denver’s affordable housing plan – what’s next?

NAIOP

November 16, 2016
what is chfa?

- CHFA’s Mission
  - We strengthen Colorado by investing in affordable housing and community development

- homeownership
- affordable rental housing
- business finance
how chfa serves colorado’s housing continuum
what is affordable housing?

- You should spend no more than 30% of your gross income on housing costs
  - Homeownership
    - principal, interest, taxes, and insurance
  - Rent
    - rent and utilities
## 2016 rent affordability

<table>
<thead>
<tr>
<th>region</th>
<th>average rent Q3 2016</th>
<th>median rent Q2 2014</th>
<th>% increase in rent</th>
<th>salary needed to afford median rent</th>
<th>hourly wage needed to afford median rent</th>
<th>AMI needed to afford median rent (2 person AMI)</th>
<th>apartment vacancy Q3 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denver Metro</td>
<td>$1,359</td>
<td>$1,068</td>
<td>27%</td>
<td>$54,360</td>
<td>$28.31</td>
<td>85%</td>
<td>4.5%</td>
</tr>
</tbody>
</table>
## Rent Trends

### Denver Metro

<table>
<thead>
<tr>
<th>Metric</th>
<th>3rd qtr 2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Vacancy</td>
<td>4.98%</td>
<td>4.18%</td>
</tr>
<tr>
<td>Tax Credit</td>
<td>2.08%</td>
<td>1.63%</td>
</tr>
<tr>
<td>Average Rent</td>
<td>$1,359</td>
<td>$1,313</td>
</tr>
<tr>
<td>Effective Rent</td>
<td>$1,352</td>
<td>$1,308</td>
</tr>
</tbody>
</table>

### Ft. Collins/Loveland/Greeley

<table>
<thead>
<tr>
<th>Metric</th>
<th>3rd qtr 2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Vacancy</td>
<td>5.69%</td>
<td>3.61%</td>
</tr>
<tr>
<td>Tax Credit</td>
<td>3.69%</td>
<td>2.10%</td>
</tr>
<tr>
<td>Average Rent</td>
<td>$1,193</td>
<td>$1,168</td>
</tr>
<tr>
<td>Effective Rent</td>
<td>$1,181</td>
<td>$1,166</td>
</tr>
</tbody>
</table>

### Colorado Springs

<table>
<thead>
<tr>
<th>Metric</th>
<th>3rd qtr 2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Vacancy</td>
<td>3.59%</td>
<td>4.73%</td>
</tr>
<tr>
<td>Tax Credit</td>
<td>2.23%</td>
<td>2.89%</td>
</tr>
<tr>
<td>Average Rent</td>
<td>$948</td>
<td>$869</td>
</tr>
<tr>
<td>Effective Rent</td>
<td>$946</td>
<td>$864</td>
</tr>
</tbody>
</table>
facilitating affordable housing

- Low Income Housing Tax Credit (LIHTC)
  - Competitive 9 percent credit
  - Non-competitive 4 percent credit
  - State credit

- Affordable long-term financing tools
  - Loans
  - Managed funds
low income housing tax credits
funding source examples

9% federal credit

9% lihtc deals funding sources
- 2% Deferred Developer Fee
- 13% Soft Debt
- 20% Hard Debt
- 65% 9% Federal Credit Equity

4% federal credit

4% lihtc deals funding sources
- 8% Gap
- 7% Deferred Developer Fee
- 60% Hard Debt
- 25% 4% Federal Credit Equity
The graph shows the number of units produced from 2010 to 2016, categorized by different types of LHTC (Low-High-Tax Certificates).

- **9 percent LHTC**
- **4 percent LHTC**
- **State LHTC and 4 percent**

**Yearly Units**

- **2010**: 184 units
- **2011**: 832 units
- **2012**: 923 units
- **2013**: 1,582 units
- **2014**: 1,331 units
- **2015**: 1,902 units
- **2016**: 1,062 units

*Data as of 2016 to-date.*
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