

Middle Income Access Program

- Low-cost mezzanine debt for Middle Income projects
- Meets Freddie Mac Non-LIHTC Forward product requirement for Public/Mission-Driven Investment
- CHFA originates loans with intention to simultaneously sell participation(s)
- CHFA goal to keep approximately \$1 million per transaction
 - Achieve mission
 - Multiple transactions
 - Hedge risk

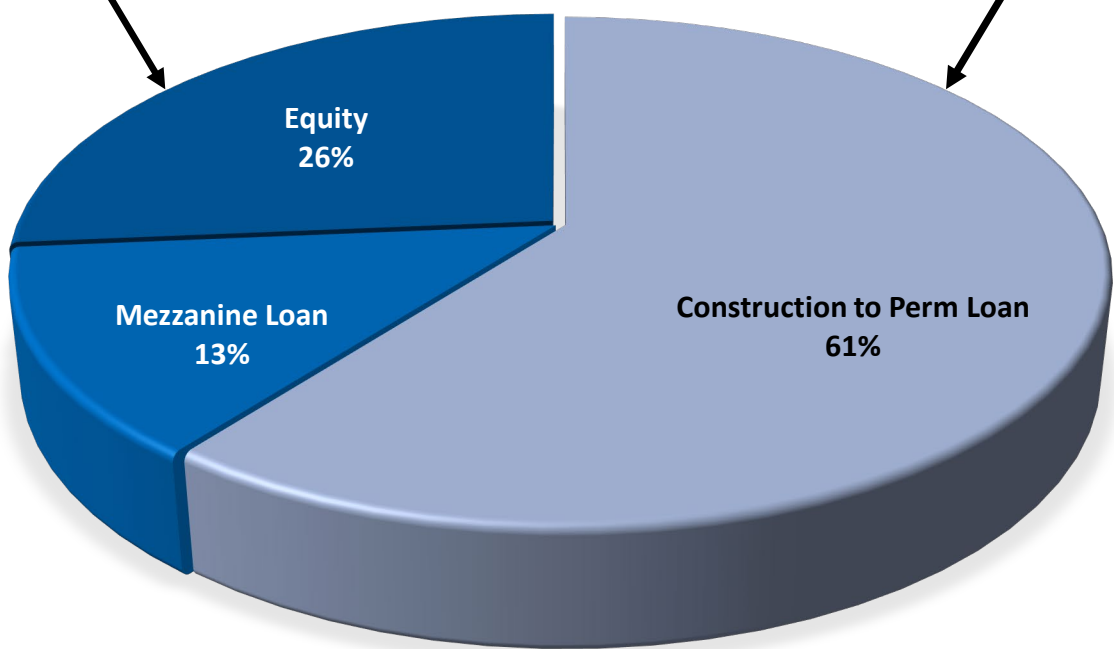


The program addresses the middle income workforce, sometimes referred to as the “missing middle,” with incomes too high for Housing Credit units but often overburdened by market rents. Typically, the missing middle is comprised of renters whose income is between 80% and 120% Area Median Income (AMI).

Deal Structure

Institutional and other PE sources

HUD, Fannie Mae or Freddie Mac
Non-LIHTC Forward, or other
senior debt provider



Basic Terms

Loan Size	\$2 million to \$6 million (before participation)
Security	2 nd Deed of Trust
Interest Rate	5% to 6%; interest only for early years; step up for later years
Exit Fee	5% to 6% of net sale or refinance proceeds
Affordability Requirements	At least 20% of units affordable to renters at 80% or less of Area Median Income; up to 75% of total units at or below 120% AMI; 25% can be unrestricted
CHFA Participation Size	Target of \$1 million CHFA capital per project

Basic Terms (continued)

Benefits	Gap financing up to 24 months, non-recourse debt up to 15 years
Loan Limits	Lesser of 90% of value or cost and minimum 1.15 DCR for all must-pay debt supportable by NOI
Loan Terms	Interest-only during construction, up to 15 years of permanent financing, 20- to 30-year amortization
Loan Fees	1% origination fee, \$2,000 application fee, Construction Services inspection fee, legal fees up to \$30,000

Pena Station (Denver)

Type of Transaction	216 units of multifamily rental housing, Freddie non-LIHTC Forward senior loan
Population and Affordability	54 units at 80% AMI (25%), 162 units at 100% AMI (75%)
Project Costs	\$39,800,000
CHFA Loan	\$4,000,000
Lien	2 nd Deed of Trust
Interest Rate	6.0% Fixed
Term	3 years interest-only
Exit fee	10% of net refinance proceeds
Status	Loan paid in full in May 2020

Peak View Apartments (Estes Park)

Type of Transaction	26 units of multifamily rental housing, Bank of Colorado senior loan
Population and Affordability	26 workforce units serving Estes Park residents earning between 80% and 120% of area median income
Project Costs	\$7,672,438
CHFA Loan	\$1,050,000
Lien	2 nd Deed of Trust
Interest Rate	3.5% Fixed
Term	Interest-only during 24-month construction period, P&I for 8 years thereafter based on 40 year amortization schedule