AFFORDABLE & ATTAINABLE HOUSING IN COLORADO SPRINGS

JUNE 4, 2020 3-5 PM
Welcome!
Thank you for joining today’s webinar, “Affordable & Attainable Housing in Colorado Springs”
Today’s Agenda

3-3:10 pm: Welcome from ULI Colorado

3:10-4:30 pm: Panel Presentations

- **Steve Posey**, Community Development and HUD Program Manager, City of Colorado Springs, on the city’s affordable housing plan & financing
- **Crystal LaTier**, Economic Development Executive Director, El Paso County Housing Authority on county initiatives related to affordable housing
- **Darsey Nicklasson**, Owner, DHN Planning & Development, on attainable housing at Mosaica
- **Colin Leed and Doug Woody**, Vice President, Bryan Construction on the creation of Freedom Springs
- **Lee Patke**, Executive Director, Greccio Housing on Rocky Mountain Apartments and cohesive affordable housing in Colorado Springs

4:30-5 pm: Q&A moderated by James McMurray of HB&A (ULI Southern Colorado Committee Co-Chair)
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- Nichols Partnership
- Ouray Architects
- Piazza
- SA\+R
- Stantec
- Taylor Kohrs
- WSP
- ZF Capital
Upcoming Programs

More information and registration available at colorado.uli.org/events.

- Now – June 19: Virtual Spring Meeting
- June 11, 3-4pm: Armchair Tour of the Karcher project with Brinkmann Construction
- June 18, 4-5pm: WLI Leadership Connection with Andrea Fulton of the Denver Art Museum
- June 19: Deadline for Development 360 Applications (for ULI members under 35 years old)
- June 25, 4-5pm: Historic Restoration Projects in Southern Colorado Webinar
- June 30, 10-11am: Armchair Tour of Block 162
- July 16, 10-11am: The New Social Experiment: Transforming the Public Realm Post COVID-19
Panel on Affordable & Attainable Housing in Colorado Springs
HOME COS
HOUSING OUR FUTURE
AN AFFORDABLE & ATTAINABLE HOUSING PLAN FOR THE CITY OF COLORADO SPRINGS

STEVE POSEY, HUD PROGRAM MANAGER
COMMUNITY DEVELOPMENT DIVISION
MAYOR SUTHERS’ 2018 COMMUNITY GOAL:

BUILD, PRESERVE, & CREATE OPPORTUNITIES TO PURCHASE 1,000 UNITS OF AFFORDABLE HOUSING EACH YEAR
HOUSING COSTS ARE INCREASING FASTER THAN HOUSEHOLD INCOMES
## HomeCOS: Housing Our Future Chart

### Income

<table>
<thead>
<tr>
<th>Income</th>
<th>Extremely-Low Income</th>
<th>Very-Low Income</th>
<th>Low Income</th>
<th>Moderate Income</th>
<th>High Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>El Paso County Area Median Income for a household of 4 in 2018:</td>
<td>$25,100 and Below</td>
<td>$25,101 - $46,620</td>
<td>$46,621 - $62,150</td>
<td>$62,151 - $93,240</td>
<td>$93,241 and Above</td>
</tr>
</tbody>
</table>

### EPC Households

- Total Households in El Paso County: 260,851

- **40,319 - 16%**
  - Individuals / Households: Homeless, Disabled, and Seniors in Poverty or Retirees

- **45,421 - 17%**
  - Individuals / Households: Retail Workers, Construction Workers, Accommodation & Food Service

- **36,042 - 14%**
  - Individuals / Households: Registered Nurses, Enlisted Military, Entry Level Teachers

- **55,885 - 21%**
  - Individuals / Households: Network & Computer Systems Admins, Middle Managers, Accountants

- **83,164 - 32%**
  - Individuals / Households: Computer Engineers, Radiologists, Executives, Doctors

### Housing Needs

- Types of housing that are typically affordable for households within an income bracket.

### Cost-Burdened

- 20% of households (50,235) are paying more than 30% of their income on housing.

  - 18% (5,198) are cost-burdened, with more than half of their income on housing.

  - 16% (5,198) are severely cost-burdened, with more than half of their income on housing.

### Renters / Homeowners

- 53% Renters

### HomeCOS: Housing Plan Objectives

- Reduce homelessness through housing first
- Increase the supply of affordable rentals
- Increase homeownership opportunities
- Housing for the aging & disabled population
- Innovative design & development solutions
- Alternative financing

Source: U.S. Census Bureau, 2018 PUMS, El Paso County, Colorado.
Families that spend less than 30% of their income on housing spend five times more on healthcare, three times more on nutritious food, and twice as much on retirement savings.\textsuperscript{15}
Children who experience housing instability are less likely to be proficient in math, science, and English. Studies have also found that children in substandard housing are less healthy, and are at higher risk of developing lifelong problems including learning, behavioral, and mental health disorders.16
Statewide, housing construction generates $12 billion in economic activity in the first year and $29 billion over ten years with more than 20,000 jobs introduced into the market.17
WHAT'S IN THE PLAN?

**OBJECTIVE 1:** Reduce homelessness through housing first approach

**OBJECTIVE 2:** Increase the supply of affordable rentals

**OBJECTIVE 3:** Increase homeownership opportunities

**OBJECTIVE 4:** Housing for the aging & disabled population

**OBJECTIVE 5:** Innovative design & development solutions

**OBJECTIVE 6:** Alternative financing
The need for LIHTC financing is greater than available funds.

Between 2016-2019 in Colorado Springs, 8 LIHTC projects were funded, adding 889 units.

- 43% of the total units applied for between 2016-2019 were for 9% LIHTC funds.
- On average in COS, 38% of the LIHTC units applied for each year are funded.

Currently in Colorado Springs, there are 30 LIHTC properties providing 3,246 rental units.

- 20% of the LIHTC units are for elderly residents.
- 4% of the LIHTC units are for the homeless.

Units that are income restricted to AMI levels in COS:
- 30% AMI units: 767 units
- 40% AMI units: 2,011 units
- 60% AMI units: 767 units
- 50% AMI units: 767 units

Source: Colorado Housing & Finance Authority.
OBJECTIVE 6: ALTERNATIVE FINANCE TOOLS

6A PROVIDE DEVELOPERS WITH A STREAM-LINED APPLICATION PROCESS FOR GAP FINANCING THROUGH THE COMMUNITY DEVELOPMENT DIVISION

6B SET-ASIDE PRIVATE ACTIVITY BOND (PAB) ISSUER FEES TO CREATE A DEDICATED AFFORDABLE HOUSING PRE-DEVELOPMENT FUND

6C PROMOTE THE USE OF THE EL PASO COUNTY HOUSING TRUST FUND IN AFFORDABLE HOUSING PROJECTS
Colorado Springs is at a pivotal moment in its history. HomeCOS provides the framework for key stakeholders in the public and private sectors to work together and realize Mayor Suthers’ goal of building or preserving 1,000 units of affordable housing each year. HomeCOS is the blueprint for housing our future.

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COMPONENTS OF THE DEPARTMENT

Business Incentives
Community Initiatives
Housing
HOUSING

El Paso County Housing Authority
Housing Trust Fund
Single Family Turnkey Plus Program
Multifamily Mortgage Bond Program
EL PASO COUNTY HOUSING AUTHORITY

Agency Overview
El Paso County Housing Authority (EPCHA)

- Established in 1993 by the Board of County Commissioners to promote decent, safe, and affordable housing for low income persons and families
- Administers the El Paso County Housing Trust Fund
- Staffed by Economic Development Department
- Awarded the State of the Region Economic Development Project of the Year in 2016 for providing innovative financial tools to encourage home ownership and construction of new workforce housing necessary for economic vitality in our community
HOUSING TRUST FUND

Program Overview
Housing Trust Fund

- EPCHA provides funding to organized community-based groups with experience in the design and administration of innovative programs/projects that address the housing needs of low-income residents.
- Purpose: To provide for more adequate and affordable housing for residents.
- Programs/projects may include, but would not be limited to the following:
  - Development of new, affordable, accessible housing units (high priority)
  - Preservation of existing, affordable, accessible housing units (high priority)
  - Initial homeownership
  - Homelessness
  - Special needs housing
  - Housing Rehabilitation
  - Rental assistance/ Retention of homeownership
RECENT DEVELOPMENT:
Greenway Flats
DEVELOPMENT IN PROGRESS:

Freedom Springs
DEVELOPMENT IN PROGRESS:

Greccio – Rocky Mountain Apartments
TURNKEY PLUS DOWN PAYMENT ASSISTANCE LOAN

Program Overview
Turnkey Down Payment Assistance Grant

- “Turnkey” was a Down Payment Assistance Grant for low to moderate income homebuyers throughout El Paso County
- Eligible buyers received up to a 4% grant through a participating lender
  - No first-time homebuyer requirement
  - 2,416 Loans have been closed since the inception of the program in 2013
  - 74 DPA grants were awarded in 2018, totaling $730,174 in down payment assistance to eligible buyers
  - Grant program ended February 14, 2019
Turnkey Plus Down Payment Assistance Loan

■ “Turnkey Plus” is a Down Payment Assistance Loan for low to moderate income homebuyers throughout El Paso County

■ Eligible buyers can receive up to a 4% or 5% partially forgivable loan through a participating lender
  - Loan program began February 15, 2019
  - No first-time homebuyer requirement
  - Forgivable DPA Loan:
    o 0% Interest
    o 30-year deferred Second Mortgage
    o 50% of the Second Mortgage Amount forgiven pro rata over the first five years (60 months) at 1/60th per month
    o Remaining 50% of the Second Mortgage Amount will be forgiven at the end of the 30-year period/maturity date of the first mortgage
  - New lower interest rates
  - 66 DPA loans were awarded in 2019, totaling $672,600 in down payment assistance to eligible buyers
MULTIFAMILY MORTGAGE BOND PROGRAM

Program Overview
Multifamily Mortgage Bond Program

- Governments can issue multifamily revenue bonds
- Since 1983, El Paso County has financed the development of over 3,000 units of multifamily housing
- New construction and acquisition/rehabilitation
- Lower interest rate on the loans and potential tax credits
- In exchange, each project sets aside some or all of their units for County residents of low to moderate income
- No County obligation
Recent Developments

Winfield Apartments
- Closed in 2019
- Preservation of 160 affordable units

Traditions
- Completed in 2018
- 180 affordable senior units
Crystal LaTier
El Paso County Economic Development Executive Director
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crystallatier@elpasoco.com

We look forward to working with you!
Freedom Springs

- 50-unit multi-family facility is for veterans in need
  - Includes studio, one, and two-bedroom units
- The facility includes many supportive services for its residents
  - Includes classroom and community spaces as well as fitness and a rooftop patio
Freedom Springs – Colorado Springs, CO

The outdoor amenities include

- Basketball court
- Play area
- Community garden
• Freedom Springs – Colorado Springs, CO

• Siding included was an Allura system with integral flashing as well as an EZ Trim system for a quick install and clean look
• Freedom Springs – Colorado Springs, CO
- Freedom Springs – Colorado Springs, CO
- This area will house the basketball court, community garden and play area
Freedom Springs – Colorado Springs, CO

- 1st floor – 13 Units
- 2nd floor – 18 Units
- 3rd Floor – 19 Units
- Freedom Springs – Colorado Springs, CO
- Photo – One Bedroom – Kitchen and living Room
Freedom Springs – Colorado Springs, CO

Photo – One Bedroom – Kitchen and living Room
- Freedom Springs – Colorado Springs, CO
- Detailed views of the 6 individual floor plans
- Each apartment comes ready for use. All appliances and furnishings are included
Freedom Springs – Colorado Springs, CO

Photo – Rooftop Patio with Views of Peterson AFB
- Freedom Springs – Colorado Springs, CO
- First floor amenities
  - Community room
  - Classroom
  - Building staff offices
- Freedom Springs – Colorado Springs, CO
- Second floor amenities
  - Fitness Room
  - Computer Room
Freedom Springs – Colorado Springs, CO

Third floor amenities

- Rooftop patio with outdoor fireplace
Freedom Springs
Colorado Springs, CO
Recent Affordable Housing Experience (CHFA and HUD) Past 3 years
Upcoming Affordable Housing Projects – Colorado Springs

The Villas at Mesa Ridge – Fountain, CO

Homeward Pikes Peak
The Commons – Colorado Springs
The Freedom Springs Partnership

BRYAN CONSTRUCTION INC.

THE VECINO GROUP
Development for the greater good.
Freedom Springs – The Journey
Development for the Greater Good

2016

Project vision started on the tails of a successful Veterans Housing project in St. Louis, MO

Submitted for Colorado Housing and Finance Authority (CHFA) for 9% tax credit application

Project was not approved by CHFA

2017

Partner with Rocky Mountain Human Services to assist with Veteran needs related to the project.

Partnership formed with Volunteers of America to assist with refining project.

Resubmitted application to CHFA for 9% tax credits.

Project was not approved as application was approved for Greenway Flats at Springs Rescue Mission
2018

Added additional partnerships for project-based vouchers for operating and rental assistance: El Paso County Housing, Colorado Springs Housing Authority.

El Paso County partners on by waving all impact fees related to the development.

National Equity Fund – Tax syndicator.

Vecino Group waived development fees to keep cost down.

Sales and use tax abatement received from State and County.

Federal tax credit received for use of solar.

Submitted for CHFA Tax Credit for the 3rd Year.

Project was awarded CHFA credits.

Design Starts.
Freedom Springs – The Journey

Development for the Greater Good

2019

Land purchase finalized

Loan Closing finalized.

Start of Construction April 2019

2020

Construction Completion and Opening September 2020
Freedom Springs – The Journey
Development for the Greater Good

Success

Planned:
25 units for Veteran Administration Vouchers
25 units preference for Veterans

To Date:
All 50 units preleased to Veterans and there is a wait list
Zero Marketing budget spent to date

Huge support from the Colorado Springs community from day one
Freedom Springs – The Journey
Development for the Greater Good

"Alone we can do so little; together we can do so much." – Helen Keller
ADAPTIVE REUSE -
THE ROCKY MOUNTAIN APARTMENTS

Greccio Housing Unlimited, Inc.
Lee Patke, Executive Director
Greccio Housing Unlimited, Inc.

Non-profit
Founded in 1990
As of June, 2020:
Over 575 units
at 25 properties

- Affordable Housing
  - Development
  - Property Management
- Resident Resources
  - Eviction Prevention
  - Food Security
  - Literacy Programs
  - Financial Stability
- Advocacy
GRECCIO’S HISTORY OF AFFORDABLE HOUSING DEVELOPMENT

Conversion to multi-family

Acquisition/Rehab
2010 – 2014: All-in cost for Acq/Rehab = $55k-65k/unit

Demand for multi-family properties increases
  - Prices rise, available investment per unit does not

Competition for properties impacted by investors
  - Full price offers, no contingencies, 30-day close

2017 – 2020: All-in cost for Acq/Rehab = $100+k/unit

Options for a new decade: Adaptive Reuse or New Construction
  - New construction: costly, highly competitive, long lead times
ADAPTIVE REUSE:
THE ROCKY MOUNTAIN HEALTHCARE BLDG

- 2612 E. Bijou
- ~13,000 sqf of office space
- Zoned O/R
- Vacant for 2+ years
- Originally listed for $875k
- Acquired June, 2018 for $500k
- Funding partners:
  - El Paso County Housing Authority
  - City of Colorado Springs
  - Colorado Division of Housing (HTF)
  - Ent Credit Union
  - Greccio Enterprise Zone investment
  - Colorado Springs Utilities (grant)
ROCKY MOUNTAIN HEALTHCARE BUILDING BECOMES THE ROCKY MOUNTAIN APTS

- 18 units
  - (8) 2-Bedrooms
  - (10) 1-Bedrooms
  - 2 ADA units
- Enclosed courtyard
  - Playground
  - Community garden
  - Controlled access
UNDER CONSTRUCTION (DOWN TO STUDS)
- Funding Contract delays: from June to November to execute
- After initial demo: discovered exterior wall support deficiencies
- Dec. 2018: stairs cantilevered into building, new steel costs added
- Jan, 2019: newly adopted 2015 code included sprinkler requirement
- Spring, 2019: significant revisions to Development Plan
- 12 months since first estimate = new bids and increased cost
- Summer, 2019: PPRBD submittals & revisions, acoustical eval/changes
- Sept, 2019: construction begins
- Fall, 2019: initial plan to patch roof, complete replacement now needed
- Increased contributions required/obtained from all investors
- Original cost estimate: ~$99k/unit. Final cost: ~$133k/unit.
ROCKY MOUNTAIN APTS, 6/1/2020
OPENING IN 2 WEEKS
ROCKY MOUNTAIN APTS, 6/1/2020
OPENING IN 2 WEEKS
ROCKY MOUNTAIN APTS, 6/1/2020
OPENING IN 2 WEEKS

Kitchen and entry

Interior hallway and entrances
ROCKY MOUNTAIN APARTMENTS
2812 East Bijou St.
OPENING SUMMER, 2020
Please enter your questions in the “chat box” feature, and our panel will do their best to address them.

Thank you!
THANK YOU!
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We’re here to help!

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