



proposition 123

Colorado Housing and Finance Authority (CHFA)
Colorado Office of Economic Development and
International Trade (OEDIT)



COLORADO
Office of Economic Development
& International Trade

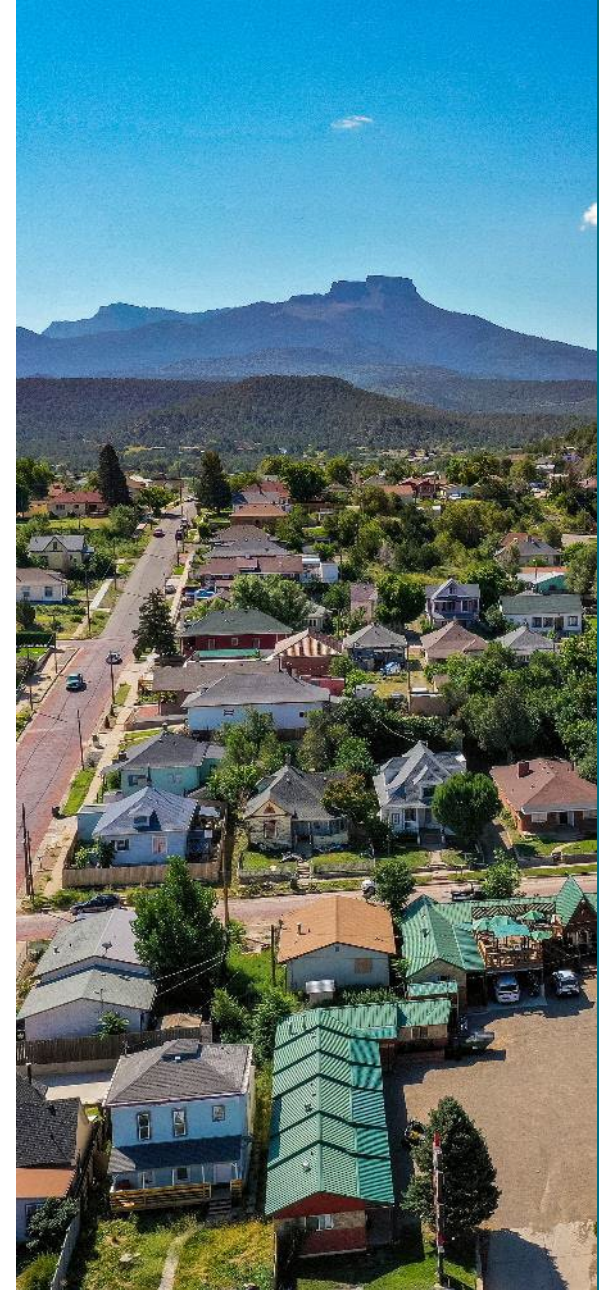


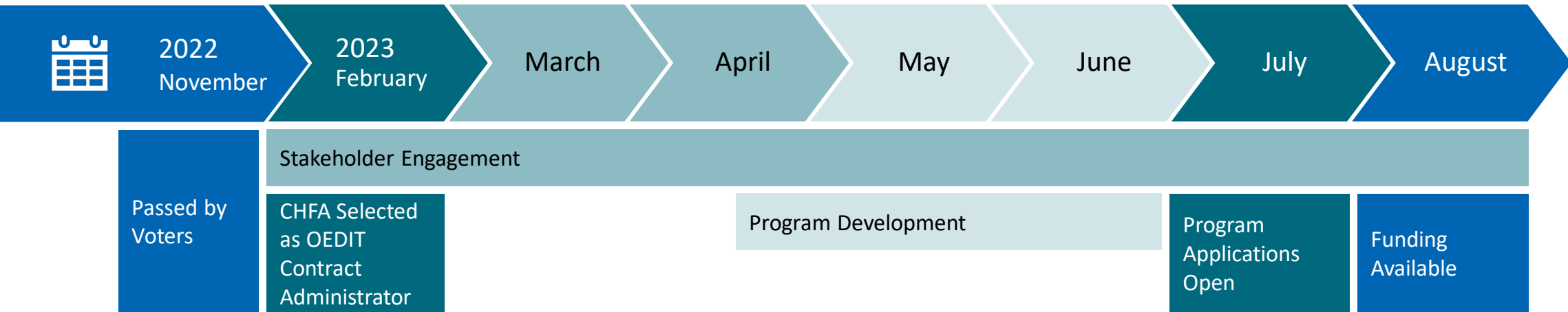


welcome

our goals for today

- Provide Financing Fund program overview
- Listen and hear from you
- Invite additional comments and engagement
 - OEDIT website portal
 - Small group webinars
- Share next steps





Targeted Engagements

February 2:
Rural Voices of Colorado

February 21:
Metro Mayors Caucus Housing, Homelessness and Hunger Subcmte.

February 23:
DRCOG

March 17: DOH Engagement – Local Eligibility Commitments

March 24:
DOH Engagement-Affordable Housing Support Fund

April 4: OEDIT-CHFA Affordable Housing Financing Fund Overview and Engagement

April 12: Metro Mayors Caucus

April 18: Colorado Mountain Housing Coalition Conference

April-May: OEDIT-CHFA Program Webinars

May 11: Colorado NAHRO Conference

July-August:
DOH, CHFA, and Housing Colorado Stakeholder Engagement Series

July 12: Grand Junction

July 13: Durango

July 18: Pueblo

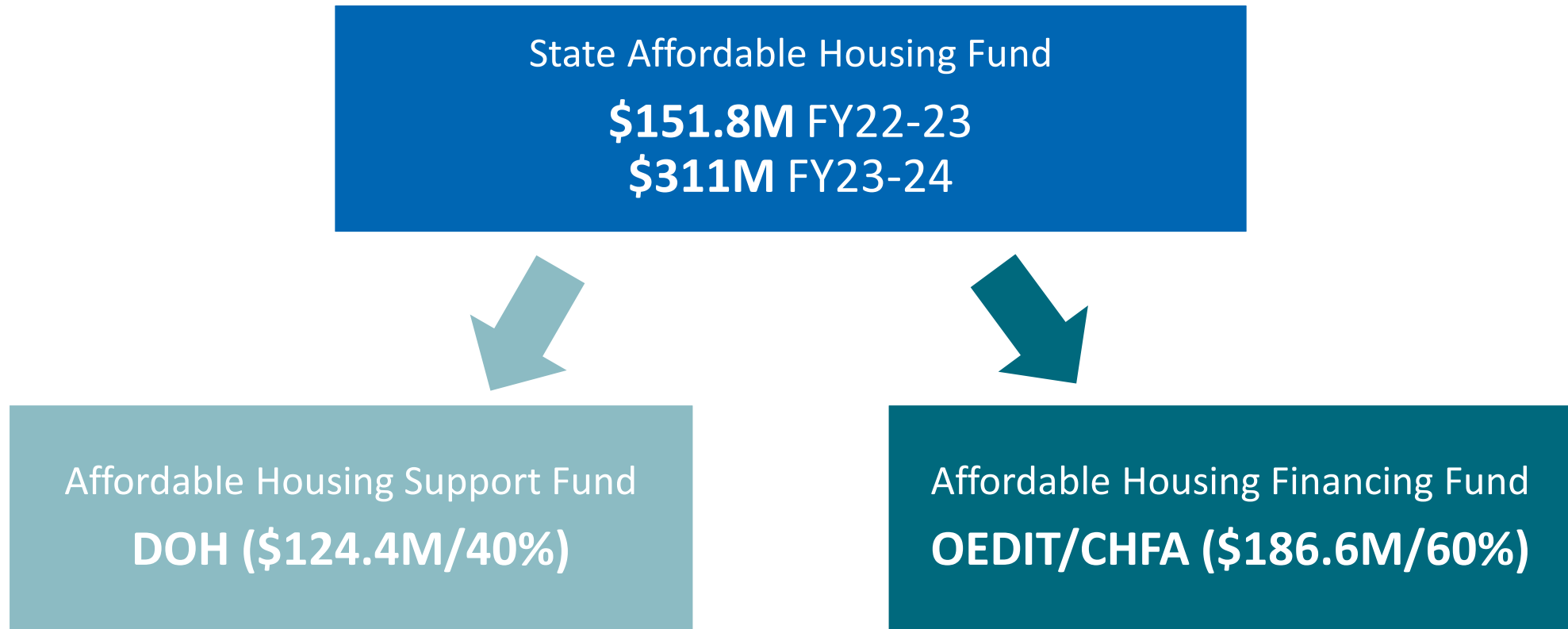
July 26: Fort Collins

August 8: Frisco



affordable housing financing fund: program overview

proposition 123



Affordable Housing Financing Fund

Office of Economic Development and International Trade (OEDIT), Administered by CHFA

Land Banking



Equity Financing



Debt Financing





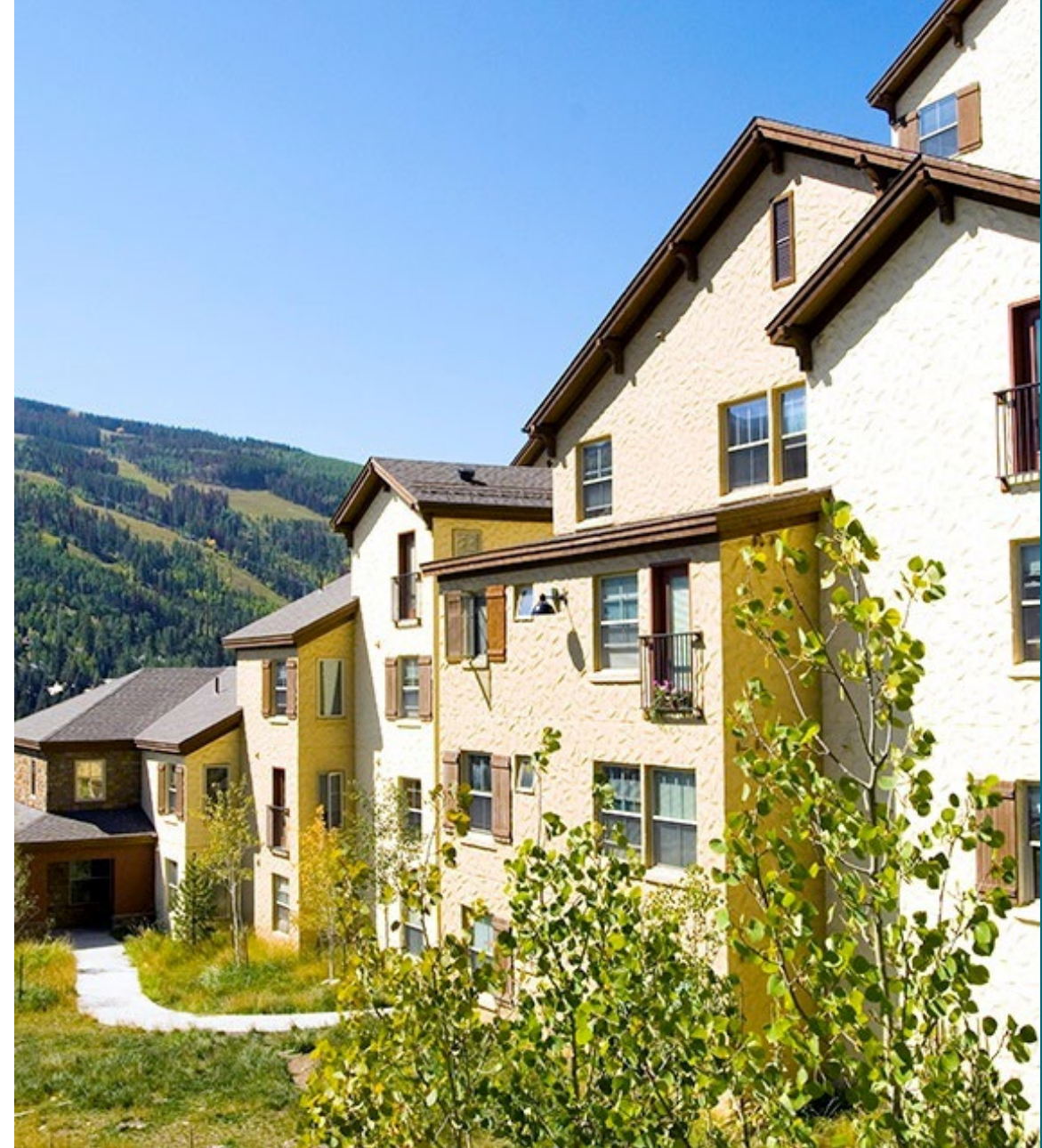
land banking program

funds available

\$27M-\$46M

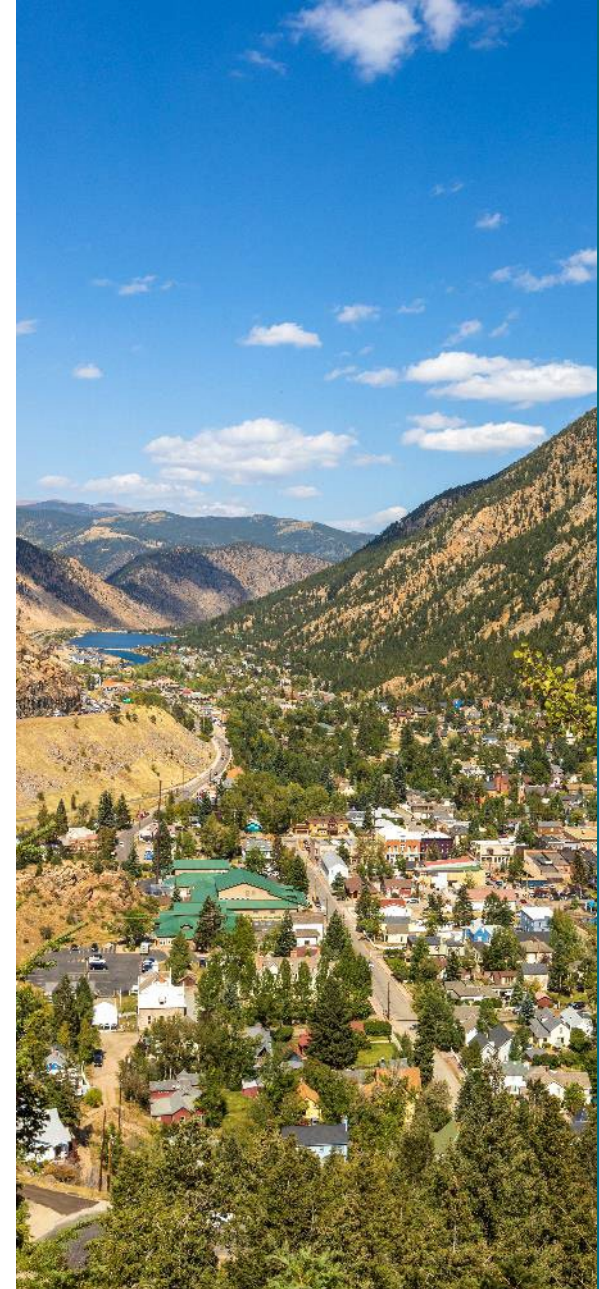
Range:

15% to 25% of the
Financing Fund



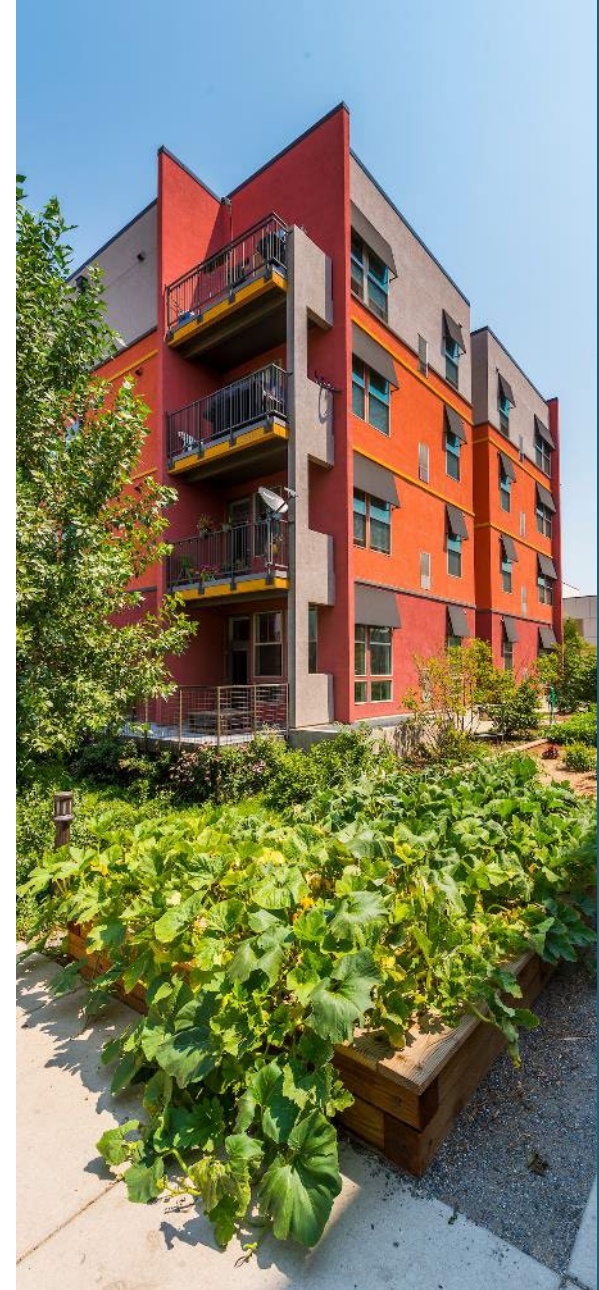
requirements

- Provide grants to local governments.
- Provide forgivable loans to nonprofit organizations with a demonstrated history of providing affordable housing.
- Mixed-use development is allowable if the predominate use is affordable housing.



structure

- Loans shall be forgivable **if** certain key elements are achieved within stated timeframes (Five year and 10 year deadlines), such as zoning, final permitting, and funding
- If the borrower doesn't meet the timeline they must repay the loan **or** transfer the property to a state agency or another entity (to develop affordable housing with interest waived)



area median income (ami) served

Without stating a specific AMI, the program supports acquisition and preservation of land for the development of “affordable housing.”



- Affordable housing is defined as:
 - rental housing at 60% of the AMI and does not cost the household more than 30% of its monthly income; and
 - for-sale housing for households earning 100% or less AMI and costs the household less than 30% of its monthly income.



equity program

funds available

\$74M-\$130M

Range:

40% to 70% of the
Financing Fund



requirements

- Provide “below-market-rate” equity investments in low- and middle-income multifamily rental developments or existing affordable housing projects.
- “Below-market-rate” is undefined.
- The measure requires developments that receive equity financing to have a Tenant Equity Vehicle (TEV).



structure

Equity terms, expected returns, and financing structures are not defined.



area median income (ami) served

- Low- and middle-income are not defined in the measure, but households participating must not pay more than 30% of their income on rent if they make at or below 90% AMI.
- The average rent for all units must not exceed 90% AMI – developments may have a range of AMIs, the average of which cannot exceed 90% AMI.





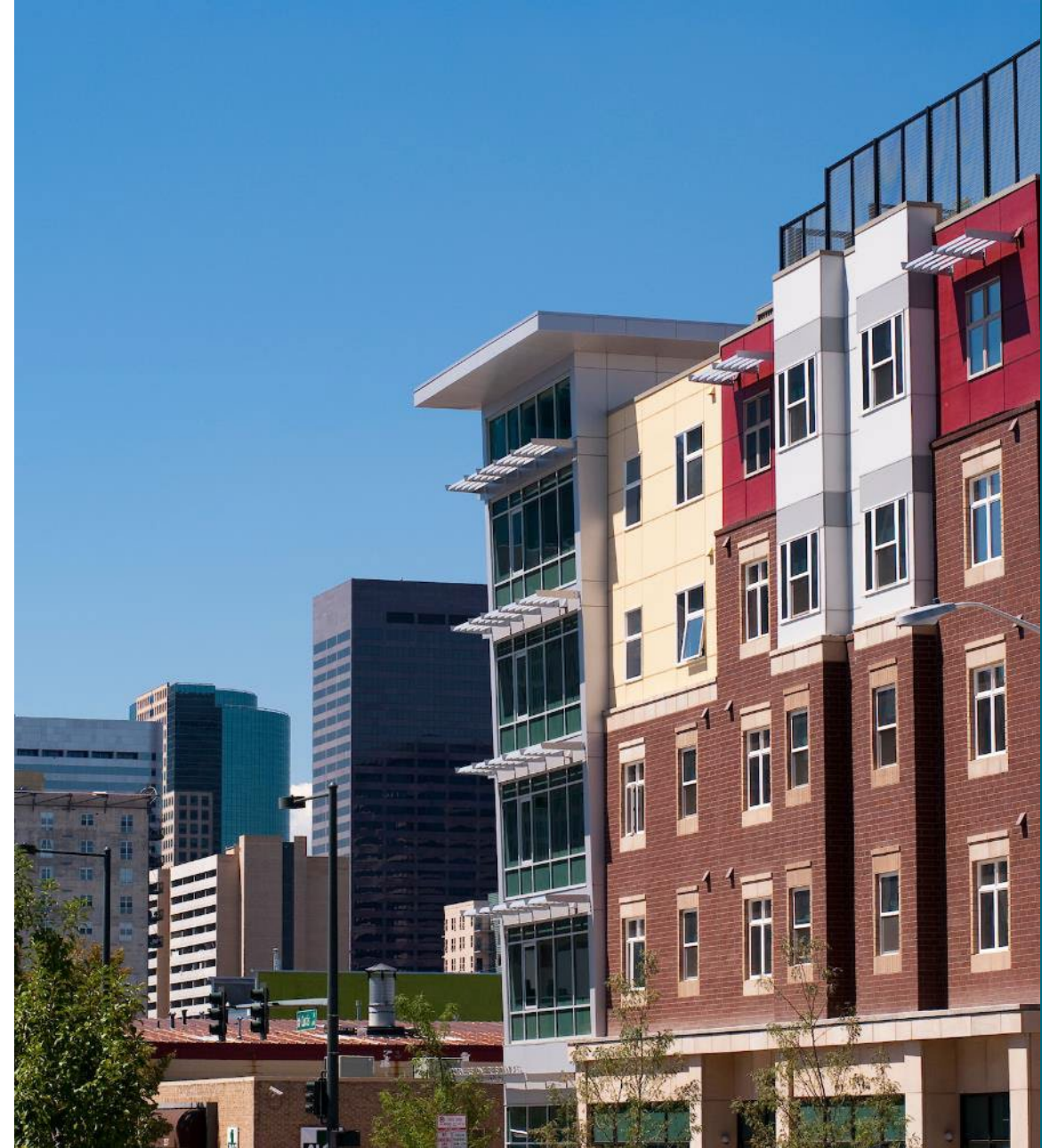
concessionary debt program

funds available

\$27M-\$65M

Range:

15% to 35% of the
Financing Fund



requirements

This program has four components, though there is no requirement of how to allocate funding between the four components.



AMI served – Average of 60%, unless secondary source of funding

- Debt financing for low- and middle-income multifamily rental developments
- Gap financing in the form of subordinate debt and predevelopment loans for projects that qualify for Housing Tax Credits
- Debt financing for existing affordable housing projects for the purpose of preserving existing affordable multifamily rental units
- Debt financing for modular and factory-build housing manufacturers

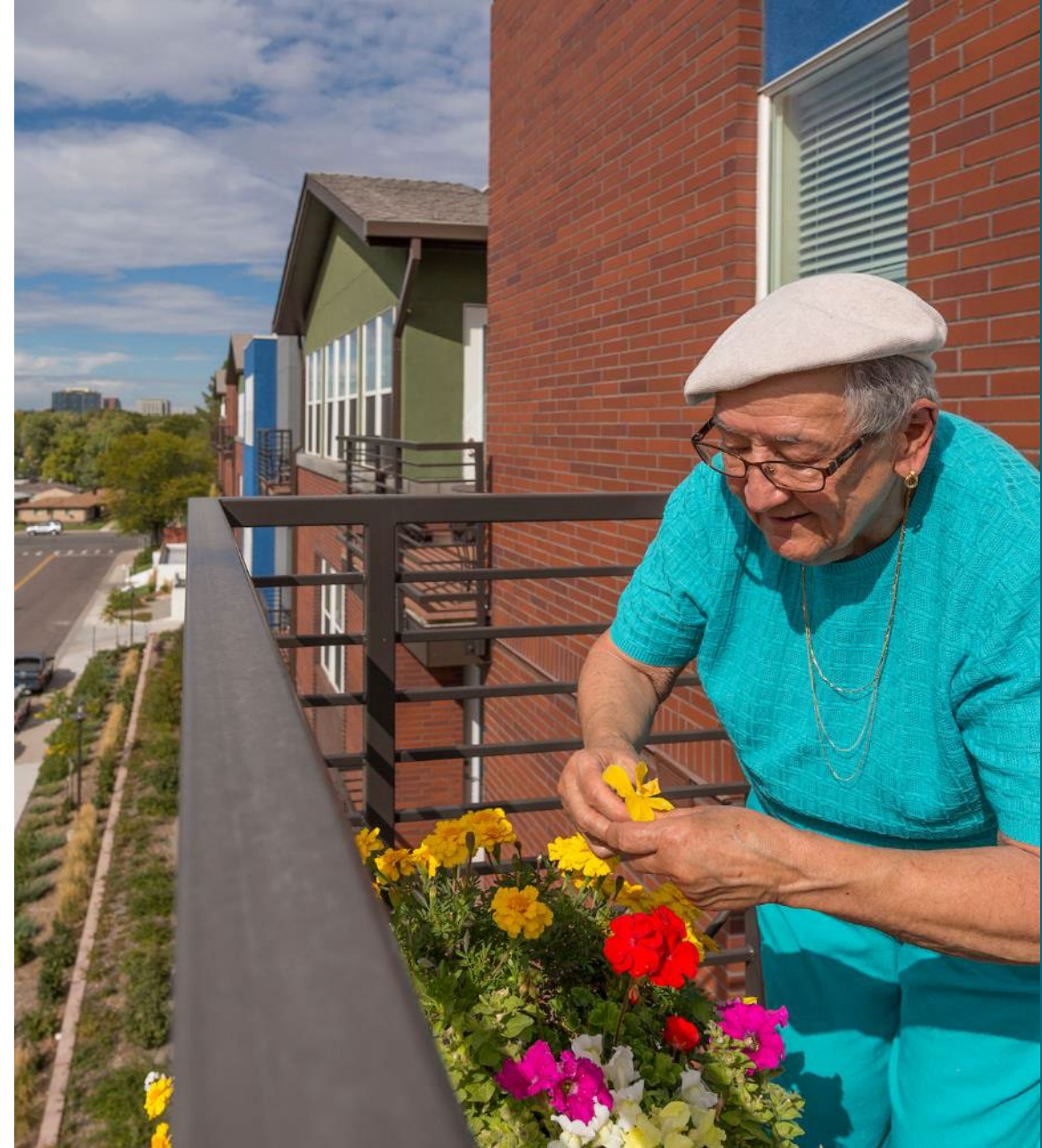
structure

- Loans terms and structures are not defined in the measure.
- Returns on program investments greater than the initial investment will fund the Tenant Equity Vehicle (TEV) created by the measure.



priorities

Projects that achieve high-density housing, mixed-income housing, and projects consistent with the goal of environmental sustainability will be prioritized.





discussion and questions

proposition 123: land banking

The program provides grants to local governments and loans to nonprofit organizations to acquire and preserve land of the development of affordable housing.



| | |
|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Eligible Projects | <ul style="list-style-type: none">Acquisition of land for the development of affordable housing and mixed use if the predominate use is affordable housing |
| Program Benefits | <ul style="list-style-type: none">Grants to local governments, including public housing authoritiesForgivable loans to nonprofits if certain milestones are achieved |
| Program Size | <ul style="list-style-type: none">15% to 25% of Affordable Housing Financing Fund (AHFF) allocation |
| Forgivable Loan Terms | <ul style="list-style-type: none">Proper zoning and development plan within five yearsPermitted and funded within 10 years |
| Conditional Loan Repayment | <ul style="list-style-type: none">If milestones are not achieved by five and 10 years, the loan must be repaid unless the land is conveyed to a state agency or other entity for the development of affordable housing with the approval of CHFA. |
| AMIs Served | <ul style="list-style-type: none">Rental: 60% AMI and belowHomeownership: 100% AMI and belowHUD rent and income limits as adjusted by county and household size |
| Priorities | <ul style="list-style-type: none">High-density housingMixed-income housingEnvironmental sustainability (how to do it with land banking) |



breakout room transition

proposition 123: equity

The program provides equity investments in low- and middle-income multifamily rental developments for the purpose of creating new units or preserving existing affordable units.

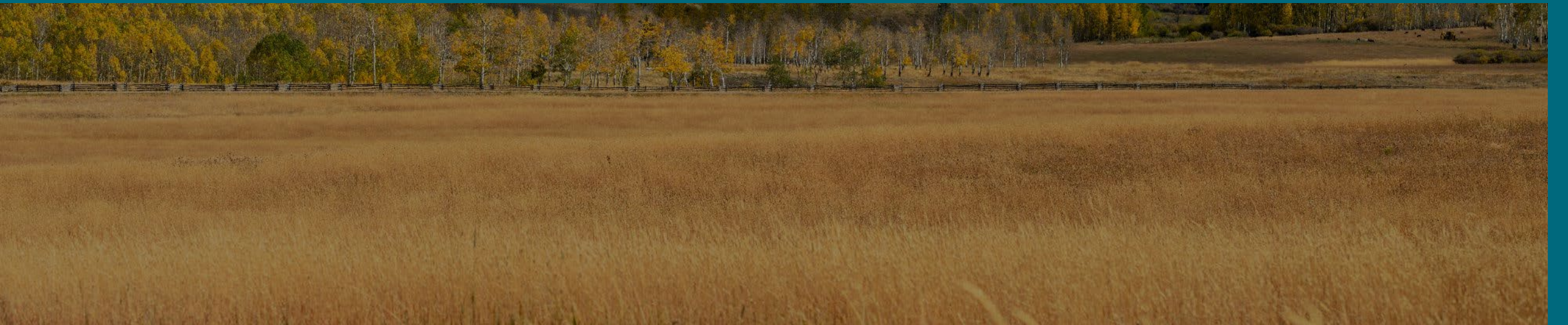


| | |
|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Eligible Projects | <ul style="list-style-type: none">• Construction of new low- and middle- income multifamily rental units• Preservation of existing affordable housing units |
| Program Benefits | <ul style="list-style-type: none">• Below-market equity |
| Eligible Borrowers | <ul style="list-style-type: none">• For-profit and nonprofit |
| Program Size | <ul style="list-style-type: none">• 40% to 70% of Affordable Housing Financing Fund (AHFF) allocation |
| AMIs Served | <ul style="list-style-type: none">• 90% AMI average for all restricted units• HUD rent and income limits as adjusted by county and household size |
| Tenant Equity Vehicle | <ul style="list-style-type: none">• A Tenant Equity Vehicle will be established to support down payment assistance for tenants who reside in the project for at least one year. |
| Priorities | <ul style="list-style-type: none">• High-density housing• Mixed-income housing• Environmental sustainability |

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.



breakout room transition



proposition 123: concessionary debt

The program provides debt financing to for-profit and nonprofit entities for the creation and preservation of affordable housing including manufacturers which build modular and factory-built housing.



Eligible Projects

- Low- and middle-income multifamily rental developments
- Projects that qualify for Housing Tax Credits
- Preservation of existing affordable housing units
- Modular and factory-build housing manufacturers

Program Benefits

- Below-market interest rates
- Subordinate financing available

Eligible Borrowers

- For-profit, nonprofit, and governmental entities

Program Size

- 15% to 35% of Affordable Housing Financing Fund (AHFF) allocation

Loan Repayment

- Amortizations up to 30 years

AMIs Served

- 60% average AMI for all restricted units
- If debt is subordinate, senior debt establishes the AMI
- HUD rent and income limits as adjusted by county and household size

Collateral

- Loans will be collateralized by the project assets.

Affordability Restrictions

- A Land Use Restriction Agreement requiring affordability for the greater of the loan term or 10 years will be required.

Priorities

- High-density housing
- Mixed-income housing
- Environmental sustainability

This is intended only to highlight certain CHFA program requirements. Loans are subject to other requirements including the CHFA Credit Policy and applicable operating and replacement reserve requirements.

breakout room completion

stay engaged



Comments

Submit comments or questions on the OEDIT website:

<https://oedit.colorado.gov/proposition-123-colorado-affordable-housing-financing-fund>

Subscribe

Subscribe to CHFA *Community Connections eNews* for updates:

<https://lp.constantcontactpages.com/su/HqCgsDb/CommunityConnections>



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thank you!
