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# State taps into stimulus funds for apts.

by Jennifer Hayes

Colorado is among the first states in the nation to tap into stimulus funds, awarding a local nonprofit \$1.7 million toward its \$14 million acquisition and renovation of the Denver Gardens Apartments.

Community Housing Concepts Inc. is the Colorado Housing and Finance Authority's first Tax Credit Assistance Program recipient. The TCAP funds, created for affordable housing development and preservation in the American Recovery and Reinvestment Act, support the Denver-based nonprofit's plans for the 100-unit senior apartment complex in southeast Denver.

CHC paid \$7.7 million for the project-based Section 8 community at 6801 E. Mississippi Ave., where it plans to preserve affordability and start \$3.5 million in renovations this month, according to Ron LaFollette, acquisitions manager for CHC and sister company Monroe Group Ltd.

Work will include improving the green rating for Denver Gardens. CHC applied for and received grant money from the Governor's Energy Office and Energy Outreach Colorado, which will be used toward updating units with Energy Star appliances, energy-efficient windows and lighting throughout the building, upgrades to the boiler system and cooling

system and attic insulation.

Furthermore, CHC will install alternative energy sources such as solar thermal and photovoltaic roof panels to additionally reduce energy consumption at the property.

Individual units at the community also will be updated with new kitchen and bathroom appliances, cabinets and flooring, for example. Exterior improvements at Denver Gardens will include new siding, paint and trim, as well as concrete repairs and a new covered main entryway. Approximately \$34,000 per unit in improvements are anticipated.

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"It's very exciting to get started on the program and be the first in the country to spend stimulus dollars," commented Diana Heinicke, community relations manager for the Monroe Group, a property management company specializing in affordable housing.

Built in 1979, Denver Gardens comprises a three-story building with identical one-bedroom units. Amenities at Denver Gardens include a clubhouse with two kitchens, a pool table, on-site social director, window air conditioners in each apartment, elevators and laundry rooms on each floor.

Work is anticipated to take six to seven months to complete and the renovations will take place without displacing tenants, added LaFollette. Completion of Denver Gardens is estimated to spur \$29.8 million in economic impact and support 222 jobs.

CHC selected Steele Properties LLC to serve as the tax credit developer for Denver Gardens.

The buyer also plans to preserve the property's affordability for its current residents – the vast majority of whom have incomes less than the 30 percent area median income level. Almost all of Denver Gardens' residents are legal Russian immigrants who do not speak English. As a result, residents were at great risk of becoming

homeless unless the apartment property remained affordable.

The Section 8 HAP contract at Denver Gardens was slated to expire Jan. 30, 2011, with the potential of the community being converted to a market-rate property. However, as part of CHC's acquisition, the U.S. Department of Housing and Urban Development approved the conversion of the existing HAP contract to a 20-year term.

National Housing Development Corp. sold the community, which was fully occupied at the time of sale.

"CHFA has been very focused on implementing the TCAP program as fairly and quickly as possible to ensure consistency with the stimulus bill's goal of job creation and economic investment within our community. This first TCAP award will bring a renewed quality of life for the seniors living at Denver Gardens while still ensuring the affordability of the units is maintained," Milroy Alexander, CHFA executive director and chief executive officer, said in a release.

Additional financing for the Denver Gardens project was obtained through Citi Community Capital and from the sale of \$758,970 in Low Income Housing Tax Credits awarded to CHC by CHFA earlier this year.

"Denver Gardens represents the type of necessary and worth-

while affordable housing project that has encountered difficulties obtaining financing in the current lending environment. Moving forward on the \$14 million deal would not have been possible without CHFA's TCAP award and the speed of their approval," said Brian Dale, director for Citi Community Capital.

WNC & Associates purchased the tax credits and is contributing \$5.5 million in equity to the project while Denver's Road Home also pledged grant money for the project as several apartments will be set aside for homeless and at-risk individuals.

Funding from Denver's Road Home will be used for services such as computer learning opportunities, work-force development, community building, financial literacy, health, fitness and life skill courses for all of the community's residents.

Founded in 2005, Community Housing Concepts is dedicated to increasing housing opportunities available to low-income families and individuals by creating, acquiring, rehabilitating and preserving affordable housing units. CHC has invested nearly \$60 million in multifamily and senior affordable housing units. It owns 13 communities across the country totaling approximately 1,300 units.▲