



MILE HIGH
HOUSING FUND

BRIARWOOD INN
Geographic Expansion

EAGLE PLACE

MHHF Hall Of Fame

Belmont Manor

RECORD-SETTING GRANT

The Delores Project





Change was the one constant for Mile High Housing Fund in 2006. We were “On the Move” in many different respects, and the changes that took place will indeed shape the future of the MHHF.

MHHF bid farewell to Lara Jakubowski, the only executive director the organization had known. Lara’s exceptional leadership built MHHF from its inception into a well-respected community lending institution in metro Denver. In June, the Board welcomed Jeff Seifried as its new full-time Executive Director. Jeff is a seasoned community development professional with the skills and energy to guide the organization’s next phase of growth and development. Jeff’s quick grasp and commitment to MHHF’s mission and strategic plan will ensure that our goals are met.

Two departing Board members, both of whom were critical to the startup and growth of MHHF, Myrna Hipp and Linda Tinney, were inducted as inaugural members, along with Lara, in the Mile High Housing Fund “Hall of Fame”. I am confident that the extraordinary contributions that Myrna, Linda and Lara have made to the development of MHHF will be remembered for many years to come.

MHHF’s office was also “On the Move,” to a new spacious 1,150-square-foot office suite in the Denver Tower building at 19th and Sherman streets. Please stop by and meet our exceptional staff.

Finally, the unprecedented \$150,000 multi-year operating grant awarded by the Rose Community Foundation in December ended the change-filled year on a confident and forward-looking note. The generosity of all of our funders and investors moved MHHF to exceed its resource development goals and achieve an organization record for the largest annual dollar amount loaned, in excess of \$4.5 million.

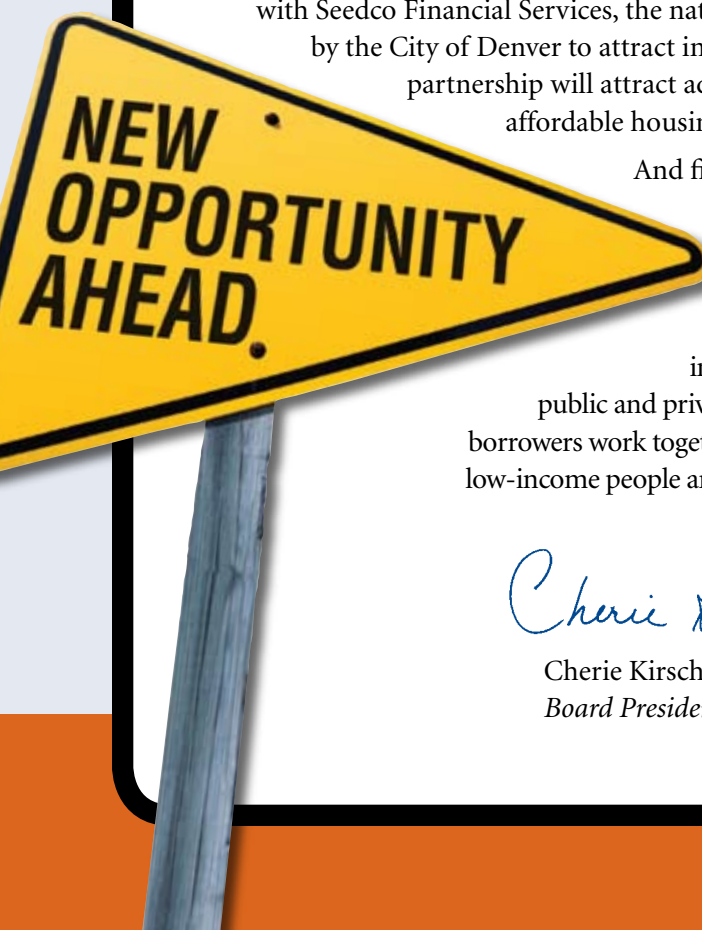
You will find MHHF “On the Move” again in 2007. MHHF has entered into negotiations to partner with Seedco Financial Services, the national community development financial institution selected by the City of Denver to attract investment into targeted low-income neighborhoods. This partnership will attract additional investment and expand MHHF’s lending capacity for affordable housing.

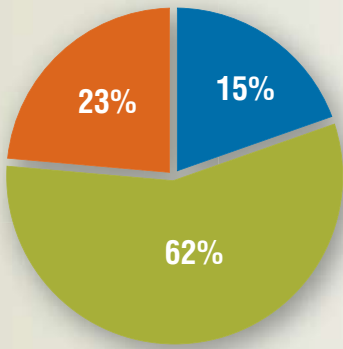
And finally, the MHHF Board of Directors has authorized the expansion of MHHF’s service area to include eight additional counties, which will expand our reach in the Front Range and into select mountain communities.

MHHF’s success is attributed to an intricate network of individuals, organizations, businesses and institutions in the public and private sectors. A committed Board of Directors, staff, investors and borrowers work together to provide affordable housing and economic opportunities to low-income people and families. It has been an honor to work with everyone involved.

Cherie Kirschbaum

Cherie Kirschbaum
Board President



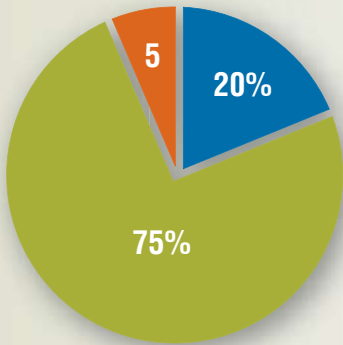
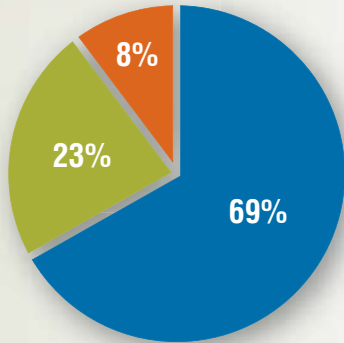


Type of Loans

- ◆ Predevelopment
- ◆ Acquisition
- ◆ Construction

Loan Structure

- ◆ Short Term
- ◆ Bridge
- ◆ Mini-perm



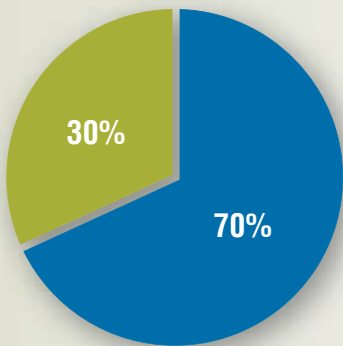
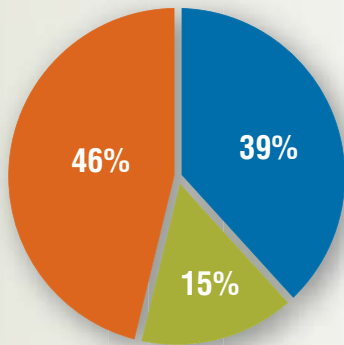
Affordable Housing Units

(% of Area Median Income)

- ◆ Serving below 30% AMI
- ◆ Serving 30-60% AMI
- ◆ Serving 60-80% AMI

Type of Borrower

- ◆ For Profit
- ◆ Housing Authority
- ◆ Nonprofit



Loan Use

- ◆ Affordable Housing
- ◆ Nonprofit facility

Business, Staff Growth Spurs Office Move

Rapid business growth and staff expansion prompted Mile High Housing Fund to move to a new location as it outgrew its former office space.

MHHF's new headquarters, located in the Denver Office Tower building at 19th and Sherman streets in Downtown Denver, was selected to keep MHHF close to its constituents and provide the space needed to support the current and anticipated growth over the next five years.

In the past two years, MHHF has gone from one and a half staff to three full-time staff members and a part-time financial manager. By fall 2006, two new full-time employees had settled into their new jobs and the new office space was beginning to feel like home.

Jeff Seifried, hired as Executive Director in June, is a 25-year veteran of community development programs in the Denver metro area with experience in workforce and small business development, urban renewal, and loan program operations.

Erika Lindholm joined MHHF in October 2005 as Loan Programs Director. She is responsible for underwriting, loan portfolio management, and providing technical assistance to borrowers. Erika uses her background in both public and private sectors to provide exceptional service to MHHF's customers.

Jaime Jarrett was hired in September as Marketing & Outreach Manager, a new position in the organization, to strengthen communication with existing and potential investors, support loan servicing functions and expand the marketing, outreach and promotion of MHHF and its products as the organization expands its lending reach, particularly in the nonprofit facilities market.

Liz Hayden-Jenkins is MHHF's contract Financial Manager and brings more than 15 years of experience managing the finances of real estate, construction contractors, and affordable housing developers to the organization.



Creative Reuse Key To Motel Rehabilitation

In 2006, Mile High Housing Fund had the largest dollar volume in loans closed in the history of the organization: \$4,586,000.



The purchase and renovation of the Briarwood Inn Motel by Longmont Housing Authority (LHA) represents the best of what Mile High Housing Fund aspires to do – support the development of extremely affordable housing and nonprofit facility space.

With the help of a \$740,000 acquisition loan from MHHF, LHA was able to take advantage of an opportunity to buy an 18-unit motel in downtown Longmont with the intent of transforming it into 10 emergency and transitional, single-room occupancy units and the administrative headquarters for the organization.

LHA's innovative vision, sensible plan, and strong track record allowed MHHF to underwrite the loan despite a high loan-to-value and no committed permanent take out sources. Given MHHF's flexible terms and competitive interest rate, LHA had the time to secure grants and other permanent sources to pay for 100% of the cost of the housing component of the project.

When the renovation is complete in mid-2007, LHA will relocate its offices from its currently leased commercial space to the Briarwood facility and the individual units at Briarwood Inn will be master leased to nonprofit emergency service providers in Boulder County to assist the homeless and special needs individuals.

Teamwork = Preserving Affordable Housing

Mile High Housing Fund played a key role in preserving 20 affordable units at the Belmont Manor apartment complex when the owner, a nonprofit affordable housing organization, went into dissolution. The Lakewood Housing Authority (LHA) needed an 18-month, \$900,000 loan in order to bridge a tax-exempt bank qualified financing in 2007. With cooperation and support from the City of Lakewood, State Division of Housing, Colorado Housing and Finance Authority, Mountain States Bank, and \$202,000 of additional equity, LHA was able to acquire the property.

Upon taking title of the property, LHA immediately began renovating the 10 units that had yet to be updated and were vacant at the time of purchase. Renovations included new carpet, balcony replacements, and new appliances as well as installing energy-efficient windows.

Located within walking distance of a supermarket, Senior Center, recreation center, and public transportation, the property is ideal for seniors.



**CHILDREN
& SENIORS
AT PLAY**



A New Home For Delores

Each night in the City of Denver, more than 800 women find themselves homeless and without a safe place to sleep. The overwhelming need for safe shelter for women prompted The Delores Project to begin an expansion project that centered on developing a permanent, year-round shelter for more women.

The Delores Project, which opened its doors in 2000, is an overnight shelter that houses adult women who might otherwise have to sleep on the street or in circumstances that put them at great risk. Women seeking shelter are offered a safe, comfortable place to stay while seeking more permanent housing.



As part of Denver's Road Home initiative, the City of Denver donated the former community center building at 12th Avenue and King Street to the Delores Project along with a \$700,000 grant (which also included funds from the State Division of Housing) for the building's renovation. This new building allows The Delores Project to shelter up to 50 women, with overflow space for an additional 25 in times of severe weather.



The need for Mile High Housing Fund arose when it became evident the renovation grant could not be awarded in time for construction to be completed before the winter of 2006. With the help of a \$700,000 bridge loan from MHHF, The Delores Project was able to keep the project moving forward and the new facility opened its doors to women in need for the first time on December 20, 2006 – the first day of many major snowstorms in Denver that year.

Loans for nonprofit facilities more than doubled in 2006 with 31% of the money loaned out going to the purchase or rehabilitation of nonprofit facilities (up from 14% in 2005).

Promoting Affordable 'Green' Living

Peak Properties, a for-profit developer of affordable housing, came to Mile High Housing Fund in 2006 with an unusual request—they needed a \$300,000 loan for the purchase of Colorado Big Thompson water shares required by the City of Lafayette for the development of a 100% affordable (40% and 50% AMI) 60-unit rental townhome project, Eagle Place.

The loan for Eagle Place, located a quarter mile from the local elementary school, is a prime example of a project that fits MHHF's mission—it facilitates the development of deeply affordable family housing in a stable neighborhood with excellent schools.

The City of Lafayette requires all housing developers that seek to be annexed into the city to acquire water shares, which are deeded to the town at time of purchase. MHHF was able to facilitate the acquisition of the necessary water shares with a loan secured by a subordinate Deed of Trust on the project site.

In addition to providing affordable two- and three-bedroom family townhome units in the expensive community of Boulder County, Eagle Place is a LEED certified green-build project using state-of-the-art energy-efficient technology in all of its building systems.



Mile High Housing Fund Inaugural Hall Of Fame



Hall of Fame (n) A group of persons judged outstanding; endeavor to honor individuals of noteworthy achievement in that field

In an effort to remember the roots and acknowledge the champions of Mile High Housing Fund, the organization initiated and inducted three people, all of whom were critical to the startup and growth of MHHF, as inaugural members of the Mile High Housing Fund Hall of Fame.

Wells Fargo increased its equity equivalent investment from \$500,000 to \$1 million. The term for this low-cost capital is 10 years.

Myrna Hipp, former Deputy Director of the mayor's office of economic development, was a founding member of the MHHF Board of Directors. She secured the initial investment from the City and County of Denver, and brought investments and participation from Enterprise Community Partners and the Fannie Mae Foundation. Myrna's early leadership was pivotal to building early support for the organization.

Linda Tinney, also a founding Board member, was first Board President and held that position for five years. She and her employer, U.S. Bank, have been heavily involved in creating and building this organization from the idea stage to a reality by embracing the mission and providing monetary support. Currently, Linda serves on the resource development committee.

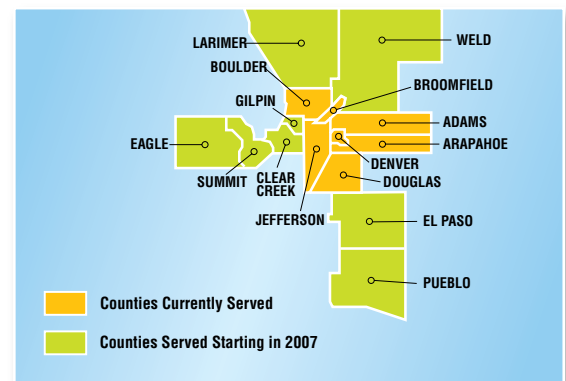
Lara Jakubowski was the founding Executive Director. Under her tutelage, the fund grew from its humble beginnings of \$2 million to more than \$10 million in capital. Her hard work helped build the organization's reputation of flexibility, professionalism, accountability, and commitment to affordable housing in the Denver metro area.

Each year, additional people who have been and continue to be a driving force in the organization will be added to the Hall of Fame.

Changes On The Horizon...

Geographic Expansion – In 2007 Mile High Housing Fund will expand its geographic market area into El Paso, Pueblo, Weld, Larimer, Clear Creek, Summit, Gilpin, and Eagle counties.

Seedco Financial Services Partnership – Mile High Housing Fund will partner with Seedco, a national financial intermediary, in the redevelopment of distressed neighborhoods within the City of Denver.



STRONG FINANCES AHEAD

2006 Financial Results

ASSETS

Cash & Equivalents	\$427,572
Short-term Investments	\$3,119,231
Interest Receivable	\$79,403
Net Loans Receivable	\$4,572,308
Other Assets	\$1,180,103
Total Assets	\$9,378,617

LIABILITIES

Interest and Other Payables	\$41,241
Notes Payable	\$1,725,000
	<u>\$1,766,241</u>
Equity Equivalent Investments	\$2,350,000
Total Liabilities	\$4,116,241

NET ASSETS

Designated-Loan Capital	\$4,697,709
Designated-Operating Reserve	\$314,889
Undesignated	\$149,778
Temporarily Restricted	\$100,000
Total Net Assets	\$5,262,376
Total Liabilities & Net Assets	\$9,378,617

REVENUES

Grants	\$238,425
Investment Income	\$140,630
Interest Income-Loans	\$286,914
Fees, Other	\$30,311
Total	\$696,280

EXPENSES

Program Services	\$295,082
Provision for Loan Loss Reserve	\$130,606
Technical Assistance	\$12,084
Supporting Services	\$141,455
Total	\$579,227
CHANGE IN NET ASSETS	\$117,053

Record-Setting Grant in 2006

In 2006, Mile High Housing Fund received the largest operating grant in its six-year history. Rose Community Foundation (RCF) awarded MHHF a three-year, \$150,000 grant to support MHHF's efforts to increase technical assistance and lending activity for affordable housing and nonprofit facilities developers.

RCF recognized that MHHF was in a critical stage of growth with the recent introduction of nonprofit facilities loans, the transition to a new full-time executive director, and the planned geographic expansion. The RCF grant will go a long way in helping the organization achieve self-sufficiency.

Capital Fund Investors

- City and County of Denver
- City of Arvada
- City of Boulder
- City of Englewood
- City of Lakewood
- Colorado Housing and Finance Authority
- Community Development Financial Institutions Fund
- Daniels Fund
- Enterprise Community Partners
- Fannie Mae Foundation
- KeyBank
- U.S. Bank
- Wells Fargo Bank

2006 Operating Fund Supporter

- Anschutz Family Foundation
- Bank of the West
- Chase Bank
- The Denver Foundation
- Fannie Mae Foundation
- Key Foundation
- Rose Community Foundation
- U.S. Bank

2006 Board Members

Cherie Kirschbaum, Board President – President, City Projects Real Estate Development

Bill Lunsford, Board President Elect – Housing Development Manager, Lakewood Housing Authority

Bob Munroe, Board Vice President and Loan Committee Chair – Manager Multifamily Housing, Colorado Housing and Finance Authority

Mark Gallegos, Board Secretary – Former Executive Director, Colorado Educational and Cultural Facilities Authority

Heidi Aggeler, Board Treasurer – Director, BBC Research and Consulting

Myrna Hipp – Former Deputy Director, Office of Economic Development, Denver

Tracy Huggins – Executive Director, Denver Urban Renewal Authority

Karen Lado – Denver Office Director, Enterprise Community Partners

Jann Oldham – Housing and Community Development Program Manager, City of Boulder

Andrew Romero – Vice President, KeyBank N.A.

Christopher Smith – Housing Program Manager, City and County of Denver

Linda Tinney – Vice President, West Metro Region Manager, U.S. Bank Community Development Corporation

David Zucker – Manager, Zocalo Development

Gordon Banks* – Senior Vice President, 1st Bank Data Corporation

Shelley Marquez* – Community Development Officer, Wells Fargo Bank N.A..

* Began Board term in January 2007

Community Committee Members (not serving on the Board)

Allan Fredrick – Senior Housing Specialist, City and County of Denver

Darla Goddard – Assistant Vice President, Community Development Lending, Wells Fargo Bank

Ismael Guerrero – Vice President Business Development, U.S. Bank CDC

Tom Heule – Partner, Denargo Capital

Mickey Landy – Management Consultant, NeighborWorks America

Diane Leavesley – President, Mercy Loan Fund, Mercy Housing

Joe Simmons – Enterprise Community Fund, Housing Finance, West Coast Programs

Staff

Jeff Seifried – Executive Director

Erika Lindholm – Loan Programs Director

Jaime Jarrett – Marketing & Outreach Manager

Liz Hayden-Jenkins – Financial Manager



Pictured: (from top left) Bill Lunsford, Bob Munroe, Gordon Banks, Christopher Smith; (bottom left) Cherie Kirschbaum, Shelley Marquez, Mark Gallegos, Karen Lado

Not pictured: Heidi Aggeler, Tracey Huggins, Jann Oldham, Andrew Romero, and David Zucker

Our Mission

Mile High Housing Fund invests in affordable housing and other community assets to improve economic opportunities of low-income persons and communities.

Mile High Housing Fund is a comprehensive Community Development Financial Institution (CDFI).

- Affordable Housing
- Nonprofit Facilities

CONTACT

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