



**COLORADO**  
Department of Local Affairs

# Proposition 123

# Prop 123 - Recap

- Approved by Colorado voters in 2022
- Establishes the **State Affordable Housing Fund**
- A **sustainable funding source for Colorado communities** to make progress in addressing housing affordability challenges
- **OPPORTUNITY** to access dedicated and sustainable source of funding for affordable housing projects and initiatives for communities:
  - Municipalities, Counties, Tribal Governments
  - Developers
  - Non-profits
  - Other third party agencies or people



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# Prop 123 - Recap

- Opting in by Nov 1, 2023 (i.e., submit a commitment) makes your jurisdiction and all developers eligible to apply for 123 funds for projects in your community until Nov 1, 2026
- Nov 1, 2026 - show your community met the commitment/target number of units and adopted expedited review for affordable housing projects (“Fast-Track”)



# What is a Local Government Commitment?

Objective: Increase affordable housing by 3% annually (or 9% over 3 years)

- New housing - permitted
- Existing housing - converted from market rate to affordable with some mechanism to preserve affordability, such as a deed restriction or Land Use Restrictive Agreement (LURA).



# Peer communities that have filed so far:

**19 DRCOG member governments  
statewide**

## **Municipalities**

- ★ City and County of Denver
- ★ City of Aurora
- ★ City of Lakewood
- ★ City of Arvada
- ★ City of Boulder
- ★ City of Westminster
- ★ City of Longmont
- ★ City/County of Broomfield
- ★ City of Littleton
- ★ City of Englewood

**67 jurisdictions,**

## **Municipalities, continued**

- ★ City of Lafayette
- ★ City of Golden
- ★ Town of Erie
- ★ City of Sheridan
- ★ City of Edgewater
- ★ City of Lone Tree
- ★ Town of Bennett

## **Counties**

- ★ Boulder County
- ★ Gilpin County

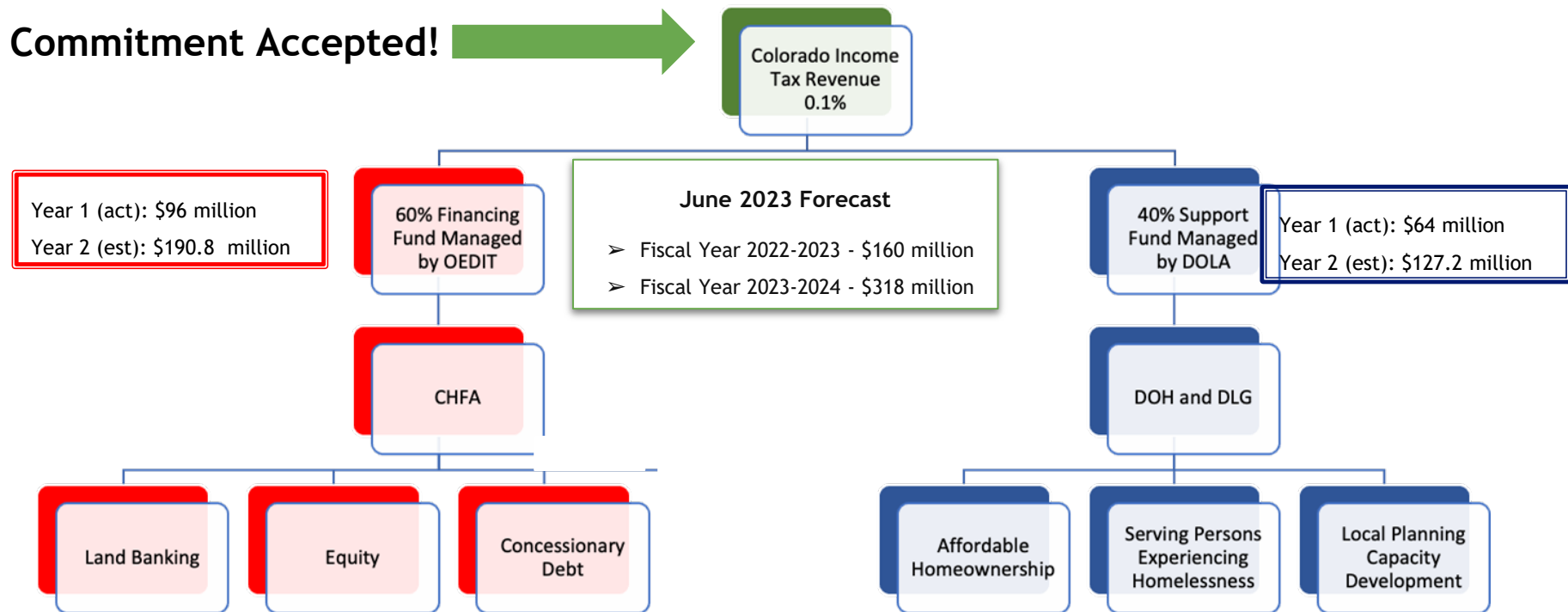


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# State Affordable Housing Fund

Commitment Accepted!



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# Affordable Housing *Finance* Fund (CHFA/OEDIT)

**Year 1 (act): \$96 million**

**Year 2 (est): \$192 million**

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## Land Banking

Grants and forgivable loans  
to acquire and preserve  
land for affordable housing  
development



## Equity

Equity investment to  
support the creation or  
preservation of low- and  
middle-income multifamily  
rental development



## Concessionary Debt

Loans to support the  
creation and preservation  
of affordable rental housing



## Modular and Factory-build Finance

Loans to support the  
creation or preservation of  
modular and factory build  
manufacturers



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[ColoradoAffordableHousingFinancingFund.com](http://ColoradoAffordableHousingFinancingFund.com) 7

# Funding - Affordable Housing *Support* Fund

Year 1 (actual): \$64 million

Year 2 (estimate): \$127.2 million



50%



## Affordable Homeownership Programs

Down payment assistance and grants and loans for homeownership

45%



## Programs Serving Persons Experiencing Homelessness

Funding for people experiencing or at risk of homelessness

5%



## Local Planning Capacity Grant Program

Grants to local & tribal governments to increase capacity of local govt planning departments.



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# Common Questions & Concerns Addressed

- Local govt commitment unlocks access to new funds
- Opting in allows local govt & all developers, nonprofits, individuals access to funds
- No penalty for not filing or for not reaching the unit target (9% - 3 yrs)
- It's not solely up to the local govt to develop the units
- Counties commit to an increase in units for unincorporated area only
- Can't meet target by Nov 1, 2026? Sit out for a year, submit new commitment for 2028-29
- Once filing is accepted, only the community name is published on DOLA's site

# Common Questions & Concerns Addressed

- DOH will only ask you to re-submit your filing if it is incomplete or not compliant with statute.
- Fast Track compliance not required until Nov 1, **2026**
- Conversion of units also counts towards the annual target
- Loss of existing affordable units does not affect meeting commitment
- New units count toward commitment at **building permit**; they do not have to have CO by end of 3 years
- Can start counting units produced as soon as filing is accepted
- Local govts can develop regional partnerships to meet commitments

# Questions

## DOLA Division of Local Government

- [Andy Hill](#), Director, Community Development Office
- [Robyn DiFalco](#), Program Manager, Local Planning Capacity Grant Program (Prop 123)



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& International Trade





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**Thank You!**

# What is the Fast-Track Approval Process?

- **Not required** for this first iteration; must be in place for commitment due **November 1, 2026**
- Final decision on a complete application (special permit, variance, or other development permit)
  - 50% or more of the units constitute affordable housing (does not apply to subdivisions)
    - 90 calendar days
      - Option to extend for an additional 90 calendar days at the request of the developer or for a review period required by another local govt or agency where approval is required
      - Grant extensions for additional information or revisions
        - **30 days** from response (5 business days to respond)
- DOLA will engage local govt planners, developers, and other stakeholders to develop Fast Track guidance this fall