

Proposition 123: 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), funded through Proposition 123 program earnings, will be established by OEDIT, CHFA, and a third-party administrator to benefit the residents of developments that receive Equity financing.



Guidelines 02-12-2025

Eligible Projects	<ul style="list-style-type: none"> • Low-income multifamily affordable rental developments • Middle-income multifamily affordable rental developments • Preservation of existing developments at risk of losing affordability • This equity cannot be paired with federal or state Housing Tax Credit equity <p>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.</p>
Program Benefits	<ul style="list-style-type: none"> • Flexible source of capital with below-market return expectations • Structured with equity returns based on available cash flow
Eligible Project Sponsors	For-profits, nonprofits, governmental entities including housing authorities, and tribal governments
Maximum Investment	The maximum Program Investment amount is \$15,000,000. Investment size will be based on a comprehensive evaluation of the project’s financials, supporting documentation, and available program funding.
Minimum Investment	\$1,500,000
Eligible Uses	Eligible project costs include acquisition, construction hard costs, professional fees, financing costs, soft costs, and reserves. Projects using modular construction with an advance factory deposit requirement may be able to use Equity funds for this purpose.
Investment Returns	Below-market returns based on available annual cash flow, with any remaining capital paid in full or in part at a capital event. The Program Investment term is up to 30 years.
AMIs Served	Not to exceed 90% average AMI for all restricted units
Fees	1% investment placement fee; construction monitoring and compliance fees; standard closing costs
Affordability Requirements	A Regulatory Agreement ensuring affordability for 30 years will be required, which must include a two-year notice of sale to local government.
Priorities	<ul style="list-style-type: none"> • Statutory Priorities: High-density housing, mixed-income housing, environmental sustainability • Strategic Policy Priorities: Shovel-ready projects that result in new units, use of Colorado manufactured modular/offsite building technology, if reasonably cost-competitive with traditional construction methods; inclusion of home-based child care or commercial child care facilities; and geographic diversity

This is intended only to highlight certain program requirements. Investments are subject to other requirements including the CHFA Credit Policy and applicable operating and replacement reserve requirements. Please note that programs are subject to change.



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Environmental Sustainability Standards

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

1. Certification from one of the following:
 - a. Enterprise Green Communities Certification Plus
 - b. Enterprise Green Communities
 - c. Zero Energy Ready Homes
 - d. Energy Star NextGen Certification
 - e. National Green Building Standards
2. Projects located in jurisdictions that have not adopted the 2021 or higher International Energy Conservation Code may opt out of the certification if they commit to using the 2021 or higher IECC and State Model Energy and Solar Ready codes when they develop the units. Note: per SB24-214, on or after January 1, 2025, all State funded projects with new units are required to use Energy Star appliances.
3. Projects within Transit-oriented Communities (TOC), defined by HB24-1313, must be within the Transit Area Maps found at engagedola.org/land-use-and-housing/news_feed/updates-to-hb24-1313-transit-oriented-communities-maps. All projects not located in TOCs must be located within one half mile of a regularly scheduled transit stop or community center where jobs and services are located.
4. All projects must have water efficient design inside and outside. Full guidance can be found at coloradowaterwise.org.
6. All projects must monetize federal and state energy efficiency tax credits. See the Colorado Multifamily Affordable Housing Electrification Hub at multifamily-ehub.chfainfo.com for a list of energy credits available.
7. Projects must report utility costs and performance to the Energy Star Portfolio Manager system (portfoliomanager.energystar.gov).

Please see full application requirements and complete program guidelines at coloradoaffordablehousingfinancingfund.com/equity.

How to Apply

Starting Monday, February 24, 2025, applications will be available and accepted for the Proposition 123 Equity program. The application period will close on Tuesday, March 18, 2025, at 5:00pm MT.

Applications and complete program guidelines may be downloaded at coloradoaffordablehousingfinancingfund.com/equity, and questions about the Equity program may be submitted to equity@chfainfo.com.

February 24, 2025	CHFA will begin accepting applications.
March 18, 2025	Application submission period will end at 5:00pm MT.
May 2025	CHFA will announce project sponsors selected to receive Equity funds.

Contacts

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