

The Crucial Piece



2010 ANNUAL REPORT



MILE HIGH COMMUNITY
LOAN FUND

Confidence & Capacity

Dear Friends and Supporters,

Mile High Community Loan Fund concluded 2010 with a healthy list of accomplishments, abundant liquidity and optimism about 2011. In 2010, staff and Board confronted a variety of challenges – both anticipated and unanticipated – and emerged a stronger organization.

Among the accomplishments:

- ▶ MHCLF completed the rigorous CARS™ on-site evaluation (see article on opposite page) of financial performance and management, as well as social impact, and received an upgraded “A2” rating.
- ▶ MHCLF was awarded a \$500,000 loan fund capital grant from the US Department of Treasury’s CDFI (Community Development Financial Institution) Fund.
- ▶ MHCLF received a \$500,000 increase and five year extension on its investment from CHFA (Colorado Housing and Finance Authority).
- ▶ MHCLF convened a Deployment Task Force of board members that completed extensive outreach to stakeholders and compiled recommendations – several that have already been implemented – to increase our impact in the community.
- ▶ MHCLF approved six loans in participation with three CDFI partners and Habitat For Humanity of Colorado.

Our efforts in 2010 were enhanced by strong board participation in the 10th Anniversary Celebration planning, the Deployment Task Force and the new Governance Committee. Our investors have remained confident in our work and we remain committed to prudent community development lending practices.

Many thanks to all that have contributed to our continued success. We look forward to working with our many community partners to be “the crucial piece” in affordable housing and community development projects throughout the state.

Sincerely,



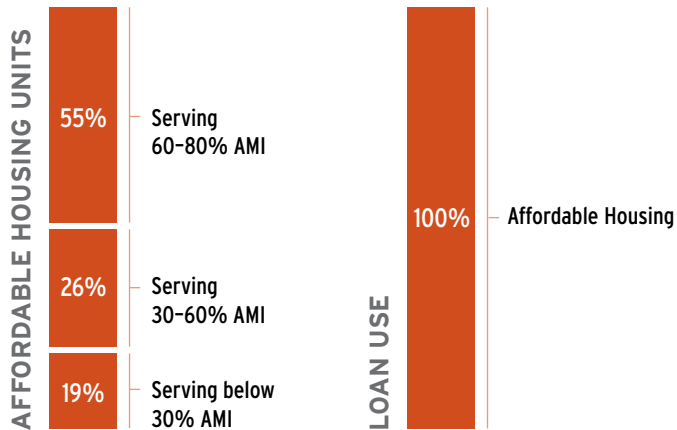
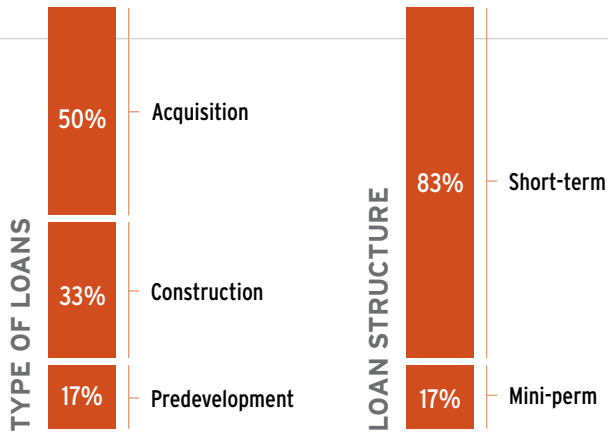
Shelley Marquez
2010 Board President



Jeff Seifried
Executive Director

Our investors have remained confident in our work and we remain committed to prudent community development lending practices.





CARS™ Rating Upgraded

We are proud to announce that CARS™, the CDFI Assessment and Rating System, upgraded MHCLF's rating to A2. CARS™ is the only ratings system to provide a comprehensive, third-party assessment of impact, performance and financial strength of CDFIs. MHCLF underwent a complete on-site assessment by CARS™ in 2010. MHCLF was one of only 30 CDFIs to have been through the process when it was first rated A3 in 2007.

The "A" part of the rating is the Impact Performance Rating and the "2" part is the Financial Strength and Performance Rating. MHCLF is particularly pleased with the Financial Strength and Performance rating of 2 from CARS™ (the ratings go from 1 through 5, with 1 being the highest rating); only 6% of the 60+ CDFIs rated by CARS™ achieved a higher rating in this area.



By getting a CARS™ rating, MHCLF has demonstrated commitment to transparency and rigorous performance standards. Investors now have access to a detailed CARS™ report on MHCLF to augment their own underwriting and increase their monitoring efficiency.

CARS™ is an independent project of Opportunity Finance Network (OFN) launched in 2004 to promote performance as a primary criterion to determine the flow of capital through CDFIs and also to promote standardization of information and industry-wide performance standards. Ratings are based on five years of historical performance and cover a projected three-year period with annual updates in subsequent years. More information about CARS™ is available at www.carsratingsystem.net.

Habitat Partnership Produces

The partnership between MHCLF and Habitat for Humanity of Colorado produced three approved loans for a total of \$360,000 in 2010. Education and marketing of the financing resources for Colorado's 30 Habitat Affiliates, along with the constrained lending environment, prompted three Affiliates to seek loans from the project development fund. MHCLF participated in the loans with \$145,000 of its funds and provided underwriting, review and approval, closing and loan servicing on each loan.

The program is proving to be a valuable resource to Habitat for Humanity of Colorado affiliates for land acquisition needs and as a bridge for grants and contributions during construction.



Affordable Senior Housing in Sunnyside

Henry Burgwyn, a for-profit developer of affordable housing projects in Colorado, and NEWSED, a Denver non-profit whose mission is, "To promote and develop economic and community programs and projects that raise the income, educational and political levels of Denver residents," have teamed up to develop the Chaffee Park Senior Residences in Denver's Sunnyside neighborhood.

Located on the southeast corner of 46th and Tejon, the 89,732 square foot site for the Chaffee Park Senior Residences takes up nearly a full city block. Public transportation is available to residents, with regular busses on Pecos and Federal. Future Light Rail lines are projected to include two station stops close to Chaffee Park, one at 38th & Inca and another at 60th & Pecos.

Chaffee Park Senior Residences is located within a qualified census tract and will provide 14 units for seniors at 40% AMI and below, 42 units serving seniors at 50% AMI, and 6 units serving seniors at 60% AMI and below.

Mile High Community Loan Fund has been involved with the Chaffee Park Senior Residences since their inception. MHCLF provided a \$75,000 unsecured pre-development loan to NEWSED in 2009 for stage one of the Residences. With the MHCLF funds, Burgwyn and NEWSED were able to begin the project and secure the longer-term funding needed to complete phase one. Upon closing a LIHTC partnership, NEWSED paid back the MHCLF loan in full. Burgwyn and NEWSED subsequently formed Burgwyn NEWSED Phase II, LLC and received a second loan from MHCLF—a \$350,000 secured land acquisition and predevelopment loan for phase two of the project.

This loan is enabling Burgwyn Newsed Phase II to begin predevelopment activities for the second phase of the Residences while awaiting permanent funding.



Renovating Bridgewalk

Mile High Community Loan Fund and Mercy Loan Fund (MLF) partnered to close a \$1,750,000 loan to Boulder Housing Partners (BHP) to rehabilitate Bridgewalk, a multifamily rental property located in South Boulder. MHCLF's portion of the loan is \$550,000. This partnership allows BHP to preserve and improve a site with 123 units of affordable housing in Boulder.

Bridgewalk was constructed in 1986 as a 21 building, 123-unit complex that includes 24 one-bedroom units and 99 two-bedroom units. Though adequately maintained, the property has never had a complete renovation and updates to both the interior and the exterior of the property are badly needed. The renovation will take place in three phases. The first phase is complete with BHP using a \$228,000 CHAP grant from



the City of Boulder to plan for the renovation. The second phase is currently in progress with BHP using funding from MHCLF and MLF to renovate the grounds and exteriors of the buildings. The third phase will involve refinancing the existing mortgage on the property and renovating the interiors of the units.

Historically, BHP has used cash flow from the Bridgewalk property to support a number of its other programs, including equity for new construction, covering losses from public housing and supporting resident services. Income from Bridgewalk has helped to offset losses from BHP's public housing portfolio during a period in which public housing was severely underfunded at the federal level. According to Willa Johnson, Director of Portfolio Operations at BHP, average annual income per household in BHP's public housing sites is \$13,000, and residents are often "severely disadvantaged." After the renovation, BHP will



increase rents at the Bridgewalk site and thus increase the funding available to other affordable housing projects in Boulder. After the renovation and rent increase at Bridgewalk, rents at the property will remain at a level that is affordable to households with incomes of less than 70% of the area median income (AMI). While it may seem counter to the mission of MHCLF to support a project that increases rents, BHP has a proven track record of directing cash flow from mixed-use properties to support other operations that achieve its mission.

The Bridgewalk project is being managed by BHP's Asset Management Department and is currently the top priority of BHP.

STRATEGIC UPDATE *The Board, staff and an independent consultant, Adina Abramowitz, are working together to update the MHCLF Strategic Plan. At the Strategic Planning Meetings in 2011, we will develop three-year goals and create the road map to achieve those goals.*

Celebrating 10 Years

With the theme, “Celebrating People, Partnerships and Performance,” MHCLF hosted 175 people at its 10th Anniversary Breakfast in June, 2010. Keynote speaker Mark Pinsky, President and CEO of Opportunity Finance Network, a national network of high performing CDFIs, provided a national perspective on how CDFIs create impact in their communities and the critical factors shaping the future of community development lending.

Mayor John Hickenlooper accepted a plaque recognizing the City and County of Denver’s vision and catalytic investment that launched MHCLF in 2000. Cris White, President and CEO of CHFA, and Marvin Kelly, Executive Director of Del Norte Neighborhood Development Corporation, also spoke about how they have worked closely with MHCLF over its first decade of operation.

The presenting sponsors were U.S. Bank and Wells Fargo Bank. Additional sponsors included FirstBank, BBC Research and Consulting, City Projects, Inc., CHFA, S.B. Clark Companies, Bank of the West, Metro West Housing Solutions and Habitat for Humanity of Colorado.

The 10th Anniversary Breakfast Committee, made up of past and present MHCLF board members Brooke Flemming, Mark Gallegos, Cherie Kirschbaum, Jann Oldham and Linda Tinney, succeeded in celebrating the people and partnerships that have made MHCLF a valuable resource in the community.



CDFI Fund Award

MHCLF received \$500,000 from the U.S. Treasury Department’s Community Development Financial Institution (CDFI) Fund. This money will allow MHCLF to expand its lending programs in support of affordable housing and other assets that improve economic opportunities of low income persons and communities.

CDFI Fund awards help CDFIs across the country to spur local economic growth and recovery, as well as expand access to affordable financial products and services. Nationally, the CDFI Fund awarded \$104.9 million in Financial and Technical Assistance to 180 different organizations in 2010. The CDFI Fund received 408 applications requesting more than

\$467 million. MHCLF is proud to have been chosen as a recipient of a CDFI Fund award in 2010.

The history of CDFI Fund awards to MHCLF goes back to MHCLF’s inception. A grant of \$1 million was awarded to MHCLF (then known as Mile High Housing Fund) in 2002. That grant helped build MHCLF into the successful CDFI that it is today.

FINANCIAL SUMMARY



ASSETS	Cash & Equivalents	\$522,930
	Short-term Investments	\$7,081,217
	Interest Receivable	\$23,740
	Net Loans Receivable	\$3,175,090
	Other Assets	\$703,397
	Total Assets	\$11,506,374
LIABILITIES	Interest and other Payables	\$50,350
	Notes Payable	\$3,225,000
	Equity Equivalent Investments	\$3,250,000
	Total Liabilities	\$6,525,350
NET ASSETS	Designated-Loan Capital	\$4,727,945
	Designated-Operating Reserve	\$153,079
	Undesignated	\$100,000
	Total Net Assets	\$4,981,024
	Total Liabilities & Net Assets	\$11,506,374
REVENUES	Grants	\$571,100
	Investment Income	\$57,770
	Interest Income - Loans	\$307,024
	Fee Income	\$14,590
	Recovery of loan loss	\$188,624
	Other	\$20,895
Total	\$1,160,003	
EXPENSES	Program Services	\$328,536
	Technical Assistance	\$50,220
	Supporting Services	\$118,933
	Total	\$497,689
	Change In Net Assets	\$662,314

Capital Fund Investor List

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
 Community Development Financial
 Institutions Fund
 Daniels Fund
 Enterprise Community Partners
 Key Bank
 Mile High Banks
 Seedco Financial Services
 U.S. Bank
 Wells Fargo Bank

2010 Operating Fund Supporters

Anschutz Family Foundation
 CARHOF – Statewide
 Colorado State Bank & Trust/
 BOK Financial
 The Denver Foundation
 FirstBank
 Wells Fargo Foundation
 U.S. Bank

2010 Board Members

- Shelley Marquez, *President*** ▶ Vice President, Community Development Manager, Wells Fargo Bank N.A.
- Bob Munroe, *Immediate Past President*** ▶ Manager Multifamily Housing, Colorado Housing and Finance Authority
- Christopher Smith, *Secretary*** ▶ Housing Program Manager, Office of Economic Development, City and County of Denver
- Heidi Aggeler, *Treasurer*** ▶ Director, BBC Research and Consulting
- Michael Reis, *Loan Committee Chair*** ▶ Executive Director, Longmont Housing Authority
- Stekfa Fanchi** ▶ Executive Director, Habitat for Humanity of Colorado
- Brooke Fleming** ▶ Vice President, First Bank of Cherry Creek
- Debra Gray** ▶ Housing Coordinator, Denver's Road Home, Denver Housing Authority
- Jann Oldham** ▶ Principal, Community by Design
- Cynthia Smith** ▶ Attorney at Law, Inman Flynn, Biesterfeld & Brentlinger
- Linda Tinney** ▶ Vice President, Community Development, U.S. Bank
- Chad Wright** ▶ Assistant Executive Director – Operations, Colorado Springs Housing Authority

Community Committee Members

(not serving on the Board)

- Darla Goddard** ▶ Assistant Vice President, Community Development Lending, Wells Fargo Bank
- Rick Hanger** ▶ Housing Development Manager, State of Colorado, Department of Local Affairs
- Diane Leavesley** ▶ Portfolio Manager, State of Colorado, Department of Local Affairs
- Karen Lado** ▶ Denver Office Director, Enterprise Community Partners
- Kim Pardoe** ▶ Vice President, The Richman Group Affordable Housing Corporation
- Rejean Peoples** ▶ Community Development Program Specialist, City and County of Denver
- Joe Simmons** ▶ Housing Finance, West Coast Programs, Enterprising Housing Financial Services



Staff

- Jeff Seifried
Executive Director
- Erika Lindholm
Loan Programs Director
- Lisa Bloomquist
*Loan Servicing and Outreach
Coordinator*
- Amy Mickles
Finance Manager

Contact

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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 certified Community Development Financial Institution (CDFI).



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