Agenda
State Housing Board Meeting
1313 Sherman St. Room BAA - C (3rd Floor)
Denver, Colorado 80203
July 10, 2012

01: 00 p.m.	Call to Order	Theo Gregory
01: 10 p.m.	Approval of June meeting votes*	State Housing Board
01: 20 p.m.	Director's Comments	Pat Coyle

Application Presentations

	Project #	Project Name and Applicant	Presenters
01:45 pm	12-061	Rio Grande County – San Luis Valley Housing Coalition- South Fork Heights Apartments	Rachel Willis Bill Simpson
02:00 pm.	12-065	Adams County – Archway Housing – Greenleaf Apartments	Joyce Alms-Ramsford Sarah Batt Meghen Duggins

Approval Process:

02:15 p.m. 12-061 12-065

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 Mary Miller at (303) 866-2978 by July 6 , 2012.

cc: Reeves Brown CHATS Patrick Coyle Tony Hernandez Alison George
Lynn Shine State Housing Board Members

***An audio of the State Housing Board meeting is available on the Colorado Department of Local Affairs website www.dola.colorado.gov under Housing Division. The audio is unaltered from the meeting as it was held.**

APPLICATIONS REVIEWED IN JUNE

Colorado Department of Local Affairs, Division of Housing

Pro/Con for 12-062 - Renaissance Housing Development Corporation

Application Number: 12-062
Developer: Meghen Duggins

Project/Program Name: Renaissance Housing Development Corporation
Applicant: Renaissance Housing Development Corporation
Applicant Address: 2111 Champa Street, Denver, CO 80205
Contact Name: Bill Windsor **Phone:** 303-285-5235
Contact's Title: Director, Housing Development **Email:** bwindsor@coloradocoalition.org

Project County: Denver

Project Address: 2180 Stout Street, Denver, CO 80205

Project Description: The Renaissance Housing Development Corporation (RHDC), the development subsidiary of the Colorado Coalition for the Homeless (CCH) is awarded a $780,000 grant for construction for the Stout Street Lofts. The site is located at 2180 Stout Street in downtown Denver. Stout Street Lofts will be a mixed-use, 78-unit affordable housing development. The project will consist of 59 one-bedroom and 19 two-bedroom units and provide at least 26, but up to 50 units of permanent supportive housing for homeless individuals and families. The remaining units will be targeted to other low-income individuals and families at 40, 50 and 60% AMI excluding one unit for an on-site manager.

Stout Street Lofts will be built according to Enterprise Green Communities certification and will contain numerous amenities including on-site property management, air conditioning, garbage disposals and dishwashers, structured parking, CAT-5 cabling, laundry facilities, a community room with kitchen and outdoor courtyard, secured access and a computer room. This is a transit oriented development (TOD) site and is located near retail, social services, a grocery store and employment. The first two floors of the property will include 52,000 square feet for the Stout Street Health Center, which will be developed separately using New Markets Tax Credits and with capital funding from national and local foundations. The mixed-use development will be separated into two condominium units, with separate ownership -- one for the residential use, and one for the Stout Street Health Center.

Affordability

Type of Units	Number of Bedrooms	# of Units	Income of Beneficiaries
HOME	1 Bedrooms	3	<= 30% AMI ($23,450)
	2 Bedrooms	3	<= 30% AMI ($23,450)
	Total HOME Units:	**6**	
OTHER AFFORDABLE	1 Bedrooms	18	<= 30% AMI ($23,450)
		18	<= 40% AMI ($31,280)
		18	<= 50% AMI ($39,100)
		2	<= 60% AMI ($46,920)
	2 Bedrooms	2	<= 30% AMI ($23,450)
		5	<= 40% AMI ($31,280)
		4	<= 50% AMI ($39,100)
		4	<= 60% AMI ($46,920)
	Total OTHER AFFORDABLE Units:	**71**	
UNRESTRICTED	2 Bedrooms	1	<= 120% AMI ($93,840)
	Total UNRESTRICTED Units:	**1**	
	Total Units:	**78**	

Program Budget

Project Activities	Total Project Cost	State Funds Requested	Other Funds	Source	Status
Acquisition Costs	$1,700,475		$1,700,475	Tax Credit Equity	Pending
Infrastructure	$164,526		$164,526	Tax Credit Equity	Pending
Construction	$780,000	$780,000	$0		Pending
	$850,000		$850,000	Federal Home Loan Bank	Pending
	$7,999,736		$7,999,736	Tax Credit Equity	Pending
	$1,000,000		$1,000,000	City of Denver	Pending
Professional Fees	$526,000		$526,000	Tax Credit Equity	Pending
Construction Financing Fees	$532,510		$532,510	Tax Credit Equity	Pending
Syndication Fees	$140,000		$140,000	Tax Credit Equity	Pending
Soft Costs	$109,450		$109,450	Tax Credit Equity	Pending
Developer Fee	$902,303		$902,303	Tax Credit Equity	Pending
	$347,697		$347,697	deferred	Committed
Reserves	$300,000		$300,000	Tax Credit Equity	Pending
Totals	**$15,352,697**	**$780,000**	**$14,572,697**		

Project Assessment For Rental New Construction

Criteria	Project Data			DOH Range
Building Cost				
Cost/Unit/Square Feet	$201,387	/Unit	$170 /SF	$135 - $205
Hard Cost/Unit/Square Feet	$144,304	/Unit	$122 /SF	$105 - $160
Soft Cost/Unit/Square Feet	$35,517	/Unit	$30 /SF	$24 - $40
Land Cost/Unit	$21,566	/Unit		$10,000 - $18,000
Hard/Soft Cost?	72 % Hard		18 % Soft	
Cost Effectiveness Rating				
DOH Subsidy/Unit	$12,821			$2,000 - $10,000
Annual Cost/Person	$2,678	Score: 3	40 Years	1 - 10
Externality Rating	8	Score: 8		1 - 10
Rent Savings Rating	6	Score: 6		1 - 10
Financial Leveraging Rating	10	Score: 10		1 - 10
Composite Score		27		1 - 40
Operating Cost				
PUPA	$5,204			$3,700 - $4,700
Annual Replacement Reserve	$300			$300 ($250 for seniors)
Debt Coverage Ratio	0.00			1.10 - 1.20
Capitalized Operating Reserve	8.4 months			4 months debt & operating costs
Financial Commitments				
Terms of Primary Financing	0 yrs	0.00 %		
P.V. Tax Credits	0.99			0.75 - 0.85
Other Criteria				
Fully Accessible Units	6	8 %		5% of units encouraged
Visitable Units	78	100 %		All units encouraged
Energy Star Units	0	0 %		Units have minimum 80 HERS rating or equivalent
Water Efficient Landscape	Y			Denver Water Board recommendatio
30% AMI Units	33	42 %		5% of units encouraged
DOH Requirements				
Consolidated Plan Priority	Special Needs			
CDOH Funding Eligibility	HOME, HDG			HOME, CDBG, HDG

Pro/Con Narrative

Management Capacity:

Pro:

1. RHDC and CCH have developed more than 1,500 units of transitional and supportive affordable housing in the Denver Metro area.
2. CCH currently operates numerous programs with demonstrated success including health care, mental health services, substance abuse treatment, counseling, tenant based rental assistance, affordable housing

Pro/Con Narrative

Management Capacity:

development, case management, emergency services, early childhood education and childcare, benefits acquisition, transportation and vocational services.
3. CCH currently manages over 325 Section 8 Vouchers and 274 Shelter + Care Vouchers.

Con:
None.

Public/Private Commitment:

Pro:
1. RHDC has formed a Neighborhood Advisory Committee that meets monthly to discuss residents' concerns and questions and present updates on the status and design of the building. Stakeholders include the Ballpark and Curtis Park Neighborhood Associations, local businesses and nonprofit agencies.
2. DHA has agreed to be a special limited partner and provide property tax exemption on an annual basis.
3. This project meets many of the redevelopment goals of the Arapahoe Square Urban Redevelopment Plan, in which it is located. The project also meets the goals of Denver's Ten Year Plan to End Homelessness, by creating permanent supportive housing while expanding health, mental health, employment and supportive services to meet the needs of homeless families and individuals.
4. CCH has committed to master lease 26 of its Shelter Plus Care vouchers for the 30% AMI units. This program also includes services for the residents. DOH will consider a request to project-base up to 24 Family Unification Program (FUP) vouchers with the anticipation that cash flow will be directed toward services for residents.

Con:
None.

Market Demand:

Pro:
1. The first quarter 2012 vacancy rate in Denver was 4.9%. The current LIHTC projects in Denver have a vacancy rate of 1.5% and many have waiting lists. Current RHDC properties are 99% occupied.
2. The 98- unit Uptown Lofts opened in December 2010 and achieved stabilized occupancy within three months. The 101-unit West End Flats will receive its' certificate of occupancy by the end of May and currently has a waiting list of over 200 people.

Con:
1. The project's required capture rate for the 26 units targeted to homeless persons is 19.9%. The 40-60% AMI units have capture rate of 22.9%-30.2%. However, the market study acknowledged the CHFA-required limitations of the primary market area, but also included an in-migration factor since RHDC has historically attracted residents throughout the metro area. The market study concluded that the project is viable because rents are 4%-20% lower than the maximum allowable rents, effectively widening the number of eligible households.

Explain Variances from Ranges:

- Certain development costs have been allocated between residential and commercial budgets based on a 50-50 split of land acquisition, site development, foundation, and parking structure costs.
- Land costs are high due to assembling three parcels on the edge of downtown Denver.
- PUPA is high due to additional property management and maintenance costs associated with permanent supportive housing.

Pro/Con Narrative

Explain Variances from Ranges:

- This is a permanent supportive housing project serving homeless persons with little or no income to cover hard debt on the property.
- CCH will make services available to all residents on property and is currently identifying funding sources to cover program expenses.
- All tax credit equity is shown as pending though RHDC is in final negotiations with investors.

Other Projects Funded in Denver County Since 07-03-2011

Project#	Project Name	Contract Amount
12-054	Brothers Redevelopment, Inc. - Foreclosure Prevention Hotline Operations - Amendment	$0
12-025	Del Norte Neighborhood Development Corporation - CHDO Operating Grant	$20,000
11-046	Denver County - Karis Community - Karis Community Renovation	$300,000
12-046	Home Ownership Program for People with Disabilities	$210,000
12-015	Hope Communities - CHDO Operating Grant	$25,000
12-028	Housing and Work Connection Project (HAWC)	$175,000
12-052	Mariposa Redevelopment Phase II	$660,000
12-022	Newsed CDC - CHDO Operating Grant	$25,000
12-014	Northeast Denver Housing Center, Inc. - CHDO Operating Grant	$32,198
12-019	Renaissance Housing Development Corporation - CHDO Operating Grant	$50,000
	Total Award for County:	**$1,497,198**

Other Projects Funded for Renaissance Housing Development Corporation Since 07-03-2011

Project#	Project Name	Contract Amount
12-019	Renaissance Housing Development Corporation - CHDO Operating Grant	$50,000
	Total Award for Grantee:	**$50,000**

Denver County AMI: $78,200

Staff Recommendation:

Partial funding of $780,000:

- Permanent supportive housing for formerly homeless persons.
- Case management and services will be made available for each resident.
- Housing and healthcare facility are part of overall neighborhood revitalization strategy.

Recommendation contingent upon evidence of financing commitment to support healthcare facility.

SHB Recommendation: **Date of SHB Meeting: 06/12/12**

Gregory	Staff Recommendation	Zucker	Staff Recommendation
Coil	Staff Recommendation		
Hatcher	Staff Recommendation		
Lucero	Staff Recommendation		

SHB Conditions:

Staff recommendation (partial funding $780,000): Theo Gregory, Sally Hatcher, David Zucker
Gene Lucero made a motion to increase funding to applicant's request of $1,00,000. This was seconded by Jim Coil.
It was discussed, but the final motion was made to support staff recommendation at $780,000.

APPLICATIONS TO BE REVIEWED JULY

Colorado Department of Local Affairs, Division of Housing
Pro/Con for 12-061 - South Fork Heights Apartments

Application Number: 12-061
Developer: Bill Simpson

Project/Program Name: South Fork Heights Apartments
Applicant: Rio Grande County
Applicant Address: 592 Main Street, #6, Alamosa, CO 81101
Contact Name: Rachel Willis **Phone:** 719-587-9807
Contact's Title: Executive Director **Email:** rachelslvhc@qwestoffice.net

Project County: Rio Grande

Project Address: 0170 Bonnaville Drive, South Fork, CO 81154

Project Description: The San Luis Valley Housing Coalition (SLVHC) through Rio Grande County is requesting a $855,892 grant to assist in the acquisition/rehabilitation of a USDA Rural Development, 48 unit rental project in South Fork. SLVHC will be acquiring the property from H2H LLC and Boston Capital for $1,590,511 with Rural Development allowing the assumption of a $1,404,161 loan. Terms are 1%, 33 years with payments deferred until year 20 with a balloon payment due at that time. SLVHC will provide owner equity of $43,917. SLVHC is requesting that the Division of Housing provide $142,833 in grant funds to assist in the acquisition. South Fork Heights Apartments were constructed in 1990 and are located in downtown South Fork. The project consists of eight buildings with 48 units that are a mixture of one, two and three bedrooms. It is the only rent subsidized complex in South Fork. The project is in poor condition with several of the units uninhabitable. H2H Development acquired the property in March 2011 with USDA RD funding. USDA RD has also approved a $896,318 loan which would cover a portion of necessary rehabilitation and these funds will be made available to SLVHC at 1%, 40 year term as part of the acquisition. The Division of Housing is being asked to provide the funding necessary to provide for rehabilitation and soft costs not covered by the Rural Development loan. The development is provided water through a private well. The State Department of Health has condemned

the current treatment process and has issued an order to upgrade the system or shut down the property. This would result in the elimination of 48 rent assisted units in the area and an immediate displacement of the 40 current families.

Affordability

Type of Units	Number of Bedrooms	# of Units	Income of Beneficiaries
CDBG	1 Bedrooms	2	<= 30% AMI ($17,750)
		4	<= 40% AMI ($23,680)
		3	<= 50% AMI ($29,600)
		3	<= 60% AMI ($35,520)
	2 Bedrooms	2	<= 30% AMI ($17,750)
		8	<= 40% AMI ($23,680)
		8	<= 50% AMI ($29,600)
		16	<= 60% AMI ($35,520)
	3 Bedrooms	1	<= 60% AMI ($35,520)
		1	<= 120% AMI ($71,040)
	Total CDBG Units:	**48**	
	Total Units:	**48**	

Program Budget

Project Activities	Total Project Cost	State Funds Requested	Other Funds	Source	Status
Rehabilitation Costs Rental	$61,782	$61,782	$0	CDOH	Pending
	$896,318		$896,318	USDA RD	Committed
Environmental	$5,000	$5,000	$0	CDOH	Pending
Building Permits and Fees	$23,000	$23,000	$0	CDOH	Pending
Construction Management	$40,000	$40,000	$0	CDOH	Pending
Landscape	$130,000	$130,000	$0	CDOH	Pending
Acquisition Costs	$1,546,994	$142,833	$1,404,161	Rural Development	Committed
	$43,917		$43,917	SLVHC	Committed
Contingency	$120,000	$120,000	$0	CDOH	Pending
Operating Reserve	$90,000	$90,000	$0	CDOH	Pending
Engineering	$95,000	$95,000	$0	CDOH	Pending
Project Management	$94,360	$94,360	$0	CDOH	Pending
Temporary Relocation	$10,000	$10,000	$0	CDOH	Pending
Totals	**$3,156,371**	**$811,975**	**$2,344,396**		

Project Assessment For Rental Acquisition with Rehab

Criteria	Project Data				DOH Range
Building Cost					
Cost/Unit/Square Feet	$65,758	/Unit		$86 /SF	$100 - $140
Hard Cost/Unit/Square Feet	$59,625	/Unit		$78 /SF	$90 - $120
Soft Cost/Unit/Square Feet	$6,133	/Unit		$8 /SF	$10 - $20
Hard/Soft Cost?	91 % Hard			9 % Soft	
Cost Effectiveness Rating					
DOH Subsidy/Unit	$17,831				$2,000 - $10,000
Annual Cost/Person	$604	Score:	8	30 Years	1 - 10
Externality Rating	4	Score:	4		1 - 10
Rent Savings Rating	0	Score:	0		1 - 10
Financial Leveraging Rating	3	Score:	3		1 - 10
Composite Score			15		1 - 40
Operating Cost					
PUPA	$5,083				$3,700 - $4,700
Annual Replacement Reserve	$300				$300
Debt Coverage Ratio	1.22				1.10 - 1.20
Capitalized Operating Reserve	4 months				4 months debt & operating costs
Financial Commitments					
Terms of Primary Financing	40 yrs		1.00 %		
P.V. Tax Credits					0.75 - 0.85
Other Criteria					
Fully Accessible Units	2		4 %		5% of units encouraged
Visitable Units	0		0 %		All units encouraged
Energy Star Units	0		0 %		Units have minimum 80 HERS rating or equivalent
Water Efficient Landscape	Y				Denver Water Board recommendatio
30% AMI Units	4		8 %		5% of units encouraged
DOH Requirements					
Consolidated Plan Priority	High				
CDOH Funding Eligibility	HOME, CDBG, HDG				HOME, CDBG, HDG

Pro/Con Narrative

Management Capacity:

Pro

Rio Grande County has applied on behalf of San Luis Valley Housing Coalition (SLVHC). SLVHC has considerable experience in the development and management of projects funded with Colorado Division of Housing Funding. They currently manage the development of multi-family projects, single family

Pro/Con Narrative

Management Capacity:

rehabilitation and down payment assistance projects in the region. They have always provided accurate and timely reporting. Projects have been completed on time and on budget.

SLVHC built, owns and manages the 28 unit Casita de la Luna; acquired, owns and manages the 33 unit High Valley Manor; and rehabilitated and provided management oversight of the 14 unit Adams Lane Apartments.

Public/Private Commitment:

Pro

USDA RD has provided a first mortgage for property acquisition in the amount of $1,404,161 and will defer payment until year 20.

USDA has committed $896,318 for property rehabilitation in a 1% 40 year loan.

SLVHC has committed $43,917 in equity for the development.

Rent subsidies are adjusted annunally by USDA to assure adequate revenues for long term economic viability of project.

Con

The project exceeds our maximum range of $10,000 per unit in subsidy by $7,831 per unit but is well below the average building cost ranges.

Market Demand:

Pro

The project, despite its poor condition, is 85% occupied. Many of the units are in such poor repair that they are not usable. It is the only rent subsidized development in the South Fork area. This is a high cost resort area and once rehabilitation is completed it should operate at near capacity given the affordability of the units.

Con

None

Explain Variances from Ranges:

The project exceeds our maximum per unit subsidy by $7,831 per unit, but given the economic condition of the region and the need of the development we would support funding the project.

The project PUPA is $5,083 which is higher than normal but given the fact that rents include all utility expenses in is well within normal operating ranges.

Other Projects Funded in Rio Grande County Since 07-03-2011

Project#	Project Name	Contract Amount
	Total Award for County:	

Other Projects Funded for Rio Grande County Since 07-03-2011

Project#	Project Name	Contract Amount
	Total Award for Grantee:	

Rio Grande County AMI: $59,200

Staff Recommendation:

Staff recommendation is full funding for the following reasons:

Project is located in an extremely economically stressed area of the state.

The development is the only rent subsidized development in the area.

The project would preserve a development that without the assistance is likely to fail.

If approved the project would replace an existing absentee owner with a local non profit owner committed to providing quality affordable housing for the region.

Project would provide construction jobs in an economically distressed region.

Contingent on CDBG fund availability.

SHB Recommendation: **Date of SHB Meeting:**

Gregory		Zucker	
Coil			
Hatcher			
Lucero			

SHB Conditions:

COLORADO DIVISION OF HOUSING * HOUSING DEVELOPMENT ANALYSIS SPREADSHEET

Project Name: South Fork Heights Apartments — Spreadsheet directions are to the right --->

Date: 7/3/2012 — **PAGE #1**

Applicant: Rio Grande County — **Operating Proforma**

Spreadsheet Version: 12.29.2011 — **Required for Project Applications**

STABILIZED FIRST YEAR INCOME						EXPENSES			
#Bed/Bath	% AMI	#of units	Sq. Ft.	Monthly Rent	Total Annual Rent	Administrative Expenses			
1Br/1Bath	60%	3	661	468	16,848	Management Fee	30,456	10.36%	
2Br/1Bath	60%	16	787	535	102,720	On-site Personnel Payroll	40,500		FTE
3Bd/1Bath	60%	1	1004	700	8,400	Health Ins. & Benefits			
3Bd/1Bath	Managers	1	1004	0	0	Legal & Accounting	7,500		
1Br/1Bath	30%	2	661	468	11,232	Advertising	2,000		
2Br/1Bath	30%	2	787	535	12,840	Office Supplies	1,650		
1Br/1Bath	40%	4	661	468	22,464	Telephone	900		
2Br/1Bath	40%	8	787	535	51,360	Audit	5,500		
1Br/1Bath	50%	3	661	468	16,848	Training	5,000		
2Br/1Bath	50%	8	787	535	51,360	Total Administrative Expenses	93,506	31.80%	
					0	Operating Expenses			
					0	Utilities (owner paid)	50,000		
					0	Trash Removal	12,000		
					0	Fire & Liability Insurance	14,276		
					0	Other			
					0	Total Operating Expenses	76,276		
	Total units	48		Total Rent Income	294,072	Maintenance			
	Total sq ft	36,698				Maintenance	30,000		
				Parking Income		Repairs	12,000		
				Laundry Income	2,040	Grounds (inc. snow removal)	10,000		
				Other Income	2,000	Other	1,300		
				Total Income	298,112	Total Maintenance	53,300		
	Vac. Rate	0.07		Less Vacancy	-20,868	Real Estate Taxes	6,500		
				Effective Gross Income	277,244	Operating Reserve	0	unit avg.=	0
						Replacement Reserve	14,400	unit avg.=	300
				DEBT SERVICE		TOTAL ANNUAL EXPENSES	243,982		
				1st Mortgage	0	NET OPERATING INCOME	33,262		
				2nd Mortgage	(27,197)	P.U.P.A. Expenses *	5,083		
				3rd Mortgage	0				
				TOTAL DEBT SERVICE	(27,197)				
	BEP	92.22%		Poss D/S @ 1.1 DCR	30,238				
				Project Debt Coverage Ratio	1.223				

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

*Note:

BEP = Break Even Point

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

Colorado Department of Local Affairs, Division of Housing
Pro/Con for 12-065 - Greenleaf Apartments

Application Number: 12-065
Developer: Meghen Duggins

Project/Program Name: Greenleaf Apartments
Applicant: Archway Housing and Services
Applicant Address: 142 W 5th Ave, Denver, CO 80204
Contact Name: Sarah Batt **Phone:** 303-726-8199
Contact's Title: Consultant **Email:** sarah@dwellingdev.com

Project County: Adams

Project Address: 1571 Beeler St., Aurora, CO 80010

Project Description: Archway Housing & Services, Inc. is requesting $606,250 for acquisition and $825,417 for the rehabilitation of the Greenleaf Apartments, located at 1571 Beeler Street in Aurora. Although these units will be rented to households with incomes at or below 120% of Area Median Income (AMI), seventy (70%) percent of these funds must serve households having incomes at or below 50% of AMI. This Project is eligible for NSP as a bank-owned property and will benefit the State by stabilizing communities through the purchase, rehabilitation and rental of foreclosed properties. The units will be located within a Division of Housing (DOH) designated census block group serving one of the areas of greatest need within the State. This activity qualifies under 24 CFR 570.202 and 570.201(a).

Built in 1970, Greenleaf Apartments is a brick four story elevator building with 22 one-bedroom and 33 two-bedroom units, for a total of 55 units. The scope of rehabilitation to be performed includes upgrading the elevator, the electrical and lighting systems, replacing exterior stairwells and railings, repaving the parking lot, ventilating the crawl space, landscaping, installing a playground and renovating the community room. Unit renovations include replacing living room windows and flooring, installing garbage disposals, air conditioning, exhaust fans over range hood and in bathroom and upgrading kitchen and bathroom fixtures and cabinetry. The scope of work shall conform to Enterprise Green Communities rehab standards.

Greenleaf Apartments is located in Original Aurora near transit lines, employment, restaurants, shopping and a Boys and Girls Club. Archway will also provide on-site resident services for families and children.

Affordability

Type of Units	Number of Bedrooms	# of Units	Income of Beneficiaries
NSP	1 Bedrooms	2	<= 30% AMI ($23,450)
		7	<= 40% AMI ($31,280)
	2 Bedrooms	3	<= 30% AMI ($23,450)
		10	<= 40% AMI ($31,280)
	Total NSP Units:	**22**	
OTHER AFFORDABLE	1 Bedrooms	7	<= 40% AMI ($31,280)
		3	<= 50% AMI ($39,100)
		3	<= 60% AMI ($46,920)
	2 Bedrooms	12	<= 40% AMI ($31,280)
		4	<= 50% AMI ($39,100)
		4	<= 60% AMI ($46,920)
	Total OTHER AFFORDABLE Units:	**33**	
	Total Units:	**55**	

Program Budget

Project Activities	Total Project Cost	State Funds Requested	Other Funds	Source	Status
Acquisition Costs	$606,250	$606,250	$0	DOH - grant	Committed
	$1,778,750		$1,778,750	Permanent Loan	Committed
Rehabilitation	$170,000	$170,000	$0	DOH - loan	Pending
	$330,000	$330,000	$0	DOH - grant	Pending
Rehabilitation Contingency	$75,000	$75,000	$0	DOH - grant	Pending
Professional Fees	$27,000	$27,000	$0	DOH- grant	Pending
Permanent Loan Fees	$22,888	$22,888	$0	DOH- grant	Pending
Predevelopment/ Soft Costs	$26,110	$26,110	$0	DOH- grant	Pending
Developer Fee	$29,975	$29,975	$0	DOH- grant	Pending
Reserves	$30,666	$30,666	$0	DOH- grant	Pending
Construction Finance Fees	$113,778	$113,778	$0	DOH- grant	Pending
Totals	**$3,210,417**	**$1,431,667**	**$1,778,750**		

Project Assessment For Rental Acquisition with Rehab

Criteria	Project Data				DOH Range
Building Cost					
Cost/Unit/Square Feet	$57,977	/Unit		$86 /SF	$100 - $140
Hard Cost/Unit/Square Feet	$53,818	/Unit		$80 /SF	$90 - $120
Soft Cost/Unit/Square Feet	$4,159	/Unit		$6 /SF	$10 - $20
Hard/Soft Cost?	93 % Hard			7 % Soft	
Cost Effectiveness Rating					
DOH Subsidy/Unit	$25,455				$2,000 - $10,000
Annual Cost/Person	$811	Score:	7	30 Years	1 - 10
Externality Rating	10	Score:	10		1 - 10
Rent Savings Rating	2	Score:	2		1 - 10
Financial Leveraging Rating	1	Score:	1		1 - 10
Composite Score			20		1 - 40
Operating Cost					
PUPA	$4,114				$3,700 - $4,700
Annual Replacement Reserve	$350				$300
Debt Coverage Ratio	1.20				1.10 - 1.20
Capitalized Operating Reserve	6 months				4 months debt & operating costs
Financial Commitments					
Terms of Primary Financing	30 yrs		5.25 %		
P.V. Tax Credits	0.00				0.75 - 0.85
Other Criteria					
Fully Accessible Units	0		0 %		5% of units encouraged
Visitable Units	3		5 %		All units encouraged
Energy Star Units	0		0 %		Units have minimum 80 HERS rating or equivalent
Water Efficient Landscape	Y				Denver Water Board recommendatio
30% AMI Units	5		9 %		5% of units encouraged
DOH Requirements					
Consolidated Plan Priority	High				
CDOH Funding Eligibility	NSP				HOME, CDBG, HDG

Pro/Con Narrative

Management Capacity:

Pro:

1. Archway Housing & Services (formerly Rocky Mountain HDC, Inc). has developed and/ or managed five service-enriched multifamily complexes in the Denver metro area with a total of 308 units.
2. All current and previous DOH contracts with Archway are in compliance.

Pro/Con Narrative

Management Capacity:

Con:
None.

Public/Private Commitment:

Pro:
1. Aurora Housing Authority has indicated they will be a special limited partner to the ownership entity, saving $18,000 per year in property taxes.
2. Greenleaf is in close proximity to the other properties targeted by the City of Aurora for use with their own allocation of NSP 1 and NSP 3 funds. All NSP funds have been committed to other projects.

Con:
1. City of Aurora does not have any local HOME or NSP funds available to match request to DOH.

Market Demand:

Pro:
1. Rehabilitated property will be in better condition and will charge rents that are below the average for comparable class C properties located in original Aurora.
2. Property is currently 94% occupied. Current management has indicated residents already meet lawful presence and income qualifications.
3. The overall vacancy rate for North Aurora is 4.5% as of 1st Quarter 2012.

Con:
None.

Explain Variances from Ranges:

- DOH's per unit subsidy is $25,455. NSP projects typically exceed per-unit subsidy ranges.
- Bank will only lend up to 75% of loan-to value on the permanent mortgage. Archway can afford to take on an additional $170,000 and still perform at a 1.2 DCR.
- DOH is anticipating the repayment of NSP 1 Program Income from the City of Aurora and Adams County.
- Replacement reserve is higher to cover additional items of rehab that will be performed at unit turns.

Other Projects Funded in Adams County Since 07-03-2011

Project#	Project Name	Contract Amount
11-332	Adams County - Adams County Housing Authority - Welby Station	$2,500,000
12-029	Adams County Housing Authority - Village of Yorkshire	$750,000
12-050	Holly Gardens	$200,000
12-035	Housing Authority of the city of Brighton - Libretto Apartments	$280,000
	Total Award for County:	**$3,730,000**

Other Projects Funded for Archway Housing and Services Since 07-03-2011

Project#	Project Name	Contract Amount
	Total Award for Grantee:	

Adams County AMI: $78,200

Staff Recommendation:

Full funding:
$606,250,000 grant available for acquisition.
$825,417 available for rehabilitation, of which approximately $170,000 will be a loan (1%, 30 years).

SHB Recommendation: **Date of SHB Meeting: 07/10/12**

Gregory		Zucker	
Coil			
Hatcher			
Lucero			

SHB Conditions:

HOUSING DEVELOPMENT ANALYSIS SPREADSHEET

Project Name: Greenleaf Apt
Date: 6/1/2012
Applicant: Archway Housing
Spreadsheet Version: 0

PAGE #2
Operating Proforma
APPLICANTS MUST COMPLETE FORM
(RENTAL PROJECTS ONLY)

STABILIZED FIRST YEAR INCOME						EXPENSES			
Bd/Bath	% AMI	#of units	Sq. Ft.	Monthly Rent	Total Annual Rent	**Administrative Expenses**			
1/1	30% (@26%)	2	570	393	9,432	Management Fee	21,000	5.48%	
2/1	30% (@26%)	3	750	467	16,812	Salaries and Benefits	28,000	1.00 FTE	
1/1	40% (@ 36%)	14	570	535	89,880	Legal & Accounting	5,000		
2/1	40% (@ 36%)	22	750	635	167,640	Advertising	2,000		
1/1	50% (@ 36%)	3	570	535	19,260	Office Supplies	3,000		
2/1	50% (@ 36%)	4	750	635	30,480	Telephone	4,000		
1/1	60% (@ 36%)	3	570	535	19,260	Audit	3,000		
2/1	60% (@ 36%)	4	750	635	30,480	Other			
					0	**Total Administrative**	**66,000**	17.22%	
					0	**Operating Expenses**			
					0	Utilities	60,000	PUPM	90.909
					0	Trash Removal	3,000		
					0	Other (please specify)			
					0	**Total Operating**	**63,000**		
					0	**Maintenance Expenses**			
					0	Maintenance Supplies	40,000		
	Total units	55		Total Rent Income	383,244	Repairs	16,000		
	Total rental sq ft	37,059				Extermination	3,000		
				Parking Income		Grounds (inc. snow removal)	3,000		
				Laundry Income	8,500	Other (elevator)	4,000		
				Fees and utility reimb	12,000	**Total Maintenance**	**66,000**		
				Total Income	403,744	**Other Expenses**			
	Vac. Rate	0.07		Less Vacancy	-28,262	Real Estate Taxes	0		
				Effective Gross Income	375,482	Property Insurance	12,000		
						Replacement Reserve	19,250	unit avg.=	350
				DEBT SERVICE		Other (please specify)			
				1st Mortgage	(117,868)	**Total Other**	**31,250**		
				2nd Mortgage	(6,561)	**TOTAL ANNUAL EXPENSES**	**226,250**		
				3rd Mortgage	0	**NET OPERATING INCOME**	**149,232**		
				TOTAL DEBT SERVICE	(124,429)	**P.U.P.A. Expenses ***	**4,114**		
	BEP	91.50%		Poss D/S @ 1.15 DCR	129,767	* P.U.P.A = Per Unit Per Annum Expenses			

BEP = Break Even Point | **Project Debt Coverage Ratio** | **1.20**

Poss D/S @ 1.15 DCR = Possible Debt Service at a 1.15 Debt Coverage Ratio

Utilities included in rent? Y/N **n**

If yes, what utilities included in rent?