chfa strategic overview and snapshot

October 10, 2019 (9:45am to 11:15am)
We strengthen Colorado by investing in affordable housing and community development.
about chfa

- CHFA was established in 1973 by the Colorado General Assembly.
- CHFA is not a state agency and does not receive and direct appropriations.
  - 11 member Board of Directors
- CHFA received authority to use bond proceeds for economic development activities in 1982.
- To date, approximately $18.9B has been raised and invested in Colorado.
vision

Everyone in Colorado will have the opportunity for housing stability and economic prosperity.
chfa’s work since 1973
as of December 31, 2018

- $15.1B in home finance production with 111,363 customers served with loans or mccs
- $2.7B in multifamily loan production, with 985 developments consisting of 71,907 units in portfolio
- 64,302 affordable multifamily units allocated Low Income Housing Tax Credits, totaling $426.4M
- $1.3B invested in business lending serving 5,861 businesses and directly supporting 67,583 jobs
financing our mission

chfa earnings

partnerships

capital markets

rating agencies
as of december 31, 2018

Operations

- Number of FTEs: 176
- Asset Base: $2.3B
- SF Servicing: $5.65B
- Net Position: $479.0M
- Issuer Credit Rating: A1/A+ (stable outlook)
- Community Investment Fund (CIF): $48.2M

Impact

- SF Loan Volume: $2.1B
- SF Customers: 13,022
- MF Loan Volume: $277M
- MF Units Impacted: 5,136
- BF Loan Volume: $49M
- Jobs Impacted: 4,281
how we meet our mission
housing continuum

- **Permanent Supportive Housing (PSH)**: below 30% AMI
- **Affordable Rental Housing**: 30% to 60% AMI
- **First Time Homeownership**: 50% AMI and above
- **Long Term Homeownership**
  - **Market Rental Housing**: 60% to 120% AMI

**Employment Wages by AMI**

- **27%**: Disabled worker on Social Security only
- **31%**: Food Service Worker
- **41%**: Electrician: Entry Level
- **50%**: Middle School Teacher: Entry Level
- **59%**: Police Officer: Entry Level
- **67%**: Registered Nurse: Entry Level
- **72%**: Registered Nurse: Entry Level
- **85%**: Architect
- **90%**: Architect
- **96%**: Architect
- **101%**: Architect
- **109%**: Architect
- **121%**: Architect
- **139%**: Architect

*OES Data (Occupational Employment and Wage Rate) provided by the Colorado Dept of Labor and Employment. AMI data provided by HUD.

Date: 10/18/v3
chfa’s impact in communities

Homeownership
- Single family mortgage loans
- Down payment assistance
- Homebuyer education

Rental Housing
- Multifamily finance
- Low Income Housing Tax Credits (LIHTC)

Business Lending
- Small business lending; capital access programs
chfa’s role in homeownership

- 110 Institutions
- 30 Year, Fixed-rate Loans
- Down Payment Assistance
- Homebuyer Education
<table>
<thead>
<tr>
<th></th>
<th>Annual Homeownership Investment</th>
<th>Annual Single Family Loans</th>
<th>Annual Homebuyer Education Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Number</strong></td>
<td>11,500</td>
<td>8,300</td>
<td>11,500</td>
</tr>
<tr>
<td><strong>Total Investment</strong></td>
<td><strong>$2.0B</strong></td>
<td></td>
<td></td>
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</tbody>
</table>
### Profile of CHFA’s Homeownership Customers

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median Loan Amount</td>
<td>$273,750</td>
</tr>
<tr>
<td>Median Borrower Income</td>
<td>$69,960</td>
</tr>
<tr>
<td>Median Area Median Income</td>
<td>96%</td>
</tr>
<tr>
<td>Median Credit Score</td>
<td>673</td>
</tr>
</tbody>
</table>
chfa customer profiles

<table>
<thead>
<tr>
<th>Generation X Adults with Children</th>
<th>Millennial Adults with Children</th>
<th>Millennial One-person</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Median Household: 4</td>
<td>• 24% of production</td>
<td>• 38% purchase</td>
</tr>
<tr>
<td>• Median Income: $71,090</td>
<td>• 1,981 mortgages</td>
<td>attached housing</td>
</tr>
<tr>
<td>• 48% in Denver Metro</td>
<td>• 41% Hispanic borrowers</td>
<td>• 51% in Denver Metro</td>
</tr>
</tbody>
</table>

- 1,981 mortgages
- 41% Hispanic borrowers
- 51% in Denver Metro
year-to-date homeownership

89%
First-time Homebuyers
year-to-date homeownership

3,134
First Mortgage Loans Financed
single family production

From 2010-2015, SF production averaged $589.2M per year.

Since 2016, SF production has averaged $1.76B per year.
year-to-date homeownership

$2.1B
First Mortgage Volume
single family customers supported

- **Single Family Loans**
- **Additional Homebuyer Education Customers**
chfa single family servicing portfolio and delinquency rate
homeownership hot topics

- Latin X Outreach/Millennial Marketing Program
- Realtor outreach
- New Housing Solutions
  - ADUs
  - Manufactured Housing
Anthracite Place
CHFA rental housing customer, Crested Butte, Colorado
chfa’s role in rental housing

Direct Lender

Tax Credit Equity

Gap Funds

Compliance/HUD
<table>
<thead>
<tr>
<th>Profile of CHFA’s Rental Housing</th>
<th>Median Resident</th>
<th>Median Resident</th>
<th>Units in CHFA’s Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Area Median Income</td>
<td>Years of Age</td>
<td>Portfolio</td>
</tr>
<tr>
<td></td>
<td>$17,882 (28% ami)</td>
<td>35-44</td>
<td>71,907</td>
</tr>
<tr>
<td>Household Type</td>
<td>38%</td>
<td></td>
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<tr>
<td>One-person 55+</td>
<td></td>
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</tbody>
</table>
financing rental housing production

Construction and Perm Debt

PAB

LIHTC

Gap Funds
Total production averaged $85.4M per year from 2010-2014.

For the past 4 years, total production has averaged $338.7M per year.
financing roles

- Long-term Permanent Loans
  - Recycled Bond/9% Tax Credit Loan
  - SiMPLe Loan: small multifamily permanent loan program
- Construction to Perm Loans
  - 4% Tax Credit Loan Program (CHFA4U)
- Flexible Funding Sources
  - HOF
  - Healthy Housing
- Secondary Debt
flexible funding sources / secondary debt

- Housing Opportunity Fund
  - Subordinate loans
  - Interest rate buydown
- Healthy Housing Fund
- Fresh Food Funds
- Capital Magnet Funds
- NMTC/Community Impact Funds
supporting affordable rental housing: state and federal tax credit programs
units supported with tax credits

*As of October 8, 2019, includes estimated year end 4 percent LIHTC reservations.
hot topics

- Alignment of Resources:
  - Division of Housing
  - City of Denver (Housing Fund; D3)

- Availability of Private Activity Bonds

- Tax Credit Priorities
  - Affordable Housing Credit Improvement Act (AHCIA)

- Customer partner innovations – state land board, adaptive reuse, community engagement/partnerships, income averaging
chfå’s role in economic development

Direct Lender

NMTC

Niche/Specialty Programs
chfa’s role in economic development

- Direct loans to small businesses
  - Permanent loans for owner-occupied real estate loans and equipment financing

- Access to capital programs
  - Colorado Credit Reserve; State Small Business Credit Initiative
  - Colorado Fresh Food Financing Fund; Healthy Living Fund
  - Colorado Historical Foundation RLF
  - Colorado Brownfields RLF
  - Denver Revolving Loan Fund

- IDB financing for manufacturers and nonprofits
- New Markets Tax Credits
### Profile of CHFA's Economic Development Customers

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Businesses Supported Annually</td>
<td>4,400</td>
<td></td>
</tr>
<tr>
<td>% of Businesses Have 5 or Fewer Employees</td>
<td>66%</td>
<td></td>
</tr>
<tr>
<td>% of Rural Businesses Supported</td>
<td>36%</td>
<td></td>
</tr>
<tr>
<td>% of Loans are for Owner-occupied Real Estate</td>
<td>53%</td>
<td></td>
</tr>
</tbody>
</table>
financing economic development

501c3 bonds

PAB

NMTC

CIF
hot topics

- 2019 NMTC Award
- Economic Development Growth Initiative
2019 strategic plan
vision
Everyone in Colorado will have the opportunity for housing stability and economic prosperity.

mission
We strengthen Colorado by investing in affordable housing and community development.

areas of focus
strategic partnerships
Engaged with community to be a catalyst for change

community impact
Deliver needed products and services to improve outcomes

operational and financial excellence
Innovate and thrive in changing markets

customer value proposition
Our value proposition is customer focus. We build trusted relationships with our customers to understand and deliver the products and services they need.

our values
mission-driven
We are focused on making an impactful difference for the people we serve.

principled
We act and make decisions based on a code of ethics; we take responsibility for our actions and learn from our mistakes.

engaged with community
We ensure that our community outreach activities connect us with customers and increase our awareness of their needs.

diverse
We appreciate the similarities and differences among our employees, customers, and partners.

fiscally responsible
We manage financial matters with integrity, accountability, and foresight.

committed to employees
We are committed to providing a work environment where employees feel valued, supported, and respected.

inclusive
We make decisions through the process of embracing, engaging, and leveraging diverse perspectives.

knowledgeable
We utilize the collective industry knowledge and experience of our staff to assist our partners and customers.

innovative
We are creative and effective in continually developing innovative products and services for changing market needs.

trusted
We are recognized for being dependable, reliable, transparent, and doing what we say we will do.

fun
We have fun and, at the same time, we are serious about the manner in which we conduct business.
areas of focus

- Increased focus on community engagement
  - Community Investment Strategy
  - Regional Liaisons
  - Corporate Giving Program
- Innovation
  - Explore innovative housing solutions
community engagement
- respect, listen to, and learn from all members of the community
- cultivate strong customer and partner relationships
- engage stakeholders to align resource and strengthen programs

capacity building
- strengthen internal expertise
- support community readiness
- provide trainings and education
- advance shared data and research

community investment

access to capital
- finance loans and investments
- allocate tax credits
- manage community impact funds

corporate giving
- align sponsorships and donations with mission
- encourage volunteerism and civic engagement
Colorado regions

- Purple: Western Slope
- Yellow: San Luis Valley and Southwest
- Green: Pueblo and Southeast
- Blue: Northern and Denver Metro
grand junction office
grand junction office
alamosa office
corporate giving vision statement

Ensure alignment with CHFA’s:

- Mission and vision
- Strategic initiatives, projects, and areas of focus
- Business development goals
- Diversity and inclusion values
- CHFA's community outreach efforts statewide and in key regional areas
how are we going to invest?

5% Shared Impact
- CHFA Days of Service
  - $5,000 as of 9.13.19
  - $32,800 2019 Target

20% Strategic Giving
- Strategic projects such as community engagement and EDGI
  - $106,500 (9.13.19)
  - $131,202 2019 Target

35% Impact Investing
- Direct Effect Awards, Golf Tournament, New Innovation Awards, Like It Forward
  - $229,604 2019 Target

40% Sponsorships
- Sponsorships and donations
  - $225,030 as of 9.13.19
  - $262,404 2019 Target
innovative housing solutions

- ADUs
- Mobile Home Park/Resident Owned Communities
- Missing Middle Mezzanine Loan
- Habitat for Humanity Construction Line of Credit
- Habitat for Humanity Home Mortgage Program
- Small multifamily loan program
2020 and beyond