

Affordable Housing Financing Fund

September 1, 2024

Proposition 123: Affordable Housing Financing Fund Fiscal Year 2023-2024 Annual Report



Data as of June 30, 2024.
Data last accessed
August 29, 2024.



COLORADO
Office of Economic Development
& International Trade





Executive Summary

In November 2022, Colorado voters passed Proposition 123 (“Prop 123”), a ballot measure authorizing the state to retain money from existing state tax revenue to support affordable housing investment. The measure directs 60 percent of these funds to the Affordable Housing Financing Fund (AHFF), which funds the Land Banking, Equity, and Concessionary Debt programs. The Office of Economic Development and International Trade (OEDIT) manages the AHFF in partnership with Colorado Housing and Finance Authority (CHFA), which serves as Contract Administrator.

CHFA was pleased to partner with OEDIT in a robust stakeholder engagement process as programs were developed and launched. Together with OEDIT, CHFA hosted more than 30 events across Colorado, including a series of webinars and virtual meetings designed to solicit and catalog feedback. The response to the rollout of AHFF programs has been robust, and the dedicated AHFF website has received more than 60,000 visits from more than 24,000 unique visitors as of June 30, 2024. As the community engagement and public rollout occurred, OEDIT and CHFA developed program guidelines that incorporated community feedback and policy direction from the governor.

Throughout Fiscal Year 23-24, 113 Letters of Intent (LOIs) and 109 applications were received across all the programs, representing a total of \$735 million in funding requests. Due to the timing of the measure’s passage, a half year’s tax revenue was available during the first year. During Fiscal Year 23-24, over \$97 million was awarded to 35 project sponsors to support the development of approximately 2,730 units of affordable housing funded by the Land Banking, Concessionary Debt and Equity Programs plus 3,610 modular/offsite construction units annually over the next three years funded by the Modular and Factory-build Finance Concessionary Debt subprogram, based on estimates from manufacturers.*

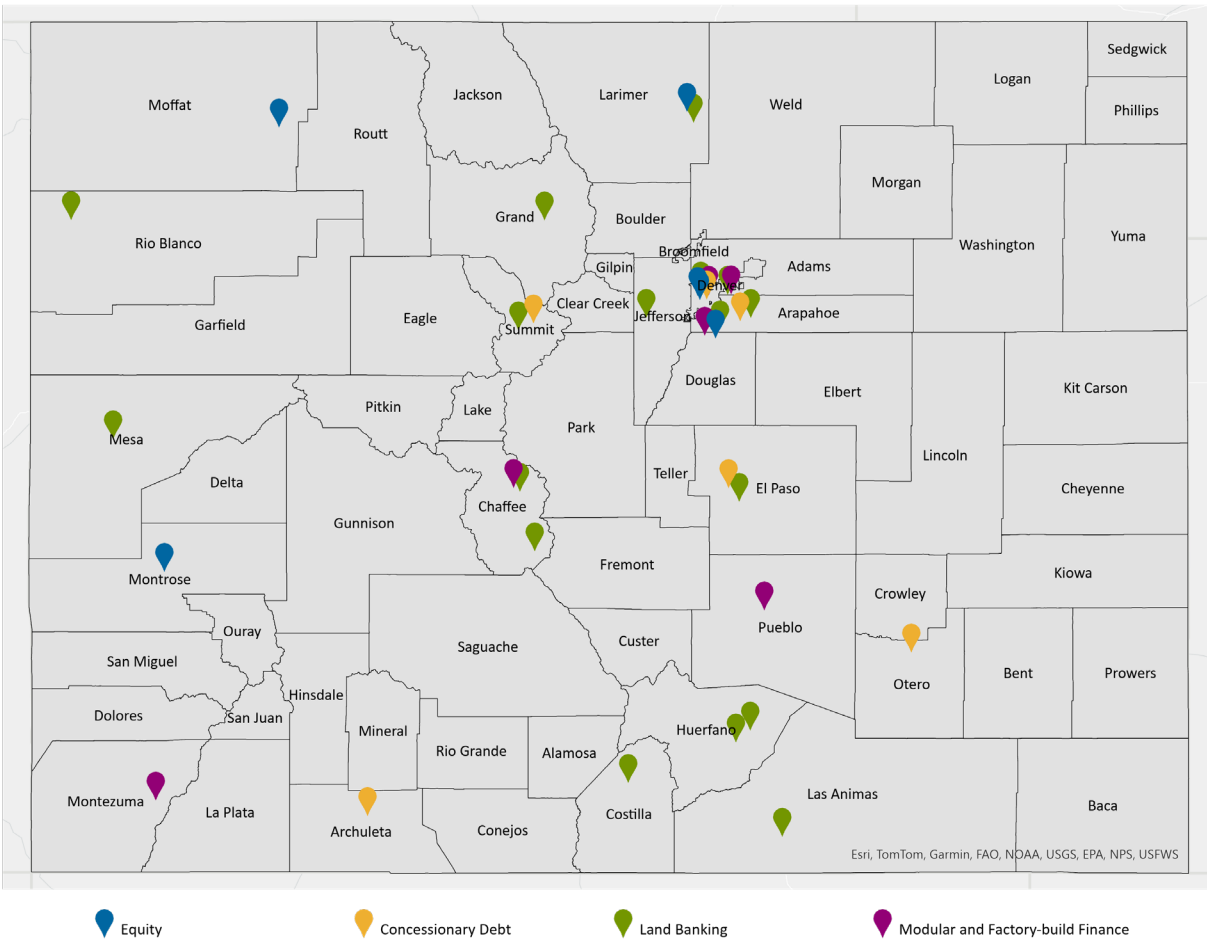
Approximately 55 percent of awards were made to projects in urban counties, 25 percent to rural counties, and 20 percent to rural resort counties, based on county designations used by OEDIT. Applications were carefully evaluated against statutory and policy priorities, including high density, mixed income, environmental sustainability, readiness to proceed, geographic diversity, and the relevant goals in Governor Polis’ Strategic Growth Executive Order D 2023 014.

Looking ahead, approximately \$196 million is available to support AHFF programming for Fiscal Year 24-25.

*Modular unit estimates based on projected annual production at year three, and includes two projects (Huron Components and Vederra) that received funding from Prop 123 and OEDIT’s Innovative Housing Incentive Program (IHIP).

Affordable Housing Financing Fund Portfolio Report

As of June 30, 2024



Fiscal Year 2023-2024 Affordable Housing Financing Fund Summary

113	109	35	\$735M	\$97M
Letters of Intent (LOIs) Received	Applications Received	Total Applicants Selected	Funding Requested	Funds Awarded
19	9	7	2,730	3,610
Urban County Applicants Selected	Rural County Applicants Selected	Rural Resort County Applicants Selected	Estimated Units (Non-Modular)	Estimated Modular Units (Annual)*

*Modular unit estimates based on projected annual production at year three. Modular unit estimates based on projected annual production at year three, and includes two projects (Huron Components and Vederra) that received funding from Prop 123 and OEDIT's Innovative Housing Incentive Program (IHIP).

A Note on County Classifications

The Division of Housing within the Department of Local Affairs (DOLA) is responsible for classifying all Colorado counties as "urban," "rural," or "rural resort" based upon the definitions of the terms specified in the final report of the Colorado Strategic Housing Working Group in House Bill 22-1304 and Senate Bill 22-159. These classifications enable different Area Median Income (AMI) requirements for a number of housing programs that jurisdictions can access.

OEDIT's Rural Opportunity Office and other programs' statutory definitions maintain a different classification of Colorado counties based on population size, and include Mesa, Pueblo, and Teller counties as "rural." OEDIT and DOLA both use DOLA's Rural Resort classifications, which are referenced in HB23-1304 in the Rural Resort Petition language.

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 and is the only AHFF program able to support both rental and homeownership. In July and August 2023, 113 Letters of Intent (LOIs) were received totaling more than \$255.8 million in requests. After reviewing the LOIs for statutory and policy compliance, 26 applicants were invited to apply, representing \$46.9 million in requests. Twenty-one (21) applications seeking a total of \$38.8 million were received. After careful review, 16 applicants were awarded \$25 million in January 2024.



Fiscal Year 2023-2024 Land Banking Program Summary

113	\$255.8M	26	\$46.9M	21	\$38.8M
Letters of Intent (LOIs) Received	LOI Funds Requested	LOI Submissions Invited to Apply	LOI Invitees Funding Requested	Applications Received	Applicant Funding Requested
8	4	4	16	\$25M	1,380
Urban County Applicants Selected	Rural County Applicants Selected	Rural Resort County Applicants Selected	Total Applicants Selected	Total Funds Awarded	Total Estimated Units

Fiscal Year 2023-2024 Land Banking Program Applicants Selected

Sponsor	Project	Location*	Funding Awarded	Purpose	Estimated Units**	Average AMI**
Archway Investment Corporation	Gates Family Housing	Denver (U)	\$2,000,000	Rental	178	59%
Blue Spruce Habitat for Humanity	Affordable Homeownership in Evergreen	Evergreen (U)	\$50,000	Homeownership	14	80%
Chaffee Housing Authority	Alpine West	Buena Vista (RR)	\$1,320,000	Rental	81	85%
City of Grand Junction	City of Grand Junction Salt Flats	Grand Junction (R)	\$2,200,000	Rental and Homeownership	400	80%
City of Salida	Salida Eastside Senior Living Apartments	Salida (RR)	\$750,000	Rental and Homeownership	36	55%
Denver Cultural Property Trust	Five Points Historic Cultural District Affordable Homes	Denver (U)	\$1,975,000	Homeownership	62	78%
Elevation Community Land Trust	Rural Southern Colorado Homeownership Portfolio 1	Trinidad, Walsenburg, Fort Garland (R)	\$750,000	Homeownership	28	70%
Habitat for Humanity Grand County	Habitat Morris Project	Granby (RR)	\$1,600,000	Rental	24	63%
The Housing Authority of the City of Aurora	Walden 35 Phase II	Aurora (U)	\$1,450,000	Rental	75	51%
Housing Catalyst	Village on Eastbrook	Fort Collins (U)	\$1,360,000***	Rental	73	52%
Huerfano County Economic Development	Northlands Subdivision of the Huajatolla Hills	Walsenburg (R)	\$225,000	Homeownership	15	80%
Langston Hughes Affordable Housing	Aurora Family Apartments	Aurora (U)	\$5,000,000	Rental	264	60%
SAFER Colorado	SAFER Colorado	Centennial (U)	\$700,000	Rental	54	25%
Town of Frisco	101 West Main Street	Frisco (RR)	\$5,000,000	Rental	52	60%
Town of Rangely	Sagewood West Affordable Housing	Rangely (R)	\$240,000	Homeownership	6	100%
WeFortify	Dignified Housing Village for At-Risk Young Adults	Colorado Springs (U)	\$470,000	Rental	18	40%

*OEDIT county designation: U = urban; R = rural; RR = rural resort

**Estimated units and average Area Median Incomes (AMIs) provided by applicant

***Grant amount to Housing Catalyst was adjusted between award announcement and finalized terms

Fiscal Year 2023-2024 Land Banking Program Applicants Not Selected

The Land Banking program generated strong interest in its first year, leading to a competitive application round. Land Banking applicants were carefully evaluated against statutory priorities and program guidelines. The most common reasons for applicants not being selected included limited availability of program funds and the need to achieve geographic diversity. Other factors contributing to applicants not being selected included misalignment with eligible proposed uses of program funds, lack of additional funding sources, and noncompliance with environmental sustainability guidelines, including a preference for transit-oriented development projects in urban jurisdictions.

Sponsor	Project	Location*	Funding Requested	Purpose
Estes Park Housing Authority	Mary's Lake Neighborhood	Estes Park (RR)	\$1,500,000	Rental and Homeownership
The Fax Partnership	Park Motel Acquisition	Denver (U)	\$570,000	Rental
PreservingUS	Argo Verde	Denver (U)	\$5,000,000	Rental
Springs Rescue Mission	4U Hotel Renovation - Transitional Housing for Homeless	Colorado Springs (U)	\$850,000	Rental
Urban Land Conservancy	Fitzsimmons Gateway	Denver (U)	\$5,000,000	Rental

*OEDIT county designation: U = urban; R = rural; RR = rural resort

Concessionary Debt Program

The Concessionary Debt program includes four subprograms and is available to for-profit, nonprofit, local governments and tribal governments to support affordable rental housing, including:



1. **Multifamily Finance:** Debt financing for the development and preservation of low- and middle-income multifamily rental developments
2. **Low Income Housing Tax Credit (LIHTC) Gap Finance:** Gap financing in the form of subordinate debt for LIHTC projects
3. **LIHTC Predevelopment Finance:** Gap financing in the form of predevelopment loans for LIHTC projects
4. **Modular Finance:** Debt financing for modular and factory-built housing manufacturers

In September and October 2023, 38 applications requested \$113.6 million for the Multifamily Finance, LIHTC Gap Finance, and LIHTC Predevelopment Finance subprograms. Seven projects were selected to move forward to full underwriting in December 2023.

OEDIT paired \$20 million of the Innovative Housing Incentive Program (IHIP) funding with \$18 million of the AHFF Modular and Factory-built Finance subprogram in order to make a large one-time investment to stimulate the offsite construction industry in Colorado, targeting those manufacturers who were committed to (but not exclusively) producing affordable housing.

By the end of November 2023, 14 applications were received for both programs requesting more than \$52 million. After the initial review, 10 applicants were advanced to a final selection process, which included three independent industry experts and DOLA staff in addition to OEDIT and CHFA. Six applicants were awarded \$18 million in AHFF Concessionary Debt Modular and Factory-built Finance, and four were awarded \$20 million from IHIP (two businesses received loans from each program).

Fiscal Year 2023-2024 Concessionary Debt Program Summary

Concessionary Debt - Multifamily Finance, LIHTC Gap Finance, LIHTC Predevelopment Finance

38	\$113.6M	7	\$14.5M
Applications Received	Applicant Funding Requested	Total Applicants Selected	Funds Awarded
3	2	2	722
Urban County Applicants Selected	Rural County Applicants Selected	Rural Resort County Applicants Selected	Estimated Units

Concessionary Debt - Modular and Factory-built Finance

14	\$52M	6	\$18M
Modular Applications Received	Modular Funding Requested	Total Modular Applicants Selected	Modular Funds Awarded
4	1	1	3,610/yr
Modular Urban County Applicants Selected	Modular Rural County Applicants Selected	Modular Rural Resort County Applicants Selected	Estimated Modular Units*

*Modular unit estimates based on projected annual production at year 3. Modular unit estimates based on projected annual production at year three, and includes two projects (Huron Components and Vederra) that received funding from Prop 123 and OEDIT's Innovative Housing Incentive Program (IHIP).

Fiscal Year 2023-2024 Concessionary Debt Program Applicants Selected

Sponsor	Project	Location*	Funding Awarded	Purpose	Estimated Units**	Average AMI**
BMC Investments	Fitzsimons Gateway	Aurora (U)	\$4,000,000	LIHTC Gap Finance	210	60%
CO Pagosa Springs 2023, LP	The Trails at Pagosa Springs	Pagosa Springs (RR)	\$1,950,000	LIHTC Gap Finance	50	60%
Copper Rose Apartments LLC	Copper Rose Apartments	Colorado Springs (U)	\$2,500,000	LIHTC Gap Finance	182	60%
Gorman & Company	Wintergreen Ridge	Summit County (RR)	\$1,380,000	LIHTC Gap Finance	47	57%
Koelbel and Company	Ridgegate Parkway Affordable Senior	Lone Tree (U)	\$2,898,000	LIHTC Gap Finance	101	56%
Osborn PSH LLLP	The Osborn	Rocky Ford (R)	\$800,000	LIHTC Gap Finance	30	51%
Urban Land Conservancy	The Irving at Mile High Vista	Denver (U)	\$1,000,000	LIHTC Gap Finance	102	55%
Adoba Designs, Inc.	Adoba Designs, Inc.	Pueblo (R)	\$4,000,000	Modular Finance	370	N/A
Azure Printed Homes, Inc.	Azure Printed Homes, Inc.	Bennett (U)	\$3,895,000***	Modular Finance	352	N/A
Fading West Homes, LLC	Fading West Homes, LLC	Buena Vista (RR)	\$2,000,000	Modular Finance	450	N/A
Huron Framing LLC dba Huron Components	Huron Framing LLC dba Huron Components	Denver (U)	\$800,000	Modular Finance	2,000	N/A
Timber Age Systems, Inc.	Timber Age Systems, Inc.	Mancos (R)	\$3,805,000***	Modular Finance	122	N/A
Vederra Factory LLC	Vederra Factory LLC	Aurora (U)	\$3,500,000	Modular Finance	316	N/A

*OEDIT county designation: U = urban; R = rural; RR = rural resort

**Modular unit estimates based on projected annual production at year 3 as provided by applicant; estimated units and average Area Median Incomes (AMIs) provided by applicant

***Loan amounts for Azure Printed Homes, Inc., and Timber Age Systems, Inc., were adjusted between award announcements and finalized loan terms

Fiscal Year 2023-2024 Concessionary Debt Applicants Not Selected

All applications were carefully evaluated against statutory and policy priorities. The most common reasons for applicants not being selected included limited availability of program funds and the need to achieve geographic diversity. Additional factors leading to applicants not being selected included noncompliance with environmental sustainability guidelines and failing to demonstrate readiness to proceed.

The most common reasons for applicants not being selected for the Modular and Factory-build Finance subprogram included limited availability of program funds, lack of certainty related to other funding, overall time to produce and bring modular units to market, and small annual production numbers.

Sponsor	Project	Location*	Funding Requested	Loan Option
Archway Communities	Gates Family Housing	Denver (U)	\$750,000	LIHTC Predevelopment Finance
Artspace Projects	Artspace Colorado Springs	Colorado Springs (U)	\$2,100,000	LIHTC Gap Finance
Atlantis Community Foundation	Henninger Legacy Homes	Denver (U)	\$2,405,000	LIHTC Gap Finance
Benton Transit Flats LLC	Benton Transit Flats	Lakewood (U)	\$6,000,000	Multifamily Finance
Boulder County Housing Authority	Willoughby Corner Phase 2	Lafayette (U)	\$750,000	LIHTC Predevelopment Finance
Boulder Housing Partners	Diagonal Plaza	Boulder (U)	\$3,500,000	LIHTC Gap Finance
Chaffee Housing Trust	Chaffee Housing Trust	Pueblo (R)	\$2,000,000	Modular Finance
City of Boulder	City of Boulder	City of Boulder (U)	\$3,000,000	Modular Finance
Cohen-Esrey Development Group	Panorama Heights	Colorado Springs (U)	\$1,500,000	LIHTC Gap Finance
Community Solutions	Abrigo Apartments	Aurora (U)	\$2,974,721	Multifamily Finance
Dominium Development	Firestone Apartments	Firestone (U)	\$750,000	LIHTC Predevelopment Finance
Dominium Development	Atria at Metro Center	Aurora (U)	\$5,000,000	LIHTC Gap Finance
Evergreen Real Estate Group	Rifle Apartments	Rifle (R)	\$2,700,000	LIHTC Gap Finance
GM Development	1025 Broadway	Denver (U)	\$6,000,000	Multifamily Finance
Golden West Communities, Inc.	Mezzanine Redevelopment	Boulder (U)	\$4,050,000	Multifamily Finance

Gorman & Company, LLC	Ruby Vista	Denver (U)	\$1,500,000	LIHTC Gap Finance
Habitat for Humanity Metro Denver	Habitat for Humanity Metro Denver	Denver (U)	\$4,050,000	Modular Finance
Habitat for Humanity Roaring Fork	Habitat for Humanity Roaring Fork	Rifle (R)	\$5,247,568	Modular Finance
Higher Purpose Homes	Higher Purpose Homes	Mancos (R)	\$2,000,000	Modular Finance
Home Trust of Ouray County	River Walk Affordable Rentals	Ouray (RR)	\$3,555,991	Multifamily Finance
Innovative Housing Concepts	The Townhomes at Oxford	Sheridan (U)	\$3,350,000	Multifamily Finance
Koelbel and Company	Spine Road Apartments	Boulder (U)	\$3,000,000	LIHTC Gap Finance
Lincoln Avenue Capital	Marshall Pointe Apartments	Arvada (U)	\$6,000,000	LIHTC Gap Finance
Mental Health Center of Denver d/b/a WellPower	Sheridan on 10th	Denver (U)	\$3,000,000	LIHTC Gap Finance
Metro West Housing Solutions	Williams Pointe	Lakewood(U)	\$1,000,000	LIHTC Gap Finance
Mod Box	Mod Box	Denver (U)	\$5,000,000	Modular Finance
Mosaic Housing	Mosaic Housing	Grand Junction (R)	\$5,000,000	Modular Finance
Northpointe Development II Corporation	Brush Village II	Brush (R)	\$850,000	LIHTC Gap Finance
Notch Mountain Properties	The Postmark at Littleton	Littleton (U)	\$5,000,000	Multifamily Finance
Second Chance Center, Inc.	Residences on Acoma	Denver (U)	\$3,705,253	LIHTC Gap Finance
Solterra Castle Rock Partners, LLC	Bridgewater at Castle Rock	Castle Rock (U)	\$7,000,000	LIHTC Gap Finance
St. Charles Town Company	Overlook @ Uplands	Westminster (U)	\$2,260,000	LIHTC Gap Finance
Sustinabit LLC	Homewood Point	Colorado Springs (U)	\$4,000,000	Multifamily Finance
The NHP Foundation	101 West Main Street	Frisco (RR)	\$3,700,000	LIHTC Gap Finance
The NHP foundation	602 Galena	Frisco (RR)	\$5,000,000	Multifamily Finance
True North	True North	Salida (RR)	\$2,500,000	Modular Finance
Ulysses Development	Columbine Towers	Denver (U)	\$2,518,515	Multifamily Finance
VillaLife	VillaLife	Florence (R)	\$1,800,000	Modular Finance
Windsor Housing Authority	Jacoby Meadows	Windsor (U)	\$2,200,000	LIHTC Gap Finance
Zocalo Development	1600 Meade	Denver (U)	\$3,000,000	LIHTC Gap Finance

*OEDIT county designation: U = urban; R = rural; RR = rural resort

Equity Program

The Equity program provides 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. A Tenant Equity Vehicle (TEV) will be established to benefit the residents of developments that receive Equity investments. After conducting multiple community outreach events, including outreach to U.S. organizations that successfully implemented tenant equity programs, CHFA and OEDIT initiated a request for proposals (RFP) for an implementation consultant to help coordinate the administration of the TEV.



Between March and April 2024, 36 applications were received requesting more than \$313 million in funding requests. In July 2024, six applicants were conditionally awarded \$39.3 million contingent on successful underwriting.

36	\$313M	6	\$39.3M
Applications Received	Applicant Funding Requested	Total Applicants Selected	Total Funds Awarded
4	2	0	628
Urban County Applicants Selected	Rural County Applicants Selected	Rural Resort County Applicants Selected	Total Estimated Units

Fiscal Year 2023-2024 Equity Program Applicants Selected

Sponsor	Project	Location*	Funding Awarded	Equity Option Election	Estimated Units**	Average AMI**
1936 Grove Property Owner LLC	1936 Grove Apartments	Denver (U)	\$3,699,545	Mixed-Income Investment	28	82%
Columbia Ventures	Ballfield at Auraria	Denver (U)	\$15,000,000	Mixed-Income Investment	340	90%
RealAmerica Development	Black Canyon Flats	Montrose (R)	\$8,000,000	Mixed-Income Investment	60	90%
The Szanton Company	302 Conifer	Fort Collins (U)	\$5,806,584	Affordability-Driven Investment	76	82%
Tall Tales Ranch	Tall Tales Ranch	Lone Tree (U)	\$4,112,818	Affordability-Driven Investment	28	67%
Woodbury Housing Authority, LLC	Woodbury Park Apartments	Craig (R)	\$2,771,932	Mixed-Income Investment	96	88%

*OEDIT county designation: U = urban; R = rural; RR = rural resort

**Estimated units and average Area Median Income (AMI) provided by applicant

Fiscal Year 2023-2024 Equity Program Applicants Not Selected

All applications were carefully evaluated against statutory and policy priorities. The most common reasons for applicants not being selected included limited availability of program funds and the need to achieve geographic diversity. Additional factors included limited noncompliance with environmental sustainability guidelines and lack of financial viability.

Sponsor	Project	Location*	Funding Requested	Equity Option Election
1390 Newton, LLC	Newton 140	Denver (U)	\$11,515,283	Mixed-Income Investment
Blue Room Housing, LLC	Blue Room Housing One	Denver (U)	\$4,657,621	Affordability-Driven Investment
Brikwell	121 Main Street	Longmont (U)	\$12,000,000	Mixed-Income Investment
Cityline Station, LTD	Cityline Station	Greeley (U)	\$6,878,619	Mixed-Income Investment
Colorado Coalition for the Homeless	Park Avenue Apartments, Phase II	Denver (U)	\$12,500,000	Affordability-Driven Investment

Delwest Development Corp.	The Vista at Greyhound Park	Commerce City (U)	\$4,500,000	Mixed-Income Investment
DHN Development, LLC	Mosaica Phase II	Colorado Springs (U)	\$6,053,498	Mixed-Income Investment
Dikeou Realty	1455 Logan	Denver (U)	\$7,620,886	Mixed-Income Investment
Draper Commons Land Holdings LLC	Bristow House - Draper Commons Phase II	Colorado Springs (U)	\$12,890,130	Mixed-Income Investment
Evergreen Real Estate	Columbine Apartments	Craig (R)	\$7,588,793	Affordability-Driven Investment
Flywheel Capital	Perch on Colfax and Winona	Denver (U)	\$8,000,000	Mixed-Income Investment
Four Points Funding LLC	Ark Valley Flats	Olney Springs (R), Las Animas (R), Granada (R), Springfield (R)	\$4,062,735	Mixed-Income Investment
Gorman & Company, LLC	Prairie Run Apartments	Hayden (RR)	\$7,966,210	Affordability-Driven Investment
Habitat for Humanity of Grand County, Colorado	Habitat Morris Project	Granby (RR)	\$3,800,000	Affordability-Driven Investment
Headwaters Housing Partners	The Terminal	Grand Junction (R)	\$15,000,000	Mixed-Income Investment
Home Trust of Ouray County	River Walk Affordable Rentals	Ouray (RR)	\$2,915,531	Affordability-Driven Investment
Kearney 1 LLC	Kearney Town Homes	Commerce City (U)	\$11,673,248	Affordability-Driven Investment
Land Capital LLC	Gateway Village	Leadville (R)	\$7,200,588	Mixed-Income Investment
Live Forward Development	J42	Denver (U)	\$15,000,000	Mixed-Income Investment
Live Forward Development	Delo Boom	Louisville (U)	\$15,000,000	Mixed-Income Investment
Mercy Housing Mountain Plains	Loretto Heights Apartments	Denver (U)	\$5,913,321	Affordability-Driven Investment
MGL Partners	High Point Workforce Apartments	Denver (U)	\$9,734,568	Mixed-Income Investment
Mountain Affordable Housing Development	Victoria Village Affordable Housing Development	Fraser (RR)	\$6,500,000	Affordability-Driven Investment
Mt. Carmel Wellness & Community Center	Holy Trinity Apartments	Trinidad (R)	\$5,000,308	Affordability-Driven Investment
New Communities LLC	Meade St. Micros	Denver (U)	\$5,163,450	Mixed-Income Investment
Revesco Properties	Akin Union Station	Denver (U)	\$9,710,258	Mixed-Income Investment
Sherman Associates	Westminster Station Apartments	Westminster (U)	\$15,000,000	Mixed-Income Investment
TWG Development	Geode Flats	Fruita (R)	\$14,000,000	Affordability-Driven Investment
TWG Development	Shadow Mountain	Colorado Springs (U)	\$12,900,000	Mixed-Income Investment
Ulysses Development Group	Federal and 60th	Adams County (U)	\$13,500,000	Mixed-Income Investment

*OEDIT county designation: U = urban; R = rural; RR = rural resort

Affordable Housing Financing Fund

ColoradoAffordableHousingFinancingFund.com



COLORADO
Office of Economic Development
& International Trade

