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Study Shows LIHTC Properties Perform Well

Coinciding with the 25th anniversary of the Low Income Housing Tax Credit (LIHTC) program, the Reznick Group recently released the first in a series of periodic reports addressing the performance of LIHTC-financed properties. The study concluded that despite the challenges in the housing market, there has been no material deterioration in LIHTC property performance and that certain operating performance metrics have significantly improved in recent years.

Focusing on the economically challenging years from 2008-2010, the study, [The Low Income Housing Tax Credit Program at Year 25: A Current Look at Its Performance](#), examined more than 16,000 properties' vacancy rates, debt coverage, and net cash flow.

The report found LIHTC property occupancy rates averaged approximately 96 percent during the years studied, reaching a high of 96.6 percent in 2010. Given normal rental turnover, this means LIHTC properties are effectively fully occupied. The report also found that 0.62 percent of the 16,399 properties surveyed were foreclosed upon, comparing very favorably with the foreclosure rate of market-rate multifamily properties and other real estate asset groups.

Nearly every active LIHTC syndicator and a number of the largest investors in the nation provided data for the study on investments made since 1987. According to the study's authors, the data gathered represents approximately 60 to 70 percent of the LIHTC development inventory, representing approximately \$60 billion in Housing Credit net equity investments and \$69 billion in Housing Credits.

The Reznick Group is currently working on a second report which will examine whether and to what extent the provisions of the Community Reinvestment Act affect LIHTC pricing, provide additional analysis of the difference in LIHTC property performance based on state and regional location, and explore the reasons why certain properties under perform.

Source: National Council of State Housing Agencies, 11.9.11

A Celebration of Homeownership

CHFA's director of commercial lending Steve Johnson attended the Regional Housing Alliance and La Plata Homes Fund Homeownership Celebration in Durango last week.

The Regional Housing Alliance and La Plata Home Fund is led by executive director Jennifer Lopez, who also serves as a CHFA board member. The annual event celebrates the organizations' work to help La Plata county homeowners access homeownership by providing homebuyer education and down payment assistance. Families benefiting from the program were the featured speakers. Also joining in the celebration were key program sponsors BP America, Colorado Division of Housing, Colorado Department of Local Affairs, as well as several local elected officials.

Steve Johnson said, "CHFA's partnership with the Regional Housing Alliance is a great example of how we work with local nonprofits across the state to help them meet the unique housing needs in their communities."

Congratulations to the Regional Housing Alliance and La Plata Homes Fund!

CHFA in the News

11.10.11 - ["Windsor Housing Authority Seeks Funds for Complex"](#) by Ashley Keesis-Wood, Windsor Beacon

Loan Production

SFCDP Prof., LLC (Ft. Collins-CCR)		\$75,750
Colorado Hardwood Lumber & Flooring Company, LLC (Canon City-CCR)		\$25,000
Greeley Center for Independence Nonprofit Bonds	(Greeley-	\$1,300,000
Mortgage Loans Purchased		\$4,358,915