leverages those strengths for operational savings and long-term resilience. This project will prove additive for the surrounding Glenwood Springs community, by operating with very low vacancy due to the targeted needs and severely constrained housing market in the Roaring Fork Valley. It is very likely that Glenwood Gardens will grow into one of the most important developments in Glenwood Springs, or **the entire Cohen-Esrey portfolio of community assets.**

4% housing credit application narrative

Project Name: **The Grove in Bloom**

Project Address: North & West of E. Mulberry St. & Greenfield Ct., SE of southern terminus of Delozier Rd.

EXECUTIVE SUMMARY

The Grove in Bloom is a proposed 264-unit multifamily development for families within the developing Bloom master plan community, consisting of (84) 1-Bedroom, (132) 2-Bedroom and (48) 3-Bedroom units within (11) 3-story 24-unit buildings. Each unit will have a patio/porch, walk-in closets and storage. The buildings will be lumber over a concrete foundation with pitched asphalt shingle roofs with solar panels and exteriors made of fiber cement board and masonry.

The proposed development will have the following unit mix, 41 units (15%) set at 30% AMI; 26 units at 50% AMI; 171 units at 60% AMI; 26 units at 70% AMI equally distributed by unit type. This being part of the master planned development, the density allowed was determined by general areas and this is the maximum density we were allowed for this site. This site is currently located in a QCT and has a bus stop .5 miles away from the site. Additionally, as part of the Bloom filing 3, there is a separate 96-unit multifamily development that will have 51% of the units at 80% AMI and 49% of the units at market rate attached to this site. Therefore, multifamily area of Bloom filing 3 will have AMI's ranging from 30% AMI to market rate, providing an opportunity for a mixed income community. With (48) 3-Bedroom units, this development provides substantial housing to households with children, along with (6) of the 3-Bedroom units set at 30% AMI. This development will be providing the only very low income 3-Bedroom units in the PMA, filling a missing gap.

This development will have a clubhouse with a community room, kitchenette, business center, laundry facilities and fitness center and have full-time on-site property maintenance and management staff. Outdoor site amenities will include a picnic pavilion with charcoal grills, a playground and "tot lot", swimming pool, dog park and an open play area.

In order to contribute to Colorado meeting its 100 percent Renewable Energy goals, The Grove in Bloom will be all electric and incorporates solar panels into the building design. The solar panel design we have planned is estimated to provide an annual production of 1,485 megawatts (1,485,000 kilowatts) of electricity. The solar panel electricity generation is expected to reduce outside electricity need by around 75% (see Solar Benefit Details in supplemental documents). Furthermore, the Applicant will agree to share the solar utility savings with the tenant by adding an additional $15, $20, $25 to the approved solar utility allowances throughout the compliance period (thereby reducing the max rents that can be charged). This provides additional living expense savings, in that the household would have otherwise had to pay this additional cost in either utilities or rent at any other development.

The Applicant is proposing substantial supportive services for this development. The Applicant will guarantee spending between $40,000-$50,000 per year on general supportive services during the compliance period and provide a yearly report documenting such expenditures to CHFA (see Supplemental Supportive Services document). These services are in addition to supportive services the Applicant has lined up that are free of charge, such as budgeting classes and cholesterol, blood pressure and blood sugar testing. This supportive services expense is listed in the Applicant's operating expenses as Residential Services.

Households that qualify for 30% AMI units typically need more support. Therefore, in the same manner as the general supportive services, the Applicant will guarantee providing a minimum of $20,000 and up to $25,000 in additional supportive services for 30% AMI units (See Supplemental Supportive Services document for details). This expense is listed in the Applicant's operating expenses as Residential Services. Furthermore, the Applicant will also subsidize the utilities for households in 30% AMI units. Therefore, households renting 30% AMI units will pay no utilities. This expense is listed in the Applicant's operating expenses as Utility Assistance.

1. Describe the bond financing structure.

The Applicant is pursuing a low-rate long-term HUD 221(d)(4) first mortgage. This mortgage along with our investor limited partner's equity, Renewable Energy Tax Credits and 45L proceeds provide the financing for this development. The Applicant is requesting that CHFA be the issuer and volume cap provider. The Applicant is requesting $58,285,000 in volume cap which represents 55% of the aggregate basis. Pedcor plans to use the same financial structure implemented on all our other Colorado LIHTC developments to date, which would pair these tax-exempt bonds dollar for dollar with the 221(d)(4) GNMA security that is issued by HUD. These bonds would be tax-exempt and makes use of the tax-exempt nature of PABs for the long term, rather than only using them to satisfy the 50% test and will be privately placed. In this case the amount of tax-exempt bonds needed to satisfy the 50% test will exceed the 221(d)(4) GNMA security, so we would pair the remainder of the tax-exempt bonds with the bridge loan which will be paid off at construction completion.

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

The Guiding Principles in Section 2(A) of the QAP that the applicant meets are:
This development would assist populations in need of affordable housing, including households with children. With (48) 3-Bedroom units, this will fill a gap in households with children for this area that is desperately needed. Underscoring the need for very low-income units for families, there are currently (0) 3-Bedroom units in this PMA at 30% AMI. This development would provide (5) 30% AMI 3-Bedroom units. The households with families would be provided supportive services by way of the Applicant guaranteeing an annual expenditure of $40,000-$50,000 in site wide supportive services, such a weekly transportation service (see Supplemental Supportive Services document), site wide solar utility benefits, an additional guaranteed annual expenditure of $20,000-$25,000 in site services, such as weekly

transportation service for the 30% AMI units (see Supplemental Supportive document). All 30% AMI units will pay no utilities, they will be subsidized by the owner.

This development will contribute to Colorado meeting its 100 percent Renewable Energy goals and to support affordable housing that is constructed to be Electrification-Ready. This development will be 100% electric, employing all electric utility systems. Additionally, this development will have solar panels on the roofs of all buildings. The solar panel design we have obtained is estimated to provide an annual production of 1,485 megawatts (1,485,000 kilowatts) of electricity for this development, which is estimated to reduce the development's energy use by nearly 80%.

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

Demand for affordable housing is great in many places, but in the PMA for this development it is dire. Having been a part of many affordable tax credit applications, I have never seen the need so great for affordable housing as it is in this PMA. The overall weighted average multifamily vacancy rate is 1.5%, with the vacancy rate for comparable affordable developments being .7%, with the closest tax credit development approximately 3.7 miles away. To put that vacancy rate into perspective, move outs alone typically account for generating some vacancy, so to have a .7% vacancy rate means that almost no one is moving out of current developments and any new developments are filling up fast.

Further demonstrating the lack of adequate affordable housing, four of the five affordable developments within the PMA maintained waitlists, with one reporting a waitlist that is up to 111 households. People in this PMA or those that want to live in this PMA are desperately trying to get into affordable housing. Over 59% of renters in Fort Collins paid more than 30% of their income towards rent in 2021. That represents an extremely large number of households that are being financially strained to pay rent due because they cannot get into affordable housing. With a waitlist of 111 household's long, it could be years before a qualified household could get into an affordable unit in this PMA.

We would be offering 15% of the units at 30% AMI. While this percentage may not be among the highest of all applications, due to the size of the development, this translates to (41) 30% AMI units, which represents a sizeable number. This will include (6) 3-Bedroom units at 30% AMI, of which there are currently (0) 3-Bedroom units in the PMA at 30% AMI, filling a hole that currently exists in this PMA.

The site is currently zoned for multifamily, and we are currently going through the PDP process. On July 12, 2023, we had a meeting with City staff to discuss comments to our second PDP submission. We are working on getting our third PDP submission submitted and are hopeful that this round will allow us to move forward to the September and/or October planning and zoning hearing to approve our site plan. After the planning and zoning approval, we will be filing our Final Development Plan ("FDP") documents in November, which will take approximately 6-8 weeks to complete. We can start our construction and building plans review during the FDP process, so we will be able to have completed all approvals needed by February. On the financing front we are submitting our HUD package in December, once we have completed one round of the FDP process in order to ensure there are no significant building plan changes. Typically, we would expect HUD to review and issue a firm commitment in about 3 months. Due to the holidays during our application period, we would expect a firm commitment from HUD by April 2024 and plan on closing on all financing by June 2024.

The project costs are in line with the building costs for this area. The Applicant has higher site costs than would be typical, but those costs are offset by a dollar-for-dollar reduction in the land cost (see more discussion on this in Section 7 hereto). Adding solar panels increases the build cost, but that cost is far outweighed by the environmental benefits of utilizing electric systems, not needing to use as much outside electricity and providing utility cost savings to the tenants.

While this development proposal has a large deferred developer fee, the financials provided show a sound and financially feasible development. The applicant has developed (5) 4% tax credit developments in Colorado in the past 10 years and has a national portfolio of over 22,000 affordable units that it also manages.

4. Describe any requests to waive underwriting criteria (if requesting). Please see the preliminary checklist for additional narrative requirements for justification of the waiver.

The Applicant is requesting a Waiver for the PUPA minimum. With Housing Catalyst as a partner for this development there are no property taxes figured into the operating expenses, which drops the PUPA below the minimum (see waiver request documents).

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

The only weakness for this development in the market study is the walk chart score. The reason why this score is lower than one might like, is because this is in a currently developing master plan, so many of the walk score "points" are not yet developed. Approximately ½ of the master planned development is currently under construction with another considerable portion going through the planning process. Additionally, the area around the master plan is also in the process of being developed. Therefore, although the walk score is not ideal at this time, it will have improved greatly by the time construction is complete and will continue to improve as the surrounding area is developed. This is a very short-term weakness. The benefit of developing now is that you can ensure that there is affordable housing before the land becomes too expensive to develop as affordable housing. As has been proven by the current severe lack of affordable housing in this PMA, it is very difficult to develop affordable housing later. Waiting until these amenities are installed in the developing Bloom plan will either make the land price too costly to develop affordable housing, or too competitive with market rate developers. Due to the rapid development of this area, it is unlikely that this area will retain its boost/QCT status much longer, making it an even higher barrier to entry for affordable housing.

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

There are no environmental issues raised for this site.

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

We were involved in the Major Subdivision Plan ("MSP") process with the master developer, and so we have been able to negotiate decisions that allowed for cost savings. We were able to get support and approval for cost-efficient design elements, reasonable building façade proportions and materials. We were also able to obtain approval for high density, 3-story 24-unit buildings, which allowed us to reach high density and utilize one of our most-efficient building types for this development. In our experience, 3-story garden style apartments are the most cost-effective design when compared to similar 2-story product, we get 33% more units for each combination of roof, foundation, and utility interconnections.

This parcel is a part of a new master planned development, so there is considerable infrastructure work that is required. Once we determined the cost of the infrastructure that was needed for this development, we were able to negotiate a dollar-for-dollar reduction in the land price. Therefore, our land cost is very low, but our site cost is high. Furthermore, the addition of solar contributes to the overall cost and a higher eligible basis but provides the dual benefit of being better for our environment, requiring a lesser public utility need and benefiting the resident by way of lower rent/utility cost.

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

For the master plan process there was a neighborhood meeting. There was no opposition to this site as part of the development plans. The City of Fort Collins is very supportive of this proposed development and has worked with us in that process to allow beneficial development standards (such as higher density zoning and design guidelines) in order to help with the overall cost of development. Furthermore, Housing Catalyst recognizes that this development is greatly needed and as a partner in this proposed development would be adding a property tax exemption to aid in the financial feasibility.

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

The market study for this development paints a dire picture for residents in this area. A majority of the renters in this PMA are paying more than 30% of their income on rent because affordable housing is unavailable. Lacking any other options, a large number of households use a financially unsound percentage of their income for rent, stunting their economic mobility. This development would provide 264 families the opportunity to save hundreds of dollars each month. Hundreds of dollars a month can provide a lot of opportunities and the number of units being provided can change a lot of lives. Coupled with services such as financial education, health, wellness (and many more!), these families will have the economic opportunity to handle emergencies, create savings, start a business, change jobs, become a homeowner. That is economic mobility.

4% housing credit application narrative

Project Name: Harvest Hill

Project Address: 11800 Wadsworth Boulevard, Broomfield, CO

HARVEST HILL

Executive Summary: Ulysses Development Group (UDG) is proud to present Harvest Hill - an infill housing solution in Broomfield's most connected and transit-oriented location. With 152 units, Harvest Hill aims to offer Broomfield families with an 'affordable lifestyle' that combines reduced housing costs with the low-cost public transportation that is available at RTD's Broomfield Station located only a quarter mile south of the project. Transit Oriented Development (TOD) communities such as Harvest Hill are championed by Colorado leaders including Governor Polis as a solution for Colorado's housing challenges to facilitate responsible growth while protecting our environment, providing quality public transportation, and promoting the economic vitality of our Colorado communities. Harvest Hill will advance these goals and highlight a replicable path forward for a more equitable and affordable Colorado.

Harvest Hill applied in the 2022 AHTC round and has the benefit of having received feedback from CHFA's tax credit committee. After the project's previous unsuccessful application, the development team received three suggestions that would improve the development before returning to another application round. The Harvest Hill team has focused on addressing these items over the past year, which has resulted in a stronger application and a better project.

We heard after the 2022 application round that the project would be much more competitive when the necessary rezoning occurred, and the local entitlement process was complete. We are pleased to share the project's necessary PUD amendment and the overall approval have been secured through a unanimous vote of Broomfield's City Council on 4/11/2023. No other approvals are necessary prior to the issuance of building permits. The result is a project that is ready to proceed towards a scheduled closing in the second quarter of 2024 if this AHTC request is successful. In the months since the site plan approval, the design team has continued to advance the drawings through the completion of the Schematic Design and onto the Design Development phase to be able to present a shovel-ready, and fully approved project in this application round.

The second suggestion received was to explore income averaging to reduce capture rates, particularly at the 60% AMI level. Harvest Hill has incorporated this feedback and is returning with set asides that take advantage of income averaging while retaining 16 (10.5% of total) very low-income units restricted at no more than 30% AMI. The result has been a substantial reduction in capture rates from a blended rate of 18.9% in 2022 to 13.1% in this application. Capture rates at the 60% AMI level also dropped significantly from 29.9% to 18.2%. The result of CHFA's recommendation is a more marketable and financially sound development.

The third piece of feedback we received after last year's round was to highlight the benefits of the project's location including the adjacent transit services, the walkable amenities, and other benefits of the infill location. Since the 2022 AHTC application round we saw Colorado's political leaders present housing policies focused on the production of affordable and transit-oriented developments such as Harvest Hill. Walkable access to the bus rapid transit that is available at Broomfield Station will connect residents to employment centers and a variety of other destinations throughout the metro area. Residents will also have walkable access to the restaurants, shops, and services in the Arista neighborhood available within a half mile walk by way of the pedestrian bridge over US-36. In addition to the existing commercial options in Arista there are plans for more commercial development within a half mile walk of Harvest Hill including the approved plans for Civic Duty food and beer hall located at 8000 Arista Place within steps of the western exit of Broomfield's Station pedestrian bridge. More commercial amenities will arrive with the planned redevelopment of the 1stBANK Center which the City of Broomfield is planning to redevelop. The city intends to use the event center's 10-acre parcel for tax generating retail including small-scale grocery options. Harvest Hill's location is a tremendous asset to the project and follows the strategy presented by local elected officials to address our housing challenges through dense, sustainable, TOD housing. Please also reference the support letter provided by the City of Broomfield's Housing Division that links to maps created by the City to showcase all the transit, bicycle and pedestrian connectivity available in the Harvest Hill neighborhood which is considered the 'most connected area in Broomfield' by the City's Transportation, Open Space and Trails Division.

Location and Allowable Density – The project's transit-oriented location is central within Broomfield at the NW corner of Wadsworth Blvd. and 118th Avenue (11800 Wadsworth Blvd). The convenient location is within a quarter mile to public transportation at RTD's Broomfield Station where the 'Flatiron Flyer' bus rapid transit arrives in twelve-minute intervals and provides eastbound and westbound routes towards other nearby employment centers of Denver and Boulder. Harvest Hill is also within a quarter mile of RTD's planned rail stop when the FasTracks B-Line is extended north. The property's allowable density was maximized through the local entitlement approval, which was received on April 11, 2023, through a unanimous vote of Broomfield's City Council. The property is not located in a QCT or a DDA. Additionally, the property is not affiliated with the adjacent property to the east which has previously applied to CHFA for a LIHTC award.

Population and Bedroom Mix – Harvest Hill has been intentionally designed for Broomfield's workforce and families. It will include a mix of 1-BR (48) 2-BR (68) and 3-BR (36) homes.

AMI Targeting – Harvest Hill will utilize income averaging as suggested by CHFA after the 2022 AHTC round. Sixteen units will be restricted to incomes of no more than 30% of Broomfield's AMI, twenty-six units will be restricted to 50% AMI, seventy-two units at 60% AMI and thirty-eight units at 70% AMI.

Unit and Project Amenities – Harvest Hill's amenities include a suite of mobility and environmentally sustainable benefits. A Transportation Demand Management (TDM) strategy has been developed in conjunction with the City and County of Broomfield (CCOB) and Fox Tuttle, the project's transportation consultant, to capitalize on the surrounding trail network and provide mobility options for residents. The TDM plan includes access to RTD eco-passes for the first two years with on-going transit subsidies available through the project's annual financial contributions to FISH, shared workspace to accommodate working-from-home, expanded bike storage (including a secure interior bike storage room complete with electric charging, tools, and air pumps for bicycle maintenance) and dedicated parking spaces for car and van share programs. Additional community amenities will include a variety of outdoor experiences programmed for resident enjoyment regardless of age or family structure. The property will include two programmed courtyard spaces and a 0.57-acre dedicated pocket park. The courtyards will include a tot play area, a playground appropriate for older children, multiple shade structures, outdoor seating/picnic area and outdoor workstations. Parking permits will be provided for resident vehicles to park on-site at no charge. The parking area will include thirteen installed electric vehicle charging stations with an additional 104 EV-Ready and EV-Capable spaces included for easy installation of additional chargers as electric vehicle adoption increases. Interior amenities will include a community room, business center with wi-fi internet access, secured building entry, security cameras, onsite management and two elevators. Broomfield FISH will have a services office within the amenity space to meet privately with residents. Resident homes will include washer/dryers, a full energy star appliance package (full size refrigerator, range, oven, and microwave), internet and cable availability, air-conditioning, ceiling fans, a coat closet, and a walk-in closet from the primary bedroom. Apartments will be individually metered for electricity. Residents will benefit from certain owner paid utilities including water/sewer, trash/recycling services, and natural gas for make-up air and common area heat. Additional sustainability upgrades included for resident benefit are detailed below in the 'Description of Energy Efficiency.'

Type of Construction – Harvest Hill will be type V wood frame construction over a slab on grade foundation and a TPO roof. The four-story building will include high quality and durable materials for a modern aesthetic. The building skin includes a mix of brick masonry, cement board siding and cement board panels. Upper-level apartments will be accessed through two elevators and three stair cores. The property will be surface parked with 255 vehicle spaces including on-site EV charging. On-site renewable energy will be generated by a rooftop solar PV system.

Access to Public Transportation – Harvest Hill is located a quarter mile from RTD's Broomfield Station bus terminal. Adequate pedestrian routes connect to RTD's bus facilities on each side of US-36 and make the Harvest Station development an ideal "first and last mile" development which can take advantage of the regional transit service to connect to land uses all along the US-36 corridor including the communities of Denver and Boulder via the Flatiron Flyer bus rapid transit route. In all Broomfield Station is serviced by nine RTD bus routes that will provide residents with a public transportation option to destinations throughout the metro area. Harvest Hill is the first residential project in Broomfield to commit to providing RTD eco-passes to all residents and staff for the first two years of the building's operations. In recent years, the public transportation options from Broomfield Station have expanded with the Bustang and Snowstang bus services that are operated by the Colorado Department of Transportation**.** Bustang provides seasonal connections direct from Broomfield Station to Estes Park and Snowstang provides public bus service to multiple mountain resorts including Arapahoe Basin, Breckenridge, Copper Mountain, Loveland, and Steamboat through a connection at Denver's Union Station. Also, within a quarter mile of the property is RTD's planned Broomfield passenger rail station which will be available when the B Line extends north. In 2022 RTD presented their ongoing feasibility analysis of limited rail service starting on the B Line with three trains travelling per day in each direction. This limited service could expedite the availability of rail service that was previously not expected to arrive for many years due to financing challenges. A Broomfield rail station near W 116th Ave. (0.25 mile from project) is currently seeking environmental clearance through the National Environmental Policy Act leading to more optimism that passenger rail will arrive in the coming years. The location of the Broomfield rail connection can be viewed through video of the B Line route released by RTD in January 2023.

Availability of Services – Harvest Hill has partnered with Broomfield FISH (Fellowship in Serving Humanity) to provide residents with an array of supportive services. FISH has served the most vulnerable members of the Broomfield community since 1963 by preventing hunger, helping to match clients with stable housing situations and by supporting families with emergency financial assistance. The most immediate impact of this is through a referral process allowing FISH to match their clients with the housing opportunities available at Harvest Hill. FISH will also match residents in need of additional services with one of the more than thirty community partnerships they have established with other service providers throughout the region. FISH has had an active role in the building's design which resulted in the addition of a services flex room in the amenity area where FISH will be able to meet privately with residents. The services provided will be financed through Harvest Hill operating funds and by the support of Broomfield FISH. For more information about Broomfield FISH please refer to the organization's 2022 annual report and the MOU that Harvest Hill completed with FISH which are both provided in the application.

Description of Energy Efficiencies – Sustainability amenities include on-site renewable energy through an expansive 106.4 kW rooftop solar PV system which is estimated to offset 30% of the building's energy consumption. On-site electric vehicle charging will be available through thirteen installed charging stations with another fifty-two 'EV capable' spaces and fifty-two 'EV Ready' spaces. Additionally, all appliances in Harvest Hill will be Energy Star certified, LED lighting will be installed throughout the building, on-site recycling services will be provided, and water conserving fixtures and landscaping will be prioritized. Earlier this year Broomfield adopted the 2021 International Building Codes and the 2023 National Electrical Code under which Harvest Hill building permit will be reviewed ensuring that the building will meet the highest baselines for sustainability and indoor air quality while improving resident health and safety. These enhanced sustainability measures will complement the 'greenest' aspect of Harvest Hill which is a transit-oriented location supplemented with a transportation demand management plan. Together these green building features will contribute to the project's anticipated NGBS Bronze certification and provide residents with savings from reduced utility and transportation expenses.

Capital Sources – The 4% LIHTC/AHTC/PAB financing will be supplemented by a variety of soft funding sources including: (i) a $1,500,000 financial contribution from BHA, (ii) a property tax exemption as a result of BHA's participation as a Special

Limited Partner, (iii) a soft loan from DOLA, (iv) a first of its kind subordinate loan from the Colorado Clean Energy Fund (CCEF) due to the building's sustainability commitments, (v) a $1,000,000 subordinate loan available through CHFA's HOF program, (vi) partial fee waivers from the City and County of Broomfield and (vii) a deferred development fee.

Changes Since Previous Application - This is Harvest Hill's second Affordable Housing Tax Credit (AHTC) application. After the 2022 state credit round, CHFA's tax credit committee provided three suggestions to improve the project which are summarized in the Executive Summary of this narrative. Most notably the project received full approval to proceed from the City and County of Broomfield in April 2023. The project also incorporated CHFA's recommendations to incorporate income averaging and better promote the infill, mobility-rich, walkable, and bikeable location.

1. **Bond Financing Structure** – The amount of the tax-exempt bond issuance is anticipated to be $31,400,000 of which $21,795,000 will remain after construction as permanent debt. An additional $11,650,000 of taxable bonds will contribute to the construction financing. CHFA will be the bond issuer which will include an anticipated public sale. The City and County of Broomfield assigned their 2022 Private Activity Bond capacity of $4,116,501 to CHFA in support of Harvest Hill and will again assign their 2023 PABs of $4,541,392 in support of Harvest Hill, to the extent Harvest Hill receives an AHTC award.
2. **Priorities of the QAP –** Harvest Hill includes 16 units restricted at very low incomes of no more than 30% of Broomfield's AMI. Future residents of these units may include both Persons Experiencing Homelessness and Special Populations although this application's scoring does not include points for serving those populations. The project's services partnership with Broomfield FISH is intended to connect the very low-income residents with on-site services, or referrals to the many services available from FISH's community partners to provide food assistance, job training, child resources and many other possible services individually catered to the specific needs of residents.
3. **Criterial for Approval:**
   a) *Market conditions* – Harvest Hill's market study confirms the overwhelming demand for the project with a blended capture rate of 13.1%. It is likely that the capture rate is high as stated due to in-migration not being included in the analysis. The market study confirms that **87.8%** of Broomfield's workforce is living outside of the Primary Market Area (53,312 of 60,714 employees) which is a strong indicator that a lack of affordable housing opportunities exists.
   b) *Proximity to existing tax credit developments* **–** There are four existing LIHTC developments within the PMA, the nearest being the 39 competitive units at Academy Place Apartments 0.6 miles to the east. The market study's projection for an extremely quick absorption of Harvest Hill's units represents the robust demand for the project, in part due to the lack of other affordable housing opportunities in the market. The most recent LIHTC award in Broomfield has been Crosswinds at Arista which hosted a successful grand opening in July 2023 and is now leasing quickly.
   c) *Overall financial feasibility and viability* **–** An award of Colorado AHTCs, along with a PAB and 4% LIHTC award will secure the financial viability of Harvest Hill. Harvest Hill has been able to attract other sources of soft funding that eliminate a financial gap with conservative cost projections and allowances for cost growth and ample contingency**.** Taylors Kohrs has included an escalation and contractor contingency of $1,202,015 and UDG is carrying an owner contingency of $1,790,103. The lender LOI provided by CHFA provides a debt coverage cushion if needed for increased rates or costs. The soft funding commitments received from BHA, DOLA, CHFA HOF and CCEF provide sound financial viability to allow Harvest Hill to quickly move towards closing if awarded. The State Credit request of $7,237 per unit will be an extremely efficient use of Colorado's limited AHTCs.
   d) *Experience and track record of the development and management team* - UDG's Denver-based staff of seventeen extremely experienced affordable housing professionals will deliver an exceptional result for the Broomfield community and the future residents of Harvest Hill. Mission Rock Residential will provide resident-focused property management services with their robust compliance expertise developed through managing their portfolio of 3,545 LIHTC units. Taylor Kohrs has a proven record of safely completing successful affordable housing developments within Colorado. Please review UDG's corporate resume for further information on the robust experience of our team members and other successful LIHTC completions.
   e) *Project costs* – The cost to construct Harvest Hill has been provided by Taylor Kohrs in collaboration with UDG's Head of Construction and Director of Pre-Construction. UDG solicited proposals from six of the region's most highly regarded contractors and was most confident with Taylor Kohrs' approach to professionalism, safety, and cost estimating. The building's efficient design is highlighted by the per unit hard cost of approximately $235,000**.** Taylor Kohrs joined the Harvest Hill team during the project's initial inception in 2021

and has the benefit of tracking the design process for two years. UDG is confident in the accuracy of their cost estimate and the team is prepared for any unanticipated economic factors that could influence costs which will be mitigated by the advanced stage of the design and ability to close in the second quarter of 2024.

f) *Site suitability* - Harvest Hill's location is ideal for an affordable multifamily development. The proximity to Broomfield Station will provide an affordable transportation resource for residents. The central location in Broomfield provides easy access to community amenities including nearby access to two King Soopers stores and a Walmart Supercenter. Families will have access to Jeffco School District who has confirmed its ability to accommodate Harvest Hill's student population at Semper Elementary, Mandalay Middle School and Standley Lake High School (support letter included).

4. **Requested Waivers –** No waivers of CHFA's underwriting standards are requested. UDG did request a waiver for the completion timing of the Phase I environmental report which was granted by Rose Haag on 5/18/23.
5. **Issues from Market Study –** The one identified weakness from the market concerns unit sizes. From the market study: "The Subject's proposed one and two-bedroom unit sizes range from 0.1 to 9.8 percent below the comparable LIHTC averages, while the proposed three-bedroom unit sizes are 4.6 percent above the average. However, we anticipate the Subject will compete well within the market due to the rent advantage, and an apparent pent-up demand for additional affordable housing in the market." The development team does not agree that the unit sizes are a potential weakness of the project. The average 1BR unit is 635 SF and average 2BR unit is 876 SF which are well within the range of other LIHTC properties. Harvest Hill's 3BR units exceed the comparable properties in size at an average of 1161 SF.
6. **Issues from the environmental reports** – The project's Phase I environmental report did not identify any RECs.
7. **Unusual features that are driving costs upward** – Harvest Hill has been efficiently designed to provide the greatest return on CHFA's investment of AHTCs. Construction cost components that may not be typical in other projects is the high amount of electric vehicle charging stations, an expansive solar PV array, and extensive improvements of outdoor areas including two courtyard spaces and an improved pocket park that will be dedicated to the City and County of Broomfield. The project's plans have been approved (Broomfield City Council resolutions included) with little room to deviate so there will not be cost deviation coming from design changes or from new municipality requests. The design has also progressed much further than typical LIHTC applications having already completed schematic design and advancing well into the Design Development process. If awarded with Colorado AHTCs in this application round the project will be able to receive its building permit and break ground in Q2 of 2024.
8. **Community outreach –** The Harvest Hill team completed extensive outreach in the Broomfield community since project inception in mid-2021. This includes meetings with neighbors, community stakeholders, elected officials, area non-profits, the local Housing Authority, and the business community to name a few. The consistent response received was the overwhelming need for the affordable units that Harvest Hill will provide. The substantial outreach effort may be a reason why the development team did not receive a single negative comment in these individual meetings or in Broomfield's public review process that invited public participation during two public hearings. Two neighborhood meetings were held on May 25, 2022, and July 19, 2023, in which each neighbor residing in the immediate project vicinity received a mailed invitation. The broad community support has resulted in unanimous approvals from Broomfield's LURC and City Council. Project partnerships with Broomfield FISH for resident services and a Special Limited Partner agreement with Broomfield Housing Alliance further highlight Broomfield's "all-in" approach to Harvest Hill. Included with this application are support letters from 16 community stakeholders and elected officials including State Representative William Lindstedt, and Broomfield City Council Member Heidi Henkel (as ED of Broomfield Resettlement Task Force). Broomfield is providing a financial contribution through BHA and the City and County has assigned $8,657,893 in Private Activity bond cap to CHFA in support of the project. Broomfield has risen to the occasion to support Harvest Hill and show the importance of the project to the community. The development team is grateful for the support and will deliver an exceptional project if Harvest Hill is awarded in this AHTC round.
9. **Promoting Equity and Economic Mobility -** Harvest Hill contributes towards promoting equity and economic mobility for residents by providing access to safe, affordable housing in Broomfield's most connected neighborhood. This strategic location offers residents easy access to our state's largest employment centers and educational institutions. The convenience of nearby public transportation empowers residents to pursue personal and professional growth, contributing to their success within the community. Perhaps most notably, residents at Harvest Hill will have a relationship with on-site resident services provided by FISH and their dozens of community partners. FISH is well known for their food pantry but that is only one way they help to stabilize families. The wrap-around services that FISH and their non-profit partners provide will help Harvest Hill's families thrive. By strengthening families FISH's work will strengthen the Harvest Hill and Broomfield communities.

4% housing tax credit application narrative

Project Name: Iliff Apartments
Project Address: 4175 E Iliff Avenue, Denver, Colorado

Iliff Apartments will serve a large number *of* households with extremely low to low income. REDI Corporation (REDI), a Denver based non-profit, has the mission ***to provide workforce housing and special needs persons with affordable housing and services specifically designed to mee their physical, social, and psychological needs and to promote their health, security and happiness***." The Iliff Apartments will **promote equity and economic mobility** for residents by providing an opportunity for integration of independent living for individuals receiving mental health service outside of the residential setting within the housing and workforce continuum. A minimum of 20% of the homes will be targeted to individuals currently enrolled in off-site mental health services and provide workforce housing for individuals with incomes up to 70% of the AMI.

Iliff Apartments is located in a QCT, creates 115 homes serving a wide range of low income households and serves a large urban area. The Nonprofit applicant's development will assist a diversity of populations in need of affordable housing within very close proximity of public transportation, and is designed to maximize density.

- The Iliff Apartments will be **located in a QCT** on a .88-acre site on East Iliff Avenue in Denver, Colorado. The site is currently zoned S-MX-3. Multifamily housing up to 4 stories for affordable housing is a permitted use.
- Iliff Apartments will include 92 one-bedroom and 23 two-bedroom apartments serving households that are at or below 30%, 50%, 60%, and 70%, **averaging 60%** of the Area Median Income (AMI).

AMI	Unit Type	# Units
30% AMI	1 Bed 1 Bath	5
30% AMI	2 Bed 1 bath	1
50% AMI	1 Bed 1 Bath	14
50% AMI	2 Bed 1 Bath	3
60% AMI	1 Bed 1 Bath	45
60% AMI	2 Bed 1 Bath	12
70% AMI	1 Bed 1 Bath	28
70% AMI	2 Bed 1 Bath	7
	TOTAL	115

- **Unit Amenities**
    - Dishwasher, Disposal, Wall Air conditioning, Blinds, Luxury Flooring Tile, High Speed Internet, In-unit laundry (2-bedrooms only)
- **Project Amenities**
    - Indoor community spaces on the first and second floor, Second floor outdoor terrace, Community kitchen and dining space, Shared laundry, On-site property management, Surveillance cameras, Controlled access, and on-site surface parking with some tuck under parking spaces
- **Type of construction**: New construction, 4-story building with surface and tuck-under parking. 115 1-bedroom and 2-bedroom apartment units will be organized on each side of a double loaded interior corridor. Two interior stairways and two elevators are proposed throughout the building. An amenity space is proposed on both levels

1 and 2 on the south end of the building, facing the primary street of Iliff Avenue. The second-floor amenity space will also be connected to a south facing outdoor amenity terrace. The foundation is anticipated to be concrete spread footings, pending the results of a Geotechnical report. The structure is proposed as wood framing with exposed structural glue laminated beams and columns in the amenity spaces. The roof will have a combination of flat roof with TPO membrane and gabled roofs with asphalt shingles. Brick veneer is proposed on the level 1 exterior surrounding the amenity areas, and light-colored stucco and cementitious lap siding is proposed as the façade around the remaining of the building. The windows are anticipated to be aluminum cladded wood at the amenity areas and white vinyl at the units.

- **Access to public transportation**:
  Iliff Apartments will be located one block east of Colorado Boulevard in Denver, CO. The site is located one block away from two bus routes (40 and 46) and 0.3 mi away from the Colorado light rail station. Iliff Apartments will also be located 0.2 mi from CVS, Target, a middle school, and a high school. The project site is positioned well between access to several transportation options, as well as job opportunities in the nearby vicinity.

- **Type of services** and how they are financed (if applicable); REDI Corporation is an experienced housing advocate and provider of affordable housing. Iliff Apartments is an expansion of REDI's mission to provide affordable housing for Denver residents, achievable by partnering 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. Iliff Apartments will provide a portion of the apartments to individuals and families living at very low and extremely low-income levels (50% & 30% AMI) and struggle to find housing they can afford. Housing for adults and families at the lower AMI levels is extremely limited in Denver and many residents will need additional support to remain stably housed. WellPower (formerly Mental Health Center of Denver) formed in 1989, is the community mental health provider for the City and County of Denver. WellPower has collaborated with REDI on many of their developments. For Iliff Apartments, REDI intends to market Iliff Apartment homes to WellPower's rental assistance team who administer over 600 tenant-based rental assistance vouchers (TBRA). There are currently 132 people holding tenant-based vouchers in WellPower's program looking for housing. WellPower understands that mental health and well-being supports are needed for people of all income levels and will provide access to intake services for Iliff Apartments residents' who request them. There are no additional costs to Iliff Apartments associated with the referral to WellPower services.

- **Description of energy efficiencies**
  - NGBS Bronze
  - Energy Star Appliances
  - LED lighting
  - High efficiency windows
  - Maximum use of electrification as budget allows
- **Financing**
  - Colorado Division of Housing HDG funds
  - City of Denver Department of Housing Stability funds
  - Deferred developer fee

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

   Total Private Activity bonds: $23,357,226. Construction period: $23,357,226 plus taxable tail of $3.3 mm. Permanent bonds: $11,550,000

   Bond issuer and volume cap provider : We are seeking CHFA private activity bonds and CHFA as issuer.

   i. Applicant intends CHFA to be bond issuer and volume cap provider
   ii. R4 is committed to do a private placement of the bonds.

   Portion of bonds that will be tax-exempt and taxable

   iii. Tax exempt bonds- $23,357,226 taxable bonds- $3.3mm

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

   - **Projects serving Special Populations as defined in Section 5.B 5** : Iliff Apartments will serve individuals and families at or below 50% and 30% AMI. We expect that many of these residents will also have a disability. WellPower is a longtime partner of REDI Corporation and will refer applicants to Iliff Apartments as well as receive resident referrals from Iliff Apartments for those who wish to enroll in WellPower's services.

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

   - Market conditions
     i. Analysis of the primary market area shows that there is a high demand for affordable units across the proposed AMI levels, based on the low capture rate for the PMA. The demand and capture rate for the PMA shows that there is a shortage of housing available to residents earning at or below 30%, 50%, and 70% of the area median income, with capture rates ranging from 0.9% to 8.6%. The demand across all income bands demonstrates a shortage in existing and planned units and we anticipate quick lease up and long term stabilization for Iliff Apartments.
     ii. High Walk and Transit Score of 86 and 60 respectively, which is higher than all the market comparables.
   - Proximity to existing tax credit developments
     i. There are 23 LIHTC developments in the market area, eight of which are marketed for seniors and one is exclusively for Section 8 units. Due to location, amenities, unit mix and age, only six of the developments were selected as comparable to Iliff Apartments. Four are LIHTC projects and two are market-rate apartments.
     ii. All four LIHTC comparable projects in the Primary Market Area have an extensive waiting list for housing.
   - Project readiness
     i. The City and County of Denver recently approved a rezone for parcels within University Hills, including this project site. The project is appropriately zoned for multifamily and has an allowable height of 4 stories for affordable housing.
     ii. Shopworks Architecture is engaged and ready to finalize design of the building upon award of tax credits.
     iii. Calcon Constructors has worked with REDI Corporation and BlueLine Development on several projects and is committed to building Iliff Apartments.
     iv. The State of Colorado is committed to reviewing an application for grant funds for the development.
     v. The City and County of Denver Department of Housing and Stability is committed to reviewing an application for grant funds for the development.
   - Overall financial feasibility and viability
     Iliff Apartments is financially feasible, if awarded 4% Low Income Housing Tax Credits, as requested. Iliff Apartments will have secondary funding sources through the Colorado Division of Housing, City of Denver, and deferred developer fee.
   - Experience and track record of the development and management team
     REDI Corporation

REDI Corporation owns and manages 10 properties along the Colorado front range. 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 210 residents. 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 for and partnering with service providers to serve these special needs populations. REDI Corporation, with BlueLine Development, recently completed and opened Rhonda's Place Apartments on Federal Boulevard, which is a 50-unit development that serves persons previously or currently experiencing homelessness.

BlueLine Development, Inc.
BlueLine Development, the development consultant, has developed 17 LIHTC projects in the past five years and is currently developing an additional 18 LIHTC projects in Colorado, Wyoming, Montana, North Dakota, South Dakota, and Utah. BlueLine Development is 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. In Colorado, they have an excellent track record of developing affordable 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 Envolve Management Resume and List of Properties submitted with this application

- Project costs
  Calcon Constructors provided a cost estimate that includes 5% construction contingency along with 4.75% escalation contingency. Both of these account for the current concept design phase and the increased cost of construction due to labor and material increases and shortages. As the project moves through the design development process, these contingencies will change to reflect the stage of design as the project becomes more final. The development and design team will also work together to consider ways to reduce costs at different stages of design

- Site suitability
  The site is zoned for multi-family housing. Iliff Apartments is one-block away from Colorado Boulevard and is within walking distance from transportation and centrally located near employment and shopping areas. The bus stop and light rail provide easy access to downtown and the Denver Tech Center employment centers. There are no RECs on the site

4. Describe any requests to waive underwriting criteria (if requesting).
   Applicant requests Method One: Qualified Basis Calculation Annual Credit to determine annual tax credit amount instead of the default Method Three: Cost Basis Calculation Annual Credit. Maximizing the amount of Federal Credits is required to adequately source the deal. See signed request submitted with Narrative

5. Address any issues raised by the market analyst in the market study.
   James Real Estate Services identified the unit square footages as a weakness, given they are smaller than typical similar floorplans in the market area. However, due to the project's affordability, the zoning allows for a fourth story to be constructed and in order to maximize the density of the site and provide the most benefit to the community, the unit sizes had to be constructed slightly smaller than the market area.

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

    The Phase I, completed by Kumar and Associates, did not reveal any Recognized Environmental Concerns on the site. Please see the environmental report submitted with this application

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

    The team will continue to work through an integrated design process and work through value engineering strategies to mitigate cost increases.

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

    Members of the development team had individual meetings with CW Black and CW Romero-Campbell, outgoing and incoming District 4 Denver City Council representatives to discuss the project concept. Both were supportive of the idea and CW Black introduced and supported the recent zoning change to the parcel to S-MX-3 allowing multi-family projects. The project concept was also shared with Paul Leone, incoming President of the University Hills North Community (UHNC) RNO. He was also supportive. A community meeting was held virtually on July 25, 2023, invitations were sent to the District 4 Council office and the UHNC. Councilwoman Romero-Campbell and Councilman Kashman both attended along with several board members and neighbors of the UHNC. The neighborhood was generally supportive of the project and looks forward to further discussions as the project moves forward. A recording of the meeting with sign in sheet have been attached to this application. Upon an award of tax credits the development team will work with the RNO on a Good Neighbor Agreement.

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

Iliff Apartments will serve a large number *of* households with extremely low to low income. REDI Corporation (REDI), a Denver based non-profit, has the mission ***to provide workforce housing and special needs persons with affordable housing and services specifically designed to mee their physical, social, and psychological needs and to promote their health, security and happiness***." The Iliff Apartments will **promote equity and economic mobility** for residents by providing an opportunity for integration of independent living for individuals receiving mental health service outside of the residential setting within the housing and workforce continuum. A minimum of 20% of the homes will be targeted to individuals currently enrolled in off-site mental health services and provide workforce housing for individuals with incomes up to 70% of the AMI.

4% housing credit application narrative

Project Name: **The Ives II**

Project Address: **Wadsworth Boulevard & 44th Avenue, Wheat Ridge, CO**

Executive Summary

Jefferson County Housing Authority, d/b/a Foothills Regional Housing (FRH) is pursuing a 4% LIHTC award to develop The Ives II, a 97-unit apartment community. The project will leverage partnerships with Family Tree and Hope House, in addition to benefiting from a partnership with Jefferson Center for Mental Health (JCMH) established in the development of The Ives I. The site is located at the northeast corner of Wadsworth Boulevard and 44th Avenue in Wheat Ridge and is adjacent to a residential neighborhood park. Access to public transportation, park, pharmacy, neighborhood shopping center, medical clinic, grocery store, and a convenience store are located within half a mile of the project and, within one mile, there is a hospital, Head Start, community shopping center, , and childcare center. This site is not located in a QCT or DDA. Yet, even greater neighborhood amenities are on the horizon. This development's timing aligns with major improvements along Wadsworth Boulevard. The project, which began construction in October 2021, known as Improve Wadsworth, is a $70 million project to improve the Wheat Ridge Wadsworth corridor. With widened sidewalks, boulevard landscaping, and improved crosswalks, Improve Wadsworth will increase vehicle and pedestrian safety and improve walkability surrounding the project site. While Wheat Ridge has lower than average home prices for the Denver metro area, affordable units are nonetheless still difficult to find. Currently, the overall vacancy rate in Jefferson County is 1.5%. The Ives will provide 53 one-bedroom units, 36 two-bedroom units, and 8 three-bedroom units 30% - 70% AMI households, with a weighted average AMI of 58%. Of those units, 30 will be prioritized for clients referred by the services providers partnering with FRH for this project. The remaining units are intended for households in various income bands earning up to 70% of the AMI. FRH intends to commit 30 project-based vouchers from its own HCV allocation for these 30 units serving partner clients. The average size of the units is 550 square feet, 761 square feet and 1050 square feet for the one-, two-, and three-bedrooms, respectively. Design and construction will consist of a four-story two-elevator building with wood-framed walls and structure at levels 1-4, slab on grade at parking level, concrete transfer slab at level 1 above parking, and spread footing foundations. The building will have a mix of flat and pitched roofs and the exterior will be hardiplank. The project will have a total of 60 parking spaces, or 0.62 per unit – above the City of Wheat Ridge minimum of 0.5. Residential corridors will be double loaded and accessible via stairwells and an elevator. This building will pursue Zero Energy Ready Home (ZERH)certification and will feature high efficiency design paired with electrification-ready construction. To achieve a high level of greenhouse gas and utility cost reduction, The Ives will utilize high efficiency air source heat pumps, central condensing domestic hot water plant with high rated AFUE, low flow plumbing and water-wise landscaping, above code windows and envelope insulation systems, low power density LED light package and Energy Star appliances. The project will have significant amenities including vinyl wood flooring throughout the units, dishwashers, microwaves, walk-in closets, and will be WiFi ready. Common amenities include elevator service, community and flex space, on-site laundry, outdoor green space, BBQ pits, and owner paid utilities. Approximately 5,400 SF of leasing and amenity spaces are available for resident, partner agency, and staff use including lobby with WiFi access, mail lobby, lounge, staff offices, reception desk, and kitchenette. This common area space will accommodate voluntary services from Family Tree, a human services agency that serves those affected by child abuse, domestic violence, and homelessness and Hope House, whose focus is on supporting teen moms in achieving personal, educational, and economic self-sufficiency. Additionally, tenants of Ives II will also have access to voluntary services offered by Jefferson Center for Mental Health at Ives I, located only a few hundred feet away. These providers will offer a board range of services including suicide prevention programming, wellness classes on a wide range of behavioral and physical health topics, life skills and parenting skills training, trauma services, intensive outpatient (IOP) substance use group therapy, employment services, homelessness prevention, and telehealth access. In addition to federal 4% tax credit equity and Colorado AHTC equity, the proposed financing includes a tax exempt construction to perm loan, soft funding from Colorado Division of Housing, JeffCo CDBG or HOME funding, a seller carry-back note from FRH, and deferred developer fee.

Bond Financing Structure

a. $24,800,000 PAB paid down to $14,900,000 in long term PAB
b. Foothills Regional Housing will be the bond issuer and volume cap provider
c. Forward Construction to Perm structure anticipated with a private placement single lender
d. 100% of the bonds will be tax exempt. There will be a small conventional second during construction.

Priorities in Section 2 of the QAP:

None

Criteria for approval in Section 2 of the QAP

Market conditions: Market conditions are very favorable for The Ives II as the average apartment vacancy rate in the Primary Market Area (PMA) is 1.5% and the inclusion of 70% AMI units will allow it to target an underserved market since there are no existing LIHTC units at this threshold. The Ives II's capture rate for the 60-70% AMI units is 6.3% and the PMA occupancy rate is 98% and has been absorbing 228 rental units per year with no concessions, evidencing a strong rental market.

Proximity to existing tax credit developments: There is only one existing non-age-restricted LIHTC project in the PMA. It was 97% occupied with a 300-applicant waitlist and, while the surveyed LIHTC properties outside the PMA were 97% occupied in July 2023 and had waitlists with ten to 230 applicants. As such, there is substantial pent-up demand for a project like The Ives II. The Ives I, a sister development to the Ives II, is located just a few hundred feet away. Ives I consists of 50 one-bedroom units, with approximately half of the units going to individuals exiting homelessness and receiving services from JCMH. Ives II features larger units, up to three-bedrooms, aimed at serving a different demographic than Ives I.

Project readiness:

One of the site's parcels is zoned Mixed Use Commercial (MU-C), which permits the subject's use, while the other parcel is zoned Commercial (C-1). The City of Wheat Ridge is pursuing rezoning of this parcel to MU-C and the sponsor expects the rezoning to be complete before October 2023.

Overall financial feasibility and viability

As conceived, the project is financially feasible using 4% LIHTC, AHTC, favorable tax-exempt rates, the 30 PBV and all of the gap financing, including the substantial amount provided by FRH. Costs have been vetted by the same design/construction team who is building the site next door affording a lot of current information and efficiencies. Initial conversations with lenders and LIHTC investors indicate a strong market interest. Letters of intent and or interest from all funding sources are provided and demonstrate overall financial viability.

Experience and track record of the development and management team:

FRH has been developing and managing affordable housing projects in Jefferson County since 1975. In addition, Shopworks Architecture and Calcon Construction have extensive experience in the affordable housing space. RCH Jones consulting has helped with deal structure and financial underwriting. Please see attached information from FRH and our development team members for more information on our qualifications.

Project costs:

The project's construction and soft costs are based on schematic design drawings that have been informed by several months of meetings and local data generated by a General Contractor . FRH is currently developing another project on the same block, which provides real-time development costs. FRH has worked to keep project costs as low as possible while still intending to deliver quality spaces and being mindful of construction material and labor shortages.

Site suitability:

The project site has frontage along Wadsworth Boulevard, an arterial road, which provides excellent visibility. Tenants will benefit immensely from its proximity to the RTD bus stop at Wadsworth Boulevard and West 44th Avenue, which is nearly adjacent to its western boundary, as well as its location directly adjacent to Apel-Bacher Park to the east, which was recently redeveloped and improved. The site is also within walking distance to a bus stop, convenience store, elementary school, grocery store, neighborhood shopping center and post office, and within a mile of childcare, a medical clinic, hospital, big box retail store, community shopping center and senior center. Most importantly, the site is adjacent to Ives I and can take advantage of those efficiencies.

Requests to waive underwriting criteria:

The sponsor has requested a cost basis override for the qualified 4% credit amount citing specific site and market related reasons.

Address any issues raised by the market analyst in the market study:
The subject's unit sizes are slightly smaller than average for the PMA." We have targeted our design approach to address the needs of the intended residents and believe the specialized services along with subject's competitive unit features, project amenities, design and condition offset the smaller unit sizes.

Issues raised in the environmental report and how these issues will be or have been mitigated:
No REC's were identified. There were some BER's including Asbestos Containing Materials Management during demolition and some de minimis soils removal which will be adhered to.

Unusual features that are driving costs upward as well as if there are any opportunities to realize cost containment:
The construction budget for the Ives II is affected by the following:

- Increases in concrete, waterproofing, and earthwork costs due to the inclusion of 48 underground parking spaces. To create a cohesive community with ample green space as well as bike- and pedestrian-friendly design, below-grade parking is required for this phase. Having one 97-unit building with an appropriate number of parking spots allowed Shopworks and Design Concepts to integrate a large courtyard adjacent to a safe, visually appealing right-of-way, but also adds to the construction budget and an increase in construction duration.
- Higher façade costs, relative to a typical 100% residential project, due to the retail-inspired Wadsworth frontage. Given Phase II's placement along Wadsworth Blvd, FRH is working closely with the City of Wheat Ridge to ensure that the design helps further its vision for a pedestrian-friendly corridor with storefronts nestled along the sidewalks. To achieve this, our design includes a ~1,800 SF storefront glazing system.
- Increased costs associated with access road creation and utility installation that will benefit all phases of the site's master plan. Our design team is prioritizing a neighborhood typology at the private drive that will significantly enhance the pedestrian experience.
- Containment of these costs is being addressed by the efficient and timely use of the same development team building the adjacent Ives I project.

Description of outreach to the community and local opposition and/or support for the project:
We have worked closely with the City of Wheat Ridge to ensure zoning and design requirements are met. Jefferson County anticipates providing up to $1,500,000 of HOME or CDBG funding for The Ives II. Letters of support from local governmental agencies have been included. We are not aware of any current opposition to the proposed project. A neighborhood meeting held on July 26 relative to the City's bank site rezone process produced no negative feedback.

Description of how the project contributes to promoting equity as well as economic mobility for residents:
This site has excellent access to job centers and RTD bus line service along the Wadsworth corridor and will contribute to the ongoing community development taking place and being encouraged by the City of Wheat Ridge. The Ives II is located near existing retail, including Safeway grocery store (11-minute walk)

and Walgreens (4-minute walk), and social services, including Jefferson Center Walk In Crisis Center (6-minute walk) and STRIDE Community Health Center (13-minute bus ride). Additionally, the partners for this project provide services aimed at helping tenants increase their level of self-sufficiency. Such services include financial education, parenting classes, and employment assistance.

4% housing credit application narrative

Project Name: **Jet Wing Flats**
Project Address: **2040 Jet Wing Dr, Colorado Springs, CO**

<u>**Executive Summary**</u>: Jet Wing Flats is an innovative collaboration of Commonwealth Development Corporation and local non-profit Solid Rock Community Development Corporation in the amenity-rich and underserved Southborough neighborhood of Colorado Springs, which will serve as an integral part of a broader mixed-use neighborhood plan bringing together affordable housing, services, quality of life amenities, and economic opportunities. The 100% affordable family development will provide 68 one-, two- and three-bedroom units including deep income targeting in an attractive three-story midrise energy-efficient building with surface parking. Seven units will serve chronically homeless households in partnership with the Pikes Peak Continuum of Care, making available resources and support to help achieve long-term resident housing success. Trauma-informed design concepts including green space views, expanded use of windows for natural light, and warm interior colors with accompanying artwork will be included. Multifamily residential is allowable by-right in zoning code, with 25 units per acre permitted on the 3.5-acre site.

Unit Type	30%	40%	50%	60%	80%	Total
1BR / 1BA	4	4	9	4	3	24
2BR / 2BA	2	2	6	9	9	28
3BR / 2BA	1	1	4	7	3	16
Total	7	7	19	20	15	**68**

A timber-framed slab-on-grade building with two elevators will feature hardieplank siding, varied facades, and a flat roof, with security cameras and secure entrances. Units will be accessible through double-loaded interior hallways and will offer central air conditioning, blinds, carpeting, internet/cable hook-ups, ceiling fans, coat and walk-in closets, a pantry, patio/balcony, refrigerator, range, dishwasher, disposal, and in-unit washer/dryer. Amenities include on-site management, multi-purpose community room, exercise room, business center, picnic area, playground, and landscaping. Free onsite financial literacy courses will be provided to residents through the Southeast Colorado Springs Community Investment Trust, as well as job serve assistance, homework help, and eviction prevention through Greccio Housing.

The all-electric development will serve as a model of sustainability, achieving Zero Energy Ready Home certification (ZERH) and meeting both LEED Silver and Energy Star Multifamily High Rise Program standards, in addition to incorporation of water-sense fixtures, onsite stormwater retention, recycling, EV-Ready Parking space, and secure bicycle parking. The project will be smoke-free and will meet the EPA's Indoor airPLUS (IAP) standards, while the site will utilize xeriscaping.

Jet Wing Flats is situated within an Enterprise Zone and a 2023 QCT in which the development contributes to a local CCRP that both identifies the site as a Reinvestment Area and affirms affordable housing development as a targeted activity. The site sits just 0.2 mile from multiple transit stops and provides a unique opportunity to create affordable housing amidst an established neighborhood that offers an expanded level of quality-of-life amenities, economic mobility opportunity, green space, and access to efficient transportation resources.

Narrative: Colorado Springs is the second largest city in Colorado and is projected to approach 1 million by 2040, eventually becoming the most populous region of the state. The community offers many impactful opportunities for LMI households through its public transit, aggressive public support system, educational resources, and employment options. However, the city also faces some of the state's greatest needs, with a poverty rate 9% higher than the state average and a disproportionate homeless population that includes 1 in 7 of the state's Black/African American homeless, 1 in 5 of the state's Asian/Asian American homeless, and 1 in 5 of the state's homeless veterans. This reality was reinforced in the 2023 Point-In-Time findings, which state: "There is a 250% over-representation in the homeless population compared to the 2022 Census for El Paso County and a 380% over-representation of Black or African American people among Families". According to Pikes Peak COC, a major issue contributing to homelessness and housing insecurity is the lack of affordable housing options including a serious shortage of units available at very low-income levels.

Despite the scale and significance of this need, very few tax credits have been awarded to Colorado Springs that both serve families and provide greater income targeting. In the past 15 years, only 318 units have been awarded that expressly serve families at the 40% and 50% AMI levels city-wide, and even fewer units (231) have been awarded serving 30% AMI families. The eastern third of the city where Jet Wing Flats is located has added almost no income targeting units serving the lowest AMI levels in the last 15 years, with zero family units at 30% AMI and only 17 family units at 50% AMI.

In response to this need, Jet Wing Flats is designating 48% of units to serving households at or below 50% AMI, achieving the goal of serving the lowest-income households, with all 30% AMI units selected through the local Coordinated Entry program targeting households at greatest risk of homelessness. And in ensuring long-term impact, Jet Wing Flats will have an initial 40-year affordability period, with Solid Rock CDC having the option to attain full ownership following year 15, furthering their not-for-profit work to create and preserve affordable housing in the Colorado Springs community.

1. Bond financing structure. It is anticipated that the bonds for this project will be issued by CHFA and privately placed with construction and permanent lenders. The total amount of bonds during the construction period is $12,966,733. Upon conversion, $8,045,732 of the principal will be retired for a permanent bond amount of $4,921,000, There will be a taxable tail of $2,650,000, The construction and permanent lender are identified as Legacy Bank and Trust. Legacy is using a forward commitment loan. This program provides loan proceeds at an efficient cost of capital and reduced upfront costs.

2. **Priorities in QAP Section 2**. While the project will serve seven households at risk of / experiencing homelessness and will offer free resident services on site, the project will not meet an identified priority.

3. **Meeting Criteria for Approval in QAP Section 2**.

***Market Conditions*:** Of the 82,235 households currently renting in El Paso County, one in three are cost-burdened while one in eight are extremely cost-burdened paying more than 50% of income on housing. The 2023 PIT survey found 1,302 individuals experiencing homelessness, including 374 unsheltered and 928 in emergency shelters or transitional housing and in need of an affordable option to transition to. Need for additional affordable housing inventory – in particular at the lowest AMI levels – remains a key priority for Colorado Springs, with the 2022 city Homeless to Housing Plan affirming an urgent need for 16,855 new units targeted to households at or below 50% AMI.

The PMA population for Jet Wing Flats, which is currently 198,777, has added 18,000 since 2010 and is expected to continue adding 1600-2200 per year into the foreseeable future. 37,063 households in the PMA are renters, of which 10,524 are at or below 50% AMI. However, an extreme shortage exists in available units at these lower AMI levels, with just 16 existing units at the 30% AMI level, and a total of 310 units at the combined 30, 40 and 50% AMI levels. A small number of planned / under construction units will help address part of this need but capture rates for Jet Wing Flats remain very low at these AMI levels, including a 1.9% capture rate at 30% AMI and a 2.7% capture rate at 40% AMI. The market study found an overall surveyed occupancy rate in the PMA of 97%, while LIHTC projects showed a firmly stable market with a 98% overall occupancy rate and a historical rate at or near 100% and with long waiting lists. Further illustrating demand, the PMA is adding 309 renters annually but has been absorbing an average of 417 rental units annually. Jet Wing Flats projects to achieve an absorption rate of 15 units per month without concessions.

***Proximity to existing tax credit developments*:** Three tax credit projects are present within the Gateway Park sub-market identified in the market study, of which two (Sand Creek and Fountain Springs) have a reservation year of 2002 or earlier. Copper Creek, located 2.2 miles north, was a 2013 awardee offering only 60% AMI and market-rate family units. No existing LIHTC units within the submarket offer family housing at or below 50% AMI. Academy Heights (under construction) lies 1.2 miles north across Hwy 24. A fifth potential project is the proposed Silver Key, which was awarded 2022 credits and sits 1.2 miles northwest and is designated senior housing. Beyond the project's submarket, additional proximate LIHTC projects within the PMA include Whitney Young Manor (1 mi west); Panorama Heights (1.3 mi west, under construction); Paloma Garden (1.9 mi northwest, senior, proposed), and Bentley Commons (1.6 mi southwest, under construction).

Despite the relative proximity to other LIHTC developments, 70% of units at Jet Wing Flats meet local AMI target needs almost completely unmet by all combined projects in the PMA. As stated in the Market Study, "there is no precedent for 80% AMI units as the subject would be the first project to include this income threshold in the PMA…and their inclusion will allow the subject to target an underserved market." More importantly, Jet Wing Flat's deep income targeting with 48% of units at 30, 40, and 50% AMI delivers units in a grossly underrepresented market that currently has just 16 units at 30% AMI, 62 units at 40% AMI, and 232 units at 50% AMI despite a demand for 10,524 units and stated need for an additional 16,855. The Market Study concluded that Jet Wing Flats would have negligible impact on existing and proposed developments.

***Project readiness*:** The development team has invested more than two years of planning and predevelopment work on the project, making Jet Wing Flats one of most project-ready new construction applications in Commonwealth's 20+ year history. Approval of rezoning has been secured, and initial development plan review has already concluded with comments being addressed in the 8/2/23 resubmission. Soft financing commitments have been secured from local and state partners, and the project has received strong support from the Colorado Health Foundation. The project is expected to be fully financed upon award of tax credits and expects to be able to close and begin construction within 10 months of award. All necessary utilities connections and public infrastructure improvements are present for the shovel-ready site.

***Financial feasibility and viability*:** Income averaging will be utilized with an overall AMI level of 56% achieved through a mix of 30, 40, 50 and 80% AMI units. This approach allows for the inclusion of higher income units which in turn cross subsidize the expanded number of lower income units. The project will maximize efficient use of limited 4% state and federal credits through use of a diverse pool of soft financing sources, altogether achieving affordable debt servicing beginning year one (1.15 DSCR) and extending beyond year fifteen (1.36) and fulfilling all required reserve and expense amounts.

Experience and track record of development and management teams: Bringing together local and national expertise in development and management of affordable housing, the Jet Wing Flats team has the experience, capacity, and track record to timely deliver a high-quality living community that maintains long-term compliance and continues to positively impact the community. Commonwealth consistently ranks as a top 20 national developer of affordable housing and has successfully developed more than 100 projects (including four Colorado developments) creating more than 6000 placed in service units. Solid Rock CDC, under the leadership of Pastor Ben Anderson, has been deeply involved in the Colorado Springs community for more than a decade, working to create housing and economic opportunities through collaboration and action. The non-profit group has a proven record of leveraging local resources in support of development, including The Villages at Solid Rock affordable community. The partnership includes diverse and impactful leadership that positively contributes to the depth and reach of the development: Commonwealth Development is a veteran-owned business and is 1/3rd woman owned; Solid Rock CDC is a Black American-led community organization with a leadership team including a diversity of races, genders, and ages.

Greccio Housing, a local nonprofit housing provider, will serve as the property manager upon completion. With expertise in tax credit development and management and more than 20 years of affordable housing management experience, Greccio helps create stable, safe, and supportive affordable housing options. Based in Colorado Springs, Greccio Housing manages more than 500 units locally, pairing professional property management and regulatory compliance with resident services designed to maintain successful occupancy and personal growth.

Project Costs: Total project costs for Jet Wing Flats align with the budgets of other projects successfully completed or currently underway by Commonwealth and are supported by contractor cost estimates. One factor contributing to the project's cost efficiency is the design of a three-story midrise building, ensuring optimal utilization of resources and cost-effectiveness while maximizing land use and resident density. Estimated construction costs amount to $198.12 per square foot plus a standard 5% contingency.

Site Suitability: The vacant site includes public street access with sidewalks, bicycle lanes, existing utilities and stormwater infrastructure, with city approval of intended multifamily use. The site offers residents the convenience of walking to local schools (0.2 mi), public transit (0.1 mi), parks (0.3 mi), YMCA – 0.2 mi, Library (0.4 mi), medical (0.4 mi), and a youth center (0.1 mi). An exceptional array of amenities are within 1.5 miles of the site, including: eight public schools; ten public parks; a community center; multiple groceries and pharmacies; Goodwill and multiple shopping plazas; ten health and wellness clinics; banking and childcare; and more than 8750 jobs. Jet Wing Flats will achieve an ideal residential density providing the greatest number of families with access to the tools and resources necessary to achieve housing stability and economic mobility. The site is within the Mountain Metro ADA Paratransit service area, providing near city-wide access to individuals with significant barriers preventing use of regular public transit.

The Jet Wing Flats team has successfully secured rezoning of the site to enable development of a high-density multifamily project, making this one of the densest developments in Southeast Colorado Springs at more than 24 units per acre – a level supported by the accompanying market study, which demonstrates clear demand for LMI affordable housing in the market through high existing LIHTC occupancy rates and low capture rates for the project. The site is a flat parcel that is free of flood, stream-impact, and wetland issues.

4. **Requests to waive underwriting criteria**. No waivers to be requested / NOT APPLICABLE.

5. **Issues raised by market analyst**. The market study concludes “The subject has no significant weaknesses”. The study notes the site “has very good access to shopping, services and community amenities, and its

location is similar or slightly superior to its primary competitors." Pent up demand and existing waitlists paired with Jet Wing Flat's unique unit mix will enable the project to achieve timely stabilization.

6. **Issued raised in environmental reports**. A Phase I assessment revealed no environmental concerns on the site except for a suggestion to complete additional assessment on a small section previously utilized as a car wash. As a result, a Phase 2 follow-up was conducted assessing potential soil contamination, with no major findings or identified concerns.

7. **Unusual features causing increased costs / Opportunities to realize cost containment**. Jet Wing Flats does not contain any unusual features that will result in increased costs.

8. **Outreach to community and local support / opposition to project (including financial support)**. The project design has been guided by local stakeholders, with outreach meetings with the neighborhood and community groups including the RISE Coalition as well as public sessions as part of the rezoning process. Development of this site and incorporation of affordable housing has been well supported, including identification by the city and the local COC as a high priority project. The Colorado Health Foundation is in support of this project, noting Jet Wing Flats "is a bullseye achievement for sustainability and promoting health equity through a racial justice lens." The project has secured soft financial support through the El Paso County Trust Fund, the Colorado Health Foundation, DOLA, and City HOME funds. No opposition to the project has occurred.

9. **How development contributes to promoting equity and economic mobility for residents**. Jet Wing Flats will provide much needed quality affordable housing and economic opportunity for residents in a census tract that has one of the state's highest poverty rates (33%) and one of the regions highest concentrations of Black Americans (14.7% vs 5.9% for city). Equity in housing is a critical issue for the City and Jet Wing Flats will directly respond to this need by delivering new, safe, professionally managed housing within an underserved community with deep income targeting. Unique to the development is the partnership with the Southeast Colorado Springs Community Investment Trust (SECIT), who provide residents and community members within zip codes 80910 and 80916 the opportunity to participate in financial literacy classes and to become "community investors" through participation in a low-risk community-owned real estate investment as part of a larger planned development. As community members buy shares of the property, they will continually promote personal wealth and regional economic growth. Community Investment Trust (CIT) is designed to help individuals in traditionally low-income communities build financial awareness and confidence to shift their mentality from an "owing" to "owning" mindset. Through their investment, residents will own the planned commercial building and receive dividends from business owners/tenants of retail space.

At the site, Greccio Housing will provide residents with eviction prevention, job search and family skills services through the Resident Resource Center. Job center and career counseling services are available through local non-profit Colorado Springs Works, 2.4 miles from the site (1652 S Circle Dr), and the Sand Creek Library offers career advancement programming for adults covering English Language, computer skills, adult basic ed, and public benefits guidance. A Career Navigator office assists with career exploration, job search, resumes, interviewing, and personal coaching.

10. **Acq/Rehab or Rehab**. Project is new construction / NOT APPLICABLE.

4% housing credit application narrative

Project Name: King's Crossing Village
Project Address: ~15660 E. 6th Ave. Aurora, CO 80011

Executive Summary

In partnership with Restoration Christian Ministries (RCM), Community Development Partners (CDP) is developing King's Crossing Village (Project) a 179 unit "Community for All Ages" (CFAA) affordable home community serving seniors, families, and individuals with children, together with intergenerational programming and services. Housing opportunities will also be made available for residents of the safe parking and safe outdoor space who are eligible for tenancy upon Project completion. The site is located at 15660 E. 6th Avenue, in the Centretech neighborhood of Aurora, a 2023 Qualified Census Tract (QCT) which is the most racially and ethnically diverse in the State. The Centretech neighborhood, specifically, has more Sub-Saharan African ancestry people living in it than nearly any neighborhood in America (10%). Additionally, more than 4% of residents 5 years old and above speak African languages as a primary language at home. This cultural diversity will benefit from the Project, which offers affordable, inclusive housing in tandem with culturally appropriate services.

RCM brings a direct and local community presence through their mission to restore individuals to their rightful place in society, and equip them with skills necessary to overcome communal, educational, economic, systematic, recreational, and social deprivation. CDP has years of affordable housing development experience across various states. CDP's mission is to create life-enhancing projects that transcend the fundamental goal of providing high quality homes by building innovative and sustainable developments with a focus on long-term community engagement. The Project is the realization of Pastor Felix Gilbert's vision to house those in need and better serve RCM's unhoused neighbors by activating development and programming on a series of empty parking lots adjacent to the church's operations center. Pastor Felix had compassion for those in the community experiencing homelessness. While a teenager in the Caribbean he was homeless for a year and this experience stayed with him throughout his adult years and the eventual establishment of RCM. He worked tirelessly to provide safe parking and a safe outdoor space for those experiencing homelessness while beginning plans for this housing development. The Project honors his time on the streets and references a place where he received services and felt safe. Key to Pastor Felix's vision was to create opportunities for economic mobility for those that need it the most through the provision of affordable housing and community services.

The Project's unit mix includes 1bd/1ba, 2bd/1ba, 3bd/2ba, 4bd/2ba units with underlying 30, 50, 70 and 80% AMI levels with one 2bd/1ba manager's unit. Unit amenities include central air, blinds, carpet, coat closets, storage, and high-speed internet hookups. Units will feature low flow toilets and energy efficient appliances, including a refrigerator, stove/oven, dishwasher, disposal, and washer/dryer. The Project will also offer a media room with free internet access, community gathering spaces with a communal kitchen, a wellness zone, bicycle storage, and a flex indoor space. Exterior amenities will include BBQ areas, a playground, and a walking path. The Project will be adjacent to a childcare center and RCM facilities. Further, the project is committed to sustainability. The project will be 100% electric and will include a solar panel array, heat pump hot water heaters, and centralized Energy Recovery Ventilation (ERV).

RCM's commitment is to its own vision as a service provider supporting the community and those accessing their onsite daycare services, cafe and gathering space, supported employment services, health-related services, food programs and case management services. RCM's facilities also include partnerships that offer culturally relevant health education, screenings, and vaccinations. Through their many connections, they have been able to fill a critical gap in health services, food access and housing in their Aurora community. At King's Crossing Village, RCM will staff the project with one FTE resident services coordinator. The coordinator will closely coordinate between RCM's existing services and the property management team onsite. Resident services will focus on connecting residents with resources they need as well as intergenerational programming inherent to the CFAA model.

In addition to the breadth of onsite and in-unit amenities and offerings, the Project is conveniently located within 0.3 miles west of Chambers Road and 6th Ave bus stop. Transportation costs are the second-largest expense category for the average household, after housing costs. The proximity to the bus stop will assist in decreasing transportation costs for residents. Residents can ride buses from this location to the Arapahoe Village Center and the RTD Peoria Light Rail Station, with connections to other routes that travel throughout the Denver MSA, resulting in wider access to job markets and resources across the region. Housing and transportation are inextricably linked from an economic, environmental, and public health standpoint. The proximity and wider access to the job market will promote economic mobility by providing transportation to residents who may not have a personal vehicle, or whose vehicle is unsafe or unreliable, freeing up money otherwise used for car payments, insurance, or maintenance to use toward healthcare, education, healthy food, and savings.

The Project site is zoned MU-C (Mixed Use Corridor) which does not have a maximum density as a part of the Unified Zoning Ordinance. The Project will be built on a post tensioned slab on grade foundation which will bear on existing soils which will be over-excavated, reconditioned and recompacted. The Project will be wood framed, glue-laminated post and beam construction. The vertical circulation in each building includes stairwells and an elevator per building. This serves the interior, double-loaded corridor to get to each of the units. In addition to the project's sustainability goals, the Project's thoughtful design of the courtyard allows for breezes to pass through in hot summer months and blocks prevailing cold frigid winds in the winter months.

The site plan has advanced to include the CFAA concept; with expanded amenities highlighted by the full-time resident services on-site. The resident services wing will be key to the collaboration between RCM and KCV. Predevelopment is in progress and the Site Development Plan is scheduled to be submitted to the City of Aurora in December. RCM also received a competitive congressional appropriation for $3,000,000 in 2023 through Congressman Jason Crow's office to help fill a gap created by cost increases over the last two years.

The Project will be financed with local, state, federal, and private financing including LIHTC & AHTC equity, private PAB funds**,** State funding from the Colorado Department of Local Affairs, local funding from the City of Aurora ARPA funds, HUD Community Project Funding/Congressionally Directed Spending, and deferred developer fee.

Bond Financing Structure

Total amount of bonds requested is **$38,000,000** at the ~55% level which will be paid down to an estimated **$14,700,000** in long term PAB. We will be seeking a CHFA issued conduit loan structure using tax exempt PAB draw down to a long-term PAB-sourced loan. We anticipate a private placement structure and are assuming no taxable bond issuance, rather a conventional second position construction period loan.

Priorities in Section 2 of the QAP:

Not applicable

Criteria for Approval in Section 2 of the QA

- Market conditions

Robust demand exists for affordable rentals with a required capture rate of 11.2%. This will be the first tax credit development in the market assuming 80% income limits as well, thus targeting an underserved market. This Project will increase the supply of housing to meet surging demand which helps prevent inflationary bubbles in rent and real estate prices. This reduces foreclosures and evictions for the region, thus preventing housing instability and potential homelessness.

The Project is in a mixed residential and commercial neighborhood along an arterial street that provides good access and visibility. It has good access to public transportation and community amenities. The PMA's overall surveyed vacancy rate is 4.7%, slightly below a balanced threshold, and most of the vacancies were pre-leased. In addition, four LIHTC properties had waitlists, and high and stable occupancy, and nearly all recently had rents increase to the 2023 LIHTC maximums. The PMA is expected to add 128 renters per year, which is likely understated because CoStar noted an average of 465 rental units absorbed per year since 2020, while the vacancy rate declined from 7.1% to 6.4% during this period.

- Proximity to existing tax credit developments

The PMA has 25 tax credit projects, 18 of which are serving families.

- Project readiness

The site is entitled correctly for the intended scope and use of the Project. Site plan approval is anticipated 6-9 months after submission with an additional 3 months for building permit approval. Permit issuance is anticipated in November 2024 and construction is scheduled to start at the beginning of 2025. Lease up will be phased by building with the first building placed in service 16 months after construction completion and the second building placed in service 2 months later, at month 18. Construction completion and the placed in service of the final building is slated for September 2026 with an anticipated absorption rate of 18 units per month.

- Site Control

The applicant has site control with Restoration Christian Fellowship ("RCF") as Trustor and site owner of the Project site, as well as RCM's Non-Profit Faith Partner, who is the Project's Co-GP. RCF and CDP entered into a long term Ground Lease for the Project site. Please see Title, Ground Lease, and Ground Lease Amendment included in the application attachments for evidence of site control.

- Overall financial feasibility and viability

Our team has worked diligently over the last year to enhance the CFAA concept and increase the viability of the Project, including the focus on resident services. Although the cost of financing has increased considerably and construction costs have continued to rise, we have been able to secure ARPA funds from the City of Aurora and the anticipated partnership with the housing authority for tax exemptions. The project has also been awarded $3,000,000 in Congressional Direct Spending, an enormous boost to the project and a testament to its wide support. As a result, overall feasibility of the project is strong with an award of 4% LIHTC, AHTC and bonds. We have also included conservative assumptions on contingencies, hard cost escalation, interest rates, and other escalations.

- Experience and track record of the development and management team

CDP's leadership team has over 60 years of combined affordable development experience with extensive experience developing affordable housing across California, Arizona, Oregon, and Nevada and will serve as the lead developer of the project. Since inception, CDP has successfully built, preserved, or is actively developing over 40 unique projects, comprised of over 3,000 units of affordable housing and $1.2 billion in total development costs. CDP's team has the breadth of knowledge, holistic design experience, transaction structuring expertise, and project management acumen to identify, underwrite, and successfully execute on opportunities. That coupled with the deep commitment to enhance the quality of life for residents sets CDP apart as a certified B-Corporation.

General Partner and service provider, RCM, has nearly 25 years of leadership experience providing critical services to the community through partnerships with local service providers in the community; including County Health, Inner City Health Center, the Center for African American Health, Salud Family Health Centers, Food bank of the Rockies, 18th Judicial District and several other community organizations. These relationships have positively addressed the gap with health disparities, food insecurity, community engagement, and housing to historically underserved and underrepresented groups. Their reputation and relationships with community organizations and leaders has resulted in successful programming for the local community. On June 16, 2022, Pastor Felix was honored with a Congressional Record by Congressman Crow of Colorado, for his dedication to and impact made to the Aurora community and residents. Please see the attached Congressional Record dated 6/26/2022.

The rest of the team includes Deneuve Construction, Shopworks Architecture, FPI Management, RCH Jones Consulting, Project Moxie, and others who all have extensive LIHTC experience and experience with projects in Aurora.

- Project costs

Costs continue to increase and are currently being impacted by market forces, like high interest rates affecting the cost of financing. We have tried to anticipate increases and have included contingencies accordingly. One area of hard cost increases is that we are anticipating expansive soils onsite. We have included in the construction budget to over-excavate 13 feet below the finish floor and mix a moisture compact of onsite materials back into a pad prior to the post tensioned slab on grade placement. We also have included over-excavating 4' under the pavement parking areas. One strategy we are exploring is the possibility to lock in some major construction costs as soon as possible after an award notice in effort to mitigate material pricing fluctuations. Additional concerns are the nationwide delay in electrical gear which the project team is tracking closely. The focus on sustainability and 100% electric building are offset in part by increased incentives for green building, including the 45L credit and the change in the solar tax credit rules.

- Site suitability

The Project is on the south side of East 6th Avenue. Its address is 15660 East 6th Avenue in Aurora, Arapahoe County, Colorado, 80011. The development site is on an arterial street that has a high volume of passing traffic that provides good visibility. The site will have approximately 570 linear ft of frontage along East 6th Avenue and is a level, irregular-shaped, approximately 5.74-acre parcel. The site is legally conforming to the Project use. The Project site is located within an established neighborhood and an area that has good access to public transportation and within walking distance to many community amenities. There are no environmental issues or factors that would drastically impact or impede development. The Project's location, access to infrastructure and community amenities, as well as legally conforming zoning makes it a suitable and viable site for the Project.

Requests to Waive Underwriting Criteria
Not applicable

Issues Raised by the Market Analyst in the Market Study
Of the new rental units in the pipeline, 40% are LIHTC or non-LIHTC affordable. However, the market conditions are favorable for income-restricted developments and the prevalence of in-migration is high.

Issues Raised in the Environmental Report Submitted with Your Application and Mitigation
According to our Phase I consultant, there are no Recognized Environmental Conditions on the site.

Unusual Features that are Driving Costs Upward and Opportunities to Realize Cost Containment
We are anticipating very expansive soils onsite. We have included in the construction budget to over-excavate 13 feet below the finish floor and mix a moisture compact of onsite materials back into a pad prior to the post tensioned slab on grade placement. We also have included over-excavating 4' under the pavement parking areas.

Description of Outreach to the Community and any Local Opposition and/ or Support for the Project
RCM, as a black-led congregation, is leading its own community into this first-ever affordable housing development initiative. They have engaged local leaders and service providers partners, as well as individuals with lived experience and program clients in conversations about how to develop their campus to best meet the needs of the surrounding community. For instance, in partnership with Salvation Army and the City of Aurora, the current campus is hosting both Safe Parking and Safe Outdoor Spaces for individuals and families experiencing housing instability and loss. Additionally, RCM received a support letter from Mayor Coffman in recognition of the critical work they do and the dire need for this project. The development team will begin formal OAC meetings once the funding application has been submitted to set the project up for a December Site Development Plan submission to the City of Aurora. RCM representation will help to influence the programming and overall site design. Input from the community will be used to inform the overall concept of the project, including Community for All Ages, resident services, and the introduction of specific design elements.

How the Proposed Development Contributes to Promoting Equity as Well as Economic Mobility for Residents

This development is spearheaded by Restoration Christian Ministries, a black-lead congregation in one of the most diverse neighborhoods in Colorado. As such, the property anticipates a substantial percentage of ethnically diverse residents and is planning culturally appropriate services. Further, this project provides some revenue to RCM, a growing BIPOC-led CDC that will reinvest these funds in core services that will promote economic mobility such as employment services and childcare programs.

4% housing credit application narrative

Project Name: Link and Pin
Project Address: 4159 Fox Street Denver CO 80216

Link and Pin is a newly proposed 270 unit development located at the Fox Street rail station in downtown Denver. Link and Pin will provide critically needed affordable homes in a rapidly gentrifying area of Denver. Additionally, these units will have direct access to the light rail, enabling residents to access employment/educational opportunities across the Metro area. Link and Pin delivers a significant number of units in a very efficient manner on a site directly adjacent to transit and in an area of the city that has market rate housing developing on almost all remaining parcels. These affordable homes are critically needed and the time is now before this transit oriented site is lost to market rate development. If this project is not awarded LIHTC in this round, the hard won car trip allocation will be lost and might not be awarded to another affordable development.

Location

Link and Pin's location in Qualified Census Tract (QCT) provides excellent access to public transportation and arterials and as well as access to shopping and services. The development will be within .5 miles of a convenience store, neighborhood shopping center, elementary school, bus stop, light rail station, medical clinic, head start, park and recreation center, and within one mile of a grocery store and library.

Population being served, bedroom mix and AMI targeting

Link and Pin will serve households with incomes from 20% AMI to 80% AMI in studios through three bedrooms, meeting needs at every level. Almost 50% of the units will serve households at 50% AMI or below and 20% of the units will serve households at 30% AMI or below , with **15 units at 20% AMI with no project based subsidy attached**. The development will also serve an additional 15 households with a disability through the DOH administered Section 811 voucher program with services provided by Family Tree (more detail below).

Unit and project amenities

Link and Pin units will have wall air conditioning, blinds, luxury vinyl tile floors, ceiling fans, coat closet, refrigerator, stove/oven, dishwasher, microwave and disposal. The development's common amenities will include on-site management, laundry facilities on every floor, bicycle maintenance/storage, a community room, exercise room, picnic area, dog run/park and package holding area and multiple roof decks. For security features, it will have limited access entries, surveillance cameras and an intercom-buzzer entry system.

Detail type of construction

The building will consist of Type 1 non-combustible materials. Foundation will consist reinforced concrete spread footings and column pads. The building skin will be a mix of stucco (70%), vertical metal siding (16%) and metal panel (14%). Roofing will be TPO membrane and green roof landscaping. The proposed building will consist of two stairwells with roof access and elevators to provide access to roof. There will be two elevators, one of which will be sized to accommodate a gurney. The two stairs, north and south that discharge directly to the exterior. The north stair will go all the way to the roof. The ends of all corridors have windows looking directly out of the building.

Access to public transportation within one-half mile of site and job centers and opportunities for economic mobility;

The site provides exceptional access to both transportation and job centers. Link and Pin is directly adjacent to the Fox Street light rail station. Residents can ride the light rail from this location to Union Station in Downtown Denver, Wheat Ridge and Westminster, and to connections to other routes that travel to the northern and southern Denver suburbs, as well as Aurora. Train service is available every 30 or 60 minutes, from early morning until midnight, seven days a week. Additionally, Fox Park is being developed just blocks from the site and will create thousands of new jobs in the development which includes a hotel, restaurants, retail, fitness centers and galleries (discussed in greater detail later)

Description of energy efficiencies

To achieve Denver 2022 IECC compliance and NGBS Gold certification, the current design approach includes several high-performance building systems:

- Packaged terminal air source heat pumps
- 96% efficient gas condensing water heaters
- Energy recovery ventilation
- Low Power LED lighting package and ENERGY STAR Appliances
- 15% EV Installed and 45% EV Capable Parking Spaces
- Low flow plumbing fixtures (WaterSense or better)
- Water-wise landscaping:
    - Landscaping will include only native or adaptive, drought-tolerant vegetation as well as an efficient irrigation system.
    - The project will limit irrigated turf grass to only those areas that provide recreational benefits to the community or are a part of vegetated and/or structural controls of stormwater management systems.
    - The site's landscaping will prioritize passive strategies that enhance the stormwater management capabilities and climate resilience of the site.

Financing

The development will be funded by equity from the sale of Federal and State LIHTC's as well as 45 L energy credits, City of Denver HOST funding and Colorado Division of Housing funds. Additionally, we have made application to CDOH for fifteen 811 vouchers and the increased income enables the project to take on more permanent debt. We will, of course, explore other options such as Prop 123 funding, however the details of those particular funds are not yet available and soft funding commitments are not being provided.

Special Needs Population and Trauma Informed Design

If awarded 811 vouchers, Link and Pin will house fifteen households with special needs, identified as eligible by the Community Access Team at CDOH. Workshop 8, our architect, has recently participated in trauma informed design training with ShopWorks and they are taking those "lessons learned" to apply them to Link and Pin. Rainier is thrilled to have identified Family Tree as their service partner as Family Tree is an experienced provider of services and works with 811 voucher holders in multiple LIHTC properties. The comprehensive case management will be fully funded through project cash flow as approved by DOH.

Pulling data from previous focus groups that both Family Tree and Workshop 8 have held with people who have lived experience, trauma-informed design elements have been integrated into the building design at Link and Pin. Some of these include: separate laundry facilities on each floor; community space that includes a lobby, mail area and bike racks that are accessible and safe; a fitness area and "maker" space; allowing pets so that people can continue to have their animals and not have to feel they need to leave them behind (appropriate relief and wash areas will also be in place); access to staff in offices who are trained in trauma-informed care and have strong experience working with people who have disabilities; the connection with nature and the outdoors with excellent rooftop decks on the 6th and 12th floors that provide a space for serenity and calm. There will be a designated smoking area outdoors that is in accordance with state law (25 feet away from an entrance to the building). There is also an outdoor ground level courtyard in the center of the U-shaped building. Trash and recycling rooms will be available on every floor so people with mobility issues do not need to leave their floor to dispose of their trash. In accordance with City & County of Denver policies, all of the public-facing restrooms will be gender-neutral.

Services for Residents The most recent homeless PIT survey documented a 31.7% increase in homelessness. **Those who are new to homelessness rose sharply, from 2,634 to 3,996**. Families experiencing homelessness for the first time more than doubled since 2022. These are not necessarily the chronically homeless but households that are losing their housing due to increasing rents. An award to Link and Pin will provide 37 **unsubsidized** units at 30% AMI and below and another 75 units at 50% AMI and below, over 110 very affordable units will be added to the market.
To keep these very low income households from falling out of housing, Link and Pin will provide supportive services to all residents. Family Tree will provide a service coordinator position utilizing a trauma informed and client centered approach. Services may include light case management, advocacy, information and referrals, and crisis assistance. Additionally, Family Tree may provide referrals to county benefit technicians, disability benefit navigators, and vocational rehabilitation counselors for education and employment assistance and collaborates with substance abuse treatment and mental health service providers to provide streamlined access to services for our program participants. This position will also be fully funded from cashflow as shown in the application. Rainier believes this is critical to help extremely low income households maintain their housing.

Describe the bond financing structure and include the following:

Total amount of bonds with a breakout of construction period bonds vs. permanent bonds Total bonds will be $47,500,000. Construction bonds are $16,250,000 and permanent bonds are $31,250,000.

Bond issuer and volume cap provider CHFA will provide both bond cap as well as acting as issuer.

Lender and bond sale structure The lender will be Deutsch Bank and it will be a private placement construction to permanent structure.

Portion of bonds that will be tax-exempt and taxable $44 million will be tax exempt (52% of aggregate basis) and $3.5 million will be taxable.

Projects serving Special Populations
While Link and Pin will not have a set aside of 25% of the units for special needs, we have applied for 15 811 project based vouchers (6%) from DOH and we structured the development, both design and services, assuming we will serve those households.

Market conditions
The market study states the capture rate for the development as 20% with only the 60% AMI units above the 25% preferred capture rate. The capture rate analysis used in migration because of the small size of the PMA and the project's location on the light rail. However, even without the in migration factored in the overall capture rate is only 26.6% with only the units at 50% AMI and 60% AMI with capture rates of over 25%.
These capture rates are mitigated by the documented strong demand for affordable rental housing in the PMA, as illustrated by the 95% occupancy rate at the surveyed Class B LIHTC properties in the PMA, most of which also have waitlists with 62 to 2,000 applicants. Further, Link and Pin's proposed 60% AMI rents are 35% to 50% below

the surveyed weighted average Class B market-rate rents, its 70% AMI rents are 23% to 41% lower and its 80% AMI rents are 12% to 32% below, all of which provide a good value.

Proximity to existing tax credit developments

The PMA has 15 LIHTC projects containing 816 income-restricted units. Of these, three are age restricted projects with 182 units, two are PSH properties with 116 dwellings and 11 are non-age restricted properties that have 518 units. Link and Pin's non-subsidized units will compete directly with 509 of the non-subsidized family tax credit units that are comparable in terms of target market and income restrictions, while its 15 subsidized units will compete with the nine family subsidized units.

Project readiness

Rainier has worked on the design of the project to meet the requirements of the zoning overlay for over two years. Workshop 8 Architecture and Kimley Horn consultants have been integral in creating the current development plan. Link & Pin received full Concept Approval from the City of Denver on 2/16/2023. The development team will be submitting our package for Site Development Plan approval by 8/16/2023. Rainier is moving forward to complete construction drawings and receive a building permit approval as quickly as possible. We have submitted our project to City of Denver Affordable Housing Review Team in order to expedite the permit review and approval process.

Overall financial feasibility and viability

This project has strong local support from the City of Denver, State of Colorado and the Denver Housing Authority including grant funds, expedited approvals and property tax exemption. The underwriting is conservative and Rainier is deferring a significant portion of its developer fee as well as pledging funds for service provision. The State credit ask of $4,074 per unit is a very efficient request for provision of 270 units with significant affordability and units provided for a special needs population.

Experience and track record of the development and management team

The Rainier team has a combined 80 years of multifamily development experience. Avenue 5 has 85 LIHTC properties under management and a team experienced with compliance and average income. Rainier selected W8 as the architect over two years ago and they have both been working tirelessly to bring this site to fruition. W8 has provided excellent guidance as well as evaluating the construction and design options. Milender White has been in business for over 28 years and has built over 3,500 units of affordable housing. Please see resumes for details on the development team's extensive experience.

Project costs

Rainier has been actively working with Milender White for over one year to bring this project to fruition. We have been diligently working to value engineer the cost of the project down but still deliver a high value finish. We have designed a high density building which helps keep our cost per unit down. This also allows to deliver a building with a solid list of tenant amenities like a rooftop decks, fitness center, spaces for job training, child climbing area and dog friendly zone.

Site suitability

Link and Pin is being developed just blocks from Fox Park, a 41-acre development site at the intersection of Interstate 70 and Interstate 25, near 41st Street and Fox Street in the western Globeville neighborhood. It will transform the former Denver Post's 327,000 square foot printing press into the 600,000 square foot World Trade Center Denver complex. Components of the campus will include a cultural center, International Exhibit Hall, a boutique hotel, performing arts theater, conference center, global and local restaurants, retail, a fitness center, maker space and art galleries. The project will include 2.2 million square feet of office space and 3,400 residential units in its four phases. The Denver Botanical Gardens will design and maintain 14 acres of public parks and open space, an outdoor amphitheater and a nursery. Rainier's ability to secure a site in this rapidly developing neighborhood and provide a significant number of affordable units is a significant achievement. There are eight market-rate and market-rate/affordable properties with nearly 2,100 units planned or under construction within .5 miles of Link and Pin that are expected to be complete between the fall of 2023 and the end of 2025. Link and Pin is the only affordable development currently slated for the PMA.

Describe any requests to waive underwriting criteria. n/a

Address any issues raised by the market analyst in the market study. The market study had no recommended changes and ranked the project highly across all categories. However, they did note the units are slightly smaller than comparable units. Rainier believes that the units are designed to current market and LIHTC design standards with 9 ft ceilings and large windows that will make the units live larger than they appear on paper. Building smaller units is a way to still be competitive while being as cost efficient as possible. Older comparables are larger because it was cheaper to build and financing costs were lower. Affordable developments need to be able to evolve in this challenging environment.

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

Please see attached narrative.

Cost Drivers/ Cost Containment

The additional building height has allowed us to add units but also requires a Type 1 construction which is a higher cost of construction. Rooftop decks also add cost but we feel this will be a valued amenity by the tenants. We are considering the exterior skin and opportunities to control cost while delivering a strong design statement with the finished building. Stucco is a reasonably priced material that provides options to add texture and color to the building.

Community Outreach

For almost two years we have worked in true partnership with the property owner to move Link and Pin forward. The Dufficy family has owned property and businesses on Fox Island for more than a generation. Their support has been key in our ability to make the project viable. The Dufficys also contacted the then local City Council member to ensure her support for our development when we first went under contract. Fox Island has a unique zoning overlay that limits the number of daily vehicle trips allowed for a new development project. In order to be successful, we have been engaged with Chris Nevitt in the Mayor's office over the entire course of our pre-development work. Chris and his office have ultimately been very supportive of our project which allowed us to receive the trip allocation needed for full Concept Approval from City of Denver Planning. Lastly, we published a notice and held an online public meeting requesting feedback on the project. No objections of any kind were raised at the meeting.

Promoting equity as well as economic mobility for residents.

These units will have direct access to the light rail, enabling residents to access employment/educational opportunities across the Metro area. Link and Pin delivers a significant number of units in a very efficient manner on a site directly adjacent to transit and in an area of the city that has market rate housing developing on almost all remaining parcels. The above referenced Fox Park development will create thousands of new jobs over the next several years at a wide range of opportunities at the site only a few blocks from Link and Pin.

Attachments

Family Tree Brochure
Environmental Review Narrative
Parking Study

4% housing credit application narrative

Project Name: Marshall Pointe Apartments
Project Address: 5190 Marshall St, Arvada, CO 80002

Executive Summary

Lincoln Avenue Capital ("LAC") is proud to present Marshall Pointe Apartments (the "Project"), which is a proposed 260-unit 100% affordable development located just a half mile from Olde Town Arvada. LAC has been working and investing in the Project for over 20 months to bring CHFA a development that is the most 'shovel-ready', designed with all CHFA's Guiding Principles in mind, and will offer a new and unique housing model targeted at *stable* equity and economic mobility for its future residents, which we are calling a Corridor of Housing Advancement (the "CoHA"). We have attached a more detailed summary to our application of this CoHA, but here is a brief overview:

This CoHA will be comprised of two projects, LAC's Project, and Family Tree's ("FT") Marshall Homes ("MH") development, which was awarded in CHFA's Round 2 in 2022. These communities, while only four blocks away from each other, will offer affordable housing to two very different populations in need, and their proximity will allow them to work in congruence to benefit future residents. FT's MH development is approximately 85 units at 30% AMI with Permanent Supportive Housing ("PSH"), while the Project will be 260-units and offer a range of AMIs from 30% to 70% AMI with market-rate like amenities to families and individuals. LAC and FT have agreed for FT to provide PSH and a full-time case worker for 13 of the 30% AMI units at the Project. The idea being, that as residents and clients of FT stabilize and move out of PSH, there is the Project located directly down the street able to provide a full spectrum of affordable housing options for them, which will maintain an on-going connection and relationship between the two communities to better serve the residents.

It is hard enough to find affordable housing as it is, but to have options that will serve a full spectrum of needs with an existing connection to facilitate economic mobility in your neighborhood is an amazing opportunity. That is why we emphasized 'stable' economic mobility; moving can be severely disruptive for residents as you likely need to change schools or jobs, make new friends, figure out new bus routes, etc. – and this CoHA will remove that unnecessary burden of up-rooting residents from their local support network. We are extremely excited about this partnership and the opportunity it can bring to residents in the CoHA; we believe this concept will deliver the true essence of affordable housing as individuals and families will be able to 'move up' and not 'out'.

The Project will be a 4-story, with two elevators for circulation, wrap-style building comprised of predominantly 1 and 2-bedroom units, and some 3-bedroom units. The wrap concept is unique as it takes a precast parking garage, places it in the middle of the site, and wraps the residential building around the garage – the advantages to residents are more secure parking and each resident can park on their floor and walk directly onto their unit. The precast parking garage will all be on a post-tensioned slab on grade foundation, while the buildings will be slab-on-grade. The material palette consists of two differently spaced and colored board and batten sections to create a rich exterior texture. Wood-like material will also be utilized to bring warmth and create a connection to nature. We hope living here will be an empowering experience for the future residents as this was designed with an 'up lifting' design philosophy to compliment the CoHA.

Amenities will include two courtyards – one designed for adults and their friends or families, and the other towards children. The adult courtyard will have a covered dining area, hammock grove, flex lawn space, and various trees and shrubs. The children's courtyard will have a climbing wall, tot playground, movie wall, and garden for children to explore nature's beauty. In addition to all the unique courtyard amenities, the children's playground will be secure and allow parents to enjoy the area as much as their children without having to worry about their child's safety. These courtyards are on par with the best market rate developments and allow residents to take full advantage of the outdoors right in their backyard. Within the building there will also be amenities such as a fitness center, mail room, game room, package room, and lounge area with a kitchenette. Units will have stainless steel energy star appliances, balconies, walk-in closets, linen closets, and hard-surface countertops (budget permitting). The combination of the common area amenities and the in-unit amenities will make Marshall Pointe Apartments really feel like home for our residents.

Guiding Principles

Low-Income & Affordability Term: The Project will average to 57.5% AMI utilizing 30% to 70% AMI units that comply with CHFA's Average Income requirements and ensure affordability for a minimum 40 years. The Project will have 13 30% AMI units with PSH services and case manager provided by FT, and eight of those units will have Project Based Vouchers provided by the Arvada Housing Authority.

Marshall Pointe Apartments Unit Mix									
Unit Type	**30% AMI**	**30% PBV**	**40% AMI**	**50% AMI**	**60% AMI**	**70% AMI**	**Total Units**	**% of Total**	**Size (Avg.)**
1 BR / 1 BA	3	4	12	37	43	50	149	57%	612
2 BR / 1 BA	1	1	2	12	4	0	20	8%	792
2 BR / 2 BA	0	2	9	11	11	31	64	25%	937
3 BR / 2 BA	1	1	2	6	7	10	27	10%	1179
Total	**5**	**8**	**25**	**66**	**65**	**91**	**260**	**100.0%**	**765**

QCT: The Project is located in a QCT and will bring much-needed investment and revitalization to east Arvada. Councilmember Simpson, who represents the district where the Project is located, is extremely excited about the revitalization this Project will bring to a part of Arvada that has not received the investment other areas of Arvada have in recent years.

Distribution of Tax Credits: As mentioned earlier, there has been a previous tax credit award in the area, but given the different populations served and our partnership with that community, the development of the Project will be a benefit for the residents and surrounding community.

Variety of Qualified Applicants: LAC is a highly qualified for-profit developer that can bring developments like this Project, large developments (2.3x larger than the average 2022 Round 2 awardee) with a PSH component and market-rate level quality at the fraction of the costs of State HTC. Colorado is suffering from an overall *shortage* of affordable housing, and developments like the Project can make the most of this limited resource.

Transit Oriented: The Project is a 2-minute walk to the Route 52 bus stop at the northwest corner of 52nd and Marshall, which then has a 7-minute ride to the Olde Town Arvada Station. The Olde Town Arvada Station provides the best connectivity to RTD services in the northwest Denver metro allowing our residents to easily access job centers along the front-range. The Project received a Walk Score of 59, which is greater than Arvada's average of 35, and apartment communities in Colorado which is 53.

Maximum Density: The Project will provide 260 units on a 4.36-acre site, which equates to 60 units per acre. We were able to achieve such great density, while meeting parking requirements, by designing a wrap-style building which is 4 stories of wood-framed residential units wrapped around a 4-story precast parking garage. This 'wrap-style' design is the most economical

construction type to achieve this density.
Energy Efficiency: The Project is designed to be all-electric and supports the State's goals to reduce greenhouse gas emissions with high efficiency HVAC systems and overall building design. In addition to the Project certifying to NGBS Bronze, it will be powered by an impressive 311kW roof-mounted PV system that will offset 85% (486,000 kWh/year) of the common area electric consumption.
New Construction & State HTC Efficiency: The funding of this Project will allow for the new construction of 260-units of affordable housing for only $4,230/unit of annual State HTC, which is substantially more efficient (50% less) than average of the 2022 Round 2 awardees which was $8,764/unit of annual State HTC. Additionally, LAC is not a 'developer fee incentivized' developer and is currently deferring almost 70% of its developer fee and is willing to defer more if our LIHTC investor allows it, to ensure this project is financially feasible.

Bond Financing Structure

The Project is requesting CHFA to issue the total of $64,460,000 in tax-exempt PAB ($247,923/unit) to meet 55% of its bond test (LAC would prefer to go to 52.5% to preserve PAB). LAC understands PABs are a limited resource for CHFA and has been active in gaining local support and contributions in the form of PAB allocations. This Project has received a total $9,422,253 of local PAB commitments from the City of Arvada ($7,422,253) and Jefferson County ($2,000,000), which upon a successful tax credit award those PAB would be assigned to CHFA. Our request for CHFA's PAB is $55,037,747 or $211,683/unit which is in line with past State HTC awardees from a year ago. The bond financing will utilize Citibank's private-placement Back-to-Back product, which is a construction to permanent loan product. During construction there will be $64,460,000 of tax-exempt construction debt and upon conversion to the permanent debt, the tax-exempt bonds would be reduced to $43,400,000 and remain outstanding for 15 years. There will be no taxable bonds.

Priorities in Section 2 of the QAP

Projects serving Persons experiencing Homelessness as defined in Section 5.B 5

The Project is not claiming any points under this Priority but will still provide PSH services to all 13 of its 30% AMI units. Services will be provided by Family Tree, a very experienced and well-regarded local PSH provider. FT has been serving the seven-county metro area since 1976 and serving those experiencing homelessness since 1989. The Project will be an expansion of those services with 13 homes, located in the City of Arvada, serving extremely low-income individuals and families exiting homelessness.

Criteria for Approval in Section 2 of the QAP

Market Conditions

The Market Study concluded strong demand and support for the Project within its PMA. All the comparable affordable properties are at the CHFA maximum rents with little to no rent concessions or reduced rents. There were only 26 vacant units out of 740 total affordable units (3.2% vacancy). As the Market Study summarized, *"Overall, Marshall Pointe has good market potential and should be successfully absorbed and operated at the pro forma LIHTC rents, as demonstrated by the performance of the other LIHTC communities in the PMA, as well as other affordable communities in the northwest part of the Denver metropolitan area."*

The City has also explicitly stated (from letter of support from City of Arvada) that "Affordable housing is a priority issue in Arvada. The City of Arvada 2020-2025 Strategic Plan adopted a strategic result to implement a toolkit of housing mix and style plans to improve access to quality affordable housing to a broad range of income levels." The Project aligns with their Strategic Plan and perfectly meets the City's desire for affordable housing for a broad range of incomes by serving residents earning between 30% and 70% of the AMI.

Proximity to Existing Tax Credit Developments

According to the Market Study, there are only two comparable LIHTC properties within our PMA (Baker School and Alto at Westminster), and concluded one of many strengths is that "there will be large pools of income qualified renter households still unserved by the Family LIHTC inventory at the relevant AMI levels, after the addition of the subject's units" which supports the less than 10% overall capture rates concluded by our Market Study. We do want to acknowledge FT's MH development that approved by CHFA in the 2022 Round 2, but we see their development and proximity as a major benefit to the city and a key member of the CoHA described above.

Project Readiness
This Project is ready to proceed; it is completely entitled, designed, and priced by our General Contractor. On July 25th, 2023, LAC submitted for building permits from the City of Arvada. The expected timeline for building permit approval is 4 to 6 months, which means the Project could begin construction as soon as the beginning of 2024. On July 20th, 2023, LAC has also acquired the land needed to develop the project with the assistance of a $5 million OTK loan from DOLA through their Division of Housing. As you can see, LAC has invested significant time and resources (over $1.2 million in the predevelopment costs) to ensure the Project is ready to close as soon as possible upon a tax credit award which removes as much risk as possible in this uncertain market.

Overall Financial Feasibility and Viability
We have worked extremely diligently on the design and financing fronts to ensure that this project is feasible and will maintain such until closing. We have obtained strong commitments from financing parties, all of which we have closed several transactions like this Project, as well as conditional commitments for local and State funding. Additionally, Marshall Pointe has been designed with feasibility at top of mind and given we are at a permit level set of documents, our Cost Estimate from Brinkman Construction is as accurate as it can be. As you will see in our application, Marshall Pointe is viable, feasible, and ready to close.

Experience and Track Record
Developer: Since our founding in 2016, LAC, the Project Sponsor, has been driven by a commitment to provide individuals and families with quality, sustainable, and affordable homes. In just seven years, we have seen significant growth as we continue to grow our portfolio. As one of the nation's fastest growing developers, investors, and operators of affordable housing, we now proudly own and operate over 22,000 affordable units in 21 different states. Additionally, LAC has expanded its development team with senior members who have significant experience with new construction. Currently we have over 1,000 units of new affordable housing under construction. Additionally, the same Development Team successfully closed on InterQuest Ridge Apartments in Colorado Springs (2021 PAB Round) and is over 50% complete and on schedule for delivery of the first building in August of 2023.

Property Manager: The Project will be managed by Seldin, who is also managing InterQuest Ridge Apartments. We have an extremely strong relationship with Seldin and are thoroughly impressed with their work with lease-up and compliance, specifically Heather Wezensky, their SVP of Compliance who previously managed the PBCA Section 8 Contract Administration and LIHTC Program Compliances departments within CHFA. Seldin manages over 6,500 units of affordable housing in 10 states.

Design Team: KEPHART (architect), Brinkman Construction Inc. (general contractor), Harris Kocher Smith (civil engineer), and Norris Design (entitlement consultant and landscape architect). LAC is appreciative to have such a strong design team on the Project who are all active in affordable housing. Each of these firms are highly regarded professionals in their respective fields with a track record to back it up. We have included their qualifications in the application.

Project Costs
The Project's per door construction hard costs are estimated to be at $285,567/door, which is in line with past State HTC awardees. We have designed the Project to be as cost effective as possible, bringing Brinkman on to provide preconstruction services from the onset of the concept design over a year ago to provide valuable input on cost reduction strategies and economically efficient constructability. The project is designed to be fully electrified with roof mounted solar, which has added costs, but has also added tremendous value in terms of energy efficiency and sustainability. LAC has placed emphasis on making the Project cost effective and feasible while not straying from thoughtful design that compliments the local community and fulfilling LAC's commitment to provide market rate quality affordable housing.

Site Suitability
The 4.36-acre site is perfectly situated to provide 260-units of affordable housing. Over two years ago, this site received entitlements from the City of Arvada which allowed for 270-units, conditional it provided LIHTC housing. We are extremely excited about its location and its proximity to places of employment, major roadways, and public transportation. The Project is conveniently located close to a multitude of amenities and employment (Costco, Sam's Club, Walmart Supercenter, Olde

Town Arvada, and Arvada Marketplace). This Project is supported by the Market Study, Comprehensive Plan, and overall local support that there is a dire need and lack of supply of affordable housing in Arvada.

Justification for Waivers

Minimum PUPA: We are requesting a waiver to the minimum PUPA of $4,500. This Project is currently underwriting $4,192 PUPA. The Project will partner with the Arvada Housing Authority and will be exempt from real estate taxes. We have provided evidence of this exemption and county estimates of per unit taxes, which are estimated at $1,413/unit in annual PUPA savings.

Market Study Issues

The Market Study concluded a 4.7 out of 5 for overall marketability for the Project as proposed. To increase marketability, it recommended providing a pool and developing a small community; both of which would go against the Guiding Principles of Energy Efficiency and Maximum Density, respectively.

Environmental Issues

There are no issues raised in the environmental Phase I report submitted with this application.

Unusual Features & Cost Containment

The Project has a total development cost of approximately $111 million ($282,740 in hard costs per door), which we believe is reasonable given the construction type and location (high-density urban infill). Achieving such high density (plus a precast parking garage) and incorporating solar and all electric systems have price implications – but perfectly aligns with CHFA's Guiding Principles and are therefore worthwhile. An additional item driving costs up are Arvada's impact fees, which are substantially higher than neighboring cities' and total to over $30,000/unit. To achieve cost containment, we have worked diligently with the design team and general contractor to design the Project as cost effectively as possible, as well as with the city to explore avenues for impact fee waivers.

Public Outreach & Support

Public outreach has occurred multiple times throughout the design and entitlement process. We first had a neighborhood meeting at the Arvada Public Library on September 21, 2022, a Planning Commission Hearing on February 7, 2023, a City Council Hearing on March 6, 2023, and a Public Meeting per CHFA's State Tax Credit requirement on April 27, 2023. All meetings were open to the public for question and comment, and no opposition or concern was shared. Videos of the City Council Meeting can be found here. This Project has received tremendous public support. We have included six letters of support with our application that we have received from various community organizations, such as: Mayor of Arvada, Arvada Chamber of Commerce, Hope House Colorado, Jefferson Center for Mental Health, Jefferson County, and Family Tree. Additionally, the Project has received the PAB commitments (outlined above) from Jefferson County and the City of Arvada, as well as a $850,000 gap loan commitment from the Arvada Housing Authority.

Equity & Economic Mobility

The Project was developed from the beginning to promote equity and economic mobility for all residents. Throughout the design process of the Project, everyone from the architect to the landscape architect were challenged to deliver a community that would feel and look like 'market-rate' housing, but still be cost-effective. This is a very important cornerstone for any LAC development, as we strongly believe that because residents are living in affordable housing does not mean their homes should *feel* affordable – where you live and how you feel about your home is extremely important in promoting anyone's equity and economic mobility.

As outlined above, the CoHA was specifically designed to encourage resident's equity and economic mobility by removing unnecessary barriers and providing the support and services to do so. The CoHA along with the PSH services and wide range of AMIs (30% to 70% AMIs) that will be offered were all thoughtfully considered to ensure that this Project will provide exactly what the residents need. It's no secret that when people feel good about where they live, have the support they need, and the opportunity to improve their equity and economic mobility, it happens - and that is just what this Project will do.

4% housing tax credit application narrative

Project Name: Menola Homes

Project Address: 1465 Knox Court Denver CO 80211

1. Executive Summary

The Menola Homes ("Project") is 67 unit new construction Project which is located and will include 23 Permanent Supportive Housing ("PSH") units for previously homeless persons earning less than 30% of the adjusted median income ("AMI"). A request for 23 state funded project-based vouchers has been submitted to the Colorado Division of Housing ("CDOH"). In addition, the 44 unit Section 8 HAP contract will be transferred to the Project shortly before the start of construction. These units will be reserved for families earning 50 to 60 percent of AMI.

This application seeks $1,322,060 in Low Income Housing Tax Credits ("LIHTC") from the Colorado Housing and Finance Authority ("CHFA") and $1,100,00 in State Housing Tax Credits. The construction period financing will be provided by CHFA as well as the $14,610,000 permanent loan and a $807,246 HOF loan. Subordinate financing amounting to $1,700,000 has been requested from HOST and $1,500,000 from CDOH. There will be a deferred development fee amounting to $1,849,309 (53%). Denver Housing Development Partners, Inc. has tentatively agreed to become a member of the ownership entity, thus exempting the Project from property taxes.

The Project will be located along the West Colfax enhanced transit corridor and will include seven efficiencies, 26 one bedroom units, 15 two bedroom two bath units, and 19 three bedroom two bath units. The City has approved 48 parking spaces for the Project.

A. Project Description and Amenities

The Project will be a four story, elevator building constructed on a 31,799 square foot site located along Knox Court. The existing ten unit building will be demolished and the residents temporarily relocated in buildings owned by the Project developer. The other 34 residents of the GAO Homes can move to Menola Homes upon its completion. The site is zoned G-MS-5 and the site plan has been reviewed by the Denver Department of Community Planning and Development. All utilities are adjacent to the site.

To enhance pedestrian activity the City has required that the building be located 30 feet from Colfax to allow for an 8 foot tree lawn, a 14 foot landscaped area, and a 8 foot detached sidewalk. The site is located in a Qualified Census Tract ("QCT") and is within close proximity to the Rude Recreation Center, the Corky Gonzales Public Library, Paco Sanchez Park, the Arthur Johnson Boys and Girls Club, and the Chelterham Elementary School. Girl's Inc. is located across the street from the Project. The closest grocery store is the King Soopers at the Edgewater Marketplace at Sheridan and 17th Avenue which is a 12 minute drive from the site.

The 102,085 square foot building will have its primary entrance from West Colfax. The controlled entrance will lead into a 2,700 square foot area that includes the leasing office, offices and meeting spaces for supportive services program, laundry, and a community space. An additional 2,000 square feet of commercial space has been included on the first floor for Girl's Inc., who will be a 15% member of the general partner entity.

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

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

Exhibit One: Occupancy by Income and Unit Type

Unit Type	30%*AMI	50%*AMI	60% AMI	Total	Percent
Efficiencies	3	4	0	7	10.4%
One Bedroom	18	8	0	26	38.8%
Two Bedroom	2	0	13	15	22.4%
Three Bedroom	0	0	19	19	28.4%
Total	23	12	32	67	/
Percent	34.3%	17.91%	47.76%	100%	100%

B. Project Location

The Site is rectilinear in shape and is situated along West Colfax, a very busy street with excellent visibility along a major bus line. Vehicle access to the Site will be from the alley and resident access to the project will be from West Colfax. The property is not located within a 100- or a 500- year floodplain. The Site is located close to the RTD bus stops along West Colfax at Knox Court, Julian Street, and King Street as well as the Knox Station Light Rail Station which is three blocks away.

C. Type of Construction

The general contractor, Shaw Construction Company, has prepared a detailed cost estimate based on the schematic architectural drawings and residential Davis Bacon wage rates. The estimate amounts to $26,834,868 which is about $263/sf. Shaw will also develop a Section 3 plan that will include opportunities for WBE/MBE firms.

The new four-story podium building will be a wood frame building with a concrete garage and a single traction elevator. The exterior siding material will be brick, stucco, 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 the building 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. Optional criteria include reduced energy consumption from high performance HVAC systems, a low flow water fixture package, and Energy Star appliances. The project is targeting 24% energy savings beyond 2018 IECC, which scores at the highest level of efficiency performance within the NGBS energy section - Emerald. Storm water will be detained on site and there will be a dedicated waste recycling program. The Project will qualify for a $32,250 Xcel Energy Conservation Rebate.

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 23 PSH units, ten will be reserved for chronically homeless persons, twelve for homeless families, and thirteen for homeless persons with behavioral health conditions.

Menola Homes will partner with the OneHome, Regional Coordinated Entry System (RCES), to receive at least 50% of referrals to this building (11 units). The RCES guarantees that individuals experiencing homeless, serious mental illnesses, disability, and other emergent needs will receive rapid housing prioritization at the Menola PSH project.

The remaining 12 units will come as referrals from Wellpower. To assure that people experiencing homelessness and who are struggling with behavioral health challenges have access to Menola, Wellpower uses the Vulnerability Index-Service Prioritization and Decision Assistance Tool (VI-SPDAT) to determine the person's housing and service needs.

The Rowdy Foundation will be the lead service provider at the Menola Homes and will partner with Wellpower 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.

2. CHFA Guiding Principals

The Project will serve previously Homeless Persons who will participate in the Permanent Supportive Housing Program available from this Project which is located less than one half a mile from an existing light rail station. The Applicant is a Woman Owned Business enterprise.

A. CHFA Priorities

The Project meets the CHFA priorities for the selection of projects to receive an award of credits by providing housing for previously homeless persons in a project located in a QCT.

B. Approval Criteria

1. Market Conditions

The market analysis prepared by Newmark Night Frank concluded that the proposed Project will be one of a very small number of new multi-family developments in the central section of the metro area and the only new affordable multi-family development currently slated for its Primary Market Area ("PMA") in 2023. The Metro Denver Homeless Initiative reported in January 2022 that there were 6,884 homeless persons in Denver, substantially up from the previous year. All of the residents of the Project will be referred through the One Home system or Wellpower. These agencies report that there are currently 3,841 homeless persons awaiting housing in their systems. The projected capture rate for the Menola Homes is 17.8%. It should lease-up in about four months.

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 Summer of 2024 with a building permit expected in November of 2024. Construction will commence in December and the Project will be completed in April of 2026 (16 months). The Burgwyn Co., the Project Developer, 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 $37,267,857 or $566,236 per unit as illustrated in Exhibit Two.

Exhibit Two: Uses of Funds

Project Costs	Amount	Per Unit	Percent
Site Improvements	$1,276,230	$19,048	3.42%
Construction, FFE, and Permits	$25,729,090	$384,016	69.04%
Professional Fees	$1,390,430	$20,752	3.73%
Construction Interim Costs	$1,901,222	$28,376	5.10%
Soft Costs/Syndication	$464,934	$6,939	1.25%
Permanent Financing	$441,050	$6,583	1.18%
Operating Reserves	$505,000	$7,537	1.31%
Development Fee	$3,696,534	$55,172	9.92%
Development Fee (PSH)	$528,604	$7,889	1.41%

Property Land and Buildings	$1,348,513	20,127	3.61%
Total	**$37,281,547**	**$556,441**	**100%**

The primary funding will be a 40 year permanent loan from CHFA amounting to $14,610,000. The construction period financing amounting to $17,800,000 will also be provided by CHFA. The CHFA loans will be funded through the sale of private activity bonds by CHFA. In addition, CHFA will provide a $807,746 HOF loan. The Project owners expect to receive secondary funding from HOST amounting to $1,700,000 and $1,500,000 from CDOH. There will be a deferred development fee amounting to $1,849,309. The Xcel energy conservation payment will amount to $32,250. The Federal ($0.91) LIHTC and State LIHTC ($0.72) will be sold to raise $16,782,742 as described in Exhibit Three.

Exhibit Three: Sources of Funds

Funding	Amount	Per Unit	Percent
Perm. Loan	$15,4171246	$230,108	41.35%
City Loan	$1,700,000	$25,373	4.55%
Deferred Development Fee	$1,849,246	$27,600	4.96%
Limited Partners	$16,782,742	$250,488	45.01%
Xcel	$32,250	$485	0.001%
CDOH Loan	$1,500,000	$22,388	4.02%
Total	**$37,281,547**	**$556,441**	**100%**

4. *Development Team Experience*

The general partner entity will be Menola Homes, LLC. Grace Burgwyn will serve as majority managing member and thus, the entity will qualify as a Woman Owned Business Enterprise. The Development Team will include the Burgwyn Company 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 Group 14 Engineering will provide environmental consulting.

5. *Cost Reasonablenes*

The projected Annual Total Eligible Basis for the Project is $34,629,781. The Federal tax credit award is controlled by the Method Three Cost Basis Calculation. The State award is controlled by the Method Two Gap Calculation ($1,100,000).

6. *Proximity to Existing Tax Credit Developments*

At present, there are two affordable projects under construction and three (including Menola Homes) on the drawing boards. The vast majority of the existing affordable units are in the 60% 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.

7. *Site Suitability*

The Property is located along West Colfax Boulevard, which serves as a major east-west arterial into the Central section of the City of Denver. The market analyst gave the Project an above average walk score of 78 and described the area as very walkable. The transit score was 58 which is much higher than the City average. There are commercial districts located along West Colfax such as the Lamar Station Plaza at Pierce Street and the Edgewater Marketplace which includes the King Soopers. The Rude Recreation Center, which includes a large children's play area is located several blocks east of the Site.

3. **Justification for Underwriting Criteria Waivers**

A. **Operating Expenses**

The Project operating expenses at $7,183 per unit per annum (Project will be exempt from property taxes) have been derived from our Ruby Hills project. The debt service coverage is 1.17, the replacement reserve is $300/unit, and a five percent vacancy rate was used on the PSH units in the projections.

B. DDA Credit

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

C. Issues Raised by the Market Study

None.

D. Issues Raised by the Environmental Reports

Asbestos will be removed from the existing 10 unit building before demolition commences

E. Unusual Features that Effect Project Cost

The very thick concrete mat foundation has been designed to address the high water table and poor soils.

F. Outreach Efforts and Local Financial Support

During the last six months, we have made presentations to numerous Registered Neighborhood Organizations ("RNO"). There were no concerns about the Project voiced by members of the RNOs, many of whom were very supportive of affordable housing in their neighborhood. A recorded public hearing was held on July 20, 2023 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 $1,700,000 Loan for the Project that will be used to partially cover the Site acquisition cost, architectural fees, and municipal fees. HOST is also considering a $50,000 grant to cover a portion of the supportive services budget. HOST has provided a statement that the proposed Project is consistent with the consolidated plan and a letter of support. CDOH is considering a $1,500,000 secondary loan and a $80,000 contribution to cover the costs of Supportive services.

G. Relocation

The 10 families currently residing at 1465 Knox Court will be temporarily moved to one of the existing Burgwyn owned affordable housing developments located in Denver shortly before the start of construction of the Menola Homes. These families will continue to receive rent supplement payments from HUD during the first twelve months after the start of the 16 month construction period. The Project Owner has included $100,000 in its development budget to cover rent supplement payments during the final four months of the construction period.

The other 34 residents will continue to receive rent supplement payments until the Menola project opens. These families will be given 60 days to move into the completed Project. We have included $25,000 in the Project development budget to cover their moving costs.

H. Promoting Equity and Economic Mobility

Menola Homes seeks to promote equity and economic mobility for our residents through a coordinated approach. We have included Girls, Inc. in our project, and they seek to develop opportunities for girls from elementary ages, through young adult. They focus on education attainment, further education through secondary academia, and job growth and training. Additionally, we will have support services on site, that will help to connect residents to job training programs, continuing education, home ownership resources, and other such social programs that help to increase household income and long term sustainability. We have connected with local organizations that seek to provide connections to underserved communities in our area. NEWSED CDC has been working with local Hispanic and Latino populations to promote homeownership, credit counseling, and on going support for Denver residents. We work with the Gathering Place to focus on helping women and families facing an uncertain future after leaving domestic situations. These are just a few of the organizations that we partner with to promote inclusion and mobility in our communities. Working with traditionally marginalized groups helps us to promote equity in opportunities, especially in accessing necessary resources.

4% housing credit application narrative

Project Name: Metro Caring
Project Address: 1100 E 18th Avenue, Denver, CO 80218

Executive Summary: Metro Caring is a leading anti-hunger nonprofit organization that has worked collaboratively with our community for nearly 50 years to provide direct access to culturally relevant and nutritious food to those experiencing food insecurity. After decades of expanding our services, our free grocery-store-style Fresh Foods Market supports over 37,000 community members that access over $8 million worth of food annually. Yet, hunger and food insecurity remain a chronic and growing condition in our community. Three years after the start of the COVID-19 pandemic, demand for our services continues to grow. In fact, in April – May 2022 we had 315 community members reach out for services for the first time at Metro Caring while in 2023 of that same period we had 1,333 community members reach out for services for the first time. Catalyzed by this increased demand and direction from our community, our mission has evolved in the last decade to be two-fold: work with our community to meet people's immediate needs for nutritious, culturally relevant food while building a movement to end hunger at its root causes.

Our community has consistently identified the lack of affordable housing as a key driver of food insecurity. During our CEO-Visionary's listening campaign in 2017, volunteers, shoppers, donors, and staff alike shared concerns that ever-increasing rent, lack of long-term affordable housing, and displacement cause people to go hungry. After the start of the pandemic, we hosted Dream Sessions (Attachment A) with our community to explore how our organization's post-pandemic future could address affordable housing as a root cause of hunger. We subsequently surveyed over 1,100 people (Attachment B) to determine top priorities for redeveloping our existing site at Downing St. and 18th Avenue. Our proposed 8-story, mixed-use building with 139 affordable apartments and 30,000 sq. ft. of expanded programming space is a direct response to this feedback and the next evolution of our mission to end hunger at its root.

Working with our community—not for our community—is core to Metro Caring's mission and work. Community leadership by those most impacted by food insecurity and its root causes is foundational in directing the solutions we identify and build towards. Throughout the development of this project, community voice has driven the decision-making and focus (Attachment B). We formed a Community Advisory Board who hold regular bilingual meetings in English and Spanish. Members of the Board have lived experience with housing insecurity and houselessness and represent a variety of Metro Caring programs, including people who are involved in our Community Organizing, Community Development, Nutrition, and Food Access programs.

Throughout our community engagement activities, our community elevated the need for affordable 3- and 4-bedroom units to support multi-generational households. Community members shared, an overwhelming number of times, how the lack of affordable 3- and 4-bedroom units in the Denver housing market has broad impacts that ripple beyond the family unit, creating greater and greater distance between community members, cultural leaders, and key culturally relevant resources. The gentrification and resulting displacement impacting these families and communities has significant impacts across multiple social determinants of health. With this data in hand and at the direction of our community, we are prioritizing 49 family-sized 3- and 4-bedroom units. We also learned from our community how the general lack of affordable housing units—especially those with access to neighborhoods and resources specifically built by and for historically marginalized communities—interrupts the intergenerational neighborhoods that our communities rely on. Community members shared how intergenerational households are the backbone of their neighborhoods because they ensure that everyone is taken care of and watched out for; where younger members of the community can take on more physical tasks like lawn care or delivering groceries; and elders in the community are able to do things like pass down traditions and prepare cultural food items for others. The ecosystem of these intergenerational communities works together to support more positive outcomes across multiple social determinants of health. After learning how important this intergenerational mix is for our communities, we are also providing 65 1-bedroom units and 25 2-bedroom units in addition to the 49 3- and 4-bedroom units to attract multi-generational families, younger community members and younger families. The specific unit and affordability mix is as follows:

Bedrooms: Area Median Income (AMI)	1BR	2BR	3BR	4BR	Total	AMI %
30% AMI	8	2	3	1	14	10%
40% AMI	4	2	3	1	10	7%
50% AMI	16	4	6	4	30	22%
60% AMI	20	10	6	7	43	31%
70% AMI	17	7	11	7	42	30%
Total	65	25	29	20	139	100%
Bedroom Mix Percentage:	47%	18%	21%	14%		

The development will serve up to 70% AMI units with an average income of 56.4%. Our community has a range of incomes and to promote food access and dignity; our programming and free market have no income restrictions. In addition to the intentional mix of unit size, our Community Advisory Board prioritized a building that allowed us to reduce our environmental impact as much as possible and provided access to green spaces for residents and community.

Metro Caring's commitment to sustainable practices is long-standing and present across the organization. We compost expired food items that come through our Fresh Foods Market and all food waste created at our building. Our Urban Agriculture program is focused on providing community members access to growing spaces, tools, and ecologically responsible and culturally rooted growing practices. These values and practices are reflected in our plans for this project by committing to going above the average energy efficiency standards by being 2021 IECC compliant envelop as well as EGC 2020 criteria, ENERGY STAR Multifamily New Construction Criteria, Denver Green Code, Denver Green Buildings Ordinance, and designed to comply with Energize Denver performance requirements. As a part of our commitment to being compliant with those environmentally responsible standards, with support of our Community Advisory Board, we plan to have all-electric, high efficiency heat pumps for space heating and cooling of dwelling units and residential common areas, energy recovery ventilators for residential and commercial spaces and central heat pump water heating plant for residential areas.

At Metro Caring, our commitment to environmental responsibility extends to addressing the impacts climate change has on our communities; many of these impacts are deeply intertwined with the root causes of food insecurity. A National Geographic article entitled, 'How 'nature deprived' neighborhoods impact the health of people of color,' details the direct negative impact a lack of equitable access to green spaces has on multiple social determinants of health for communities of color. For our community, and specifically for the leaders on our Community Advisory Board, these impacts are the everyday lived experiences and were the driving force behind their advocating for building amenities like access to green spaces, compost and recycling, infrastructure to support electric car usage with EV charging stations and bike usage like safe onsite bike storage. The site will have 3 green spaces, which will include gardening space, our greenhouse, outdoor cooking amenities, lounge furniture, and active play equipment. We will be able to leverage these green spaces to expand our Urban Agriculture programming (Attachment C), strengthening our commitment to be urban food sovereignty leaders. Together these environmentally conscious amenities will not only let us reduce our environmental footprint but also combat the poor social determinant of health outcomes for our community.

The program space, which will be under separate ownership as defined with a Small Planned Community declaration, will be financed separately using New Markets Tax Credits. The Fresh Foods Market and warehouse will be modernized to help us keep up with the ever-increasing demand for our services (see Attachment D), and we will add commercial kitchen spaces to support small business entrepreneurs (Attachment E) and expand our Nutrition & Health programs (Attachment F). Trauma-informed design is at the center of considerations. Our Community Advisory Board is particularly interested in meeting the unique needs of parents, children, elders, accessibility for people with disabilities, and veterans. The design of the warehouse and Metro Caring programmatic spaces was carefully considered to avoid creating noise that bleeds into housing units, especially for veterans with PTSD.

Rooted in our community at our current location for the last 25 years and in the same neighborhood since our founding, we have seen dramatic changes to the area. Recent data from the Urban Displacement Project, from the University of California Berkeley and University of Toronto, has labeled our neighborhood as experiencing 'advanced gentrification.'[1] Our neighborhood faces some of the highest rates of displacement due to gentrification in the metropolitan area and lacks sufficient affordable housing to mitigate this trend. Of those that have accessed services at Metro Caring during our last fiscal year, a majority were people of color, all shared housing insecurity as a common experience, and nearly 100% were low-income or very low-income.

We are consistent with the QAP's Guiding Principles: 60 year affordability per the City covenant with the mission likelihood of in perpetuity with 17% at 40% AMI or below; a diverse development team; within a half-mile walk of public transport; maximized density to the extent possible as requested by community; and the residential portion of the project is electrification ready (see the Sustainability Narrative submitted, Folder 23).

The structure will consist of one level of underground parking with eight levels of superstructure. Foundations will be drilled piers with mild reinforced concrete foundation and core walls and a concrete slab-on-grade. The exterior is designed to be warm and inviting. The corner of E. 18th and N. Downing is anchored with masonry and the base references the masonry of the existing Metro Caring building. The upper-level housing spaces are clad in metal panel along the west and south façades and cementitious stucco in the alley. The north stair cores and shared space have punctured windows to bring natural light into the space. The residential lobby, with two elevators, will be accessed from N. Downing. The character of the lobby will be open, transparent, warm, and welcoming, encouraging social interactions between residents. Greater detail on all construction items can be found in the Architectural Narrative and the Schematic Drawings (both in Folder 15).

Community amenities include a reception and lobby with space for informal residential meetings. There is a community room with a residential kitchen on the third floor. Three outdoor spaces dedicated to residents for gathering, active space, and contemplative space. The gathering space is connected to the community room and includes a greenhouse, planters, outdoor fire pit, outdoor seating and tables and grilles. The active spaces include amenities such as a swing, stump hop, seating, and dog run. The contemplative space includes seating, pathways, and plants to encourage relaxation. Unit design is based on feedback from the Community Advisory Board and amenities include in-unit washer/dryer, range with hood, microwave, dishwasher, refrigerator, and A/C. Units were designed to have well-lit spaces with ceiling fans and decorative pendants above the island. In addition to washers and dryers in the units, a community laundry room is provided for larger items and to serve as a social space.

[1] https://www.urbandisplacement.org/maps/denver-gentrification-and-displacement/

This project will directly address a leading cause of hunger in our community, demonstrate how co-creating with community can lead to long-term positive change to reverse a rapidly gentrifying neighborhood, and position Metro Caring and Denver as a national leader in the anti-hunger movement.

Bond financing structure: In 2023, the census tract 31.02 is no longer designated a qualified census tract (QCT) and the project was at risk of losing its basis boost qualification. We applied to the City of Denver to be bond issuer in 2022, holding the QCT qualification for 730 days. The project requests CHFA private activity bond (PAB) volume cap as part of this application. The housing portion of the development uses $44.7 million in City of Denver-issued, privately placed PAB comprised of $22.9 million short term and $21.8 million long term bonds. There is a $6.8 million taxable construction loan. The soft debt includes $5.56 million from CDOH, $4.9 million from HOST, and a $5.4 million carryback loan for 100% of the land value. There will be a capital campaign funded sponsor subordinate loan of $4.7 million and a significant $4.8 million deferred fee. The Federal LIHTC, State AHTC and 45L Energy credits provide $40.4 million in equity.

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

- **Market conditions**: The overall capture rate is 19.3%. The 30%, 40%, 50%, 60% and 70% AMI units have respective rates of 1.6%, 8.0%, 15.9%, 20.6% and 22.0% meeting the CHFA threshold in all categories.
- **Proximity to existing tax credit developments**: The PMA has 68 LIHTC projects containing 4,886 income-restricted units. The market analyst noted that the project's LIHTC units will compete most directly with the 2,058 family LIHTC units restricted at 30% to 70% AMI. The market study found Metro Caring Housing's unit and project features superior to its most competitive LIHTC properties.
- **Project readiness**: We started in early 2020 with community Dream Sessions. The development team was selected in September 2020 and the project concept honed throughout 2022. The project design has gone through two rounds of concept review with the City and County of Denver, and we are confident that our current design and budget address all of the City's major requirements. We are working with Denver's AHRT team and anticipate site approvals on and permits on December 1, 2024. The site is currently owned by the sponsor and an affiliate. The bonds must close in 2024 for the project to benefit from the QCT basis boost.
- **Overall financial feasibility and viability**: Each step, we've worked to raise up and hear community voice to build directly responsive housing and programing. Launched with a $3.3 million lead donor gift that bought the neighboring land parcel, we are executing on a $18 million capital campaign and additional PRI fundraising. Financing the building with LIHTC and NMTC capitalizes on multiple programs minimizing the PAB volume cap need by separating the programing space financing. We are working with Denver Housing Authority for property tax exemption. Cost estimates use 50% of Schematic Design ensuring cost accuracy.
- **Experience and track record of the development and management team**: We have a diverse tax credit experienced development team and community-driven leadership. Years ago, we developed our first facility using NMTC finance. We selected FLO Development Services LLC as the developer for this development. John Huggins has over three decades of Colorado experience working in affordable housing and with LIHTC and NMTC finance. Studio Completiva and Group14 Engineering bring local, affordable housing focused teams to the design and engineering aspects of the building. Deneuve Construction provided the cost estimate. Selected due to their compliance expertise and ability to respond to community voice, Brother's Redevelopment rounds out the team as the Property Manager.
- **Project costs**: Deneuve has reviewed the project design and provided cost estimates. Based on their recent experience with very similar building types and the level of the construction drawings, 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 reflects larger unit sizes to serve our multi-generational families. However, cost-sharing with the NMTC project components allows for economies of scale in the project's hard costs and PAB volume cap need. More detail on cost containment measures is included in question 7 below and in Attachment G: Cost Basis Waiver Request.

- **Site suitability**: Metro Caring is centrally located to essential transportation, including major bikes routes and two RTD bus route stops on our street corner as well as the coming Colfax BRT transit line. Metro Caring's community successfully advocated for keeping one of those adjacent bus stops when RTD proposed removing it in 2018, demonstrating the community's interest and reliance on those public transportation routes. Metro Caring is also located near elder services, employment opportunities, educational resources, healthcare, and other essential services not present in other suburban and urban areas that may have more affordable housing options. When discussing alternative locations for this project, the Community Advisory Board felt strongly that redeveloping Metro Caring's existing site was important because the current location—with its excellent public and service access—is what many consider to be Metro Caring's home.
- **Justification for waiver of underwriting criteria:** See Attachment G: Cost Basis Waiver Request

Address any issues raised by the market analyst in the market study. There were no issues or recommended changes.

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

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). See Attachment G.

Describe the outreach to the community that you have done and describe local opposition and/or support for the project (including financial support). Beginning with five community "dream sessions," hosted by our CEO-Visionary (Attachment A), 97 individuals from across the organizations (staff, donors, volunteers, market shoppers, class/club members, partners) discussed opportunities for strengthening Metro Caring's space to meet our community's needs and see out our mission to end hunger. Top desires included affordable housing and greater community connection and growth. We then conducted a site development survey in 2022 that received over 1,000 responses, 10% of which were Spanish speaking respondents (Attachment B). Finally, we assembled an 8-member Community Advisory Board, which meets every 2 weeks to drive decisions in the development and design process.

Describe how the proposed development contributes to promoting equity as well as economic mobility for residents. According to data prepared by City of Denver's Office of Economic Development, a majority of the community members we serve live in zip codes that experience higher rates of poverty, unemployment, have more adults without high school diplomas, among other measurable factors than City of Denver averages. For many of our community members these indicators are driven by the systemic barriers they face such as gentrification and the resulting displacement, cultural isolation, and food insecurity. This project will allow community members to root in place with their families and community, build wealth and connect with critical programs and resources of Metro Caring and our partners.

Other narrative attachments include Attachment H: Organizational Chart and Attachment I, which includes 20 letters of support.

4% housing credit application narrative

Project Name: Metro Center Affordable Apartments

Project Address: SE Corner of East Alameda Parkway and North Sable Boulevard, Aurora, CO 80012

EXECUTIVE SUMMARY

BMC Investments is excited to present for consideration of a tax credit allocation Metro Center Affordable Apartments, a five-story 144-unit affordable housing project (the "Project") proposed for the southeast corner of East Alameda Parkway and North Sable Boulevard in Aurora, Colorado, adjacent to RTD Metro Center Station. Located in a qualified census tract as well as in the Metro Center master-planned mixed-use district, the Project will anchor the district's crossroads and expand residents' multimodal access to economic opportunity. Utilizing an average-income structure to accommodate more units for households earning between 30 percent and 40 percent area median income (AMI), the Project features a mix of one, two, and three-bedroom apartments for residents earning 30 percent to 70 percent of the AMI. The Project will serve low-income individuals and families of all age ranges.

Project units will range from 605 to 1,244 square feet and will feature Energy Star appliances, in-unit washers and dryers, microwave ovens and General Electric or equivalent appliances in every unit. Building residents will enjoy a large (+/- 1,000 square feet) community room with a big screen television, kitchenette, and various seating arrangements to accommodate small or medium-sized events. The property also will feature a fully equipped fitness and exercise center. Just outside the main entrance, residents will enjoy several small parks, including landscaping and seating. Additionally, a park and pedestrian byway along the eastern property line connects walkers and cyclists directly to Metro Center Station to the south and to Civic Center Park and High Line Canal Trail to the north.

To maximize the number of units we could achieve on the site while still providing adequate parking, BMC designed a hybrid building which will blend Type III (ordinary) and Type V (wood-framed) construction. Type V construction, the most economical system for low-rise housing projects, will be utilized for the four-story portion of the Project, while Type III construction is required for the five-story portion. The building skin will feature a mix of masonry, metal panel, and cementitious panels. The building will have two elevators, surveillance cameras, and secure entry and will be certified under National Green Building Standards.

Metro Center Affordable Apartments will introduce income-restricted housing to an otherwise market-rate master-planned community in a transit-rich qualified census tract in Colorado's third largest city.

The Project would lie in qualified census tract 08005081101 and would contribute to the vitality of the neighborhood by introducing and maintaining income-restricted housing in an otherwise market-rate master-planned community – a goal repeatedly expressed in city and station-area planning documents – for households earning between 30 percent and 80 percent area median income.

An award to the Project would invest in Colorado's third most populated city, Aurora – a large urban area that grew by nearly 23 percent between 2010 and 2020 faces mounting gentrification in affordable and accessible station areas.

An award to BMC would support a for-profit developer's ongoing commitment leveraging and scaling financial resources to expand housing opportunity in the Metro area.

The Project would lie adjacent to Metro Center Station in census block group 080050811002. According to AllTransit, which evaluates transit efficacy, households in this census block group have access to R Line light-rail service and ten bus routes, providing 5,630 transit trips per week and serving 176,802 jobs within a 30-minute commute, including regional employment centers like Fitzsimons Medical Campus and Denver Tech Center. These factors and others earn the census block group a transit-performance score of 9.2 out of 10.0.

Metro Centro Affordable Apartments will be certified under National Green Building Standards with the assistance of Energetics, a Denver metro area sustainability firm. Although neither the City of Aurora nor the State of Colorado have yet required developers to implement all-electric or electrification-ready sites, BMC is still exploring both options for viability. However, BMC will most likely utilize the tried-and-true gas fired aqua-therm mechanical system, which is still the predominant HVAC system used in multi-family projects throughout Colorado, including in most affordable housing projects. The efficiency and reliability of this system also allows us to deliver more units and to have owner paid heating, thereby minimizing unforeseen costs residents will face in the winter.

1. Describe the bond financing structure

The bonds for this project will be issued by CHFA and will be privately placed with the construction and permanent lenders. There will be an estimated $30,500,000 in tax-exempt bonds issued for the project. Of those $9,800,000 will be retired at construction completion for a permanent bond amount of $20,700,000. All of the bonds will be tax-exempt (no taxable tail) though there will be a portion of the construction loan that is taxable.

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

The project does not meet any of the Priorities.

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

MARKET CONDITIONS – Market conditions for the Metro Center Affordable Apartments are excellent. The Metro Center market area offers a rich palette of shopping, jobs, recreation, parks and open space and one of the best locations in Metro Denver for transit connections, both light rail and bus, with Metro Center Station adjacent to the site. Prepared by JRES Intelica, the market study computes an overall capture rate for this PMA of 5.6 percent – an extremely strong data point that indicates that a successful marketing and lease-up of units at projected rental rates is a reasonable assumption.

The Metro Center Affordable Apartments benefits from being part of a vibrant and successful new Master Planned apartment and retail community, in that major market rate projects have been undertaken by some of the top developers in this market, including Kairoi Residential, Legacy Partners, Wood Partners and several other well capitalized developers, that are either well under construction, or about to break ground within Metro Center's 60-acre Master Plan. A Sprouts Market and shops will be breaking ground next year, bringing our tenants another opportunity for grocery shopping. It is rare for a site to offer high-frequency transit services, complementary multimodal access, and robust shopping so close to an affordable property.

PROXIMITY TO EXISTING TAX CREDIT DEVELOPMENTS – There are only 3 non-Section 8 existing family tax credit project in the primary market area. Two of the three developments were built over 40 years ago.

1. Fitzsimons Junction – Built in 1974, 3.5 miles away
2. Alameda View – Built in 2020, 1 mile away
3. Terrace Park Apartments – Built in 1983, 1 mile away

PROJECT READINESS – Metro Center Affordable Apartments is ready to proceed upon receiving a tax credit allocation. The 2018 Aurora Places Comprehensive Plan acknowledges a deficiency in affordable rental properties, recognizes increasing housing cost burden, and encourages more high-quality housing in a range of types and prices, including affordable housing, near transit stations and job centers. The Project would comply with local regulations and would achieve many goals expressed in recent plans for the district. The City of Aurora's Unified Development Ordinance designates the site as MU-TOD Core, which allows multifamily apartments and requires at least three stories. Roads and utilities serving the site are now in the final approval process with the City of Aurora, all of which will be completed well before this project is ready to start construction in late 2024. BMC is very familiar with the entitlement process in Aurora, having completed the entire process on the Fitzsimons Gateway project, which completed that process in the first half of 2023 and will break ground later this year. Per the Aurora Development Handbook, BMC expects that the City would review the Project for approximately 24 weeks.

DEVELOPER EXPERIENCE AND TRACK RECORD – BMC, the applicant, has completed an impressive array of residential multifamily, office, hotel, and mixed-use projects in the past eight years. BMC has completed nine development projects totaling over $425 million in total project costs, including three completed multifamily projects totaling 383 units. An additional ten projects are in various stages of development totaling 1,839 residential units, including the LIHTC-financed 210-unit Fitzsimons Gateway project in Aurora, which earned a low-income housing tax credit award in 2022 and will begin construction later this year.

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

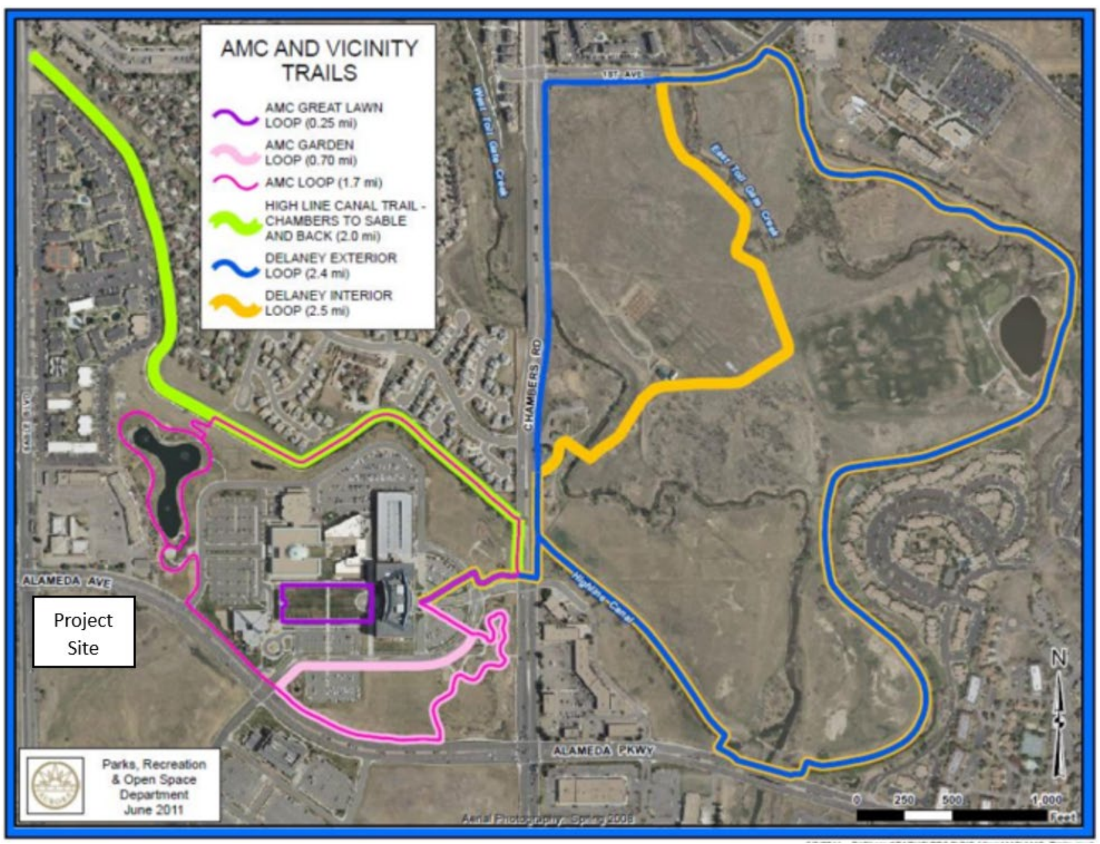
KTGY, a major regional design firm based in California with a significant presence in Denver, will design the Project. KTGY's local affordable-housing portfolio includes Capitol Square Apartments, The Point Crossing, and Northfield Flats – all in partnership with Mile High Development.

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

PROJECT COSTS – BMC bid the construction work to both Alliance Construction and Deneuve Construction and reviewed both scopes and budgets in considerable detail to determine cost reasonableness. By engaging multiple contractors in the bid process, competitive pressures ensure the best pricing for the Project. Through in-depth discussion with both contractors and utilizing decades of experience in the construction and development industry, BMC determined that both bids were reasonable. As BMC moves further into the design process, BMC will monitor costs and solve any unreasonable price increases.

SITE SUITABILITY – The site is located within the 60-acre Metro Center Master Plan. The mixed-use community will be designed to promote an urban lifestyle with access to transit, retail, hospitality, office, recreational parks and plazas, and areas for walking and biking, including:

1. The Highline Canal and Tollgate Trail
2. City Center Park
3. Settlers Park
4. Delaney Farm
5. Designated on- and off-street bike routes
6. The Metro Center R Line Station and Bus Transfer Facility



The Project's 60-acre master-planned district lies adjacent to Metro Center Station, where the R Line and eight bus routes connect the district to regional employment destinations like Fitzsimons Medical Campus, Denver Tech Center, and Denver International Airport and to community amenities in East Aurora. The Metro Center

Station Bike/Pedestrian Connector provides an additional link to the nearby Municipal Center Complex and the 71-mile Highline Canal Trail. Complementing the district's transit, bicycle, and pedestrian networks, the district lies within a short walk of more than three million square feet of healthcare services, professional services, department stores, big-box retailers, neighborhood-scale shopping, a variety of restaurants, and a grocery store (with another nearby grocery in pre-development). One-half mile to the west, Interstate 225 further connects the site to jobs and services along Interstates 25 and 70.

The Project's zoning district, Mixed-Use Transit-Oriented Development Core (MU-TOD Core) encourages high-density mixed-use development with minimum height and density requirements, maximum setback requirements, and reductions below the 0.85 parking spaces per unit minimum parking requirement for properties that provide electric-vehicle, bicycle, and shared parking as well as transportation-demand management amenities. BMC has confirmed the City of Aurora's support for the Project, which aligns with the City of Aurora Housing Strategy goals to bring income-restricted housing in an otherwise predominantly market-rate area. To satisfy City requirements and accentuate transit proximity, the 144-unit Project will provide 154 parking spaces – or 1.1 parking spaces per unit, exceeding the minimum required – and the developer will contract with RTD to provide Neighborhood EcoPasses to all units for the first three years after opening.

4. Describe any requests to waive underwriting

The project requests a waiver to the basis limits. As with many projects, Metro Center will need a basis limit waiver to be feasible. This request is justified due to the inflation of construction costs outpacing the existing limits.

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

Market data supports strong demand across all unit types, as evidenced by very low vacancies among peer group properties and a low capture rate of 5.8%.

6. Address any issues raised in the environmental report:

The Phase I Environmental Study review no RECs.

7. Identify if there are any unusual features that are driving costs upward

The project will be responsible for installing utilities and roadwork for Dakota Avenue.

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

Thus far there has been no community opposition. The project has received tremendous local support. Please see the three support letters from City Manager, Urban Renewal Authority and the City Housing and Community Services Department.

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

Located adjacent to a major transit station and major employment center, many residents will be able to avoid the expense car ownership. With access to better employment opportunities, residents will have more financial capacity to support themselves and their families. The deep affordability provided at the Project enables residents to increase family savings and pursue higher education, both critical factors for promoting equity and economic mobility. In addition to safe, amenity-rich housing, the Project will provide free WiFi and free Neighborhood EcoPasses to all units to encourage mobility and a sustainable means of transportation.

10. For rehab projects, provide a detailed narrative that describes the proposed rehab plans/scope of work

Not applicable

4% housing credit application narrative

Project Name: The Nest at 10th

Project Address: 5375 W. 10th Ave., Denver, CO 80214

Executive Summary

Archway Investment Corporation (Archway) is pleased to present *The Nest at 10th,* a proposed development that will achieve a long-envisioned transformation of a key development site at 5375 W 10th Ave in Denver, steps from the Sheridan light rail station. Through a partnership with the Urban Land Conservancy, *The Nest at 10th* will secure this key site for affordable housing for generations to come. The project will offer 181 units in a trauma-informed community that supports the well-being of the whole resident. Archway is partnering with Shopworks Architecture to pilot an evidence-based, trauma-informed design (TID) process, layered with an intentional and proactive community engagement strategy and Archway's long-standing commitment to services (Attachment A: Project Vison Statement).

The community will serve a range of incomes and family types, with units ranging from 30-80% AMI and a mix of 1-, 2-, and 3-bedroom apartments; 74% of units will offer 2 or 3 bedrooms and 13% for households at 30% AMI. A key learning from Archway's community outreach is that LIHTC developments do not always feel accessible to community residents at risk of displacement. Archway has actively engaged in conversations with locally led organizations and plans to partner to provide financial counseling and to work with local promotoras (community navigators) to increase access to the affordable homes at *The Nest at 10th*.

Supportive services are at the heart of Archway's mission. Archway intends to hire one full-time service coordinator to support the *The Nest at 10th* community, who will provide services focusing on health, fitness, community building, fine arts/culture, finance, life skills and more (Attachment B: *Services Program*). Archway will provide a weekly no-cost grocery program, mental health support through a partnership with Ardent Grove (Attachment C: Ardent Grove MOU), provide Neighborhood Ecopasses or a similar transit program, and provide regular onsite childcare through a partnership with Jovie (Attachment D). Additionally, Archway will work closely with Urban Peak to market units to youth who have experienced homelessness as part of the community (Attachment E: Urban Peak MOU).

The Nest at 10th will replace the existing Jody Apartments, 63 affordable units that have fallen into significant disrepair due to under-capitalization prior to Archway's acquisition of the property. Previous redevelopment efforts had stalled due to the investment required to relocate existing residents and demolish the existing improvements. Archway has secured funding and committed to moving forward quickly with relocation and demolition, giving the highest priority to securing safe and stable housing for the existing residents. To this end, Archway is partnering with HOST to match existing residents with available units with project-based vouchers and/or services to the greatest extent possible. All relocation work will be URA compliant.

The site is in a QCT and currently zoned as C-MX-8. Denver Community Planning and Development has confirmed that the proposed use is allowable under the current zoning. Archway's development plans balance maximizing the density within a financially feasible project. The building will be 4 stories of wood frame construction, contain two levels of structured parking, include two elevators and stairwells. The design prioritizes sustainability and climate resilience. The building will be electrification ready and include energy recovery ventilation, water conserving plumbing fixtures, and photovoltaic arrays. Plant materials will be used to create shade and cooling and xeric, native landscaping will be utilized to enhance the built environment for both residents and the broader community.

Archway Communities worked with Shopworks to pilot their TID program and incorporated results into the building design (Attachment F: TID report). TID features include bike parking, storage space, a place for a kitchen table, open unit design and more. In-unit amenities include central air conditioning, a hot water heating system with radiant heater units, refrigerators, stoves/ovens, dishwashers, and luxury vinyl tile throughout. In addition, residents will enjoy a variety of high-quality shared amenities including flexible community space, a warming kitchen, 10,600 square feet of outdoor space, and a health and wellness facility.

In addition to tax credit equity proceeds, the financing plan assumes the use of a traditional construction loan and permanent mortgage, gap financing from the City of Denver and the Colorado Division of Housing, grants from FHLB and CDPHE and deferred development fee. The Denver Housing Authority will participate as a special limited partner to help achieve property tax exemption.

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

Construction Period Bonds (Tax-Exempt): $42,000,000 - Private Placement; Permanent Bonds: $25,570,000 - Private Placement; Bond Issuer: CHFA; Taxable Construction Loan: approx. $12,270,000.

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

Project does not serve Homeless Persons, persons with special needs, or low population counties.

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

Market Conditions: There is a strong demand for affordable rental housing in the Primary Market Area. The overall capture rate for the project is 17.3% and absorption of the proposed units is expected to be strong. The capture rates based on AMI are as follows: 8.3% for 30% AMI units, 12.7% for 50% AMI units, 26.2% for 60% AMI units and 3.0% for 80% AMI units. These capture rates assume 30% in-migration, consistent with expectations at a TOD site. The analyst notes that the capture rate at the 60% AMI level is considerably higher than the other levels, but there would still remain a significant number of income qualified renter households left unserved even at that level. Acceptance of affordable properties in the PMA has been strong, with rents at allowable maximums, rapid lease-up velocities, and generally long waiting lists. Similar strong performance is anticipated at the subject property.

Proximity to existing tax credit developments: The PMA includes 16 tax credit communities with 1,401 income-qualified units. Of particular note, there are only 27 units at 80% AMI in the inventory of family projects and the proposed project will provide 28 units at 80% AMI.

Project Readiness: The Nest at 10th is ready to proceed. Archway currently owns the improvements on the site and has a ground lease with ULC. Archway has confirmed with Denver Community Planning and Development that the proposed development will be subject to administrative approvals only, with an estimated timeline of 9-12 months to permit readiness. Demolition and relocation funds are secured and Archway has begun URA compliant relocation. The buildings are scheduled for demolition in December 2023. Archway plans to close construction financing and start construction in Q4 2024.

Overall financial feasibility and viability: The proposed financing plan for *The Nest at 10th* is feasible. The City of Denver and the State Division of Housing have funding available for this project, and the Denver Housing Authority has conditionally approved a SLP for the project. The operating budget is based on comparable costs in the Archway portfolio, and the corresponding debt load appropriate for the projected NOI. A self-assessment has been performed and has determined that the proposed project is not financially feasible as a Federal 4 Percent Housing Tax Credit project without State Credits.

Experience and track record of the development and management team: Archway has been developing affordable housing communities, expertly managing properties, and providing essential supportive services to individuals and families for more than 25 years. Currently, Archway successfully operates 513 units across 8 communities in 4 different Colorado counties. To enhance our capacity, Archway will be engaging an experienced construction project manager (Ryan Lundsford) for this project to provide ongoing oversight as construction proceeds. In addition, Archway is working with S.B. Clark Companies to provide financial consulting.

Project costs: Archway has worked with Shopworks and Calcon to create cost effective plans for the development of *The Nest at 10th*. The project costs reflect current hard cost information and have been reviewed and verified by a third party. In order to account for the volatile commodities and labor markets, Archway has included an owner hard cost contingency along with additional soft cost contingency and allowances for cost progression. The per-unit state credit request is significantly below the average for the round.

Site suitability: The Nest at 10th is in a highly desirable and marketable part of Metro Denver. The site is ideally located to support a variety of transportation choices. Residents can enjoy direct access to both the Sheridan light rail station and the South Platte River trail, making downtown Denver reachable by transit or bicycle. Additionally, RTD buses also provide public transportation with frequent service in the neighborhood. The attached map from RTD highlights the many options (Attachment G). In addition to excellent transit access, future residents will have convenient access to retail along both Sheridan Boulevard and Colfax Avenue. Nearby Denver Public Schools include Colwell Elementary School, Lake Middle School, West High School, and Denver Center for International Studies.

4. **Describe any requests to waive underwriting criteria (if requesting).** The project is requesting a cost basis waiver, details included in the cost basis waiver attachment (Attachment H).

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

Overall, the proposed subject property has excellent market potential and should be successfully absorbed and operated at the maximum allowable CHFA rents, as demonstrated by the historical performance of the other affordable communities in the PMA. The analyst notes that the unit sizes are smaller than average and that 3-bedroom, 1 bathroom homes are uncommon. These design decisions were made based on an assessment of the market demand and a detailed cost analysis to support the financial feasibility of the project in light of high earthwork, grade management and parking costs. Archway's community amenities including a library, ample outdoor spaces and health center, along with the robust service program, will ensure that *The Nest at 10th* addresses tenants needs. Also noted, the vicinity around the site includes various old industrial and small commercial uses that are near or have reached the end of their useful lives. However, the recent and on-going redevelopment of housing units and planned redevelopment of the commercial area at 10th and Sheridan will significantly enhance the character of the area.

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

The Phase I did not identify any REC, CREC or HRECs, but did consider Other Environmental Considerations (OEC). OECs raised in the Phase I Environmental report include the potential for asbestos and lead based paint based on the age of the building and potential for natural occurring radon. Archway engaged Calcon to do additional unit testing and has incorporated adequate financial resources in the development budget to demolish the existing buildings and appropriately mitigate any contaminants.

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

This project is replacing existing substandard affordable housing. Pre-development costs for this project are high due to the importance of permanently relocating existing residents into affordable homes that meet their needs in a URA compliant manner. The cost of demolition of the original 1960's buildings also contributes to high pre-development costs. A capital needs assessment was completed and it was determined that redevelopment would be the best use of the existing site in light of the greater density that could be offered as well as the high cost to address deferred maintenance needs. The development team has taken steps to maximize efficiencies of design including careful square footage and thoughtful unit design, prioritizing high quality community spaces over balconies, and site design and entitlement strategy to mitigate the grade of the site, while maximizing use of the flattest portion of the site.

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

For Archway, community engagement is not a single step in the development process but woven throughout (Attachment I: Community Engagement Plan). Applying a diversity, equity, and inclusion (DEI) lens is central in stakeholder identification, particularly in an area of the city that is actively experiencing displacement. This means ensuring that individuals and organizations included represent the key representatives of the community and the residents Archway intends to serve, especially those whose voices have not historically been heard in decision-making processes. In identifying key stakeholders, a broad range of perspectives were considered, including but not limited to, race and ethnicity, gender, socioeconomic status, mental and physical ability, and geography. Outreach has included individual meetings, focus groups, a public hearing, pop up listening sessions, in addition to engaging with local elected officials and Registered Neighborhood Organizations (RNOs) (Attachment J: Letters of Support). As needed and for all pop up and public meetings Archway has provided language interpretation, food, and childcare to ensure residents are meaningfully able to participate.

The project has received significant support from community members, grassroots organizations, and local service providers due to displacement pressures and a critical need for affordable homes in the area. Stakeholders have also expressed strong support for replacing the existing blighted buildings, improving pedestrian infrastructure and the opportunity to improve the streetscape with trees and improved building facades. Concerns about the project that have been voiced include reticence over the increase in density, and concern about traffic and noise. Archway is committed to continuing a robust community engagement process throughout development, lease up and operations to ensure that *The Nest at 10th* is an asset to the community and a point of pride for the surrounding area.

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

Archway Communities advances equity in everything that we do, including real estate development, building operations, services provision and beyond. With the stability of a good home, a safe community and the chance to plan for the future, so much is possible. When that home is in a place where resident voices are the priority, people can help shape the change they want to see in their homes, their neighborhoods and their futures. Before construction begins, we're conducting a robust and responsive community engagement process. As we lease up, we intend to work with local, trusted, and culturally diverse community navigators and financial counselors to help connect people with homes at The Nest on 10th, exceeding a typical Affirmatively Furthering Fair Housing Plan. Throughout operations, our services team will regularly survey and interview residents and adjust our services program to meet the evolving needs of residents. The Nest at 10th will promote economic mobility for residents first, by providing affordable rent and reducing housing burden, allowing residents more flexibility within their budget to address financial priorities beyond housing. The Nest at 10th services program is designed to address daily needs like food access and childcare, while also providing programs like mental health support and financial counseling. Together, these services provide economic mobility and give access to the resources we all need to thrive.

10. **For acquisition/rehab or rehab projects, provide a detailed narrative that describes the proposed rehab plans/scope of work, and relocation plan (if applicable);**

Archway Communities will build new construction on the site following demolition of the existing buildings, as described above. The relocation plan is included in the application.

4% housing credit application narrative

Project Name: Prairie Run Affordable Apartments
Project Address: 1300 West Jefferson, Hayden, Colorado

Gorman & Company, LLC is pleased to submit a 4% Federal Low-Income Housing Tax Credit (LIHTC) and State of Colorado AHTC application for Prairie Run Affordable Apartments (Prairie Run), a 50-unit affordable housing development in Hayden, Routt County, Colorado (a DDA). Prairie Run Apartments will provide one-, two, three-, and four-bedroom apartments targeting individuals and families earning between 30%-70% of Area Median Income (AMI).

The larger Prairie Run Community, including the subject of this application, is 23.21-acres and will also include 129 for-rent housing units with rents between 80%-160% AMI (the awardee of a Transformational Funding Grant Application with DOLA) and six for-sale Live Work units. In all, the 185-unit mixed-income, mixed-tenancy housing community will illustrate a Public-Private partnership between the Town of Hayden, Hayden Municipal Housing Authority and Gorman. **Time is of the essence for this project. We can sequence this LIHTC project with the adjacent Middle-Income workforce housing development through economies of scale (to leverage the attractive construction scope on the TAHG site) and its timeline. If we are not funded in this round, the LIHTC project doesn't have a plausible path forward.**

Project Location + Allowable Density

Prairie Run Apartments is in the rural community of Hayden, Colorado in the heart of the Yampa Valley in northwestern Colorado. Population and employment are growing as Hayden diversifies its economy, with new residents adding more than 25% to the population in the last several years. The neighboring city of Steamboat Springs serves as the Regional Center for Hayden, and the further west community of Craig. New jobs in Hayden are fueled by the airport (already seeing over 200,000+ enplanements per year and rising) and its expansion, and the Town's expansion of the Industrial and Business Parks. As a Coal Transitioning and Resort Impacted community, Hayden's leaders have been laser focused on economic development and sustainability. As shown in the Town's support letter in Tab 7, this development fits their goals and Housing Action Plan. With Town parking and massing requirements and the shared site with the workforce development, the density is maximized at the site.

Population Being Served

Prairie Run will attract community workers who, in many instances, now live in overcrowded, expensive or distant housing. Restricted to those earning 30%, 50%, 60% and 70% AMI, the project will provide rental options that are exceptionally limited in the PMA. Leveraging this LIHTC project into the mixed-income site will further benefit future residents of Prairie Run by offering a community of choice, spectrum of affordable and housing typology, and 'move up' options for tenants. This is a unique attribute that furthers the mission of the tax credit program and is exceptionally hard to replicate in rural areas. We will offer two units, with a good faith marketing effort for 10 days, for neuro-diverse populations, with services provided by the Yampa Valley Autism Program. This partnership is detailed in Tab 10.

Unit Mix and Amenities
The one-, two-, three- and four-bedroom units will average 614, 797, 990 and 1,285 gross square feet respectively. In-unit amenities will ensure long-term marketability of the project and include fully equipped kitchens, ample storage space, and access to a community room, fitness room, walking trails, play area and central laundry facilities. The three- and four-bedroom units will include in-unit washers and dryers. The apartments will add deeply affordable options to the housing-starved, and increasingly expensive, community of Hayden.

Construction Type, Parking and Density
Prairie Run will include three free-standing, slab-on-grade, wood framed, two-story walk-up buildings with varied elevations. The exteriors of the buildings will feature hardi-panel and stucco siding and pitched and shed roofs. The 90 surface parking spaces meet Hayden's parking requirements. We are maximizing the site density with our overall plans, which meet the Town's density maximum of two stories and 25 units per building along with a prescribed parking ratio based on unit size.

Access to Transportation and Services
The site is within 0.5 miles of a grocery store, restaurant, post office, fitness studio, bank, community park, and recreation center. A variety of additional restaurants, the Hayden Heritage Center, gas stations, grocery, Town Hall, schools, and a church are all within one mile of the site. Steamboat Springs Transit offers bus service at a stop 0.3 miles from the subject site. As the bus services looks to expand into the Regional Transit Authority (RTA), we have created a bus stop within the site that can be accessed in that expansion. There are three daily morning and one afternoon departures from Hayden to Steamboat Springs. In the afternoon, return service leaves Steamboat Springs with three stops in Hayden. See Tab 10 for the bus location within our site plan and the RTA expansion planned to Hayden.

Energy Efficiency
The project will certify to NGBS 2020 Bronze level that also meets and exceeds 2018 IECC. As an all-electric community, Prairie Run will also be solar-ready. We will provide ten EV Ready parking spaces and use dual port charging stations, totaling five charging stations.

Project Need and Urgency for Funding
This funding request is urgent. ***If we are not funded in this round, we do not see a feasible path forward for the LIHTC development.*** Overlapping the development activity of this LIHTC project with our funded TAHG site creates feasibility for this LIHTC development by attracting subcontractors and best-possible pricing given the rural location. ***As a shovel-ready site, we present an excellent opportunity to add deeply affordable units and create a hard-to-replicate spectrum of affordability (between 30% and 160% AMI) within a rural community.***

While the Routt County economy *was expected* to pause during COVID-19, it instead revved up in intensity, especially in the cost of housing. For-sale dwellings in Hayden increased by 30% since COVID, requiring a minimum salary of $140,000 per year for an "affordable" (spending no more than 30% of gross monthly income) home. Sales prices and interest rates continue to increase, pulling affordability out of reach for workers as shown in Tab 10.

What we have changed since the 9% Application:
- We modified our unit mix targeted – changing from a 40% @ 60% to Average Income project.
- We focused on multi modal transportation improvements that have since been installed.
- We honed in on the demand of the units, including the larger family apartment homes.
- We updated our soft funding sources, eliminating 'stretch' sources and supplanting them with additional Public Funding, which also illustrates the public support for this project.
- We modified the site plan to allow for a sequenced, yet not simultaneous, construction start date.

1. **Describe the bond financing structure:**
   The project will use 4% Federal LIHTC, State AHTC, a Town of Hayden subordinate loan, funding from the State Division of Housing, Capital Magnet Funds, Deferred Developer Fee, and permanent and construction debt financing. The Town is in a precarious position as a community – the need for housing is great, yet the resources are scarce. **But for this LIHTC award, a deeply affordable development can't be created in Hayden.** The Town does **not** have a dedicated revenue source to pay for funding yet has secured funding to use as a loan for this project from the Routt County Commissioners, showcasing the commitment among the two public entities for this project. We will defer approximately 30% of developer fee within a 15-year pay back schedule to assist in funding a financing gap on the project. National Equity Fund (NEF) will invest in the 4% LIHTC equity and State AHTCs, Vectra will serve as construction and permanent lender. Our supporting funding letters are in Attachment 5-7.

   We are seeking CHFA as the full bond issuer. The total bond allocation will be split between short-term construction-only and long-term bond amount as outlined below:
   - Construction period Tax-Exempt Bond: $14,300,000
   - Construction Period Taxable Tail: $6,500,000
   - Total: $20,800,000

2. **Identify which, if any, of the priorities in Section 2 of the Qualified Allocation Plan (QAP):**
   - Prairie Run Apartments will serve Special Populations as defined in Section 5.B.5. As memorialized in Attachment 10, we will work with Yampa Valley Autism to offer two units through a good faith marketing effort to neuro-diverse populations. YVA will offer services to these clients, as well as the entire Yampa Valley, through their existing programming.
   - Prairie Run Apartments is in a non-metro county with a population of 180,000 or fewer.

3. **Describe how the project meets the criteria for approval in Section 2 of the QAP:**
   Market conditions: As noted by the market study, there are no recommended changes to the project. Market demand is very high for the Subject property.
   - The PMA illustrates strong demand for the project unit mix through exceptionally low vacancy rates (less than 1%) and long waitlists (over 500 people).
   - The property's visibility and direct access to primary regional employment centers are very good. The subject's 70% AMI rents are 30% to 45% below Class B PMA market-rate properties (with the total proposed LIHTC rents providing an overall discount to market of 30% to 76%), including the Sponsor's own Sunlight Crossing development.
   - The market study states that the property should reach stabilized occupancy within two months of beginning lease-up, at 25 units per month, without concessions.
   - The capture rate, including pipeline developments is 15.6% (7.9% at 30% AMI, 13.3% at 50% AMI and 15.2% and 8.7% at 60% and 70% AMI, respectively). This is far below the ideal 25% rate.
   - The market analyst highlights the demand for all the units, including the larger family sized units.

   Proximity to existing tax credit developments: The overall surveyed vacancy rate in the PMA was less than 1% and waitlists topped 500 people. The singular LIHTC project under construction in the PMA (Anglers 400) will lease up in 2023 well before the subject property comes online, and not able to handle the existing high demand for affordable housing.

   Project readiness: The project is ready to proceed and benefits from overwhelming community support. The site is zoned for the multifamily housing use which is evidenced in the zoning letter from the Town of Hayden (Tab 17). We are anticipating site plan approvals by May 2024.

<u>Overall financial feasibility and viability:</u> The Property Tax Exemption from the Hayden Municipal Housing Authority, subordinate loans from both the Town of Hayden and State of Colorado Division of Housing, and waiver of building permit fees are keys to project feasibility. Our experience developing in the mountains, and specifically in Routt County, assures us of the feasibility of our project application.

<u>Experience and track record of the development and management team:</u> Multi-family developments in mountain communities are not easy deals to put together or to see through to project completion. The Prairie Run project team has experience implementing projects in similar areas, including Wintergreen Phase I (completed in 2019) and Phase II Wintergreen Ridge (under construction) in Keystone, Sunlight Crossing in Steamboat (completed in 2022), Alta Verde Phase I (leased up) and Phase II (under construction) in Breckenridge, Smith Ranch (a spectrum of affordability community under construction in Silverthorne, with both LIHTC and missing-middle rental housing) and Lion's Ridge in Vail (completed in 2016). We have a strong track record of closing deals within CHFA milestones and completing projects on time and on budget. Our architecture and contracting teams are Colorado based. Overall, we believe we are the best suited team for the project. ***Gorman & Company*** will serve as Developer, ***Gorman Architectural***, an affiliate of Gorman & Company**,** will serve as Architect of Record. ***Deneuve Construction*** will serve as General Contractor. The Property Management will be led by ***Gorman Property Management USA***, who has been managing our mountain properties since mid-2020. Please see the resumes included with this application in Tab 11 for more information on our team.

<u>Project costs:</u> Prairie Run is in a higher-cost-to-build area known for above average construction costs. We are utilizing cost-saving design characteristics that allow for reduced construction costs, including floor and roof truss designs to accommodate engineered openings for all HVAC, electrical, plumbing, and sprinklers. This eliminates the need for dropped soffits, which saves material (lumber, drywall, and steel) and increases efficiency.

<u>Site suitability:</u> We completed rezoning in 2022. The site has excellent access to utilities, roads, and existing Town amenities. The proximity to employment, restaurants, recreational areas, and public transportation makes the site an exceptional location for our concept. In addition, the Hayden Housing Plan identifies this type of development, in this area, as an ideal development for the community. The Town of Hayden constructed sidewalks and multi-modal paths to the site in summer 2023 which enhance access to and from the site.

4. **Describe any requests to waive underwriting criteria (if requesting)**.
   We are including Capital Magnet Funds as a source of financing. As stated in the Term Sheet, when combined with the First Mortgage can go down to a 1.05 DCR. In the Tax Credit Summary tab of the application, the DCR never dips below 1.10 yet a note is created that states the minimum DCR test has not been met. We request a waiver to allow CMF to be utilized in the intended way, as a subordinated with a DCR threshold of 1.05.

5. **Address any issues raised by the market analyst in the market study.**
   <u>Concern:</u> The subject is in a smaller and in a 'less desirable' location that its competitors.
   <u>Our Response:</u> Prairie Run Affordable will offer an amazing quality of environment for households seeking affordability in a smaller community with rich amenities. Northwest Colorado is rural in nature. While neighboring Steamboat Springs offers more shopping and employment, some residents wish to be outside of the 'resort bubble' and appreciate a home in a quiet location with easy access to the larger employment center. Similarly, residents in the PMA choose to live in the rural (and increasingly expensive) communities of Stagecoach, Oak Creek and Hayden. We mitigate this concern by offering a neighborhood with more elbow room, more open space, and in the maximum height allowable for Hayden (two-stories) that will feel 'less dense' to residents.

Concern: The subject unit sizes are smaller than average.
Our Response: We have spent time fine-tuning our units to be highlight livable, even with smaller square footages. Our amenity package finds the nexus between resident desires and cost containment. We are including wall air conditioning, blinds, cable hookups (with broadband running to the site and units), ceiling fan, ample storage in our Colorado Closets, full kitchens and in-unit washers and dryers in the larger unit sizes, with central laundry rooms for the other units. Community amenities will include walking trails, a community room, exercise room, playground, courtyard and coworking space. Overall, these amenities mitigate the slightly smaller unit sizes offered at the property.

6. **Issues in the environmental report:** No environmental conditions were noted in the Phase I ESA.

7. **Identify features that are driving costs upward, as well as cost containment efforts.**
The proposed project is being built in an expensive area known for above average construction costs. We have contained costs where possible and are using design characteristics that allow for reduced construction costs (no balconies, private entrances from interior hallways, and utilization of modular framing systems to increase construction efficiency). Our experience in the mountains (and specifically in the PMA) will bring more efficient development as we apply lessons we've learned. We are adequately reflecting current construction costs, which are high in general, due to current inflationary experiences nationwide.

8. **Describe the outreach to the community that you have done.**
Extensive community outreach has been conducted, as summarized in sequence below:
   - We hosted a Public Meeting on July 17, 2023; unfortunately, we had no public attendance.
   - We hosted a non-required public meeting on May 15, 2023 to discuss site plan, affordability matrix and construction timeline. We heard overall support for the project concept and need for a spectrum of affordability in Hayden, so long as zoning guidelines were adhered to (such as building height). Our plan does adhere to zoning guidelines.
   - We had several public meetings related to our rezoning request in late 2022, where Planning Commission and Council expressed strong support for affordable housing on the Subject property.
   - The Town hosted seven public meetings in preparation of their adoption of their Housing Action Plan (Tab 10) over an eight-month process in 2021. This project is identified as one of the first and primary projects conceptualized to be executed for that plan.

We consistently hear support for affordable housing in the PMA. In speaking with employers, renters, and Elected Officials it is noted time and again that housing scarcity is at a crisis level. We receive calls and emails from employers in the PMA asking if we have any new housing developments planned to help add to supply.

9. **Describe how the development promotes equity as well as economic mobility for residents.**
Prairie Run will be a mixed income community, offering housing to those earning between 30% and 160% AMI. We will also offer for-sale housing on a site within the neighborhood. We are trying to add LIHTC apartments to our otherwise funded workforce housing development site, to capture lower-income earners, so as to *not* exclude them from this mixed income community. This affordability and tenancy spectrum allows residents to move within the neighborhood as their income and household composition changes over time. We know that having 'move up' housing is critical to residents in housing-starved communities. Without this ability, many residents will leave communities instead of deploying their local talents and knowledge to future employment opportunities. The stability of this housing, in a neighborhood of choice, will enhance the economic mobility of our future residents.

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

4% housing credit application narrative

Project Name: **Renaissance at Civic Center Apartments**

Project Address: **25 E 16th Avenue, Denver, CO 80202**

Executive Summary:
The Colorado Coalition for the Homeless (CCH) is proud to present the revitalization of Renaissance at Civic Center Apartments (CCA), a proposed acquisition/rehab resyndication using State, 4% Federal LIHTCs and Historic Tax Credits. The property, at 25 E 16th Avenue, is in Denver Council District 10 and located in a Difficult Development Area. Located on the edge of the North Capitol Hill neighborhood, the project is conveniently located less than 500 ft from Civic Center Station, a major transit hub, providing access to major job centers through the metro area. The project is also within one-half mile of a post office, several banks, recreation areas, places of worship, healthy food options, and other daily needs.

The 216-unit building was originally renovated and converted from the Downtown YMCA in 2004 and currently has a mix of unit types, including 0-br, 1-br, SROs and 'shared-living' SROs. Many of these units are outdated and no longer meet the needs of a supportive housing community; 35% of these units do not have kitchen areas, including 40 units of 'shared SROs' without private bathroom facilities. The project will update all units to full 1-br or 0-br homes, including the conversion of (40) Shared SROs into (20) 1-br units. (20) additional, new, 0-br units will be built by converting an abandoned racquetball tower 'leftover' from the original renovation, bringing each unit in the property up to modern standards of quality and providing complete, dignified, and private homes. In addition to addressing significant deferred maintenance, common area upgrades throughout the building include new community areas indoors and outdoors, expanded office spaces for property staff and services. Design is driven by trauma-informed design principles and CCH's extensive experience providing high-quality housing and complimentary on-site amenities. CCA will convert from its steam-powered heating system to an all-electric system for heating and cooling. This system will provide more consistent energy costs, better performance, and contribute towards the City's renewable energy goals. Project will meet or exceed 2020 Enterprise Green Communities standards.

The property's new proposed LURA maintains existing designations. The project is (34) 1-br and (182) 0-br; AMI targeting is 68 @ 30% AMI, 26 @ 40% AMI, 46 @ 50% AMI, 76 @ 60% AMI. In keeping with the mission and service philosophy of CCH, the property serves and targets the most vulnerable and at-risk citizens; while the LURA reserves 31% of the units to 30% AMI households or below, for example, 98% of the current residents have incomes below 20% AMI.

The property currently has a complex combination of vouchers and subsidies designed to provide as many supports and services to as many residents as possible. Unfortunately, there are simply not enough current subsidies and service dollars to fully support the needs of the CCA community. The project includes requests to DOH and HOST for additional vouchers to ensure the project is 100% subsidized, pairing with CCH's sponsor commitment of its existing and continuing programs. On-going services are newly funded by committed deferred developer fee and PSH boost, HUD Continuum of Care Grant, Medicaid, DOH TSS, and CCH general fundraising.

The building is a both five and seven-stories above grade, with a basement area currently housing a portion of case management, property management offices and residential units. The building has three (3) elevators, reception desk, and on-site property manager. Roof is flat and exterior of the building is a mix of masonry, stone, and metal curtain wall system. Financing for the renovation includes owner seller carryback financing, 4% LIHTC, State AHTC and HTC equity, electrification funding from Denver Office of Climate Action Sustainability and Resiliency (CASR), soft funding from DOH and HOST, and deferred developer fee.

Significant renovations and a financial repositioning of the property is required urgently to bring services and property up to modern standards, effectively address the full needs of every resident, provide comprehensive capital repairs, and ensure long-term financial viability. Without an influx of repair funding, new vouchers, services funding, and proper upgrades, the property is at-risk of failing to meet the critical PSH needs of Denver.

Bond Financing Structure:
Total amount of bonds: $34,500,000, 100% construction period bonds; Bond issuer: CHFA
Lender and bond sale structure: Private placement; Portion of bonds that will be tax-exempt: 100%

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

Criteria for Approval:

Market conditions

The market area has strong demand and will continue to have strong demand after property renovations are completed. Market study reported found 3,958 homeless individuals within the primary market area (PMA) and identified a required capture rate of 19.5%, below the CHFA threshold of 25%. The immediate area surrounding the project has excellent marketability factors, including direct access and proximity to social services, and walking distance to convenience stores, full-service grocery store, school, parks, churches, and transit. The area achieves top marks in both Walk Score and Transit Score. As a renovation of an existing project in the area, Civic Center Apartments will not add new units to the PMA homeless rental inventory. However, the upgrade of SRO to 0-br and 1-br units throughout the property provide new options to the market.

Proximity to existing tax credit developments

The Civic Center Apartments is one of seven LIHTC projects in the North Capitol Hill neighborhood, though no new projects in the North Capitol Neighborhood have been awarded since 2018. All properties are targeting to households earning up to 60% AMI and no negative impacts have been seen on any of the properties. Only the Renaissance at Uptown Lofts and Forum Apartments, both CCH properties, targets households up to 30% and 40% AMI in the area. No impacts are anticipated to existing leased and stabilized LIHTC properties and evidenced by the recent PIT count and Market Study findings, demand far outpaces supply for PSH properties in the area.

Project Readiness

The project is fully controlled by Sponsor and is compliant with current zoning; no rezoning or public approvals are required for the renovation. Design work is being completed by Santulan Architecture with pre-construction consulting and pricing by Alliance Construction. Schematic design and project pricing are complete; 100% CDs will be complete in May 2024 along with up-to-date pricing. The project will receive building permits and secure financing in advance of the State Credit milestone date and anticipates no obstacles to this timeline. This project meets the Project Readiness criteria.

Overall financial feasibility and viability

Project financing is based on the Sponsor's proven Renaissance Development Model that has been successfully implemented in the development of over twenty affordable, multi-family projects. The model is designed to serve the largest number of special needs and formally homeless individuals and families, together with the lowest income segment of the community. To accomplish and further CCH's organizational mission, the project incorporates multiple sources of financing, including Tax Credits, and structures financing to cover the cost of development with limited long-term debt obligations, and committing cash flow to services and resident support. Soft funding commitments for CCA are being requested simultaneously with this application from DOH, HOST, CASR and voucher and services funding through DOH RFA. As part of the financing structure, CCH will utilize seller carryback financing. The property will be acquired for its appraised value with the proceeds paying off existing long-term debt on the project and the remaining amount structured as carryback note. The refinancing, coupled with new PBVs, ensures that CCH can continue to house individuals at the lowest income levels, while ensuring sufficient revenue to cover the costs of operations, management, supportive services, and maintenance. Cash flow, including payments to deferred developer fee, from the property is committed to cover supportive services costs. The PUPA is higher than basic affordable LIHTC developments due to higher maintenance costs, management needs, tenant-utilities included in the rent, and other associated costs with a PSH property.

The building is shared with the Downtown YMCA and operates under a Condo structure. The Condo Association is majority controlled by CCH. The CCH Unit includes the residential portions of the building and is owned fee simple by the Civic Center Apartments LLLP, controlled by its General Partner, a wholly owned subsidiary of CCH. The property has several general common elements, including HVAC, shared with YMCA via the Condo structure. Costs required to upgrade the common elements associated with non-housing uses have been allocated pro rata and reduced from basis calculations.

Experience and track record

CCH is a leading developer of supportive housing and service facilities in both Colorado and nationally. CCH maintains a skilled, in-house, 5 FTE, real estate development team, which oversees all CCH construction projects including community facilities, LIHTC and NMTC developments, and mixed income, affordable housing developments. In over 39 years of service, the Colorado Coalition for the Homeless has (or is in the process of) developing more than 2,400 units of supportive and affordable housing through 23 developments. Our housing approach integrates high-quality housing for homeless individuals and families with services and individualized needs and care. Services such as counseling, life skills training, financial literacy and employment assistance contribute to housing stability for those who once were homeless. Our quality architectural designs and environmental standards add significant value to existing neighborhoods and cultivate pride and well-being among residents and the larger community. CCH is a multiple award-winning organization for its efforts in housing development, most recently being honored with an Eagle Award in 2023 for development of Legacy Lofts and Stout Street Recuperative Care. CCH has made significant investments in its property management division has significantly improved its management and maintenance teams. With enhanced compliance focus, all of CCH's portfolio is in full compliance with all LIHTC, CHFA loan, and other affordable housing program requirements.

The project development team includes Santulan Architecture (formerly Parikh Stevens), a highly skilled and proven local firm with extensive experience in LIHTC developments, renovations, and other similar housing types. Alliance Construction, based in Denver, is a leader in affordable housing construction and rehabilitation projects, completing over 14 projects and over 1M sf of affordable housing in the past five years. Both project tax counsel, Bill Callison of Holland & Hart, and accounting firm, Forvis (formerly BKD), have demonstrated experience in skill in LIHTC projects and have partnered with CCH on many pervious projects.

Project Costs

CCH and its development subsidiary RHDC rely on the experiences and lessons-learned from 23 previous LIHTC developments to control costs throughout the entire project to ensure efficient use of project sources. Project pricing is based on completed schematic design documents and consultation from third-party general contractor, Alliance Construction, and engineering and design professionals. The project intends to provide substantial renovation, in line with the required needs of the property, costs to upgrade and replace the steam system with all-electric systems, conversion and expansion of units, and cost considerations to remain complaint with historic nature of the building.

Site suitability

CCA is located within the amenity -rich North Capitol Hill Neighborhood and includes transportation nodes, local services, commercial retail, places of employment, parks, libraries, places of worship and more. Civic Center Station is only a short walk away and provides access to local and regional bus lines in addition to direct access to Union Station to access Denver Metro and beyond.

Waiver of Underwiring Criteria: N/A

Market Study Issues: There are no issues or recommended changes to the project identified by the market study. The study documents a low capture rate and highlights several project strengths with relatively no project weaknesses outside of vacancy which our proposed renovation is intended to address.

Environmental Report Issues: No recognized environmental conditions are identified.

Unusual Features of Cost: None

Community Outreach: CCA has operated as a PSH property and friendly downtown neighbor since its creation in 2004. The renovation does not expand its use or footprint in the community. Our property partner, YMCA, is very supportive of the renovation work and intends to maintain collaboration and cooperation throughout the design and construction process. Residents of the current building will also be offered opportunities to provide meaningful input on the design and contribute to the look and feel of the updated home. No opposition to the work has been expressed.

Describe how the proposed development contributes to promoting equity as well as economic mobility for residents: CCH's holistic and proven effective approach to services, housing, and healthcare meet our residents 'where they are' and provide individualized services to promote economic mobility. Currently, the project does not have adequate funding to provide services for all those who need support at the property. This project will create a pathway for success to *all* residents. In addition to on-site services, job training, matching and financial literacy education is available to all residents.

Acquisition / Rehab Projects Supplemental Questions: See attached documents for a detailed and complete Architectural and MEP scope of work for acquisition/rehab projects (checklist item #4). The proposed rehab includes full-scale remodel of existing residential 0-br and 1-br units and the upgrade of existing SROs to 0-br, including the conversion of 'shared SROS.' (40) SRO-Shared bathroom units will convert to (20) 1-Bedroom units, improving the quality, habitable, and marketable of these units and providing true, long-term homes. The abandoned and inaccessible racquetball tower will be repurposed into 5 new floors, totaling (20) new residential 0-br units. Scope includes adding new intermediate structural decks, accessible corridors and access, and full new construction (20) units. Major building systems, including elevators and life/safety systems. will be repaired or replaced in accordance with the PCA to preserve and enhance the building. CCA), is one of few Denver area buildings still operating on the steam loop, and one of last remaining multi-family buildings. Currently, steam provides both domestic hot water and heating throughout the building. Temperature control in the residential units is handled through steam heat exchanged hot water and cold water feeding 4-pipe individual FCU units. This steam exchanged heat delivery system is outdated, expensive, difficult to maintain, and at risk of obsolescence; steam prices increased nearly 40% due to an Xcel Energy rate change approved by the Colorado Public Utilities Commission and the steam plant is currently being studied for decommissioning. Transitioning the building off the steam loop is critical to ensuring long-term viability of the property, both financially and operationally. The steam system will be replaced with a best-in-class all-electric building system. The new all-electric mechanical system and additional proposed improvements will provide certainty to annual utility costs and reduce on-going capital expenditures and steam maintenance significantly. CCH will continue its partnership Denver's Office of Climate Action, Sustainability and Resiliency (CASR), who has expressed interest in investing in the project. Other sustainable energy improvements include new LED lighting throughout, Energy Star appliances, low-flow fixtures, and improving building envelope by replacing windows with little R-value & STC ratings. The project will also be solar – ready.

Other common area and unit upgrades are planned to address failing finishes and furnishings, addressing ADA issues, new security and access control systems, fire alarm system, elevator modernizations, lobby areas that with demonstrate TID through the comfort, privacy, and security. All aspects of the project are driven by trauma-informed design principles and best practices.

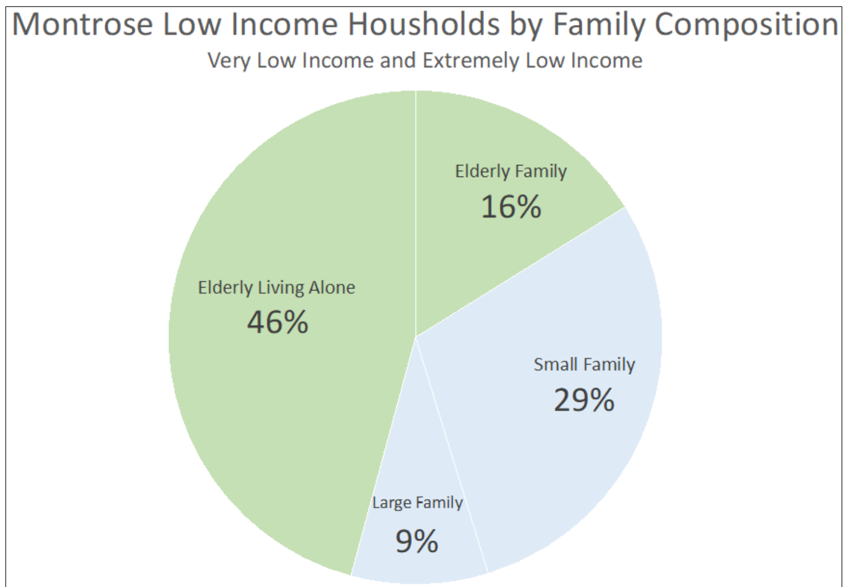
Residents will be temporarily re-located on or off-site, dependent on each individual's needs and experiences and no permanent displacement or relocation will occur. See checklist item #29 for Relocation plan and budget.

The project meets the 10-yr rule as evidenced in the attached 10-yr Opinion.

4% housing credit application narrative

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

Executive Summary



City of Montrose Housing Needs Assessment, May 2023

Volunteers of America (VOA)'s Rendezvous project directly responds to the community's immediate housing need by providing low-income senior apartments. Rendezvous is a 52-unit senior housing development renovating the 30-unit Pavilion Gardens plus constructing a 22-unit building at the heart of VOA's senior campus in southeastern Montrose. Rendezvous, which means to meet or come together at a place, is conceived to create synergy with VOA's existing senior campus by reimagining and converting the 30 existing family units at Pavilion Gardens into rehabilitated senior units. The 22 new Trauma Informed Design (TID) units will be located directly adjacent to Pavilion Gardens on a vacant 1.97-acre. Given the co-location, combining the rehabilitation and new construction into one tax credit execution allows for efficiencies in the financing and development and creates one senior community that fulfills the highest and best use of these adjoining properties.

Rendezvous competed in the 2021 9% LIHTC round. VOA has re-worked the financing as a 4% LIHTC and State AHTC application per CHFA's feedback. Award in 2023 is necessary to confirm hold the Montrose County DDA which historically fluctuates. In further response, VOA has aligned this application with the recent funding of Residents at Dry Cedar Creek: If Rendezvous is awarded credits this round the 12 families at Pavilion Gardens could relocate to this soon-to-open family development. VOA is in touch with the owner to coordinate this opportunity.

VOA's senior campus in Montrose is home to two senior Section 202 properties, an assisted living facility, a Program of All-Inclusive Care for the Elderly (PACE) center, the Montrose Senior Center, and three doctors' offices. By converting Pavilion Gardens and building new senior units on the bordering vacant lot, VOA will respond to the community's immediate need for low income senior housing, expand its Montrose campus, and bring to life VOA's vision to provide additional high quality, healthy living for seniors in this community. Additionally, if funded, this development sets up a future phase of an additional 44 units adjacent to the 22 new unit building opening the door to further reduce Montrose's need for low-income senior apartments.

Located two miles southeast of the center of downtown Montrose, Rendezvous will offer 30 renovated apartments in nine one-story unique townhome style buildings and 22 new construction units in one two-story elevator-serviced building for seniors aged 55 and over. Comprised of 28 one-bedroom and 24 two-bedroom units, the unit mix and rents are specifically oriented toward offering an array of affordability to accommodate seniors experiencing varying financial circumstances and responding to the Elderly Family and Elderly Living Alone needs in Montrose (see chart above). Rendezvous includes 9 units (17%) for seniors earning at or below 30% AMI, 5 units (10%) for 40% AMI, 14 units (27%) for 50% AMI, and 24 units (46%) for 60% AMI.

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

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

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

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

VOA will provide its proven range of services to the residents of Rendezvous. Residents of Rendezvous will be advantaged by the myriad of on-site senior services that are currently available on the VOA Montrose campus (Attachment C: PACE Center). VOA will also provide a half-time resident services coordinator for Rendezvous. Project residents will have a direct connection to health/wellness/financial services, volunteering opportunities, group meals, grocery delivery, unit modifications, and caregiver respite services already coordinated and offered by VOA Colorado's Montrose office. These services will allow the project's older adult residents to thrive and continue to live successful independent lives and 'age in place' versus a costlier senior housing accommodation. These services benefit seniors and offer the scaffolding that keeps the very-low income residents from sliding into homelessness.

Rendezvous will meet sustainability requirements via Enterprise Green Communities for both the renovation of Pavilion Gardens and the new construction. Both the renovated units and the new construction units will offer new, efficient appliances as well as energy efficient light fixtures. The new build will achieve Enterprise Green Community 2020, WELL Building, ENERGY STAR MFNC certification and be electrification-ready and are described in more detail in Attachment D: Sustainability Narrative.

VOA is committed to maximizing the number of very low-income units to best meet community needs as demonstrated by multiple financial contributions from VOA as discussed in Section 3D below.

As evidenced by the Montrose Housing Needs Assessment (Attachment E), now is the time for VOA to reposition and expand Pavilion Gardens to bring additional senior housing to Montrose. With an award of 4% LIHTC and State AHTC, Rendezvous can secure the financing needed to help address pressing housing needs in the Montrose community for residents who will benefit from the invigorating VOA senior campus.

1. Describe bond financing structure: Please see description in Section 3D below.

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

- **Projects serving homeless persons as defined in Section 5.B 5:** Not Applicable
- **Projects serving persons with special needs as defined in Section 5.B 5:** Not Applicable
- **Projects in non-metro counties with populations of less than 180,000:** The project is in a county with a population of less than 180,000. Per the Census Bureau, as of 2022, Montrose County was estimated to have a population of 43,811.

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

A. Market conditions

The overall capture rate for the project is 13.3%, well below CHFA's preferred threshold of 25%, consisting of specific AMI capture rates of 3.4% at 30% AMI, 5.5% at 40% AMI, 22.3% at 50% AMI, and 16.3% at 60% AMI. The capture rates are conservative and do not include in-migration or residents with ages between 55 and 61. The existing LIHTC properties in the PMA have low vacancy rates and the one comparable senior LIHTC property in the PMA mentioned below is fully occupied with a waitlist with over 486 households. The market analyst concludes that renters living in the PMA are more than likely "rent-overburdened" and are faced with a supply of rental units that are older and are of average or lower-than-average quality.

B. Proximity to existing tax credit developments

There are two existing senior LIHTC projects in the Primary Market Area (PMA), Woodgate Trails and San Juan Apartments, and six existing family LIHTC properties in the PMA. Two of the family LIHTC properties are not currently placed in service. Of the nine comparable properties included in the market study, five properties were in Montrose (three of which were market rate) and four were family properties located in Delta (two market rate). The Delta properties were used due to the lack of unsubsidized LIHTC and market rate supply inside the PMA.

C. Project readiness

Both the renovation and new construction properties for Rendezvous are currently under VOA's ownership and the vacant lot is zoned appropriately. VOA has completed the subdivision process for the new construction lot and utilities are adjacent to the site. VOA will move through the City's administrative review processes for site plan and building permit approvals very efficiently (Attachment F: Project Schedule). The alignment of the recently awarded family development allows for an ease of relocation eliminating potential delay.

D. Overall financial feasibility and viability

The financing plan includes $10,960,000 of short-term CHFA-issued privately placed tax exempt private activity bonds (PAB). In recent years, Montrose County has transferred its PAB volume cap to CHFA with the request CHFA support area projects when appropriate. This application requests the PAB volume cap from CHFA. Instead of a taxable tail, the project will benefit from a Colorado Health Foundation Program Related Investment (PRI) construction loan. The very low rents in Montrose make it extremely difficult to carry permanent debt. As such, there is no long term PAB; instead, VOA has committed to take-out the PRI and short term PAB with a below-market loan (further described in the financing letters). In addition to LIHTC and AHTC equity, there is gap funding from the Colorado Division of Housing, VOA carryback loans for all but the amounts needed to payoff existing CHFA and HOME loans (VOA's existing subordinate loan in the property will stay invested; a VOA financial commitment of over $500K), a $750K VOA Capital Magnet Fund loan, and deferred development fee. The Montrose County Housing Authority will provide eight project-based vouchers and serve as a special limited partner for property tax exemption. The city has committed to waive $50K in development fees.

Pavilion Gardens currently consists of 30 50% and 60% AMI units. Rendezvous will add nine 30% AMI and five 40% AMI units and increase the number of 50% and 60% AMI units by 8. This AMI mix best balances Montrose's need for low AMI senior units with overall feasibility and, while not an average income project, the property income averages to 50% highlighting the deep affordability.

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

VOA is a 127-year-old non-profit agency that provides housing and services to seniors, people with disabilities, people leaving homelessness, and families. Its portfolio includes 20,000+ units in 400+ communities nationally. VOA Colorado will be the property manager and service provider of Rendezvous. VOA Colorado manages a significant portfolio of over 1,800 affordable housing units in Colorado including the 4 affordable housing complexes in Montrose. VOA has retained a team of consultants, designers, and construction professionals who have recent experience working with VOA and have proven their ability to deliver high quality LIHTC housing. VOA pairs its broad development expertise with specialized partners to ensure Rendezvous provides the highest quality solution possible in the most cost-efficient manner. See the submitted development team résumés for more information. VOA, in alignment with its mission, always provides a level of on-site staffing that is more supportive than a typical apartment property manager. Rendezvous includes office space for an on-site Service Coordinator, a Community Administrator, and a Leasing Assistant to assist residents. VOA's staff are oriented and trained to be focused on resident well-being and will connect individual residents to in-home or community-provided services, as well as creating a schedule of community activities. VOA's staff partner with community organizations to connect residents with activities, services, social networks and other benefits provided by these other organizations. VOA is working with Revival Development Services as the relocation consultant for this development. The team has spent a lot of time on the temporary and permanent relocation components of this development proposal and is confident in its plan.

F. Project costs

Construction cost estimates have been provided by FCI Constructors, an experienced multi-family general contractor headquartered in Grand Junction. In July of 2020 , FCI completed VOA's Durango development, Miremonte, on schedule and on budget. The project's development and operating budgets have been informed by a thorough estimate by FCI and VOA's recent development budgets for other LIHTC projects.

G. Site suitability

Rendezvous is on a very suitable site given the nature and vision of the project. The surrounding neighborhood is primarily residential and befitting to the residential core of the VOA senior campus. Rendezvous is adjacent to a bus stop, a healthcare services center, and the Montrose Senior Center, within a mile of a grocery store, a pharmacy, and a bank, within two miles of a hospital, post office, and many more shopping opportunities. The accessibility of the site will give significant advantages to the senior residents of the project. Rendezvous also benefits from its placement directly across the street from the Montrose Botanic Gardens, a 3.5-acre garden with beautiful flora and numerous walking paths open to the public. With the two project sites being adjacent to one another, synergies are obtainable across the buildings, such as sharing of operations, services, and amenities, which would not be feasible if these sites were not co-located. Two new sidewalks between the sites will stimulate pedestrian connectivity.

4. Describe any requests to waive underwriting criteria: Cost basis waiver request (Attachment G).

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

6. Address any issues raised in the environmental report(s) submitted with your application and describe how these issues will be or have been mitigated. No Recognizable Environmental Conditions (RECs) were identified.

7. Identify if there are any unusual features that are driving costs upward as well as if there are any opportunities to realize cost containment. The project's relocation costs for the rehabilitation aspect of Rendezvous also contribute to higher project costs. With the transition of Pavilion Gardens from family to senior, current residents who do not age qualify will need to be permanently relocated; 13 households will need permanent relocation. VOA's priority is always the wellbeing of its residents, so the organization has engaged an experienced relocation consultant to ensure successful implementation of all steps required to move residents. VOA is committed to covering any permanent relocation costs, in excess of what has been budgeted, outside of the LIHTC project budget.

Per unit construction costs are higher for the new construction building due to the relatively small number of units in the building due to zoning constraints, the need for an elevator, and overall inflationary trends. The project has been thoughtfully designed to contain costs as best as possible. Utilizing a general contractor based on the Western Slope with relationships within the local subcontractor market, allows both greater pricing accuracy and minimizes subcontractor risk. Examples of cost containment measures include converting the staircases in currently existing two-story units to closets as well as the sharing of services and amenities between the renovated and newly constructed units due to their adjacency. Through cost containment measures and synergies achieved through thoughtful design and operations, Rendezvous presents a highly competitive project in spite of these cost challenges.

8. Describe the outreach to the community that you have done and describe local opposition and/or support for the project (including financial support). VOA advertised and held a community virtual planning session prior to the 2020 rezone of the vacant lot. Also, VOA has reached out to community partners, updating them on the project status, for letters of support (Attachment H). The City of Montrose has provided a letter of support for Rendezvous that includes the City's intention to provide permit and plan review fee waivers for the project. VOA is a long-standing provider at this location and there has been no opposition to the plans to expand on the VOA Montrose campus. Residents were queried as part of this process (Attachment I: Resident Letters) and resident feedback was received and documented in the above referenced Attachment A: TID Assessment.

9. Describe how the proposed development contributes to promoting equity as well as economic mobility for residents. Rendezvous promotes equity by creating a long-term community asset, senior affordable housing, in a rural Colorado community with a growing senior population (Attachment J: Older Adult Profile). Residents of Rendezvous will benefit greatly from the senior-oriented location of the project with necessities like healthcare nearby in addition to amenities that promote seniors' well-being like meals, games and exercise classes at the senior center only a block away.

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

History: Pavilion Gardens has presented occupancy challenges to VOA since it originally opened in 2000 as a family property. Currently, there are three vacant units at Pavilion Gardens two of which are 3-bedroom units. VOA has not been able to keep the property fully occupied despite ongoing and diligent efforts to improve occupancy including adding air conditioning in 2018. Part of the reason for lower-than-expected demand for family units at the property is the lack of cohesiveness caused by having a family property surrounded by senior housing and services and VOA being known as a senior provider in Montrose. With the conversion of Pavilion Gardens to senior units, the VOA campus in Montrose will be more of a homogeneous campus of senior-related facilities which will align with VOA's brand in the Montrose community. This will vastly improve marketing to prospective residents and directly responds to the 2023 Montrose Housing Needs Assessment.

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

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

10-Year Rule: Pavilion Gardens has been continuously owned by a VOA entity for more than 10 years; opinion submitted.

4% housing credit application narrative

Project Name: **Ridge at Broomfield**

Project Address: 11798 Ridge Parkway. Broomfield, CO 80021

Executive Summary
The Ridge at Broomfield is a 127-unit affordable housing project located at 11798 Ridge Parkway in Broomfield, CO. The project was originally planned to be a For Sale townhome project. DevCo saw this as an opportunity to take existing plans and repurpose them to serve the affordable housing needs within the City of Broomfield. The site is located in DDA census tract 311.03 and will be serving families at 30%, 40%, 50%, 60% and 70% of AMI in Broomfield County. The unit mix will include 46 one-bedroom units, 45 two-bedroom units and 36 three-bedroom units. All units will have attached garages, washers and driers, stainless steel appliance packages, LVP flooring and balconies. Site amenities will include a dog park, walking trails and a community park. DevCo believes the larger townhome floorplans and attached garages will serve the Broomfield area well and give residents enough space to live comfortably within the community for many years. Ridge at Broomfield is a townhome construction project consisting of 3 story townhouses with one or two car parking on the first floor of each unit. Building framing to be wood and engineered wood. Foundations to be built as post tension slab with spread footings. Roofing consists of a Composition Shingle with ridge vents. Building skin to be Hardi Cementitious material. Interior stairs to be dedicated and inside the conditioned space of each unit. No elevators are needed for this building type and not required. The project is also being designed to be solar ready. According to the market study, a weakness of the project is its proximity to public transportation, with the nearest bus stop being 1.3 miles away from the site. The developer believes that the individual garage in all units provides residents an ability to store their vehicles safely and securely on the site without any additional charge. In addition, the developer will work with the Broomfield Housing Alliance and the City of Broomfield Transportation department to provide better public transportation resources to the site and neighboring apartment buildings.

The project will be financed through a tax-exempt construction loan and a taxable construction loan provided by Citi Bank, tax credit equity generated through the federal tax credits through Key Bank, tax credit equity generated through the state credits via Sugarcreek Capital, state funds provided by the Colorado Department of Housing and a sponsor note provided by DevCo. The total amount of the tax-exempt bonds will be $38,750,000 with $18,093,000 remaining outstanding during the conversion to permanent financing.

The Developer has engaged Group 14 to consult on the energy effeciency and sustainability standards for the project. The project will comply with the 2021 international Energy Conservation Code, the NGBS Bronze Certification as well as energy star certifications. The project will also be constructed to CHFA

Water-wise landscaping and non-functional turf criteria. The Developer is also designing the project to be solar ready for rooftop arrays to be installed in the future. The Group 14 energy analysis has been provided as a part of the application and can be referenced for additional information.

The Developer has structured the Purchase of the land to occur on 11/30/23 after the announcement of an award of state credits from CHFA. In the scenario the project does not receive an award, the Developer will likely forego on closing on the land.

1. Bond Financing Structure:

- The total amount of the bonds for the project will be $38,750,000. With $18,093,000 remaining outstanding during the permanent period.
- The bond issuer and volume cap provider will be CHFA.
- We are assuming Citi be the lender and the bonds will be private placement
- A current amount of $38,750,000 will be tax exempt with $8,000,000 remaining taxable during the construction period.

2. QAP Priorities:

Not applicable for this project.

3. QAP Criteria for Approval:

- Market Conditions:

A market study was conducted on 7/28/23 by Novogradac and identified that there are 5,572 Qualifying Households in the market and only 553 existing and planned units in the PMA, which includes our proposed 127 units. The capture rates across the unit mix range from 2.9% to 16.7% with the average capture rate being 9.9%. This study also identified that there would be an average gap in the market between 29 and 73 percent when comparing our project to the comparable market rate comps in the area.

- Proximity to Existing Tax Credit Developments:

The nearest four LIHTC communities are between 3.4 and 4.6 miles away from the subject site and the availability is considered moderate. The availability of the market rate product is considered good, with five market rate communities between .1 and 1.6 miles from the site.

- Project Readiness:

The project is in the process of amending the existing entitlements to transition the project from a For Sale townhome design to a design that is better catered towards affordable housing. The project has received the first round of comments for these changes and plans to resubmit with the goal of going to the Land Use Review Commission on 10/23/23 for approval. If approved, the project can move directly into building permits. The Developer is pursing these changes in an effort to value engineering a project that was never intended to provide affordable housing and believes that the changes can save $2-$4 million dollars in hard costs for the project while still delivering a quality affordable housing project.

- Overall Financial Feasibility and Viability:

Due to the low density and high-cost nature of the project, the Developer believes that the state credits are necessary for the financial feasibility of the project. In addition to the sources provided, the Developer is providing gap financing in the form of a Soft Loan, deferring most of the developer fee and utilizing interest income from the project as sources during the construction period.

- Experience and Track Record of the Development and Management Team:

DevCo has been developing LIHTC affordable housing in Washington State for the past 30 years. During that time, DevCo has financed, constructed, and managed over 7,500 LIHTC units. In the past few years, DevCo has successfully expanded outside of Washington State and has financed 4% LIHTC projects in Montana, Idaho, Oregon, Texas, and Arizona. The architect on the project will be Hooker Dejong Inc. who has been the principal architect for over 15,000 affordable multifamily units across the country. The property manager will be Avenue 5 Residential who oversees 917 LIHTC units in Colorado and has extensive experience handling compliance and property management of these assets. The General Contractor will be Alliance Construction who has completed 14+ Affordable Housing projects in Colorado in the past five years.

The Developer is also utilizing RCH Jones as a consultant for the financing. Ryan Jones has been in the affordable housing industry for 20 years, first participating as a developer, then as a lead underwriter for equity syndication firms, then for the past 10 years as a consultant to developers and investors. In his career, he has closed 47 tax credit deals in Colorado.

- Project Costs:

The Developer has gone to great lengths to value engineer the project to better serve the affordable housing community. The project is currently going through a PUD Amendment that will change the original design to allow for more cost-effective construction and prepare the site to be solar ready for energy effeciency upgrades in the future. Alliance construction has priced the Schematic Design sets of our proposed changes which are included in the application. The Developer also had Alliance provide budgets for the original plans which the Developer is amending showing a hard cost savings of $2-$4 million dollars through the PUD amendments.

- Site Suitability:

Per the market study, the site is located in a newly developing neighborhood with most surrounding uses in good condition. The site has good proximity to area employment centers, services such as retail, outdoor recreational activities, health services and good accessibility to state highway 128. The site has no environmental hazards and is surrounded by newly constructed housing and commercial projects that are considered in good condition.

4. Underwriting Criteria Waiver Requests:

The sponsor has requested a cost basis override for the project based on current conditions. This letter has been provided to CHFA.

5. Market Study Issues:

Two major weaknesses that were flagged in our market study were amenities and walkability. The project was originally planned to be a For Sale product and lacks some of the traditional amenities that you might see in a multifamily project such as a gym, clubhouse, or pool. The project also offers unique amenities that you would not see in the majority of affordable housing apartment projects including attached garages in every unit, townhome style floorplans and washer/driers in every unit. This also factors into the walkability weakness that was outlined in the market study. With attached single car and two car garages in every unit, we are providing residents with additional storage and secured parking that you would not see in competitive multifamily projects in the area.

6. **Environmental Study Issues and Mitigation:**
   No Environmental Issues were flagged by the Phase I report.

7. **High Cost Discussion and Mitigations:**
   Broomfield and much of the front range deal with higher-than-average construction costs when compared to similar projects in Colorado. Due to these factors, and combined with record high inflation, the developer has requested a Cost-Basis Waiver for the project. To help mitigate these costs, the developer is pursuing PUD amendments that will help reduce the cost of the project and will include changes to roof structures, siding, balconies and other architectural design aspects to help mitigate costs while still delivering a quality product.

8. **Community Outreach, Opposition Description, and Local Support:**
   DevCo has met with the Broomfield Housing Alliance and obtained a letter of support to participate as a special limited partner if the project were to move forward. They expressed the significant need for affordable housing within the community. DevCo has also met with the Broomfield Planning department to discuss the amendments to the original design and the affordable housing nature of the project. The Developer is also working with the Planning Department to reduce impact fees that were associated with the project. Another part of this process was meeting with the neighbors to discuss the project. The Developer hosted this meeting on 5/11/23 and listened to the communities' feedback as a part of the design for the project.

9. **Promoting equity as well as economic mobility for residents**
   The Developer believes that the product type helps provide economic mobility to the residents by delivering a home that has enough space for their family's needs. They will have the space and storage to live comfortably within the community while paying between 30% and 70% less in rent compared to market rate projects in the area. The attached garages in each individual unit will allow residents to comfortably store their belongings and vehicles in a secure place within their home and help free up living space to feel comfortable. The access to highways provides easy access to downtown and other cities within the greater Denver area, allowing residents to work anywhere within the PMA or outside of it.

4% housing tax credit application narrative

Project Name: Sanctuary on Potomac

Project Address: TBD 1290 S. Potomac Street, Aurora, CO 80012

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

Sanctuary on Potomac incorporates the housing first model and trauma informed design to create permanent supportive housing with interiors that are protective, light-filled, and open. The 36,349 square foot building will also provide direct access to nature. The one-bedroom units will have central air conditioning, blinds, vinyl tile floors, a refrigerator, stove/oven, dishwasher, microwave, and be fully furnished. The four-story, two elevator building will feature a lobby and reception area, administrative offices, a community room, wellness room, and a safe courtyard. Twenty-seven spaces of surface parking will serve staff and visitors. The building will have limited access entries, surveillance cameras, and on-site security staff after hours.

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

The campus is in a commercial and medical corridor zoned MU-OI Mixed Use – Office/Institutional District allowing for residential uses as well as office, medical, institutional, and commercial. The Campus Master Site Plan was approved by Aurora's Planning Commission and the infrastructure site plan has been submitted to the City for permit approval. Sanctuary on Potomac's building permit/site plan has also been submitted to the City.

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

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

Aurora Housing Authority has dedicated 43 project-based vouchers to Potomac and anticipates all residents will have little or no income when moving in. To allow for longevity and income progression, the AMI targeting will include 33 units at 30% of AMI and 10 units at 50% of AMI. Robust services will be offered on-site. Aurora Mental Health and Recovery will provide clinical case management, and Aurora Housing Authority will provide housing stability case management through the Family Services department. Services will be paid for by a tenant services reserve funded with the 5% developer fee boost, Medicaid billed through Aurora Mental Health, and the Colorado Division of Housing Supportive Services funding.

Income Level	*Type of Unit*	*Unit Size (sq. ft.)*	*# of Units*	*Actual Rent per Unit*
30%	1 Bed 1 Bath Subsidized	492	33	$ 1,538
40%	1 Bed 1 Bath Subsidized	492	0	$ 1,538
50%	1 Bed 1 Bath Subsidized	492	10	$ 1,538
60%	1 Bed 1 Bath Subsidized	492	0	$ 1,538

Bond Financing: AHA anticipates needing $12.0 M in PAB for Sanctuary on Potomac. The City of Aurora has committed $15.0 M in bond cap to the Aurora Housing Authority. The construction loan will use this $12.0 M in PAB for a fully tax-exempt loan. Aurora Housing Authority will issue the bonds. We anticipate bonds will be purchased by First Bank as part of a Private Activity Bond Single Close Construction Financing loan transaction and that First Bank will provide permanent financing.

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

<u>Market Conditions</u>. The primary market area (PMA) for the subject's homeless units is equal to the city of Aurora. Aurora Mental Health and Recover will refer clients to Sanctuary on Potomac and in 2022, the agency identified over 4,400 clients needing housing. Sanctuary on Potomac and all other homeless units planned or under construction would have to capture a total of 13.1% of the income- and size-qualified homeless renter households in the PMA to attain full occupancy. The vacancy rate at the

permanent supportive housing developments was 4.4% in July 2023. The managers of PSH projects noted that vacancies are filled as fast as possible through the CES process or waitlist applicants, but tenant screening procedures can slow this process. The PSH property in the PMA had stable occupancy between 96% and 100% over the last year, while six PSH properties outside the PMA were steady at or near 100% or between 97% and 100%. According to the Point in Time Report 2023, Aurora had 572 people experiencing homelessness and 163 of these were unsheltered. One in four of these people is chronically homeless and 26% self-reported a mental health concern as a barrier to housing.

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

Project Readiness. Aurora Housing Authority has executed a purchase agreement with Aurora Mental Health and Recovery. The City understands the urgency of obtaining building permits for site infrastructure, and building permits for Sanctuary on Potomac. The Infrastructure Site Plan was submitted in June and approval is projected to occur in December of 2023. Construction of the infrastructure will be completed by Spring of 2024. With the support of the ARPA predevelopment funding, AHA has been able to move forward with project design and we have 50% Design Development drawings that were submitted to the City in July 2023 for site plan approval. The planning commission hearing date is projected for October 2023, and we anticipate obtaining final mylars by December.

Financial Feasibility. The success of PSH is dependent on three factors, the cost of construction of the building, funding and strength of services, and location suitability. Sanctuary on Potomac has all three. The project budget provides for the construction of the building, complete building furnishings, robust security features and staffing ratios that consider the realities of operating a building for formerly homeless persons suffering from mental illness. Sources include tax credit equity, a first mortgage, and funding supports from Colorado Division of Housing and City of Aurora. The Authority is prepared to support this development by deferring up to $1.4 M of its developer fee and by contributing up to $1.0 M of its own funds. The Authority also committed 43 project-based vouchers to the project to ensure a predictable income stream for the property and long-term stability for residents.

Operational staffing will be supplemented by housing stability and clinical case management. Funding for these positions will come from the $600,000 developer boost (5%), from Medicaid reimbursement billed by Aurora Mental Health and Recovery, and by support from the Colorado Division of Housing.

Track Record Development/Management Team. Our team is accomplished and ambitious in carrying out our mission. Our executive Director, Craig Maraschky, has led AHA for 15 years and has served in leadership roles with Housing Colorado and Colorado NAHRO. Craig was recognized as an outstanding legislative advocate by the National Association of Housing and Redevelopment Officials (NAHRO) in 2021. Dayna Ashley-Oehm leads a development team with six years at the agency. She is supported by a growing team of visionary problem solvers including Sarah Vogl, Martin Petrov, and Heidi Mitchell. Les Arney leads our finance team and for 15 years has ensured our Authority's financial success. Our property management team is led by Cindy Gonzalez, who has been with the agency for over a decade. Property maintenance is under the leadership of Steven Romero. Adding to our strength is the financial consulting of Mark Welch.

The agency has 172 new units under construction, and all are on track to be finished on time and within budget. This speaks to the leadership of the organization, its financial strength, and the capacity of its staff to respond to the growing need for housing in Aurora. AHA owns and manages 869 units of affordable housing in 11 properties. Of these, 215 new units were brought online in the last six years, and 68 were modernized through an extensive rehabilitation effort. AHA has worked closely with the City to implement its new Housing Strategy, and amend the zoning code/UDO to include concessions for affordable housing development.

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

Project costs. Sanctuary is made possible by the vision of Aurora Mental Health and Recovery to include permanent supportive housing on site. After many discussions with City planning staff about the placement of the housing on the campus, street orientation at the front of the site was required for approval. The orientation of the housing was designed so as not to obscure the Crisis Center. This limited the overall size of the available parcel, and a maximum of 43 units was creatively designed with Davis Partnership Architects. Because of the small number of units, the overall cost per unit is high. We are not able to provide economies of scale at this location, but we do have institutional support both from the City and from Aurora Mental Health for the creation of this sometimes controversial housing form.

Though costs per unit are high, our confidence in our budgeted construction costs of $14,085,959 is also high due to the fact our general contractor, Denueve Construction, has priced a 50% Design Development set of architectural drawings with input from subs.

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

Waive Underwriting Criteria. AHA is requesting that Sanctuary on Potomac be exempted from the cost basis limit calculation. In this particular application, we have actual costs based on 50% DD drawings and third-party estimates from Deneuve Construction. The overall project is small, 43 one-bedroom units, designed for a client/resident flow from Aurora Mental Health and Recovery that has identified 4,400 unhoused clients most of which are single, male persons. This design alone can be expected to produce a higher average per unit cost than the typical LIHTC project, due primarily to costs that are not driven by unit size, including architecture, engineering, financing, legal services, title work, and reserves. While CHFA updates its Basis Limit test each year, the Basis Limit test for all size BR units rose 5.25% between 2022 and 2023, regardless of unit size. This system significantly benefits projects with larger size units, which this project does not have.

Market/Parking Study Findings. The market study confirmed that homelessness is increasing in Aurora, that the community has a small inventory of PSH units, and that this development should be able to lease up in two months and, once leased, maintain a stabilized occupancy rate of 97%, and a yearly turnover rate of 15%. We are requesting that the City of Aurora reduce that parking requirements for this site. To support this ask, we have a parking study that supports a parking demand of 22 spaces. Our site can accommodate 27 spaces within our parcel. If necessary, we will negotiate a shared parking agreement with Aurora Mental Health for additional parking on the campus.

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

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

Community Outreach. As we are working in partnership with Aurora Mental Health and Recovery, we participated in the Planning Commission approval process for the master site plan. That process required outreach to adjoining neighbors and a public comment process. Planning Commission approved the master site plan on March 22, 2023, and minimal public opposition to the plan was registered.

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

4% housing tax credit application narrative

Project Name: Sheridan Station East (Phase II)

Project Address: 1080 N Ames Street, Denver, Colorado

Brinshore Development, LLC presents Sheridan Station East, a second-phase Transit Oriented Development (TOD) that will provide 104 units of permanently affordable rental housing for families located in Denver near the intersection of West 10th Avenue and Sheridan Boulevard (the "Project"). As an 8-story high-rise urban infill development, Sheridan Station East will maximize density within 0.1 mile from RTD's Sheridan Station light rail station with over 266 units per acre, while also responding to the strong demand and current 90-household waiting list at the adjacent Sheridan Station Apartments ("Sheridan Phase I") which Brinshore jointly completed in 2021. The Project will include 62 one-bedroom units, 28 two-bedroom units and 14 three-bedroom units and serve families earning up to 30% - 80% of Area Median Income (AMI).

The project is located in western Denver in the Sheridan Station "node" which includes RTD's W-Line Sheridan Station light rail station, RTD's parking garage and Sheridan Phase I. The development of Sheridan Station East will realize Urban Land Conservancy's original vision for this TOD and multimodal node. The site was purchased by the Urban Land Conservancy ("ULC") in 2014 to be developed as affordable housing in a TOD location. Located in a Qualified Census Tract (QCT), the site is 0.39 acres and is currently an unused lot. Allowable density for the site is 8-stories or 110 feet and the Project is maximizing this density to offer 104 units. The Project will have twelve units (12%) for residents at or below 30% AMI, 17 units (16%) at 40% AMI, 37 units (36%) at 50% AMI, 22 units (21%) at 70% AMI, and 16 units (15%) at 80% AMI.

Unit amenities include central air conditioning, carpet and vinyl tile flooring, an in-unit washer and dryer, blinds, a refrigerator, stove/oven, garbage disposal, dishwasher and microwave. Project amenities include a community room, fitness room, on-site management, indoor bicycle storage and a lobby seating/gathering area. Safety and security features of the Project include an intercom and buzzer, limited access entries, and security cameras.

Sheridan Station East will be a new high-rise infill building with 17 parking spaces located on site and 40 parking spaces available to residents within the adjacent RTD parking garage through an exclusive sublease for Sheridan Station Phases I and II. All 57 parking spaces will be free of charge. In order to maximize density in this TOD location and build to 8 stories, the building will be non-combustible construction with an all-concrete structure and load bearing metal studs. The Project will have drilled piers as the foundation. Residents will enter the building lobby on the north end of the site which opens onto a plaza connecting to the Lakewood Dry Gulch trail and RTD station or through the garage into the building lobby to utilize two elevators to access floors 2 through 8. In addition, there will be two main stairwells for circulation on the north and south ends of the building. Due to the slope of the site, level two sits at ground level on the south side of the site. Sheridan Station East is designed to meet National Green Building Standard Bronze Certification level.

Adjacency to a commuter rail station will improve economic mobility by allowing residents to easily access jobs and cultural resources in downtown Denver the entire metro area through the Project's location 0.1 mile from light rail and two bus routes. The W line can connect residents east to downtown Denver and west to the JeffCo Government-Golden Station, while the 51 bus line along Sheridan Blvd can connect residents north to the US 36 & Sheridan Flatiron Flyer route and south to the Englewood D line light rail station. Residents will be provided with free NECO passes so that they can utilize public transit whenever needed at no cost.

The proposed Project financing will consist of 4% Federal LIHTC equity, Colorado State Tax Credit equity, a first mortgage, soft funds from the Colorado Division of Housing (CDOH), Denver's Department of Housing Stability and CHFA, and deferred developer fee. The Project will partner with the Denver Housing Authority as a Special Limited Partner for exemption from state sales/use taxes and property taxes.

Sheridan Station East was previously submitted in 2018 as a 9% project. The development team has responded to CHFA's feedback in 2018 and through a 2020 concept meeting and is pleased to resubmit in this 2023 4% and state tax credit round addressing CHFA's feedback:

- Sheridan Phase I opened and fully leased up in 2021 and currently has a 90-household waiting list.
- In response to Denver's strong need for quality affordable housing at a variety of income levels, the team reanalyzed the building design and increased the project size from 50 to 104 units moving from a wood frame to a concrete and steel structure to fully maximize density in this TOD location.
- The Project's unit mix of 62 one-bedroom units, 28 two-bedroom units and 14 three-bedroom units directly responds to the current Sheridan Phase I waiting list which as of July 2023 included 61 households waiting for one-bedroom units, 14 households waiting for two-bedroom units, and 15 households waiting for three-bedroom units.
- The development team tracked the previous residence of Sheridan Phase I households and confirmed that residents moved across the metro and out of state to their new apartment homes. Notably, only 20% of residents moved from within the Primary Market Area.
- The development team analyzed parking demand among Sheridan Phase I residents to appropriately size parking for Sheridan Station East.

Sheridan Station East will fulfill ULC and its partners' vision to redevelop this 10th and Sheridan node into a thriving multimodal hub offering quality affordable housing and economic mobility to its residents.

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

The project financial structure anticipates that the bonds will be issued by CHFA for a CHFA-bond financed permanent loan. There will be $27,000,000 of bonds issued for the construction period and upon conversion, $16,410,000 will be retired for a permanent bond amount of $10,590,000. It is anticipated that $24,724,469 of bonds will be tax exempt with the balance as a taxable bond.

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

- Projects serving Persons experiencing Homelessness (Section 5.B 5)
- Projects serving Special Populations (Section 5.B 5)
- Projects in non-metro counties with a population of 180,000 or fewer (Section 5.B.3.b.)

The Project does not directly respond to these priorities.

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

- **Market conditions**

The Project has been designed with lower (30, 40, 50%) and higher (70, 80%) AMI levels to benefit segments of the population that have been underserved by the LIHTC program in general and in the Project's Primary Market Area (PMA) in particular. The project has low capture rates across all AMI levels with an overall capture rate of 15.2%.

- **Proximity to existing tax credit developments**

Sheridan Station East is the second phase to Sheridan Phase I which opened in 2021. The Project utilizes income averaging and will not include 60% AMI units to avoid direct competition with Phase I. Currently, Sheridan Station Phase I has a 90-household waiting list confirming demand for the Project.

- **Project readiness**

Sheridan Station East demonstrates strong readiness to proceed with significant milestones already achieved. The site is owned by ULC and ULC will lease the site to Brinshore pursuant to a long-term ground lease. The site is zoned C-MX-8 which allows affordable rental housing as a use by right. The proposed building is 8 stories which will maximizes the building size while remaining under the height restriction of 110 feet. A new Phase 1 Environmental assessment has been completed and there are no areas of environmental concern at the site.

- **Overall financial feasibility and viability**

Based upon Brinshore's recent experience Sheridan Phase I and Capitol Square projects and our significant experience in the capital markets over the past 29 years and more that 90 successful LIHTC projects developed, several sources of potential project funding have been identified, and preliminary discussions have been held with potential participants, including CHFA's Multifamily Lending team, several commercial banks and several tax credit investment firms. Based on these discussions and a detailed review of our financial projections as presented in the application, we believe the combined sources outlined in the table are sufficient to meet the project's expected costs. While the maximum state credit amount and an underwriting cost waiver is needed for the Project to be financially feasible, these units are greatly needed and will remain permanently affordable due to the ground lease from ULC.

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

Founded in 1994, Brinshore Development, LLC is a private firm specializing in the development of mixed-income housing. Brinshore is one of the nation's largest and most successful development firms in the affordable housing market. To date, Brinshore has completed over 90 projects, comprised of approximately 10,000 apartments and homes valued at more than $1.5 billion, including two Colorado projects.

ULC is a nonprofit organization that acquires, develops, preserves and manages real estate in metro-Denver for community benefit. In its 20 years of existence, ULC has created affordable workspace for 60 nonprofit organizations and 1,300 units of affordable housing. Property management will be provided by ComCap Management, an experienced and well-known local firm in both the LIHTC development and property management space. ComCap currently manages Brinshore's Sheridan Station I and Capitol Square buildings.

- **Project costs**

The Project's construction costs have been developed using current, local data generated by Alliance Construction Solutions, an experienced LIHTC contractor, and confirmed by DAE Group, an experienced LIHTC cost estimator. Alliance built Sheridan Phase I and has extensive knowledge of the site conditions. The Project's soft costs have been informed by Brinshore's recent development budgets and the operating budget has been informed by Brinshore and ComCap's comparable properties.

- **Site suitability**

The Project site was acquired by ULC specifically to create an affordable housing community in this TOD location. Sheridan Phase I has demonstrated strong demand for affordable housing in this centrally located and well-connected location within the Denver metro.

4. Describe any requests to waive underwriting criteria (if requesting). Please see the preliminary checklist for additional narrative requirements for justification of the waiver.

The development team believes this is an impactful location and a critical time to fully maximize density. We therefore appreciate CHFA's consideration of a waiver request for underwriting criteria in order to unlock this site for high-rise development. Because of Sheridan Station East's urban infill location and the team's goal to maximize density in a TOD location, project will require a waiver to exceed the cost basis limit per unit and utilize the Qualified Basis Calculation for the federal 4% credit in lieu of the Cost Basis Calculation. The Qualified Basis Calculation generates $2,334,726 in annual tax credits and approximately $21,008,331 in federal LIHTC equity for the project. This higher tax credit equity unlocks the financial feasibility of this 8-story high-rise infill building and allows the development team to deliver 104 affordable units.

Because of the nature of this construction type, the project exceeds the cost basis limit per unit. The following factors are driving higher costs on this high-rise project compared to wood-frame or other building types typically seen in affordable housing construction:

- Drilled pier foundations required instead of typical spread footings in smaller buildings.
- Tower crane required for 8-story building.
- All-concrete and load bearing metal stud building structure. This is more costly than standard wood frame or podium plus wood frame. Concrete core walls are required to help with the shear in the load bearing metal stud system. Typical projects use CMU or wood cores which are less expensive.
- The load bearing metal studs require that all non-load bearing walls also be metal stud. Typical affordable project would have all wood walls.
- Because this is a high rise with higher wind loads, we are using a more robust vinyl window and will also require a material hoist. These would not be required on 4 or 5 story projects.
- This building will require a fire pump. Most lower density affordable projects do not require this.
- The high-rise building type requires smoke evacuation and stair pressurization systems to meet fire code. The project will have an upgraded fire alarm system with a fire command center. Typical smaller affordable housing projects buildings do not have these.

- A generator and lighting protection systems are included which increases project resiliency, however these are not typically used on smaller buildings.
- The slope and tight nature of this urban infill site requires shoring on parts of level 1 and an underground detention system. These are not typically used on less-dense affordable projects.

Brinshore and its team believe that it is important to maximize allowable density in this TOD location adjacent to a light rail station and Sheridan Phase I to meet the growing need for affordable housing in Denver. The following tables shows the project sources utilizing the qualified basis calculation:

State equity	4,818,000
Federal equity	21,008,331
Perm Loan	10,590,000
CDOH	5,000,000
Denver HOST	4,250,000
CHFA HOF	500,000
Deferred Fee	1,440,104
Total Sources	**47,606,435**
Total Uses	**47,606,435**

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

None raised.

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

None raised.

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

Please see the list included above in question 4. The team has worked to incorporate value engineering in the up-front design and cost estimate and will continue to seek opportunities to realize cost containment throughout the project.

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

The development team will be reinitiating outreach previously done for Phase I with area neighborhood groups including Villa Park and WECAN (West Colfax Association of Neighbors). The development team has strong support from the City of Denver and its Department of Housing Stability has provided an LOI included in Section 7.

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

Adjacency to multimodal transit promotes equity and economic mobility by allowing residents to easily access jobs and resources in downtown Denver the entire metro area. Residents will be provided with free NECO passes so that they can utilize public transit whenever needed at no cost.

4% housing tax credit application narrative

Project Name: *Village at Homewood Point – Phase II*

Project Address: *903 E. Colorado Ave. Colorado Springs, 80903*

The Narrative provides an opportunity for the applicant to describe the characteristics of the project and why the applicant believes it should be selected above others for an award of credit. The applicant should document the project's strengths and address its weaknesses.

This document should be no more than five pages.

The narrative should address the following in a one-page Executive Summary addressing CHFA's Guiding Principles and how the project will promote equity and economic mobility for residents and their communities. See Section 2 of the Qualified Allocation Plan (QAP) for more details:

- Location and allowable density, including if the project is in a QCT/DDA/SADDA;
- Population being served; bedroom mix;
- AMI targeting;
- Unit and project amenities;
- Detail type of construction (including foundation type, framing, roofing, building skin, circulation, stairs, elevator(s), etc.);
- Access to public transportation within one-half mile of site and job centers (if applicable) and how it promotes opportunities for economic mobility;
- Type of services and how they are financed (if applicable);
- Description of energy efficiencies (if applicable, include advanced energy performance standards and certification tier);
- Type of financing; local, state, and federal subsidies; etc.
- What, if anything has changed since previous application (if applicable);
- If the project is serving Persons experiencing Homelessness or Special Populations, describe how the proposal follows best practices (trauma-informed design, funding for services, experience, etc.).

The proposed project is for the construction of the second phase of the Village at Homewood Point Apartments, adding 83 new, affordable apartments for independent seniors, located adjacent to the existing first phase.

Village at Homewood Point II is located in a QCT, directly west of the existing first phase, Village at Homewood Point, at the corner of East Pikes Peak Ave. and South Institute St. The site is one of the few remaining development sites near Downtown, providing residents with many opportunities for employment, services and entertainment. Memorial Park is less than a half-mile walk from the apartments and includes amenities such as tennis courts, bike and walking paths, Prospect Lake, picnic areas and others. There is a bus stop on the corner of Pikes Peak Avenue and Institute Street, a short walk from the site. The site is 2.2 miles away from a Park 'N Ride facility that provides transportation throughout Colorado Springs. The project is also located within a Mountain Metro Mobility zone, so that public transportation will be available at the front door of the property. The Access-a-Ride program, which provides door-to-door transportation for people with disabilities, is also available.

The site is currently zoned MX-M CR, defined as mixed-use medium scale. This type of zoning is meant to accommodate the development of new activity centers, including multi-family. The allowable density is 54 units per acre.

Village at Homewood Point II will be a community for independent seniors. The bedroom mix will be 50 one-bedroom, one-bathroom apartments and 33 two-bedroom, one-bathroom apartments. The proposed AMI mix would be 4 units at the 40% AMI level, 15 units at the 50% AMI level, and 64 units at the 60% AMI level.

The building will be a four-story, elevator-served structure, with interior corridors, restricted entry, large lobby and lounge area, community kitchen, manager's office, mail kiosk, and public restrooms. Also provided are a common laundry area for oversized items, computer room with provided computers and printer, a library, media room, craft/game room, exercise room with provided equipment, and a private dining room that can be reserved free of charge, by individual residents. Free wi-fi connections will also be provided. Exterior amenities include seating areas, benches and walking paths.

Individual unit amenities will include vestibule entries, nine-foot-high ceilings, provided washers and dryers in each residence, walk-in closets in the 2-bedroom apartments, cable television hookups and a private balcony or patio. Apartments will also include an energy star rated, full appliance package, including a self-cleaning oven, dishwasher, frost-free refrigerator and garbage disposal.

Project construction will be wood-frame on a post-tension foundation system. Exterior materials will include hardboard siding and brick veneer. The roofing material will be asphalt and solar shingles. The design of the proposed project will match the existing Phase I building, so that when completed, the project will have the appearance of a single development, rather than a project that was developed in separate phases. Landscaping will be extensive in accordance with City of Colorado Springs specifications. The project will be designed to meet all required local, state and federal guidelines for accessibility. There are two elevators on the project and the gross building square footage is 90,402. The proposed project will be designed and constructed in conformance with EGC 2020 standards and will be constructed to be "electrification ready." A solar PV system will be integrated into the roof with solar shingles. This will reduce the overall utility costs of the completed property. EV ready parking spaces will also be included.

The project will be 100% owned and co-developed by the Colorado Springs Housing Authority, with the co-developer, MJT Properties, Inc., who will provide all guarantees. The project will be financed through several different sources including the sale Private Activity Bonds, State Tax Credits, Solar Tax credits, an El Paso County HTF loan, a HOME grant from City of Colorado Springs, a permanent loan from CHFA, and a deferred developer fee note. The local contributions to the project show the dedication to the importance of the project to the local community.

Upon receiving the feedback from CHFA over the first two application submittals, this project has been consolidated into one phase instead of two phases and we have added apartments in the 40% (4) and 50% (15) AMI levels.

1. Describe the bond financing structure and include the following:
    - Total amount of bonds with a breakout of construction period bonds vs. permanent bonds
        - *Total bonds: $26,690,000; Construction period bonds: $20,000,000; Permanent bonds: $6,690,000*
    - Bond issuer and volume cap provider (please specify whether you are seeking CHFA bond-financed loan(s), CHFA conduit bond issuance only, or if bonds will be issued by a local issuer other than CHFA)
        - *We are seeking a CHFA bond financed loan*
    - Lender and bond sale structure (public sale/private placement, takeout, securitization, etc.)
        - *Private placement*
    - Portion of bonds that will be tax-exempt and taxable
        - *Tax exempt bonds: $17,620,000; Taxable bonds: $0*

2. Identify which, if any, of the priorities in Section 2 of the QAP:
    - Projects serving Persons experiencing Homelessness as defined in Section 5.B 5
    - Projects serving Special Populations as defined in Section 5.B 5
    - Projects in non-metro counties with a population of 180,000 or fewer (must meet requirements of Section 5.B.3.b.)

The proposed project may not meet a strict interpretation of these principles; however, the project will serve low-income, independent seniors who have extremely limited housing options and face growing demand for the few housing options available, due to a rapidly aging U.S. population.

The project will target low to mid AMI levels and will have services and amenities designed for senior populations. We do this by creating amenities that benefit different aspects of a senior's health such as fitness center, games and craft rooms, places for enjoyable social connection, library and outdoor walking paths. Additionally, we hire quality staff that are knowledgeable about community resources and provide daily social activities for all to enjoy.

3. Describe how the project meets the criteria for approval in Section 2 of the QAP:
    - Market conditions
    - Proximity to existing tax credit developments
    - Project readiness
    - Overall financial feasibility and viability
    - Experience and track record of the development and management team
    - Project costs
    - Site suitability

The market conditions are excellent for the proposed project. There is high market demand, especially for a location near downtown. A recent market study rated the overall marketability for this project as "excellent." The proposed amenities and finishes have been described as comparable to superior to other comparable properties in the market area. The project would be one of three proposed senior LIHTC developments for the subject area. The two other proposed senior LIHTC properties had less desirable locations and would complete their lease up before the completion of construction and therefore would not compete with Village at Homewood Point – Phase II.

The project is ready to move forward if awarded in 2023. The site is owned by the Colorado Springs Housing Authority and properly zoned for multifamily housing. There has already been a general *contractor selected, Shaw Builders, LLC, and they have provided construction pricing for the project. Despite the large increase in material and construction costs, with approved financing, the project remains viable. The Development Plan and drainage report were approved by the Planning Department in February 2023.*

National Equity Fund has submitted a letter of interest to be the investor for the project, if an award is received. We have received a letter of support from each the Colorado Division of Housing, the City and the County, and each are expecting our application for the use of HOME and other soft funds on this project. CHFA is providing an LOI to be the construction and permanent lender.

The project will be co-developed by the Colorado Springs Housing Authority, who will retain 100% ownership of the property throughout the development process. The other co-developer is MJT Properties, Inc. who has been developing affordable housing across the front range for the last 30 years. The property manager will be the Colorado Springs Housing Authority who currently manages several properties in Colorado Springs. MJT Properties, Inc. will be contracted to provide all compliance related needs of the project ensuring that all compliance review, approval and reporting requirements are met.

4. Describe any requests to waive underwriting criteria (if requesting). Please see the preliminary checklist for additional narrative requirements for justification of the waiver.

A waiver was requested to override the Cost Basis Calculation of Tax Credits. As this is a Senior property, 60% of the apartments are one-bedroom apartments and this has a negative impact on the cost basis calculation of tax credits. An approval was granted on June 28, 2023, to override the Cost Basis Calculation and use the next lowest method, which is the Qualified Basis Calculation.

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

There were no issues or weakness raised in the market study analysis.

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

A Phase I Environmental Site Assessment (ESA) was completed in February 2021 by Landmark Environmental, Inc. (Landmark). It was updated in November 2021 and again in July 2023. The ESA in July confirmed that there is no evidence of recognized environmental conditions (RECs). There was one historical REC (HREC) on the property, however there is evidence that proper remediation work occurred at the northwest corner of the property in response to a jet fuel spill. The release incident occurred during the removal of an approximately 5,200-gallon aboveground storage tank (AST) for jet fuel located on the northwest side of the subject property. The ESA reports, "The contaminated soil area was remediated with approximately one foot of material excavated around the concrete pad where this fuel AST had been situated. The Colorado Department of Labor and Employment (CDLE) Division of Oil and Gas (OPS) issued a closure for this historical spill event and the associated remediation efforts on November 12, 2008. The issuance of a No Further Action (NFA) closure letter by OPS indicates that the petroleum hydrocarbons contamination was removed to the satisfaction of the state regulatory authority."

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

There are no unusual features of the site or the development plan that are increasing costs. The project will be built "electric-ready," so any future costs to retrofit will be minimal. The project will be certified as an Enterprise Green Community building and will have solar shingles to reduce electricity costs in the *common areas and staff office. The general contractor, Shaw Builders, LLC, has been constructing properties for MJT Properties, Inc. for over 15 years, so there is an understanding and methodology to ensure that efficiencies are maximized in design, development and construction practices.*

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

The project is being co-developed by the Colorado Springs Housing Authority (CSHA), who will be the 100% interest owner. CSHA has extensive knowledge of the housing needs in Colorado Springs. They believe this project will be well received by the community and fills an important housing need. The project has received letters of support from the City's Community Development Division, El Paso County Housing Authority, the Downtown Partnership, and the Mayor.

Members of the development team also have had pre-application meetings with the City of Colorado Springs, to ensure that all code requirements are followed during development. There has been no opposition to the project, and it was viewed as very positive for the neighborhood and the City. Steve Posey of the Community Development Division stated, "The Community Development Division fully supports this project. Opportunities to develop affordable, senior housing on a site near downtown with convenient access to nearby medical facilities, recreational opportunities and shopping for basic needs don't come along often."

A notice of development for the project was posted at the site in May 2021 and received minimal comment. Two neighbors had questions about the impact of the project. One neighbor reported being concerned about trash trucks and heavy machinery coming down the alley, her view to the north being blocked, lighting in the alley, and increased crime. Upon review, the alley will not be used for trash pickup and will not have access to the property. There will be a 6' privacy fence installed, as per Colorado Springs code. Lighting will be added to the project site, but per city code will not impact adjacent properties. The property will be managed by an experienced property management company and will be constructed with restricted-access entries. Because of the senior-only occupancy at the property, there will not be an increase in crime in the area.

Another neighbor reported concerns about the population increase and lack of retail and services. As you can see from the market study, there are grocery stores and retail within an accessible radius to the site. For the last 18 years the property has been designated to be used for multifamily development. In fact, the site was previously approved by the City Planning Department. The developer's current process with the City is simply to update the previous Development Plans. No change of use is being proposed. We also believe giving low-income seniors access to housing so close to downtown bus lines and the nearby services will have a positive impact on the community. City Staff is supportive of the proposed project.

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

The number of seniors is fast growing in the United States, the limited housing choices, costs of housing, and lack of savings has prevented seniors from the security of finding homes where they can be close to family, live affordably, and age out independently. It is important for Senior communities to be close to resources, recreation, and social opportunities. The current development in downtown Colorado Springs is all market rate families, pushing seniors further and further away from important resources. This project is proposed to be right outside of downtown, within half a mile to a park and will preserve highly sought after land for independent senior, affordable apartments.