

# Affordable Housing Financing Fund

Contact  
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 ColoradoAffordableHousingFinancingFund.com

## Proposition 123: Concessionary Debt Program LIHTC Predevelopment Finance

The program provides predevelopment loans to eligible for-profit and nonprofit entities, local governments including housing authorities, and tribal governments to finance feasibility expenses of affordable multifamily rental housing developed with federal Low Income Housing Tax Credits.



### Guidelines 09-28-2023

<b>Program Benefits</b>	<ul style="list-style-type: none"> <li>• Predevelopment loans available for projects utilizing federal Low Income Housing Tax Credits</li> <li>• Below-market interest rates</li> </ul>
<b>Eligible Borrowers</b>	For-profits, nonprofits, governmental entities including housing authorities, and tribal governments
<b>Eligible Projects</b>	Developments that utilize Low Income Housing Tax Credits
<b>Program Allocation</b>	15% to 35% of Affordable Housing Financing Fund (AHFF) allocation
<b>Area Median Incomes (AMIs) Served</b>	60% average AMI for all restricted units
<b>Program Limits</b>	Maximum predevelopment loan to a project is \$750,000
<b>Minimum Debt Financing</b>	No minimum
<b>Interest Rates and Fees</b>	<ul style="list-style-type: none"> <li>• 3% fixed rate</li> <li>• Standard loan closing costs</li> </ul>
<b>Priorities</b>	<ul style="list-style-type: none"> <li>• High-density housing</li> <li>• Mixed-income housing</li> <li>• Environmental sustainability</li> </ul>

This 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. Please note that the programs are subject to change.



**COLORADO**  
 Office of Economic Development  
 & International Trade



## FAQs

### What is the purpose of the program and how is it funded?

CHFA administers the Concessionary Debt program on behalf of the Office of Economic Development and International Trade (OEDIT). The Concessionary Debt program is a component of the Colorado Affordable Housing Financing Fund established by Proposition 123 and provides predevelopment loans for projects supported by federal Low Income Housing Tax Credits. Funding for predevelopment will be limited for the initial program year.

### How do I determine if my project is eligible?

A project that applies for funding from the Program must be located in the State of Colorado in a jurisdiction that has received approval through the Colorado Department of Local Affairs - Division of Housing to participate in the Financing Fund by completing a Local Government Affordable Housing Commitment. More information is available on DOLA's website at <https://engagedola.org/prop-123>. For-profit entities, nonprofit entities, government entities including housing authorities, and tribal governments with prior experience in developing affordable housing are eligible to apply. Underwriting will focus on project feasibility, sponsor's experience, and sponsor's financial strength.

### Do the AMI restrictions apply if the project will be located in a rural resort community?

Yes, however, rural resort communities may petition the Colorado Division of Housing to use more flexible AMI percentages.

### What are some eligible uses for loan funds?

Eligible uses include environmental reports, market studies, appraisals, architect and engineering costs, surveys, application fees, permit costs, and land preparation costs prior to applying for Low Income Housing Tax Credits.

## How to Apply

### Concessionary Debt Process and Timeline

Applications will be posted on the Affordable Housing Financing Fund website when available.

### Application Timeline

<b>September 18, 2023</b>	CHFA will begin accepting applications.
<b>October 9, 2023</b>	Application submission period will end at 11:59pm MT.
<b>January 2024</b>	CHFA will announce projects selected to receive Concessionary Debt funds.

## Contacts

### CHFA Community Development

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