

REVOLVING LOAN FUND UPDATE

11/8/2007

ACRONYMS:

AC - Acquisition, ARCH - Architecture, INF - Infrastructure, SI - Site Improvement, WS - Water & Sewer
 ACQ - Acquisition, CON - Construction, IR - Interest Rate, PREC - Preconstruction, REH - Rehabilitative

| Active Loans | Status | County | SHB Approval | Combined Loan Amount | Contract Start | Note Due | DOH Balance Outstanding | Interest | Purpose | Units built |
|------------------------------|----------|---------|--------------|----------------------|----------------|----------|-------------------------|----------|---------------|-------------|
| Hope Communities, Inc. | approved | Denver | Jul-05 | \$ 400,000 | Dec-05 | Dec-07 | \$ 300,000.00 | | 0% DEBT RECON | 130 |
| Rocky Mt. Land Trust | PAID | Fremont | Nov-05 | \$ 620,000 | Jan-06 | Jan-09 | \$ - | | 0% CON | 19 |
| Estes Park Housing Authority | approved | Larimer | Feb-06 | \$ 900,000 | Mar-06 | Sep-09 | \$ 900,000.00 | | 1% CON | 61 |
| Northeast Denver Housing | approved | Denver | Apr-07 | \$ 428,419 | Jun-07 | Jun-08 | \$ 428,419.00 | | 0% REHAB | 20 |
| | | | | | | | \$ 1,628,419.00 | | | |

TRANSFERS: \$ 2,393,647.00

INTEREST: \$ 351,907.81

ORIGINATION FEES: \$ 200,109.00

ACCOUNT INTEREST: \$ 403,465.79 Through March 2007

RLF TOTAL: \$ 3,349,129.60

DEFAULT \$ 70,000.00

BALANCE OUTSTANDING: \$ 1,628,419.00

RLF BALANCE AVAILABLE: \$ 1,650,710.60

STATE HOUSING BOARD MINUTES
Colorado Division of Housing
1313 Sherman St., Denver, CO, Room 318
Tuesday, October 9, 2007

BOARD MEMBERS PRESENT – Suzanne Anarde, Theo Gregory, Sally Hatcher, Jack Kelly, Karen Weitkunat; Mike Rosser by telephone.

BOARD MEMBERS ABSENT: None

DOH STAFF PRESENT – Kathi Williams, Mary Miller, Rick Hanger, Doug Selbee, Stephanie Morey, Becky Murray, Shannon Picaso, Robert Thompson

CALL TO ORDER – The meeting was called to order by Chairman Suzanne Anarde at 1:00 p.m.

APPROVAL OF MINUTES: Minutes of the September 2007 meeting were approved.

DIRECTOR’S COMMENTS:

The first meeting on landlord/tenant bill with all stakeholders at the table was a week ago last Friday; everyone has a realistic understanding of the starting point. Background: Colorado one of only a few states without a warrant of habitability law. Bills have been discussed in the legislature for the past 20 years without success. Everyone at the table on Friday agreed to come up with a solution to warranty of habitability although other landlord/tenant rights issues may be more difficult to accomplish. The group will meet every 10 days until the session starts.

Director Williams visited Grand Junction about a week ago. They have their needs assessment done but are struggling to create their strategic plan. They are committed to having a plan however, and hope to have it put together shortly. This is important to us because of the dramatic housing shortage on the western slope, so we’re glad they’re committed to getting that done.

Director Williams has been meeting with legislators for the past week and will continue to do so until the session starts. If you would like to join the meetings with your legislators, let her know.

A possible source for a housing trust fund has been found. During the Housing Now conference, Director Williams met with Susan Kirkpatrick, Roy Alexander, Alana Smart, Sen. Betty Boyd (who will sponsor the housing trust fund bill), Anne Marie who is the Housing Trust Fund lobbyist, and Britta Fisher to discuss whether CHFA or the Division of Housing would be best suited to administering the funds. Our position is that Division of Housing should be selected. The group has not been able to agree and will be getting an opinion from the attorney general’s office on this along with several other questions related to the housing trust fund.

At the Housing Now conference, Mike Rosser and Ryan McMaken presented a great forum on foreclosures.

Last week she met with Theo Gregory and his Black Pastors Leadership Group. Director Williams asked Commissioner Gregory to share information about that meeting.

The Division released the affordable housing vacancy survey yesterday, which revealed that affordable units are full with the exception of some older units in the Loveland/Greeley/Fort Collins area. Many of our affordable housing providers are questioning those numbers, so we’re in the process of rechecking the data. In some areas of the state, vacancies of affordable rental units are as low as 1.7%. A 5% vacancy rate is considered fully rented.

This morning was the first meeting of the reconstituted Governor's Interagency Council on homelessness, which is now committed to developing a statewide plan.

APPLICATIONS REVIEWED IN OCTOBER:

Name: Douglas County Housing Partnership – Lincoln Pointe Lofts - Phase One **Project Number: 08-015**

Project Manager & Address: Mr. Craig Maraschcky
 Executive Director
 Douglas County Housing Partnership
 9350 Heritage Hills Circle
 Lone Tree, CO 80124
 (303) 814-2965
 (303) 814-2966
cmarash@douglas.co.us

Project Address: 9783 Pyramid Court, Unincorporated Douglas County, CO 80112

Project Description: The Douglas County Housing Partnership (DCHP) requests a \$580,000 grant to be used to pay off a bridge loan for the completion of the Lincoln Pointe Lofts Phase One project. This funding request will create an additional seven (7) units at 50% AMI compared to the original project affordability (units were previously at 60% AMI). These grant funds will be loaned to the Lincoln Pointe Lofts One Limited Partnership by the DCHP (one of the limited partners) at an annual interest rate of 2% payable at the maturity of the loan in 34 years. Special amenities include a fitness center, children's play area, outdoor patio, swimming pool, a cyber café, lounge area, storage areas, and a meeting room. The Lincoln Pointe Lofts were completed in 2004 and are currently 95% occupied. The unit breakdown is as follows:

Staff Recommendation: Full Funding

Date of Meeting: October 9, 2007

| | | | |
|---------|--------------|-----------|--------------|
| Anarde | Full funding | Hatcher | Full funding |
| Gregory | Full funding | Lucero | Full funding |
| Rosser | Full funding | Weitkunat | Full funding |
| Kelly | Full funding | | |

The Board approved full funding for this project.

Name: Delta Housing Authority (DHA)

Project Number: #07-079

Project Manager & Address: Rich Englehart, Executive Director,
 Delta Housing Authority
 511 E. 10th St.,
 Delta, CO 81416
 (970) 874-7266
 Fax (970) 874-8612

Project Description: DHA is requesting an ~~\$117,230~~ \$84,934 grant to fund salary, benefits and overhead for the rehab program. This is the second year for this program for this agency, which uses RLF funds from the old WCHDO Rehabilitation and Down payment Assistance programs. Those funds were released to the State from bankruptcy in March 2006. DHA completed 10 rehab jobs in the last year and will complete 10-12 rehab jobs for the coming year. During that time they will expand services to adjacent counties that were part of the WCHDO RLF. They will also implement down payment assistance in Delta and adjacent counties during that time. Administrative costs for the down payment assistance program will be requested in a separate application.

Staff Recommendation: Full funding

Date of Meeting: 10/9/07

| | | | |
|---------|-------------------------|-----------|-------------------------|
| Anarde | Full funding as amended | Lucero | Full funding as amended |
| Gregory | Full funding as amended | Rosser | Full funding as amended |
| Hatcher | Full funding as amended | Weitkunat | Full funding as amended |
| Kelly | Full funding as amended | | |

The Board requested clarification of the amount of funding being requested at this time. The actual request is for \$84,934; the figure listed in the project description includes Division funding already received. Commissioner Lucero moved that the request be formally amended to a request for \$84, 934. The Board approved full funding for this project as amended.

Name: HERO Alliance

Project Number: 08-019

Project Manager & Address:

Michelle Mitchell, President
Colorado Housing Assistance Corp. (CHAC)
670 Santa Fe Drive
Denver, CO 80204

ph: 303-572-9445
fx: 303-573-9214
email: mmitchell0@aol.com

Project Description: The applicant requests a grant of \$477,000 for down payment assistance for people with disabilities. CHAC operates this program for the HERO Alliance, a statewide collaboration of funding sources and service providers. Potential homeowners receive housing counseling and assistance in order to secure low-interest mortgages from Rural Development, CHFA, and banks. This grant would assist 60 people who are at or below 80% AMI.

Staff Recommendation: Full Funding

Date of Meeting: 10/09/2007

| | | | |
|---------|--------------|-----------|--------------|
| Kelly | Full funding | Anarde | Full funding |
| Hatcher | Full funding | Lucero | Full funding |
| Rosser | Abstain | Weitkunat | Full funding |
| Gregory | Full funding | | |

The Board approved full funding for this project. Commissioner Rosser abstained due to corporate relationship.

Name: Housing Authority of the City of Pueblo

Project Number: 08-014

Bethlehem Square Apartments Acquisition/Rehabilitation

Project Manager & Address:

Mr. Frank Pacheco, Executive Director
Housing Authority of the City of Pueblo
1414 North Santa Fe Drive
Pueblo, CO 81003
ph: (719) 584-7627
fx: (719) 240-9822
email: fdpacheco@hapueblo.com

Project Address: 1900 West 12th Street, Pueblo, Colorado

Project Description: The Housing Authority of the City of Pueblo (HAP), as a partner in Lucky Star Limited Partnership, LLLP, requests a \$250,000 grant for the acquisition and rehabilitation of a 100% project-based rental assistance apartment project in Pueblo, Colorado. There are a total of 130 units with the following bedroom sizes and area median incomes: (24) one-bedroom units @ 60% AMI, (40) two-bedroom units @ 60% AMI, (40) three-bedroom units @ 60% AMI, and (26) four-bedroom units at 60% AMI. The Housing Authority of Pueblo will enter into the Lucky Star Limited Partnership with

Evergreen Partners, a Portland, Maine based real estate investment company to complete this transaction. The Bethlehem Square Apartments were constructed in 1973 and will receive an estimated \$26,500 per unit in rehabilitation including new kitchens and bathrooms, central air conditioning, new siding and roofing, and new playground equipment.

Staff Recommendation: Full Funding

Date of Meeting: October 9, 2007

| | | | |
|---------|--------------|-----------|--------------|
| Anarde | Full funding | Rosser | Full funding |
| Gregory | Full funding | Lucero | Full funding |
| Hatcher | Full funding | Weitkunat | Full funding |
| Kelly | Full funding | | |

The Board approved full funding for this project

Name: Town of Fowler – Self-Help Housing Rehabilitation Program

Project Number: 08-001

Project Manager & Address:

Ms. Ramona Stites
 Tri-County Housing and Community Development Organization
 P.O. Box 87
 Fowler, Colorado 81039
 (719) 263-5168 telephone
 (719) 263-5460 fax
 email: monie@tchcdc.org

Project Description: The Town of Fowler, on behalf of the Tri-County Housing and Community Development Organization (TCHCDC), is requesting a grant of \$209,900 to continue the funding of their three-county (Bent, Crowley and Otero) Self-Help, Single-family, Owner-Occupied Rehabilitation Program for households at 80% of Area Median Income or less. The new grant funds will be combined with other sources to provide low-interest loans for 7 self-help rehabilitation projects. These grant funds are combined with Rural Develop low-interest mortgages to assist first-time buyers become home owners. All households must attend first-time homebuyer training and contribute at least 20 hours a week of labor. This self-help housing rehabilitation program has received funding from the Colorado Division of Housing since 2005 and has completed a total of 16 homes to date.

Staff Recommendation: Full Funding

Date of Meeting: October 9, 2007

| | | | |
|-----------|--------------|---------|---------------------------------------|
| Anarde | Full funding | Rosser | Full funding |
| Kelly | Full funding | Hatcher | Full funding pending staff resolution |
| Gregory | Full funding | Lucero | Full funding |
| Weitkunat | Full funding | | |

The Board approved full funding for this project conditional upon having a contract in place to recoup the RLF funds spent without approval (see “Con” item under Management Capacity, above).

OTHER BUSINESS: Board Policy Approvals

Visitability Policy

Commissioner Kelly recommended a minor change to the wording of the first sentence. Commissioner Hatcher suggested the addition of a definition of “visitability” (essentially the second paragraph). The policy was approved as amended.

| | | | |
|-----------|-----|---------|-----|
| Anarde | Yes | Rosser | Yes |
| Kelly | Aye | Hatcher | Yes |
| Gregory | Yes | Lucero | Yes |
| Weitkumat | Yes | | |

Establishment of Affordable Housing Rates and Ranges

Commissioner Anarde proposed the addition of the words “3 to 6 months” and “operating” to provision (3). The policy was approved as amended.

| | | | |
|-----------|-----------------|---------|----------------|
| Anarde | Yes, as amended | Rosser | Yes as amended |
| Kelly | Aye as amended | Hatcher | Yes as amended |
| Gregory | Yes as amended | Lucero | Yes as amended |
| Weitkumat | Yes as amended | | |

Energy Efficient affordable Housing Policy : the Board approved this policy as written.

| | | | |
|-----------|-----|---------|-----|
| Anarde | Yes | Rosser | Yes |
| Kelly | Aye | Hatcher | Yes |
| Gregory | Yes | Lucero | Yes |
| Weitkumat | Yes | | |

Policy for Awarding Loans and Grants – the Board approved this policy as written.

| | | | |
|-----------|-----|---------|-----|
| Anarde | Yes | Rosser | Yes |
| Kelly | Aye | Hatcher | Yes |
| Gregory | Yes | Lucero | Yes |
| Weitkumat | Yes | | |

Period of Affordability

Chairman Anarde wanted further revisions of this policy prior to the Board voting on it. She will send the revised policy to Mary Miller for distribution to the Board. It will be voted on at the November meeting.

Vacancy Survey – Ryan McMaken

Ryan briefly announced that the Affordable Housing survey was released yesterday. The meeting adjourned at 3:31 p.m.

NOVEMBER PROJECT PRESENTATIONS

Name: Volunteers of America (VOA) Colorado

Project Number: 08-009

Project Manager & Address:

Andy Proctor
Community Development Consultant
1010 Waite Dr., Boulder, CO 80303

(303) 594-0764
fax (303) 325-3455
andy@andyproctor.net



Project Photos:

Project Address: (Safehouse address confidential - located near the intersection of W. 3rd Ave. and W. 24th St. in Durango, CO)

Project Description: VOA Colorado is requesting a \$175,000 grant to expand the Southwest Safehouse located in Durango, which serves five southwestern Colorado counties. The expansion will add a dormitory with six beds and two bathrooms to the existing six-bedroom, four bathroom shelter for victims of domestic violence. The dormitory will allow the existing bedrooms to primarily house female victims with families, while single female victims are housed in the dormitory. Bathrooms will be constructed with separate water closets, sinks, and showers to maximize occupancy during peak periods. Adult male victims are served with vouchers for local lodging facilities. Annual operating expenses of \$318,480 are paid by federal pass-through and local criminal justice funds (\$165,801), charitable contributions and special events (\$112,279), local government contributions (\$38,000), and client fees (\$2,400).

PROJECT BUDGET

| Project Activities | Total Project Cost | State Funds Requested | Other Funds | Source | Status |
|--|--------------------|-----------------------|--|--|--|
| <i>Section 1.01 Building Permit and Tap Fees</i> | \$8,500 | | \$8,500 | City of Durango | Committed |
| <i>Section 1.02 Construction (includes 5% contingency)</i> | \$262,164 | \$175,000 | \$30,000 \$20,000 \$10,000 \$5,000 \$18,164 \$4,000 | Johnson CARHOF La Plata Co Ballantine Local banks VOA | Committed Committed Committed Committed Committed Committed |
| Furniture, Fixtures, and Equipment | \$6,500 | | \$6,500 | VOA | Committed |
| Engineering, Consulting | \$3,500 | | \$3,500 | VOA | Committed |
| Totals | \$280,664 | \$175,000 | \$105,664 | | |

PROJECT ASSESSMENT FOR Rental New Construction

| Criteria | Project Data | | | DOH Range |
|-----------------------------|--|------|-----------|---|
| Building Cost | | | | |
| Cost/Unit/Sq. Ft. | \$46,777 | /Bed | \$234 /SF | \$102 to \$145 |
| Hard Cost/Unit/Sq. Ft. | \$46,197 | /Bed | \$231 /SF | \$80 to \$120 |
| Soft Cost/Unit/Sq. Ft. | \$583 | /Bed | \$3 /SF | \$18 to \$28 |
| Land Cost/unit | N/A | | | \$10,000 to \$18,000 |
| Hard/Soft Cost | 99:1 | Hard | Soft | |
| Cost Effectiveness Rating | | | | |
| DOH subsidy/unit | \$29,167 | | | \$4,000 to \$8,500 |
| Annual Cost/Person & Rating | N/A | # | years | 1 to 10 Scale |
| Externality Rating | | 8 | | 1 to 10 Scale |
| Rent Savings Rating | N/A | # | | 1 to 10 Scale |
| Financial Leveraging Rating | | 0 | | 1 to 10 Scale |
| Composite Score | N/A | | | 1 to 40 Scale |
| Operating Cost | | | | |
| PUPA | N/A | | | \$3,200 to \$4,200 |
| Debt Coverage Ratio | N/A | | | 1.10 to 1.20 |
| Financial Commitments | | | | |
| Terms of Primary Financing | N/A | 0 | | |
| P.V. Tax Credits | N/A | | | \$.75 to .90 |
| Other Criteria | | | | |
| Fully Accessible Units | 100% | | | 5% of Units Encouraged |
| Visitable Units | 100% | | | All units Encouraged |
| Energy Star Units | None – Ceiling R-38, Walls R-21, Low E Thermo Pane Windows, High Efficiency Furnace, Low Flow Toilets and Shower Heads | | | Units Have Minimum 80 HERS Rating or equivalent |
| Water Efficient Landscape | NO | | | Denver Water Board Recommendation |
| 30% AMI Units | 100% | | | 5% of Units Encouraged |
| DOH requirements | | | | |
| Priority | High Growth | | | |
| CDOH Funding Eligibility | CDBG, HDG | | | |

Comments:

- **Management Capacity**

- **Pro** –VOA is a national non-profit providing local human services programs and opportunities for individual and community involvement. The Colorado branch, located in Denver, has been in operation for more than 110 years, providing 30 programs, including services and shelter for homeless individuals and families. VOA Colorado manages over 1,000 housing units, including 530 units of elderly and disabled housing. In Durango they operate the Safehouse and the 35-bed community homeless shelter.

Con – None.

- **Public/Private Commitment**

Pro – The City of Durango is waiving building permit and tap fees of \$8,500 and La Plata County is providing \$10,000 toward construction costs. Local banks are providing \$18,164, and the Durango area Realtors CARHOF fund is providing \$20,000 toward construction costs. Local governments provide \$38,000 annually for operating costs, and local fund raising events and charitable contributions provide \$112,279 toward operating costs, which include counseling and services.

-
- **Con – none.**

Explain Variances from ranges: Costs per unit and per square foot are high due to the small size of the addition.

Other Projects funded in La Plata County since 10/06:

HSSW CHDO Operating \$75,000,
HSSW CHDO Predevelopment Loan \$24,000,
La Plata County Regional Housing Authority Down Payment Assistance \$250,000

Other Projects funded for applicant since 10/06: None

La Plata County AMI: \$60,600

Staff Recommendation: Full Funding

Date of Meeting: 11/13/07

| | | | |
|---------|--|-----------|--|
| Anarde | | Lucero | |
| Gregory | | Rosser | |
| Hatcher | | Weitkumat | |
| Kelly | | | |

Name: South Central Council of Governments - Single-Family, Owner-Occupied Housing Rehabilitation Program
Project Number: 08-022

Project Manager & Address: Priscilla Fraser
South Central Council of Governments
300 Bonaventure Avenue
Trinidad, Colorado 81082
(719) 845-1133 telephone ext. 216
(719) 845-1130 fax
Email: pfraser@sccog.net



Project Photos:

Project Address: Various locations in Huerfano and Las Animas counties

Project Description: Las Animas County, on behalf of the South Central Council of Governments (SCCOG), is requesting a grant of \$329,049 to continue the funding of their two-county (Huerfano and Las Animas) Single-Family, Owner-Occupied Rehabilitation Program. These grant funds will be used to provide low-interest loans for 22 rehabilitation projects and 8 essential repairs to households at 80% of the Area Median Income in these counties. This rehabilitation program has received funding from the Colorado Division of Housing since 1987 and has completed the rehabilitation of over 390 homes.

PROGRAM BUDGET

| Project Activities | Total Project Cost | State Funds Requested | Other Funds | Source | Status |
|------------------------|--------------------|-----------------------|---|---|---|
| Rehabilitation | \$691,891 | \$250,566 | \$309,000 \$18,326 \$22,000 \$64,999 \$27,000 | RLF RD Housing Preservation Grant Huerfano/Las Animas Counties Medicaid Energy Outreach | Committed Committed Committed Committed Committed |
| Essential Repairs | \$21,000 | | \$21,000 | RLF | Committed |
| Program Administration | \$117,517 | \$37,200 | \$56,400 \$3,234 \$1,350 \$2,200 \$17,133 | SCCOG RD Housing Preservation Grant Las Animas County Energy Outreach Medicaid | Committed Committed Committed Committed Committed |
| Project Administration | \$47,029 | \$41,283 | \$423 \$5,323 | RD Housing Preservation Grant SCCOG | Committed Committed |
| Totals | \$877,437 | \$329,049 | \$548,388 | | |

PROJECT ASSESSMENT FOR SFOO HOUSING REHABILITATION

| Criteria | Project Data | DOH Range |
|--|--|-------------------------------|
| Rehabilitation Financing | | |
| Value of Current Loan Portfolio | \$2,900,000 | |
| Total # of Loans in Portfolio | 195 | |
| # of Deferred Loans in Portfolio | 55 | |
| Value of Loans Deferred until Sale or Transfer | \$764,730 | Up to 25% |
| Annual Program Income | \$200,000 – including payoffs | |
| Total # of New Loans | 22 | |
| New Loans from Program Income | 15 | |
| New Loans from CDOH Grant | 7 | |
| Maximum CDOH Loan Amount | \$24,999 | \$24,999 |
| Loan Terms & Rates | 1 – 5%, up to 30 years | |
| Rehabilitation Costs | | |
| Average Cost of Rehabilitation | \$20,000 | \$9,750 to \$25,000 |
| Average Cost of Replacement Housing | None planned | \$25,000 to \$66,000 |
| Average Emergency Repair Cost | \$3,500 | |
| Market Information | | |
| Qualifying Household Income | \$19,300 – \$32,560 | 50%-80% AMI, 4 people |
| Number of Applicants on Waiting List | 5 | |
| Geographic Distribution of Projects (% population / % of completed projects) | Huerfano 34%/30% Las Animas 66%/70% | Percentages should be similar |
| Program Operations | | |
| Administrative Cost/New Loan | \$3,567 | \$2,500 - \$4,500 unit |
| CDOH Funding Eligibility | HOME, CDBG, HDG | |

(i) SCCOG STAFFING ALLOCATION

| Function | Salary/Benefits | Program | | | | | | | | |
|------------------------|-----------------|---------|-----------|---------|-----------|--------|------|---------|-----------|-------|
| | | COG | Nutrition | Housing | AAA 3B | HCBS | DOLA | Transit | Childcare | Total |
| Executive Director | \$101,572 | 75% | 1.25% | 4% | 2% | 14.50% | | 1.25% | 2% | 100% |
| Loan Officer | \$51,121 | | | 100% | | | | | | 100% |
| Rehab Specialist | \$76,548 | | | 100% | | | | | | 100% |
| Business Manager | \$86,928 | 50% | 3% | 8% | 4% | 29% | | 3% | 3% | 100% |
| Accounting Assistant | \$43,312 | | 5% | 10% | 8% | 64% | | 5% | 8% | 100% |
| Accts Payable clerical | \$27,036 | | 5% | 16% | 8% | 58% | | 5% | 8% | 100% |

Comments:

- **Management Capacity:**

1. The staff of the South Central Council of Governments has extensive experience in the operation of the SFOO Housing Rehabilitation Program in Huerfano and Las Animas counties. This program consistently meets all contracted production and budget goals and is active in leveraging other resources for their homeowners.
2. A Colorado Division of Housing monitoring of this program in March 2007 found no findings.

- **Public/Private Commitment:**

1. Counties and cities in the region are contributing a total of \$23,200 of in-kind services, fee waivers, and salaries to the SCCOG SFOO Rehabilitation Program.
2. The South Central Council of Government provides \$56,400 to the rehabilitation program through program support that includes; payroll functions, accounts payables maintenance, legal fees, vehicle use, and additional outreach in Huerfano County. In addition, SCCOG provides office space for the SFOO Rehabilitation staff valued at \$10,800/year.
3. In addition to the SFOO Rehabilitation Program, the SCCOG administers the Medicaid Home Modification Program for their service area. The Medicaid Home Modification Program provides grants to provide accessibility and mobility upgrades for eligible households.
4. SCCOG also receives funds from Energy Outreach Colorado provide energy-efficiency upgrades in their homes. This grant can be used for Energy Star appliance upgrades, insulation improvements, and window and door upgrades.

- **Market demand:**

1. Marketing efforts are designed to reach a broad audience of households including the elderly and lowest income households. Additional advertising is done through day care centers, on the local transportation provider, radio stations and social services.
2. The SCCOG has consistently maintained a waiting list for the rehabilitation program and currently has five (5) applicants on their waiting list.

- **Explain variances from ranges:**

1. The number of deferred loans is higher than the acceptable range (27% versus 25% maximum.) The percentage of deferred loans has dropped from 80% in 2000 to the current 27% in 2007. SCCOG was made aware of this issue in 1999 and all loans completed since 1999 have been amortizing loans. This has resulted in reducing the ratio of deferred to amortized loans and has increased the annual loan payments available to the program for new housing rehabilitation projects.

- **Other Projects funded in Las Animas County Since 10/06:**

Huerfano/Las Animas Housing Resources – CHDO Operating Grant, \$50,000 grant, 9/07

- **Other Las Animas County/SCCOG Projects funded since 10/06:**

Las Animas/SCCOG – SFOO Housing Rehabilitation Program, \$329,049 grant, 11/06

- **County AMI:** Huerfano County - \$38,600
Las Animas County - \$40,700

Staff Recommendation: Full Funding

Date of Meeting: November 13, 2007

| | | | |
|---------|--|-----------|--|
| Anarde | | Rosser | |
| Gregory | | Lucero | |
| Hatcher | | Weitkunat | |
| Kelly | | | |

Name: Delta Housing Authority (DHA)

Project

Project Manager & Address:

Rich Englehart, Executive Director,
Delta Housing Authority
511 E. 10th St., Delta, CO 81416

(970) 874-7266
Fax (970) 874-8612

Project Description: DHA is requesting a \$46,730 grant to fund salary, benefits and overhead for the Down Payment Assistance loan program. This is the second year that DHA has managed RLF funds from the old WCHDO Rehabilitation and Down Payment Assistance programs. In addition to continuing and expanding the Rehabilitation program, DHA will start-up Down Payment Assistance using the funds released to the State from bankruptcy in March 2006. This grant will cover administrative costs for 15 Down Payment Assistance Loans which will be offered in Delta, Montrose, and Ouray Counties, pending intergovernmental agreements. Montrose and Ouray Counties are in the process of developing entities that will contract with DHA to provide this service in the region.

PROJECT BUDGET

| Project Activities | Total Project Cost | State Funds Requested | Other Funds | Source | Status |
|--|--------------------|-----------------------|------------------|------------|-----------|
| Section 1.03 Down Payment Assistance Loans | \$175,000 | | \$175,000 | RLF Income | Committed |
| Project Administration | \$20,497 | \$20,497 | | | |
| Program Administration | \$26,233 | \$26,233 | | | |
| Totals | \$221,730 | \$46,730 | \$175,000 | | |

PROJECT ASSESSMENT FOR DOWNPAYMENT ASSISTANCE

| Criteria | Project Data | DOH Range |
|--|---|---|
| (a) Down Payment Financing | | |
| Value of Current Loan Portfolio | \$1,830,211 (\$352,687 from HOME for DPA) | |
| Total # of Loans in Portfolio | 38 DPA Loans | |
| # of Deferred Loans in Portfolio | 0 (10 Total Rehab and DPA) | |
| Value of Loans Deferred until Sale or Transfer | \$167,794 9% of Portfolio Value | Up to 50% (100% can be deferred up to 5 yrs) |
| Annual Program Income | \$47,078 (Estimated for program year) | |
| Total # of New Loans | 15 | |
| New Loans from Program Income | 100% | |
| New Loans from CDOH Grant | 0% | |
| Homebuyers Equity | \$500 | \$500 minimum |
| Maximum CDOH Loan Amount | \$16,163 | 4.5% - 8.5% of FHA Limit |
| Loan Terms & Rates | 0-5% Terms Vary | |
| Market | | |
| Qualifying Household Income | \$53,900 | 50%-80% AMI, 4 people |
| # of Affordable Homes For Sale | 87 at or below \$190,000 | Affordable at 80% AMI |
| Average price of homes for sale | \$165,000 | |
| Max. Purchase Price of Homes | \$190,152 | 95% of FHA Limit |
| # of Applicants on Waiting List | None | |
| Geographic Distribution of Projects vs. Population | First Year of Program | |
| Program Operations | | |
| Administrative Cost/New Loan | \$3,175 actual cost of total program – loan origination cost per new loan \$275 | \$300 – 500 per new loan or actual admin cost |
| CDOH Funding Eligibility | HOME | |

Comments:

- Management Capacity
 - **Pro – Pro – Delta Housing Authority, Colorado Division of Housing (CDH) Staff and elected officials and staff from local governments in Delta County developed a process for replacing the Single Family Rehab, and Down Payment Assistance programs, previously operated by the West Central Housing Corporation. The Revolving Loan Funds for these purposes were awarded back to the State in the WCHDO bankruptcy proceedings in March 2006. The DHA and local governments have, by intergovernmental agreement, formed the Delta County Housing Authority, which will be advised by the Delta County Housing Task Force, and operated by the DHA. In the first year of operations, the agency completed 11 rehab jobs and is now prepared to accept applications from Montrose and Ouray Counties. They will complete intergovernmental agreements with multi-jurisdictional entities being created in those counties for Down Payment Assistance.**
 - Con – none.

- Public/Private Commitment
 - **Pro – Delta County and Delta have committed \$2,500 in local match funds to the rehab program. Montrose, Montrose County, Ouray, Ridgway, and Ouray County will provide additional local match based on the location of the rehab jobs. Local contributions are being negotiated for the DPA program.**

 - Con – none.

Explain Variances from ranges: None

Other Projects funded in Delta, Montrose, or Ouray Counties since 09/06: DHA Rehab Admin - \$84,934

Other Projects funded for applicant since 09/06: DHA Rehab Admin - \$84,934

Delta County AMI: \$53,900, Montrose County \$53,900, Ouray 60,300

Staff Recommendation: Full Funding

Date of Meeting: 11/13/07

| | | | |
|---------|--|-----------|--|
| Anarde | | Lucero | |
| Gregory | | Rosser | |
| Hatcher | | Weitkunat | |
| Kelly | | | |

Name: Community Housing Development Association, Inc.
Presidential Arms Apartments Acquisition/Rehabilitation

Project Number: 08-011

Project Manager & Address: Jo Ellen Davidson
Executive Director
Community Housing Development Association, Inc.
325 Inverness Drive South
Englewood, CO 80112
(303) 799-4341
(303) 799-6797 Fax
housinglady@qwest.net



Project Address: 3595 S. Washington Street, Englewood, CO 80112

Project Description: Community Housing Development Association, Inc. (CHDA) is requesting a \$405,000 grant to assist with the acquisition/rehabilitation of the 33-unit Presidential Arms Apartments located at 3595 S. Washington Street in Englewood. The property is located 1 mile southeast of the Englewood City Hall, two blocks south of Swedish Hospital, and within close proximity of the Santa Fe light rail station in Arapahoe County. Rehabilitation includes infill of an existing swimming pool, replacement of windows, patio doors, boilers, and a 44 year-old elevator. In addition, repairs will be made to stairs, walkways, roof, and the parking lot. The units will serve families at or below 60% of AMI. The unit mix is as follows:

| Unit Type | 30% | 50% | 60% |
|-----------|-----|-----|-----|
| 0Br/1Ba | 1 | 2 | 2 |
| 1Br/1Ba | 4 | 6 | 8 |
| 2Br/1Ba | 2 | 4 | 4 |
| Total | 7 | 12 | 14 |

PROGRAM BUDGET

| Project Activities | Total Project Cost | State Funds Requested | Other Funds | Sources | Status |
|---|--------------------|-----------------------|-------------------------------------|---|-------------------------------------|
| Acquisition | \$2,100,000 | 405,000 | \$1,695,000 | LIHTC | Committed |
| Appraisal, Soil Tests, Survey(s), Environmental Tests, Market Study | \$129,590 | | \$129,590 | Permanent Loan | Pending |
| Rehabilitation | \$928,000 | | \$330,000 \$205,000 \$393,000 | Arapahoe County FHLB – Topeka LIHTC | Committed Committed Committed |
| Contingency | \$100,000 | | \$100,000 | LIHTC | Committed |
| Relocation | \$140,000 | | \$140,000 | Permanent Loan | Pending |
| Interim Costs | \$150,000 | | \$150,000 | Permanent Loan | Pending |
| Permanent Financing Fees | \$33,000 | | \$33,000 | LIHTC | Committed |
| Developer Fee | \$459,276 | | \$226,234 \$52,532 \$180,510 | LIHTC Deferred Permanent Loan | Committed Committed Pending |
| Operating Reserve | \$120,000 | | \$120,000 | Permanent Loan | Pending |
| Totals | \$4,159,866 | \$405,000 | \$3,754,866 | | |

PROJECT ASSESSMENT FOR Rental Acquisition/Rehabilitation

| Criteria | Project Data | DOH Range |
|-----------------------------|--|---|
| Building Cost | | |
| Cost/sq. ft./Unit Cost | \$194/Sq. ft. & \$126,057/Unit | \$85 - \$117 |
| Hard Cost/Unit/Sq. Ft. | \$126/Sq. ft. & \$81,957/Unit | \$80 to \$105 |
| Soft Cost/Unit/Sq. Ft. | \$51/Sq. ft. & \$33,026/Unit | \$5 to \$12 |
| Hard/Soft Cost | 71%/29% | |
| Cost Effectiveness Rating | | |
| DOH subsidy/unit | \$12,273 | \$1,000 to \$6,500 |
| Cost Person Rating | 5 / \$1,801 / 40 years | 1 to 10 Scale |
| Externality Rating | 8 | 1 to 10 Scale |
| Rent Savings Rating | 5 / 28% | 1 to 10 Scale |
| Financial Leveraging Rating | 9 | 1 to 10 Scale |
| Composite Score | 27 | |
| Operating Cost | | |
| PUPA | \$3,900 | \$3,200 to \$4,200 |
| Debt Coverage Ratio | 1.20 | 1.10 to 1.20 |
| Financial Commitments | | |
| Terms of Primary Financing | Colorado State Bank and Trust \$720,000, 7%, & 30 years | |
| P.V. Tax Credits | .95 | \$.75 to .90 |
| DOH Requirements | | |
| Priority | Preservation of Affordable Housing | |
| Eligibility Criteria | HOME, HOME CHDO set-aside, HDG | |
| Other Criteria | | |
| # of Fully Accessible Units | 2 & 5% of Units | 5% of Units Minimum |
| # of Visitable Units | 2 & 5% of Units | All units Encouraged |
| # of Energy Star Units | 0 & 0% of Units (Several energy-efficiency upgrades are planned, including boiler replacement) | Units Have Minimum 80 HERS Rating or equivalent |
| Water Efficient Landscape | yes | Follow Denver Water Board Recommendations |
| # of 30% Units | 7 & 21% of Units | 5% of Units Encouraged |

Comments:

- Management Capacity

Pro:

1. CHDA was formed in 1995 to address the unmet need for affordable housing in south metro Denver. CHDA is certified as a Community Housing Development Organization (CHDO) and focuses its housing development efforts primarily in Arapahoe County. CHDA developed the 80-unit Willow Street Residences in 2000 and the 36-unit Lara Lea Apartments in 2006.
2. Jo Ellen Davidson, Executive Director, is CHDA's only staff. Ms. Davidson has more than 30 years of diverse real estate, finance, and community development experience, and has facilitated funding and development of 2,000+ affordable rental and homeownership units statewide. Her first development project for CHDA was the on-time, on-budget acquisition and redevelopment of the Lara Lea Apartments completed in 2006.
3. The Ross Management Group provides professional management for CHDA's properties. Formed in 1986, Ross is a moderately sized, highly personalized property management firm based in Denver. They specialize in the management of conventional, tax credit, affordable and service-enriched residential properties as well as retail and commercial real estate.
4. Terracon completed a Capital Needs Assessment of the property on July 12, 2007. Per this report, the immediate repair costs estimate is \$589,885 for a per unit cost of \$17,875.

Con:

1. None

- Public/Private Commitment

Pro:

5. Arapahoe County has committed \$330,000 of their HOME funds towards the acquisition/Rehab of this project.
2. The City of Englewood has waived their current regulations surrounding on-site parking for acquisition/rehabilitation projects to assist in providing support to this project. This reduction in the number of required parking spaces allows this project to meet the city's parking requirements utilizing the current parking spaces.

Con:

1. None

- Market Demand

Pro:

1. Fifty-eight percent or 19 of the units will have rents targeted at 30% - 50% AMI (Area Median Income). The remaining fourteen units have rent levels at below 60% AMI. A higher percentage of 60% units are proposed in response to local concerns (Englewood Housing Authority/City Council) about the concentration of very-low income residents in area rental housing. Higher income targeting will provide greater ability to provide a mix of incomes at the property. However, even with the higher income targeting,

CHDA will structure financing to support rents that are well below the LIHTC limits, and are closer to 40-50% rents.

2. A Market Study recently completed in July 2007 by Prior & Associates, indicates that the unit mix is appropriate for the market area. The study indicates that to attain full occupancy, the project will need to capture 2.8% of renters at 30%, 50%, and 60% AMI. This rate is attainable since the renters at these levels are underserved by the lack of LIHTC units in this area.

Con:

1. None

- **Explain Variances from ranges**

1. The total cost per square foot for this project, including the hard and soft costs are above the current DOH ranges due to the following; hard costs are above the range due to the elevator replacement, energy-efficiency improvements and individual unit replacements of finishes and fixtures. Soft costs for this project are above the range due to the costs associated with the project financing including a capitalized operating reserve, relocation costs, and project due diligence costs.
2. The DOH subsidy per unit is higher than the range due to the number and percent of 30% AMI units provided in this project.
3. The tax credit value obtained for this project is higher than the range and indicates the market strength of this project.

- **Other Projects funded in Arapahoe County Since 10/2006:**

County AMI: \$71,400

- None

- **Other Community Housing Development Association, Inc. funded projects since 10/2006:**

- None

Staff Recommendation: Full Funding

Date of Meeting: November 13, 2007

| | | | |
|---------|--|-----------|--|
| Anarde | | Hatcher | |
| Gregory | | Lucero | |
| Rosser | | Weitkumat | |
| Kelly | | | |

COLORADO DIVISION OF HOUSING * HOUSING DEVELOPMENT ANALYSIS SPREADSHEET

Project Name: **Presidential Arms Apartments**
 Date: 11/8/2007
 Applicant: **Community Housing Development Association, Inc.**
 Spreadsheet Version: **Application**

PAGE #1
 Operating Proforma

| STABILIZED FIRST YEAR INCOME | | | | | | EXPENSES | |
|------------------------------|-------------|-----------|-------------------------------|--------------|-------------------|-------------------------------|---------|
| | % AMI | #of units | Sq. Ft. | Monthly Rent | Total Annual Rent | | |
| | | | | | 0 | Administrative Expenses | |
| | | | | | | Management Fee | 15,000 |
| 0Br/1Ba | 30% | 1 | 450 | 345 | 4,140 | On-site Personnel Payroll | 15,401 |
| | 50% | 2 | 450 | 423 | 10,152 | Health Ins. & Benefits | |
| | 60% | 2 | 450 | 423 | 10,152 | Legal & Accounting | 7,400 |
| | | | | | 0 | Advertising | 5,000 |
| 1Br/1Ba | 30% | 2 | 600 | 360 | 8,640 | Office Supplies | 500 |
| | 30% | 2 | 625 | 360 | 8,640 | Telephone | |
| | 50% | 3 | 600 | 552 | 19,872 | Audit | |
| | 50% | 3 | 625 | 552 | 19,872 | Other | |
| | 60% | 4 | 600 | 552 | 26,496 | Total Administrative Expenses | 43,301 |
| | 60% | 4 | 625 | 552 | 26,496 | Operating Expenses | |
| | | | | | 0 | Utilities (owner paid) | 34,760 |
| 2Br/1Ba | 30% | 2 | 812 | 427 | 10,248 | Trash Removal | 1,250 |
| | 50% | 4 | 812 | 711 | 34,128 | Fire & Liability Insurance | 12,000 |
| | 60% | 4 | 812 | 711 | 34,128 | Other | |
| | | | | | 0 | Total Operating Expenses | 48,010 |
| | Total units | 33 | Total Rent Income | | 212,964 | Maintenance | |
| | Total sq ft | 21,395 | | | | Maintenance | |
| | | | Parking Income | | 0 | Repairs | 15,000 |
| | | | Laundry Income | | 100 | Grounds (inc. snow removal) | 500 |
| | | | Other Income | | | Other | |
| | | | Total Income | | 213,064 | Total Maintenance | 15,500 |
| | Vac. Rate | 0.07 | Less Vacancy | | -14,914 | Real Estate Taxes | 12,000 |
| | | | Effective Gross Income | | 198,150 | Operating Reserve | |
| | | | | | | Replacement Reserve | 9,900 |
| | | | DEBT SERVICE | | | TOTAL ANNUAL EXPENSES | 128,711 |
| | | | 1st Mortgage | | (57,482) | NET OPERATING INCOME | 69,439 |
| | | | 2nd Mortgage | | 0 | P.U.P.A. Expenses * | 3,900 |
| | | | 3rd Mortgage | | 0 | | |
| | | | TOTAL DEBT SERVICE | | (57,482) | | |
| | BEP | 87.43% | Poss D/S @ 1.1 DCR | | 63,126 | | |
| | | | Project Debt Coverage Ratio | | 1.208 | | |

7.04%

20.33%

unit avg.= 0

unit avg.= 300

* 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

**State Housing Board
Program Budget Balances
Tuesday, October 09, 2007**

**Home Investment Partnership Program
Balance as of
October 22, 2007**

Funding Summary Per Contract Log

| Year | PROJECTS | | | CHDO SET-ASIDE | | | AMERICAN DREAM DOWNPAYMENT | | | TOTALS | | |
|------|---------------------|-------------------------------|-----------------------|---------------------|------------------------|----------------------|----------------------------|------------------------|---------------------|---------------------|------------------------|-----------------------|
| | Adjusted Allocation | Contractual Commitment | Uncommitted | Adjusted Allocation | Contractual Commitment | Uncommitted | Adjusted Allocation | Contractual Commitment | Uncommitted | Adjusted Allocation | Contractual Commitment | Uncommitted |
| 2005 | \$6,663,019.27 | \$6,663,019.27 | \$0.00 | \$1,332,604.00 | \$1,332,604.00 | \$0.00 | \$362,057.00 | \$359,756.00 | \$2,301.00 | \$8,357,680.27 | \$8,355,379.27 | \$2,301.00 |
| 2006 | \$6,236,080.00 | \$6,236,080.00 | \$0.00 | \$1,247,216.00 | \$1,247,216.00 | \$0.00 | \$167,509.00 | \$0.00 | \$167,509.00 | \$7,650,805.00 | \$7,483,296.00 | \$167,509.00 |
| 2007 | \$5,742,563.00 | \$3,489,294.85 | \$2,253,268.15 | \$1,148,513.00 | \$1,399,607.00 | -\$251,094.00 | \$139,768.00 | \$0.00 | \$139,768.00 | \$7,030,844.00 | \$4,888,901.85 | \$2,141,942.15 |
| | | | | | | | | | | | | |
| | | Total | \$2,253,268.15 | | Total | -\$251,094.00 | | Total | \$309,578.00 | | Total | \$2,311,752.15 |
| | | Minus Pending Projects | <u>\$1,883,352.00</u> | | | <u>\$137,500.00</u> | | | <u>\$309,578.00</u> | | | <u>\$2,330,430.00</u> |
| | | Remaining Fund Balance | \$369,916.15 | | | -\$388,594.00 | | | \$0.00 | | | -\$18,677.85 |

**Community Development Block Grant
Balance as of
October 22, 2007**

Funding Summary Per Contract Log

| Year | PROJECTS | | | TOTALS | | |
|------|---------------------|-------------------------------|-----------------------|---------------------|------------------------|-----------------------|
| | Adjusted Allocation | Contractual Commitment | Uncommitted | Adjusted Allocation | Contractual Commitment | Uncommitted |
| 2005 | \$3,985,360.00 | \$2,526,008.02 | \$1,459,351.98 | \$3,985,360.00 | \$2,526,008.02 | \$1,459,351.98 |
| 2006 | \$3,562,431.00 | \$0.00 | \$3,562,431.00 | \$3,562,431.00 | \$0.00 | \$3,562,431.00 |
| 2007 | \$3,448,566.00 | \$0.00 | \$3,448,566.00 | \$3,448,566.00 | \$0.00 | \$3,448,566.00 |
| | | | | | | |
| | | Total | \$8,470,348.98 | | Total | \$8,470,348.98 |
| | | Minus Pending Projects | <u>\$1,059,900.00</u> | | | <u>\$1,059,900.00</u> |
| | | Remaining Fund Balance | \$7,410,448.98 | | | \$7,410,448.98 |