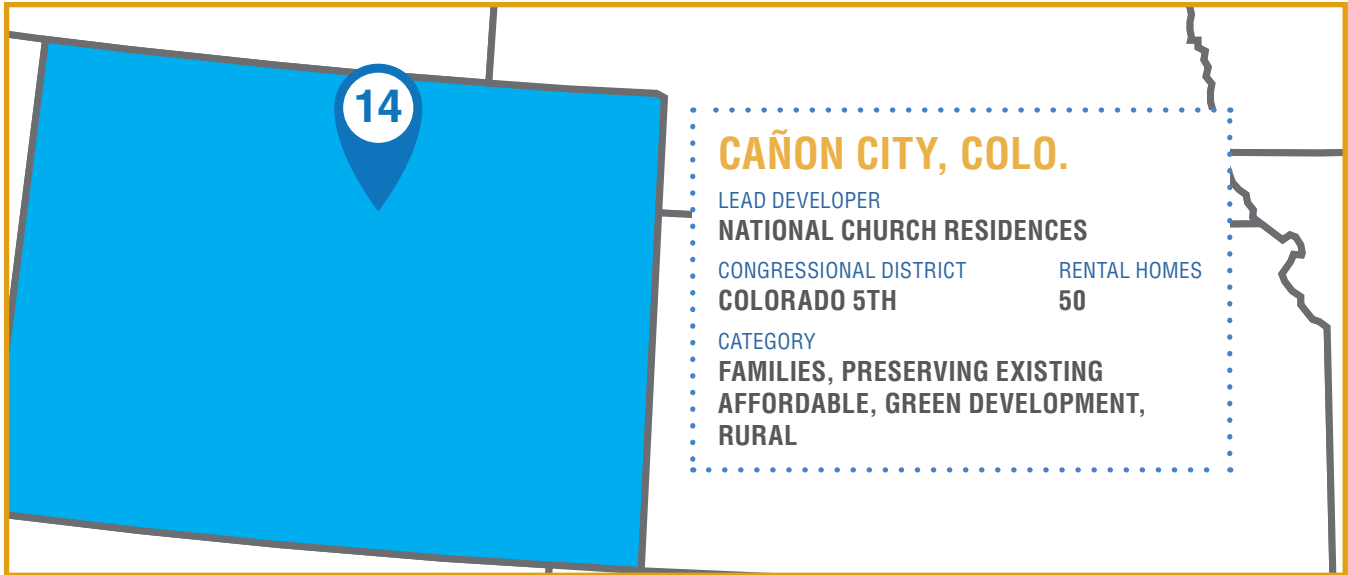


Pilot Program, LIHTCs Preserve Colorado Senior Housing



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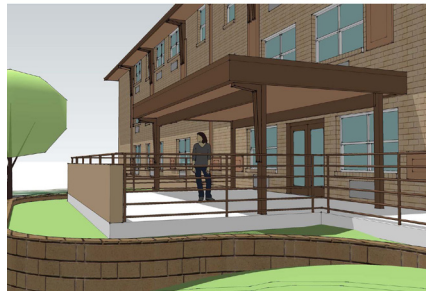
CAÑON CITY, COLO.

LEAD DEVELOPER
NATIONAL CHURCH RESIDENCES

CONGRESSIONAL DISTRICT
COLORADO 5TH

RENTAL HOMES
50

CATEGORY
**FAMILIES, PRESERVING EXISTING
AFFORDABLE, GREEN DEVELOPMENT,
RURAL**



Renderings: Courtesy of Nico Marques / Photekt

Pilot Program, LIHTCs Preserve Colorado Senior Housing

A 25-year-old senior affordable housing development in Colorado received propertywide renovations for the first time under a U.S. Department of Housing and Urban Development (HUD) pilot program that used low-income housing tax credits (LIHTCs).

Garden Park Villa in Cañon City, about 115 miles southwest of Denver, received \$1.7 million in 4 percent LIHTCs through the Colorado Housing Finance Authority in 2012. Under the HUD Multifamily Low-Income Housing Tax Credit Pilot program, which was created to streamline Federal Housing Administration (FHA) mortgage insurance applications for LIHTC properties, it was able to close its loan within 135 days of application, which helped reduce the interest rate to less than 5 percent. The owner, National Church Residences, was then able to go ahead with the renovations.

“National Church Residences does a nice job in keeping projects in good condition and very livable for residents,” said Lori Little, director of syndication and developer advisory services at National Affordable Housing Trust (NAHT), which provided the tax credit equity. “We worked with National Church

Residences to try to figure out what [updates] would keep the project meaningful for the next 20 years.”

The size of Garden Park Villa and the per-unit construction costs made it a good fit for the HUD pilot program, according to Little. Those limitations include a maximum of \$40,000 per rental home in rehabilitation work—updates to Garden Park Villa averaged about \$35,000 per rental home. They included new refrigerators, air conditioning units, wireless emergency call systems, low-flow shower heads, energy-efficient

light fixtures and other appliances. There are also new water boilers, security cameras, intercoms and canopies at the entrances.

Another requirement of the pilot program is that residents can only be relocated for up to 30 days during the rehabilitation work, but Garden Park Villa residents remained in their homes during the renovation.

“It’s going to be a successful program,” said David Lacki, managing director of affordable housing for Lancaster Pollard, which granted Garden Park Villa’s \$3 million loan. “We wanted to get our hand on the [Grand Park Villa] deal to be one of the first.”

Vandana Sareen, NAHT’s vice president of origination and development, said the renovation was a success. “This shows how mission-driven owners who are willing to invest money that they could have taken out of a project can instead leverage it as a way to modernize existing occupied housing portfolio in a timely fashion,” she said. ❖

LEAD DEVELOPER NATIONAL CHURCH RESIDENCES	CONGRESSIONAL DISTRICT COLORADO 5TH
CATEGORY FAMILIES, PRESERVING EXISTING AFFORDABLE, GREEN DEVELOPMENT, RURAL	RENTAL HOMES 50
FINANCING	
<ul style="list-style-type: none"> ◆ \$3.5 million in tax-exempt, short-term collateralized bonds ◆ \$3 million loan from Lancaster Pollard ◆ \$1.7 million in 4 percent low-income housing tax credits (LIHTCs) through the Colorado Housing Finance Authority ◆ \$1.7 million in tax credit equity from the National Affordable Housing Trust ◆ \$1.5 million seller note from National Church Residences ◆ \$840,000 equity bridge loan from Mercy Housing Loan Fund ◆ \$126,535 deferred developer fee from National Church Residences 	