



STATE OF COLORADO

John W. Hickenlooper, Governor

Department of Local Affairs

Reeves Brown, Executive Director

Division of Housing

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TERM SHEET	Proposed Housing Investment Fund
Eligible Borrower	<ul style="list-style-type: none"> • Private non-profits and for-profits with experience developing affordable housing • Public Housing Authorities
Eligible Developments	<ul style="list-style-type: none"> • Rental properties serving households below 60% AMI • Mixed income developments including housing for persons with disabilities, veterans and/or homeless are eligible for funding although loans will be sized proportionately by unit mix.
Long Term Affordability	Minimum of 30 years
Eligible Uses	<ul style="list-style-type: none"> • Acquisition • Bridge Loans • New Construction • Rehabilitation
Loan Amount	<\$2 million
Term	<5 years (20% of fund/loan may be converted to long term perm debt)
Interest Rate	1% - 3%
Security	Deed of Trust
Lessor of Maximum Loan-to-Value or Loan-to-Cost	95%
Debt Coverage Ratio range	1.05 – 1.20
Prepayment	Encouraged when possible; no penalties
Reserve Requirements	Replacement, Operating and Debt Service
Fees	\$500 Application Fee 0.50% Origination Fee



PURPOSE:

The state of Colorado has only one home for every two families needing affordable housing. As of 2010, 39 percent of all renter households paid 35 percent or more of their income toward housing. Furthermore, 24 percent of all renter households paid 50 percent or more of income toward housing.

Exacerbating this, the median household income continues to decline. Since 2007, median household income has declined seven percent, and the renter median income has declined nine percent in Colorado. (These figures are adjusted for inflation and reflect pre-tax incomes.)

The Housing Investment Fund is proposed to stimulate affordable housing development focusing primarily on housing people with disabilities, veterans and those faced with homelessness. The HIF is expected to leverage over \$150 million in financing affordable housing throughout Colorado.

MEASURE OF SUCCESS:

The impact of the Housing Investment Fund will be seen throughout Colorado in rural and metropolitan areas. Not only will new affordable housing be created, but the HIF will stimulate the real estate construction market to create jobs and work toward stabilizing the construction industry in Colorado.

With the first use of the \$13.2 million HIF, the measurable outcomes are expected to be:

- Leverage more than \$150 million in funds to finance affordable housing throughout Colorado;
- Create more than 750 new and rehabilitated units of affordable housing; and
- Create and/or sustain 1,050 jobs in Colorado.

The Colorado State Housing Board will review the success of Housing Investment Fund annually and report to the Attorney General's office.