



Mountain Affordable  
Housing Development

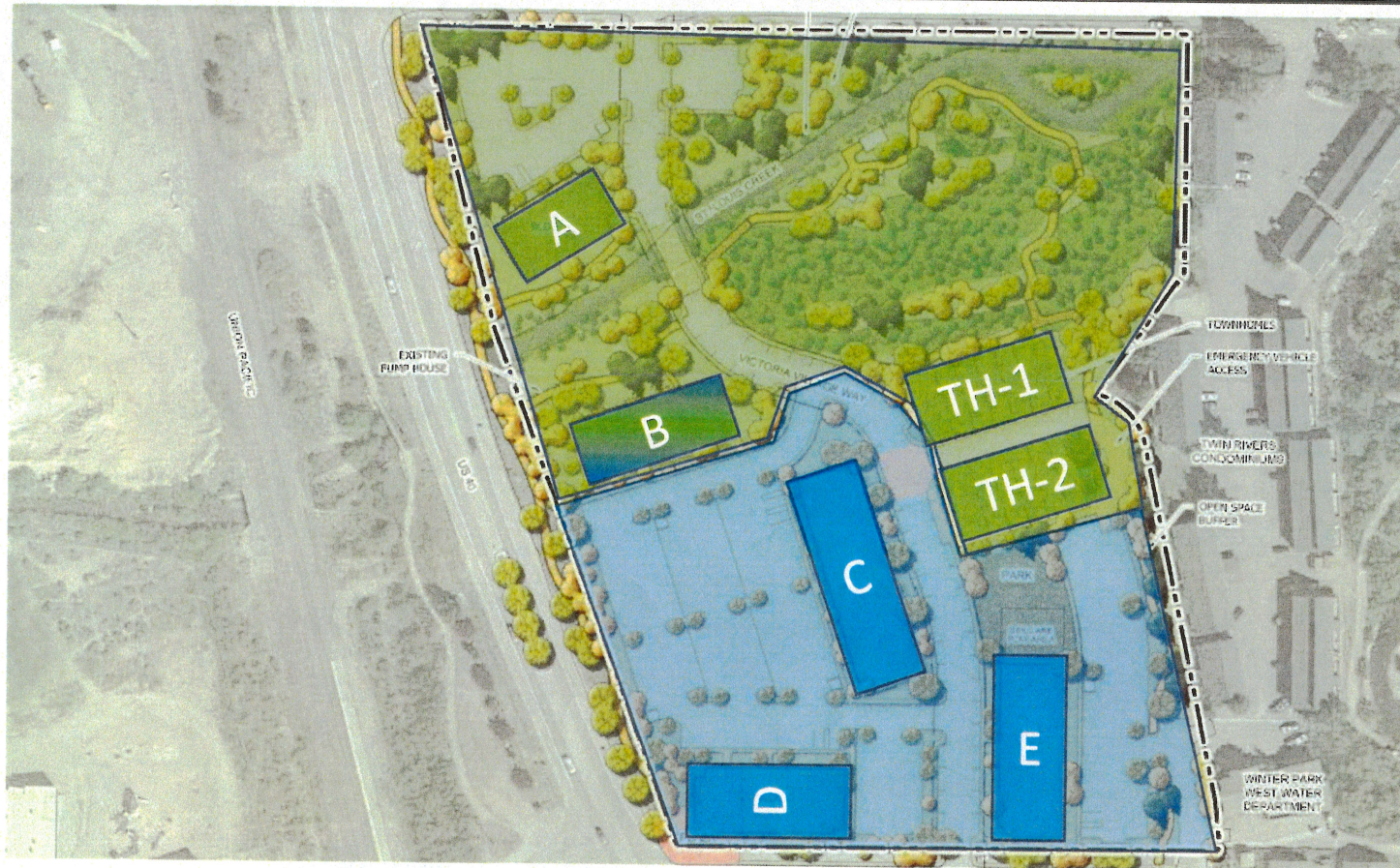


Victoria Village Development BOT Update

Fraser, Colorado

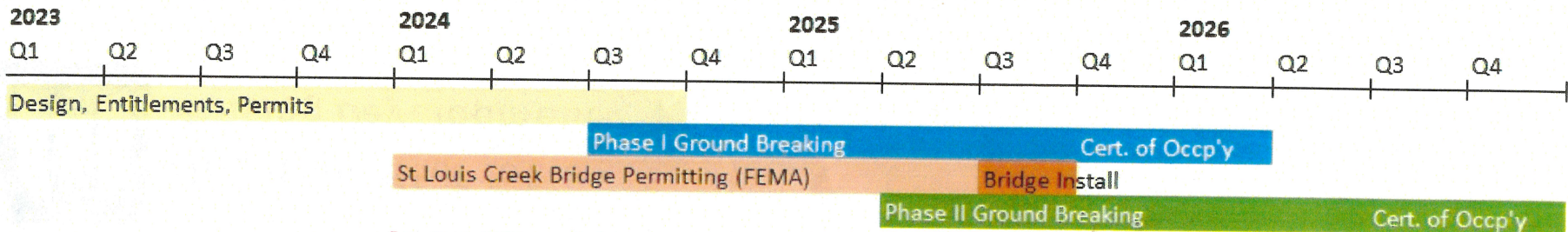
March 6, 2024

# Victoria Village Phasing



- Phase I will include buildings C + E as middle income assets financed through the middle income approach and tax-exempt bond offering
- Building D and potentially B will be offered together into the August 2024 4% and CO State LIHTC tax credit program
- Building B will be developed in Phase I, may be constructed later depending on progress with FEMA related to the flood plain around St Louis Creek

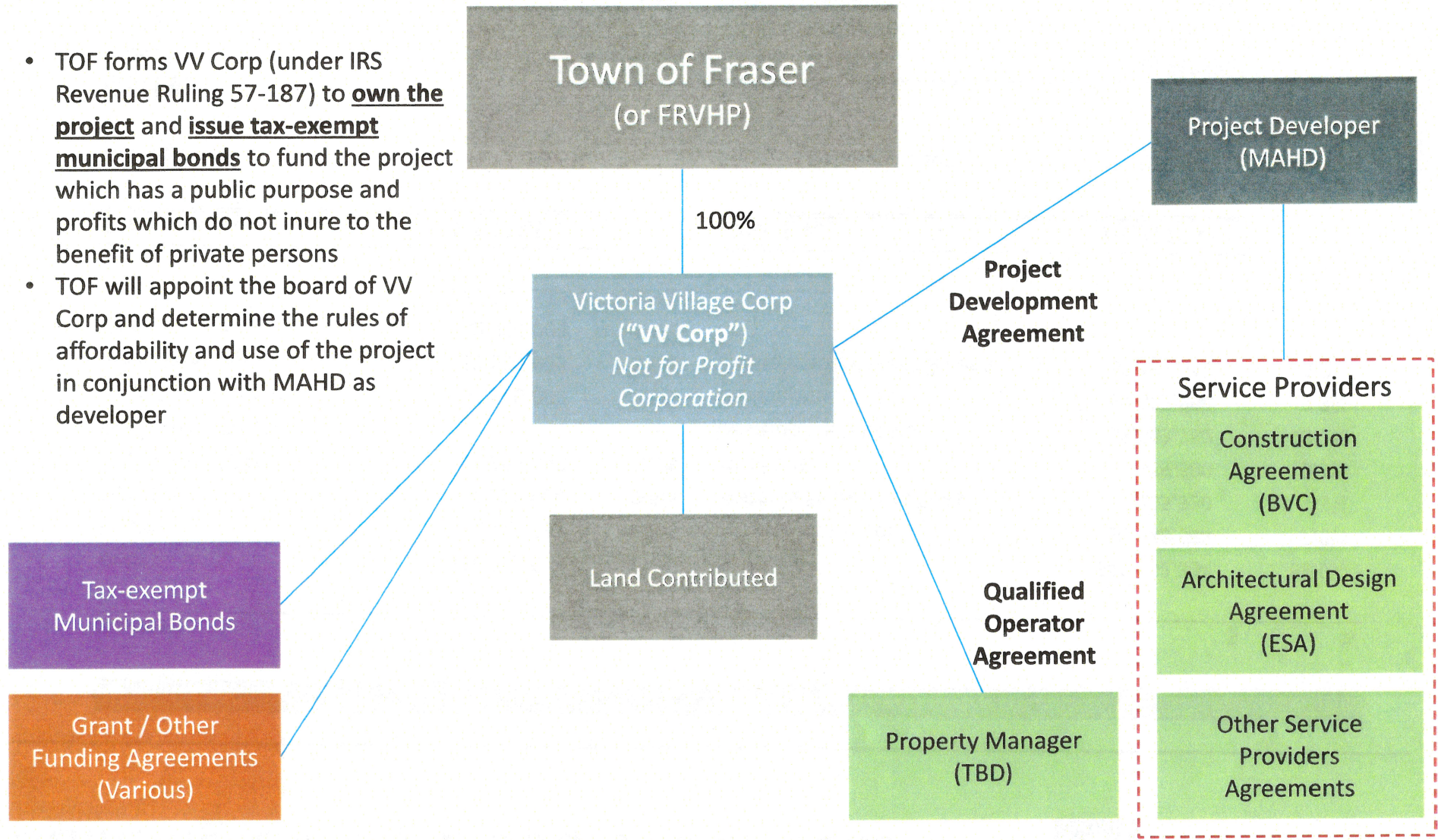
## PROJECT TIMELINE



# Fraser Project Ownership



- TOF forms VV Corp (under IRS Revenue Ruling 57-187) to **own the project** and **issue tax-exempt municipal bonds** to fund the project which has a public purpose and profits which do not inure to the benefit of private persons
- TOF will appoint the board of VV Corp and determine the rules of affordability and use of the project in conjunction with MAHD as developer



# Building C / D / E Sources & Uses



All Rental Building			ACTIVE DEAL: TAX-EXEMPT		
Sources	\$	%	Uses	\$	%
Debt	\$31,215,678	52.3%	Build Cost	\$40,582,384	68.0%
Equity	\$744,397	1.2%	Infrastructure Cost	\$4,683,944	7.8%
Sub Debt - CHFA	\$4,750,000	8.0%	Water & Sewer Tap Fees	\$805,330	1.3%
Sub Debt - DOH	\$4,305,000	7.2%	Fire Fees	\$59,800	0.1%
Sub Debt - FRVHP	–	–	Development Costs	\$6,063,782	10.2%
GKLC Endowment	\$1,500,000	2.5%	Development Fee	\$4,387,804	7.3%
Grant Funding	\$3,000,000	5.0%	Capitalized Interest & Fees	\$3,132,549	5.2%
Town Funding	\$2,900,000	4.9%			
LIHTC	\$11,300,517	18.9%			
<b>Total Sources</b>	<b>\$59,715,592</b>		<b>Total Uses</b>	<b>\$59,715,592</b>	
Average AMI		99.8%	Square Footage   \$/sqft	119,408	\$500.1
<b>Unit Mix</b>	<b>123</b>		<b>Debt Terms</b>		
Studio	25	20.3%	Final Payment	2/28/2066	
1 Bed	46	37.4%	Amortization Years	38.9	
2 Bed	38	30.9%	Permanent Rate	6.25%	
3 Bed	14	11.4%	Reserve Accounts	\$3,121,568	

# Building C / E Sources & Uses



**All Rental Building** **ACTIVE DEAL: TAX-EXEMPT**

Sources	\$	%	Uses	\$	%
Debt	\$29,607,964	67.7%	Build Cost	\$29,114,292	66.6%
Equity	\$274,009	0.6%	Infrastructure Cost	\$3,363,929	7.7%
Sub Debt - CHFA	\$3,500,000	8.0%	Water & Sewer Tap Fees	\$588,000	1.3%
Sub Debt - DOH	\$3,360,000	7.7%	Fire Fees	\$46,368	0.1%
Sub Debt - FRVHP	–	–	Development Costs	\$4,906,200	11.2%
GKLC Endowment	\$1,500,000	3.4%	Development Fee	\$3,165,927	7.2%
Grant Funding	\$3,000,000	6.9%	Capitalized Interest & Fees	\$2,557,256	5.8%
Town Funding	\$2,500,000	5.7%			
LIHTC	–	–			
<b>Total Sources</b>	<b>\$43,741,973</b>		<b>Total Uses</b>	<b>\$43,741,973</b>	

Average AMI 111.0%

Square Footage | \$/sqft 86,176 \$507.6

Unit Mix	96	
Studio	25	20.3%
1 Bed	39	31.7%
2 Bed	26	21.1%
3 Bed	6	4.9%

Debt Terms	
Final Payment	1/31/2064
Amortization Years	37.5
Permanent Rate	6.25%
Reserve Accounts	\$2,960,796



# Assumption Changes: January v. March BOT Meetings

Unit Mix	January 17	March 6
Studios	0 (0%)	25 (20%)
1 Beds	19 (20%)	46 (37%)
2 Beds	54 (56%)	38 (31%)
3 Beds	24 (24%)	14 (12%)
<b>Totals</b>	<b>97</b>	<b>123</b>

Financial Assumptions	January 17	March 6
Construction Interest	8.25%	7.00%
Permanent Interest	6.50%	6.25%
Contingency	15%	5%
Unit Sizes (sq ft)		(~6.4% reduction)
Studio	n/c	n/c
1 Bed	611	572
2 Bed	944	884
3 Bed	1277	1196
TOF Support Payment	\$500k / 15 years	\$250k / 15 years
Building Mix	All Middle Income	C + E – Middle Income D – LIHTC

- Changes to assumptions and unit mix/design are resultant from engagement with BOT and community through the open house meeting conducted February 1 and various other meetings with town staff and BOT members
- Figures on the page include buildings C, D and E



# Resulting AMI changes: January v. March BOT Meetings

January 17 Assumptions						March 6 Update							
AMI	Bedrooms					Phase I	AMI	Bedrooms					
	0	1	2	3	Total			0	1	2	3	Total	
20.0%	-	-	-	-	-		20.0%	-	-	-	-	-	
30.0%	-	-	-	-	-		30.0%	-	-	-	-	-	
40.0%	-	-	-	-	-		40.0%	-	2.0	1.0	-	3.0	
50.0%	-	-	-	-	-		50.0%	-	2.0	2.0	5.0	9.0	
60.0%	-	-	-	-	-		60.0%	-	3.0	3.0	-	6.0	
70.0%	-	-	-	-	-		70.0%	-	-	3.0	-	3.0	
80.0%	-	-	-	-	-		80.0%	-	-	3.0	3.0	6.0	
100.0%	-	-	-	-	-		100.0%	24.0	19.0	-	-	43.0	
120.0%	-	9.0	30.0	11.0	50.0		120.0%	1.0	20.0	26.0	6.0	53.0	
140.0%	-	-	-	-	-		140.0%	-	-	-	-	-	
160.0%	-	-	-	-	-		160.0%	-	-	-	-	-	
180.0%	-	-	-	-	-		180.0%	-	-	-	-	-	
200.0%	-	10.0	24.0	-	34.0		200.0%	-	-	-	-	-	
220.0%	-	-	-	-	-		220.0%	-	-	-	-	-	
240.0%	-	-	-	13.0	13.0		240.0%	-	-	-	-	-	
260.0%	-	-	-	-	-		260.0%	-	-	-	-	-	
280.0%	-	-	-	-	-		280.0%	-	-	-	-	-	
300.0%	-	-	-	-	-		300.0%	-	-	-	-	-	
<b>Avg. AMI</b>						<b>Avg. AMI</b>							
<b>164.1%</b>	<b>Total</b>	-	<b>19.0</b>	<b>54.0</b>	<b>24.0</b>	<b>97.0</b>	<b>99.8%</b>	<b>Total</b>	<b>25.0</b>	<b>46.0</b>	<b>38.0</b>	<b>14.0</b>	<b>123.0</b>

# TOF Commitment & Return



	Value	Commentary
TOF Development Spend	\$2.9m	<ul style="list-style-type: none"> <li>Inclusive of amounts spent to date and necessary to progress development through to construction start in 2H 2024</li> <li>Possibility of rebate ~\$1-2m once construction financing is closed and project is completed on budget (may be used to fund Phase II development costs)</li> </ul>
TOF Operating Support Payments	\$3.75m \$250k/yr   15 yrs	<ul style="list-style-type: none"> <li>Amounts paid directly to VV Corp and able to be included in the underwriting calculations of lenders</li> <li>Allows for increase in senior debt by 8-10% ~\$2.9m</li> </ul>
TOF Operating Cash Flows	\$60m+	<ul style="list-style-type: none"> <li>Cash flow back to TOF begins between 2040-2045 (depending on financial and operating conditions)</li> </ul>
TOF Building Terminal Value	\$104m	<ul style="list-style-type: none"> <li>Assumes 2% price inflation overtime on hard costs</li> <li>Assumes building is maintained with robust preventative maintenance</li> </ul>
<b>Total Net Value to TOF</b>	<b>\$157m</b>	<ul style="list-style-type: none"> <li>Represents a 23x return on \$6.75m invested capital</li> </ul>



[DRAFT – FOR DISCUSSION PURPOSES ONLY]

# 2023 Financial Management & 2024 Expected Budget



Mountain Affordable Housing Development  
SUPERIOR RESULTS THROUGH LEADERSHIP AND INSIGHT

2023 Development Expenditures were ~\$400k less than budgeted.

	2023 Contracting Amounts			Updated February 2024 Budget			
	Planning & Programming	Design & Pre-Con	2023 ESTIMATE THRU CONST'N	Actual 2023 Incurred	Through May 15	Through Sept 30	2024 ESTIMATE THRU CONST'N
Planning & Programming	\$418,000	-	\$418,000	\$206,461	\$90,746	\$118,992	\$325,453
Design & Pre-Construction							
Architectural Design	-	\$2,347,000	\$2,347,000	\$24,910	\$562,195	\$2,169,406	\$2,194,316
Structural Engineering	-	\$1,163,000	\$1,163,000	-	\$194,260	\$920,930	\$920,930
Geotechnical	-	\$450,000	\$450,000	-	\$37,500	\$241,053	\$241,053
Civil & Surveying	-	\$24,000	\$24,000	\$6,900	-	-	\$6,900
Regulatory Fees	-	\$206,000	\$206,000	\$18,010	\$112,882	\$407,316	\$425,326
Misc (e.g. Marketing / Legal)	-	-	-	-	\$25,000	\$250,000	\$250,000
MAHD	-	-	-	-	\$28,125	\$56,250	\$56,250
Insurance	-	\$504,000	\$504,000	-	\$129,429	\$258,857	\$258,857
Financial Management & Administration	\$269,500	\$419,500	-	-	\$35,000	\$35,000	\$35,000
Contingency & Reimbursible Expense	\$75,215	\$411,565	-	\$95,683	\$50,375	\$112,750	\$208,433
<b>Total</b>	<b>\$762,715</b>	<b>\$3,178,065</b>	<b>\$2,765,000</b>	<b>\$344,713</b>	<b>\$738,482</b>	<b>\$2,521,205</b>	<b>\$2,858,601</b>
Unspent 2023 Budget (Savings)				\$418,002			
Incremental Cash Spend Through May 15 2024					\$738,482		
Incremental Cash Spend Through Sept 30 2024 (Const'n Start)						\$2,521,205	
Incremental Budget Approval					\$320,480	\$2,103,203	

- Costs do not include the engagement with Grand Environmental and any works in the St Louis Creek.
- Costs include \$250k in 2024 for TOF 3<sup>rd</sup> party consultants (e.g. Baseline) utilized during site planning.
- MAHD would like to work closely with TOF staff to minimize the use and expense of 3<sup>rd</sup> party consultants.
- To proceed to construction start, MAHD expects to **incur incremental preconstruction costs through September 2024 of \$2.521m** with major expenses categories outlined in the table above

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# Next Steps



- 
- Agree to limited expansion of not-to-exceed cap on existing project development agreement between TOF and MAHD to bridge gap and keep project moving as new Board is elected and seated
  - Complete programming for commercial uses in Building D
  - Finalize site plan and preliminary plat by 3/29/24 to make application by 4/5/24
  - Confirm final details of the VV Corp structure with lenders and legal advisors
  - Present development agreement draft prior to May 1 meeting
  - Complete detailed site engineering and architectural design for Buildings E/ C/ D/ and B
  - Approve development agreement and project parameters at May 1 meeting

# 2023 AMI REFERENCE PAGE (cont'd)



Mountain Affordable  
Housing Development  
SUPERIOR RESULTS THROUGH LEADERSHIP AND INSIGHT

AMI	Monthly Rental Rates				Annual Incomes					1,960 hours/yr
	Bedrooms				Bedrooms				Persons	
	0	1	2	3	0	1	2	3		
					1	2	4	6		
20.0%	\$266	\$273	\$327	\$376	\$13,080	\$14,940	\$18,660	\$21,660	\$6.67	
30.0%	\$429	\$448	\$537	\$618	\$19,620	\$22,410	\$27,990	\$32,490	\$10.01	
40.0%	\$593	\$623	\$747	\$861	\$26,160	\$29,880	\$37,320	\$43,320	\$13.35	
50.0%	\$756	\$798	\$957	\$1,104	\$32,700	\$37,350	\$46,650	\$54,150	\$16.68	
60.0%	\$920	\$973	\$1,167	\$1,346	\$39,240	\$44,820	\$55,980	\$64,980	\$20.02	
70.0%	\$1,083	\$1,148	\$1,377	\$1,589	\$45,780	\$52,290	\$65,310	\$75,810	\$23.36	
80.0%	\$1,247	\$1,324	\$1,587	\$1,832	\$52,320	\$59,760	\$74,640	\$86,640	\$26.69	
100.0%	\$1,574	\$1,674	\$2,007	\$2,317	\$65,400	\$74,700	\$93,300	\$108,300	\$33.37	
120.0%	\$1,901	\$2,024	\$2,427	\$2,802	\$78,480	\$89,640	\$111,960	\$129,960	\$40.04	
140.0%	\$2,228	\$2,374	\$2,847	\$3,287	\$91,560	\$104,580	\$130,620	\$151,620	\$46.71	
160.0%	\$2,555	\$2,725	\$3,267	\$3,773	\$104,640	\$119,520	\$149,280	\$173,280	\$53.39	
180.0%	\$2,882	\$3,075	\$3,687	\$4,258	\$117,720	\$134,460	\$167,940	\$194,940	\$60.06	
200.0%	\$3,209	\$3,425	\$4,107	\$4,743	\$130,800	\$149,400	\$186,600	\$216,600	\$66.73	
220.0%	\$3,536	\$3,775	\$4,527	\$5,228	\$143,880	\$164,340	\$205,260	\$238,260	\$73.41	
240.0%	\$3,863	\$4,125	\$4,947	\$5,713	\$156,960	\$179,280	\$223,920	\$259,920	\$80.08	
260.0%	\$4,190	\$4,476	\$5,367	\$6,199	\$170,040	\$194,220	\$242,580	\$281,580	\$86.76	
280.0%	\$4,517	\$4,826	\$5,787	\$6,684	\$183,120	\$209,160	\$261,240	\$303,240	\$93.43	
300.0%	\$4,844	\$5,176	\$6,207	\$7,169	\$196,200	\$224,100	\$279,900	\$324,900	\$100.10	