



Proposition 123 SMART Act Hearing Joint Local Government Committee

JANUARY 15, 2025



COLORADO
Office of Economic Development
& International Trade



Proposition 123

State Affordable Housing Fund

\$327M FY 25

\$351M* FY 26

*LCS estimate 12/19/24



Affordable Housing Support Fund

DOLA

FY24: \$64M

FY25: \$130.8M

40%

Affordable Housing Financing Fund

OEDIT/CHFA

FY24: \$96M

FY25: \$196.2M

60%



Affordable Housing Financing Fund (AHFF)



Land Banking Program

15%-25%

\$23.5M (25%) FY24

\$48M (25%) FY25



Equity Program

40%-70%

\$37.6M (40%) FY24

\$76.9M (40%) FY25



Concessionary Debt Program

15%-35%

\$32.9M (35%) FY24

\$67.3M (35%) FY25

Fiscal Year 2024 summary

- 113 letters of intent + 109 applications received
 - \$735M requested
- 35 projects selected totalling \$97M
 - 19 Urban / 9 Rural / 7 Rural Resort*
- 2,730 units supported + 3,610** annual factory produced units once factories are at full production

*OEDIT includes Mesa, Pueblo and Teller counties as Rural

**Includes two factories supported by both Prop 123 and IHIP

Implementation highlights

- OEDIT & CHFA built three new programs with four subprograms plus initiated the Tenant Equity Vehicle program design process.
- Launched all new programs and awarded 100% of FY24 funds.
- Continued community engagement with over 250 meetings in FY24
- Continued DOLA/OEDIT Prop 123 implementation coordination

Selection criteria

Statutory Priorities

- High-density defined locally
- Mixed income
- Environmental sustainability - all electric, energy efficiency, renewable energy and water wise

Strategic Policy Priorities

- Shovel-ready projects that result in new units
- Geographic diversity
- TOC & TOD prioritization
- Modular/off-site construction prioritization
 - \$24M set aside for factory produced projects
- Prioritization for projects that commit to home-based child care units or commercial child care facilities

Proposition 123 Land Banking

Grants to eligible local or tribal governments and forgivable loans to nonprofits with a demonstrated history of providing affordable housing to acquire and preserve land for the development of for-sale and rental affordable housing.

Area Median Income:

60% maximum rental / 100% maximum for-sale



Fiscal Year 24 Report

- 113 letters of intent requesting \$225.8M
- 26 projects invited to apply
- 21 applications received
- 16 projects selected, awarding \$25M (1,380 units)
 - 8 Urban / 4 Rural / 4 Rural Resort

Fiscal Year 25 Update

- \$48M available
- 51 letters of intent requesting over \$114M
- 33 projects invited to apply representing \$73.4M
- Applications due Feb 10 / awards in April

Proposition 123 Concessionary Debt

Low cost loan options to eligible for-profit, nonprofit and governmental entities for the creation and preservation of affordable rental housing.

Subprograms:

- LIHTC Gap finance
- LIHTC Pre-development finance
- Multifamily finance
- Modular/factory built manufacturer finance

Area Median Income: program specific



Fiscal Year 24 Report

LIHTC Gap, LIHTC Pre-development and multifamily

- 38 applications requesting \$113.6M
- 7 projects selected awarding \$14.5M (722 units)
 - All LIHTC projects
- 3 Urban / 2 Rural / 2 Rural Resort

Factory Finance (combined with \$20M IHIP loans)

- 14 applications requesting \$52M
- 6 selected awarding \$18M - Prop 123
- 4 selected awarding \$20M - IHIP
 - 2 received loans from both programs
- 4,755 units - estimated annual production at full production
- 4 Urban / 1 Rural / 1 Rural Resort

Fiscal Year 25 Update

LIHTC Pre-development & multifamily finance programs only

- \$67.3M available
- 15 applications requesting \$48M
- 9 projects selected awarding \$27.3M
- Up to \$40M set aside for LIHTC awarded projects in need of gap financing

Proposition 123 Equity

Below-market-rate equity investments to eligible for-profit and nonprofit entities for the construction or preservation of low- and middle-income multifamily rental developments.

Area Median Income: 90% average



Fiscal Year 24 Report

- 36 applications requesting \$313M
- 6 projects selected awarding \$39.3M (628 units)
- 4 Urban / 2 Rural / 0 Resort Rural

Fiscal Year 25 Update

Round 1 - Strategic Investment

- Opened to projects with year-end closing, unique and extraordinary state and/or regional economic benefit and leverage other state funds
- 15 applications requesting \$98.6M
- 3 projects selected awarding \$21M (292 units)

Round 2 - Applications open in early Spring

- \$56M available (plus balance of LIHTC gap funds)

Tenant Equity Vehicle (TEV) Update

- Currently finalizing contract with national implementation firm

What's next?

- FY25 Land Banking and Round 2 Equity selection
- Selection of LIHTC projects that need gap funds
- Begin TEV design and build process
- Finalize multi-year program selection criteria and timelines to create more certainty for applicants
- Ongoing coordination with other state housing funding

Thank you

Contacts

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ColoradoAffordableHousingFinancingFund.com

Affordable Housing
Financing Fund 



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OEDIT Housing Programs SMART Act Hearing

Joint Local Government Committee
January 15, 2025

Middle Income Housing Authority (MIHA)

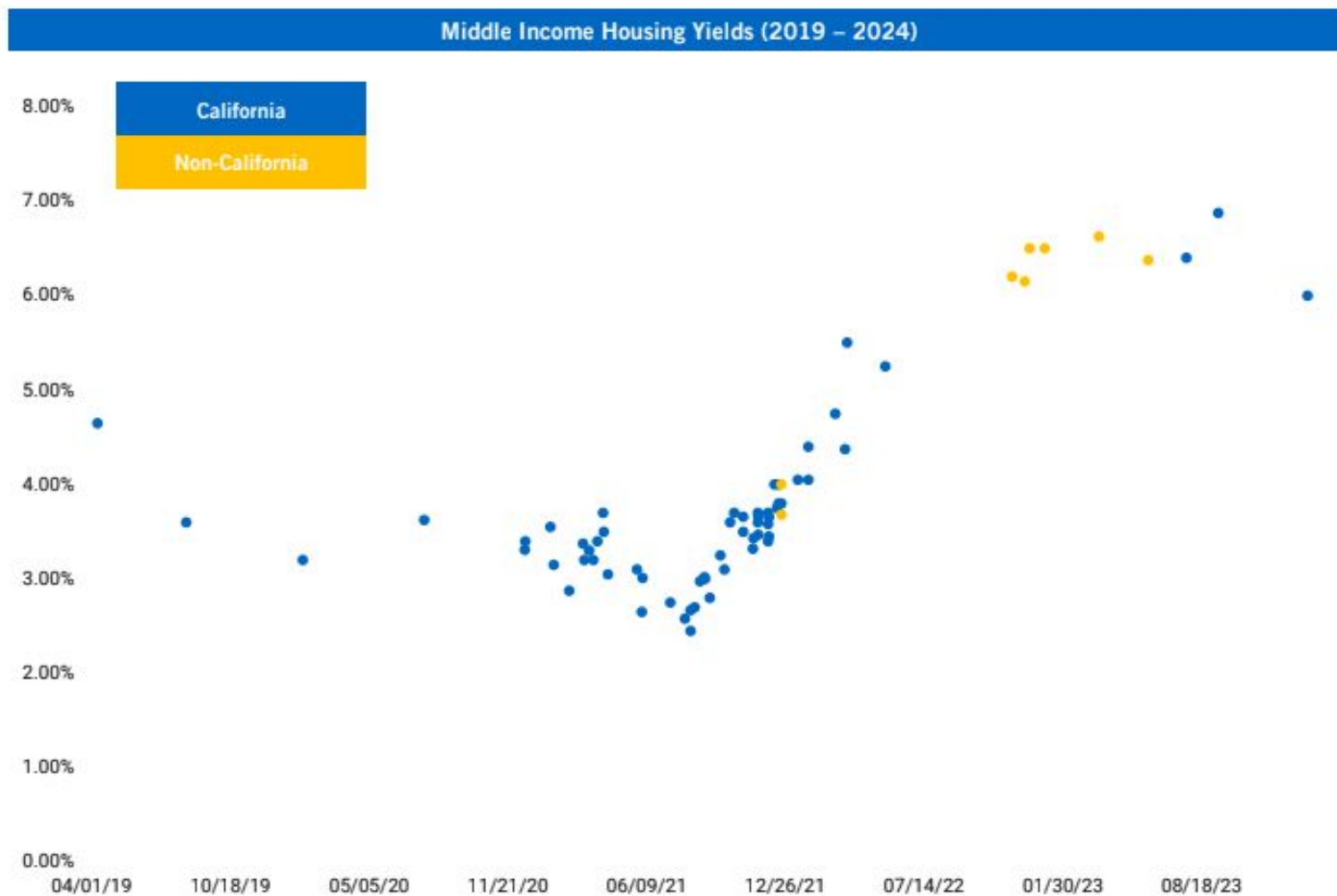
The **Middle Income Housing Authority (MIHA)** SB22-232 & SB23-035, is a special purpose authority, authorized to acquire, rehabilitate, construct, finance, own and operate affordable middle income rental housing. MIHA received \$1 million in 2022 for start up assistance and contracts with OEDIT for administrative services.

- MIHA's limited project funding sources are sale of tax free revenue bonds to finance middle income rental projects and property tax exemption if approved by local jurisdictions.
- MIHA is working with public and private partners to identify below market rate gap funding sources compatible with MIHA bonds to close deals.
- MIHA is currently underwriting its first bond deal for 75 units and continues to work with potential projects and gap funding partners to create more much needed middle income housing.

Sustained high interest rates since MIHA was established in 2022 created a substantial challenge to the middle income bond market across the U.S.

MIHA is working with partners to develop innovative solutions.

History of Middle Income Housing Deals



December 2024

1

