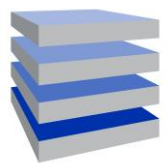


7001 COLORADO BOULEVARD AFFORDABLE HOUSING DEVELOPMENT



Prospect

PROSPECT



- Prospect is a private multifamily residential development firm located in Denver.
- Prospect's principals have combined over 50 years of multifamily development experience in Denver and have developed over 7,500 multifamily homes including 2,700 affordable housing units.
- Company has expertise in a variety of product types including luxury rental, for sale condominiums and townhomes, and affordable rental homes with a focus on infill and transit oriented locations.
- Notable Developments Include:
 - First TOD in Colorado at the Englewood City Center in 2001
 - 2009 National Association of Homebuilders Multifamily Project of the Year for Skye 2905
 - 2011 Denver Mayor's Design Award for Block 32 in the River North Neighborhood
 - Fields on 15th is a similar affordable project in Longmont currently in lease up

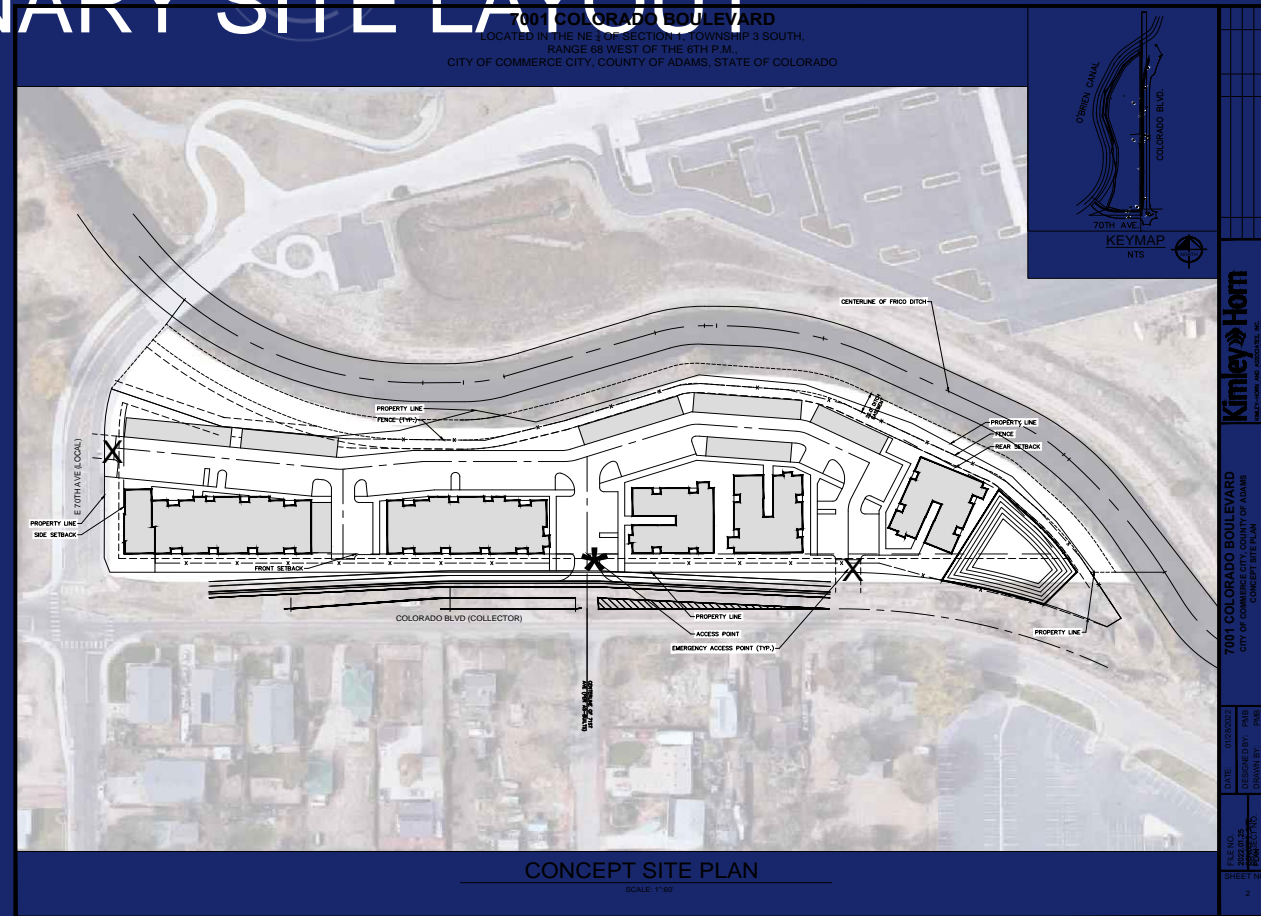
7001 COLORADO BOULEVARD



7001 Colorado Blvd.
Offering Memorandum

Connor Donahue
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PRELIMINARY SITE LAYOUT



- Site Contains 3.9 acres located 500 feet from the 72nd and Colorado Light Rail Station
- Currently site is in Adams County and annexation and rezoning to R-3 in the Commerce City is in process.
- Proposed use is consistent with the City of Commerce City's comprehensive plan and the Station Area Plan created by the City in 2017 designated the site for high density residential use

PRELIMINARY AFFORDABLE DEVELOPMENT PROGRAM

- 94 Rental Homes
 - 7 1 Bedroom Homes
 - 27 2 Bedroom Homes
 - 24 3 Bedroom Homes
 - 36 4 Bedroom Homes
- Targeted Family Housing with large units
 - This demographic is most in need of affordable housing. The target market area has 3 times the number of 5+ person households than the Denver MSA.
- Affordable financing requires rent and income restrictions for no less than 30 years
- Community Amenities
 - Clubhouse/Leasing Center/
 - Community Room for resident function
 - Fitness Center/Business Center
 - Outdoor recreation for families
- Neighborhood Gathering Space
 - Subject to permitting a non programmed space to allow a function that will allow the neighborhood to gather and for the community residents to interact with their neighbors

AFFORDABLE HOUSING CAPITALIZATION

- Sources of Funds
 - Private Activity Bonds
 - Low Income Housing Tax Credit Equity
 - Soft Funds
 - Developer Fee Note
- Total Project Estimated Cost is approximately \$31.8 million or \$336,000 per unit
- Private Activity Bonds facilitate the Low Income Housing Tax Credits and is the critical piece. A minimum of \$15.5 million of PAB authority is required to facilitate the LIHTC
- Commerce City Housing Authority will be a Special Limited Partner which will allow tax exemption per state statute. This allows an increase in debt necessary to capitalize the project
- Commerce City Housing Authority is the likely issuer of the bonds for which it will be compensated
- Soft fund source has not been determined. Adams County has a source of NSP program grant funds which will expire this year and application will be processed for those funds. The State of Colorado Department of Local Affairs created a fund in 2021 to address the states affordable housing crisis which also may be a source.

NEXT STEPS TO SECURING THE FINANCING



- Application to Adams County for its 2022 PAB Authority is in process. The County has approximately \$6.5 million to allocate in 2022.
- Inquiries to be made to other jurisdictions with statewide balance to transfer to the project. Neighboring jurisdictions (Thornton, Brighton, Weld County) are most probable but will also include small counties and cities throughout the state.
- Application to the State of Colorado Department of Local Affairs for the balance of the PAB authority to be made in June.
- The 2022 PAB Authority requires bonds be issued in 2022 or it has to be carried forward by CHFA. Accordingly, expedited entitlement is critical to allow the project to be permit ready by November to allow the affordable program. Expedited Processing has been granted by City Manager's office and annexation and rezoning application is in process.