DEL NORTE
Neighborhood Development Corporation

# ANNUAL REPORT 2014

## AVONDALE GRAND OPENING

On August 14th 2014, Del Norte had two reasons to celebrate: its milestone 35 year anniversary and the grand opening of the Avondale Apartments. Welcome speeches were made by Del Norte Board of Director President and City Councilwoman Debbie Ortega, Del Norte Executive Director Marvin Kelly, and Denver Auditor Dennis Gallagher.

Speeches about the Apartments and the need for affordable housing were made by Del Norte Senior Housing Specialist Diane Didier Vollmer, City of Denver Director of Housing and Neighborhood Development Rick Padilla, and U.S. Department of Housing and Urban Development Regional Administrator Rick Garcia.

Special thanks go to other speakers of the evening, funders of the development: Scott Horton, Vice President of Wells Fargo Bank and Tasha Weaver, Tax Credit Manager at Colorado Housing Finance Authority.

**From top to bottom: Marvin Kelly, Rick Garcia, Marvin Kelly, Diane Didier Vollmer and Dennis Gallagher.**

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## DEL NORTE MISSION

Create and preserve housing and other opportunities for under-served households including those that are low and moderate income, Spanish-speaking and those with special needs. Del Norte's core values state that all persons, without discrimination, have the right to decent, safe and sanitary housing; and that services for special needs populations not only benefit the service recipients but also foster healthy neighborhoods.


BOARD OF DIRECTORS

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*Rosa Madrigal during a Homebuyer Education Workshop*

## HOME MARKET INSIGHTS

In the Denver Metro area, the purchase of housing affordable to low and moderate income households continues to be a challenge. According to the Denver Metro Association of Realtors, the average purchase price rose 14% from 2013 to approximately $320,000.

Del Norte offers several programs to assist low and moderate income buyers to purchase a first home: individual homebuyer counseling, group homebuyer education and down payment assistance (second mortgages) to qualified buyers. These programs assist clients who cannot compete in a market characterized by bidding wars, and who must act quickly in order to have a chance to purchase.

In 2014, Del Norte's clients' home purchase price averaged $164,000. Average down payment assistance provided to buyers amounted to $5,158. Sixteen low income families purchased a first home through Del Norte's program funded by the City and County of Denver and the Denver Metro Fair Housing Center.

To qualify for most programs, a buyer must be a first time homebuyer at or below 80% of the Denver Median Income, as shown below for 2015:

| Family Size | Max. Income |
|---|---|
| 1 | $ 44,750 |
| 2 | $ 51,150 |
| 3 | $ 57,550 |
| 4 | $ 63,900 |

If you would like more information about Del Norte's program, please call Rosa Madrigal at 303-477-4774 ext. 17.

EQUAL HOUSING OPPORTUNITY

## HOMEBUYER EDUCATION

Homebuyer education classes allow potential buyers to attain the information and skills necessary to make a successful first home purchase. Budgeting, credit scores and protection, real estate information, mortgage loan processing, the home sales contract, and loan closing documents and process are examples of class modules.

Del Norte has offered these classes for over 20 years. They are sponsored by the City and County of Denver, the Denver Metro Fair Housing Center, the National Council of La Raza and local lenders. In 2014, the number of attendees increased 8% since 2013.

## FORECLOSURE PREVENTION PROGRAM

Foreclosure prevention is a critical component of Del Norte's counseling program, an example:

Mr. Roby had been in his home for over 19 years when he refinanced with an adjustable rate mortgage (ARM). Retired and on a fixed income, Mr. Roby was not able to make his mortgage payment at the end of the fixed ARM period. Going into default and not knowing what to expect, he wondered everyday whether he would receive a foreclosure complaint. Like many other borrowers in his position, he contacted a profit motivated organization. He was charged $2500 but received no assistance. Realizing that he had been scammed, Mr. Roby contacted Del Norte.

Del Norte's Homeownership Counselor, Juan Carlos Vasquez, faced an understandable challenge: Mr. Roby felt insecure that Del Norte would be a credible organization. Juan Carlos explained that Del Norte was a nonprofit organization, certified by the U.S. Department of Housing and Urban Development, and that all services would be at no cost. After calculating that Mr. Roby fit into the guidelines of the Home Affordable Modification Program (HAMP), Juan Carlos and Mr. Roby were able to work together. They secured a loan modification which met Mr. Roby's needs to keep him safely in his home for years to come. The new loan decreased his mortgage payment to approximately $700 per month.

If you would like more information regarding Foreclosure Prevention, please call Juan Carlos Vasquez at 303-477-4774 ext. 20

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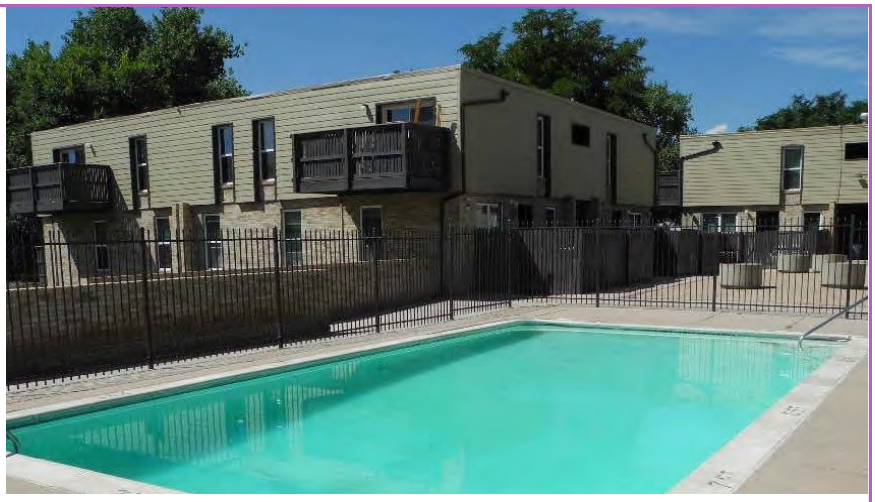
# NEIGHBORHOOD STABILIZATION PROGRAM

# (NSP)



In 2010, Del Norte was awarded $10.26 million in NSP2 grant funds as part of a nationwide consortium grant. The consortium included the National Association of Latino Community Asset Builders (NALCAB) and Chicanos Por La Causa (CPLC). Over the course of the grant period, the mission of quickly deploying funds to neighborhoods hardest hit by the foreclosure crisis was met, and the program allowed Del Norte to recycle program income in excess of $7.9 million.

With the funds, Del Norte acquired a major asset in Northglenn in 2013. The property consists of 288 one and two bedroom workforce housing units on a large parcel of land. In 2014, Del Norte was awarded $1.2 million in rehabilitation funds from Adams County and the Colorado Division of Housing. Major rehab will commence in early 2015 with the replacement of 15 roofs at the property. Unit upgrades and site improvements are also slated for 2015.

In late 2014, the project was permanently financed with a Fannie Mae affordable housing loan. Investment in this large property assures high quality affordable rental housing in the north Denver area.

In 2014, Del Norte NDC acquired, rehabilitated and resold six single family homes to low or moderate income families. Most of the families received pre-purchase counseling from Del Norte, as well. Closing cost assistance was also made available. The houses, foreclosed upon, vacant, and a blight on the communities, received an average of $55,000 worth of rehabilitation. The energy efficient, beautiful homes are now models for improvement in their neighborhoods.

The program was developed through a collaboration of Denver area nonprofits, using the Neighborhood Stabilization Program. The NSP is a federally financed program which continues to provide jobs to contractors, material providers, engineers, title companies, appraisers, realtors, and others, while eliminating blighted properties in Denver's most vulnerable census tracts. The program started in 2008 as a response to the foreclosure crisis. As the program comes to a close, Del Norte will continue to recycle the funds as the properties sell.

A special thanks goes to Kathleen Taylor, Housing Rehabilitation Advisor and Del Norte Consultant since the program inception.

## MULTI FAMILY DEVELOPMENT

The Avondale Apartments, located at Colfax and Irving, was fully occupied on October 31, 2014. The Apartments consist of eighty rental units (one, two, and three bedrooms) in one building near downtown Denver. All units are set aside for families with incomes below 60% of Area Medium Income. The seven-story, mixed use building also has offices for four commercial tenants: the nonprofit property developer, Del Norte NDC; the property architect, Studio Completiva; the property management agency, Pillar Property Services; and a to-be-determined tenant on the first floor.

The apartments were built on a blighted site in which environmental remediation was completed. A LEED® gold rating was achieved.

With a total development budget of just over $20,000,000, the Avondale received 9% tax credits and private investment from Wells Fargo Bank. The City of Denver provided a loan of NSP2 (stimulus funds) and the State of Colorado awarded a grant. The balance of the funding was from the nonprofit developer, Del Norte Neighborhood Development Corporation. Construction was done by Taylor Kohrs Construction Services.

## NON DISCRIMINATION STATEMENT

Del Norte is committed to ensuring that no individual is excluded from participation in or denied the benefits of its programs, activities, services, or employment be subject to discrimination on the basis of race, color, religion, gender, pregnancy, national origin, ethnicity, age, marital status, familial status, veteran status, mental or physical disability, sexual orientation, gender presentation or any other characteristic protected by law.

# Del Norte's 35 Years: Highlights

**1978**— Organized by parishioners of Our Lady of Guadalupe Church and the late Councilman Sal Carpio, Del Norte is the first organization to solve disinvestment in the Highland neighborhood—three homes were acquired & sold to low income first-time buyers.

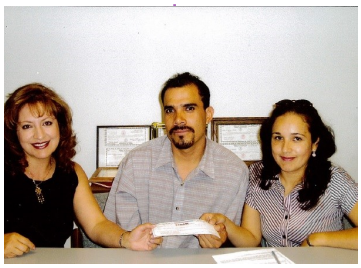
**1987**— Del Norte opens Guadalupe Senior Apartments, Highland's first subsidized housing built exclusively for seniors.

**1992**— Del Norte is awarded the Steven Hart Award by the Colorado Historic Society for its rehabilitation of the Tallmadge & Boyer Block, a first for a non-profit housing organization.

**1998**— With private partners and DURA, Del Norte develops Mercantile Square, a renovation of the Morey Mercantile Building in LoDo--94 affordable & market rate apartments.

1978 1985 1987 1992 1996 1997 1998

**1985**— With Enterprise Social Investment Corp, Del Norte syndicates the Niblock Yacovetta Terrace, Colorado's first apartment building using Historic Tax Credits to serve low income families; the project becomes a model for the low income housing tax credit program.

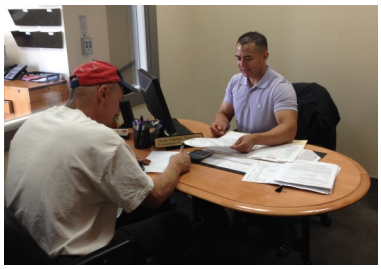


**1996**— Del Norte initiates its housing counseling and assistance program, one of the first in Denver to target Spanish speaking families.

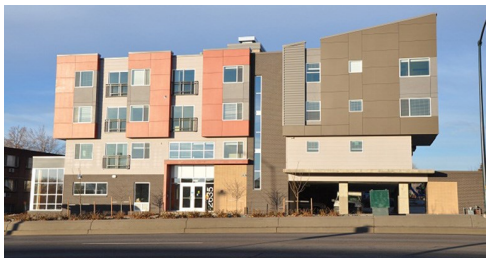
**1997**— Del Norte opens Denver's first property to exclusively serve homeless persons living with HIV/AIDS.

2015 and beyond: Del Norte renews its commitment to serve low income families and hard to house persons in Denver, looking forward to the next 35 years!

**2008**— Del Norte builds and opens apartments in Highland serving homeless persons living with HIV/AIDS.



**2009**— Del Norte initiates Foreclosure Prevention Counseling with National Counsel of La Raza (NCLR) and National Foreclosure Mitigation Counseling (NMFC).



**2012**— Del Norte opens the Veterans Apartments, Denver's first privately owned property exclusively for homeless veterans.

2004 2008 2009 2010 2012 2014

**2004**— Funded by the Colorado Historic Society and private partners, Del Norte completes the exterior rehabilitation of the Weir Building & the Olchiltree Block, two of the largest residential structures in Highland.

**2010**— Responding to the financial meltdown, Del Norte receives Denver's first & largest Neighborhood Stabilization Program grant, $10.2MM to purchase foreclosed properties; Del Norte recycles funds and spends $17.9MM.

**2014**—Del Norte opens the Avondale Apartments—80 family homes-- one of the first LEED® Gold apartment buildings for low income families in Denver. (LEED® is a national energy conservation program.)

## ASSET MANAGEMENT

Del Norte's Asset Manager continued to grow the company's relationship with managing agent Pillar Property Services. Together the team focused on financial stability, physical improvements and portfolio resyndication to improve operations.

In the summer of 2014, Del Norte was awarded a grant from the International Center for Appropriate and Sustainable Technology (iCAST) to make energy efficient improvements at the Hanigan-Canino Terrace Apartments, our historic 10-unit property located in the Highland neighborhood. Through this grant, iCAST is conducting the replacement of the building boiler system, roof system and windows, and upgrading most light fixtures at the property to more energy efficient models. iCAST is funding approximately 40% of the total project costs directly, while assisting Del Norte with a short term, low interest financing option for the remaining project costs. We are excited to be working with iCAST to perform these much needed improvements to the Hanigan-Canino Terraces.

**HAWC Apartments**

Del Norte successfully received funding for its Housing and Work Connection (HAWC), Juan Diego, and Dave's Place apartments from the Department of Housing and Urban Development's 2014 Continuum of Care Grant.

A special thanks goes to Tracy Osborn, our grants consultant, who compiled and submitted all of the application information for these grants.

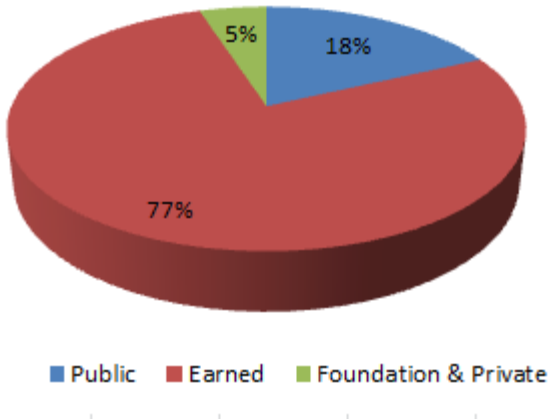
In mid-2014, Del Norte was awarded $50,000 from Enterprise Community Partners to support our Highland Affordable Housing Preservation Project (HAHPP). The HAHPP is a project focused on packaging seven Highland area properties in Del Norte's portfolio into a single limited partnership for the purpose of receiving tax credits. The tax credits can then be used to partner with an equity provider that will assist in funding rehabilitation at the properties. The ultimate goal of the HAHPP is to improve each of these seven properties in order to continue to provide housing for low income families in Highland.

At the end of 2014, Del Norte was awarded Project Based Section 8 voucher funding from the Denver Housing Authority for our HAWC, 1135 Logan Street and Saxony Apartments. We received a total of 59 vouchers across the three properties. These vouchers will help pay rents for residents who meet all applicable Housing Authority criteria. The receipt of these Section 8 vouchers is a significant accomplishment for Del Norte. In addition to bringing more income into these properties, which will be used to make property improvements, Del Norte will be able to continue to provide affordable housing options for low income individuals and families.

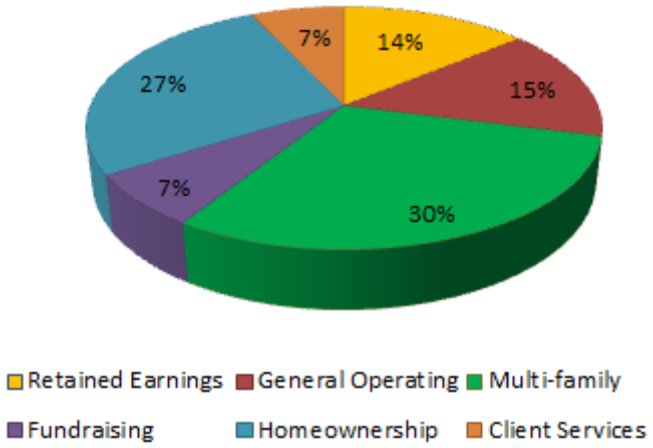
Del Norte would like to thank the following individuals, businesses, organizations and foundations. Their generous support helps provide much needed services to low and moderate income families and individuals.

Adams County Neighborhood Services
Bayaud Enterprises
Bryan Cave/ HRO Attorneys
Chase
Chicanos Por La Causa, Inc.
City and County of Denver
Office of Economic Development
Colorado AIDS Project
Colorado Association of Realtors Housing Opportunities Foundation
Colorado Coalition for the Homeless
Colorado Housing and Finance Authority
Cornerstone Realty
Dan Morgan & Associates
The Denver Foundation
Denver Housing Authority
Denver Metro Fair Housing Center
Denver Police Department
Denver Urban Renewal Authority
Enterprise Community Partners, Inc.
Enterprise Social Investment Corp.
Fannie Mae Foundation
The Federal Home Loan Banks
FirstBank of Denver
iCast
Key Foundation
Land Title Guarantee Co.
Mental Health Center of Denver
Metro Denver Homeless Initiative
Midtowne Spa and Apartments
Mile High Community Loan Fund
National Association of Latino Community Asset Builders
National Council of La Raza
National Equity Fund
Neighborhood Development Collaborative
NeighborWorks America
New Economics for Women
NEWSED Community Development Corp.
Northeast Denver Housing Center
Northern Trust Bank
Pillar Property Services, LLC
Red Capital Group
Saint Francis Center
Schlessman Family Foundation
State of Colorado Division of Housing
Studio Completiva
Urban Land Conservancy
Urban Peak
U.S. Dept of Health and Human Services
U.S. Dept of Housing and Urban Development
U.S. Dept of Veteran Affairs
Wells Fargo Bank/Foundation
West Colfax Business Improvement District

## Source of Funds $5,862,998




## Use of Funds $5,862,998



# West Colfax is "ON FIRE"
# 2014 Highlights

*W. Colfax Custom Designed Bus Shelter*

- Completed design and installation of way finding system, signage and art bus shelters with $345,221 in leveraged income. With links to smart phone apps and interactive maps, the system will connect transit and pedestrians to businesses and enterprises on West Colfax, enhance walkability, and support local businesses in and around the West Colfax Business Improvement District (BID).

- Bicycle signage installed throughout the West Colfax neighborhoods with monument signs at the gateways to the district. The signs form a "wayfinding system" that is designed to comprehensively connect pedestrians and bicyclists to neighborhood enterprises. Together with custom bus shelters, these directional signs and enhanced transit amenities support the West Colfax efforts to encourage walking and biking for a healthier, more dynamic and interactive community.

- 22,295 square feet in the district under renovation or recently renovated, and 30,301 new square feet of business uses added to the district.

- Crime down 15% from 2012-2013 (West Colfax corridor, Department of Public Safety Information Standards.)

- Competed a façade program with $27,500 for direct-to-business grants to match business and property owner investment in improvements, leveraging more than $98,000 in additional private investment…

  - ♦ All façade recipients are small and minority owned.
  - ♦ Majority of grants support new businesses.
  - ♦ Business owners were offered free design and improvement project management as well as free art muralists.

**Hosted events to increase interest in business district and West Colfax:**

- Celebrate West Colfax 2014 featuring St. Anthony's plans and invitations targeting developer community.
- Sloan's Lake Movie Night.
- Art in Transit Fall Celebration: at renovated property 3610 W Colfax.

W COLFAX
BUSINESS IMPROVEMENT DISTRICT

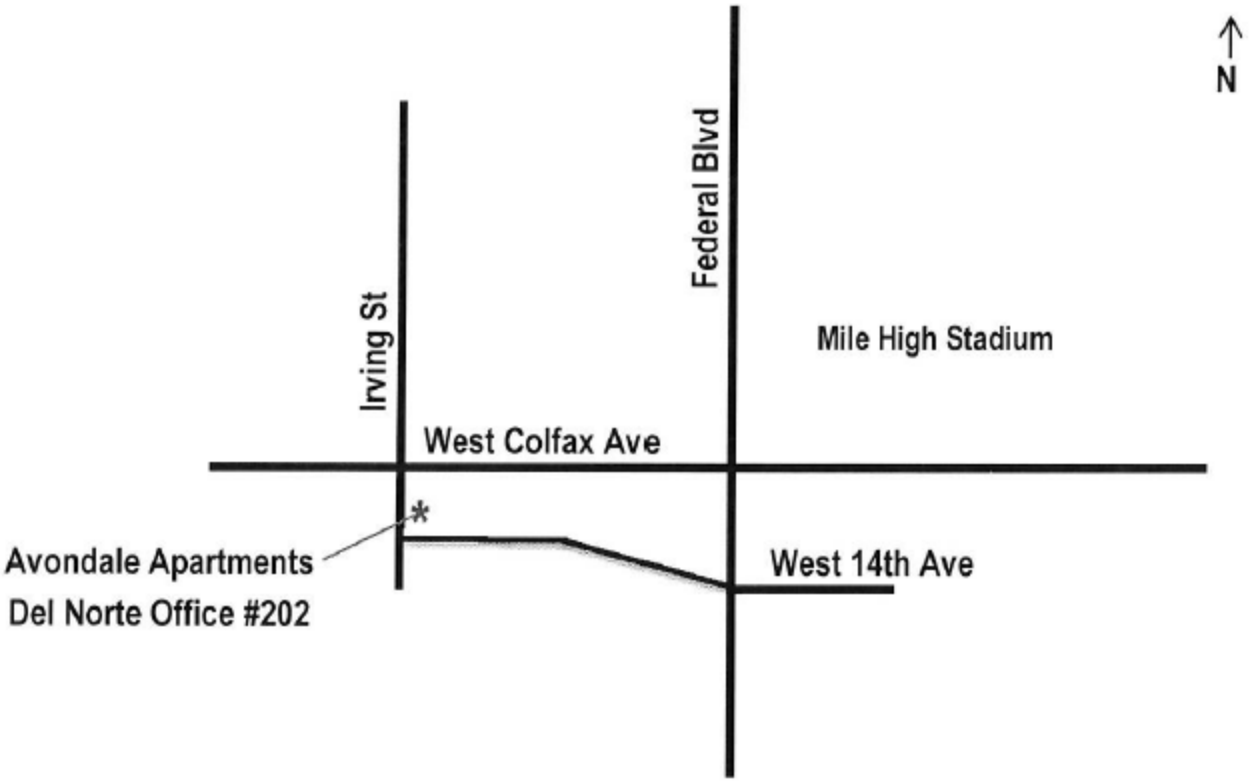
For more information please contact:

**Dan Shah**
**Director**
**303-623-3232**
www.westcolfaxbid.org

# DEL NORTE THROUGH THE YEARS

DEL NORTE
Neighborhood Development Corporation

## Map to Del Norte Neighborhood Development Corporation

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