

We dedicate ourselves to creating and sustaining communities through innovative partnerships and entrepreneurial housing programs.



June 13, 2022

Shannon Eklund
Executive Assistant
Town Manager's Office
Town of Castle Rock
100 N. Wilcox Street
Castle Rock, CO 80104

Re: Douglas County Housing Partnership, a Multijurisdictional Housing Authority

Dear Shannon:

Douglas County Housing Partnership (DCHP) relies on the continued support and membership from the Town of Castle Rock to assist residents with a variety of housing needs. With your funds, in conjunction with funding from the City of Lone Tree, the Town of Parker, the City of Castle Pines, and Douglas County, DCHP has been able to accomplish its mission and goal of providing housing opportunity and stability through the following programs:

- Budget and credit improvement counseling
- Homebuyer counseling services and educational classes
- Down payment assistance to first-time homebuyers
- Foreclosure mitigation counseling services
- Home Equity Conversion Mortgage (HECM), reverse mortgage counseling for seniors
- Low-Income Housing Tax Credit and other rental housing
- Emergency rental assistance in 2021 (ended Q1 2022)
- General housing partnerships to provide and develop other attainable housing options

DCHP requests 2023 funding of \$35,000, which is the same level we have requested in the past. The funds will be used to cover a portion of salaries and operating expenses. Please note, DCHP does not utilize volunteers to provide its services because the counseling we do involves confidential client financial information. We do, however, leverage the town's investment in several ways including raising additional funds from private sources, rental revenue as well as state and federal funding, which helps to support our operations.

Enclosed you will find:

- DCHP's 2021 Accomplishment Summary
- 2023 Service Organization Funding Application
- 2023 Proposed Performance Objectives
- DCHP Board of Directors

The 2023 Service Contract will be administered by:

Maria Ciano,

Executive Director

phone: 303-784-7824

email: mciano@douglas.co.us

Please reach out with any questions. Thank you for considering DCHP's request for continued funding.

Sincerely,



Maria Ciano

Executive Director



Douglas County Housing Partnership a Multijurisdictional Housing Authority

Summary of 2021 Accomplishments for the 2023 Town of Castle Rock Funding Application

Douglas County Housing Partnership (DCHP) was established in 2003 by the City of Lone Tree, Town of Castle Rock, Town of Parker, and Douglas County due to concerns expressed by the business community, public officials, and others of insufficient housing for moderate- and low-income workers in Douglas County. In 2020, the City of Castle Pines entered the partnership.

DCHP Mission

To achieve economically thriving communities by preserving, providing, and developing housing choices in Douglas County, Colorado.

Our Programs

- Budget and credit improvement counseling (part of all program offerings)
- Homebuyer counseling services and educational classes
- Down payment assistance to first-time homebuyers
- Foreclosure mitigation counseling services.
- Home Equity Conversion Mortgage (HECM), reverse mortgage counseling for seniors
- Emergency rental assistance in 2021
- Low-Income Housing Tax Credits rental homes
- Housing partnerships to provide and develop other attainable housing options

Home Ownership Program

DCHP has assisted first-time homebuyers since January 2005. Two households were assisted by the Home Ownership Program in 2021 and as of 2021, 314 households became homeowners through this program in Douglas County. The DCHP performance objective of assisting three homebuyers from the Town of Castle Rock was not met in 2021 due to limited housing stock and extremely high housing prices that greatly restricted the number of households that could participate in the program.

DCHP provides financial assistance for first-time home purchases with two programs:

- 1) a low-interest rate, second position loan covers part of the down payment and closing costs; or
- 2) DCHP provides an investment up to 20% of the purchase price (\$41,000 max.).

DCHP home ownership programs are funded from three sources:

- 1) HOME (Home Investment Partnership Program) funds from the State of Colorado.
- 2) CDBG (Community Development Block Grant) funds from Douglas County.
- 3) Existing private funds (Cash-in-Lieu).

Home Buyer Education Classes

DCHP provides a free, monthly, six-hour class typically on the third Saturday of each month to anyone (regardless of income or residency) interested in becoming more educated about the home buying process. Please note, an online education option is also available. The class covers budgeting, credit, loan products, and working with a realtor.

The class is a Colorado Housing and Finance Authority (CHFA) approved homebuyer education class.

A 2013 study updated in 2016 of 6,224 NeighborWorks pre-purchase counseling clients found that counseled borrowers had a 16% lower delinquency rate than their counterparts.

From November 2004 to date, DCHP educated 4,396 households, with 573 households attending the DCHP Home Buyer Education class in 2021. The 2021 performance objective of 40 attendees was more than doubled, with 83 of the attendees from the Town of Castle Rock.

Foreclosure Mitigation and Counseling

Homeowners in Douglas County experiencing financial hardships that cause them to be delinquent on their home mortgage are assisted by DCHP Housing and Urban Development (HUD) certified housing counselors. Homeowners are typically referred by the Douglas County Public Trustee. Working with the DCHP counselor, households determine the best course of action for their specific situation. Most often the hardships are due to job loss or health problems. Our counselors work with residents and their lender to modify their mortgage. This starts with a review of their monthly budget to make sure they will be able to make the modified loan payment. Starting in 2008, DCHP has worked with about 3,617 homeowners through year-end 2021. Thirty-five households were counseled in 2021, with eight from the Town of Castle Rock—the projection was for 10. A 2014 study reviewed outcomes associated with 240,000 loans, finding that half of the borrowers who received post-purchase foreclosure mitigation counseling were nearly three times more likely to receive a loan modification and 70 percent less likely to redefault on a modified loan than their counterparts.

Home Equity Conversion Mortgage (HECM)

The HECM program, also known as reverse mortgages, offers seniors age 62 and older that have equity in their homes a way to access that equity. Often, they are looking for monies to supplement living expenses, but others use the funds for purchasing a new home better suited to their needs. DCHP temporarily discontinued this program for a period due to staffing changes, but currently offers the service as we have certified counselors on staff. There is a considerable and growing demand for this counseling service. From the fall of 2013 through December 2021 DCHP provided reverse mortgage counseling to 1,108 households. In 2021 DCHP provided counseling to 365, with 31 from the Town of Castle Rock. We projected 10 in our performance objectives.

Emergency Rental Assistance

DCHP was one of five agencies that provided Emergency Rental Assistance with federal funds provided through the County. DCHP provided \$1,085,000 in assistance to 155 households. Overall the County program assisted 1,120 households with 236 in Castle Rock.

Rental Housing

DCHP owns one senior affordable housing community (Oakwood Senior) and is a special limited partner in seven other Low Income Housing Tax Credit (LIHTC) apartment communities in the county. They total 1,330 apartments which provide 1,316 income-restricted affordable rentals for working families and seniors in Douglas County (some units are not income-restricted). DCHP is involved in an additional 758 affordable units under construction or coming soon.

Below is a list of the affordable rental housing DCHP is involved with:

- 109 units at Oakwood Senior
- 134-unit The Audrey (for seniors)
- 156-unit Apex Meridian East
- 264-unit Copper Steppe
- 90-unit Auburn Ridge (for seniors)
- 156-unit Apex Meridian West
- 221-unit LincolnPointe Lofts
- 200-unit Reserve at Castle Highlands
- 204-unit South Range Crossing
- 67-unit RidgeGate Station Affordable
- 208-unit Apex Meridian South
- 200-unit Castle Rock Senior

Generally, rents at affordable properties are an average of \$450-\$600/month less than market-rate rents, saving the residents \$5,400 to \$7,200 per year in rent that can be spent on other household needs.



Photos: Oakwood Senior Apartments, in Castle Rock, Colorado

Rental Housing Impact in Douglas County

Oakwood Senior Apartments is a 109-unit LIHTC and affordable multi-family community for seniors at 30-60% area median income (AMI). Since 2006, DCHP owned and operated the (formerly 64-unit) community in Castle Rock. DCHP received approval of a Planned Development (PD) Amendment in June of 2018 to add a three-story building on the site and demolish one of the affordable housing buildings. DCHP was awarded 9% Low Income Housing Tax Credits. Construction commenced in the fall of 2020 and the 53-unit building was completed in December 2021. The first residents moved in at Oakwood Senior Phase II in January 2022.

DCHP is also a minority owner as a special limited partner in Lincoln Pointe Lofts and Reserve at Castle Highlands, two LIHTC developments. Lincoln Pointe Lofts is a 221-unit apartment complex in the Meridian International Business Center for families with incomes at or below 50% and 60% of the AMI. Reserve at Castle Highlands in the Town of Castle Rock is 200 units of rental family housing that has rent for 41 of the units affordable to families at or below 50% of the area median income as a result of its partnership with DCHP. The remaining 159 units are leased to families with incomes below 60% of the area median income.

In 2014, two more LIHTC developments were completed, adding 235 units to the stock of affordable housing in Douglas County. Apex Meridian (renamed Apex Meridian East) in the Meridian International Business Center added 155 more 60% AMI family units in a 156-unit development and Auburn Ridge in Castle Rock added 90 units for seniors (80 income restricted and 10 market rate). Auburn Ridge is a mixed income property with 30-60% AMI units and 10 units that are not income restricted. DCHP is a special limited partner with Shea Properties in the Apex Meridian development and with Atlantic Development & Investments of Scottsdale, AZ in the Auburn Ridge property.

Copper Steppe, 264 units in the Sierra Ridge development in unincorporated Douglas County was completed in September 2017. DCHP is a special limited partner and was also the issuer of the private activity bonds which helped finance the construction of the property. The eleven buildings were opened from November 2016 through September 2017. Demand was very strong; the entire property was leased by March of 2017, with residents moving in as soon as a building received its certificate of occupancy. Copper Steppe added 264 more family units to the supply of LIHTC housing in Douglas County. The developer is Inland Group of Spokane, WA.

Apex Meridian II (renamed Apex Meridian East), across the street from Apex Meridian was completed and leased in 2020 and added 155 more 60% AMI family units in a 156-unit development in the Meridian International Business Center. DCHP is a special limited partner and was also the issuer of the private activity bonds which helped finance the construction of the property. Employers in Meridian International Business Park benefit from having near-by housing for entry-level employees.

The Audrey is new construction of LIHTC senior housing, completed in fall of 2021, with 134 units in Highlands Ranch at 60% AMI. DCHP is a special limited partner and was also the issuer of the private activity bonds which helped finance the construction of the property.

In addition to the affordable rental housing detailed above, DCHP owns and operates 18 rental housing units that are not under local, state, or federal funding or program requirements. DCHP has two scattered condominiums and one town home and in 2022 DCHP purchased 15 condominiums in one building of Stonecreek Park Condominium Community, in Castle Rock.

Rental Housing Under Construction

Three additional multi-family affordable housing rental properties are currently under construction and will add 479 units to the supply of affordable housing in Douglas County. DCHP will also be a minority partner in these developments: South Range Crossings, RidgeGate Station Affordable, and Apex Meridian South. Demand for more affordable units is demonstrated by how quickly they lease-up and maintain high occupancy rates.

South Range Crossings is under construction with 204 units for families in Parker with an expected completion in spring of 2022. DCHP is a special limited partner.

RidgeGate Station Affordable is a 67-unit affordable community for households with AMIs 30-80%. DCHP is the issuer of the private activity bonds being used to help finance the construction of this property and a special limited partner.

Apex Meridian South is 208 units of family affordable housing in Meridian International Business Park, with expected completion by end of 2022. DCHP is the issuer of the private activity bonds being used to help finance the construction of this property and a special limited partner.

There is one more development under construction in Castle Rock, Bridgewater Castle Rock. This unique property will provide some LIHTC assisted living and memory care units and is expected to open in the summer of 2022. DCHP is the issuer of the private activity bonds being used to help finance the construction of this property, which will offer 79 LIHTC units. The LIHTC units are for assisted living and some memory care units. There are 142 total units, including market-rate independent units, a mix of market-rate and LIHTC memory care units, and LIHTC assisted living.

Coming Soon

Castle Rock Senior is a 200-unit affordable community for residents 55 and older, with an expected closing in Q1 of 2023. The property will have a mix of one- and two-bedroom apartments. The AMIs will be set aside at 60% AMI with an expectation that up to 5% of the units will be set aside at 30% AMI. DCHP is the issuer of the private activity bonds to finance the construction and is a special limited partner with Ulysses Development Group on this development.

Maximizing Community Resources

DCHP funds its programs from private, state, and federal sources. Those funds, along with the support by the City of Lone Tree, Town of Castle Rock, Town of Parker, Douglas County and City of Castle Pines make these programs possible. We look forward to continuing to provide these services to Douglas County and the residents of the Town of Castle Rock.

**2023 SERVICE ORGANIZATION
FUNDING APPLICATION**

ORGANIZATION REQUESTING FUNDING:

DOUGLAS COUNTY HOUSING PARTNERSHIP

I. 2023 FUNDING REQUEST (Please use this form for this information and not another format.)

Breakdown of funds (For what specifically would monies from the Town be used?)

<u>Staff Salaries & Benefits</u>	<u>\$32,000</u>
<u>Audit/Accounting</u>	<u>\$3,000</u>
 TOTAL FUNDING REQUEST	 <u>\$35,000</u>

II. 2022 PROJECTED ORGANIZATION BUDGET

(Please use this form for this information and not another format.)

2023 projected organizational budget

(Including funding from the Town) \$539,174

Projected sources of revenue

<u>Homeownership Program</u>	<u>\$32,000</u>
<u>Housing Counseling</u>	<u>\$78,000</u>
<u>Participating Jurisdictions</u>	<u>\$200,000</u>
<u>Private Activity Bond Fees</u>	<u>\$60,154</u>
<u>Client Fees</u>	<u>\$2,500</u>
<u>Real Estate Owned</u>	<u>\$213,520</u>
 TOTAL PROJECTED REVENUE	 <u>\$586,174</u>

Projected expenditures

(By major budget category)

<u>Salaries & Benefits</u>	<u>\$436,486</u>
<u>Accounting</u>	<u>\$14,000</u>
<u>Audit</u>	<u>\$13,000</u>
<u>Insurance</u>	<u>\$8,000</u>
<u>Legal</u>	<u>\$2,000</u>
<u>Real Estate Owned expenses</u>	<u>\$29,000</u>
<u>Administrative</u>	<u>\$25,000</u>

TOTAL PROJECTED EXPENDITURES \$527,486

**Douglas County Housing Partnership
Town of Castle Rock 2023 Performance Objectives**

Objective one: Douglas County Housing Partnership will promote housing opportunity by providing homebuyer education classes monthly, with an attendance goal of 40 Castle Rock renters who are considering homeownership.

Objective two: Douglas County Housing Partnership will promote housing opportunity by providing down payment assistance to two households purchasing homes in Castle Rock.

Objective three: Douglas County Housing Partnership will promote housing stability by providing Foreclosure Mitigation Counseling to 12 Castle Rock households.

Objective four: Douglas County Housing Partnership will promote housing stability by providing Reverse Mortgage Counseling to 20 households in Castle Rock.

Douglas County Housing Partnership Board of Directors, June 2022

Name	Role	Appointing Jurisdiction
Jarrold Lassen	Board Chair	Douglas County
George Teal	Board Member	Douglas County
Jennifer Eby	Alternate	Douglas County
Sam Bishop	Treasurer	City of Castle Pines
Geoff Blue	Board Member	City of Castle Pines
Deborah Metzger Mulvey	Alternate	City of Castle Pines
Wynne Shaw	Alternate	City of Lone Tree
Marilee Wing	Board Member	City of Lone Tree
Mike Anderson	Alternate	City of Lone Tree
Jason Gray	Board Member	Town of Castle Rock
Brad Boland	Board Member	Town of Castle Rock
Ryan Hollingshead	Alternate	Town of Castle Rock
Bryce Matthews	Secretary	Town of Parker
Anne Barrington	Board Member	Town of Parker
Cheryl Poage	Alternate	Town of Parker