

state affordable housing tax credit



2020 annual report

Revised April 12, 2021



*financing the places where
people live and work*

please note

Revised April 12, 2021

The enclosed summary highlights a revised Colorado Affordable Housing Tax Credit (state AHTC or state credit) program report for the 2020 calendar year. This replaces the previously issued report published on December 21, 2020, in fulfillment of C.R.S. 39-22-2108, and documents 2020 state credit award adjustments effective first quarter 2021.

On December 27, 2020, President Trump signed into law legislation that fixed the minimum credit rate for the federal 4 percent Low Income Housing Tax Credit. This legislative change was supported by Colorado Housing and Finance Authority (CHFA) as well as affordable housing advocates nationwide and has resulted in strengthening the federal 4 percent tax credit program. CHFA's estimates indicate the 4 percent minimum rate will result in a 30 percent increase in federal tax credits.

As Colorado's housing credit allocating agency, CHFA is bound by state and federal law, as well as by our own fiduciary judgement, to ensure that developments supported with state and/or federal tax credits receive only the minimum credit necessary for financial feasibility. Following enactment of the federal legislation, CHFA partnered with the 2020 state credit awardees, investors, and funding partners to reevaluate credit awards. The result is a savings of \$3.8 million in state credit that will be available for future allocation in 2021 and 2022; thereby increasing the total amount of affordable housing benefit to the state of Colorado.

Effective first quarter 2021, each of the 2020 state and 4 percent federal awardees received a new credit award tailored to ensure their continued ability to proceed. In addition, one awardee no longer requires state credit in order to remain financially feasible due to the increased impact of their federal credit award, while another awardee was able to add one additional affordable housing unit to their development.

The following chart illustrates both the original awards made as part of CHFA's state and 4 percent credit award round in November 2020 and the revised awards effective first quarter 2021.

Round Two Awards	November 2020 (pre-4 Percent Minimum Rate)	Revised Q1 2021 (after 4 Percent Minimum Rate)
Developments supported with state and 4% credit	12	11
Development supported with 4% credit (no state AHTC)	NA	1
Total units supported	994	995*
4% federal credit awarded	\$10.9M	\$14.3M
State credit awarded	\$10.3M	\$6.5M

*Design change allowed an additional unit.

Updates have been made throughout this report to reflect the revised state credit awards.



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December 21, 2020

Letter Revised April 12, 2021

Dear Members of the Colorado General Assembly,

The enclosed summary highlights CHFA's administration of the Colorado Affordable Housing Tax Credit program (state AHTC or state credit) in 2020. This report is intended to fulfill the reporting requirements as detailed in C.R.S. 39-22-2108.

In 2020, CHFA awarded state AHTC to 11 developments that, combined, will finance the construction or preservation of 853 affordable apartments in Arvada, Aurora, Colorado Springs, Denver, Fort Collins, and Steamboat Springs. The private-sector equity investment generated from the sale of both state and federal tax credits allocated to these developments is estimated to be \$126 million. Additionally, CHFA estimates that more than \$438.3 million in economic impact will result from the development of the 853 units supported.

While the pandemic's impacts have been felt across the state, CHFA is proud to have been able to continue its work awarding housing tax credits without interruption during the past year. The state AHTC competitive allocation round was conducted virtually, enabling awards to be announced as scheduled. Likewise, CHFA's staff has maintained ongoing communication with prior awardees to understand and help manage any construction schedule or budget adjustments anticipated due to the changing environment.

Innovation was clear among the 11 developments awarded state credit this year. Developments supported will provide supportive housing for people transitioning out of homelessness, housing for youth aging out of foster care, housing for veterans and their families, mixed-income communities anchored with commercial space for community-based businesses and nonprofits, and an apartment community anchored with an early childhood education center for residents. Four properties will be developed using the Zero Energy Ready Homes (ZERH) advanced energy performance program. Two are targeted to serve older adults.

CHFA is pleased to serve as the state's AHTC administrator. This resource has proven critical to helping local communities provide more housing options for their older adults, veterans, and workforce. Additional program information is provided in the following pages for your review.

Sincerely,

A handwritten signature in black ink that reads "Cris A. White".

Cris A. White
Executive Director and CEO

2020 program results

Revised April 12, 2021

853 housing units directly supported

- In 2020, the state Affordable Housing Tax Credit (state AHTC) program directly supported 853 affordable rental units and will enable CHFA to support the development or preservation of more than 3,160 units overall.*
- The median household income of residents living in state or federal tax credit-supported units is \$22,697 or approximately 30 percent of Colorado's statewide Area Median Income (AMI).
- As an example, in 2020, 30 percent AMI equals \$24,000 for a two-person household in Denver County, or \$20,250 for a two-person household in Weld County.

\$126 million in new private sector investment raised to support colorado housing

- The sale of the state and federal tax credits allocated to the 853 units directly supported will generate over \$126 million in private-sector equity investment in Colorado.

\$12 million in federal 4 percent lihtc leveraged

- CHFA leverages the state AHTC with the federal 4 percent Low Income Housing Tax Credits (LIHTC), which allows the 4 percent credit to go further in supporting Colorado's varied housing needs including supporting housing for extremely low income and mixed income housing, as well as advancing development in higher-cost areas.
- The pairing of the state AHTC and federal 4 percent LIHTC enabled Colorado to leverage \$12 million in federal credits in 2020.

\$438.3 million in economic impact

- The development of the 853 units directly supported with state AHTC is estimated to generate over \$438.3 million in economic impact and support 2,921 jobs.

2015 to 2020 program results

6,921*	\$63.6M	\$842.8M	\$3B	18,640
Housing Units Directly Supported	Federal 4 Percent LIHTC Leveraged	New Private-Sector Investment Raised to Support Colorado Housing	Economic Impact	Jobs Supported

state affordable housing tax credit

about state affordable housing tax credit

- Colorado's state AHTC raises private-sector equity for affordable rental housing development.
- The program is modeled after the nationally recognized federal LIHTC program created in 1986 under President Reagan's administration, which has helped create or preserve more than 3 million affordable rental units in the United States.
- Colorado's program was originally established in 2001 and later renewed in 2014, 2016, and 2018. In 2019, the program was expanded, authorizing CHFA to allocate \$10 million in state AHTC annually in 2020–2024.

state ahtc supports key affordable housing needs

As of 2020, 43 of the developments supported with state AHTC have placed in service, adding 4,351 new affordable rental housing units to Colorado's housing stock. While market-rate rent for all apartment types in Colorado was at \$1,403 as of second quarter 2020, the median rent paid by residents living in state AHTC-supported properties was \$767, or 45 percent below-market averages.

In 2020, CHFA reviewed state AHTC resident demographics for the units placed in service. This analysis showed the following.

resident demographics

Median Income	\$22,697
Median AMI	30%

household size and demographics

1 Person	55%
2 People	20%
3 People	13%
4+ People	12%
Female Head of Household	58%
# of Children in Units	2,778
# of Retirees	1,611



most common occupations of nonretired residents

Occupation	Percent of Employed Residents	Median AMI	Median Income
Service Related	45%	40%	\$33,300
Professional	20%	40%	\$33,198
Sales/Retail	9%	43%	\$38,250
Construction Related	8.5%	44%	\$38,272
Administrative and Clerical	6%	43%	\$37,132

state affordable housing tax credit

workforce housing

- The most common occupation of nonretired residents living in state AHTC-supported developments include service industry; professional; sales; production/construction workers; and clerical/administrative.
- In Colorado, full-time employees paid minimum wage earn \$24,960 in gross income annually, or 40 percent AMI (based on a one-person household).

colorado job types and median wages

Occupation	Median Annual Wage	Colorado Median Income (one-person hh)	2020 Total Employment Statewide
Waiters and Waitresses	\$22,120	36%	49,420
Cashiers	\$25,360	41%	55,790
Animal Caretakers	\$25,650	41%	5,240
Home Health and Personal Care Aides	\$26,080	42%	35,790
Retail Salespersons	\$26,640	43%	82,750
Janitors and Cleaners, Except Maids, and Housekeeping Cleaners	\$28,260	45%	33,650
Childcare Workers	\$28,690	46%	10,110
Cooks, Restaurant	\$29,100	47%	33,720
Teaching Assistants, Except Postsecondary	\$29,410	47%	20,390
Hairdressers, Hairstylists, and Cosmetologists	\$29,800	48%	8,000
Security Guards	\$30,980	50%	15,540
Preschool Teachers, Except Special Education	\$31,720	51%	6,650
Tellers	\$32,240	52%	7,160
Nursing Assistants	\$33,690	54%	21,970
Customer Service Representatives	\$35,580	57%	48,650
Shipping, Receiving, and Inventory Clerks	\$35,610	57%	11,430
Construction Laborers	\$36,720	59%	22,060
Pharmacy Technicians and Medical Assistants	\$36,850	59%	17,700
Emergency Medical Technicians and Paramedics	\$37,650	60%	3,960

matt

Anglers Four Hundred in Steamboat Springs

"A community missing affordable housing or one that has a shortage in affordable housing risks losing the basic services a community is built around. Without enough frontline healthcare workers, community health is at risk, without firefighters and police officers, communities become unsafe, without enough workers to work at a grocery store or restaurant, food prices skyrocket."

–Matt Gillam, *Managing Partner*, Overland Property Group, developer of Anglers Four Hundred

state affordable housing tax credit

older adult housing

- Twenty-four percent (1,732) of the units directly supported with state AHTC between 2015 and 2020 will provide affordable apartments for older adults.

permanent supportive housing

- Six of the developments supported with state AHTC between 2015 and 2020 will include supportive housing for homeless families and individuals.

across colorado

Since being created, state AHTC has helped facilitate more affordable housing development outside the seven-county Denver metro area.

Eighty-six of the 247 total developments supported with either state or federal tax credits between 2015 and December 2020 are located outside of the seven-county Denver Metro region.

- 27 on the Western Slope
- 26 in northern and northeast Colorado
- 32 in southern and southeast Colorado

amy



Allison Village in Arvada

“Access to affordable housing is fundamental to providing the building blocks of thriving communities of opportunity for all Coloradans. For the frontline worker, the senior citizen, or the disabled veteran, stable housing is the bedrock of self-sufficiency. Housing sets the tone for community success—economic development, equitable access, and resiliency.”

—Amy Case, Chief Financial Officer, Foothills Regional Housing/Jeffco Housing Corporation, developer of Allison Village

2020 supported developments

The following list details all projects supported with either state AHTC and/or federal LIHTC in 2020.

Project Name	City	County	Total Units
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9 Percent LIHTC

Alta Verde	Breckenridge	Summit	80
Atlantic Senior	Denver	Denver	62
Cadance	Fort Collins	Larimer	55
Cinnamon Park	Longmont	Boulder	25
Commons	Colorado Springs	El Paso	50
GreenHaus	Denver	Denver	79
Iron Horse	Alamosa	Alamosa	41
Lamar Crossing Phase II	Lakewood	Jefferson	65
Point Affordable Apartments	Aurora	Arapahoe	63
Renaissance Legacy Lofts	Denver	Denver	64
RidgeGate Affordable Apartments	Lone Tree	Douglas	67
Ridgway Space to Create	Ridgway	Ouray	30
Salida Ridge	Salida	Chaffee	48
Valor on the Fax	Denver	Denver	72

4 Percent LIHTC

Academy Heights	Colorado Springs	El Paso	201
Aspen Meadows Apartments	Longmont	Boulder	50
Atlantis II	Denver	Denver	84
Barnes Road Apartments	Colorado Springs	El Paso	242
Crossing Pointe South	Thornton	Adams	142
Grace Apartments	Denver	Denver	53
Meadows Townhomes	Fort Lupton	Weld	51
Renaissance Legacy Lofts	Denver	Denver	34
Swallow Road	Fort Collins	Larimer	84
The Audrey	Highlands Ranch	Douglas	134
The Creek at Cottonwood	Colorado Springs	El Paso	258
Thrive	Denver	Denver	105
Woodlands Madison	Boulder	Boulder	68

State AHTC and 4 Percent LIHTC

8315 East Colfax Family Affordable & ECE	Denver	Denver	82
Allison Village	Arvada	Jefferson	100
Anglers Four Hundred	Steamboat Springs	Routt	75
Clara Brown Commons	Denver	Denver	61
Fitzsimons Veterans Independent Living	Aurora	Adams	59
Garden Apartments	Colorado Springs	El Paso	85
Highland Trails	Littleton	Jefferson	88
Montbello FreshLo Hub	Denver	Denver	97
Oak 140	Fort Collins	Larimer	79
Rhonda's Place	Denver	Denver	50
Village at Solid Rock	Colorado Springs	El Paso	77

state ahtc–supported development descriptions

The following affordable housing developments were awarded federal 4 percent LIHTC and state AHTC in 2020. Summaries include information about the communities and populations to be served by each development.

8315 East Colfax Family Affordable & Early Childhood Education (ECE), Denver

Developer | Mercy Housing Mountain Plains

This development will support families and includes construction of an Early Childhood Education (ECE) center operated by Mile High Early Learning (MHEL). Residents with young children will receive a preference, if eligible, for enrollment at the ECE. The City of Denver is supporting the project by providing the land at no cost. This development is an equitable transit-oriented development and will provide NECO RTD passes to all households.

- 82 Units: 30 One-Bedroom; 28 Two-Bedroom; 22 Three-Bedroom; 2 Four-Bedroom
- 16 @ 30% AMI; 5 @ 40% AMI; 10 @ 50% AMI; 37 @ 60% AMI; 14 @ 70% AMI
- 4% Credit Awarded: \$972,089; State Credit Awarded: \$903,322



Allison Village, Arvada

Developer | Foothills Regional Housing
(aka Jefferson County Housing Authority)

This development will be located near Olde Town Arvada and within 0.5 mile of a light rail station. The development will support families, as well as up to 30 youth aging out of foster care and nine formerly homeless veterans. Services will be provided by CASA, Red Rocks Community College, STRIDE Community Health Center, and the Veterans Administration. The development will be certified under the Zero Energy Ready Home certification program.

- 100 Units: 72 One-Bedroom; 28 Two-Bedroom
- 30 @ 30% AMI; 9 @ 40% AMI; 18 @ 50% AMI; 21 @ 60% AMI; 22 @ 70% AMI
- 4% Credit Awarded: \$1,190,252; State Credit Awarded: \$1,000,000

Anglers Four Hundred, Steamboat Springs

Developer | Overland Property Group and Yampa Valley Housing Authority

Anglers Four Hundred will support families in an area of Colorado that is experiencing an acute shortage of attainable housing. This development will use Average Income to support households with a wide range of income levels. The location of the development is pedestrian-friendly and will be within walking distance to a bus stop, biking trails, grocery, pharmacy, and other retail and commercial amenities. The development leverages a voter-passed mil levy to support affordable housing development, as well as support from the City of Steamboat Springs and Routt County. The development will be certified under the Zero Energy Ready Home certification program.

- 75 Units: 4 One-Bedroom; 33 Two-Bedroom; 38 Three-Bedroom
- 10 @ 30% AMI; 12 @ 40% AMI; 9 @ 50% AMI; 12 @ 60% AMI; 18 @ 70% AMI
- 4% Credit Awarded: \$811,737; State Credit Awarded: \$1,000,000



state ahtc–supported development descriptions

The following affordable housing developments were awarded federal 4 percent LIHTC and state AHTC in 2020. Summaries include information about the communities and populations to be served by each development.



Clara Brown Commons, Denver

Developer | Mile High Ministries

Located in Denver's Cole neighborhood, this development will be part of the redevelopment of a city block to include 17 Habitat for Humanity townhomes and a community building with a childcare center. The development will include strong resident programming and services to support the sponsor's focus on helping vulnerable families transform their lives. The development leverages more than \$4 million in private philanthropic support and multiple years of neighborhood outreach.

- 61 Units: 14 One-Bedroom; 28 Two-Bedroom; 19 Three-Bedroom
- 2 @ 20% AMI; 16 @ 30% AMI; 16 @ 50% AMI; 16 @ 60% AMI; 10 @ 80% AMI
- 4% Credit Awarded: \$782,057; State Credit Awarded: \$978,455

Fitzsimons Veterans Independent Living, Aurora

Developer | Aurora Housing Authority

This development will support residents ages 55 and older with a focus on veterans, veteran spouses, and Gold Star Family members. Aurora Housing Authority will employ a service coordinator at the building to support residents. The development is located adjacent to a bus stop and within 0.5 mile of a light rail station. The development will help complete the Fitzsimons campus transformation with a continuum of housing options focusing on veterans.

- 59 Units: 49 One-Bedroom; 10 Two-Bedroom;
- 16 @ 30% AMI; 7 @ 40% AMI; 13 @ 50% AMI; 23 @ 60% AMI;
- 4% Credit Awarded: \$645,514; State Credit Awarded: \$850,001



Garden Apartments, Colorado Springs

Developer | Western Region Nonprofit Housing Corporation

This existing 40-year old property consists of four buildings and is subsidized with a HUD Housing Assistance Payment contract. Residents will benefit from comprehensive renovation of the buildings and units that will include air conditioning and accessibility improvements. Residents will be temporarily relocated onsite in vacant units during the phased renovations. The preservation of this development supports the City of Colorado Springs Housing Plan.

- 85 Units: 24 One-Bedroom; 28 Two Bedroom; 23 Three-Bedroom; 10 Four Bedroom
- 26 @ 30% AMI; 32 @ 40% AMI; 24 @ 50% AMI; 3 @ 60% AMI; One Employee
- 4% Credit Awarded: \$537,199; State Credit Awarded: \$659,000

state ahtc–supported development descriptions

The following affordable housing developments were awarded federal 4 percent LIHTC and state AHTC in 2020. Summaries include information about the communities and populations to be served by each development.

Highland Trails, Littleton

Developer | Four Corners Development

This development will support residents aged 55 and older and will be the first LIHTC-supported development in this area of unincorporated Jefferson County near West Bowles Avenue. Amenities such as shopping, pharmacy, banking, and public transportation are available nearby. Income-eligible residents will be supported with 20 project-based vouchers from Foothills Regional Housing. The development will include interior and exterior community amenities with an emphasis on health and wellness. The development will be certified under the Zero Energy Ready Home certification program.

- 88 Units: 64 One-Bedroom; 24 Two-Bedroom
- 4 @ 20% AMI; 16 @ 30% AMI; 11 @ 40% AMI; 14 @ 50% AMI; 18 @ 60% AMI; 17 @ 70% AMI; 8 @ 80% AMI
- 4% Credit Awarded: \$904,054; State Credit Awarded: \$911,562



Montbello FreshLo Hub, Denver

Developer | Montbello Organizing Committee

The Hub will be a mixed-use development including a grocery store, nutrition education center, cultural arts wing with black box theater, and other office and retail spaces in addition to affordable residential housing. The development is located near two bus stops and will be a 'hub' for the Montbello neighborhood. The development is community inspired following multiple years of outreach and engagement, including support from the Kresge Foundation. New Market Tax Credits will support the commercial development in this dense urban redevelopment.

- 97 Units: 49 One-Bedroom; 33 Two-Bedroom; 15 Three Bedroom
- 7 @ 30% AMI; 17 @ 50% AMI; 55 @ 60% AMI; 18 @ 70% AMI
- 4% Credit Awarded: \$1,267,504; State Credit Awarded: \$1,000,000

Oak140, Fort Collins

Developer | Housing Catalyst

This development is a partnership between Housing Catalyst and the Fort Collins Downtown Development Authority and will be the first family development supported with LIHTC in downtown Fort Collins. The development will be mixed-use with ground-floor commercial spaces. The developer will provide eight project-based vouchers to support income-eligible residents. The area is highly walkable to nearby amenities, employment centers, grocery, and public transportation.

- 79 Units: 4 Studio; 58 One-Bedroom; 17 Two-Bedroom
- 7 @ 30% AMI; 6 @ 40% AMI; 29 @ 50% AMI; 29 @ 70% AMI; 8 @ 80% AMI
- 4% Credit Awarded: \$962,679; State Credit Awarded: \$740,000



state ahtc–supported development descriptions

The following affordable housing developments were awarded federal 4 percent LIHTC and state AHTC in 2020. Summaries include information about the communities and populations to be served by each development.



Rhonda's Place, Denver

Developer | REDI Corporation

This development will serve formerly homeless households and offer supportive services through REDI Corporation, the Mental Health Center of Denver, and other service providers. Community space will be provided to accommodate management and supportive services with an emphasis on trauma-informed design. Colorado Division of Housing will provide 49 project-based vouchers to support residents experiencing extremely low income and the City and County of Denver will provide funding for supportive services.

- 50 Units: 50 One-Bedroom
- 49 @ 30% AMI; 1 Resident Manager Unit
- 4% Credit Awarded: \$566,313; State Credit Awarded: \$715,589

Village at Solid Rock, Colorado Springs

Developer | Commonwealth Development Corporation and Solid Rock CDC

This development will be located in southeast Colorado Springs. The development team is a partnership formed from the Interfaith Alliance's Congregational Land Campaign. The development will support families and is walkable to schools and public transit. Solid Rock CDC will engage with residents to support economic development, health outcomes, and housing stability.

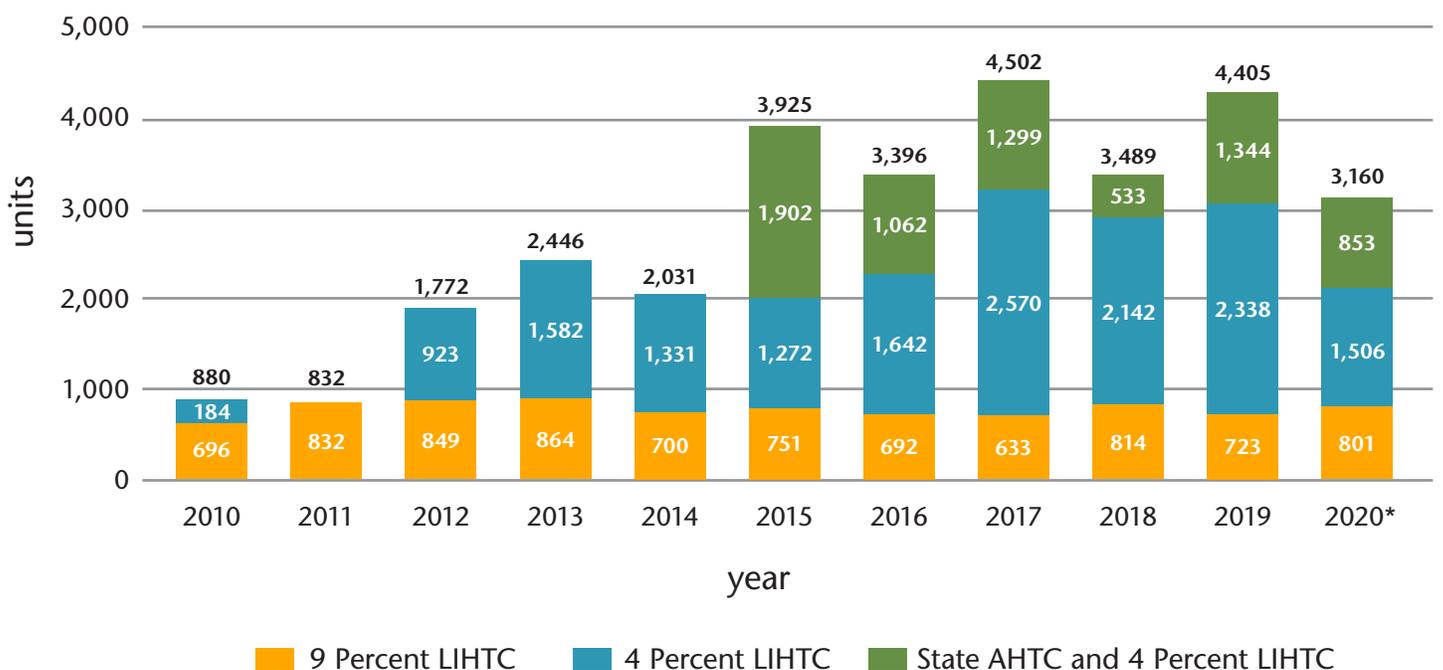
- 77 Units: 15 One-Bedroom; 33 Two-Bedroom; 29 Three-Bedroom
- 8 @ 30% AMI; 4 @ 40% AMI; 27 @ 50% AMI; 27 @ 60% AMI; 11 @ 80% AMI
- 4% Credit Awarded: \$766,869; State Credit Awarded: \$973,245



historic investment 2010 to 2020 units

The following table illustrates the number of units supported by state AHTC and/or federal LIHTC annually between 2010 and 2020.

Year	9 Percent LIHTC	4 Percent LIHTC	State AHTC and 4 Percent	Total Tax Credit Units
2010	696	184	0	880
2011	832	0	0	832
2012	849	923	0	1,772
2013	864	1,582	0	2,446
2014	700	1,331	0	2,031
2015	751	1,272	1,902	3,925
2016	692	1,642	1,062	3,396
2017	633	2,570	1,299	4,502
2018	814	2,142	533	3,489
2019	723	2,338	1,344	4,405
2020	801	1,506	853	3,160*



affordable housing need

The past year has placed enormous pressure on Coloradans. The COVID-19 pandemic and resulting economic impacts have exacerbated demand for affordable housing at a time when the needs already out-paced resources. In 2020's second quarter, the median rent in Colorado was \$1,403, which is a 1 percent decline year-over-year; but still reflects a 17 percent increase over the median rent during the last five years. To afford the median rent in Colorado, a two-person household must earn 78 percent AMI, which is \$72,200 in annual gross income.

A lack of inventory coupled with population increases have been key contributors to rising rent costs, causing rent to become unaffordable in various regions across the state. In fact, over half (51 percent) of all Colorado renters are cost-burdened, paying 30 percent or more of their household income towards rent. Nearly one in four households (24 percent) is extremely cost-burdened, paying 50 percent or more of their income towards rent. For those who are housed, 27.5 percent indicate a concern about their ability to successfully maintain their housing stability as a result of the pandemic (source: census.gov week 19 survey data).

colorado rent and vacancy

Colorado's rental vacancy rate was 4.9 percent in 2020's second quarter. Certain regions throughout Colorado had even lower rates:

Region	2020 Median Q2/Q3	2019 Median Rent Q2/Q3	Percent Increase	2019 Household Income Needed To Afford	AMI Needed To Afford	Median Income	2020 Vacancy Q2/Q3
Boulder/Broomfield	\$1,564	\$1,514	3%	\$62,553	73%	\$86,050*	7%
Colorado Springs	\$1,109	\$1,104	0%	\$44,351	68%	\$65,300	4.5%
Denver Metro	\$1,389	\$1,385	0%	\$55,570	69%	\$80,000	4.9%
Fort Collins/Loveland	\$1,319	\$1,274	3%	\$52,744	70%	\$75,300	4%
Grand Junction	\$804	\$775	4%	\$32,177	57%	\$56,800	2%
Greeley	\$1,079	\$1,013	7%	\$43,164	64%	\$67,500	4.3%
Pueblo	\$730	\$757	-4%	\$29,206	51%	\$56,800	2.4%
Statewide	\$1,403	\$1,414	-1%	\$56,128	78%	\$72,200	4.9%

Sources

- Second Quarter 2020 Colorado Multifamily Housing Vacancy & Rental Survey
- Denver Metro Apartment Vacancy & Rent Third Quarter 2020 Report
- Two-person household AMI is used

*This is an average and all others are median

kuhl

8315 East Colfax Family Apartments and Early Childhood Education Center in Denver

"The Colorado state tax credit program is one of the most important tools that the state currently has to expand and leverage other state, local and federal resources for the production and preservation of critically needed affordable housing in Colorado. Affordable, safe and decent housing can create all the difference in the world to working families and individuals, not to survive, but to thrive, to be healthy and allow for financial success and ultimately build bridges out of poverty."

—Kuhl Brown, Regional Director of Real Estate Development, Mercy Housing Mountain Plains, developer of 8315 East Colfax Family Apartments and Early Childhood Education Center

affordable housing need

Other factors influencing the rental and single family housing affordability gap include Colorado's growing population, projected to rise by nearly 865,000 more households by 2045. Population adjustments in Colorado's resort and rural communities are particularly notable. These communities, many of which rely heavily on tourism and service-based industries have been hit among the hardest by COVID-19. Many find themselves overwhelmed by the need to manage COVID-19's impact on their local economy, while supporting an influx of new residents who are placing increased demand on already tapped-and-under-funded services, and simultaneously driving up housing prices in already high-cost markets.

Reports on future market activity indicate thousands of new units are planned to come online over the next several years to help meet current and future demand. While these units will help close the gap, a disparity between supply and demand persists.

The effects of Colorado's tight rental market are not limited to households experiencing low income, earning between 30 and 60 percent AMI. Unaffordability has become more widespread, affecting many households with moderate incomes who find it difficult to afford market-rate rents. This phenomenon is referred to as the "missing middle" crisis.

Currently, in many communities, these households cannot afford the median market-rate rent, and yet do not qualify for income-based housing programs, which further exacerbates the need for affordable rental housing.

The for-sale housing market is not left out of the crunch. From 2015 through third quarter 2020, the median home price increased nine percent annually, while wage growth statewide increased five percent annually in the same time period.

dayna



Fitzsimons Veterans Independent Living in Aurora

"In Aurora, 62 percent of all new units built since 2016 are the result of the state credit program. The program has accelerated our ability to respond to the documented lack of affordable inventory. Without the state tax credit, Aurora would have 400 fewer units today."

—Dayna Ashley-Oehm, Housing Development Director, The Housing Authority of the City of Aurora, developer of Fitzsimons Veterans Independent Living

affordable housing need

influencing factors

older adults and aging baby boomers

Ensuring affordable housing options are available for Colorado's older adult population, which continues to grow as Baby Boomers age, is critical and has a visible effect on the market. According to the Colorado State Demographer, 24 percent of Colorado's households are 65 years of age or older. It is projected that by 2045, the number of Colorado households aged 65 and older will increase by 38 percent.

loss of inventory and preservation efforts

Because a lack of inventory is an influencing factor in the affordability gap, preservation of affordable housing is vital. Affordability restrictions on approximately 15,000 affordable rental housing units are set to expire in the next decade across Colorado. In addition, many of these aging developments require rehabilitation to sustain current and long-term habitability.

selen

ALTO in Westminster

"Affordable housing is the best way to provide people with a step up in life. It has given me a sense of security and allows me to plan for my future. Before I found Alto, I was in survival mode. Now, I'm no longer burdened by rent and have the confidence to work towards my goals."

—Selen, resident of ALTO at Westminster, an affordable rental housing development supported with federal LIHTC in 2015

conclusion

Demand for the state AHTC remains strong. In 2020, CHFA received 28 applications for credit, seeking a combined amount of \$22.7 million in state AHTC and \$19.9 million in 4 percent LIHTC. Likewise, 2020 requests for the 9 percent LIHTC out-paced availability by more than two to one. Availability of the state AHTC has proven instrumental to helping CHFA better meet the needs of communities seeking affordable housing for their residents.

what is chfa?

CHFA's mission is to strengthen Colorado by investing in affordable housing and community development. We offer loan programs and homebuyer education to support responsible homeownership. We provide loans and tax credits to developers of affordable rental housing, so all Coloradans may have access to a place to call home; and we help business owners access the capital they need to grow and support jobs.

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CHFA's work revitalizes neighborhoods and creates jobs. We are proud to invest in Colorado's success. Visit www.chfainfo.com for more information.

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