

RELIABILITY. RESPONSIBILITY. RESULTS.

2008 Annual Report



MILE HIGH COMMUNITY
LOAN FUND



Dear Friends and Supporters,

The theme of our 2008 Annual Report may be captured in three words – Responsibility, Reliability, and Results. As an affordable housing and community development lender, we believe these words reflect the expectations of our investors, borrowers and community stakeholders. These words also reflect the expectations of the MHCLF Board of Directors and staff.

We at MHCLF recognize our responsibility to maintain prudent policies and equitable practices, as well as provide responsive products for the markets and customers we serve.

As partners with local municipalities, CDFIs, banks, nonprofit organizations and affordable housing developers, we strive to be reliable participants in community projects. We are committed to being reliable, consistent and equitable in our lending process. We are equally determined to provide reliable and timely customer service.

We also recognize our obligation to produce results. Our goal is to deliver products that result in the development of needed affordable housing units and important community assets. Through 2008, MHCLF has originated \$29 million in loans and leveraged more than \$400 million in additional community assets. These efforts have created or preserved 3,200 affordable housing units and developed 85,000 square feet of community facility space.

No doubt we will all look back on 2008 as an unprecedented and challenging economic environment. With the continued support of our investors and contributors, MHCLF will maintain its position as a productive and viable participant in the affordable housing and economic development communities. We will use our financial resources to move forward responsibly and reliably, and we will target results that meet the needs of our customers and stakeholders in the years to come.

We look forward to working with you in 2009 and beyond.

Sincerely,

Robert M. Munroe
2008 Board President

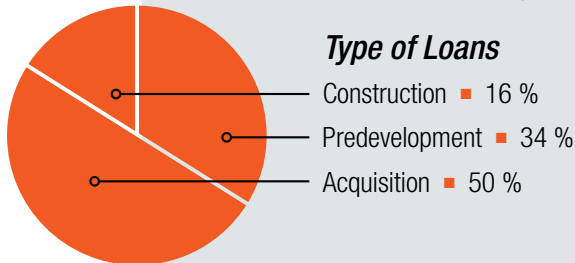
Jeff Seifried
Executive Director

⇒ The strong track record of sound financial management, extraordinary customer service, and exceptional results will contribute to MHCLF being recognized as the premier CDFI Loan Fund in the Rocky Mountain Region.

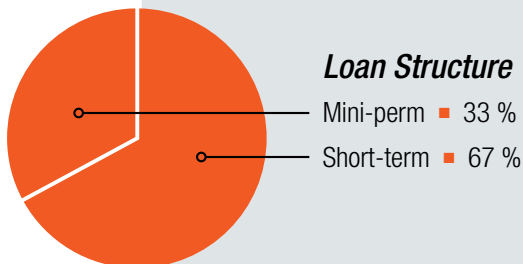


2008 Summary

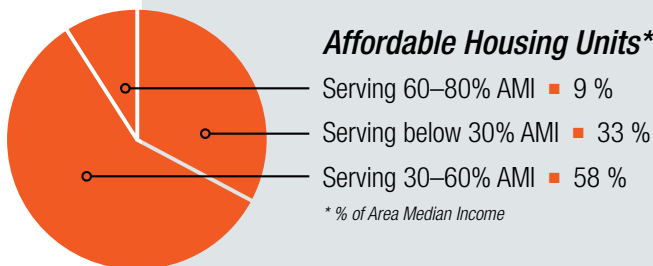
Type of Loans



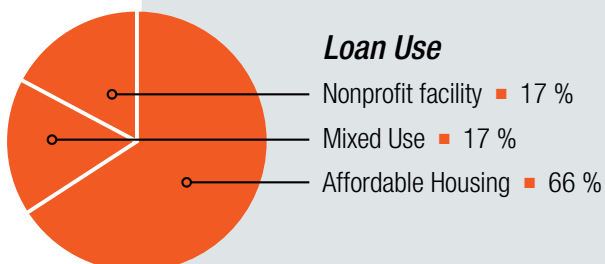
Loan Structure



Affordable Housing Units*



Loan Use



Our Vision for MHCLF's Future

MHCLF was created to fill financing gaps in the complex and risky process of planning, financing, and developing affordable housing in Denver.

Since 2000, MHCLF has originated 106 loans for more than \$29 million. MHCLF loans have leveraged more than \$400 million and contributed to the development of 3,200 units of affordable housing and 85,000 square feet of community facilities space.

MHCLF intends to broaden its impact on Colorado communities through continued and expanded collaboration with Funding Partners, Habitat for Humanity of Colorado, Seedco Financial Services, and its partners in the banking industry, foundation community and local government. MHCLF will seek opportunities to participate in broad-based initiatives like its investment in the Denver Transit-Oriented Development (TOD) Fund. MHCLF will develop new products that respond to the needs of affordable housing and nonprofit community facility developers and the people they serve.

Over the next five years MHCLF seeks to expand its reach in the community and build on its reputation as a creative, responsible partner with dependable sources of gap financing capital for community development needs and projects. The strong track record of sound financial management, extraordinary customer service, and exceptional results will contribute to MHCLF being recognized as the premier CDFI Loan Fund in the Rocky Mountain Region.

Church in the City Gets New Home

In August 2008, MHCLF made a loan to Church in the City to aid with the acquisition and renovation of the historic and vacant BMH Synagogue and the adjacent school building located on 16th Avenue and Gaylord Street. These buildings are now the new permanent home for the congregation that has become an important service provider for the local community.



This project, unique in many ways, was initiated when the St. Charles Town Company secured a contract for the redevelopment of the former Safeway site just off Colfax Avenue on York Street, where Church in the City leased space. The church and St. Charles Town Co. worked closely on relocation options that led to the acquisition and renovation of the BMH Synagogue property.

"This whole building was being destroyed," said Pastor Michael Walker. "It was going to fall apart if someone didn't come in and save it." Both the congregation and the community rallied to help bring the long-vacant building back to life. Volunteers worked tirelessly to help restore the historical building to its former glory, including new stained-glass windows that were remade and painted by congregation members.

But this project is about more than getting a church into a new home—it allows Church in the City to expand its services and recognizes its importance as a vital asset to the area. "We've been a part of this neighborhood for 18 years," said Pastor Walker. "Staying here allows us to expand our community outreach services to the youth, homeless and the poor."

Borrower: Church in the City
Project: Project Nehemiah
Location: 16th Ave. and
Gaylord St., Denver
Amount: \$750,000

\$ Leveraged: \$5,503,106
Type of Loan: Acquisition
Loan Structure: Mini-perm
Loan Use: Nonprofit facility,
35,370 sq. ft.



"This is a place
for all people of
all nations."

~ Pastor Michael Walker

Church in the City is one of the most economically and ethnically diverse congregations in the state. In addition to numerous worship services, the church opens its doors seven days a week, offering various programs designed for youth, low-income, and developmentally challenged individuals and families.

Restoration was not limited to the sanctuary—a commercial kitchen and community dining area was added on the lower level that more than doubles their capacity for serving free meals to more than 200 people, most of whom are homeless. The church also added a large computer lab and several counseling and meeting rooms, increasing the number of groups and programs that can meet at the same time.

Other sources of funding for this project included \$1.8 million in contributions and grants, and a \$2.85 million loan from KeyBank.

Borrower: Boulder Housing Partners
Project: Broadway West
Location: North Broadway, Boulder
Loan Amount: \$950,000
\$ Leveraged: \$7,529,659
Type of Loan: Construction
Loan Structure: Short-term
AMI: 100% of units at 30–60% AMI

With Broadway West, Boulder Housing Partners achieved the near impossible—creating 26 new permanently affordable workforce housing units in central Boulder. This 26 1-, 2- and 3-bedroom unit, 100% affordable, new construction project is located on a major bus line that provides efficient and direct transportation to various amenities—including two shopping centers, two high schools, and Pearl Street Mall—and numerous work places in central Boulder. The Boulder Public Library, a recreation center and a community garden are also near Broadway West.



Borrower: Rocky Mountain Community Land Trust
Project: Woodman Vistas
Location: E. Woodman Ave., Colorado Springs
Amount: \$400,000
\$ Leveraged: \$1,457,350
Type of Loan: Construction
Loan Structure: Short-term
AMI: 100% of homes at 60–80% AMI

In a rapidly developing part of northern Colorado Springs where housing costs are high, Rocky Mountain Community Land Trust is adding 11 new affordable houses to the community. Together, MHCLF and Funding Partners loaned RMCLT \$1.1 million to build 10 houses and relocate another. These 3-bedroom, 2.5-bath homes are 1,360 square feet and bring much needed workforce housing to the area. Jobs, schools, shopping, and public transit are all within walking distance or a short commute.

RMCLT, who has helped 150 families own their own homes, reduces the cost for first-time home buyers by using a land trust model to promote affordable home ownership.



TUP Legacy Loan Fund Established

In spring 2007, The Uptown Partnership (TUP) closed its doors after 26 years in operation, providing affordable rental housing to very low income individuals, families and special-needs populations. As part of the dissolution process, Colorado Housing and Finance Authority (CHFA) handled the disposition of several small properties in the portfolio and contributed the net proceeds of the property sales to MHCLF and two other nonprofit organizations. These proceeds were given as legacy grants to support affordable housing development and advocacy efforts in the Denver metro area.

In the spirit of this gift, MHCLF has set aside the \$214,430 contribution and matched it, creating a sub-fund of loan fund capital. The TUP Legacy fund, totaling \$430,000, is earmarked for project loans in the Uptown neighborhood and/or for projects targeted to special-needs populations. Creation of the TUP Legacy fund is MHCLF's way to honor the source of this significant contribution and to see these funds used to promote the development of affordable housing over an extended period.

The Uptown neighborhood is located between York Street and Broadway, and 23rd and Colfax avenues.

A Tribute to Our Leaders

In acknowledgement of those who champion and support Mile High Community Loan Fund with their time and expertise, the organization chooses people who were crucial to the growth of MHCLF for induction into the Hall of Fame. Inducted for 2008 was **Bill Lunsford**.

Bill, Housing Development Manager for Lakewood Housing Authority, served on the Board of Directors from 2002 through 2008, was President of the Board in 2007 and served on the Loan Committee for four years. His generously shared advice and insights into the affordable housing arena and his long-term commitment to providing affordable housing to the community were both valued assets to MHCLF.

Bill left the Board at the end of 2008 due to term limits. Bill becomes the sixth person named to the Hall of Fame.

At the end of 2008, we also bid farewell to two Loan Committee members — **Mickey Landy** (NeighborWorks America) and **Ben Nichols** (Enterprise Community Partners). Mickey, who joined the committee in 2003, played a role in approving more than 55 loans during his tenure and helped establish MHCLF's loan-pricing policies. Ben joined the committee at the beginning of 2008, but his tenure was interrupted by his reassignment within Enterprise. Both brought many years of experience and know-how in the community lending business to the committee.

Two new Loan Committee members were added in 2009 to fill the vacancies — **Rick Hanger** (Housing Development Manager, State of Colorado, DOLA) and **Joe Simmons** (Enterprise Community Partners), who previously left due to term limits.

MHCLF Upgrades Loan Servicing Software

In early 2008, MHCLF installed new loan servicing software to upgrade its portfolio management software capacity and create new efficiency in the loan servicing area.

In 2007, MHCLF was evaluated by CARS, the CDFI assessment rating system. MHCLF used this analysis to identify key infrastructure and operations issues to be addressed as the Fund grows, and responded to the report with the purchase of the new software.

The more complete loan servicing system—The Mortgage Office—provides additional functions and reports to better manage the loan portfolio. Enhanced borrower statements and invoices provide more thorough information to borrowers. The Mortgage Office positions MHCLF for long-term portfolio growth.



2008 Financial Summary

ASSETS

Cash and Equivalents	\$34,365
Short-term Investments	\$4,942,611
Interest Receivable	\$28,832
Net Loans Receivable	\$4,548,452
Other Assets	\$755,961
Total Assets	\$10,310,221

LIABILITIES

Interest and Other Payables	\$27,986
Notes Payable	\$2,475,000
Equity Equivalent Investments	\$3,250,000
Total Liabilities	\$5,752,986

NET ASSETS

Designated-loan Capital	\$4,236,111
Designated-operating Reserve	\$221,124
Undesignated	\$100,000
Total Net Assets	\$4,557,235
Total Liabilities & Net Assets	\$10,310,221

REVENUES

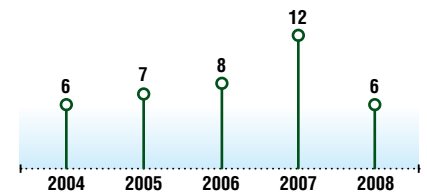
Grants	\$301,630
Investment Income	\$162,887
Loan Interest Income	\$283,385
Fees, Other	\$28,934
Total	\$771,836

EXPENSES

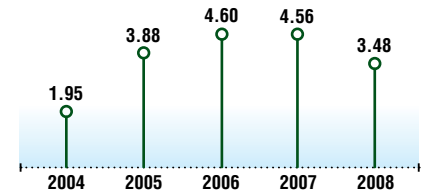
Program Services	\$313,154
Provision for Loan Loss Reserve	\$41,202
Technical Assistance	\$31,080
Supporting Services	\$157,105
Total	\$542,541
CHANGE IN NET ASSETS	\$229,295

Loan Production

Number of Loans Closed

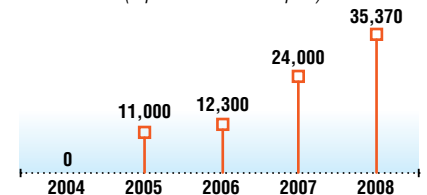


Loans Closed, Dollars (millions)

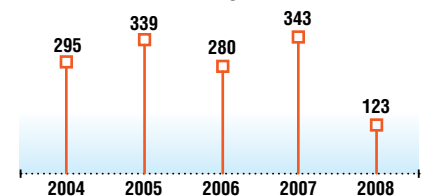


Social Impact

Nonprofit Community Facility Space
(square feet developed)



Affordable Housing Units Financed



Capital Fund Investors

Bank of the West
 City and County of Denver
 City of Arvada
 City of Boulder
 City of Englewood
 City of Lakewood
 Calvert Foundation
 Colorado Housing and Finance Authority
 CDFI Fund

Daniels Fund
 KeyBank
 Mile High Banks
 Seedco Financial Services
 U.S. Bank
 Wachovia Bank
 Wells Fargo Bank

Operating Fund Supporters

CARHOF – Statewide
 Colorado Housing and Finance Authority
 Colorado State Bank & Trust
 The Denver Foundation
 Rose Community Foundation
 TCF Foundation
 Wachovia Foundation
 Wells Fargo Bank
 U.S. Bank

2008 Board Members

Bob Munroe, President – Manager Multifamily Housing, Colorado Housing and Finance Authority

Mark Gallegos, Secretary – MARKDG, LLC

Heidi Aggeler, Treasurer – Director, BBC Research and Consulting

Bill Lunsford, Past President – Housing Development Manager, Lakewood Housing Authority

Shelley Marquez, Loan Committee Chair – Community Development Officer, Wells Fargo Bank N.A.

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

Brooke Ewing – Vice President, First Bank of Cherry Creek

Tracy Huggins – Executive Director, Denver Urban Renewal Authority

Cherie Kirschbaum – President, City Projects Real Estate Development

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

Michael Reis – Executive Director, Longmont Housing Authority

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

Linda Tinney – Vice President, Community Development, U.S. Bank

Community Committee Members (not serving on the Board)

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

Ismael Guerrero – Executive Director, Denver Housing Authority

Tom Heule – Partner, Denargo Capital

Mickey Landy – Management Consultant, NeighborWorks America

Diane Leavesley – President, Mercy Loan Fund, Mercy Housing

Karen Lado – Denver Office Director, Enterprise Community Partners

Ben Nichols – Program Director, Enterprise Community Partners

Rejean Peeples – Community Development Program Specialist, City and County of Denver

Staff

Jeff Seifried – Executive Director

Erika Lindholm – Loan Programs Director

Jaime Jarrett – Marketing & Outreach Manager

Liz Hayden-Jenkins – Finance Manager

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www.mhclf.org

Our Mission

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

Mile High Community Loan Fund is a comprehensive Community Development Financial Institution (CDFI) certified by the U.S. Department of Treasury.



This paper has been chain-of-custody certified by three independent third-party certification systems.



Printed on recycled paper.



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LOAN FUND**

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