

FAQs

What is Proposition 123?

Proposition 123 is a ballot measure passed by Colorado voters in November 2022 authorizing the state to retain money from existing state tax revenue to support affordable housing investment. These funds are split 60/40 between the Office of Economic Development and International Trade (OEDIT) and the Department of Local Affairs (DOLA) through its Division of Housing (DOH), respectively. OEDIT manages the **Affordable Housing Financing Fund (AHFF)** and has selected Colorado Housing and Finance Authority (CHFA) to serve as Contract Administrator. DOH manages the **Affordable Housing Support Fund**.

What programs are available through the Affordable Housing Financing Fund (AHFF)?

- **Land Banking:** grants to eligible local and tribal governments and forgivable loans to eligible nonprofits with a demonstrated history of providing affordable housing to acquire and preserve land for the development of affordable housing.
- **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.
- **Concessionary Debt:** loan options to for-profit and nonprofit entities for the creation and preservation of affordable housing, including manufacturers of modular and factory-build housing.

How much funding is available?

Funds will vary annually depending on the amount of tax revenue collected during the prior state fiscal year. It is estimated that approximately \$310 million will be directed to Proposition 123 for the 2023-2024 state fiscal year. Per statute, 60 percent (approximately \$186 million) will be allocated to the AHFF.

How is funding distributed amongst AHFF programs?

Per statute, 15 to 25 percent of AHFF funds may be allocated to the Land Banking program, 40 to 70 percent may be allocated to the Equity program, and 15 to 35 percent may be allocated to the Concessionary Debt program.

What are the funding priorities for AHFF programs?

Overarching statutory priorities for projects supported by the AHFF programs include high-density housing, mixed-income housing, and environmental sustainability. Additional program-specific requirements are available on the [Affordable Housing Financing Fund website](#).

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How is affordability defined and determined under Proposition 123?

Definitions of affordability vary depending on the specific program. Eligible projects must serve individuals and families earning at or below specified Area Median Incomes (AMIs) as defined by the statute. Rural resort communities may petition DOH to use more flexible income requirements through the [Rural Resort Community Petition Process](#).

Why do jurisdictions have to sign a Proposition 123 Local Government Affordable Housing Commitment?

As a statutory condition of eligibility, affordable housing projects seeking support from the AHFF must be located in a jurisdiction that has completed a Proposition 123 Local Government Affordable Housing Commitment with DOH.*

This opt-in involves a commitment on behalf of the filing local or tribal government to increase the jurisdiction's baseline number of affordable housing units by 9% over the course of 3 years (an average of 3% each year).

More information about local commitment filings is [available on the DOLA website](#), including a [list of jurisdictions](#) that have filed commitments as of November 1, 2023 and a [commitment filing FAQ](#).

*Applicants seeking financing for modular and factory-built housing manufacturing facilities offered through the Concessionary Debt program are exempt from the Local Government Commitment requirement.

Who is eligible to receive funding from AHFF programs?

Eligible recipients vary by program and may include local and tribal governments (including public housing authorities) as well as nonprofit and for-profit organizations who are developing affordable housing. Innovative housing manufacturers may apply for funding through the Proposition 123 Modular Finance program.

Can I apply for multiple programs?

Yes. As long as the development or project is eligible per the program guidelines, applying to multiple programs is allowed.

Can I apply even if my jurisdiction has not completed the Local Government Affordable Housing Commitment?

The development or project receiving funding from the Affordable Housing Finance Fund must be located within a jurisdiction that has completed the Local Government Affordable Housing Commitment.* These opt-ins are managed by the Division of Housing within the Department of Local Affairs (DOLA). For more information about commitment filings, please visit [the DOLA website](#).

*Applicants seeking financing for modular and factory-built housing manufacturing facilities offered through the Concessionary Debt program are exempt from the Local Government Commitment requirement.

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Can funds from the AHFF be used alongside 4% or 9% Housing Tax Credits?

Yes. The Concessionary Debt program includes two specific uses that align with the Housing Tax Credit program, including LIHTC Predevelopment Finance and LIHTC Gap Finance programs. In addition, projects supported with either Land Banking or the Equity program are not prohibited from applying for Housing Tax Credits assuming that all eligibility requirements under both Proposition 123 and the Housing Tax Credit program are met.

How can I learn more about AHFF programs and apply for funding?

Please visit the [Affordable Housing Financing Fund website](#) for program-specific resources and application information. Additionally, a [training and resources library is available](#).

Additional questions about the Affordable Housing Financing Fund may be submitted to AHFF@chfainfo.com.