STATE OF COLORADO

DIVISION OF HOUSING

Kathi Williams, Director

STATE HOUSING BOARD MEETING
Centennial Building
1313 Sherman St., Denver, CO, Room 318
Tuesday, January 8, 2008

AGENDA

1:00 p.m.	Convene SHB Meeting - Approval of Minutes	Suzanne Anarde
	Director's Comments	Kathi Williams

Application Presentations

Time	Project #	Project Name and Applicant	Presenters
1:15 p.m.	08-018	Monte Vista Community Center Housing Authority Sierra Vista Apartments Acquisition	Richard Gomez & Alonzo Espinoza Jr.
1:30 p.m.	08-024	Rocky Mountain Housing Development Corporation - The Cornerstone Apartments	Joyce Alms Ransford
1:45 p.m.	08-028	Englewood Housing Authority - Terraces on Pennsylvania	Dawn Shepherd

Approval Process

2:00 p.m. 08-018 08-024 08-028

Other Business

2:15 p.m. Affordability Policy Mary Miller

Reasonable accommodation will be provided upon request for persons with disabilities. If you are a person with a disability who requires an accommodation to participate in this public meeting, please notify Trang Van at (303) 866-5657 by January 7, 2008.

cc: **Susan Kirkpatrick** **CHATS** **Teresa Duran** **Kathi Williams**
Rick Hanger **Lynn Shine** **Steve Bernia** **State Housing Board Members**

STATE HOUSING BOARD MINUTES
Colorado Division of Housing
1313 Sherman St., Denver, CO, Room 318
Tuesday, December 11, 2007

BOARD MEMBERS PRESENT – Theo Gregory, Sally Hatcher, Jack Kelly, Gene Lucero; Suzanne Anarde and Karen Weitkunat by telephone.

BOARD MEMBERS ABSENT: Mike Rosser

DOH STAFF PRESENT – Kathi Williams, Teresa Duran, Rick Hanger, Stephanie Morey, Shannon Picaso, Robert Thompson, Antoinette Estrada, Bill Whaley, Becky Murray, Denise Selders, Ann Watts, Robert Thompson, Trang Van

CALL TO ORDER – The meeting was called to order by Theo Gregory at 2:00 p.m.

APPROVAL OF MINUTES: Minutes of the November 2007 meeting were approved as amended.

DIRECTOR'S COMMENTS:

Yesterday was the Division of Housing's presentation before the Joint Budget Committee. The Joint Budget Committee indicated that once it came time for figure setting, they will be putting more money into DOH. However, we don't know exactly what that amount will be. We are in the process of giving them a pipeline of projects that we can use the funds for if in fact we have additional funding.

There are four bills that will concern the Division of Housing that will be before the legislature next year. One is to create a housing investment fund using the flow off of the title insurance beneficiary fund. The second bill will be a landlord tenant bill with warranty if hability is the issue. In the third bill, the County Treasures Association along with Manufactured Housing Association would like DOH to start being a clearing house for titles for manufactured housing and want us to take a certification program for installers of manufactured housing. The other bills will probably concern the DOH but are not bills that we will be taking a position on. A senator out of Northern Colorado wants to present a bill to take away prohibition on rent control and allow local government to decide on rent control. The Housing Investment Fund Coalition wants to present a preferred measure for the ballot to take away prohibition against a real estate transfer tax.

APPLICATIONS REVIEWED IN DECEMBER:

Name: Emergency Family Assistance Agency (EFAA) **Project Number: 06-074**

Project Manager & Address: Terry Benjamin, Executive Director
Emergency Family Assistance Agency (EFAA)
900 Arapahoe
Boulder, CO 80302
Work: (303) 442-3042 x15
Fax: (303) 442-3946
terry@efaa.org
www.efaa.org

Project Address: NW corner of 16th & Yarmouth, City of Boulder
Project Description: Emergency Family Assistance Agency (EFAA) is requesting a grant of $70,000 to

build seven (7) transitional housing units in North Boulder. The units will be part of EFAA's new office building, with separate entrances. EFAA is selling its existing office building, and will put virtually all of the proceeds into the new building. The existing office has no housing on site, so these are 7 new units. The new site is next to the Holiday Neighborhood and is very close to services such as bus lines, groceries, retail, banks, churches, etc. There will be 2 one-bedroom units, 3 two-bedrooms and 2 three bedroom/two bath units, all affordable at 30% AMI. The following budget does not include the cost of the office portion of the building, or of the solar hot water & photovoltaic systems that EFAA hopes to install eventually.

Staff Recommendation: Full Funding **Date of Meeting:** December 11, 2007

Anarde	Full Funding as amended	Hatcher	Full Funding as amended
Gregory	Full Funding as amended	Lucero	Full Funding as amended
Rosser	absent	Weitkunat	Full Funding as amended
Kelly	Full Funding as amended		

The Board approved full funding for this project as amended that if additional funding is available to DOH than the funding can be up to $112,000.

Name: Housing Solutions for the Southwest (HSS) **Project Number: 08-016**

Project Manager & Address: Kim Welty, Executive Director
295 Girard St.
Durango, CO 81303
(970) 259-1086
Fax (970) 259-2037
kwelty@swhousingsolutions.com

Project Description: HSS is requesting a $130,300 grant to fund salary, benefits and overhead for the rehabilitation program. This is a continuing program for this agency, which uses RLF funds to make loans for single-family owner-occupied rehabilitation in Archuleta, Dolores, La Plata, Montezuma, and San Juan Counties. San Juan County will sponsor pass through of CDBG funds. HSS has completed 11 rehab jobs in the last year with 4 others nearing completion, and proposes to complete 16 rehab jobs for the coming year.

Staff Recommendation: Full funding **Date of Meeting:** December 11, 2007

Anarde	Full Funding	Lucero	Full funding
Gregory	Full funding	Rosser	absent
Hatcher	Full funding	Weitkunat	Full funding
Kelly	Full funding		

The Board approved full funding for this project.

Name: Housing Authority of the City of Pueblo **Project Number: 08-027**
Ashwood Senior Apartments

Project Manager & Address: Frank Pacheco, Executive Director
1414 North Santa Fe Drive
Pueblo, CO 81003
(719) 584-7627
Fax (719) 240-9822
fdpacheco@hapueblo.com

Project Address: Mildred Place and East 21st Avenue, Pueblo

Project Description: The Housing Authority of the City of Pueblo (HAP) requests a $300,000 grant for the construction of the Ashwood Senior Apartments in Pueblo, Colorado. This project consists of five (5) one-story structures that will provide a total of twenty-five (25) apartments for independent seniors. This project will be 100% visitable (adaptable) and will contain three (3) fully accessible units. These grant funds will be loaned by the Housing Authority of the City of Pueblo to Pueblo Fenix, Inc. as the General Partner in this 9% Low-Income Housing Tax Credit project. This site is near shopping, a post office, a library, and public transportation.

Staff Recommendation: Full Funding **Date of Meeting:** December 11, 2007

Kelly	Full funding	Anarde	Full funding
Hatcher	Full funding	Lucero	Full funding
Rosser	Absent	Weitkunat	Full funding
Gregory	Full funding		

The Board approved full funding for this project.

Name: Larimer County Home Ownership Program Down Payment Assistance (DPA) **Project Number: 08-031**

Project Manager & Address:

Nina Baumgartner
CDBG Program Manager
Larimer County HHS Division
1525 Blue Spruce Drive
Fort Collins, CO 80524
(970) 498-6875
(970) 498-6845 Fax
nbaumgartner@larimer.org

Amy Irwin
Home Ownership Program Manager
Housing Authority of Loveland
375 W. 37th St. Suite 200
Loveland, CO 80538
(970) 635-5931
(970) 278-9904 Fax
airwi@lovelandhsg.org

Project Description: Larimer County is requesting a grant for an additional $175,000 on behalf of the Larimer Home Ownership Program (LHOP), which is operated by the Housing Authority of the City of Loveland (HACOL), in continuance of their existing down payment assistance program. These grant funds will be used to provide 17 new low-interest loans to assist first-time buyers in the purchase of homes. In April of 2007, LHOP received a grant for $200,000 to fund 19 new loans and program administration costs for an additional 16 loans from program income. Due to increased demand for this program in the past 6 months, it is estimated that all currently available loan funds will be disbursed by February of 2008. This request for $175,000 will allow for the continuation of this program until the expiration date of the current contract in June of 2008. No new Program Administration funds are being requested.

Staff Recommendation: Full Funding **Date of Meeting:** December 11, 2007

Anarde	Full Funding	Rosser	Absent
Gregory	Full funding	Lucero	Full funding
Hatcher	Full funding	Weitkunat	Full funding
Kelly	Full funding		

The Board approved full funding for this project

Name: Englewood Housing Authority **Project Number: 08-028**
Terraces on Pennsylvania

Project Manager & Address: Dawn Shepherd, Executive Director
3460 S. Sherman Street #101
Englewood, CO 80113
(303) 317-6700
(303) 781-5503
dshepherd@englewoodhousing.org

Project Address: 3566, 3578, 3587, 3597 S. Pennsylvania Street
Project Description: The Englewood Housing Authority requests a $300,000 grant to pay off a bridge loan for the construction of the Terraces on Pennsylvania Senior Apartments in Arapahoe County. The 62 units will serve independent senior households (62 and over) at 40% and 50% of AMI. The project will have one, five-story elevator structure that will include 40 one-bedroom units and 22 two-bedroom units equipped with a washer and dryer. The building will include 39 ground level parking spaces, storage units, a community room with a kitchen, an exercise facility, outdoor terraces and a garden area. The project needed a bridge loan due to the following unforeseen costs which included: city use taxes, a fire pump, alley paving, floor drains under washers and dryers and window awnings (solar shading). In addition, the foundation design had to be changed as a result of soft soils and a high water table creating an increase in costs to build drains around the entire perimeter of the building. The units are located close in proximity to shopping, RTD public transportation, churches, Englewood City Hall and other government services, Englewood Civic Center and two blocks south of Swedish Medical Center.

Staff Recommendation: Partial Funding of $180,000 for sunshades, fire pump, floor drains under washers and dryers and alley paving.

Date of Meeting: December 11, 2007

Anarde	Partial Funding per Staff recommendation	Rosser	Absent
Gregory	Partial Funding per Staff recommendation	Lucero	Partial Funding per Staff recommendation
Hatcher	Partial Funding per Staff recommendation	Weitkunat	Partial Funding per Staff recommendation
Kelly	Partial Funding per Staff recommendation		

The Board approved partial funding for this project per staff recommendation. However, the Board has advised Englewood Housing Authority to try and seek funds through other means. If additional funds are not satisfied elsewhere, come back to the SHB in January to determine whether more funds will be granted to this project.

OTHER BUSINESS:

Community Relations Update

- Despite having one more quarter to go for 2007, we have already surpassed the foreclosure sales from 2006 by 3,913.
- Statewide there was 1 foreclosure filing per 64 households during the period from January – September 2007.
- The high vacancy rates in various counties cause concern for new projects that are being developed in those areas and are funded by DOH.
- The period between a foreclosure filing and a foreclosure sale has been extended.
    - People who file for foreclosure have approximately 60 days plus another 75 days to try and pay the amount in which they're delinquent before the property goes for sale.
- The Foreclosure Hotline has been receiving large volumes of calls after the airing the Foreclosure Hotline information on Channel 9.
    - The Foreclosure Hotline has helped thousands of people since it started in October 2006.
        - Unfortunately those who we aren't able to help include:
            - The people that have waited too long to ask for the help/advice usually those nearing or already in foreclosure sale.
            - Others who expect that we can provide them cash to get out of their delinquent payments.
    - Gene Lucero also suggested broadcasting Foreclosure Hotline information on Spanish speaking television and radio programs to reach a wider range of audiences who could utilize the help.

The meeting adjourned at 4:55 p.m.

JANUARY PRESENTATIONS

Name: Monte Vista Community Center Housing Authority **Project Number:** 08-018
Sierra Vista Apartments Acquisition

Project Manager & Address: Mr. Alonzo Espinoza, Jr., Executive Director
Monte Vista Community Center Housing Authority
P.O. Box 581
551 Monroe Street
Monte Vista, Colorado 81144
(719) 852-5505
Fax: (719) 852-9873
mvha04@yahoo.com

Project Address: 2302 -15 Vigil Way & 2302 -15 Thomas Avenue, Alamosa, Colorado

Project Description: The Monte Vista Housing Authority requests a $250,000 grant for the acquisition of the privately owned Sierra Vista Apartments in Alamosa, Colorado. This project is a Rural Development project-based rental assistance apartment project built in 1984 that contains a total of 32 units. This project is located within one mile of schools, the hospital, the college and shopping and social services. In addition, bus transportation is available to the property. This property is good physical condition and the existing replacement reserve is being transferred through this sale. This property serves many households at less than 30% of the Area Median Income through the availability of Rural Development rental assistance for 23 of the units in this project.

Type of Units	# of Units	Income of Beneficiaries
Affordable Units (4) 1BR,(20) 2BR, (8) 3BR	32	**≤ 50% of AMI ($26,950)**
Market Rate Units () 1BR, () 2BR, () 3BR	**0**	
Total Units	**32**	

PROGRAM BUDGET

Project Activities	Total Project Cost	State Funds Requested	Other Funds	Sources	Status
Acquisition	$1,600,000	$250,000	$750,000 $600,000	Rural Development CHFA Smart & HOF Loan	Pending Pending Pending
Appraisal	$5,000		$5,000	Monte Vista HA	Committed
Loan Fees	$6,200		$6,200	CHFA Smart & HOF Loan	Pending
Attorney Fees	$3,800		$3,800	CHFA Smart & HOF Loan	Pending
Developer Fee	$5,000		$5,000	Monte Vista HA In-Kind	Committed
Consultant Fee	$10,000		$10,000	CHFA Smart & HOF Loan	Pending
Totals	$1,630,000	$250,000	$1,380,000		

PROJECT ASSESSMENT FOR Rental Acquisition/Rehabilitation

Criteria	Project Data	DOH Range
Building Cost		
Cost/sq. ft./Unit Cost	$62.81/Sq. ft. & $50,781/Unit	$85 - $117
Hard Cost/Unit/Sq. Ft.	$61.84/Sq. ft. & $50,000/Unit	$80 to $105
Soft Cost/Unit/Sq. Ft.	$.97/Sq. ft. & $781/Unit	$5 to $12
Hard/Soft Cost	99%/1%	
Cost Effectiveness Rating		
DOH subsidy/unit	$7,813	$1,000 to $6,500
Cost Person Rating	9 / $320 / 50 years	1 to 10 Scale
Externality Rating	6	1 to 10 Scale
Rent Savings Rating	1 / 5%	1 to 10 Scale
Financial Leveraging Rating	6	1 to 10 Scale
Composite Score	22	
Operating Cost		
PUPA	$3,341	$3,200 to $4,200
Debt Coverage Ratio	1.20	1.10 to 1.20
Financial Commitments		
Terms of Primary Financing	RD: $750,000 @ 1% for 50 years CHFA Smart & HOF: $620,000 @ 5.75% for 35 years	
P.V. Tax Credits	N/a	$.75 to .90
DOH Requirements		
Priority	Preservation	
Eligibility Criteria	CDBG, HOME, HDG	
Other Criteria		
# of Fully Accessible Units	2 & 6%	5% of Units Minimum
# of Visitable Units	0 & 0%	All units Encouraged
# of Energy Star Units	0 & 0%	Units Have Minimum 80 HERS Rating or equivalent

Water Efficient Landscape	No changes to existing landscape planned	Follow Denver Water Board Recommendations
# of 30% Units	0 & 0%	5% of Units Encouraged

Comments:

- Management Capacity

  Pro:

  1. The Monte Vista Housing Authority was established in 1972 and currently owns and manages 84 affordable housing units funded through a combination of Rural Development and HUD financing. In addition, the Monte Vista Housing Authority manages 40 Section 8 Vouchers.

  Con: None.

- Public/Private Commitment

  Pro:

  1. The current owner is seeking to sell this property specifically to the Monte Vista Housing Authority to ensure that the affordable of this property is maintained. This property has an existing replacement reserve of approximately $60,000 that will be transferred with the sale of the property.

  2. Rural Development, in addition to providing the assumable one percent loan, will provide twenty-three (23) units of rental assistance to this project.

  3. While not providing any financial assistance, the City of Alamosa supports this acquisition by this housing authority.

  Con:

  1. There is no financial contribution from the city or county for this project.

- Market Demand

  Pro:

  1. This project has maintained high occupancy over the last 10 years with an average vacancy rate of 5% or less.

  2. The overall vacancy rate in Alamosa is 3.4% based on the 3rd Quarter 2007 Colorado Division of Housing Vacancy Survey. The vacancy rate is Alamosa has been consistently under 5% for a number of years.

  3. Based on the current rent roles, many households in this property are 30% AMI or below.

  Con: None

- **Explain Variances from ranges:**

    1. The total development costs and both hard and soft costs are lower than the range due to no anticipated property rehabilitation, no developer fee, and low loan transaction costs.
    2. The DOH Subsidy per unit is higher than the range due to funding gap created in this project due to the low rent structure and the inability of this project to take on additional debt.

- **Other Projects funded in Alamosa County Since 9/06:** **County AMI:** $45,300

    - San Luis Valley Housing Coalition, CHDO Operating Funds - $30,000 grant

- **Other Monte Vista Housing Authority funded projects since 9/06:**

    - None.

Staff Recommendation: Full Funding with and additional $15,000 for a project energy-efficiency review and an additional Housing Authority developer fee

Date of Meeting: January 8, 2007

Anarde		Rosser	
Gregory		Lucero	
Hatcher		Weitkunat	
Kelly			

COLORADO DIVISION OF HOUSING * HOUSING DEVELOPMENT ANALYSIS SPREADSHEET

Project Name: MVHA - Sierra Vista

Spreadsheet directions are to the right --->

Date: 1/3/2008

Applicant: MVHA

PAGE #1

Spreadsheet Version: Version 1.0

Operating Proforma

STABILIZED FIRST YEAR INCOME						EXPENSES		
	% AMI	#of units	Sq. Ft.	Monthly Rent	Total Annual Rent	Administrative Expenses		
					0	Management Fee		0.00%
1Br/1Ba		4	564	400	19,200	On-site Personnel Payroll	12,000	
					0	Health Ins. & Benefits		
2Br/1Ba		20	792	475	114,000	Legal & Accounting	300	
					0	Advertising	150	
3Br/2Ba		8	972	575	55,200	Office Supplies	550	
					0	Telephone	480	
					0	Audit	4,200	
					0	Other	7,700	
					0	Total Administrative Expenses	25,380	13.47%
					0	Operating Expenses		
					0	Utilities (owner paid)	5,900	
					0	Trash Removal	2,400	
					0	Fire & Liability Insurance	7,400	
					0	Other	100	
					0	Total Operating Expenses	15,800	
	Total units	32		Total Rent Income	188,400	Maintenance		
	Total sq ft	25,872				Maintenance	10,608	
				Parking Income	0	Repairs	5,435	
				Laundry Income		Grounds (inc. snow removal)	13,380	
				Vending		Other	9,500	
				Total Income	188,400	Total Maintenance	38,923	
	Vac. Rate	0.05		Less Vacancy	-9,420	Real Estate Taxes	7,200	
				Effective Gross Income	178,980	Capital Reserve	0	unit avg.= 0
						Replacement Reserve	19,615	unit avg.= 613
				DEBT SERVICE		TOTAL ANNUAL EXPENSES	106,918	
				1st Mortgage	(19,067)	NET OPERATING INCOME	72,062	
				2nd Mortgage	(41,180)	P.U.P.A. Expenses *	3,341	
				3rd Mortgage	0			
				TOTAL DEBT SERVICE	(60,248)			
	BEP	88.73%		Poss D/S @ 1.1 DCR	65,511			
				Project Debt Coverage Ratio	1.196			

* P.U.P.A = Per Unit Per Annum Expenses

BEP = Break Even Point

Poss D/S @ 1.1 DCR = Possible Debt Service at a 1.1 Debt Coverage Ratio

Name: Rocky Mountain HDC
The Cornerstone Apartments

Project Number: 08-024

Project Manager & Address:

Joyce Alms Ransford
Executive Director
Rocky Mountain HDC
142 W 5th Avenue
Denver, CO 80209
303-561-1870
Fax: 303-477-1513
Email: jalmsranford@rockymountainHDC.org

Project Photo:

Project Address: 1001 Park Avenue, Denver, CO 80205

Project Description: Rocky Mountain HDC is requesting a $500,000 CDOH grant for soft costs in the new construction of the Cornerstone Apartments located at 1001 Park Avenue, Denver, CO 80205. This project consist of a 5 story building with 51 units of rental housing primarily for chronically homeless and homeless individuals and individuals coming out of transitional housing (see table below). The structure will have two elevators and structured underground parking. The first floor will have space for residential services, a medical clinic, and residential and security offices. The CDOH grant will be matched with funds from the St. Francis Center, Denver's Road Home, City of Denver HNDS and equity funds for a total project cost of $11,433,771.

Type of Units	# of Units	Income of Beneficiaries (4-person households in Denver County)
CDOH & Denver HOME-Assisted Units		
(1) 0BR, (6) 1BR	7	≤ 50% of AMI ($35,850)
Other Affordable Units		
(9) 0BR, (14) 1BR	23	≤ 30% of AMI ($21,500)
(4) 1BR	4	≤ 40% of AMI ($28,680)
(16) 1BR	16	≤ 50% of AMI ($35,850)
Employee (1)	1	unrestricted
Total Units	51	

PROGRAM BUDGET

Project Activities	Total Project Cost	State Funds Requested	Other Funds	Sources	Status
Acquisition	840,438		840,438	equity / St Francis	pending/committed
Appraisal & Market Study	47,499		47,499	City of Denver	pending
Architect/Engineering	372,946	72,946	300,000	City of Denver / CDOH	pending
Building Permit & Tap Fees	191,302		191,302	St Francis	pending
Construction	7,731,328		7,731,328	equity MDHI AHP	pending
On-Site Infrastructure	326,255		326,255	St Francis	committed
FF&E	328,164		328,164	St Francis	committed
Contingency	386,948		386,948	St Francis	committed
Construction Loan Expenses	367,172	13,367	353,805	City of Denver / CDOH	pending
Perm Loan Expenses	159,970		159,970	City of Denver	pending
Operating Reserve	189,553	189,553	0	CDOH	pending
Developers Fee	452,195	184,134	268,061	equity / CDOH	pending
Marketing	40,000	40,000	0	CDOH	pending
Totals	11,433,770	500,000	10,933,770		

PROJECT ASSESSMENT FOR Rental New Construction

Criteria	Project Data	DOH Range
Building Cost		
Cost/sq. ft./Unit Cost	$232/Sq. ft. & $224K/Unit	$102 - $145
Hard Cost/Unit/Sq. Ft.	$184/Sq. ft. & $178K/Unit	$80 to $120
Soft Cost/Unit/Sq. Ft.	$33/Sq. ft. & $32/Unit	$18 to $28
Hard/Soft Cost	85%/15%	
Land Cost	$14,285	$10,000 - $18,000
Cost Effectiveness Rating		
DOH subsidy/unit	$9,804	$4,000 to $8,500
Cost Person Rating	1 / $4,432 / 40 years	1 to 10 Scale
Externality Rating	8	1 to 10 Scale
Rent Savings Rating	10/ 69%	1 to 10 Scale
Financial Leveraging Rating	10	1 to 10 Scale
Composite Score	29	
Operating Cost		
PUPA	$5,459	$3,200 to $4,200
Debt Coverage Ratio	N/A	1.10 to 1.20
Financial Commitments		
Terms of Primary Financing	N/A	
P.V. Tax Credits	.94	$.75 to .90
DOH Requirements		
Priority	Special Needs, High Growth	
Eligibility Criteria	HOME, HDG	
Other Criteria		
# of Fully Accessible Units	3 & 5 Percent of Units	5% of Units Minimum
# of Visitable Units	51 & 100 Percent of Units	All units Encouraged
# of Energy Star Units	All units will have all appliances, furnaces and lighting as energy star rated.	Units Have Minimum 80 HERS Rating or equivalent
Water Efficient Landscape	yes	Follow Denver Water Board Recommendations
# of 30% Units	40 & 78 Percent of Units	5% of Units Encouraged

Comments:

- **Management Capacity**

  Pro:

  1. Rocky Mountain HDC and co-general partner St. Francis center are both faith-based non-profits with many years of experience in serving the homeless population of Denver.
  2. Rocky Mountain HDC also manages other HUD funded affordable projects such as; Foothills Green Townhomes, Arapahoe Green Townhomes and Willow Green Townhomes.

  Con:

  None.

- **Public/Private Commitment**

  Pro:

  1. The project is supported by $1.8M in funds from the St. Francis Center and also has a commitment of capital funding from Denver's Road Home.
  2. The project was also ranked as a 1st priority under the Metro Denver Homeless Initiative's Continuum of Care Samaritan Fund.

  Con:

  None.

- **Market Demand**

  Pro:

  1. According to Homelessness in Metro Denver, Eighth Annual Point in Time Study, there were an estimated 10,604 homeless individuals in Metro Denver.

  Con:

  None.

- **Explain Variances from ranges**

  1. PUPA costs are higher due to the high number of 30% AMI in the project and the costs of 24 hour desk staffing.
  2. Hard Cost and Soft Cost are higher due to the structured underground parking, 2 elevators, and the demolition of an existing structure for this project.

- **Other Projects funded in Denver County Since 1/07:** **County AMI:** $71,400
- VOA Safe Haven--$350,000
- DHA Park Ave 3B--$490,000
- VOA Lawrence Place--$225,000
- Newsed-Jody Apts--$500,000
- Empowerment-Mariposa House--$245,170

Staff Recommendation: Full Funding **Date of Meeting: January 8, 2008**

Kelly		Anarde	
Hatcher		Lucero	
Rosser		Weitkunat	
Gregory			

COLORADO DIVISION OF HOUSING * HOUSING DEVELOPMENT ANALYSIS SPREADSHEET

Project Name: Cornerstone

Spreadsheet directions are to the right --->

Date: 1/3/2008

Applicant: RMHDC

PAGE #1

Spreadsheet Version: Application

Operating Proforma

STABILIZED FIRST YEAR INCOME						EXPENSES		
	% AMI	#of units	Sq. Ft.	Monthly Rent	Total Annual Rent	Administrative Expenses		
Studio	30%	10	425	590	70,800	Management Fee	20,000	6%
1Br/1Ba	30%	5	547	339	20,340	On-site Personnel Payroll	48,035	
1Br/1Ba	30%	15	547	630	113,400	Health Ins. & Benefits	4,600	
1Br/1Ba	40%	4	547	473	22,704	Legal & Accounting	11,750	
1Br/1Ba	50%	12	547	607	87,408	Advertising	1,000	
1Br/1Ba	50%	4	563	607	29,136	Office Supplies	3,500	
2Br/1ba		1	893	0	0	Telephone	5,160	
					0	Bad Debt	8,500	
					0	Desk Staff	25,000	
					0	Total Administrative Expenses	127,545	37%
					0	Operating Expenses		
					0	Utilities (owner paid)	40,000	
					0	Trash Removal	7,000	
					0	Fire & Liability Insurance	22,500	
					0	Security	2,500	
					0	Total Operating Expenses	72,000	
	Total units	51		Total Rent Income	343,788	Maintenance		
	Total sq ft	27,087				Maintenance	27,500	
				Parking Income	0	Repairs	8,200	
				Laundry Income	0	Grounds (inc. snow removal)	1,500	
				Other Income	0	Other		
				Total Income	343,788	Total Maintenance	37,200	
	Vac. Rate	0.07		Less Vacancy	-24,065	Real Estate Taxes	26,348	
				Effective Gross Income	319,723	Operating Reserve		unit avg.= 0
						Replacement Reserve	15,300	unit avg.= 300
				DEBT SERVICE		TOTAL ANNUAL EXPENSES	278,393	
				1st Mortgage	0	NET OPERATING INCOME	41,330	
				2nd Mortgage	0	P.U.P.A. Expenses *	5,459	
				3rd Mortgage	0	* P.U.P.A = Per Unit Per Annum Expenses		
				TOTAL DEBT SERVICE	0			
	BEP	81%		Poss D/S @ 1.1 DCR	37,573			
				Project Debt Coverage Ratio	#DIV/0!			

BEP = Break Even Point

Poss D/S @ 1.1 DCR = Possible Debt Service at a 1.1 Debt Coverage Ratio

Name: Englewood Housing Authority – Terraces on Pennsylvania **Project Number:** 08-028

Project Manager & Address:

Dawn Shepherd, Executive Director
Englewood Housing Authority
3460 S. Sherman Street, #101
Englewood, CO 80113
(303) 317-6700
(303) 781-5503 fax
dshepherd@englewoodhousing.org

Jennie Rodgers, Director
Community Strategies Institute
3477 W. Hayward Place
Denver, CO 80211
(303) 668-2534
1-866-415-1179 fax
jennie@csicolorado.org

Project Address: 3566, 3578, 3587/3597 S. Pennsylvania St.

Project Description: The Englewood Housing Authority requests a $300,000 grant to pay off a bridge loan for the construction of the Terraces on Pennsylvania Senior Apartments in Arapahoe County. The 62 units will serve independent senior households (62 and over) at 40% and 50% of AMI. The project will have one five-story elevator structure that will include 40 one-bedroom units and 22 two-bedroom units equipped with a washer and dryer. The building will include 39 ground level parking spaces, storage units, a community room with a kitchen, an exercise facility, outdoor terraces, and a garden area. The project needed a bridge loan due to the following unforeseen costs which included; city use tax, a fire pump, alley paving, floor drains under washers and dryers, and window awnings (solar shading). In addition, the foundation design had to be changed as a result of soft soils and a high water table creating an increase in costs to build drains around the entire perimeter of the building. The units are located in close proximity to shopping, RTD public transportation, churches, Englewood City hall and other government services, Englewood Civic Center, and two blocks South of Swedish Medical Center. The 62 units are structured as follows:

Bedroom	AMI	# of units
1br/1ba	40%	16
1br/1ba	50%	24
2br/1ba	40%	8
2br/1ba	50%	14
Total		62

PROGRAM BUDGET

Project Activities	Total Project Cost	State Funds Requested	Other Funds	Sources	Status
Land Acquisition	$785,000		$785,000	Englewood HA perm loan	Committed
Appraisal, & Market Study	$18,000		$18,000	US Bank / LIHTC	Committed
Building Permits & Tap Fees	$245,000		$245,000	US Bank / LIHTC	Committed
Construction	$7,234,292	$120,000 $180,000	$6,934,292	US Bank / LIHTC CDOH	Committed Committed
On-site Infrastructure	$370,477		$370,477	US Bank / Arapahoe City	Committed
Contingency	$585,867		$585,867	US Bank / LIHTC	Committed
Architectural & Engineering	$373,802		$373,802	US Bank / LIHTC	Committed
Construction Financing Fees	$781,930		$781,930	US Bank / LIHTC	Committed
Permanent Financing Fees	$143,256		$143,256	US Bank / LIHTC	Committed
Developer Fee	$1,090,000		$512,531 $327,469 $250,000	LIHTC Deferred Developer Fee Burgwyn Company	Committed Committed Committed
Operating Reserve	$190,000		$190,000	US Bank / LIHTC	Committed
Marketing	$80,000		$80,000	LIHTC	Committed
Totals	$11,647,624	$300,000	$11,347,624		

PROJECT ASSESSMENT FOR Rental New Construction

Criteria	Project Data	DOH Range
Building Cost		
Cost/sq. ft./Unit Cost	$156/Sq. ft. & $187,865/Unit	$102 - $145
Hard Cost/Unit/Sq. Ft.	$113/Sq. ft. & $136,059/Unit	$80 to $120
Soft Cost/Unit/Sq. Ft.	$33/Sq. ft. & $39,871/Unit	$18 to $28
Hard/Soft Cost	77%/23%	
Land Cost	$11,935	$10,000 - $18,000
Cost Effectiveness Rating		
DOH subsidy/unit	$4,839	$4,000 to $8,500
Cost Person Rating	3 / $2,311 / 40 years	1 to 10 Scale
Externality Rating	4	1 to 10 Scale
Rent Savings Rating	8 / 36%	1 to 10 Scale
Financial Leveraging Rating	10	1 to 10 Scale
Composite Score	25	
Operating Cost		
PUPA	$4,332	$3,200 to $4,200
Debt Coverage Ratio	1.15	1.10 to 1.20
Financial Commitments		
Terms of Primary Financing	US Bank, $2,205,100, 6.890%, 30 years,	
P.V. Tax Credits (9%)	.99	$.75 to .90
DOH Requirements		
Priority	Special Needs	
Eligibility Criteria	HOME, HDG	
Other Criteria		
# of Fully Accessible Units	4 & 6% of Units (Type A)	5% of Units Minimum
# of Visitable Units	58 & 94% of Units (Type B)	All units Encouraged
# of Energy Star Units	All appliances and sun shades are e-star rated.	Units Have Minimum 80 HERS Rating or equivalent
Water Efficient Landscape	Yes	Follow Denver Water Board Recommendations
# of 30% Units	0 & 0% of Units	5% of Units Encouraged

Comments:

- **Management Capacity**

  Pro:

  1. The Englewood Housing Authority established in 1972 owns and manages a 254 unit portfolio and is a partner in this tax credit project. Upon completion of the initial tax credit compliance period, the Englewood Housing Authority will be in position to take on ownership of this property and will receive $327,469 in deferred developer fees.
  2. The project developer is Burgwyn Company, a long time Colorado development company. This developer will receive a developer fee of $512,531 to develop this project.
  3. Odell Architects has experience designing affordable and market rate multi-family housing projects. Other projects consist of Meeker Commons in Greeley, Linden Point in Grande Junction, and Willow Glen in Lakewood.
  4. Shaw Construction has constructed many affordable housing properties throughout Colorado.
  5. Baron Property Services, Inc. has managed affordable properties since 1997. This company currently manages 4,000 units in Colorado, Arizona, and Texas.

  Con:

  None

- **Public/Private Commitment**

  Pro:

  1. Arapahoe County has committed $300,000 of their HOME and $9,550 of their CDBG funds towards this project.
  2. The City of Englewood has waived permit fees valued at $24,194 and plan review fees valued at $3,145 for a total value of $27,339.

  Con:

  1. Englewood Housing Authority has requested additional funds from Arapahoe County and CHFA; both requests have been denied.

- **Market Demand**

  Pro:

  1. A Market Study currently completed in January 2007 by the Highland Group indicates a demand for units between 40% and 50% AMI and Senior Housing units at the rates indicated for this project. The study states that no new properties have been developed in the market area since 1985 and all the senior apartment units in the area are 100% occupied.
  2. Although this project does not contain 30% units, the overall portfolio of the Englewood Housing Authority contains 214 30% units which is 84% of their total portfolio.

  Con:

  None

- **Explain Variances from ranges**

  1. The total development cost and soft costs are above the range due to the expense of tax credit financing.

- **Other Projects funded in Arapahoe County Since 11/2006:** **County AMI:** $71,400

- *None*

- **Other Englewood Housing Authority funded projects since 11/2006:**

  - *None*

Staff Recommendation: No Staff Recommendation; pending information regarding the "Use Tax." Pending explanation of the applicant's qualification to receive a "use tax" exemption.

Date of Meeting: January 8, 2007

Anarde		Hatcher	
Gregory		Lucero	
Rosser		Weitkunat	
Kelly			

COLORADO DIVISION OF HOUSING * HOUSING DEVELOPMENT ANALYSIS SPREADSHEET

Project Name: Terraces on Pennsylvania

Spreadsheet directions are to the right --->

Date: 1/3/2008

Applicant: Englewood Housing Auth **PAGE #1**

Spreadsheet Version: Application **Operating Proforma**

STABILIZED FIRST YEAR INCOME						EXPENSES		
	% AMI	#of units	Sq. Ft.	Monthly Rent	Total Annual Rent	Administrative Expenses		
1 Br/1Ba	40%	12	635	537	77,328	Management Fee	18,753	3.80%
1Br/1Ba	40%	2	575	537	12,888	On-site Personnel Payroll	75,000	
1 Br/1Ba	40%	2	640	538	12,912	Health Ins. & Benefits	21,000	
2Br/1Ba	40%	5	825	645	38,700	Legal & Accounting	5,000	
2Br/1Ba	40%	2	727	645	15,480	Advertising	5,000	
2Br/1Ba	40%	1	853	645	7,740	Office Supplies	12,000	
1Br/1Ba	50%	2	635	671	16,104	Telephone	3,750	
1Br/1Ba	50%	22	700	671	177,144	Audit		
2Br/1Ba	50%	11	860	806	106,392	Compliance Rpts	4,688	
2Br/1Ba	50%	3	853	806	29,016	Total Administrative Expenses	145,191	29.41%
					0	Operating Expenses		
					0	Utilities (owner paid)	50,220	
					0	Trash Removal		
					0	Fire & Liability Insurance	8,370	
					0	Other		
					0	Total Operating Expenses	58,590	
	Total units	62		Total Rent Income	493,704	Maintenance		
	Total sq ft	45,171				Maintenance	15,780	
				Parking Income		Repairs	12,400	
				Laundry Income		Grounds (inc. snow removal)		
				Other Income	9,672	Security, elevators	18,045	
				Total Income	503,376	Total Maintenance	46,225	
	Vac. Rate	0.07		Less Vacancy	-34,559	Real Estate Taxes		
				Effective Gross Income	468,817	Operating Reserve		unit avg.= 0
						Replacement Reserve	18,600	unit avg.= 300
				DEBT SERVICE		TOTAL ANNUAL EXPENSES	268,606	
				1st Mortgage	(174,097)	NET OPERATING INCOME	200,211	
				2nd Mortgage	0	P.U.P.A. Expenses *	4,332	
				3rd Mortgage	0			
				TOTAL DEBT SERVICE	(174,097)			
	BEP	89.67%		Poss D/S @ 1.1 DCR	182,010			
				Project Debt Coverage Ratio	1.150			

* P.U.P.A = Per Unit Per Annum Expenses

BEP = Break Even Point

Poss D/S @ 1.1 DCR = Possible Debt Service at a 1.1 Debt Coverage Ratio

Colorado State Housing Board Policy

REVISED – December 31, 2007

Project Affordability Period

The Colorado State Housing Board and Division of Housing believe the starting point for project affordability is "perpetuity." As stated in the Colorado Revised Statutes, Section 24-32-702(4) (a): "Publicly-assisted rental housing that is affordable to low- and moderate-income persons should be preserved…"

Whereas:
The Colorado Division of Housing provides two types of funding for the development of affordable housing, grants and loans. Projects that receive DOH grant funding must be affordable, preferably in perpetuity. Projects that receive DOH loan financing can be affordable less than perpetuity but no shorter than the loan term. Special situations can be considered on a case-by-case basis and waivers can be issued by DOH at its discretion.

New Construction

- The minimum affordability term for new construction will be 30 years.
- The maximum affordability term will be in perpetuity.
- The affordability term may be set in conjunction with the project's permanent funding at the discretion of DOH.

Acquisition/Rehabilitation

- The minimum affordability requirement for acquisition/rehabilitation will be 30 years.
- The maximum affordability term will be in perpetuity.
- The affordability term may be set in conjunction with the project's permanent funding at the discretion of DOH.

Single Family Owner Occupied Rehab Assistance

Affordability requirements will not apply to this program because this funding comes in the form of a loan to the property owner. The property owner must qualify by income to receive the loaned funds.

Down Payment Assistance

- The affordability requirements will not apply to this program if the funding comes in the form of a loan to the property owner.
- A property owner must qualify by income to receive the loaned funds.

If the down payment assistance is provided in the form of a grant:

- The property must be permanently deed restricted and must be tied back to the contract in which the funds were received.
- If the properties are resold at market rate, then DOH's initial investment is due on the sale of the property.
- A property owner must quality by income to receive the loaned funds.