Developing Integrated Housing for Homeless and Low-Income Households

A Resource Guide for Developers in Colorado | January 2005

COLORADO COALITION FOR THE Homeless

Creating Lasting Solutions

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Introduction

Colorado Coalition for the Homeless (CCH) is a 501(c)(3) non-profit organization whose mission is to work toward the creation of lasting solutions for homeless families and individuals throughout Colorado. CCH provides a range of housing, emergency assistance, health care, mental health counseling, and other supportive services to more than 9,000 homeless families and individuals each year. CCH and its subsidiary, Renaissance Housing Development Corporation, have constructed more than 1,000 units of affordable housing in metropolitan Denver since 1996.

This resource guide outlines CCH's "Renaissance Housing" model of affordable housing development. The Renaissance Housing model is based on a financial model in which income from affordable housing units helps to subsidize transitional and supportive housing units for homeless families and individuals. The Renaissance Housing model uses a complex financial structure that generates sufficient equity to drive down the cost of debt service. Renaissance-style projects are generally structured in the same manner as CCH's Renaissance at Loretto Heights development in Arapahoe County (metro Denver area). Renaissance at Loretto Heights is a 76-unit apartment complex that integrates 25 units of transitional housing for homeless families with 51 units of affordable housing for low-income families. This development received the Fannie Mae Foundation Maxwell Award of Excellence for rental housing in 1998.

The purpose of this document is to provide Community Housing Development Organizations (CHDOs) and other rural non-profit housing developers with a *brief quick-reference guide* to the development of Renaissance-style affordable housing projects for homeless and low-income families and individuals. The guide is intended primarily for non-profit developers in rural Colorado who have little or no experience with affordable housing development. The guide provides an introduction to each major phase of the development process, followed by appendices which provide additional resources. Although there is actually a great deal of overlap between development phases, the phases are presented sequentially for simplicity. *This document is not intended to be a comprehensive manual on affordable housing development.* More comprehensive references on housing development are provided in Appendix A.

Before embarking on any affordable housing development project, a rural non-profit organization needs to assess its organizational capacity by considering the following issues:

- Do you have the full support of your board of directors before you begin the development process?
- Does your organization have access to the necessary expertise, either on staff, through your board of directors, or through professional consultants?
- Will you be able to obtain the necessary financing? Is your organization willing to assume the considerable financial risks inherent in becoming a developer?

- Is your organization prepared to devote 2 to 5 years to the development process, and 15 to 30 years to the operation of the project (including regulatory compliance)?
- Section 1.2 provides a partial list of the areas of expertise needed to develop and manage an affordable housing project. What are the strengths and weaknesses of your staff and board of directors relative to these areas of expertise?
- Transitional housing component: Is your organization prepared to assume the considerable responsibility of providing rental assistance, case management and supportive services to the formerly homeless families that will make up one-third of your tenants?

<u>Risks and Rewards of Undertaking a Renaissance-Style Project:</u>

Developing a Renaissance-style affordable housing project is very complex, expensive and time-consuming; it requires a great deal of specialized expertise; and it entails significant financial risk. However, a Renaissance-style project also offers considerable rewards to the non-profit developer, including:

- In its 30+ years of operation, a Renaissance-style project will provide safe, stable and affordable housing for a large number of low-income and formerly homeless families and individuals;
- The project's debt service and property management are funded by income from rents. Therefore, with the exception of case management and supportive services, the project is financially self-sustaining, and does not rely on continuing government subsidies;
- Developing a Renaissance-style project can provide the non-profit developer with short-term and long-term financial benefits. During the development phase, the developer can earn substantial development fees paid for by federal Low-Income Housing Tax Credits. Following the 20-year tax credit compliance period, the developer will own the property. The equity value of the property can then be used to finance additional housing development or other organizational objectives;
- Integrating formerly homeless families into affordable housing for working families has several advantages, including:
    - It avoids the stigma associated with projects that are exclusively for homeless people, which improves community acceptance;
    - It helps formerly homeless families improve their functioning, since they are surrounded by relatively well-functioning working families; and
    - Families that successfully complete the 2-year transitional housing program can choose to stay in their apartments and pay the prevailing rent.

1.0 Phase One: Development Concept

1.1 Forming the Development Concept

This resource guide assumes that the basic concept of your project will be guided by CCH's Renaissance Housing model. A Renaissance-style development has the following basic characteristics:

- Integrates affordable housing for low-income families or individuals (two-thirds of units) with transitional or permanent supportive housing for homeless families (one-third of units);
- Limited to less than 60% of area median income (AMI);
- Uses real-estate financing from numerous sources, including federal Low-Income Housing Tax Credits, loans and grants from private non-profit organizations, loans and grants from public agencies, and conventional loans from commercial banks;
- Generates a significant portion of equity through tax credits and grants, which minimizes the long-term debt. As a result, the rental income from the affordable housing units is sufficient to pay for basic operating expenses, including debt service.

Transitional housing provides homeless families and individuals with up to 2 years of rental assistance, plus case management and supportive services. Transitional housing tenants are usually required to pay up to 30% of their adjusted gross household income for rent. Transitional housing tenants are also required to work closely with a case manager to evaluate their needs and to access supportive services to address the underlying causes of their homelessness. More information on working with transitional housing tenants is provided in Section 4.2. Publications and web sites relevant to supportive housing/transitional housing are provided in Appendix A, Section 4.2.

Permanent supportive housing for homeless persons with disabilities can also be integrated into Renaissance type affordable housing. Permanent supportive housing is long-term community-based housing and supportive services for homeless persons with disabilities. The intent of this type of supportive housing is to enable this special needs population to live as independently as possible in a permanent setting. The supportive services may be provided by the organization managing the housing or coordinated by the applicant and provided by other public or private service agencies.

Using the basic development concept outlined above, you will need to prepare a detailed long-term vision for your project. This will require drafting a clear, concise description of your development concept, which should address the following issues:

- Housing Needs Assessment:
    - What type of housing is most needed in your community?
    - What is the target population for your proposed project?

- How much can this target population afford to pay in rent?
- How many units will be needed, and how much land will it require?
- Where should the project be located? Consider your tenants' needs, and proximity to public transportation, grocery stores, and supportive services;
- Will the project serve families, single individuals or both? What are the demographics of the homeless people in your community?
- What services for homeless and low-income residents are currently available in your community?
- What are the critical gaps in services for homeless and low-income residents?
- How many units in your project will need to be reserved for transitional housing for homeless families and individuals?

- Interagency collaboration and community relations:
  - Convene a series of meetings with all stakeholders in your community, including local officials, the local planning board, potential lenders, potential tenants, development consultants, social service providers, homeless service providers, advocates for low-income and homeless people, and concerned citizens;
  - Promote your project at local community meetings on homelessness (i.e., "Continuum of Care" meetings).
- Do you wish to develop the project on your own, or are there other organizations in your community that you could partner with?
- How big of a project do you have in mind? How many 1, 2, 3 and 4-bedroom apartments? What kind of amenities would you like to provide?
- Who will operate the transitional housing program that is an integral part of your project? Who will provide case management and supportive services to your transitional housing clients? What type of supportive services will those clients need?
- Identify potential project sites;
- Identify required permits and zoning approvals;
- Prepare preliminary operating budget:
  - Identify sources of operating funds (for Renaissance-style projects, the major source of operating funds is income from rent, plus supportive housing grants);
  - Identify operating expenses (e.g., marketing, management fees, building maintenance, utilities, taxes, insurance, etc.);

- Identify sources of operating funds and operating expenses for transitional housing case management and supportive services.

- Prepare preliminary design drawing of the building and grounds;
  - Note that federal tax-credit regulations include specific design criteria for residential units; your design must comply with these regulations.
- Review the preliminary design with all stakeholders;
- Obtain estimates of construction costs (dollar per square foot, and dollar per unit costs);
- Prepare preliminary development budget:
  - Identify development expenses (e.g., land acquisition, construction, financing costs, legal expenses, etc.);
  - Identify all potential sources of pre-development funding (you will incur significant costs during the pre-development phases of the project, whether or not the project goes forward);
  - Identify and begin investigating all potential sources of development funding (e.g., federal tax credits, loans and grants from private non-profit organizations, loans and grants from public agencies, and conventional loans from commercial banks). For more information on sources of development funding, see Appendix C;
  - Confirm that your funding sources will be available in time to cover your development expenses (i.e., timing of cash flow), and arrange for any necessary "gap" financing.
- Identify potential obstacles to your project, e.g.:
  - Growth controls;
  - Municipal requirements and zoning restrictions;
  - Building codes;
  - Permitting requirements;
  - Local land-use policies;
  - Subdivision requirements and Covenants, Conditions and Restrictions (CCRs);
  - Changing demographics;
  - NIMBY (not-in-my-backyard) issues: Neighborhood opposition to housing for homeless and low-income residents;
  - Site conditions;
  - Financing limitations, especially the timing of cash flow.

1.2 Assembling the Development Team

Your development team will need to include the fields of expertise shown below. To control costs, you should take advantage of any relevant expertise on your agency staff or on your board of directors before retaining outside consultants. *The importance of selecting an experienced and qualified development team cannot be overstated.* For consulting positions, be sure to check professional references, and inspect the work products of each team member (e.g., take a tour of developments designed by your architect, and developments built by your general contractor).

- **Developer's Project Manager/Construction Manager:** This guide assumes that your CHDO or other non-profit organization will act as the developer in most cases. You should select one or more people on your staff or board of directors with experience in affordable housing development, including experience with general project management; land acquisition; developing competitive bids, overseeing contractors, consultants and property managers; and construction management. Project management may also be provided by a contractor or partner organization. However, this will add to the cost of the project, and you may have to provide any partner organization with an ownership interest in the project.
- **Attorney:** You will need a project attorney to provide legal counsel on many aspects of your project, including creating a subsidiary development corporation, real-estate financing and acquisition, liability issues, and federal tax credit regulations. It is essential that your attorney have substantial experience with tax-credit projects and related documentation.
- **Accountant:** You will need a project accountant to set up and maintain the financial records and reporting required for your project. Your project accountant should have substantial experience with federal tax-credit projects and related documentation.
- **Architect:** You will need to retain the services of a licensed architect to prepare preliminary and final designs of the building and grounds, and to help provide oversight of the general contractor.
- **General Contractor:** The general contractor is the company that will construct all improvements to the property. Your general contractor should have experience with the type of development and the type of building materials you are proposing. Ideally, your general contractor should have proven experience in constructing affordable housing developments, as well as experience working on developments in your area.
- **Subcontractors and Subconsultants:** As your project moves forward, your architect and general contractor may need to retain the services of various sub-contractors and sub-consultants. You should also be involved in evaluating and selecting the sub-consultants and, to a lesser degree, the sub-contractors.

- **Property Manager:** The property manager is the person or company that will manage your property after construction is completed. Your property manager should have experience managing low-income and transitional housing properties. Experience with managing tax-credit projects is ideal; however, there are not many property management companies with this type of experience in Colorado. Additional information on property management is provided in Section 4.1.

- **Transitional Housing Advisor:** Your project team should also include someone who can advise you on the transitional housing program which is an integral part of your project. This individual should have experience in planning and operating transitional housing programs for homeless families and individuals, preferably facility-based transitional housing. Issues to be discussed with the transitional housing advisor include: conducting outreach to homeless families; selecting tenants; qualifying household income and rental payments from transitional housing tenants; and staffing requirements for transitional housing tenants (e.g., intake and assessment, case management and supportive services). Additional guidance on these issues is provided in Section 4.2.

1.3 The Development Plan

The non-profit developer will need to prepare a detailed Development Plan to provide overall project management and direction. The Development Plan should encompass every step in the Development Concept, Pre-Development and Construction phases described in Sections 1.0 through 3.0 of this resource guide. The Development Plan should also address the following aspects of your project: (1) coordinating activities among members of the development team; (2) managing critical relationships (e.g., with funders and the community); (3) evaluating the results of each major phase of the project and preparing for the next phase; (4) documenting your major assumptions and making the necessary adjustments; and (5) managing risks at each stage of the project. The Development Plan should be updated and refined continuously throughout each phase of the project. Additional considerations for the Development Plan during Phase One are provided below:

- Forming the development concept and assembling the development team can entail substantial cost obligations, whether you plan to build in-house capacity or contract for professional services. You should pay careful attention to the timing of your cash flow, i.e., be certain that you have projected your costs, and that you have the financial resources to meet these cost obligations at the appropriate time.

- The Development Concept phase is a good time to begin investigating the types of contracts, agreements and other legal documents that you will need to execute in later phases of the project. These documents will obligate you to specific performance agreements that may place you or your organization at legal and financial risk. Examples of such agreements are discussed in Phase Two. Although you will begin researching professional services during this phase, you should not execute any contracts or other legal documents until the pre-development phase.

- In assembling your development team, you should give careful consideration to the ability of prospective team members to work together under stressful conditions. Some members of the development team will need to interact with each other and address issues with substantial cost implications for the project, for themselves, and for other team members. In particular, the developer's project manager, the architect and the general contractor will eventually need to interact on a daily basis.

The final task of Phase One is to review your Development Plan with your board of directors.

Publications relevant to Phase One, Development Concept are provided in Appendix A, Section 1.0.

2.0 Phase Two: Pre-Development

The pre-development phase includes everything prior to beginning construction, including ongoing project management and financial management, conducting the general feasibility study, conducting the financial feasibility study, planning and financing the project, and designing the building and grounds.

2.1 General Feasibility Study

Once you have assembled your development team, the team will need to evaluate the feasibility of the proposed project. The feasibility study should address at least the following issues:

- Do you have the full support of your board of directors?
- Do you have the full commitment of any development partners?
- Will you be able to fund the pre-development costs, cash-flow gaps, and owner equity?
- Do you have sufficient political/community support for the project? Do you have a plan for addressing NIMBY (not-in-my-back yard) issues?
- Are there any municipal use restrictions on the property? Do you have zoning approval?
- Prepare a Market Analysis:
    - You will need to retain the services of a professional research consultant to conduct the Market Analysis;
    - Be sure to provide your consultant with a copy of the Colorado Housing and Finance Authority's (CHFA) requirements for tax credit projects;
    - Also explain to your consultant that this is not a conventional market analysis, and make sure that he/she understands your objectives. The purpose of a conventional market analysis is to determine what type of development will be in demand in your community, which is then used to guide the design of your project. For purposes of this resource guide, the design of the project has been predetermined (a Renaissance-style affordable housing/transitional housing project), and the purpose of the market analysis is to gauge the demand for this type of development in your community.
- Prepare a marketing strategy that addresses both the affordable housing and transitional housing components of your project (e.g., news releases, public service announcements, newsletter articles, newspaper ads, radio ads, public-access cable TV, brochures/flyers, and opening ceremonies). For Renaissance-style developments, the marketing strategy must include outreach to homeless people who are prospective tenants of your transitional housing units. Good places to conduct outreach to homeless people include: emergency shelters, soup kitchens, food banks and other

homeless service agencies; departments of social services; and libraries, coffee houses and other public places where homeless people congregate. The marketing strategy must also include outreach to low-income people who are prospective tenants of your affordable housing units. A good source of tenant referrals is other apartment complexes that have rejected rental applications due to insufficient income.

- Conduct site evaluation and selection: The potential project sites identified in Section 1.1 should be evaluated using the following criteria:
    - Purchase price;
    - Size of site/suitability for your project;
    - Proximity to flood plains;
    - Geophysical characteristics (i.e., suitability of site soils);
    - Environmental characteristics (any contamination issues?);
    - Access to infrastructure (roads, water, sewer, power);
    - Access to services, especially services for homeless and low-income residents (proximity to public transportation, grocery shopping, supportive services, etc.);
    - Aesthetic characteristics of neighborhood;
    - Zoning requirements;
    - Difficulty or ease of working with municipality;
    - Level of community support and community opposition to the project.
- Once you have narrowed the site selection to one or two sites, you will need to contract out the following services:
    - Property appraisals;
    - Environmental review: Do the candidate project sites have any environmental problems? You will need to retain the services of a professional environmental consulting firm to conduct a Phase I Environmental Site Assessment (to evaluate the presence of leaking underground or above-ground petroleum storage tanks; historical waste disposal areas; soil, surface water or groundwater contamination; etc.);
    - Soil testing for construction purposes (you will need to retain the services of a civil/geotechnical engineering consultant);
    - Other reports that may be required by title company or lenders, such as an American Land Title Association (ALTA) survey, archeological study, endangered species study, etc.

2.2 Financial Feasibility Study

Financing a Renaissance-style development is significantly different from conventional real-estate financing. CCH's Renaissance Housing developments are financed from a number of sources, including federal tax credits, loans and grants from private non-profit organizations, loans and grants from public agencies, and conventional loans from commercial banks. An introduction to the federal Low-Income Housing Tax Credit Program is provided in Appendix B. An introduction to other potential sources of financing is provided in Appendix C. A brief description of the financial structure of CCH's Renaissance at Loretto Heights development is provided in Appendix D.

The developer (or your project accountant) will need to conduct a detailed financial feasibility study, which includes preparing a detailed operating budget and a detailed development budget:

- The pre-development costs estimated in Section 1.1 should be updated and refined;
- Prepare the operating budget (also called a "cash flow Pro Forma") for the project. The cash flow Pro Forma charts the expected income and expenses for the first 15 years of the project. A detailed and accurate Pro Forma is critical to obtaining financing for your project. Project income will be primarily from collecting rent (note that for Renaissance-style projects, rental rates are determined by tax credit regulations). Project expenses include debt service, property management, building maintenance and reserves for replacement of capital improvements (roof, parking lot, etc.), marketing, utilities, taxes, and insurance. An example of a cash-flow Pro Forma for a Renaissance-style project is shown in Appendix E.
- Prepare the development budget. The development budget is used to determine how much capital is needed to develop the project, the sources of the capital, and the development expenses.
    - The primary sources of development capital are discussed in Appendices B and C.
    - Examples of development expenses include land acquisition; construction; building permits; insurance; and fees charged by the local municipality, utility providers, the architect, the general contractor, any subconsultants or subcontractors, the project attorney and the project accountant. Because your project provides a valuable service to your community, you may be able to get some of these fees reduced or waived.
    - By this point, you should be discussing the project with several potential lenders. Your development budget should also include loan costs and fees for the acquisition loan, the construction loan, and the permanent loan, including bank origination fees, bank appraisal and legal fees, closing fees, loan interest and other loan costs.

2.3 Planning and Financing

This phase of the project includes the following steps:

- Negotiating the purchase of the property:
  - Site control: Before applying for financing, you must demonstrate to potential lenders that you have site control through an Agreement of Sale;
  - You will need to retain the services of a professional real-estate agent to negotiate the Agreement of Sale. Your project attorney should be involved in this negotiation, and should review all contract agreements;
  - Before closing on the property, your project attorney will need to review the property and title insurance, the survey, the property deed and the settlement sheet;
  - If the property includes any structures, they should be inspected by a qualified building inspector;
  - You may need to obtain an acquisition loan in order to secure the property. If so, the project attorney will need to review the loan documents, and the lender may require a property appraisal.
- Applying for federal Low-Income Housing Tax Credits:
  - For Renaissance-style new construction projects, the sale of federal tax credits can generate approximately 50% of your total development capital (not including land costs);
  - The federal Low-Income Housing Tax Credit program is very complex. As of January 1, 2003, the Colorado Housing and Finance Authority (CHFA) requires evidence that the developer, project attorney and project accountant all have previous experience with tax-credit projects. If your agency does not have previous tax-credit experience, you may have to contract or partner with a developer that does have the required experience;
  - An introduction to the federal Low-Income Housing Tax Credit Program is provided in Appendix B.
- Applying for other financing:
  - Securing financing for your project is very time-consuming, therefore you should apply for grants and loans as early as possible in the pre-development process. Many state and federal grants have a grant cycle of one year between application and grant award. Also be aware that every funder and lender has its own restrictions on how the funds can be used, and its own requirements for compliance and reporting. Long delays in securing funding are common, and you should incorporate this into your project planning;
  - Guidance on grants and loans is provided in Appendix C.

- Minimizing your long-term debt:
    - A critical element of the Renaissance Housing model is to reduce the cost of your long-term debt (permanent financing) as much as possible. This is accomplished by structuring your budgets and your Pro Forma in such a way that the income from the sale of tax credits is used to pay down your construction loan. Your permanent loan should be substantially smaller than your construction loan, and should represent a small portion of your overall project costs. This is necessary in order to allow your project income to cover as much of your debt service and operating expenses as possible.
- Hiring the general contractor: This phase of the project should be managed by a member of the developer's staff who has experience with the construction bid and award process. If no one on your staff has this experience, your architect may be able to provide this service for an additional fee.
- Obtaining final regulatory approvals and the building permit.

2.4 Completing the Design of the Building and Grounds

Once you have assembled your development team, conducted the feasibility study, and selected the project site, you are ready to have your architect produce the schematic design and obtain preliminary cost estimates from the architect and the general contractor. In many cases, you will not be able to secure all of the funding needed for your ideal design. In this case, it will be necessary for the developer to work with the architect (and the general contractor, if available) to reduce project costs. This may require reducing the size of the units in the project, substituting less expensive building materials, eliminating "fancier" design features, reducing the amount of parking and open space, or reducing the amount of landscaping.

It is very important for the development team to meet frequently during the final design stage, to make sure that the architect's final design conforms to the team's vision for the project. It is also very important to make any last-minute design changes before beginning construction – making design changes after construction has begun can be very costly.

2.5 Additional Considerations for your Development Plan

- During this phase, you will be executing contracts and incurring significant project costs. Your Development Plan should be updated to carefully balance your project costs, project income and cash flow timing (i.e., you should be certain that you have projected your costs accurately, and that you have the financial resources to meet these cost obligations at the appropriate time). You should also review the major assumptions of your project, and be certain that your assumptions are still reasonable. Your major funders, lenders and other stakeholders will ask you to "prove" your major assumptions with the results of your market analysis. If you cannot prove your assumptions with market data, then you may wish to re-evaluate your Development Plan.

- During this phase, you will be executing contracts and other legal agreements. These documents will obligate you to specific performance agreements that may place you or your organization at legal and financial risk. Also, failure to perform under the terms of these agreements may create additional financial obligations not anticipated by your initial financial planning. It is imperative that your project attorney review and explain the terms and conditions of all legal documents. For example, if you have contracted to purchase the property, you have committed to the terms of the contract and have the legal obligation to abide by those terms. If you fail to complete the purchase of the property in accordance with the terms of the contract, you risk losing your "earnest money" deposit. You should meet with your attorney to incorporate appropriate escape clauses into the contract, for contingencies such as obtaining financing and performing due-diligence on the property.
- Before entering into any contracts for professional services, you will need to investigate the credentials and past performance of all contractors. Also, if you decide to contract for a project manager, be certain that the contract fully describes the limits of the project manager's authority to legally bind your organization. During this phase, you will be continuously balancing project costs, project income and cash flow timing. You should be certain that you have accurately projected your on-going and capital costs, and that you have the financial resources to meet these cost obligations at the appropriate time. For some professional services, you may be able to obtain low-cost interim financing, or to negotiate deferred payments.
- During this phase, you will be negotiating the structure of your tax-credit partnership with a private investor, and negotiating the sale of your tax-credit allocation. These transactions should be negotiated by your project attorney and project accountant. You should be certain that you understand all of the terms of this transaction, and that the terms and timing of the sale coincide with your development budget. When you enter into the tax-credit partnership, you will be executing documents that obligate you to specific performance agreements. Failure to comply with these performance agreements could have severe financial and tax consequences for your organization. You should meet with your project attorney and project accountant to anticipate any problems that may arise, and develop appropriate "exit strategies" to protect your organization.

The final task of Phase Two is to review your updated Development Plan with your board of directors.

Publications relevant to Phase Two, Pre-Development, are provided in Appendix A, Section 2.0.

3.0 Phase Three: Construction

The construction phase includes the following major tasks:

- Executing the construction contract: The developer will execute a construction contract with the general contractor. There are several different types of construction contracts, and you should review these with your architect and general contractor. Your lender may also have a preference in contract format. Prior to executing the contract, be sure that the contract value (price) fits within your development budget. Your architect can help evaluate the reasonableness of the contract value.

- Closing on the construction loan: Prior to closing on the construction loan, you will need to prepare a construction period budget for the lender. An example construction period budget for a typical Renaissance-style project is provided in Appendix F. Ideally, your lender will provide a loan combination that will include a permanent loan commitment. For Renaissance-style projects, the construction loan will be repaid with your permanent loan, plus income from the sale of your tax credits.

- Managing the construction process: The construction phase of any project is extremely complex, and should be overseen by the developer/owner, the developer's construction manager, and the project architect. The construction manager should be employed directly by the developer/owner. The importance of selecting a qualified and experienced construction manager cannot be over-emphasized. The construction manager is responsible for the day-to-day oversight of the construction process, including overseeing the general contractor, ensuring that the project is being built to specifications and with the proper materials, approving any construction changes, and reporting back to the developer/owner.

- Construction meetings: The construction process requires at least weekly meetings between the developer, the architect, the construction manager and the general contractor.

- Paying the bills:

    - Every month, the project manager will need to assemble and submit an Application for Payment to all parties that are funding the project. The Application for Payment will include the general contractor's monthly draw (payment), together with the other hard and soft costs expended during the payment period. (Hard costs are physical improvements to the property; soft costs include design, legal and other non-construction costs.) Note that your project accountant will have to track costs separately for tax-credit compliance purposes, as not all costs will be part of the tax-credit "Qualified Basis" (see Appendix B).

    - Before processing the general contractor's draws, the project manager, project architect and lender's inspector will need to meet with the general contractor to review and approve job progress. The project manager and project architect will then certify the draw to the lender.
    - For Renaissance-style projects, Applications for Payment will be paid from several sources, including proceeds from the sale of tax credits, grants, low-interest loans, and conventional bank loans. The project accountant will need to keep detailed records of the Applications for Payment.

- As portions of the project are completed (or an entire small project is completed), the project manager and the project architect will need to inspect the work and provide the general contractor with a list of items to be corrected (the "punch list"). All punch list items should be corrected prior to the final construction draw.

- The next steps are to complete construction, make final construction draws, and convert from construction financing to permanent financing. For Renaissance-style projects, this may require a two-step process: (1) after obtaining a Certificate of Occupancy from the municipality, the initial tax-credit payment is used to substantially pay down the construction loan; (2) after achieving the project's leasing goals, the construction loan is paid off with your permanent financing (combined with a second tax-credit payment, if needed).

- The developer will need to obtain a Certificate of Occupancy, and provide the cost certification to the tax-credit investor and the Colorado Housing and Finance Authority (CHFA).

- Prepare reports to funders and lenders.

3.1 Additional Considerations for your Development Plan

- As with previous phases, you will be continuously balancing project costs, project income and cash flow timing. During the construction phase however, you will simultaneously deplete income from construction loans and experience peak project costs, which places the developer at maximum financial risk. Therefore, it is very important to control construction costs, by carefully managing the construction contract (including change orders), and by utilizing inexpensive sources of funding (grants and low-interest loans) before more expensive sources (conventional loans from commercial banks). All funding sources and project costs must be fully defined and locked in via executed contracts or other legal agreements.

- The non-profit developer is obligated to pay the general contractor in a timely manner. Failure to do so could slow down or stop the construction schedule, which could place your tax credits at risk (the tax-credit partnership agreement requires the developer to complete the project by a specified date). Each funding source (i.e., government agency, non-profit organization, or commercial lender) may have different requirements for documenting these payments, and the developer needs to understand these requirements well before payments are due.

- Approximately 120 days prior to completing construction of the first units, the developer should begin coordinating the leasing process with the property manager. Note that the units must be placed in service (i.e., leased and occupied) in order for your tax-credit partner to use the tax credits. Failure to place the units in service in accordance with your tax-credit agreement can have serious financial consequences for your organization. Therefore, tenants will need to be pre-qualified, and the units should be leased and occupied as quickly as possible.

- The construction phase places the developer at maximum legal risk. During this phase, you should review all contracts and other legal agreements with your attorney, and be sure that you understand and remain in compliance with all terms and conditions of these agreements.

The final task of Phase Three is to review the updated Development Plan with your board of directors.

Publications relevant to Phase Three, Construction are provided in Appendix A, Section 3.0.

4.0 Phase Four: Operations

4.1 Property and Asset Management

As the developer/owner, you will need to decide whether you want to manage the property yourself, or contract with a professional property management company. CCH's Renaissance-style developments in metropolitan Denver are managed by a CCH subsidiary, Renaissance Property Management Corporation. Whether you manage the property yourself or contract out this function, your property and asset management plan should include the following minimum elements:

- Personnel and staffing;
- Marketing and occupancy;
- Rent collection and resident relations for all tenants, including formerly homeless families in transitional housing units;
- Security;
- Inspecting the property, and maintenance of the building(s) and grounds;
- Planning capital improvements to the property;
- Monitoring the property's compliance with local ordinances;
- Managing disbursement of income from property management;
- Monitoring compliance with tax credit regulations. Note that the federal tax-credit regulations impose a significant additional administrative burden on the property manager, including annual income recertifications for each unit, and annual certifications and reporting requirements to the Colorado Housing and Finance Authority (CHFA); and
- Managing the project's permanent financing and preparing reports to funders and lenders, and to the developer's senior management and board of directors.

Publications relevant to property and asset management are provided in Appendix A, Section 4.1.

4.2 Working with Transitional Housing Tenants

The property manager of any Renaissance-style project ideally should have previous experience operating transitional housing or government-subsidized housing developments. At the very least, your property manager should have a genuine compassion for people who are experiencing homeless, and a basic understanding of the causes of homelessness. The causes of homelessness are varied and complex, including: lack of affordable housing; lack of living-wage jobs; family crisis; domestic violence; sudden job loss; difficulty finding employment due to economic dislocation; lack of education and training; mental illness; substance abuse; and chronic health problems. The purpose of transitional housing is to provide homeless families with stable housing and supportive services, which will allow them to address the underlying causes of their homelessness and return to self-sufficiency.

A critical element of your Renaissance-style development is providing case management and supportive services to your transitional housing tenants. Transitional housing case managers perform a variety of functions, including:

- Conducting intake and assessment interviews to select tenants for the transitional housing units;
- Working with client families to develop case management plans. The purpose of case management plans is to identify and prioritize the families' short-term and long-term goals, and outline the steps needed to achieve these goals;
- Helping client families access the supportive services that will help them achieve their goals. Typical supportive services may include:
    - Food, clothing and other necessities;
    - Education and job training;
    - Transportation;
    - Child care;
    - Life skills and financial counseling;
    - Substance abuse treatment;
    - Medical and mental health care;
    - Facilitated access to public health and social service benefits;
    - Domestic violence counseling; and
    - Housing counseling.

At CCH's Renaissance Housing developments in metropolitan Denver, case management and supportive services are primarily contracted out to smaller non-profit agencies. Some case management and supportive services are also provided directly by CCH staff. In rural areas of Colorado, your Renaissance-style development may not be large enough to require or support a full-time case manager. In this case, you will need to retain the services of a local case manager, such as a case manager employed by a local homeless assistance agency.

Publications relevant to supportive housing/transitional housing are provided in Appendix A, Section 4.2.

Appendix A

Publications and Web Sites

Note: All web addresses are subject to change. If you cannot find the web links listed below, please contact CCH for updates.

Introduction

1. A description of CCH's housing programs are available on the World Wide Web at the following URL: http://www.coloradocoalition.org/housing.cfm.

1.0 Phase One: Project Concept

1. *The Developer's Toolkit*, Colorado Division of Housing, 1996. Order from Colorado Division of Housing, 1313 Sherman St. – Room 518, Denver, CO 80203, (303) 866-2033. The associated 1.5 day workshop is also highly recommended.

2. *Federal Housing Resource Guide*, 2001. A guide to Federal Housing Programs. Download free from the World Wide Web at the following URL (once arriving at this page, scroll down until you locate the guide): http://www.tacinc.org/CMS/viewPage.cfm?pageId=37

3. *A Primer for Beginning Rural Housing Developers*, 1995. Download free from the World Wide Web at the following URL (once arriving at this page, scroll down until you locate the primer): http://www.ruralhome.org/pubs/publist.htm#new

4. *Developing Affordable Housing: A Practical Guide for Non-Profit Organizations*, 1999. Order from John Wiley & Sons, Inc., 605 Third Ave., New York, NY, 10158-0012. Phone (212) 850-6011. Fax: (212) 850-6008.

5. *Challenging Choices: Housing Development 101* (article in *Opening Doors*, newsletter from Technical Assistance Collaborative, December 1999). Download free from the World Wide Web at the following URL: http://www.c-c-d.org/od-dec99.htm#Challenging%20Choices

6. *A Real Estate Development Workbook and Manual*, Suckerman, Howard A., Prentice Hall, 1991.

7. *The Citizens Guide to Planning*, Smith, Herbert H., Planners Press, 1979.

8. *Assessing Local Housing Needs: A Guide for Rural Communities*, 1992. Order from Housing Assistance Council, 1025 Vermont Ave NW – Suite 606, Washington, D.C., 20005, (202) 842-8600, URL: http://www.ruralhome.org

9. *Housing in Rural America: Building Affordable and Inclusive Communities*, 1999. Order from Sage Publications, 2455 Teller Road, Thousand Oaks, CA 91320, Email: order@sagepub.com

10. *Non-Profit/For-Profit Joint Ventures in Rural Affordable Housing: Case Studies*, 1997. Order from Housing Assistance Council, 1025 Vermont Ave NW – Suite 606, Washington, D.C., 20005, (202) 842-8600. URL: http://www.ruralhome.org

11. *Fair Housing, The Zoning Process, and Land Use Politics in Rural Areas*, 1998. Order from Housing Assistance Council, 1025 Vermont Ave NW – Suite 606, Washington, D.C., 20005, (202) 842-8600. URL: http://www.ruralhome.org

12. The Colorado Division of Housing (DOH) publishes several good reports and newsletters regarding affordable housing development in Colorado. You can find these reports and newsletters on the World Wide Web at the following URL: http://www.dola.state.co.us/doh/Publications.htm

13. The US Department of Housing and Urban Development (HUD) has a Regulatory Barriers Clearinghouse that publishes articles, newsletters and reports regarding regulatory barriers to affordable housing. You can find these articles, newsletters and reports on the World Wide Web at the following URL: http://www.huduser.org/rbc/

2.0 Phase Two: Pre-Development

1. *The Developer's Toolkit,* Colorado Division of Housing, 1996. Order from Colorado Division of Housing, 1313 Sherman St. – Room 518, Denver, CO 80203, (303) 866-2033. The associated 1.5 day workshop is also highly recommended.

2. *A Rural Land Acquisition and Pre-Development Guide*, 2001. Download free from the World Wide Web at the following URL (once arriving at this page, scroll down until you locate the guide): http://www.ruralhome.org/pubs/publist.htm#development

3. *ROI On-Line Real Estate Development Manual*, 2001. Written by ROI Real Estate Development Staff and Neighborhood Reinvestment Staff , edited by Jack Jensen. You can find this manual on the World Wide Web at the following URL: http://www.ruralinc.org/devman/devman.htm

4. *Tax Credits for Low-Income Housing: Opportunities for Developers, Non-Profits, Agencies and Communities Under Permanent Tax Code Provisions*, Joseph Guggenheim, 11th Edition, 2000.

5. *A Developer's Guide to the Low Income Housing Tax Credit*. Herbert Stevens and Thomas Tracy, 1992. Order from National Council of State Housing Agencies (202) 624-7710.

6. *Utilizing the Low-Income Housing Tax Credit for Rural Rental Projects: A Guide for Non-Profit Developers*, 2000. Download free from the World Wide Web at the following URL: http://www.ruralhome.org/pubs/publist.htm#lihtc

7. *Multi-Family Housing Development Finance*, National Development Council, 1990

8. *Bank-Ability: A Practical Guide to Real-Estate Financing for Non-Profit Developers*, 1996. Order from Community Development Research Center, New School University, 66 Fifth Ave, New York, NY, 10011, (212) 229-5414.

9. *Combining Funding Sources for Rural Housing Development*, 1999. Order from Housing Assistance Council, 1025 Vermont Ave NW – Suite 606, Washington, D.C., 20005, (202) 842-8600. URL: http://www.ruralhome.org

10. *Housing Finance Magazine*. Contains articles on affordable housing finance. You can find these articles on the World Wide Web at the following URL: http://www.housingfinance.com

11. The Enterprise Social Investment Corporation (ESIC), a subsidiary of the non-profit Enterprise Foundation and a major non-profit lender and tax-credit syndicator has helpful articles and information. You can find these articles on the World Wide Web at the following URL: http://www.enterprisefoundation.org/esic

12. The National Equity Fund, a subsidiary of the non-profit Local Initiatives Support Corporation (LISC), and a major non-profit lender and tax-credit syndicator at URL: http://www.liscnet.org/

13. HUD website for the HOME Investment Partnership Program at URL: http://www.hud.gov/offices/cpd/affordablehousing/programs/home/index.cfm

14. HUD website for the Community Development Block Grant (CDBG) Program at URL: http://www.hud.gov/offices/cpd/communitydevelopment/programs/index.cfm

15. Colorado Division of Housing grant and loan application website at URL: http://www.dola.state.co.us/doh/GrantsLoans.htm

16. USDA Section 515 Rural Rental and Cooperative Housing Program grants website at URL: http://www.dola.state.co.us/doh/GrantsLoans.htm

17. Colorado Housing and Finance Authority (CHFA) has information the Low-Income Housing Tax Credit Program and the Allocation Plan on the World Wide Web at URL: http://www.colohfa.org/tc_lihtc.shtml

18. Federal Home Loan Bank member banks in Colorado listing on the World Wide Web at URL: http://www.fhlbtopeka.com/member_search.asp?state=Colorado&format=detailed

3.0 Phase Three: Construction

1. *The Developer's Toolkit,* Colorado Division of Housing, 1996. Order from Colorado Division of Housing, 1313 Sherman St. – Room 518, Denver, CO 80203, (303) 866-2033. The associated 1.5 day workshop is also highly recommended.

2. *Methods and Materials of Residential Construction*, Wass, Alonzo, Reston Publishing Company, 1973.

3. *Understanding House Construction, 2nd Edition*, Kilpatrick, John A., Home Builder Press, 1993.

4. *Houses, The Illustrated Guide to Construction, Design and Systems*, Harrison, Henry S., Real Estate Education Company, 1992.

5. *Plan Reading for Home Builders*, Dalzell, J. Ralph, McGraw-Hill, 1972.

4.0 Phase Four: Operation and Maintenance

4.1 Property and Asset Management

1. *The Developer's Toolkit*, Colorado Division of Housing, 1996. Order from Colorado Division of Housing, 1313 Sherman St. – Room 518, Denver, CO 80203, (303) 866-2033. The associated 1.5 day workshop is also highly recommended.

2. *The Guide to Practical Property Management*, Bachner, John Phillip, McGraw-Hill, 1991.

3. *The Successful On-Site Manager*, King, Carol, Institute of Real Estate Management, 1984.

4. *Successful Residential Management: The Professional's Guide*, Holland, Barbara K., Institute of Real Estate Management, 1995.

5. *The Landlord's Handbook: A Complete Guide to Managing Small Residential Properties*, Goodwin, Daniel, The Inland Group, Inc., 1989.

4.2 Working with Transitional Housing Tenants

1. *Scattered-Site Transitional Housing for People Who Are Homeless: A Manual*, Colorado Coalition for the Homeless, 1998.

2. *Family Matters: A Guide to Developing Family Supportive Housing*, 2001. Download free from the Corporation for Supportive Housing World Wide Web site at the following URL (once arriving at this page, scroll down until you locate the article): http://www.csh.org/index.cfm?fuseaction=Page.viewPage&pageId=42

3. *Developing and Managing Supportive Housing*. Download free from the Corporation for Supportive Housing World Wide Web site at the following URL (once arriving at this page, scroll down until you locate the article): http://www.csh.org/index.cfm?fuseaction=Page.viewPage&pageId=42

4. *Providing Services in Supportive Housing*, Order from Corporation for Supportive Housing, 50 Broadway – 17th Floor, New York, NY 1004, (212) 986-2966, ext. 500. URL at: http://www.csh.org/index.cfm?fuseaction=Page.viewPage&pageId=42

5. *Beyond Housing: Profiles of Low-Income, Service-Enriched Housing for Special Needs Populations and Property Management Programs*, 1997. Order from Enterprise Foundation, 10227 Wincopin Circle – Suite 500, Columbia, MD 21044-3400, (410) 964-1230. URL: http://enterprisefoundation.org

6. *Guide to Developing Supportive Housing Programs: The Scattered Site Model*, 1998. Order from Bailey House, Inc., Technical Assistance and Program Evaluation Department, 275 Seventh Ave – 12th Floor, New York, NY 10001, (212) 633-2500 at URL: http://www.baileyhouse.org

7. *Linking Rural Housing and Social Services: Case Studies*, 1998. Order from Housing Assistance Council, 1025 Vermont Ave NW – Suite 606, Washington, D.C., 20005, (202) 842-8600, at URL: http://www.ruralhome.org

8. *Service-Enriched Housing Design Manual*, 1994. Order from Corporation for Supportive Housing, 50 Broadway – 17th Floor, New York, NY 10004, (212) 986-2966, ext. 500 at URL: http://www.csh.org/index.cfm?fuseaction=Page.viewPage&pageId=42

9. *Transitional Housing: A Bridge to Stability and Self-Sufficiency*, 1998. Order from HomeBase/The Center for Common Concerns, 870 Market Street, Suite 1228, San Francisco, CA 94102, (405) 788-7961.

10. *Not a Solo Act: Creating Successful Partnerships to Develop and Operate Supportive Housing. Order from Corporation for Supportive Housing*, 50 Broadway, 17th Floor, New York, NY 10004, (212) 986-2966, ext. 500, at URL: http://www.csh.org/index.cfm?fuseaction=Page.viewPage&pageId=42

11. Supportive Housing Program (SHP) information from HUD on the World Wide Web at URL: http://www.hud.gov/offices/cpd/homeless/programs/shp/index.cfm

12. The Supportive Housing Program – *SHP Desk Guide*, a HUD guidance document can be found on the World Wide Web at the following URL: http://www.hud.gov/offices/cpd/homeless/library/shp/shpdeskguide/index.cfm

Appendix B

Introduction to Federal Low-Income Housing Tax Credits

The federal Low-Income Housing Tax Credit program was created by Congress in the 1986 Tax Reform Act. The purpose of the program is to create a financial incentive (in the form of tax credits) for private investors to invest in the development of low-income rental housing. The federal tax credit program is very complex, and it is imperative that your project attorney and project accountant have experience with tax-credit projects. You may also need to retain the services of a professional tax-credit attorney and tax-credit accountant. Below is a *highly simplified* introduction to the federal tax credit program:

What types of developments are eligible for tax credits?

New construction, acquisition, and rehabilitation of multi-family rental housing are eligible for tax credits. Your project must meet the following income limits and maximum rents for at least 20 years:

- At least 20% of the units must be occupied by households earning less than 50% of the Area Median Income; or at least 40% of the units must be occupied by households earning less than 60% of the Area Median Income.
- Income limits are calculated by county and metropolitan statistical areas, and depend on the size of the household;
- The maximum gross rent that you can charge your tenants is restricted to 30% of the maximum income limit for each unit (gross rent includes utilities, excluding telephone).

Are there different types of tax credits?

Yes. Depending on the type of project you are proposing, you can apply for either "4%" or "9%" tax credits:

- New construction and substantial rehabilitation *without* a federal subsidy qualifies for 9% tax credits (this means that the private investor will be able to take a maximum annual tax credit of 9% of its investment in the project, excluding the cost of land acquisition). CCH's Renaissance-style developments are based on the use of "9%" tax credits.
- New construction and substantial rehabilitation *with* a federal subsidy qualifies for 4% tax credits (the private investor will be able to take a maximum annual tax credit of 4% of its investment in the project, excluding the cost of land acquisition).
- Acquisition of an existing building, with substantial rehabilitation, qualifies for 4% tax credits (restricted to buildings whose ownership has not changed in the last 10 years).

- If your project qualifies, you may be able to obtain Federal Historic Preservation Tax Incentives through the National Park Service. Additional information on this program can be obtained at the National Park Service web site at http://www2.cr.nps.gov/tps/tax/index.htm.

"Federal subsidy" means federally subsidized loans or tax-exempt loans, including Rural Housing Service Section 515 loans. "Federal subsidy" does not include federal grants, such as CDBG, HOME or Supportive Housing Program grants.

How does the non-profit developer apply for tax credits?

The non-profit developer applies to the Colorado Housing and Finance Authority (CHFA) for tax credits. CHFA is a quasi-governmental agency established by the Colorado General Assembly in 1973. CHFA reviews and selects projects for financing based on criteria contained in CHFA's Allocation Plan (the Allocation Plan can be found at www.colohfa.org – click on "rental finance," then scroll down to "Low-Income Housing Tax Credits" and click on the text). The selection process is competitive and there is no guarantee of receiving a tax-credit allocation for your project. As of 2003, CHFA requires that the developer's project manager, project attorney and project accountant all have significant prior experience with tax credit projects. For additional information on CHFA, please see Appendix C and the CHFA web site (www.colohfa.org).

How does the non-profit developer raise development capital using tax credits?

The developer sells the tax credits to a private investor (both individuals and corporations) through a process know as "syndication." A "syndicator" is an organization that helps set up a partnership between the non-profit developer and the private investor to cooperate on tax-credit projects. The developer is typically the general partner, while the private investor is a limited partner. Two prominent examples of syndication firms are: (1) the Enterprise Social Investment Corporation, a subsidiary of the non-profit Enterprise Foundation (www.enterprisefoundation.org/esic); and (2) the National Equity Fund, a subsidiary of the non-profit Local Initiatives Support Corporation (www.nefinc.org).

How much development capital can the non-profit developer raise using tax credits?

For Renaissance-style new construction or substantial rehabilitation projects, the sale of tax credits can generate approximately 50% of your total development capital (not including land costs). An highly simplified example calculation is shown below:

Example project: Construction of a new 10-unit Renaissance-style multi-family rental development. Total development cost = $1.2 million. Land cost = $240,000.

- Tax credit rate = 9%
- Qualified basis = $1.2 million minus $240,000 = $960,000
- Annual tax credit = 9%($960,000) = $86,400
- Developer can expect to receive approx. 70 cents on the dollar for tax credit, therefore, amount investor will pay for tax credit = $86,400 x 10 years x 70% = $604,800
- In this example, tax credits generate $604,800 out of total development costs (excluding land) of $960,000 or 63% of your development capital.

Note: An example of how the Qualified Basis is established is shown at the end of this Appendix.

Does the non-profit developer get the development capital up-front to pay for construction?

No. In order to protect the investor's interests, the development capital will be paid through the syndicator's equity fund in stages, which are subject to negotiation. A typical payment schedule would be: 30% upon formation of the partnership; 40% upon completion of construction; and 30% upon completion of occupancy. Therefore, the developer will need to secure pre-development loans, construction loans, and "bridge" loans to finance the development until tax-credit payments are received.

How does the private investor benefit?

The private investor benefits by using the tax credits to reduce its annual tax liability each year for ten years. The tax credit is an actual dollar-for-dollar reduction in the amount of taxes due to the IRS, as opposed to a tax deduction, which is a reduction in the gross amount subject to federal taxes (the value of the tax credit depends on whether your project is based on the use of "4%" or "9%" tax credits). As a partner and co-owner of the project, the investor enjoys other tax advantages, such as depreciation on the buildings. The investor's corporate image also benefits from its involvement in affordable housing development.

Will the non-profit developer ever own the project outright?

Under the tax-credit regulations, the investor has the option to sell its interest in the project after 15 years. In most cases, the investor is interested only in the tax benefits of the project. The developer's project attorney should add a clause to the partnership agreement that gives the developer exclusive rights to buy out the investor and become the sole owner after 15 years.

<u>Does a tax-credit project pose any risks to the non-profit developer?</u>

Yes. Tax-credit projects have a "compliance period" of 15 years, during which the developer must maintain compliance with various provisions of the tax-credit regulations, including occupancy requirements, income limits, and significant reporting requirements. In addition, there is a requirement that the project remain affordable to tenants for a minimum of 30 years. ***If the developer fails to maintain compliance with these provisions during the 15-year compliance period, the IRS may revoke the project's tax-credit status, and the developer may be exposed to severe financial liabilities.***

Tax-credit projects also require substantial additional documentation, typically including a syndication agreement; a partnership agreement; a security agreement; a promissory note; and UCC financial statements.

As stated above, the tax-credit program is very complex, and it is imperative that your project attorney and project accountant have experience with tax-credit developments. You may also need to retain the services of a professional tax-credit attorney and/or tax-credit accountant.

<u>For additional information:</u>

- See the list of publications and web sites in Appendix A, section 2.0.
- See the CHFA web page: www.colohfa.org. For information on applying for tax credits, click on "rental finance," then scroll down to "Low-Income Housing Tax Credits (LIHTC)."
- Additional information on CHFA is provided in Appendix C.
- Consult with an attorney and/or accountant who has experience with federal Low-Income Housing Tax Credit projects.

EXAMPLE QUALIFIED BASIS

PROJECT COSTS:

	Total	LIHTC Basis Calculation	
Land & Buildings		4% Credit	9% Credit
Land	$980,105	XXXXXXXX	XXXXXXXX
Existing Structures	$0	$0	XXXXXXXX
Demolition	$0	XXXXXXXX	XXXXXXXX
Subtotal	**$980,105**	**$0**	**$0**
Site Work			
On Site Work	$313,700	$313,700	$313,700
Off Site Work	$0	XXXXXXXX	XXXXXXXX
Subtotal	**$313,700**	**$313,700**	**$313,700**
Rehab. & New Construction			
New Structures	$9,973,836	$9,973,836	$9,973,836
Rehabilitation	$0	$0	$0
Accessory Structures	$0	$0	$0
General Requirements	$284,153	$284,153	$284,153
Contractor Overhead	$637,069	$637,069	$637,069
Contractor Profit	$0	$0	$0
Construction Contingency	$402,476	$402,476	$402,476
Furnishings	$40,000	$40,000	$40,000
Permit Fees	$50,000	$50,000	$50,000
Other (Specify)	$0	$0	$0
Subtotal	**$11,387,534**	**$11,387,534**	**$11,387,534**
Professional Fees			
Architect, Design	$535,611	$535,611	$535,611
Architect, Supervision	$58,500	$58,500	$58,500
Attorney, Real Estate	$15,000	$15,000	$15,000
Consultant/agent	$0	$0	$0
Engineer/Surveyor	$7,000	$7,000	$7,000
Construction Testing	$13,500	$13,500	$13,500
Soils Report	$4,800	$4,800	$4,800
Other (Specify)	$0	$0	$0
Subtotal	**$634,411**	**$634,411**	**$634,411**
Construction Interim Costs			
Hazard & Liability Insurance	$1,000	$1,000	$1,000
Builder's Risk Insurance	$0	$0	$0
Perform. & Pymt Bonds	$53,165	$53,165	$53,165
Credit Report	$0	$0	$0
Construction Interest	$209,307	$209,307	$209,307
Constr. Origination Fees	$63,750	$63,750	$63,750
Mortgagee Fee	$0	$0	$0
Bond Cost of Issuance	$0	$0	$0
Inspection fees	$20,200	$20,200	$20,200
Title & Recording	$22,000	$22,000	$22,000
Legal Fees	$10,000	$10,000	$10,000
Prop. Taxes during const	$15,000	$15,000	$15,000
Other (Specify)	$0	$0	$0
Other (Specify)	$0	$0	$0
Other (Specify)	$0	$0	$0
Subtotal	**$394,422**	**$394,422**	**$394,422**

Permanent Financing			
Bond Premium	$0	XXXXXXXX	XXXXXXXX
Bond Issue 30-day lag reserve	$0	XXXXXXXX	XXXXXXXX
Discount Points	$0	XXXXXXXX	XXXXXXXX
Perm Loan Origination	$13,750	XXXXXXXX	XXXXXXXX
Credit Enhancement	$0	XXXXXXXX	XXXXXXXX
Title & Recording	$0	XXXXXXXX	XXXXXXXX
Legal Fees	$0	XXXXXXXX	XXXXXXXX
Prepaid MIP	$0	XXXXXXXX	XXXXXXXX
Other (Specify)	$0	XXXXXXXX	XXXXXXXX
Other (Specify)	$0	XXXXXXXX	XXXXXXXX
Other (Specify)	$0	XXXXXXXX	XXXXXXXX
Subtotal	**$13,750**	**$0**	**$0**
Soft Costs			
Feasibility Study	$0	$0	$0
Market Study	$0	$0	$0
Environmental Study	$15,000	$15,000	$15,000
Tax Credit Fees	$25,000	XXXXXXXX	XXXXXXXX
Compliance Fees	$20,000	XXXXXXXX	XXXXXXXX
Appraisal	$8,000	$8,000	$8,000
Cost Certification	$5,000	$5,000	$5,000
Soft Cost Contingency	$14,322	$14,322	$14,322
Other (Specify)	$0	$0	$0
Other (Specify)	$0	$0	$0
Subtotal	**$87,322**	**$42,322**	**$42,322**
Syndication Costs			
Organization Costs	$20,000	XXXXXXXX	XXXXXXXX
Bridge Loan	$0	XXXXXXXX	XXXXXXXX
Tax Opinion	$20,000	XXXXXXXX	XXXXXXXX
Other (Specify)	$0	XXXXXXXX	XXXXXXXX
Other (Specify)	$0	XXXXXXXX	XXXXXXXX
Other (Specify)	$0	XXXXXXXX	XXXXXXXX
Subtotal	**$40,000**	**$0**	**$0**
Developer Fees			
Developer Fee	$950,000	$950,000	$950,000
Developer Overhead	$0	$0	$0
Developer Profit	$0	$0 $0	
Other (Specify)	$0	$0	$0
Subtotal	**$950,000**	**$950,000**	**$950,000**
Project Reserves			
Rent-up Reserves	$120,727	XXXXXXXX	XXXXXXXX
Operating Reserves	$252,000	XXXXXXXX	XXXXXXXX
Replacement Reserves	$0	XXXXXXXX	XXXXXXXX
Escrows	$0	XXXXXXXX	XXXXXXXX
Other (Specify)	$0	XXXXXXXX	XXXXXXXX
Subtotal	**$372,727**	**$0**	**$0**
		4% Eligible Basis	9% Elig. Basis
TOTAL PROJECT COSTS:	$15,173,971	$13,722,389	$13,722,389

Appendix C

Sources of Financing for Renaissance-Style Developments

CCH's Renaissance-style developments are financed from a number of sources, including federal tax credits, loans and grants from private non-profit organizations, loans and grants from public agencies, and loans from commercial banks. The success of any Renaissance-style development depends on maximizing the amount of financing from tax credits and loans/grants from private non-profit organizations and public agencies, and minimizing the amount that must be financed by more expensive conventional loans. The major sources of development capital are discussed below:

FEDERAL LOW-INCOME HOUSING TAX CREDITS:

The federal Low-Income Housing Tax Credit program was created by Congress in the 1986 Tax Reform Act. The purpose of the program is to create a financial incentive (in the form of tax credits) for private investors to invest in the development of low-income rental housing. As a general rule, tax credits can provide approximately 50% of your development capital.

Additional information about the federal tax credit program is provided in Appendix B.

LOANS AND GRANTS FROM PRIVATE NON-PROFIT ORGANIZATIONS:

There are a number of non-profit organizations that offer low-interest loans for the development of affordable housing projects. Two prominent examples of non-profit lenders are: (1) the Enterprise Social Investment Corporation, a subsidiary of the non-profit Enterprise Foundation (www.enterprisefoundation.org/esic); and (2) the National Equity Fund, a subsidiary of the non-profit Local Initiatives Support Corporation (www.nefinc.org).

A number of private foundations offer grants for affordable housing development. A powerful tool for researching these grant opportunities is the *Colorado Grants Guide*, published by the Community Resource Center, a non-profit organization based in Denver. For additional information:

Community Resource Center
655 Broadway – Suite 300
Denver, Colorado 80203-3426
Phone: (303) 623-1540
www.crcamerica.org

LOANS AND GRANTS FROM PUBLIC AGENCIES:

Federal, state and local government agencies offer grants and loans for affordable housing development, primarily through the following programs:

Home Investment Partnership (HOME) Program:

The HOME program is a federal formula grant program whose goal is to expand the supply of affordable housing for very-low and low-income families. HUD provides block grants to states, metropolitan cities, urban counties and consortia, collectively known as "Participating Jurisdictions." Participating Jurisdictions are required to set aside 15% of HOME funds for Community Housing Development Organizations (CHDOs). Eligible activities include new construction, acquisition, rehabilitation, tenant-based rental assistance, and CHDOs' operating costs. In non-metropolitan and rural areas of Colorado, the federal HOME program is administered by :

Colorado Division of Housing (DOH)
1313 Sherman Street – Room 518
Denver, Colorado 80203
Phone: (303) 866-2033
Fax: (303) 866-4077

The DOH grants and loans application is available on the DOH web page at www.dola.state.co.us/doh/doh.htm (click on "Grants, Loans & Private Activity Bonds").

For more information, contact the Division of Housing at the number provided above, and contact your city's community planning and development department, as applicable. Also see HUD's web page on the HOME program at: www.hud.gov/offices/cpd/affordablehousing/programs/home/index.cfm.

"Small Cities" Community Development Block Grant (CDBG) Program:

The CDGB program is a federal formula grant program whose goals include expanding the supply of affordable housing for low and moderate-income families. HUD provides block grants to states and local jurisdictions called "entitlement communities." "Entitlement communities" are central cities of Metropolitan Statistical Areas (MSAs); other metropolitan cities with populations of at least 50,000; and qualified urban counties with populations of at least 200,000 (excluding the population of entitled cities). States distribute funds to localities that do not qualify as entitlement communities. Eligible activities include new construction, acquisition, and rehabilitation. In non-metropolitan and rural areas of Colorado, the federal HOME program is administered by:

Colorado Division of Housing (DOH)
1313 Sherman Street – Room 518
Denver, Colorado 80203
Phone: (303) 866-2033
Fax: (303) 866-4077

The DOH grants and loans application is available on the DOH web page at www.dola.state.co.us/doh/doh.htm (click on "Grants, Loans & Private Activity Bonds").

For more information, contact the Division of Housing at the number provided above, and contact your city's community planning and development department, as applicable. Also see HUD's web page on the CDBG program at: www.hud.gov/offices/cpd/communitydevelopment/programs/cdbg/cfm.

Supportive Housing Program:

The Supportive Housing Program (SHP) is one of the Continuum of Care homeless assistance programs administered by HUD. The HUD grants that are most relevant to Renaissance-style projects are SHP transitional housing grants. The purpose of transitional housing grants is to provide housing and supportive services to help people move from homelessness to independent living. Eligible activities include new construction, acquisition, rehabilitation, leasing, operations, administration and supportive services *for formerly homeless families.* CCH's Renaissance-style developments in metro Denver use Supportive Housing Program grants to help pay for new construction, operations and supportive services for the transitional housing units. In order to apply for these grants, rural developers must participate in the Colorado Balance of State Continuum of Care process (for more information on the Colorado Balance of State Continuum of Care process and the annual grant competition, please contact CCH).

For more information, see HUD's web page on the Supportive Housing Program at: www.hud.gov/offices/cpd/homeless/programs/shp/index.cfm.

Section 515 Rural Rental and Cooperative Housing Program

The Section 515 Program is a federal formula grant program administered by the Rural Housing Service of the U.S. Department of Agriculture. The program provides low-interest loans to finance multifamily affordable housing in Rural Housing Service – eligible communities (generally non-urban communities with populations under 20,000). In Colorado, the program is administered by:

USDA Rural Development/Rural Housing Service
Colorado State Office
655 Parfet Street, Room E-100
Lakewood, Colorado 80215
Phone: (303) 236-2801
Fax: (303) 236-2854

For more information, see the USDA Rural Housing Service web page at: www.rurdev.usda.gov/rhs/index.html.

Colorado Division of Housing Grants Program (DOH Grants):

This program provides grants to promote the development of affordable housing in the state. Fifty-five percent of these funds are targeted to families whose incomes are less than 30% of Area Median Income. Eligible activities include new construction, acquisition and rehabilitation. A 100% match is required. For more information:

Colorado Division of Housing (DOH)
1313 Sherman Street – Room 518
Denver, Colorado 80203
Phone: (303) 866-2033
Fax: (303) 866-4077

The DOH grants and loans application is available on the DOH web page at www.dola.state.co.us/doh/doh.htm (click on "Grants, Loans & Private Activity Bonds").

Colorado Division of Housing Home Investment Partnership Program:

This program provides one to seven-year low-interest loans to promote the development of affordable housing in the state. Eligible activities include land or property acquisition, new construction, rehabilitation and development fees. For more information:

Colorado Division of Housing (DOH)
1313 Sherman Street – Room 518
Denver, Colorado 80203
Phone: (303) 866-2033
Fax: (303) 866-4077

The DOH grants and loans application is available on the DOH web page at www.dola.state.co.us/doh/doh.htm (click on "Grants, Loans & Private Activity Bonds").

Colorado Housing and Finance Authority (CHFA):

The Colorado Housing and Finance Authority (CHFA) is a quasi-governmental agency established by the Colorado General Assembly in 1973. CHFA administers a variety of tax-credit and low-interest loan programs to promote the development of affordable rental housing in Colorado, but does not offer grants. Examples of CHFA programs that may be relevant to a Renaissance-style development include:

> SMART Program: Permanent loans of up to $2 million for small (up to 20 unit) projects. Eligible activities include new construction, acquisition and rehabilitation.
>
> Tax-Exempt 501(c)(3) Bond Program: Construction and permanent loans available to 501(c)(3) non-profit corporations and public housing authorities through the issuance of tax-exempt bonds. Eligible activities include new construction, acquisition, rehabilitation, and refinancing of low and moderate-income and special needs housing.
>
> Taxable Loan Program: Debt financing for Low-Income Housing Tax Credit projects for construction loans and permanent loans.
>
> CHFA Housing Fund: Short-term (maximum two years) interim loans or construction loans for non-profits or public housing authorities. Eligible activities include pre-development costs, acquisition or construction of low-income housing.
>
> CHFA Housing Opportunity Fund: First mortgage or subordinate loans at flexible interest rates to leverage other funding for non-profit and public agencies for the purpose of creating housing for very-low income households.
>
> Low-Income Housing Tax Credits (see Appendix B).

For more information:

> Colorado Housing and Finance Authority
> Rental Finance Division
> 1981 Blake Street
> Denver, Colorado 80202-1272
> Phone: 1-800-877-CHFA, ext. 351
> www.colohfa.org

LOANS FROM COMMERCIAL BANKS:

Federal Home Loan Bank Low-Interest Loans:

Each of the 12 District Federal Home Loan Banks in the U.S. provides low-cost funds, loans and grants to its member banks for affordable housing activities. Member banks then provide grants and low-interest loans to non-profit organizations for the development of affordable rental housing. The Federal Home Loan Bank also administers the Community Investment Program, which provides fixed-rate, long-term funding for the development of affordable rental housing.

The Federal Home Loan Bank District which includes Colorado is based in Topeka, Kansas:

Federal Home Loan Bank	Contact:	Christopher Imming
2 Townsite Plaza		Community Investment Officer
Topeka, Kansas 66603		(785) 233-0507
www.fhlbtopeka.com		

For a list of member banks in Colorado, go to their web page (see above), point your browser to membership/memberlist links/colorado/click on "detailed listing."

Conventional Loans from Commercial Banks:

Conventional loans from commercial banks are the most expensive source of development capital, and should be used only after exhausting all opportunities to raise development capital from the other sources described above.

For additional information:

See the list of publications and web sites in Appendix A, section 2.0.

Appendix D

Financial Structure of a Typical Renaissance-Style Development

Development Financing	Amount	Terms
Bank of America FSB	$3,300,000	8.9% construction loan
CCH	$562,543	1% construction loan
FHLB Affordable Housing Program	$250,000	0% 20-year forgivable loan
Colorado Homeless Initiative	$560,000	Grant
HUD Supportive Housing Program	$400,000	Grant
Lowry Redevelopment Authority	$400,000	Grant
Arapahoe County	$275,000	Land donation
Colorado HOME program	$200,000	Grant
Enterprise Social Investment Corp.	$583,278	Tax-credit equity
Bank of America	$50,720	Tax-credit equity
Total Development Costs:	**$6,581,541**	

Permanent Financing	Amount	Terms
Equity:		
Enterprise Social Investment Corp.	$2,515,278	Tax-credit equity
Bank of America	$218,720	Tax-credit equity
Colorado Homeless Initiative	$560,000	Grant
HUD Supportive Housing Program	$400,000	Grant
Lowry Redevelopment Authority	$400,000	Grant
Arapahoe County	$275,000	Land donation
Colorado HOME program	$200,000	Grant
Debt:		
Bank of America FSB	$1,200,000	8.9% 30-year first mortgage
FHLB Affordable Housing Program	$250,000	0% 20-year forgivable second mortgage
CCH	$562,543	1% 20-year loan paid out of cash flow

Appendix E

EXAMPLE 15-YEAR CASH FLOW PRO FORMA

(Year 1 of this Pro Forma assumes full lease-up)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Effective Gross Income	$687,311	$701,057	$715,078	$729,380	$743,967	$758,847	$774,024	$789,504
Total Project Expenses	$391,180	$402,915	$415,003	$427,453	$440,277	$453,485	$467,089	$481,102
Net Operating Income	$296,131	$298,142	$300,075	$301,927	$303,691	$305,362	$306,934	$308,402
First Mortgage	$237,557	$237,557	$237,557	$237,557	$237,557	$237,557	$237,557	$237,557
Second Mortgage	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Third Mortgage	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Project Cash Flow	**$58,574**	**$60,584**	**$62,518**	**$64,370**	**$66,134**	**$67,805**	**$69,377**	**$70,845**
Debt Coverage Ratio	1.25	1.26	1.26	1.27	1.28	1.29	1.29	1.30

Cash Flow available for distribution:	$58,574	$60,584	$62,518	$64,370	$66,134	$67,805	$69,377	$70,845
Partnership Mgt. Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Asset Mgt. Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cash Flow Notes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cash Flow Available after above obligations:	$58,574	$60,584	$62,518	$64,370	$66,134	$67,805	$69,377	$70,845

EXAMPLE 15-YEAR CASH FLOW PRO FORMA

(Year 1 of this Pro Forma assumes full lease-up)

	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Effective Gross Income	$805,294	$821,400	$837,828	$854,585	$871,676	$889,110	$906,892
Total Project Expenses	$495,535	$510,401	$525,713	$541,485	$557,729	$574,461	$591,695
Net Operating Income	$309,759	$310,999	$312,115	$313,100	$313,947	$314,649	$315,197
First Mortgage	$237,557	$237,557	$237,557	$237,557	$237,557	$237,557	$237,557
Second Mortgage	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Third Mortgage	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Project Cash Flow	**$72,202**	**$73,442**	**$74,558**	**$75,543**	**$76,390**	**$77,092**	**$77,640**
Debt Coverage Ratio	1.30	1.31	1.31	1.32	1.32	1.32	1.33

Cash Flow available for distribution	$72,202	$73,442	$74,558	$75,543	$76,390	$77,092	$77,640
Partnerhsip Mgt. Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Asset Mgt. Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cash Flow Notes	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cash Flow Available after above obligations	$72,202	$73,442	$74,558	$75,543	$76,390	$77,092	$77,640

Appendix F

Example Construction Period Budget

Attached is an example construction period budget for a typical Renaissance-style development. This budget shows the key financial components of a Renaissance Housing project.

The development goal is to produce high quality residential units with a minimum amount of permanent debt. The quality of a Renaissance Housing project exceeds typical low-end market rate apartments and approaches or meets standards for typical mid-range apartments. While project costs are always scrutinized, quality and amenities are not sacrificed to meet financial objectives.

The financial objective of minimizing permanent debt is achieved through a complex financial structure that uses multiple sources of funding, including federal Low Income Housing Tax Credits, grants, low interest loans and commercial bank loans. In addition, CCH seeks 'bargain' acquisitions and uses "value engineering" in order to obtain quality building materials at minimum costs.

The attached budget is for a typical 120-unit apartment complex. The project hard costs of $11,354,956 (or $94,624 per unit) reflects on the project quality and is similar to mid-level market rate apartments (see row 2c). Soft costs include expenses associated with tax credit financing (rows 3p, 3q, 3r).

The sources of funds (financing) are shown at the top of the spreadsheet. It is critical to note the relationship in dollar value between the bank construction loan (row S1) and the tax credit equity (row S7); and between the construction and post construction periods. Since the majority of the tax credit equity does not become available until after construction completion, the bank construction loan will be substantially higher than the permanent loan. As shown in row S1, the bank construction loan is $7,800,000, which is reduced by $5,050,000 in tax credit equity for a final permanent loan of $2,750,000. (Note: In the Post Construction column, rows S1 and S7 are not identical, because some of the tax-credit equity is used to pay down other costs in addition to the bank construction loan.)

Note that most of the remaining sources of funds become available during the construction phase. Ideally, you should be able to use these sources of funds before drawing down on the bank construction loan. After construction completion, you will incur additional "soft costs", so be sure to plan for those expenses in advance.

As stated above, the critical objective of the Renaissance Housing model is to minimize permanent debt with a financial structure that uses multiple sources of funding, including federal Low Income Housing Tax Credits, grants, low interest loans and commercial bank loans. All other costs and sources of funds can be balanced to achieve this critical objective. As you can see in the Total Budget column, tax credit equity ($9,032,000, row S7) provides 59% of the total project costs ($15,173,971, row 5). Additional sources of funds (rows S2, S3, S4, S5 and S6) must be used in order to minimize the amount of the permanent loan.

The permanent loan should not exceed 20% of the total project costs. In this example, the permanent loan ($2,750,000, row S1) comprises 18% of the total project costs ($15,173,971, row 5).

EXAMPLE CONSTRUCTION PERIOD BUDGET

SOURCES OF FUNDS		Construction Budget	Post Construction	Total Budget
S1	Bank Construction Loan	$7,800,000.00	($5,050,000.00)	$2,750,000.00
S2	Municipal Loan to CCH		$300,000.00	$300,000.00
S3	Municipal Loan to CCH	$1,141,971.00		$1,141,971.00
S4	Non-profit Loan to CCH	$400,000.00		$400,000.00
S5	Non-profit Loan to CCH	$800,000.00		$800,000.00
S6	CO DOH Loan to CCH	$750,000.00		$750,000.00
S7	Tax Credit Equity	$3,161,200.00	$5,870,800.00	$9,032,000.00
	TOTAL SOURCES	**$14,053,171.00**	**$1,120,800.00**	**$15,173,971.00**

USES OF FUNDS				
1	ACQUISITION	$980,105.00		$980,105.00
2	HARD COSTS			
2a	Construction - FCI Contract	$10,948,223.00		$10,948,223.00
2b	Contingency	$406,733.00		$406,733.00
2c	TOTAL HARD COSTS	$11,354,956.00		$11,354,956.00
3	SOFT COSTS			
3a	Building Permits & Utility Fees	$363,700.00		$363,700.00
3b	Appraisal	$8,000.00		$8,000.00
3c	Survey	$7,000.00		$7,000.00
3d	Insurance (in construction contract)	$1,000.00		$1,000.00
3e	Market Study	-		-
3f	Architectural/Engineering	$594,111.00		$594,111.00
3g	Lender Fees & Inspections	$20,200.00		$20,200.00
3h	Legal - Financing	$15,000.00		$15,000.00
3i	Legal - Real Estate	$10,000.00		$10,000.00
3j	Accounting - Cost Certification	$5,000.00		$5,000.00
3k	Owners Testing	$13,500.00		$13,500.00
3l	Environmental Phase 1/ Review	$15,000.00		$15,000.00
3m	Soil & Drainage Report	$4,800.00		$4,800.00
3n	Title and Recording 1st Closing	$22,000.00		$22,000.00
3o	Loan Fee	$63,750.00	$13,750.00	$77,500.00
3p	Tax Credit Legal	$20,000.00		$20,000.00
3q	Tax Credit Fee	$45,000.00		$45,000.00
3r	Syndication Fees	$20,000.00		$20,000.00
3s	Development Fee	$100,000.00	$850,000.00	$950,000.00
3t	Construction Interest	$200,000.00		$200,000.00
3u	Reserves	$120,727.00	$252,000.00	$372,727.00
3v	Furnishings	$40,000.00		$40,000.00
3w	Contingency - Soft Costs	$29,322.00	$5,050.00	$34,372.00
3x	**TOTAL SOFT COSTS**	**$1,718,110.00**	**$1,120,800.00**	**$2,838,910.00**
4	**TOTAL HARD AND SOFT COSTS`**	**$13,073,066.00**	**$1,120,800.00**	**$14,193,866.00**
5	**TOTALS:**	**$14,053,171.00**	**$1,120,800.00**	**$15,173,971.00**

Appendix G

List of Community Housing Development Organizations (CHDOs) in Colorado

CHDOs	Geographic Area
Alpha West 1008 North Grande Pueblo, CO 81004 Phone: (719) 545-8776 Fax: (719) 544-6006	City of Pueblo
Mountain Regional Housing Corp. PO Box 2001 Carbondale, CO 81623 Phone: (970) 870-0167 Fax: (970) 963-3259	Garfield, Pitkin and Eagle Counties
Child and Migrant Services PO Box 1038 721 Peach Ave Palisade, CO 81526 Phone: (970) 464-5226	Mesa County
Community Affordable Residence Enterprises 1303 West Swallow Ave – Bldg. 11 Fort Collins, CO 80526 Phone: (970) 282-7522 Fax: (970) 282-7524	Larimer County
Community Housing Development Association 11111 East Mississippi Ave Aurora, CO 80012 Phone: (303) 360-6600	Adams, Arapahoe, Jefferson, Denver and Douglas Counties
Housing Resources of Western Colorado 128 S. 5th Street Grand Junction, CO 81501 Phone: (970) 241-2871 Fax (970) 245-4853	Mesa County and Town of Rangely

Greccio Housing Unlimited 830 North Tejon – Suite 406 Colorado Springs, CO 80903 Phone: (719) 475-1422 Fax: (719) 578-0030	City of Colorado Springs
Greeley Center for Independence 1734 8th Ave Greeley, CO 80631 Phone: (970) 352-8484	Weld County
Health Living Systems, Inc. PO Box 58 Vona, CO 80861 Phone/Fax: (970) 664-2202	Kit Carson County
Homes for Teller County 276 Blue Spruce Trail Woodland Park, CO 80863 Phone: (719) 687-1114 Fax: (719) 687-0893	Teller County
Hope Communities 2444 Washington Street Denver, CO 80205 Phone: (303) 860-7747	City of Denver
Longmont Housing Development Corp. 900 Coffman Street – Unit C Longmont, CO 80501 Phone: (970) 651-8581	City of Longmont
Neighbor to Neighbor 424 Pine Street Fort Collins, CO 80524 Phone: (970) 484-7498 Fax: (970) 484-4572	Fort Collins Larimer County
Northeast Colorado Housing, Inc. 329 1/2 East Platte Ave Fort Morgan, CO 80701 Phone: (970) 542-0955 Fax: (970) 542-0953	Logan, Morgan, Sedgwick, Washington, Yuma and Phillips Counties

Northeast Denver Housing Center, Inc. 1735 Gaylord Street Denver, CO 80206 Phone: (303) 377-3334 Fax: (303) 377-3327	Northeast Denver
North Suburban Housing Alliance 6755 E. 72nd Ave Commerce City, CO 80022 Phone: (303) 853-4809	Adams County
Partners in Housing 7 East Bijou – Suite 211 Colorado Springs, CO 80903 Phone: (719) 473-8890 Fax: (719) 635-9360	City of Colorado Springs
Regional Affordable Living Foundation PO Box 776236 Steamboat Springs, CO 80477 Phone: (970) 870-0167 Fax: (970) 870-6047	Routt County
The Resource Assistance Center for Nonprofits PO Box 1104 Fort Collins, CO 80522 Phone: (970) 482-8246	Larimer County
Rocky Mountain Community Land Trust 702 East Boulder Street Colorado Springs, CO 80903 Phone: (719) 447-9300 Fax: (719) 329-0900	City of Colorado Springs El Paso County
San Luis Valley Housing Coalition PO Box 592 Alamosa, CO 81101 Phone: (719) 587-9807 Fax: (719) 587-9871	Alamosa, Rio Grande, Conejos, Costilla, Saguache, and Mineral Counties
Housing Solutions for the Southwest 295 Girard Street Durango, CO 81301 Phone: (970) 259-1086 Fax: (970) 259-2037	Archuleta, La Plata, Montezuma, San Juan and Dolores Counties

Thistle Community Housing 1845 Folsom Street Boulder, CO 80302 Phone: (303) 443-0007 Fax: (303) 443-0098	Boulder County
Tri-County Housing, Inc. 101 East Santa Fe PO Box 87 Fowler, CO 81039 Phone: (719) 263-5168 Fax: (719) 263-5845	Bent, Crowley and Otero Counties
Upper Arkansas Area Development Corp. 330 Royal Gorge Blvd. PO Box 510 Canon City, CO 81215 Phone: (719) 269-7687 Fax: (719) 275-2907	Fremont, Chaffee, Custer, Lake, Park and Teller Counties
The Uptown Partnership 740 East 18th Ave Denver, CO 80203 Phone: (303) 832-6832 Fax: (303) 830-8479	North Capitol Hill – City of Denver
Weld County Dept. of Social Services PO Box 8 315 North 11th Ave – Bldg. B Greeley, CO 80631 Phone: (970) 352-1551 Fax: (970) 346-7690	Weld County
West Central Housing PO Box 836 320 West 5th Street Delta, CO 81416 Phone: (970) 874-8204 Fax: (970) 874-8249	Montrose, Gunnison, San Miguel, Ouray and Hinsdale Counties