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CDFI Consortium Offers NSP Line of Credit Product

Mile High Community Loan Fund, Funding Partners and Mercy Loan Fund (the three Colorado-based Affordable Housing development community lenders) have teamed up to establish a line of credit product designed specifically to help housing authorities and nonprofit affordable housing development organizations leverage their Neighborhood Stabilization Program (NSP) resources to acquire, rehab and sell/lease foreclosed residential properties. The Consortium understands the challenges of implementing NSP and has designed a line of credit product and approval process that can meet the applicant's needs.

The NSP was established for the purposes of stabilizing communities that have suffered from foreclosure and abandonment. NSP legislation encourages grantees and sub-grantees to leverage the NSP to increase the impact they have on stabilizing neighborhoods.

The NSP lines of credit funds must be used for NSP-eligible foreclosed properties in pre-approved geographic areas. Housing authorities and nonprofit organizations receiving Colorado NSP funds are all eligible to apply.

[Click here for Colorado CDFI Consortium NSP Line of Credit Term Sheet](#)

Three new loans approved in 2nd Quarter

Despite the turbulent economy, MHCLF approved three new loans for a total of \$455,000 during the second quarter. Upon completion, the funded projects will produce 52 new

affordable rental units (28 at 30% AMI and 24 at 50% AMI), and renovate 4,264 square feet of community facility and rental housing space.

Matthews Center for Excellence

With a \$230,000 predevelopment loan from Mile High Community Loan Fund, 9% LIHTC allocation and an award for a 20-year annual subsidy from Denver's Road Home initiative, the Matthews Center is preparing to get an 100% affordable housing construction project underway.

The 36-unit project, called '4th Quarter', will be part of The Matthews Center for Excellence (MCE) campus, which spans several blocks of property in Denver's Five Points Neighborhood. The 4th Quarter project is vital to the community as it will provide, at minimum, 33 units of very low-income housing (28 units restricted to 30% AMI and 5 units restricted to 50% AMI) in Denver.

This project will be part of a privately-owned campus that includes residential properties, office space, events center, and a small business support center.

Archdiocesan Housing

Archdiocesan Housing (AHI) was approved for a \$150,000 loan to pay for predevelopment costs associated with Prairie Rose Plaza, a 19-unit housing project for people with special needs and living below 50% AMI. In addition to this loan, AHI was awarded \$2,880,000 HUD 811 grant reservation.

The Prairie Rose development site is located in a residential neighborhood in Commerce City near AHI's Madonna Plaza senior housing building. The proposed development will consist of a single, two-story building with 19 one-bedroom tenant units, a community room, and laundry on the main floor. All units will be fully handicap accessible with an additional unit designed to accommodate the hearing and visually impaired.

AHI has been providing housing, assistance and services to low-income families, elderly, disabled, and special needs populations in Colorado since 1968. Today, AHI owns and operates 1,400 affordable rental apartments in 22 locations along the Front Range.

Capital Hill Action & Recreation Group (CHARG)

A \$75,000 loan from MHCLF will complement a City of Denver grant/loan and allow CHARG to move ahead with a critical rehabilitation of their 100+ year old mixed-use property. The project includes major overhaul/replacement of the plumbing and sewer system, electrical system upgrades, window replacement, and interior and exterior painting on the 4,264 square foot building.

Capitol Hill Action and Recreation Group, Inc. is a membership organization of mental health consumers that was founded in Denver in 1980. In 1989, HEART of Boardwalk (standing for "Healing, Empowerment and Advocacy for a Richer Tomorrow") was founded to give persons in the Denver community a way to support mental health consumer empowerment efforts. Although HEART is the official governing partner, the two nonprofits co-own and manage the CHARG Resource Center.

The CHARG Resource Center provides counseling, psychiatric services, group workshops, and activities free of charge to low income mental health consumers who might otherwise never access treatment. In addition, the Resource Center and its drop-in facility (located at Our

Savior's Lutheran Church at 9th & Ogden) have become "community centers" where mentally ill individuals can spend time and feel safe without being required to participate in any particular activity or service.

TUP Legacy Fund

First TUP Legacy Fund Loan Approved

MHCLF approved its first TUP Legacy Loan- a \$75,000 construction loan to help Capital Hill Action and Recreation Group (CHARG) move forward with the rehabilitation of its resource center at 709 E. 12th Avenue in Denver (see above article).

MHCLF set aside a \$430,000 TUP Legacy Fund earmarked especially for housing and community facilities real estate development 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 a significant contribution from the Colorado Housing and Finance Authority (CFHA) and to see these funds used to promote the development of affordable housing and community facilities over an extended period.

Federal Reserve Bank Chairman Bernanke highlights role of CDFIs

In a major speech at the Global Financial Literacy Summit in Washington, D.C. on June 17, 2009, Federal Reserve Bank Chairman Ben Bernanke emphasized the critical roles that community development financial institutions (CDFIs) play in economic growth.

"Even as the capacity of CDFIs has become more constrained, economic conditions and pullbacks by mainstream lenders have increased the demands being placed on these organizations to provide credit and services," Bernanke said in his speech.

He noted that while community development finance is a small part of the overall capital economic recovery, healthy and vibrant neighborhoods are a vital source of economic growth and social stability.

"CDFIs and other community groups are already responding to the evident needs, but they will require many willing partners to ensure success in the long run, including governments, mortgage servicers, and mainstream lenders," he said. "Strong community organizations can accomplish a great deal, but their capacity will be severely limited without the willing partnership of many other institutions."

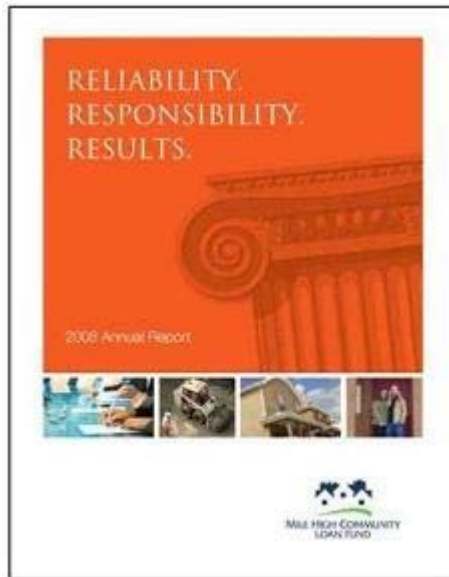
Bernanke said that without strong CDFIs, attracting investments and capital to rebuild and revitalize communities would be difficult, and economic recovery, like economic development, is a bottom-up as well as a top-down process.

"Through their work at the community level, CDFIs, together with other community development organizations, can help build a sustainable recovery for all of us"

MHCLF is one of approximately 500 CDFI loan funds across the country that work just outside the margins of mainstream finance to create economic opportunities for low-income people, affordable housing and community facilities developers and small business.

[For a transcript of the entire speech, click here.](#)

2008 Annual Report Now Available



Recently released, the Mile High Community Loan Fund 2008 Annual Report profiles three of our 2008 borrowers, presents a summary of the financial statements, and gives readers insight to the many changes to MHCLF experienced in 2008.

If you would like a copy mailed to you please contact Jaime at jaimej@mhclf.org or 303-860-1888 ext. 6.

[MHCLF 2008 Annual Report \(PDF\)](#)

About Mile High Community Loan Fund

Mile High Community Loan Fund provides early stage, low-interest, high-risk loans to affordable housing developers (both nonprofit and for-profit entities) and nonprofit organizations developing community facilities serving low-income people and communities.

MHCLF's success is attributed to an intricate network of individuals, organizations, businesses, and institutions in both the public and private sector. This e-newsletter is designed to keep our borrowers, investors and interested community members up to date with MHCLF activities and developments.

For more information on Mile High Community Loan Fund's loan products please visit www.mhclf.org.

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