



state affordable housing tax credit

2023 annual report

December 31, 2023

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colorado housing and finance authority



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December 31, 2023

Dear Members of the Colorado General Assembly,

The enclosed summary highlights CHFA's administration of the Colorado Affordable Housing Tax Credit program (state AHTC) in 2023. This report is intended to fulfill the reporting requirements as detailed in C.R.S. 39-22-2108.

Demand for state AHTC remains high, and the program is currently oversubscribed by a ratio greater than three to one. In 2023, CHFA received 35 applications—the most of any state credit round to date—seeking a total of \$37,643,457 in state credit. Even as developers navigate economic challenges including high interest rates and rising construction costs, state credit remains a powerful and highly sought resource that enables the development of quality affordable rental housing across the state.

In 2023, CHFA awarded state AHTC to 10 developments that will support the construction or preservation of 1,110 affordable rental housing units. The developments awarded state AHTC will be located in Aurora, Colorado Springs, Denver, Fort Morgan, Longmont, Loveland, and Montrose. Since reauthorized, CHFA has paired the state AHTC with federal 4 percent Housing Tax Credit to maximize the number of units supported, drive deeper affordability, support mixed-income developments, and leverage greater statewide impact across all Housing Tax Credit programs available for deployment. The total private sector equity estimated to be raised by the federal 4 percent and state credits awarded in 2023 exceeds \$255 million. The development of the 1,110 units directly supported with state credit is estimated to generate \$864 million in economic impact and support 5,116 jobs.

The affordable housing developments supported with state credits in 2023 will serve a diverse range of needs, and they include:

- Permanent Supportive Housing (PSH) serving formerly homeless residents;
- developments with larger unit sizes and more bedrooms for families and larger households;
- all-electric and all-electric-ready designs to support Colorado's Renewable Energy and Climate Action goals;
- developments with onsite amenities including childcare; and
- housing reserved for older adults.

Since renewed, the state credit has supported the development or preservation of 10,782 total units of affordable housing located in Denver metro, Front Range, mountain resort, and rural communities. CHFA is pleased to serve as the administrator of the state AHTC program and is proud of the investment this program makes each year in providing safe, decent, and affordable housing for Coloradans.

Sincerely,

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

Cris A. White
Executive Director and CEO



introduction

about the state affordable housing tax credit

Colorado’s state Affordable Housing Tax Credit (state AHTC) raises private-sector equity for affordable rental housing development. The program is modeled after the nationally recognized federal Housing Tax Credit program created in 1986 under President Reagan’s administration, which has helped create or preserve more than three 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 credit annually in 2020 through 2024. Most recently, in 2022, the Colorado General Assembly approved extending the program through 2031.

2015–2023 program results



10,782

Affordable Housing Units Directly Supported



\$130.7M

Federal 4 Percent Housing Tax Credit Leveraged



\$1.7B

New Private-sector Investment Raised



36,357

Jobs Supported



\$5.5B

Economic Impact

2023 program results



1,110

Housing Units
Directly Supported

1,110 Housing Units Directly Supported

In 2023, the state Affordable Housing Tax Credit (state AHTC) program directly supported 1,110 affordable rental units, contributing to the development or preservation of 3,495 units supported by CHFA overall.

The median household income of residents living in units supported with state or federal Housing Tax Credits is \$25,392 or approximately 32 percent of Colorado's statewide Area Median Income (AMI).

As an example, in 2023, 32 percent of AMI equals \$31,776 for a two-person household in Denver County, or \$28,384 for a two-person household in Summit County.



\$21.9M

Federal 4 Percent Housing
Tax Credit Leveraged

\$21.9M in Federal 4 Percent Housing Tax Credits Leveraged

CHFA continues to leverage the state credit with the federal 4 percent credit, which allows the state credit to go further in supporting Colorado's varied housing needs, including supporting housing for households with extremely low-income and mixed-income, as well as advancing development in higher-cost areas.

The pairing of the state and federal 4 percent credit enabled Colorado to leverage \$21.9 million in federal credits in 2023.



\$257.3M

New Private Sector
Investment Raised

\$257.3M in New Private Sector Investment Raised to Support Colorado Housing

The state and federal Housing Tax Credits allocated to the 1,110 units supported will generate an estimated \$257.3 million in private-sector equity investment in Colorado.

On average, equity raised from the state credit will help offset 12 percent of the development costs, which when combined with the federal 4 percent credit, will support 49 percent of the total development costs.



\$864M

Economic Impact

\$864M in Economic Impact

The development of the 1,110 units directly supported with state credit is estimated to generate \$864 million in economic impact and support 5,116 jobs.



\$37.6M

State Housing Tax
Credits Requested

\$37.6M in State Housing Tax Credits Requested

Demand for the state AHTC program increased in 2023 and CHFA received the highest number of applications to date for state credit. In 2023, CHFA received \$37.6M in requests for state AHTC from 35 applicants representing 4,504 total units.

state credit-supported development descriptions

The following affordable housing developments were awarded state credit and federal 4 percent credit in 2023. Summaries include information about the communities and populations to be served by each development.



901 Navajo Street, Denver

Developer | Mercy Housing Mountain Plains

901 Navajo Street will offer a mix of affordable and Permanent Supportive Housing (PSH) to serve households exiting homelessness as well as families and will be built in Denver's La Alma/Lincoln neighborhood. The development is the first supported with Housing Tax Credits with a culturally responsive focus on American Indian/Alaska Native residents in the Denver metro region through a collaboration between the Native American Housing Circle (NAHC), Denver Indian Health and Family Services (DIHFS), and the developer. Supportive services for residents exiting homelessness will be provided by WellPower and the development will include an onsite Federally Qualified Health Center (FQHC) operated by DIHFS. Family program services will also be provided by the developer. The development will receive 94 Project-based Vouchers through the City of Denver's Department of Housing Stability (HOST). 901 Navajo Street will be built with an all-electric design.

- 190 Units: 112 One-bedroom; 41 Two-bedroom; 31 Three-bedroom; 6 Four-bedroom
- 94 @ 30% AMI; 20 @ 40% AMI; 32 @ 50% AMI; 44 @ 60% AMI
- State Credit Awarded: \$1,100,000
- Federal 4 Percent Credit Awarded: \$4,381,283



Albion Affordable Apartments, Denver

Developer | Delwest Development Corporation

Albion Affordable Apartments will serve families in south Denver's University Hills neighborhood. The development's focus on families is emphasized with large unit sizes, including nine townhomes, and inclusion of an early childhood education center onsite with enrollment preference for eligible youth aged two-and-a-half to six who qualify for the Colorado Childcare Assistance Program (CCAP), as well as the recently adopted Universal Preschool Program (UPP). The development site is near public transportation and local amenities. All residents will receive an RTD pass. The development will certify to Zero Energy Ready Homes, an advanced energy efficiency program, and will be built with an all-electric-ready design.

- 169 Units: 124 Two-bedroom; 29 Three-bedroom; 16 Four-bedroom
- 27 @ 30% AMI; 61 @ 60% AMI; 81 @ 70% AMI
- State Credit Awarded: \$1,100,000
- Federal 4 Percent Credit Awarded: \$3,770,714

"The state credit program is advancing affordable housing by providing another layer of equity to fill financing gaps in affordable housing developments. We've reached a perfect storm in Colorado where high construction costs, high land costs, and rising interest rates are making it more difficult to close a 4 percent LIHTC transaction. The extra layer of state credits, when paired with federal 4 percent credits, helps fill a financing gap that allows projects that would otherwise not be feasible to get built. The competitive nature of these credits also means that properties in great locations with high quality, unique attributes, and highly amenitized features are being approved, all of which advance affordable housing in the market."

—Joe DelZotto, President of Delwest Development Corp., developer of Albion Apartments

state credit-supported development descriptions

The following affordable housing developments were awarded state credit and federal 4 percent credit in 2023. Summaries include information about the communities and populations to be served by each development.



Ascent at Hover Crossing, Longmont



Chrysalis Apartments, Denver

Developer | Pennrose LLC

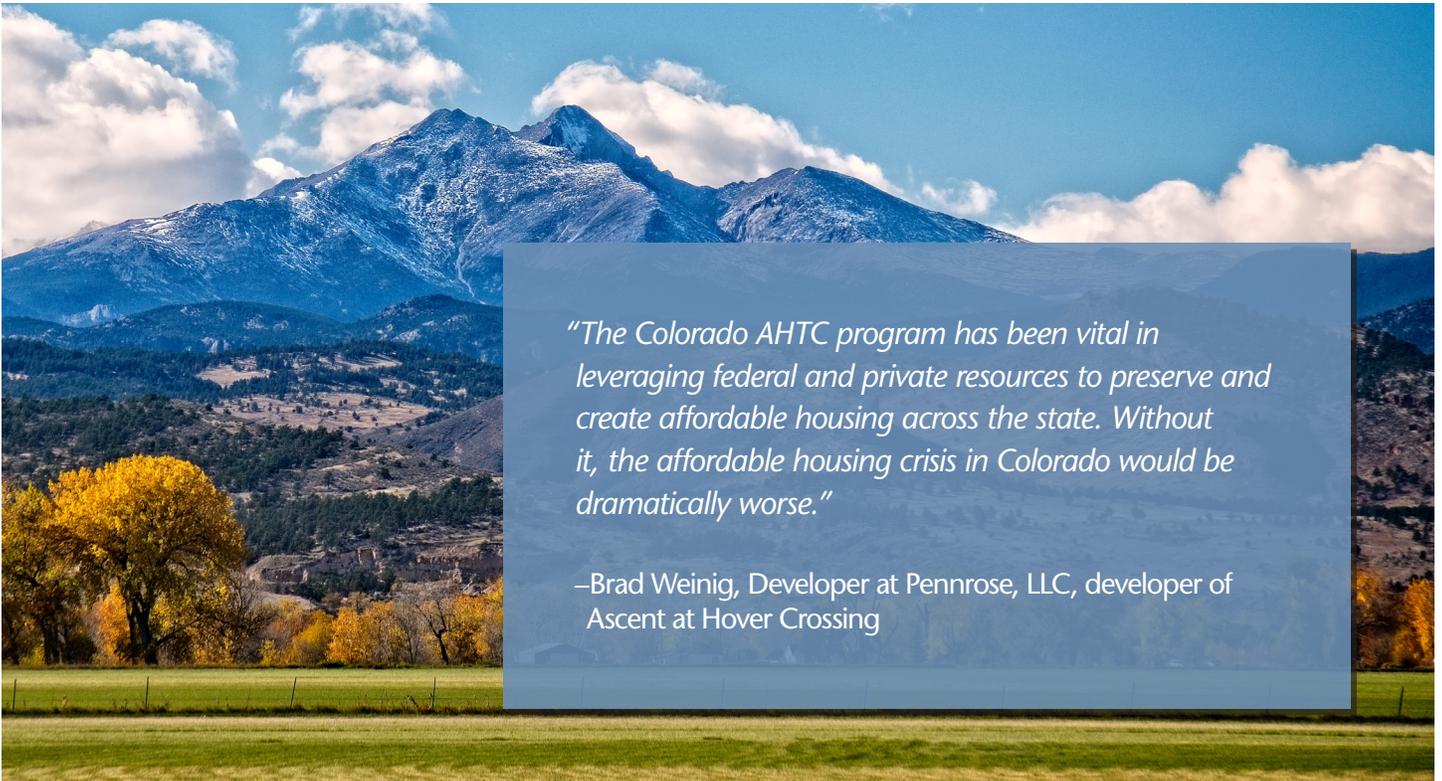
Ascent at Hover Crossing will serve individuals and families in Longmont and is a partnership between the developer and the Longmont Housing Authority (LHA). The three- and four-bedroom units offered will help meet pent-up demand for family rental housing as other such properties in the area have very low to no vacancy. The development will receive 18 project-based vouchers as well as seller financing for the land from LHA. Onsite services will be provided by Pennrose Impact and LHA. Residents will have access to an onsite early childhood education center, as well as nearby access to public transportation, grocery, pharmacy, schools, retail, restaurants, and services. The property will be built with an all-electric design.

- 75 Units: 18 One-bedroom; 30 Two-bedroom; 21 Three-bedroom; 6 Four-bedroom
- 18 @ 30% AMI; 9 @ 40% AMI; 4 @ 50% AMI; 33 @ 70% AMI; 11 @ 80% AMI
- State Credit Awarded: \$1,100,000
- Federal 4 Percent Credit Awarded: \$1,296,664

Developer | The Empowerment Program, Inc.

Chrysalis Apartments will be a Permanent Supportive Housing (PSH) development serving formerly homeless residents in central Denver. The development will be built with trauma-informed design throughout the common spaces, including daylight access through the corridors, clear wayfinding, and noise reduction. Supportive services will be provided by The Empowerment Program, which will include individual and group mental health services, trauma and substance-use disorder treatment, specialized health services, social activities, and transportation assistance. project-based vouchers will be provided by the City of Denver's Department of Housing Stability (HOST) and the Colorado Division of Housing (CDOH). The development is within walking distance of many local amenities, employment opportunities, and transit stops. Chrysalis Apartments will certify to Zero Energy Ready Homes, an advanced energy efficiency program, and will be built with an all-electric design.

- 70 Units: 30 Studio; 35 One-bedroom; 5 Two-bedroom
- 70 @ 30% AMI
- State Credit Awarded: \$1,100,000
- Federal 4 Percent Credit Awarded: \$1,138,362



"The Colorado AHTC program has been vital in leveraging federal and private resources to preserve and create affordable housing across the state. Without it, the affordable housing crisis in Colorado would be dramatically worse."

—Brad Weinig, Developer at Pennrose, LLC, developer of Ascent at Hover Crossing

state credit-supported development descriptions

The following affordable housing developments were awarded state credit and federal 4 percent credit in 2023. Summaries include information about the communities and populations to be served by each development.



Denver Dry Goods, Denver

Developer | Perry Rose LLC

Denver Dry Goods includes the preservation and renovation of 39 affordable housing units, conversion of 12 market-rate units to affordable housing, and adaptive reuse of 55 new affordable housing units at a historically significant building originally built in 1888 in downtown Denver. The development will serve individuals and families whose incomes range from 30 to 80 percent of the AMI. Residents will have access to a full-time resident services coordinator, office center with wireless internet, and other amenity space. The development is within walking distance of public transportation, a grocery store, urgent care, employment centers, entertainment, and services. The renovation will include all-electric design.

- 106 Units: 66 One-bedroom; 40 Two-bedroom
- 17 @ 30% AMI; 6 @ 40% AMI; 12 @ 50% AMI; 39 @ 60% AMI; 20 @ 70% AMI; 12 @ 80% AMI
- State Credit Awarded: \$1,100,000
- Federal 4 Percent Credit Awarded: \$2,054,386



Edge III, Loveland

Developer | Loveland Housing Authority

Edge III is the final phase of The Edge affordable housing development in east Loveland. It will serve individuals and families who will have access to services provided by Aspire, including health, veteran, and transportation services. Edge III will help address high demand for affordable studio and one-bedroom units in Loveland, which have a waitlist of nearly 4,000. The development is being built near many employment centers, as well as grocery, pharmacy, schools, recreation amenities, and public transportation. Edge III will be built with an all-electric design.

- 66 Units: 24 Studio; 30 One-bedroom; 12 Two-bedroom
- 12 @ 30% AMI; 8 @ 40% AMI; 20 @ 50% AMI; 26 @ 60% AMI
- State Credit Awarded: \$999,389
- Federal 4% Credit Awarded: \$918,458



Gateway Village, Fort Morgan

Developer | Rocky Mountain Communities

Gateway Village will serve individuals and families in Fort Morgan and offer a range of unit sizes from one- to four-bedroom units. The development includes the preservation and renovation of 96 existing units and new construction of 24 additional units. The existing property was built in 1975 and this will be its first full-scope rehabilitation, which will include extensive interior, exterior, and common area renovations. The Gateway Village site is across the street from an elementary school and adjacent to a park, and within two miles of a grocery, pharmacy, and other schools. The development's new construction portion will be built with an all-electric design.

- 120 Units: 14 One-bedroom; 30 Two-bedroom; 54 Three-bedroom; 22 Four-bedroom
- 44 @ 50% AMI; 53 @ 60% AMI; 21 @ 80% AMI; Two Employee Units
- State Credit Awarded: \$949,176
- Federal 4 Percent Credit Awarded: \$2,163,996



King's Crossing, Aurora

Developer | Community Development Partners

King's Crossing will be located in Aurora's Centretech neighborhood and designed as a community for all ages, including older adults, families, and individuals with children, and will offer intergenerational programming and services. Restoration Christian Ministries (RCM) will serve as a partner and provide services at its nearby facility, including a daycare center, café and gathering spaces, employment services, health-related services, food programs, and case management services. RCM's facilities also include partnerships that offer culturally relevant health education, screenings, and vaccinations. The site has access to public transportation and is within walking distance to many community amenities. King's Crossing will be built with an all-electric design.

- 179 Units: 54 One-bedroom; 54 Two-bedroom; 54 Three-bedroom; 16 Four-bedroom
- 18 @ 30% AMI; 73 @ 50% AMI; 48 @ 70% AMI; 39 @ 80% AMI; One Employee Unit
- State Credit Awarded: \$1,100,000
- Federal 4 Percent Credit Awarded: \$3,595,286

state credit-supported development descriptions

The following affordable housing developments were awarded state credit and federal 4 percent credit in 2023. Summaries include information about the communities and populations to be served by each development.



Rendezvous, Montrose

Developer | Volunteers of America (VOA) National Services

Rendezvous will serve older adults ages 55 and older in Montrose and will involve both preservation and new construction. Residents will have access to health, wellness, and financial services, volunteering opportunities, group meals, grocery delivery, and other services coordinated by a part-time services coordinator and VOA Colorado's Montrose campus. The site is adjacent to a bus stop, near a healthcare services center and the Montrose Senior Center, and proximate to a grocery store, pharmacy, bank, healthcare, and shopping opportunities. The Montrose County Housing Authority will provide eight project-based vouchers. The new construction portion of the development will use an all-electric-ready design.

- 52 Units: 28 One-bedroom; 24 Two-bedroom
- 9 @ 30% AMI; 5 @ 40% AMI; 14 @ 50% AMI; 24 @ 60% AMI
- State Credit Awarded: \$1,100,000
- Federal 4 Percent Credit Awarded: \$958,961



Village at Homewood Point – Phase II, Colorado Springs

Developer | CS Pike Senior II L.P.

Village at Homewood Point – Phase II will serve older adults ages 62 and older near downtown Colorado Springs on land owned by the Colorado Springs Housing Authority. The development will be near a park, hospital, and other local community and cultural amenities and will help address demand for affordable housing for older adults in the area where vacancies are low, and rents have continued to increase. The development will be built with an all-electric-ready design.

- 83 Units: 50 One-bedroom; 33 Two-bedroom
- 4 @ 40% AMI; 15 @ 50% AMI; 64 @ 60% AMI
- State Credit Awarded: \$1,100,000
- Federal 4 Percent Credit Awarded: \$1,584,411

"The state tax credit program is a critical tool to leverage the federal 4 percent LIHTC program, enabling housing providers and the state to produce more housing. Our communities continue to face escalating housing shortages and increased housing costs, so it is imperative that Colorado continue to pursue and prioritize local tools that work well for our communities."

—Jessica Woodruff, Chief Development Officer at Community Development Partners, developer of King's Crossing

2023 supported developments

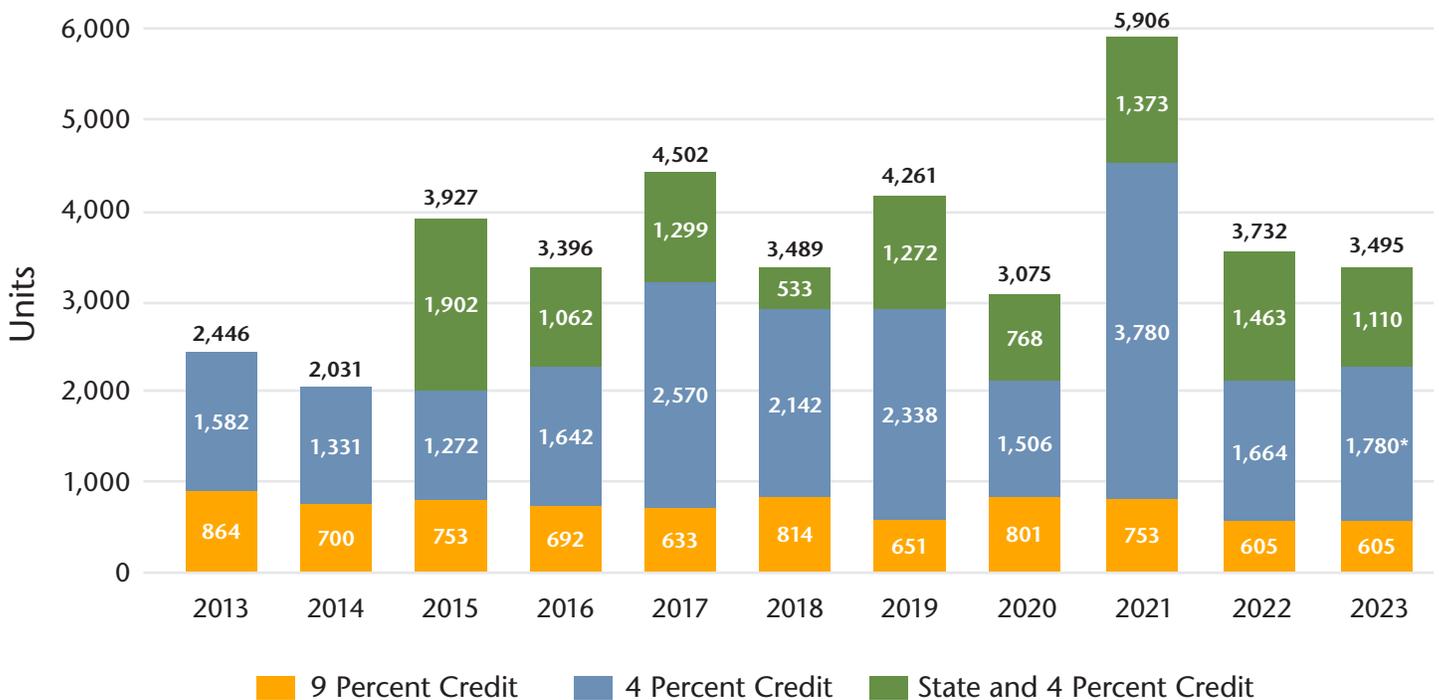
The following list details all projects supported with either state and/or federal Housing Tax Credits in 2023.

| Project Name | City | County | Total Units |
|---|------------------|-----------|-------------|
| Federal 9 Percent Credit | | | |
| Benedict | Glenwood Springs | Garfield | 34 |
| Brigit's Village | Frederick | Weld | 40 |
| Diagonal Plaza | Boulder | Boulder | 73 |
| Henninger Legacy Homes | Denver | Denver | 60 |
| Jacoby Meadows | Windsor | Weld | 62 |
| Mineral Point | Crested Butte | Gunnison | 34 |
| Point of the Pines Villas | Colorado Springs | El Paso | 30 |
| Rifle Apartments | Rifle | Garfield | 60 |
| Sheridan on 10th | Denver | Denver | 60 |
| StarRise at North Weld Village | Greeley | Weld | 58 |
| Trails at Pagosa Springs | Pagosa Springs | Archuleta | 50 |
| Williams Pointe | Lakewood | Jefferson | 44 |
| Federal 4 Percent Credit* | | | |
| 7001 Colorado Boulevard | Commerce City | Adams | 93 |
| Artspace Colorado Springs | Colorado Springs | El Paso | 51 |
| Arvada House | Arvada | Jefferson | 88 |
| Belmar Groves Apartments | Lakewood | Jefferson | 118 |
| Overlook at Thornton | Thornton | Adams | 160 |
| Overlook at Uplands | Westminster | Adams | 247 |
| Residences at Durango | Durango | La Plata | 120 |
| Residences at Willow Park | Aurora | Arapahoe | 86 |
| Retreat at Brighton Ridge Apartment Homes | Brighton | Adams | 264 |
| Royal Pine Apartments | Colorado Springs | El Paso | 232 |
| Ruby Vista | Denver | Denver | 98 |
| Spine Road Apartments | Boulder | Boulder | 65 |
| Village on Impala | Fort Collins | Larimer | 86 |
| Village on Main | Longmont | Boulder | 72 |
| State and Federal 4 Percent Credit | | | |
| 901 Navajo Street | Denver | Denver | 190 |
| Albion Affordable Apartments | Denver | Denver | 169 |
| Ascent at Hover Crossing | Longmont | Boulder | 75 |
| Chrysalis Apartments | Denver | Denver | 70 |
| Denver Dry Goods | Denver | Denver | 106 |
| Edge III | Loveland | Larimer | 66 |
| Gateway Village | Fort Morgan | Morgan | 120 |
| King's Crossing | Aurora | Arapahoe | 179 |
| Rendezvous | Montrose | Montrose | 52 |
| Village at Homewood Point - Phase II | Colorado Springs | El Paso | 83 |

historic investment: 2010 to 2023

The following table illustrates the number of units supported by state and/or federal Housing Tax Credits annually between 2010 and 2023.

| Year | 9 Percent Credit | 4 Percent Credit | State and 4 Percent Credit | Total Tax Credit Units |
|------|------------------|------------------|----------------------------|------------------------|
| 2013 | 864 | 1,582 | 0 | 2,446 |
| 2014 | 700 | 1,331 | 0 | 2,031 |
| 2015 | 753 | 1,272 | 1,902 | 3,927 |
| 2016 | 692 | 1,642 | 1,062 | 3,396 |
| 2017 | 633 | 2,570 | 1,299 | 4,502 |
| 2018 | 814 | 2,142 | 533 | 3,489 |
| 2019 | 651 | 2,338 | 1,272 | 4,261 |
| 2020 | 801 | 1,506 | 768 | 3,075 |
| 2021 | 753 | 3,780 | 1,373 | 5,906 |
| 2022 | 605 | 1,664 | 1,463 | 3,732 |
| 2023 | 605 | 1,780* | 1,110 | 3,495 |



state affordable housing tax credit

state credit supports key affordable housing needs

As of 2023, 68 of the developments supported with state credit have placed in service, adding 6,365 new affordable rental housing units to Colorado’s housing stock. In 2023, CHFA reviewed demographics of residents living in units supported with state credit. This analysis showed the following.

| Race/Ethnicity | Colorado Population | Residents of State Credit Properties |
|--|---------------------|--------------------------------------|
| American Indian and Alaska Native | 0.6% | 1% |
| Asian | 3.4% | 1% |
| Black or African American | 6% | 15% |
| Hispanic or Latino | 23% | 29% |
| Native Hawaiian and Other Pacific Islander | <1% | <1% |
| Another Race Reported or Two or More Races | 10% | 7% |
| White | 64% | 48% |

resident demographics



\$25,392

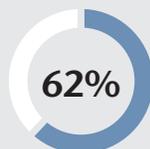
Median Income



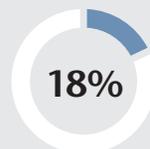
32%

Median AMI

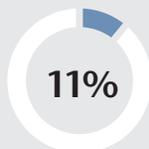
household size and demographics



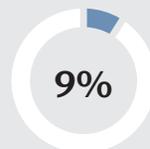
1 Person



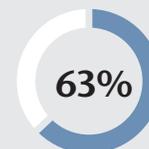
2 People



3 People



4+ People



Female Head of Household



Children



55 Years and Older

state affordable housing tax credit

housing for colorado's workforce

The most common occupations of nonretired residents living in state credit-supported developments include service-related, professional, construction-related, administrative/clerical, and sales/retail.

In Colorado, full-time employees paid minimum wage (\$13.65) earn \$28,392 in gross income annually, or 37 percent AMI (based on a one-person household). Yet, according to the 2023 National Low Income Housing Council's *Out of Reach* studyⁱ, Coloradans need to earn \$32.13 per hour or \$66,830 in gross annual income in order to afford the median rent of a two-bedroom apartment without being housing-cost-burdened. This equates to a 94-hour work week for those earning minimum wage, or 2.4 full-time jobs. Based on this analysis, Colorado ranks eighth in the nation among high-cost housing states.

top occupations of nonretired residents of state credit properties

| Occupation | Employed Residents | Median AMI | Median Income |
|-----------------------------|--------------------|------------|---------------|
| Service-related | 42% | 36% | \$34,680 |
| Professional | 17% | 40% | \$42,138 |
| Construction-related | 12% | 39% | \$41,200 |
| Administrative and Clerical | 9% | 37% | \$40,144 |
| Sales/Retail | 8% | 35% | \$33,708 |

colorado job types and median wages

| Occupation | Median Annual Wage | Colorado Median Income (one-person household) | 2023 Total Employment Statewide |
|--|--------------------|---|---------------------------------|
| Waiters and Waitresses | \$29,540 | 38% | 41,770 |
| Retail Salespersons | \$33,240 | 43% | 80,000 |
| Maids and Housekeeping Cleaners | \$33,360 | 43% | 17,800 |
| Childcare Workers | \$34,830 | 45% | 8,000 |
| Hairdressers, Hairstylists, and Cosmetologists | \$35,700 | 46% | 7,620 |
| Receptionists and Information Clerks | \$35,920 | 47% | 15,230 |
| Security Guards | \$36,400 | 47% | 16,370 |
| Preschool Teachers, Except Special Education | \$36,990 | 48% | 5,770 |
| Nursing Assistants | \$37,470 | 49% | 20,710 |
| Customer Service Representatives | \$39,410 | 51% | 49,170 |
| Construction Laborers | \$41,440 | 54% | 20,740 |
| Refuse and Recyclable Material Collectors | \$50,570 | 66% | 3,020 |
| Postal Service Mail Carriers | \$55,640 | 72% | 4,810 |

AMI based on the 2023, one-person Colorado median income. Source: https://www.huduser.gov/portal/datasets/il/il2023/select_Geography.odn
Income source: <https://www.colmigrateway.com/vosnet/lmi/>, median incomes for Colorado are reported.

state affordable housing tax credit

older adult housing

Twenty four percent (2,566) of the units directly supported with state credit between 2015 and 2023 will be set aside to provide affordable apartments for older adults.

housing for those transitioning out of homelessness

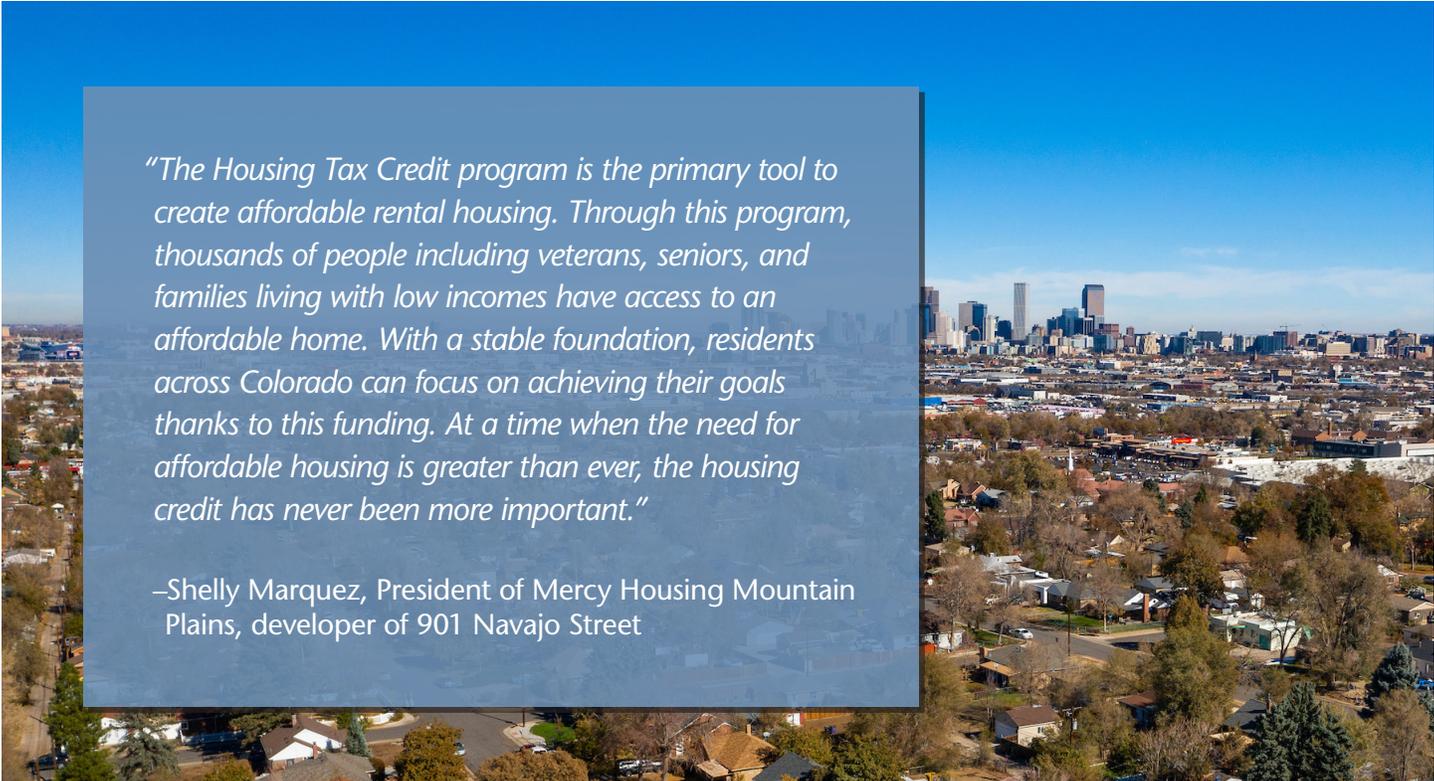
Nineteen of the developments supported with state credit between 2015 and 2023 will provide housing for families and individuals exiting homelessness, which is also a priority in the Qualified Allocation Plan. These developments will provide a total of 792 affordable apartments for Coloradans transitioning out of homelessness.

across colorado

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

Twenty-five of the 114 total developments supported with state or federal Housing Tax Credits between 2015 and 2023 are located outside of the seven-county Denver metro region.

- Six on the Western Slope
- Thirteen in northern and northeast Colorado
- Six in southern and southeast Colorado



"The Housing Tax Credit program is the primary tool to create affordable rental housing. Through this program, thousands of people including veterans, seniors, and families living with low incomes have access to an affordable home. With a stable foundation, residents across Colorado can focus on achieving their goals thanks to this funding. At a time when the need for affordable housing is greater than ever, the housing credit has never been more important."

—Shelly Marquez, President of Mercy Housing Mountain Plains, developer of 901 Navajo Street

affordable housing need

housing affordability defined

Housing affordability is an important consideration for everyone, regardless of income. As a rule, a household should not spend more than 30 percent of its gross income on housing costs each month. This helps to ensure that enough money will be available for essentials like food, clothing, transportation, medical expenses, and savings for emergencies and future purchases. For renters, housing costs include both rent and utility expenses.

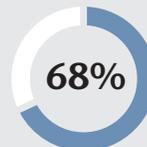
Currently in Colorado, 68 percent of renters earning 80 percent of AMI, or less than \$70,500 for a two-person household, are cost-burdened—paying more than 30 percent of their income on housing. Thirty five percent of those renters are extremely cost-burdened, paying more than half of their income on housing costs.ⁱⁱ

percent of income
on housing

Among those earning:



AMI or less (<\$70,500
for a two-person
household)



Are cost-burdened
renters paying
more than 30%



Are extremely
cost-burdened renters
paying more than 50%

"The need for affordable housing is becoming greater each year—in Colorado and across the nation. When the people who provide services vital to the operation of communities are no longer able to afford to live in those communities, those places slowly begin to erode. Not only are families and individuals involuntarily displaced from the neighborhoods and cities that they've called home, they are forced to seek housing further away in more affordable cities and states. In the worst cases, more and more families and individuals are being forced into homelessness. Safe, decent, affordable housing should be available to all citizens and has proven to provide countless benefits to both the individuals and their communities."

—Mark S. Marshall, President of Rocky Mountain Communities,
developer of Gateway Village

affordable housing need

key considerations

Lack of Inventory

A shortage of housing units remains a nationwide challenge. In a study conducted on housing underproduction in the United States by Up For Growth, Colorado ranked as the eighth most underproducing state based on a formula calculating the difference between total housing need and total housing availability.ⁱⁱⁱ There is a significant shortage of units for Coloradans at lower AMIs. According to the 2023 edition of *The Gap*, an annual report published by the National Low-Income Housing Coalition, Colorado currently has a shortage of 124,989 rental homes available to extremely low-income renters (defined as those at or below 30 percent of the Area Median Income).^{iv}

Cost of Development

High costs remain a significant barrier to the development of affordable housing across the state, particularly as high interest rates, high materials costs, and construction labor shortages persist.^v Data analyzed and prepared by CHFA from developments awarded Housing Tax Credits over the last five years indicates a significant rise in average per-unit development costs. In 2023, the average per-unit development cost was \$449,112, a 22.5 percent year-over-year increase from \$366,334 in 2022 and a 57.8 percent increase from 2019, when the per-unit cost was \$284,589.^{vi}

A recent survey of county leaders throughout the state underscored the challenges of these rising costs. The *Housing Survey Report*, published by Colorado Counties, Inc., in November 2023, identified “lack of access to sufficient financial resources or revenues” as the top roadblock reported by county leaders across the state for bringing more affordable housing to their communities.^{vii} County leaders representing rural and rural resort areas cited the added challenges of attracting developers to their region due to high infrastructure costs, smaller project sizes, and construction and transportation costs.

Preservation

Because of a lack of inventory, preservation of affordable housing is vital. Subsidized properties serving households with lower incomes are required to remain affordable for 30 to 40 years. Restrictions on many of the affordable units built after 1990 utilizing federal resources are starting to expire or will be expiring soon. According to CHFA’s Preservation Database, affordability restrictions on approximately 14,547 affordable rental housing units are set to expire in the next decade across Colorado.^{viii}

In addition, many of these aging developments require rehabilitation to sustain current and long-term habitability. Aside from the preservation of restricted units, the preservation of unsubsidized naturally occurring affordable housing is very important as well. For example, mobile home communities are an important type of naturally occurring affordable housing in Colorado. Residents living in naturally occurring affordable housing units face ongoing risk of displacement from gentrification as developers look to purchase naturally affordable homes and communities and replace them with market-rate housing or other types of development.

Homelessness

Homelessness is a significant issue in Colorado across urban and rural communities, and it manifests in a number of different ways, including people living on the street, moving from location to location, staying temporarily with friends and relatives, and/or living in a vehicle.

affordable housing need

During the 2021–2022 school year, more than 16,000 students across Colorado were enrolled in a public school while experiencing homelessness.^{ix} In addition, the Metro Denver Homeless Initiative's 2023 Point-in-Time Report counted 9,065 homeless men, women, and children living in Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, and Jefferson counties. Of those counted, 2,101 (23.1 percent) were part of a family with children.^x

Homelessness is not isolated to the Denver metro region, or even to major metropolitan areas. The 2023 Point-in-Time Count for the Balance of State Continuum of Care, which examines homelessness in Colorado's rural and non-metropolitan counties, identified 2,210 individuals experiencing homelessness.^{xi}

A key approach to addressing homelessness in Colorado has been the adoption of the Permanent Supportive Housing (PSH) model. PSH combines affordable rental units with access to supportive services that help vulnerable individuals and families break the cycle of homelessness. Studies conducted by the Department of Housing and Urban Development (HUD) Office of Policy Development and Research have shown that the PSH model establishes long-term housing stability, improves health outcomes, and reduces crisis services such as emergency room and hospital visits and law enforcement activity. This in turn can lead to reduced costs for healthcare and criminal justice systems.

homelessness in colorado

16,540

Colorado students without
a safe place to call home
during the 2021-2022
school year

9,065

Reported homeless men,
women, and children living
in Adams, Arapahoe, Boulder,
Broomfield, Denver, Douglas,
and Jefferson counties

"In the 30 years that I have worked in the affordable housing field, perhaps the most significant lesson that I have learned is that affordable housing can provide a platform for linking supportive services to the residents of affordable housing to provide access to healthy food, healthy lifestyle activities, health care, case management services, financial counseling, after-school education, job training, and job placement. That is, by using affordable housing as a platform to link supportive services to its residents, affordable housing may hopefully help to combat the root causes of multi-generational poverty."

—Chuck Perry, Managing Partner at Perry Rose LLC, developer of Denver Dry Goods

affordable housing need

equity

When discussing affordable housing, it is important to call attention to contemporary and historical factors that perpetuate disparities in housing access for distinct populations such as racial/ethnic minorities and people with disabilities. Approaching these disparities with a focus on equity means that one must recognize the unique circumstances and needs of each of these groups.

Race and Ethnicity

The effects of historical practices such as redlining, in which financial institutions would not offer loans to applicants who lived in majority-minority communities, have had a lasting and devastating impact on the ability of minority communities, particularly Black and African American communities, to build generational wealth.^{xii} These impacts are seen today in the disparity between the Black and African American homeownership rate (42 percent) and White homeownership rate (70 percent) in Colorado.^{xiii} Similar disparities are also found in the Hispanic or Latino community, which has a 55 percent homeownership rate, and the Native American community, which has a 49 percent homeownership rate, based on the latest available data from the United States Census Bureau.^{xiv}

Racial disparities persist among those who rent their homes as well. People of color—Black and African American people in particular—are substantially more likely to be evicted from their home than non-Black households. A nationwide analysis published in 2023 examining more than 38 million eviction court cases in the United States between 2007 and 2016 found that while Black Americans made up 18.6 percent of renters, they account for 43.4 percent of evicted households.^{xv} An eviction can have lasting and devastating effects on household stability, making it more difficult to secure housing in the future, thus perpetuating a cycle of housing instability. In addition, evictions are associated with an array of negative physical and mental health outcomes.^{xvi}

Disability

For people with disabilities, disparities can be seen in the type of affordable housing that is available. Although there may be affordable housing available in an area, it may not be physically accessible or meet the unique needs of people with disabilities, despite the requirements of the Americans with Disabilities Act and the Fair Housing Act. According to the 2021 Strategic Housing Working Group Final Report, almost 60 percent of housing in Colorado was built before the accessibility requirements of the Fair Housing Act went into effect.^{xvii}

According to the Colorado state profile in the State of the States in Intellectual and Developmental Disabilities project, there are estimated to be at least 127,006 people in Colorado with Intellectual and/or Developmental Disabilities (I/DD). The majority are living with parents or another family caregiver. However, approximately 19,590 of those family caregivers are over the age of 60.^{xviii}

As family caregivers continue to age, the family member with I/DD becomes at greater risk of losing their home and primary support person(s).

At-risk individuals with I/DD may soon require access to housing and long-term support services outside of the family home. Due to the lack of housing affordable for people with extremely low incomes, those with I/DD face many challenges finding housing options, let alone finding an ideal housing solution in their community with appropriate accessible design in a walkable location with access to long-term support services that will allow that person to thrive.

affordable housing need

Age

Ensuring affordable housing options are available and designed to meet the unique needs of Colorado's aging population is an additional equity consideration and has a visible effect on the housing market. According to the Colorado State Demography Office, 26 percent of Colorado's households are 65 years of age or older.^{xix} It is projected that by 2045, the number of Colorado households aged 65 and older will increase by nearly 50 percent.

AARP's Making Room for America Report notes that the mismatch between single people living alone and available one-bedroom properties nationwide speaks more broadly to the need to ensure that available housing stock meets the needs of the country's changing demographics, including the increasing number of people over the age of 65.^{xx} In Colorado, 63 percent of households over the age of 65 are comprised of people living alone and 36 percent of all single-person households are people over the age of 65.^{xxi} In addition, not all of the state's available housing stock with one bedroom or less will be ideal for people 65 and older. When appropriate housing options for older adults are not available, this affects the market as residents may choose to continue to occupy large family homes instead of downsizing.

conclusion

Colorado's housing needs are vast and persist statewide. While regional differences drive each communities' strategic approach to address their unique market demands, the state and federal Housing Tax Credits have proven to be a key resource to help raise private sector equity for the development and preservation of affordable rental housing in the Denver metro, Front Range, rural, and mountain resort regions of the state.

Since renewed in 2014, the state Affordable Housing Tax Credit program has helped support 10,782 new and preserved affordable apartments and leveraged more than \$5.5 billion in economic impact. As interest rates and construction costs continue to rise, the private sector equity generated through the state and federal tax credit programs are more critical than ever to helping affordable housing projects advance.

CHFA remains humbled and honored to steward this key resource on behalf of Colorado.



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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.

CHFA is self-funded. We are not a state agency. CHFA's operating revenues come from loan and investment income, program administration fees, loan servicing, and gains on sales of loans.

CHFA receives no direct tax appropriations, and its net revenues are reinvested in its programs and used to support bond ratings. This document was designed and printed in house without the use of state general fund dollars.

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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