

Affordable Housing Financing Fund

Contact
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ColoradoAffordableHousingFinancingFund.com

Proposition 123: Concessionary Debt Program Multifamily Finance

The program provides debt financing to eligible for-profit and nonprofit entities, local governments including housing authorities, and tribal governments for the creation of affordable housing.



Guidelines 11-20-2025

Eligible Projects	<ul style="list-style-type: none">• Low- and middle-income multifamily affordable rental developments• Preservation of existing developments at risk of losing affordability
Program Benefits	<ul style="list-style-type: none">• Below-market interest rates• Flexible repayment terms• Senior debt or subordinate financing available
Program Allocation	Program funding is 15% to 35% of total Affordable Housing Financing Fund annual allocation
Eligible Borrowers	For-profit, nonprofits, governmental entities including housing authorities, and tribal governments
Program Limits	Maximum loan size limited to the lesser of 90% of value or cost when considering all must-pay debt, debt service coverage ratio of 1.15 as a senior loan and 1.05 as a subordinate loan when combined with the senior debt, or \$6,000,000, whichever is less. The maximum loan limit may be reduced based on funding availability.
Minimum Debt Financing	\$400,000
Use of Proceeds	Eligible project costs include acquisition, construction hard costs, professional fees, financing costs, soft costs, and reserves.
Loan Repayment	Amortizing and non-amortizing loan structures available based on underwriting
AMIs Served	<ul style="list-style-type: none">• Not to exceed 60% average AMI for all restricted units comprising the project• If debt is subordinate, the senior debt AMI requirements may be operative instead, provided those requirements demonstrate alignment to the debt program's intent to support low- and middle-income multifamily rental housing.• Up to 25% of the development's units may be unrestricted but would be excluded from eligible project financing
Collateral	Loans will be collateralized by the project assets
Interest Rates and Fees	<ul style="list-style-type: none">• 2.5% fixed rate• Standard loan closing costs
Affordability Restrictions	A Regulatory Agreement requiring affordability for the greater of the loan term or 30 years will be required.
Priorities	<p>Statutory Priorities:</p> <ul style="list-style-type: none">• High-density housing• Mixed-income housing• Environmental sustainability <p>Strategic Policy Priorities:</p> <ul style="list-style-type: none">• Shovel-ready projects that result in new units• Use of modular/off-site building technology produced in Colorado• Inclusion of home-based or commercial child care facilities• Geographic diversity

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.

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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 debt financing to eligible low- and middle-income rental projects, including debt financing of existing affordable housing projects for purposes of preserving the affordable rental units. Shovel-ready projects that result in the construction of new units will be prioritized during the FY2025-2026 funding round.

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 completed and received approval of a Proposition 123 Local Government Affordable Housing Commitment from the Colorado Department of Local Affairs - Division of Housing. More information is available on DOLA's website at <https://cdola.colorado.gov/prop123>. For-profit entities, nonprofit, government entities including housing authorities, and tribal governments with prior experience in developing affordable housing are eligible to apply.

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.

Can the program be utilized as a construction or a permanent loan?

Loans from the Program may be structured as construction and/or permanent financing. Permanent loans are eligible for loan terms up to 30 years unless in subordinate position and the senior lender requires a longer term. The minimum loan size is \$400,000 and maximum size varies by type of use and available program funding.

How to Apply

Concessionary Debt Process and Timeline

Starting November 20, 2025, and continuing until 5:00pm MT on December 18, 2025, applications will be accepted for Concessionary Debt Multifamily Finance and Concessionary Debt LIHTC Predevelopment loan options.

Please sign up for the [Proposition 123 Affordable Housing Financing Fund eNews](#) at coloradoaffordablehousingfinancingfund.com to be alerted to future funding opportunities.

Application Timeline

November 20, 2025	Application submission period begins for Concessionary Debt Multifamily Finance, Concessionary Debt LIHTC Predevelopment, and Concessionary Debt LIHTC Gap
December 18, 2025	Application submission period will end at 5:00pm MT.
January 2026	Funding selections will be announced.

Contacts

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