Colorado Rural Rental Housing Challenges
There are 129 rental housing projects currently in Colorado financed through USDA RD 515/514-516 programs. These projects total 3,738 affordable units. Many of these units are at risk of losing their Rental Assistance (RA) once the properties exit the program when the mortgage matures. USDA RD’s provision of RA make the units affordable to the low-income occupants. Approximately 800 units are slated for naturally maturing mortgages through 2030, with 529 of those affordable units receiving RA. The tenants living in the units who are receiving RA will be hardest hit, since they have very low incomes averaging about $10,000 annually. Much of this rental housing stock was developed in the 1970’s and 1980’s and the housing is in need of recapitalization and rehab.

Colorado Map of Current 515/514 Properties

Colorado Rural Rental Housing Preservation Academy Overview
Enterprise Community Partners, with support from The Colorado Health Foundation, Fannie Mae and the Colorado Trust, will launch the Colorado Rural Rental Housing Preservation Academy. The Academy is a series of no-cost training and peer learning sessions designed to help rural housing providers acquire and/or preserve rural rental housing in their respective communities.

Over a seven-month period beginning in May, training sessions will be held approximately every six weeks. These training sessions will be open to all rural rental housing stakeholders including lenders, property management firms, but will target existing owner/operators interested in preserving RA in their properties or parties interested in acquisition for the purpose of preservation of RA and the affordability of the units and owners of older, affordable, rural rental properties financed through other government programs, such as HUD Section 8 financing. The training session will span from basic introduction and overview of the RD programs to exploring financing options and new financing models to property management. Enterprise will bring in experts and practitioners that have proven success in preserving units and are thinking outside the box when it comes to funding to help deliver the training sessions. Refinancing, rehabilitation and preservation strategies and case studies will be presented.
Session 1: Overview of Housing Stock and USDA Rural Development Transfer Process – May 27-28
Participants will receive an in-depth overview of rural rental housing stock in the state. Take a close look at the USDA RD’s 515, 514/516 programs, and get an understanding of major stakeholders and key roles to know in owning and operating a USDA RD or HUD funded development. Participants will gain a better understanding of undergoing an acquisition and transfer process of USDA RD properties, including elements of a transfer and a review of potential pitfalls and roadblocks.

Session 3: Buyer/Seller Conference – July 8-9, 2020
The Buyer/Seller conference aims to bring together all the major stakeholders necessary in preserving USDA Rural Rental Housing. The conference will provide valuable information sessions such as financing sources and seller and buyer considerations. Existing owners interested in exiting the program will have the opportunity to meet with non-profits interested in preserving this unique housing stock. Topics such as multifamily rehab and seller exist strategies will also be covered.

Session 4: Preservation Financing and Deal Structuring – August 5-6, 2020
This session will cover the array of financing resources available to preserve and rehab rural properties. Financial products and programs offered by USDA and others investing in rural communities will be discussed as well as more obvious sources like Low-income Housing Tax Credits (LIHTC) and Federal Home Loan Bank Affordable Housing Program (FHLB-AHP) as well as some lesser known sources such as PACE and CDBG-DR. Topics such as multifamily rehab funding and seller exist strategies will also be covered.

Session 5: Site visit/Workshopping a deal
Working toward true tangible outcomes, this session will focus on the intricacies of making a preservation project really work through the active workshopping/ proforma modeling of a viable preservation project. Cohort members and key stakeholders will work in tandem to sort out site complications, building issues, operations issues, accessibility issues, financing and compliance challenges/opportunities.

Session 6: Supportive Policy – October 21-22, 2020
This session will showcase best practices from other states implemented for rural housing preservation efforts. It will also review pertinent policies at the state and federal level to successful rural housing preservation. Adjustments and changes to policy that can create an enabling environment for preservation of rural rental housing in CO will also be explored as well as advocacy access points for promoting the policy agenda.

Session 7: Property Management – November 17-18, 2020
Participants will learn the ins and outs of property management for USDA RD properties including compliance issues, financial reporting, and the day to day management. The provision of resident services and disaster preparedness and mitigation factors for property will also be covered.