

Proposition 123: Land Banking Program

The Land Banking program provides grants to eligible local or tribal governments and forgivable loans to eligible nonprofits with a demonstrated history of providing affordable housing. These funds must be used to acquire and preserve land for affordable for-sale housing or affordable rental housing. Mixed use may be allowed so long as the predominate use is affordable housing.



Guidelines 09-18-2023

Program Benefits	<ul style="list-style-type: none"> Grants to eligible local and tribal governments, including public housing authorities Forgivable loans to eligible nonprofits Good faith efforts may be used for consideration of extensions.
Eligible Recipients	Local governments, tribal governments, and nonprofits
Eligible Projects <small>Note: To be eligible, a project must be located in a jurisdiction that has completed a Local Government Affordable Housing Commitment with the Colorado Department of Local Affairs - Division of Housing.</small>	<ul style="list-style-type: none"> Acquisition and preservation of land for the development of affordable for-sale housing or affordable housing, homeownership, and mixed use if the predominate use is affordable housing. Commercial or mixed-use development, including non-restricted housing, is eligible provided that the predominant use (70%) is affordable. Projects proposing between 51% and 69% of the project to be utilized as affordable may apply with justification. New money transactions will be prioritized over a refinance or addressing financing gaps on existing projects.
Program Allocation	15% to 25% of Affordable Housing Financing Fund (AHFF) allocation
Area Median Incomes (AMIs) Served	<ul style="list-style-type: none"> Rental: Households earning 60% AMI and below Homeownership: Households earning 100% AMI and below Rural resort communities may petition the Colorado Division of Housing to use more flexible income requirements.
Maximum Grant or Loan Amount	Lesser of \$5 million or appraised value
Interest Rate and Fees	<ul style="list-style-type: none"> Forgivable loans bear a deferred interest rate of 2.0%; no interest is due if milestones are achieved. Standard loan and grant closing costs apply. Environmental Report required for transactions over \$750,000
Forgivable Loan Terms	<ul style="list-style-type: none"> Proper zoning and development plan within 5 years Permitted and funded within 10 years
Forgivable Loan Conditions	<ul style="list-style-type: none"> If specified milestones are not achieved by 5 and 10 years, the forgivable loan plus interest must be repaid within 6 months unless the land is conveyed to a state agency or other entity for the development of affordable housing with the approval of CHFA. Non-performance could impact future awards. Upon repayment of the loan plus deferred interest, the property may be developed for any purpose.
Grant Conditions	If specified milestones are not achieved by 5 and 10 years, the grant must be repaid within 6 months.
Priorities	<ul style="list-style-type: none"> High-density housing Mixed-income housing Environmental sustainability - Updated sustainability standards; please see reverse for details

This chart is intended only to highlight certain program requirements. Loans are subject to other requirements, including the CHFA Credit Policy and applicable operating and replacement reserve requirements. To view all program details, please read the program guidelines.

Environmental Sustainability Standards

Applicants should be prepared to design future projects under the Environmental Sustainability Standards and local codes in place at the time of development planning.

Each of the following is required to meet the Environmental Sustainability Standard.

1. Certification from one of the following*:
 - a. 2020 Enterprise Green Communities (EGC)
 - b. Leadership in Energy and Environmental Design LEED v.4.1 (LEED)
 - c. National Green Building Standards NGBS ICC-700-2020 (NGBS)
 - d. Zero Energy Ready Homes standard (US DOE)
2. All-electric building using high efficiency electric appliances such as heat pumps and heat pump water heaters, or a mixed-fuel building that includes pre-wiring for efficient electric heating and appliances and includes pre-wiring to enable future installation of EV charging station(s) for at least 10% of parking spots or greater if required under local codes.
 *Developments that achieve all-electric construction with high-efficiency electric appliances may opt-out of a formal green building certification.
3. Utilize water-efficient design inside and outside. Full guidance can be found at coloradowaterwise.org.
4. Developments should be located within a half-mile of existing or planned transit corridors.

In addition to the Statutory Prioritization above, for Fiscal Year 2023, proposals will be evaluated based on the following:

1. Readiness to proceed (shovel ready)
2. Development Plan status
3. Geographic distribution
4. Dollar amount of request
5. Financial feasibility
6. Total number of units proposed on the site

How to Apply

LOI Process and Timeline

To be eligible to apply for the Land Banking program, a Letter of Intent (LOI) must be submitted to CHFA prior to the submission of an application. Loan and/or grant awards will be limited to one project per recipient per state fiscal year (July 1-June 30).

Application and Award Timeline

July 18, 2023	CHFA will begin accepting LOIs. Please submit your LOI to CHFA Community Development at landbanking@chfainfo.com .
August 21, 2023	The LOI submission window closes at 11:59pm MT.
September 11, 2023	Based on demand LOI respondents will be notified of competitive or rolling application process and application next steps.
November 1, 2023	The application submission window closes at 11:59pm MT.

Completion of the Proposition 123 Local Government Affordable Housing Commitment is not required for LOI submission. Proof of Commitment submission will be required at time of application, with acceptance by DOH required to be deemed an eligible applicant.

Contacts

CHFA Community Development

Steve Boice
 Manager of Business Finance
 303-297-7468

Peter Martinez
 Commercial Loan Officer II
 303-297-7320

landbanking@chfainfo.com

