state affordable housing tax credit

2022 annual report

December 31, 2022

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December 31, 2022

Dear Members of the Colorado General Assembly,

The enclosed summary highlights CHFA's administration of the Colorado Affordable Housing Tax Credit program (state credit) in 2022. This report is intended to fulfill the reporting requirements as detailed in C.R.S. 39-22-2108.

This year was a significant year for the state credit program. In 2022, CHFA awarded state credit to 13 developments that, combined, will construct or preserve 1,463 affordable apartments. This is the second largest number of units supported in a single year in the program's history. The ability to support additional units is largely attributed to Congress' action at the end of 2020, which strengthened the effectiveness of the 4% federal Low Income Housing Tax Credit (federal credit or 4% LIHTC) program. CHFA pairs the state credit with 4% LIHTC 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 private-sector equity investment generated from both state and federal Housing Tax Credits is estimated to be $291.5 million. Additionally, CHFA estimates that more than $940 million in economic impact will result from the development of the 1,463 units supported.

The affordable housing developments supported with state credits in 2022 will be in Arvada, Aurora, Boulder, Colorado Springs, Denver, Fort Collins, Lafayette, Lone Tree, and Silverthorne. They will serve a diverse range of needs including:

- providing age-restricted housing for older-adults;
- building new supportive housing for veterans, families, and individuals transitioning out of homelessness;
- providing housing and supportive services for individuals exiting justice-involvement; and
- prioritizing housing for those impacted by the Marshall Fire.

Additionally, the state Affordable Housing Tax Credit received favorable findings from a Tax Expenditure Evaluation conducted by the Colorado State Auditor's Office in 2022 to evaluate the program's effectiveness. The evaluation states: "We found that the Affordable Housing Tax Credit is meeting its purpose by acting as a significant additional incentive to encourage the development of affordable housing projects in the state. (Affordable Housing Tax Credit Evaluation Summary, April 2022. Page 6)." Confidence in the program's effectiveness was further demonstrated by the Colorado General Assembly's extension of the program through 2031 via HB22-1051 sponsored by Representative Shannon Bird, the late Minority Leader Hugh McKean and Senators Rachel Zenzinger and Dennis Hisey.

CHFA is pleased to serve as the administrator of the state Affordable Housing Tax Credit program. Since renewed, the state credit has supported the development or preservation of 9,669 affordable apartments located in Denver Metro, Front Range, mountain resort, and rural communities. Residents living in state credit supported properties reflect the diversity of Colorado, with more than 46% being older adults with low incomes, 65% female head of household families, and 3,267 children.

At a time when market conditions are increasing the need for affordable housing and simultaneously making it more challenging to develop housing at an affordable pricepoint, the state credit is proving to be a consistent and invaluable resource.

Sincerely,

Cris A. White

Cris A. White
Executive Director and CEO

introduction

about the state affordable housing tax credit

Colorado's state credit 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 to 2024. Most recently, in 2022, the Colorado General Assembly approved extending the program through 2031.

2015–2022 program results

9,669
Housing Units Directly Supported

$108.8M
Federal 4 Percent Housing Tax Credit Leveraged

$1.4B
New Private-sector Investment Raised

31,241
Jobs Supported

$4.6B
Economic Impact

2022 program results

1,463

Housing Units Directly Supported

1,463 Housing Units Directly Supported

In 2022, the state Housing Tax Credit program directly supported 1,463 affordable rental units and will enable CHFA to support the development or preservation of more than 3,732 units overall.

The median household income of residents living in units supported with state or federal Housing Tax Credits is $22,572 or approximately 29 percent of Colorado's statewide Area Median Income (AMI).

As an example, in 2022, 29 percent of AMI equals $27,202 for a two-person household in Denver County, or $24,301 for a two-person household in Summit County.

$26.6M

Federal 4 Percent Housing Tax Credit Leveraged

$26.6M in Federal 4 Percent Housing Tax Credits Leveraged

CHFA leverages 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 $26.6 million in federal credits in 2022.

$291.5M

New Private-sector Investment Raised

$291.5M in New Private Sector Investment Raised to Support Colorado Housing

The state and federal Housing Tax Credits allocated to the 1,463 units supported will generate over $291.5 million in private-sector equity investment in Colorado.

On average, equity raised from the state credit will help offset 11 percent of the development costs, which when combined with the federal 4 percent credit, will support 50 percent of the total development costs.

$940M

Economic Impact

$940M in Economic Impact

The development of the 1,463 units directly supported with state credit is estimated to generate $940 million in economic impact and support 7,390 jobs.

state credit-supported development descriptions

The following affordable housing developments were awarded state credit and federal 4 percent credit in 2022. Summaries include information about the communities and populations to be served by each development.

Bentley Commons, Colorado Springs

Developer | GPR Properties III – a partnership between Greccio Housing Unlimited, Partners in Housing, and Rocky Mountain Community Land Trust

Bentley Commons will include the acquisition and rehabilitation of 24 units as well as new construction of 168 units serving families in southeast Colorado Springs. Twenty-five units will serve veterans exiting chronic homelessness with Veterans Assistance Supportive Housing (VASH) vouchers and services provided by the Veterans Administration. The City of Colorado Springs and El Paso County are also providing financial support.

- 192 Units: 60 One-bedroom; 105 Two-bedroom; 27 Three-bedroom
- 27 @ 30% AMI; 19 @ 40% AMI; 102 @ 50% AMI; 44 @ 60% AMI
- State Credit Awarded: $1,000,000
- Federal 4% Credit Awarded: $2,735,647

Heartside Hill, Fort Collins

Developer | CARE Housing, Inc.

Heartside Hill will be a new development serving individuals and families in south Fort Collins. Housing Catalyst will provide 16 project-based vouchers to support residents. Residents will have access to a campus community building that will include an early childhood education center, healthcare services, and resident services. The land for the development is being donated by Heart of the Rockies Christian Church. The City of Fort Collins and Larimer County are providing financial support. The development will certify to Zero Energy Ready Homes, an advanced energy efficiency program.

- 71 Units: 6 One-bedroom; 29 Two-bedroom; 30 Three-bedroom; 6 Four-bedroom
- 5 @ 30% AMI; 8 @ 40% AMI; 8 @ 50% AMI; 50 @ 60% AMI
- State Credit Awarded: $989,961
- Federal 4% Credit Awarded: $1,171,431

Elevate at Aurora, Aurora

Developer | Columbia Ventures Colorado, LLC

Elevate at Aurora will be a service-enriched development serving individuals and families. It will include construction of a facility for the nonprofit, CrossPurpose, a provider of workforce development services. This development will support the City of Aurora's Plan for workers in the city's fastest growing professions. The development is located near schools, grocery, retail amenities, and the Anschutz Medical Center. The development is supported by Living Hope Community Church, which owns the site; the City of Aurora; and the Aurora Housing Authority.

- 137 Units: 6 Studio; 62 One-bedroom; 52 Two-bedroom; 17 Three-bedroom
- 7 @ 30% AMI; 7 @ 40% AMI; 34 @ 50% AMI; 55 @ 60% AMI; 34 @ 70% AMI
- State Credit Awarded: $1,000,000
- Federal 4% Credit Awarded: $2,689,571

Irving at Mile High Vista, Denver

Developers | Urban Land Conservancy and Cho Development

Irving at Mile High Vista will be a seven-story high-rise development in the West Colfax neighborhood near high-frequency bus routes and light rail, and will be walkable to schools, daily amenities, parks, and recreation. The Rodolfo "Corky" Gonzales Branch Library is adjacent to the site. The site also provides close access to Paco Sanchez Park. The development will serve a wide range of household incomes, and include transit passes for all residents and universal design features. The land will be donated by the developer. The City of Denver and the Denver Housing Authority are providing financial support.

- 102 Units: 6 Studio; 78 One-bedroom; 12 Two-bedroom; 6 Three-bedroom
- 5 @ 20% AMI; 20 @ 30% AMI; 29 @ 50% AMI; 17 @ 60% AMI; 31 @ 80% AMI
- State Credit Awarded: $1,000,000
- Federal 4% Credit Awarded: $1,934,593

state credit-supported development descriptions

The following affordable housing developments were awarded state credit and federal 4 percent credit in 2022. Summaries include information about the communities and populations to be served by each development.

Legacy Senior Residences, Arvada

Developer | Cornerstone Housing Group, LLC

Legacy Senior Residences will be an age-restricted development serving adults ages 55 and older. Eight units will be supported by project-based vouchers from the Arvada Housing Authority, along with services through the City of Arvada's Homeless Navigation program. The development is on an infill site located within walking distance to grocery, retail, and other amenities. The City of Arvada and Arvada Housing Authority are providing financial support.

- 72 Units: 38 One-bedroom; 34 Two-bedroom
- 8 @ 30% AMI; 4 @ 50% AMI; 60 @ 60% AMI
- State Credit Awarded: $1,000,000
- Federal 4% Credit Awarded: $1,078,412

Rally Apartments, Boulder

Developer | Boulder Housing Partners

Rally Apartments will serve individuals and families exiting homelessness. Ten units will be supported by project-based vouchers from the developer with supportive services provided by the Boulder Shelter for the Homeless. Additional resident services will be provided by a full-time resident services coordinator. Significant local funding is leveraged from the City of Boulder, Boulder County, and the developer. The site is located near employment centers, grocery, public transportation, and other amenities.

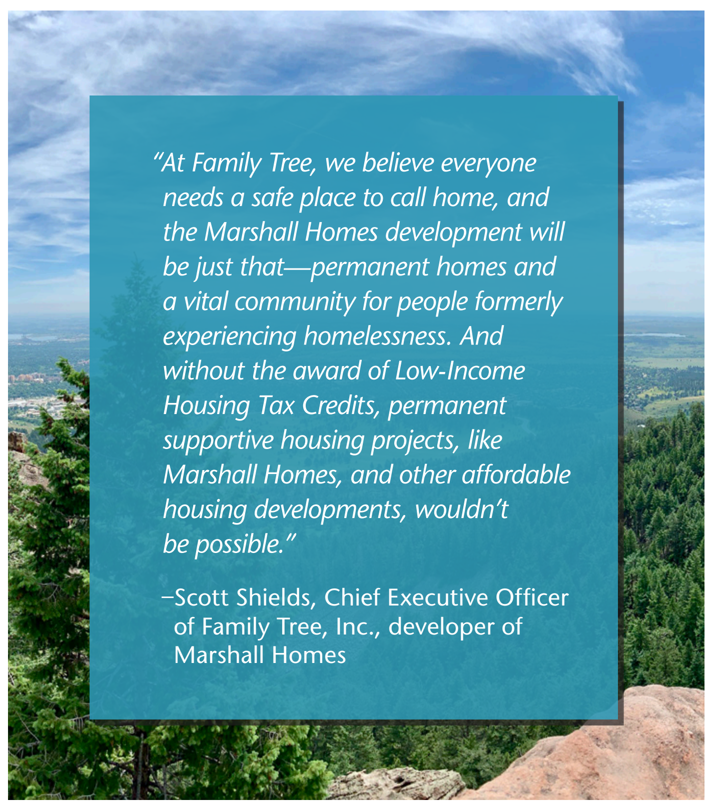
- 100 Units: 24 Studio; 62 One-bedroom; 14 Two-bedroom
- 10 @ 30% AMI; 5 @ 40% AMI; 22 @ 50% AMI; 63 @ 60% AMI
- State Credit Awarded: $1,000,000
- Federal 4% Credit Awarded: $1,778,095

Marshall Homes, Arvada

Developers | Family Tree, Inc., and Blueline Development, Inc.

Marshall Homes will be a supportive housing development serving individuals and families exiting homelessness. Residents will be supported by project-based vouchers from Colorado Division of Housing, Foothills Regional Housing, and the Arvada Housing Authority. Onsite services will be offered by Family Tree and Jefferson Center for Mental Health. The City of Arvada and Jefferson County are providing financial support.

- 85 Units: 70 One-bedroom; 15 Two-bedroom
- 85 @ 30% AMI
- State Credit Awarded: $648,429
- Federal 4% Credit Awarded: $1,553,542



"At Family Tree, we believe everyone needs a safe place to call home, and the Marshall Homes development will be just that—permanent homes and a vital community for people formerly experiencing homelessness. And without the award of Low-Income Housing Tax Credits, permanent supportive housing projects, like Marshall Homes, and other affordable housing developments, wouldn't be possible."

–Scott Shields, Chief Executive Officer of Family Tree, Inc., developer of Marshall Homes

state credit-supported development descriptions

The following affordable housing developments were awarded state credit and federal 4 percent credit in 2022. Summaries include information about the communities and populations to be served by each development.

Reserves at Eagle Point, Aurora

Developer | Overland Property Group

The Reserves at Eagle Point will be a development serving individuals and families in the Aurora One master-planned community. The site is near job centers, K-12 schools, and open space. The development will serve a range of incomes and offer one-, two-, and three-bedroom units. The development will certify to Zero Energy Ready Homes, an advanced energy efficiency program, and will all be all-electric. The City of Aurora and the Aurora Housing Authority are providing financial support.

- 192 Units: 48 One-bedroom; 96 Two-bedroom; 48 Three-bedroom
- 20 @ 30% AMI; 20 @ 40% AMI; 22 @ 50% AMI; 86 @ 60% AMI; 28 @ 70% AMI; 16 @ 80% AMI
- State Credit Awarded: $1,000,000
- Federal 4% Credit Awarded: $3,276,397

RidgeGate Senior, Lone Tree

Developer | Koelbel and Company

RidgeGate Senior will be the first age-restricted development serving adults ages 62 and older in Lone Tree and will serve a wide range of incomes. The development will be located in the master-planned community of RidgeGate East Villages in the central village couplet district. The site will be walkable to grocery and other future amenities. Residents will be served by the Link-On-Demand free shuttle service to locations within Lone Tree. The Douglas County Housing Authority and City of Lone Tree are providing financial support.

- 101 Units: 74 One-bedroom; 27 Two-bedroom
- 11 @ 30% AMI; 11 @ 40% AMI; 17 @ 50% AMI; 38 @ 60% AMI; 16 @ 70% AMI; 8 @ 80% AMI
- State Credit Awarded: $1,000,000
- Federal 4% Credit Awarded: $1,845,371

Residences at Acoma, Denver

Developer | Second Chance Center

Residences at Acoma will provide 60 supportive housing units for individuals and families with multiple barriers to housing stability, experiencing chronic homelessness, and/or justice-system involvement, as well as 68 units for families. The Colorado Division of Housing will provide project-based vouchers for the supportive housing units and WellPower will provide onsite clinical and supportive services. Families will be able to access services through the developer's career readiness and apprenticeship program. The City of Denver and Denver Housing Authority are providing financial support.

- 128 Units: 121 One-bedroom; 7 Two-bedroom
- 60 @ 30% AMI; 68 @ 60% AMI
- State Credit Awarded: $953,024
- Federal 4% Credit Awarded: $1,619,731

Smith Ranch Apartments, Silverthorne

Developer | Gorman and Company, LLC

Smith Ranch will be a development constructed in a mixed-income, mixed-use neighborhood serving individuals and families. The Town of Silverthorne will lease the site at no cost and provide financial support for the development. Residents will have access to the Summit Stage bus, a nearby childcare facility, retail, trails, and open space.

- 65 Units: 27 One-bedroom; 24 Two-bedroom; 13 Three-bedroom; 1 Two-bedroom Manager Unit
- 4 @ 30% AMI; 60 @ 60% AMI; 1 Manager Unit
- State Credit Awarded: $300,000
- Federal 4% Credit Awarded: $1,348,613

state credit-supported development descriptions

The following affordable housing developments were awarded state credit and federal 4 percent credit in 2022. Summaries include information about the communities and populations to be served by each development.

Warren Village III at Alameda, Denver

Developer | Warren Village, Inc.

Warren Village III at Alameda will be the first supportive housing development in Denver with a focus on families and single-parent households. The Denver Housing Authority and the City of Denver Department of Housing Opportunity (HOST) will provide project-based vouchers and rental assistance to 79 units. Supportive services will be provided by the developer and WellPower. The development will include an Early Learning Center (ELC) operated by the developer, with capacity for 100 children at affordable tuition rates. Turn-key development services will be provided by Urban Ventures, LLC. Funding is leveraged from Denver as well as the developer.

- 89 Units: 7 One-bedroom; 63 Two-bedroom; 19 Three-bedroom
- 40 @ 30% AMI; 44 @ 50% AMI; 5 @ 60% AMI
- State Credit Awarded: $1,000,000
- Federal 4% Credit Awarded: $2,484,288

Willoughby Corner Phase IB Family, Lafayette

Developer | Boulder County Housing Authority

Willoughby Corner Family will be an energy-efficient, all-electric, net-zero development serving individuals and families in a master-planned affordable rental and ownership community developed by the Boulder County Housing Authority. The City of Lafayette partnered to support the development with a land donation and funding. The developer will create a preference for income-qualified residents displaced by the Marshall Fire in Boulder County. The development will certify to Zero Energy Ready Homes, an advanced energy efficiency program.

- 129 Units: 87 One-bedroom; 30 Two-bedroom; 12 Three-bedroom
- 7 @ 30% AMI; 9 @ 40% AMI; 52 @ 50% AMI; 61 @ 60% AMI
- State Credit Awarded: $1,000,000
- Federal 4% Credit Awarded: $3,099,664

"Willoughby Corner will cater to families, individuals, single parents, older adults, people living with disabilities, and more, and will provide significant support for Lafayette's workforce and the businesses that employ them. The project site is pedestrian-focused with a network of community gardens, walking and bike trails, and access to transit. The project planning will take advantage of efficiencies in construction mobilization and material purchasing while being a leader in sustainable design."

–Molly Chiang, Senior Housing Developer of Boulder Housing Authority, developer of Willoughby Corner Phase 1B

2022 supported developments

The following list details all projects supported with either state and/or federal Housing Tax Credits in 2022.

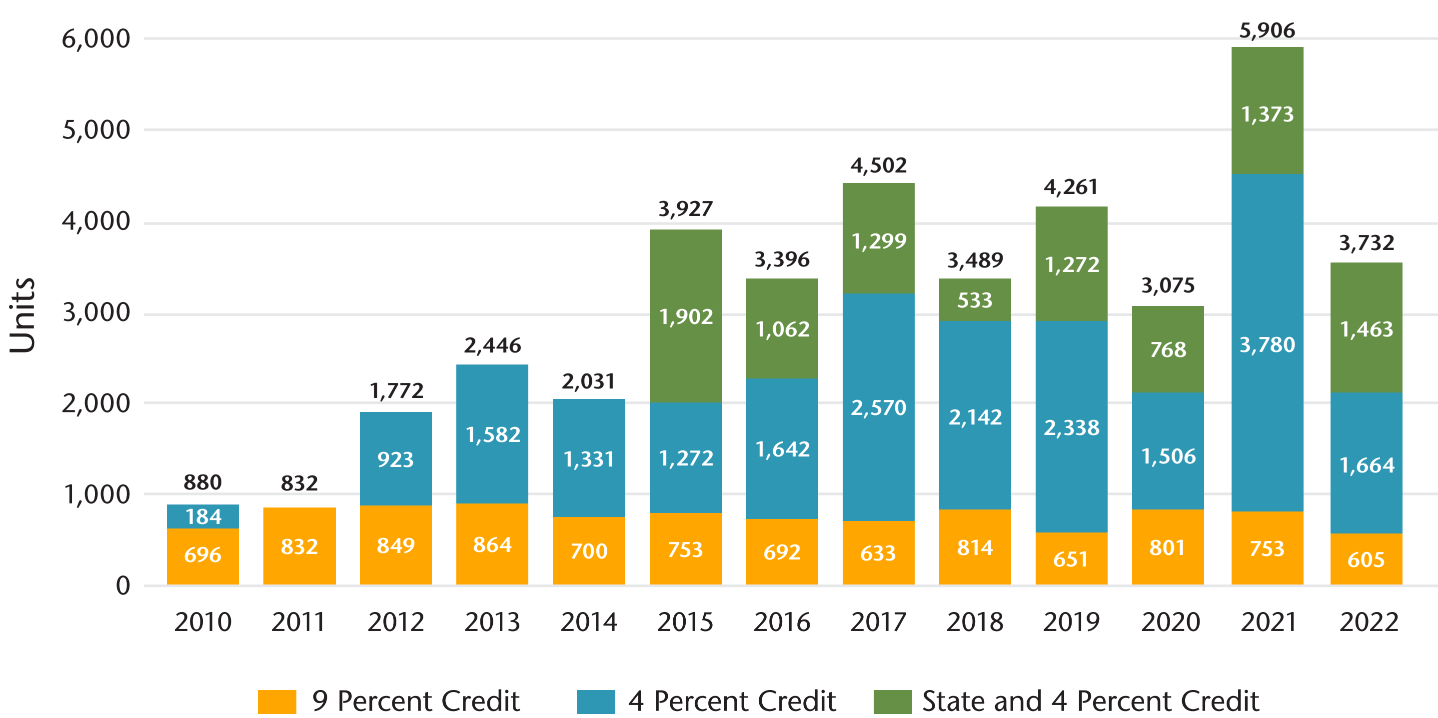
Project Name	City	County	Total Units
Federal 9 Percent Credit			
Bluebird Longmont	Longmont	Boulder	55
Brush Village II	Brush	Morgan	45
Fruita Mews	Fruita	Mesa	50
Ives	Wheat Ridge	Jefferson	50
Launchpad Apartments	Colorado Springs	El Paso	50
Osborn	Rocky Ford	Otero	30
Puwagaan Kaan (Healing Home)	Cortez	Montezuma	42
Residences at Dry Cedar Creek	Montrose	Montrose	60
Silver Key Senior Apartments	Colorado Springs	El Paso	50
SP Crossing	Commerce City	Adams	60
St. Stephen Apartments	Denver	Denver	50
Willoughby Corner Phase IA Senior	Lafayette	Boulder	63
Federal 4 Percent Credit			
15 Sable Apartments	Aurora	Arapahoe	154
Aurora Metro Center Senior Housing	Aurora	Arapahoe	222
Castle Rock Senior	Castle Rock	Douglas	200
Copper Rose	Colorado Springs	El Paso	182
Fitzsimons Gateway	Aurora	Arapahoe	210
Monument Ridge Townhomes	Grand Junction	Mesa	166
Northfield Flats	Denver	Denver	129
Presbyterian Manor	Boulder	Boulder	78
Saint Francis Center West	Denver	Denver	60
Sleeping Ute	Cortez	Montezuma	60
Western Apartments	Trinidad	Las Animas	60
Windsor Court	Aurora	Adams	143
State and Federal 4 Percent Credit			
Bentley Commons	Colorado Springs	El Paso	192
Elevate at Aurora	Aurora	Adams	137
Heartside Hill	Fort Collins	Larimer	71
Irving at Mile High Vista	Denver	Denver	102
Legacy Senior Residences	Arvada	Jefferson	72
Marshall Homes	Arvada	Jefferson	85
Rally Apartments	Boulder	Boulder	100
Reserves at Eagle Point	Aurora	Arapahoe	192
Residences at Acoma	Denver	Denver	128
RidgeGate Senior	Lone Tree	Douglas	101
Smith Ranch Apartments	Silverthorne	Summit	65
Warren Village III at Alameda	Denver	Denver	89
Willoughby Corner Phase IB Family Apartments	Lafayette	Boulder	129

*Data as of December 13, 2022.

historic investment: 2010 to 2022 units

The following table illustrates the number of units supported by state and/or federal Housing Tax Credits annually between 2010 and 2022.

Year	9 Percent Credit	4 Percent Credit	State and 4 Percent Credit	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	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



*Data as of December 13, 2022.

state affordable housing tax credit

state credit supports key affordable housing needs

As of 2022, 66 of the developments supported with state credit have placed in service, adding 6,052 new affordable rental housing units to Colorado's housing stock. In 2022, 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%	0.7%
Asian	3.4%	1.3%
Black or African American	3.8%	14.6%
Hispanic or Latino	21.8%	35.0%
Native Hawaiian and Other Pacific Islander	0.2%	0.1%
Two or More Races	4.5%	5.5%
Another Race Reported	0.5%	5.9%
White	65.1%	37.0%

resident demographics

$22,572
Median Income

29%
Median AMI

household size and demographics

57%
1 Person

19%
2 People

13%
3 People

11%
4+ People

65%
Female Head of Household

3,267
Children

46%
55 Years and Older

housing for colorado's workforce

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

In Colorado, full-time employees paid minimum wage ($12.56) earn $26,125 in gross income annually, or 40 percent AMI (based on a one-person household). Yet, according to the 2022 National Low Income Housing Council's *Out of Reach* study[8], Coloradans need to earn $28.94 per hour in order to afford the median rent of a two-bedroom apartment without being housing-cost-burdened. This equates to an 92-hour work week for those earning minimum wage. Based on this analysis, Colorado ranks eigth 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	44%	37%	$33,600
Professional	19%	36%	$31,555
Construction-related	10%	39%	$40,800
Sales/Retail	9%	37%	$33,280
Administrative and Clerical	7%	42%	$40,294

colorado job types and median wages

Occupation	Median Annual Wage	Colorado Median Income (one-person hh)	2021 Total Employment Statewide
Food Preparation and Serving-related Occupations	$29,910	46%	223,030
Retail Salespersons	$30,030	46%	78,650
Receptionists and Information Clerks	$34,540	53%	15,660
Healthcare Support Occupations	$36,100	55%	95,850
Preschool Teachers, Except Special Education	$36,300	56%	5,440
Nursing Assistants	$36,590	56%	20,660
Customer Service Representatives	$37,450	58%	45,520
Transportation and Material Moving Occupations	$38,280	59%	193,860
Sales and Related Occupations	$37,250	57%	292,670
Construction Laborers	$38,070	58%	20,590
Emergency Medical Technicians	$36,100	55%	2,990
Office and Administrative Support Occupations	$43,170	66%	313,280
Construction and Extraction Occupations	$48,650	75%	137,060

AMI based on the 2022, one-person Colorado median income. Source: https://www.huduser.gov/portal/datasets/il/il2021/select_Geography.odn
Income source: LMI Gateway Colorado, https://www.colmigateway.com/vosnet/lmi/ median incomes for Colorado are reported.

state affordable housing tax credit

older adult housing

Twenty-five percent (2,431) of the units directly supported with state credit between 2015 and 2022 will be set aside to provide affordable apartments for older adults.

housing for those transitioning out of homelessness

Eleven of the developments supported with state credit between 2015 and 2022 will meet the Qualified Allocation Plan priority for providing housing for homeless families and individuals. These developments will provide a total of 465 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-four of the 96 total developments supported with state or federal Housing Tax Credits between 2015 and 2022 are located outside of the seven-county Denver metro region.

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

> *"Bentley Commons Apartments will serve families and individuals, including veterans, providing new options for safe, stable, and affordable housing for generations. Bentley Commons was made possible by committed and aligned housing nonprofits, multiple stakeholders and funding partners, and an effective development team, all committed to serving Colorado Springs' hard-working citizens."*
>
> –Lee Patke, Executive Director of Greccio Housing, developer of Bentley Commons Apartments

affordable housing need

housing affordability defined

Housing affordability is an important consideration for everyone, regardless of income. Whether a household earns $41,600 or $24,950 annually, it must balance how much it can afford to spend on housing costs to ensure sufficient income for other needs, such as food, clothes, transportation, medical expenses, and savings for emergencies. As a general rule, housing costs should comprise no more than 30 percent of a household's annual gross income. For renters, housing costs include both rent and utility expenses. Currently in Colorado, 68 percent of renters earning less than 80 percent of AMI, or less than $66,560, 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.[2]

percent of income on housing

80%
AMI (<$66,560)

68%
Cost-burdened Renters – Paying More Than 30%

35%
Extremely Cost-burdened Renters – Paying More Than 50%

"Finding ways to deliver affordable housing takes partnership and creativity. In Summit County, we know that there is a housing scarcity crisis, and the Town of Silverthorne had the vision to set this site aside as one for housing affordability to ensure folks can live where they work, and have excellent quality of life and amenities within their reach."

–Kimball Crangle, Colorado Market President of Gorman & Company, developer of Smith Ranch Apartments

affordable housing need

key considerations

Population Growth and Housing Unit Production

Data from the Colorado Demographer's Office indicates that despite population increases, housing unit construction has dropped by over 40 percent in the last decade as compared to the previous decade. This discrepancy in housing unit production is a key factor affecting housing affordability in Colorado.[3] The existing shortfall in housing unit production to meet current demand can be illustrated by examining the net population increase in Colorado from 2000 to 2010 and 2010 to 2020 compared to the net housing unit increase during the same time period.

	2000 to 2010	2010 to 2020
Population Increase[1]	727,935	744,518
Housing Unit Increase[28]	404,861	278,506
	~55 units built per 100 people	~37 units built per 100 people

Intentional and strategic steps must be taken to incentivize housing unit production to ensure the current shortfall is addressed and Colorado is positioned to meet future demand. Colorado's population is expected to grow by approximately 1 percent annually for the next five years.[4] Total Colorado households are projected to rise by almost 770,000 households in the next 28 years.[5]

Wages and Income

Another contributing factor to Colorado's housing affordability gap is wages have not kept pace with housing costs. Between May 2015 through May 2021, the median home price increased an average of 11 percent annually, while wage growth increased only an average of 3 percent annually.[6,7] According to the National Low Income Housing Coalition, Colorado currently has the eighth highest housing wage (wage needed to afford housing) nationally, with a wage of $28.94 an hour or roughly $60,186 a year needed to afford a two-bedroom apartment.[8] This means someone earning Colorado's minimum wage of $12.56 per hour would need to work 92 hours per week in order to afford a two-bedroom apartment.[8]

This highlights the need for more housing generally and, specifically, more affordable housing. While increasing the supply of market-rate housing can be beneficial in reducing housing demand and lowering prices, housing needs must still be addressed for those with lower incomes in order to truly address statewide housing gaps. For instance, while there are 103 homes available for every 100 renter households earning 100 percent AMI, there are only 49 homes for every 100 renter households earning 50 percent AMI, and 30 homes for every 100 renter households available for those earning 30 percent AMI.[9]

Additionally, the gap in available affordable housing is even more apparent for those employed at specific occupations. A collaborative study by National Housing Conference for Housing Colorado found homeownership and rental housing are out of reach for essential workers such as childcare providers, firefighters, dental assistants, plumbers, and bank tellers in multiple Colorado cities.[10] Lack of available housing for individuals in these and other essential professions can cause significant problems for communities and their economies, as well as perpetuate urban sprawl as households are forced to live further away from the places they work.[11]

affordable housing need

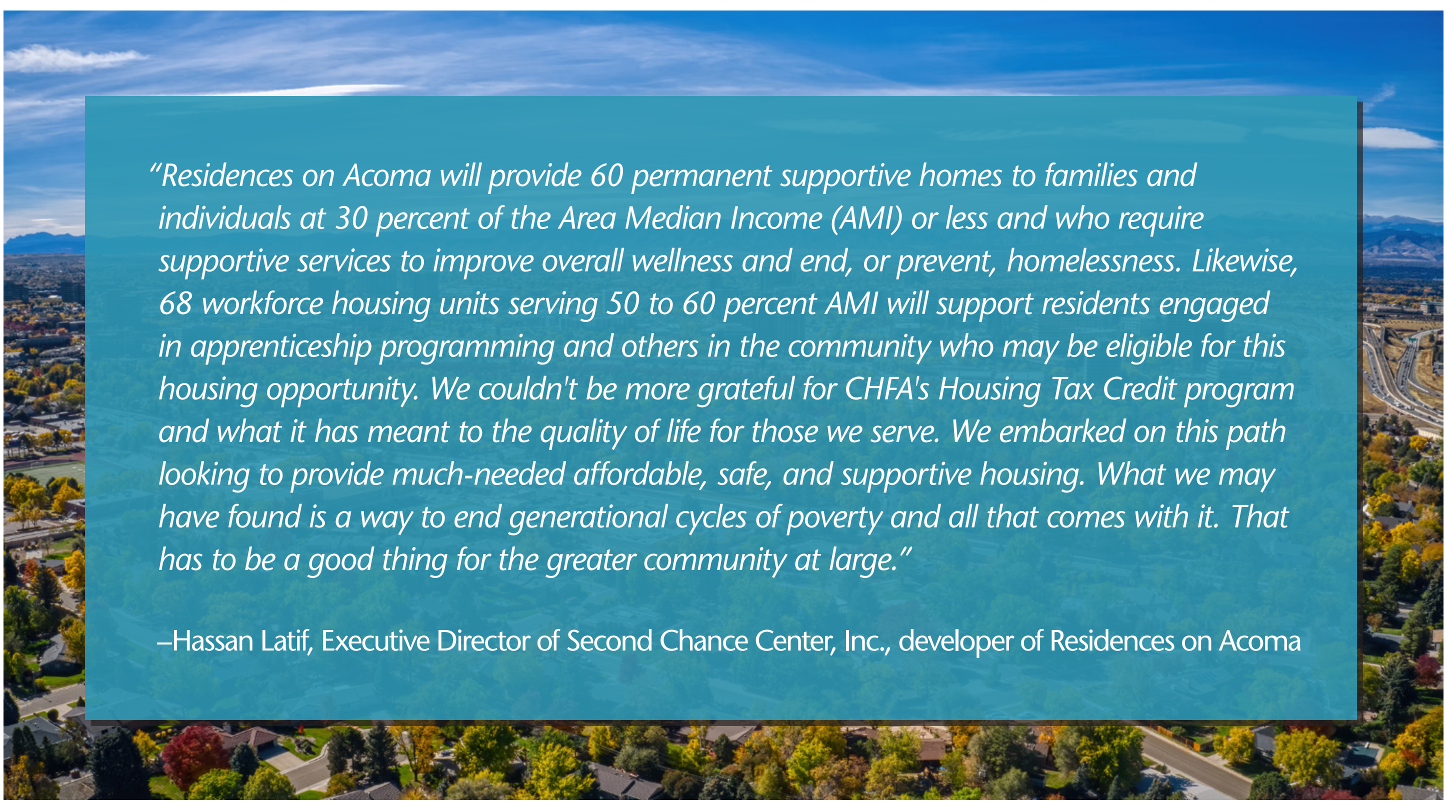
key considerations

Development Costs

As of August 2022, Engineering News Record reported a 5.7 percent increase in its overall construction cost index during the past year. This included a 10.4 percent rise in its building cost index and a 20 percent increase in its materials cost index across 20 major U.S. cities, including Denver.[11] The cost of materials, which is high across the state, can be even higher in rural areas due to the costs of transporting in materials and managing supply chains.

Similarly, labor costs also increased over this same period with common labor costs up 1 percent over the past year and skilled labor costs increasing by 3.4 percent.[11] Colorado is estimated to need 45,000 new construction workers by 2027, which points to a need for more training opportunities for the next generation of skilled workers.[12] This also presents unique challenges for rural areas, where skilled laborers and developers often commute from more populated areas due to lack of available local affordable housing. Local contractors often have difficulty finding and retaining employees, resulting from challenges providing wages, benefits, and commutes competitive with larger cities or resort areas.

Likewise, the high cost of land is a key issue in Colorado. Even if a suitable site is identified, developers, especially local developers of smaller-scale housing, may not be able to absorb the cost of connecting newly constructed properties to existing infrastructure. A survey released by Colorado Counties, Inc. (CCI) in 2021 noted infrastructure among the top barriers facing counties in advancing housing affordability in their communities.[13] Another consideration for rural and mountain communities can be the length of the building season, which may be shorter in high elevation areas due to inclement weather.



"Residences on Acoma will provide 60 permanent supportive homes to families and individuals at 30 percent of the Area Median Income (AMI) or less and who require supportive services to improve overall wellness and end, or prevent, homelessness. Likewise, 68 workforce housing units serving 50 to 60 percent AMI will support residents engaged in apprenticeship programming and others in the community who may be eligible for this housing opportunity. We couldn't be more grateful for CHFA's Housing Tax Credit program and what it has meant to the quality of life for those we serve. We embarked on this path looking to provide much-needed affordable, safe, and supportive housing. What we may have found is a way to end generational cycles of poverty and all that comes with it. That has to be a good thing for the greater community at large."

–Hassan Latif, Executive Director of Second Chance Center, Inc., developer of Residences on Acoma

affordable housing need

key considerations

Loss of Inventory

Online services that connect property owners with those seeking short-term rentals, such as Airbnb, are on the rise in Colorado and communities throughout the United States. Certain short-term rental markets in Colorado are in particularly high demand with Telluride, Aspen and Vail, Breckenridge, and Steamboat Springs all listed within the top 20 most expensive short-term rental markets in the country.[29] Homeowners and multifamily property owners alike use such services, which have been scrutinized regarding fair housing and housing affordability implications. Short-term rentals are having an extraordinary impact in smaller mountain and rural communities and tourist destination communities because they can deplete the available supply of properties that otherwise could be long-term rental properties or seasonal workforce housing.

The diversion of housing stock to short-term rentals and second homes can hollow out communities' housing stock and available land while increasing pressure on local business owners who struggle to find help in part due to a lack of housing for permanent residents and workers. Even communities that are not tourist destinations and have historically supplied workers to surrounding resort destinations are now seeing significant impacts from short-term rentals and second homes.

Preservation

Because of a lack of inventory, preservation of affordable housing is vital. Subsidized properties serving households with low income are most commonly 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 13,000 affordable rental housing units are set to expire in the next decade across Colorado.[14] 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

Key among the state's housing needs to be addressed are those of the unhoused. Homelessness across Colorado manifests in a number of different ways, including people living on the street or moving from location to location, staying temporarily with friends and relatives without a fixed permanent residence of their own. During the 2019–2020 school year, Colorado schools identified 15,374 students without a safe place to call home.[23] In addition, the Metro Denver Homeless Initiative's 2022 Point-in-Time Report counted 6,884 homeless men, women, and children living in Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, and Jefferson counties. Of those counted, 18 percent were families with children and 1 percent were unaccompanied youth.[24]

Homelessness is not isolated to the Denver metro region. Likewise, those who are experiencing homelessness often do not fit within historic stereotypes. For example, the Chaffee County Community Foundation reported that 57 percent of Chaffee County employers surveyed stated they have at least one employee who is either couch surfing, living in a vehicle, or experiencing homeless in a different way.[25]

Further, assisting homeless individuals who are working can be challenging in that many may not have experience accessing the supports and services available in the community and may struggle as a result.[26] They also face challenges from law enforcement as many are living on public lands and are forced to move to a new location every 14 days.[26] To assist, a current focus of the county is creating winterized RV campsites to address the pressing needs of this population.[26]

A key approach to solving homelessness in Colorado has been the adoption of the Permanent Supportive Housing (PSH) model. PSH combines affordable rental units with access to support 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.[27]

homelessness in colorado

15,374

Colorado students without a safe place to call home during the 2020–2021 school year.[23]

6,884

Reported homeless men, women, and children living in Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, and Jefferson counties.[24]

"Heartside Hill will help families with low incomes in Fort Collins succeed by lowering their monthly expenses through high quality, energy efficient, affordable housing and by providing onsite access to affordable Early Childhood Education, workforce development, and mental/behavioral health supports. Housing Tax Credits help to advance affordable housing in Colorado by anchoring the tangible value of our projects so that we have the ability to attract and secure other funding sources. Without Tax Credits, our ability to create affordable housing would be greatly reduced."

–Steve Kuehneman, Executive Director of CARE Housing, developer of Heartside Hill

equity

> "As developers of both affordable and market rate housing, we've seen how detrimental high housing prices are to the creation of mixed-income, inclusive communities. Housing Tax Credits allow us to develop attainable housing concurrent with market rate housing that ensures affordable housing isn't just an afterthought in new communities, but instead, a key building block for a community's success right from the start."
>
> –Carl Koebel, Chief Operation Officer of Koebel and Company, developer of RidgeGate Senior

In examining housing needs and housing gaps, 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 impact on the ability of minority communities, particularly Black and African American communities, to build generational wealth.[15] These impacts are seen today in Colorado in the disparity between Black and African American homeownership rates and White homeownership rates in Colorado. The homeownership rate among Black and African Americans in Colorado is 41 percent, whereas the homeownership rate for householders reporting their race as White alone is 71 percent.[16] Similar disparities are also found in the Hispanic or Latino community, which has a 53 percent homeownership rate, and the Native American community, which has a 49 percent homeownership rate.[16]

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 otherwise ideal for people with various 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.[17] Furthermore, the report concludes that in Denver for example, less than 1 percent of occupied housing units are wheelchair accessible, and more than 25 percent of Coloradans with a disability living on the Front Range are living in housing that does not meet their accessibility needs.[17]

According to the Colorado state profile of *State of the States in Intellectual and Developmental Disabilities*, 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.[18] However, approximately 19,590 of those family caregivers are over the age of 60.[18] 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).

affordable housing need

At-risk individuals with I/DD may soon require access to housing and long-term support services outside of the family home. According to the best available data, 76 percent of Coloradans with I/DD who are currently receiving Medicaid-funded long-term support services are unemployed, and therefore need deeply affordable housing.[19] 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, and with access to long-term support services that will allow that person to thrive.

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. It is projected that by 2045, the number of Colorado households aged 65 and older will increase by 55 percent.[5] AARP's Making Room for America Report notes that the mismatch between single people living alone and available one-bedroom properties nationwide and 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.[20] In Colorado for instance, 63 percent of households over the age of 65 are living alone and 36 percent of all single-person households are people over the age of 65.[21] In addition, not all of the state's housing stock with one bedroom or less available 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.

"The Warren Village community is elated to receive news of this award. We have recognized the increase in demand for more affordable housing and supportive services for single-parent families in our community for the last six years. So based on our findings, the development of Warren Village III at Alameda is a crucial next step towards growing the current capacity for our much-needed services. While there are many words we can use to describe what this substantial amount of money means to us as an organization, it boils down to this: single-parent families who are houseless or unstably housed today, will soon find a safe home, transformative services and early learning for their children."

–Ethan Hemming, President and CEO of Warren Village, developer of Warren Village III

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 credit has helped support 9,669 new and preserved affordable apartments and leveraged more than $4.6 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 is grateful to the Colorado General Assembly and Governor Jared Polis for continuing the program through 2031 via HB22-1051.

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.

Pages 3 to 6, conceptual renderings pictured:

- Bentley Commons Apartments, courtesy of Way Architects
- Elevate @ Aurora, courtesy of Shopworks Architecture
- Heartside Hill, courtesy of Alm2s
- Mile High Vista, courtesy of Studio Completiva
- Legacy Senior Residences, courtesy of Red Leonard and Robert W. Engel & Associates
- Marshall Homes, courtesy of Shopworks Architecture
- Rally Apartments
- Reserves at Eagle Point, courtesy of JGR Architects and Munson Studios
- Residents on Acoma, courtesy of Shopworks Architecture
- RidgeGate Senior
- Smith Ranch Apartments Courtesy of jv DeSousa LLC ARCHITECTURE | PLANNING
- Warren Village III, courtesy of SAR+ Architects
- Willoughby Corner Phase 1B, courtesy of HB&A Architects and Norris Design

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