



state affordable housing tax credit

2021 annual report

December 31, 2021

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colorado housing and finance authority



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 2020–2024.

2015–2021 program results



8,294

Housing Units Directly Supported



\$82.8M

Federal 4 Percent Housing Tax Credit Leveraged



\$1.07B

New Private-sector Investment Raised



23,976

Jobs Supported



\$3.6B

Economic Impact

2021 program results



1,373

Housing Units
Directly Supported

1,373 Housing Units Directly Supported

In 2021, the state Housing Tax Credit program directly supported 1,373 affordable rental units and will enable CHFA to support the development or preservation of more than 5,462 units overall.

The median household income of residents living in state or federal housing tax credit-supported units is \$21,583 or approximately 29 percent of Colorado's statewide Area Median Income (AMI).

As an example, in 2021, 29 percent of AMI equals \$24,331 for a two-person household in Denver County, or \$22,301 for a two-person household in Summit County.



\$19M

Federal 4 Percent Housing
Tax Credit Leveraged

\$19M in Federal 4 Percent Housing Tax Credits Leveraged

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

The pairing of the state and federal 4 percent credit enabled Colorado to leverage \$19 million in federal credits in 2021.



\$232M

New Private-sector
Investment Raised

\$232M in New Private Sector Investment Raised to Support Colorado Housing

The state and federal housing tax credits allocated to the 1,373 units supported will generate over \$232 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 50 percent of the total developments costs.



\$729M

Economic Impact

\$729M in Economic Impact

The development of the 1,373 units directly supported with state credit is estimated to generate \$729 million in economic impact and support 5,337 jobs.

state credit–supported development descriptions

The following affordable housing developments were awarded state credit and federal 4 percent credit in 2021. Summaries include information about the communities and populations to be served by each development.



2700 Wewatta Affordable Apartments, Denver

Developer | Rivet Development

This development will be located in the Denargo Market area of Denver’s River North Art District and will house residents ages 18 to 24 who are transitioning from homelessness and/or foster care in a supportive housing environment. Services will be provided by the nonprofit TGTHR to End Youth Homelessness (TGTHR), Mental Health Center of Denver, and other service agencies. The Colorado Division of Housing will provide 56 project-based vouchers as rental subsidy. The development will be amenity- and service-intensive and include a social enterprise space to provide employment opportunities for residents.

- 56 Units: 52 One-bedrooms; 4 Two-bedrooms
- 28 @ 30% AMI; 28 @ 50% AMI
- State Credit Awarded: \$781,055
- Federal 4% Credit Awarded: \$684,816



Bluebird, Boulder

Developer | Element Properties

Bluebird will be the second non-age-restricted, supportive housing development in Boulder for individuals and households exiting homelessness with multiple barriers to housing stability. The development will include trauma-informed design with generous amenity space for onsite service provision and free in-unit wireless service. The Boulder Shelter for the Homeless will be the lead service provider along with other partners. The development will be located in the transit-oriented Boulder Junction and is supported with funding from the City of Boulder and Boulder County. Boulder Housing Partners and the Colorado Division of Housing will provide project-based vouchers for rental subsidy.

- 40 Units: 8 Studios; 32 One-bedrooms
- 40 @ 30% AMI
- State Credit Awarded: \$733,107
- Federal 4% Credit Awarded: \$586,486



All Saints Senior Apartments, Denver

Developer | Archdiocesan Housing

All Saints Senior Apartments will be an infill development in south Denver adjacent to the Church of All Saints. The development will support residents ages 62 or older and will leverage services provided by the developer at two nearby developments. The development is close to public transportation, grocery, retail, and other amenities.

- 63 Units: 4 Studios; 59 One-bedrooms
- 12 @ 30% AMI; 5 @ 40% AMI; 12 @ 50% AMI; 34 @ 60% AMI
- State Credit Awarded: \$735,380
- Federal 4% Credit Awarded: \$588,304



Bonsai Apartments, Sheridan

Developer | Medici Development

Bonsai Apartments will be the first new construction affordable development in the City of Sheridan and will serve individuals and families. The development will be located on the site of a former nursery founded by a veteran World War II pilot and a Japanese American who was interned at Camp Amache and will feature an exhibit honoring the site’s history. The development will include nine project-based vouchers from Innovative Housing Concepts (Sheridan’s local housing authority) to support families with extremely low income. Integrated Family Community Services will provide an onsite coordinator to support activities and referrals for education, self-sufficiency, job preparation, and enrichment opportunities.

- 149 Units: 75 One-bedrooms; 65 Two-bedrooms; 9 Three-bedrooms
- 9 @ 30% AMI; 12 @ 40% AMI; 48 @ 50% AMI; 80 @ 60% AMI
- State Credit Awarded: \$995,137
- Federal 4% Credit Awarded: \$1,729,34

state credit–supported development descriptions

The following affordable housing developments were awarded state credit and federal 4 percent credit in 2021. Summaries include information about the communities and populations to be served by each development.



Eagle Meadow Homes, Aurora

Developer | Community Housing Partners

This development will offer deep affordability and serve individuals and families in Aurora’s City Center North neighborhood. Homeless families in the Aurora@Home Rapid Rehousing Program will be given preference for 11 units. Comprehensive resident services will be offered to all residents supported by a Resident Services Coordinator, including after-school programming and adult education and training.

- 93 Units: 21 One-bedrooms; 48 Two-bedrooms; 24 Three-bedrooms
- 11 @ 30% AMI; 13 @ 40% AMI; 49 @ 50% AMI; 20 @ 60% AMI
- State Credit Awarded: \$1,000,000
- Federal 4% Credit Awarded: \$1,562,268



Jewell Apartments, Aurora

Developer | Community Housing Development Association

Jewell Apartments will be an infill development in south Aurora within walking distance to employment opportunities, childcare, medical services, grocery, and other amenities. The development will include a community resource center and space for the developer’s corporate operations. The development will also include commercial space for lease and tenants will be selected based on community needs.

- 81 Units: 23 One-bedrooms; 44 Two-bedrooms; 14 Three-bedrooms
- 9 @ 30% AMI; 7 @ 40% AMI; 15 @ 50% AMI; 38 @ 60% AMI; 12 @ 80% AMI
- State Credit Awarded: \$799,070
- Federal 4% Credit Awarded: \$1,445,384



Flo, Denver

Developer | Denver Housing Authority

This development will serve residents 55 years and older in two high-rise buildings in Denver’s Sun Valley neighborhood. Half of the units will be supported with a project-based voucher provided by the developer. An onsite service coordinator will be available to residents, along with multiple service partnerships to support aging in place and a focus on health, nutrition and wellness, transportation, and social opportunities. The development leverages funding from the D3 Bond Program.

- 212 Units: 202 One-bedrooms; 10 Two-bedrooms
- 83 @ 30% AMI; 23 @ 50% AMI; 106 @ 60% AMI
- State Credit Awarded: \$900,000
- Federal 4% Credit Awarded: \$3,874,164



Johnson and Wales Family Housing, Denver

Developer | Archway Investment Corporation

This development will be an adaptive reuse of four historic dormitory buildings into affordable housing on the former Johnson and Wales Campus in Denver’s south Park Hill neighborhood. Urban Land Conservancy will provide a ground lease at no cost to support the development. Residents will benefit from a full-time service coordinator, as well as schools and training programs available on the former campus.

- 154 Units: 3 Studios; 55 One-bedrooms; 70 Two-bedrooms, 26 Three-bedrooms
- 10 @ 30% AMI; 19 @ 50% AMI; 125 @ 60% AMI
- State Credit Awarded: \$1,000,000
- Federal 4% Credit Awarded: \$1,907,312

state credit–supported development descriptions

The following affordable housing developments were awarded state credit and federal 4 percent credit in 2021. Summaries include information about the communities and populations to be served by each development.



Mount Calvary Senior, Boulder

Developer | Boulder Housing Partners

This development features the adaptive reuse of a former church and new construction of a residential building serving residents ages 55 and older in south Boulder. The renovation will include community space for residents and an existing childcare center. The development will serve 15 older adults exiting homelessness in supportive housing units with project-based vouchers provided by the developer. Comprehensive resident services will be offered in addition to supportive services provided by Boulder Shelter for the Homeless.

- 60 Units: 54 One-bedrooms; 6 Two-bedrooms
- 11 @ 30% AMI; 5 @ 40% AMI; 40 @ 50% AMI; 4 @ 60% AMI
- State Credit Awarded: \$662,227
- Federal 4% Credit Awarded: \$1,180,147



Park Ridge Apartments, Brighton, Estes Park, and Limon

Developer | Chrisman Development

This development will consist of four existing buildings across three Colorado communities: Brighton, Estes Park, and Limon. Three of the buildings will serve families and one building will serve residents ages 62 and older. All buildings will receive comprehensive upgrades. U.S. Department of Agricultural Rural Development rental assistance will support 67 units. The scattered-site development leverages the opportunity to preserve critical affordable housing that would not be feasible with individual sites.

- 118 Units: 71 One-bedrooms; 46 Two-bedroom
- 17 @ 30% AMI; Nine @ 50% AMI; 81 @ 60% AMI; 8 @ 80% AMI; 3 employee units
- State Credit Awarded: \$930,002
- Federal 4% Credit Awarded: \$1,205,000



Paloma Garden, Colorado Springs

Developer | Volunteers of America National Services

Paloma Garden will involve renovation of an existing building combined with new construction of a second residential building in southeast Colorado Springs. The new building will be certified by the Zero Energy Ready Homes (ZERH) advanced energy efficiency program. The development will serve residents ages 62 and older and feature resident services and design strategies developed from a comprehensive health assessment plan to help residents age in place. Rental assistance will be provided for all residents at the existing building.

- 126 Units: 117 One-bedrooms; 9 Two-bedrooms;
- 50 @ 30% AMI; 6 @ 40% AMI; 6 @ 50% AMI; 63 @ 60% AMI, 1 employee unit
- State Credit Awarded: \$1,000,000
- Federal 4% Credit Awarded: \$1,489,395



Peoria Crossing Phase II, Aurora

Developer | Aurora Housing Authority

This development is the second phase of Peoria Crossing and will complete the buildout of this site near employment opportunities, services, and amenities in Aurora. The developer will provide a resident services team supporting the full campus that will provide programs to enrich health, education, and self-sufficiency.

- 72 Units: 20 One-bedrooms; 34 Two-bedrooms; 18 Three-bedrooms
- 8 @ 30% AMI; 6 @ 40% AMI; 20 @ 50% AMI; 38 @ 60% AMI
- State Credit Awarded: \$970,004
- Federal 4% Credit Awarded: \$943,092

state credit–supported development descriptions

The following affordable housing developments were awarded state credit and federal 4 percent credit in 2021. Summaries include information about the communities and populations to be served by each development.



Ralston Gardens, Arvada

Developer | Mile High Development and Brinshore Development

This development will be located in Arvada’s Ralston Valley redevelopment near transit and community amenities. All residents will receive NECO passes for public transportation use. Eight project-based vouchers from the Arvada Housing Authority will support residents participating in Arvada’s Homeless Navigator program. The Arvada Urban Renewal Authority is supporting the development with a land parcel donation.

- 102 Units: 66 One-bedrooms; 32 Two-bedrooms; 4 Three-bedrooms
- 8 @ 30% AMI; 15 @ 40% AMI; 16 @ 50% AMI; 32 @ 60% AMI; 31 @ 70% AMI
- State Credit Awarded: \$1,000,000
- Federal 4% Credit Awarded: \$1,139,742



Wintergreen Ridge, Keystone

Developer | Gorman and Company

This development will join a community of affordable and workforce residential developments in Keystone. Wintergreen Ridge will be certified by the Zero Energy Ready Homes (ZERH) advanced energy efficiency program and will be all-electric constructed. The project is supported by the Summit Combined Housing Authority and funding from Summit County. Residents will have convenient access to public transportation along Highway 6 and maintained pedestrian/bike paths.

- 46 Units: 12 One-bedrooms; 29 Two-bedrooms; 5 Three-bedrooms
- 3 @ 30% AMI; 5 @ 50% AMI; 38 @ 60% AMI; 1 employee unit
- State Credit Awarded: \$700,000
- Federal 4% Credit Awarded: \$879,000



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“The Bluebird is a symbol of hope, love, and renewal, and we look forward to the day that these 40 homes generate hope, love, and renewal for the residents and our broader community.”

Element Properties is delighted to partner with an exceptional group of Boulder and Colorado experts to bring much-needed permanent supportive housing to our community.”

–Catherine Bean, Principal, Element Properties, developer of Bluebird

2021 supported developments

The following list details all projects supported with either state and/or federal Housing Tax Credits in 2021.

Project Name	City	County	Total Units
Federal 9 Percent Credit			
2275 Wadsworth	Lakewood	Jefferson	67
Central Park II	Denver	Denver	90
Crawford Townhomes	Pueblo	Pueblo	49
Deer Run Apartments	Sterling	Logan	50
Greyhound Park Empowerment Apartments	Commerce City	Adams	50
Joli	Denver	Denver	80
Northwest Apartments	Broomfield	Broomfield	50
Power & Elati	Littleton	Arapahoe	51
Residences at Delta	Delta	Delta	50
Solid Ground Apartments	Lakewood	Jefferson	40
St. Valentine Apartments	Loveland	Larimer	54
Vance Street Flats	Arvada	Jefferson	50
Vincent Village Apartments	Fort Lupton	Weld	72
Federal 4 Percent Credit			
Brookstone Apartments	Loveland	Larimer	72
Apex South	Englewood	Douglas	208
San Juan Apartments	Montrose	Montrose	76
Gateway Apartments	Aurora	Adams	100
Sol	Denver	Denver	130
Karls Farm Apartments	Northglenn	Adams	164
Aspgren Park	Denver	Denver	216
Crosswinds at Arista	Broomfield	Broomfield	159
Central Park III	Denver	Denver	127
Wildhorse Ridge	Denver	Denver	119
Trails at Lehow	Englewood	Arapahoe	82
Bentley Commons	Colorado Springs	El Paso	192
Lofts at 1609	Colorado Springs	El Paso	137
Krisana	Denver	Denver	150
Casa Redonda de Vigil	Denver	Adams	42
Crisman II Apartments	Longmont	Boulder	83
Forum Apartments	Denver	Denver	101
Trolley Station Apartments	Aurora	Adams	216
Tantra Lake Apartments	Boulder	Boulder	185
Copper Platte Apartments	Greeley	Weld	224
Northfield Commons	Fort Collins	Larimer	84
Madison Avenue Apartments	Loveland	Larimer	59
38th and Holly	Denver	Denver	253

2021 supported developments

The following list details all projects supported with either state and/or federal Housing Tax Credits in 2021.

Project Name	City	County	Total Units
State and Federal 4 Percent Credit			
2700 Wewatta Affordable Apartments	Denver	Denver	56
All Saints Senior Apartments	Denver	Denver	63
Bluebird	Boulder	Boulder	40
Bonsai Apartments	Sheridan	Arapahoe	149
Eagle Meadow Homes	Aurora	Arapahoe	93
Flo	Denver	Denver	212
Jewell Apartments	Aurora	Arapahoe	81
Johnson & Wales Family Housing	Denver	Denver	154
Mount Calvary Senior Housing	Boulder	Boulder	60
Paloma Garden	Colorado Springs	El Paso	126
Park Ridge Apartments	Brighton, Estes Park, and Limon	Adams, Larimer, and Lincoln	118
Peoria Crossing Phase II	Aurora	Adams	72
Ralston Gardens	Arvada	Jefferson	102
Wintergreen Ridge	Keystone	Summit	47



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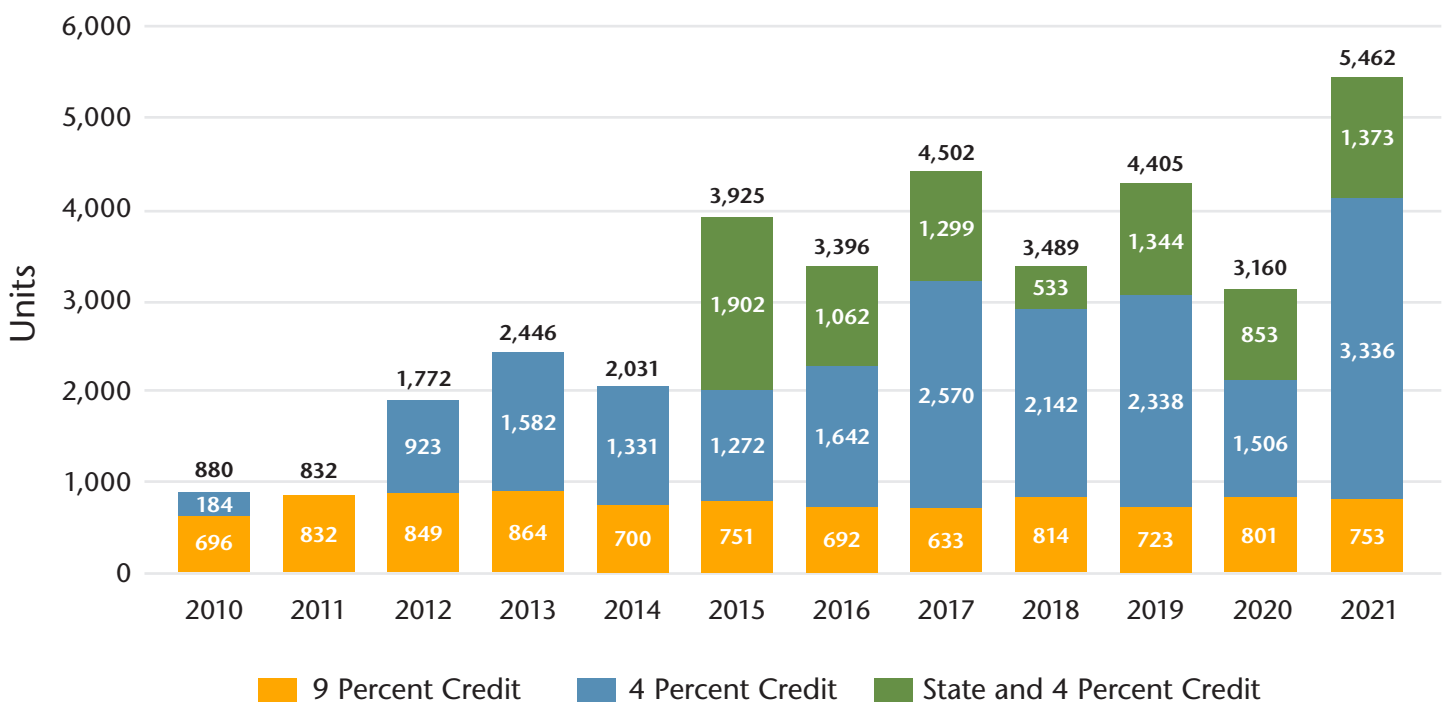
“The tax credit program is the backbone of the state’s affordable housing strategy. The award of state tax credits to Peoria Crossing Phase II will increase inventory and opportunity next to the Anschutz Medical campus. Phase II will bring 72 units of housing to a community facing a growing demand for affordable options. The completion of this development will provide a stable, welcoming place for residents and their families to call ‘home’.”

–Dayna Ashley-Oehm, Housing Development Director of Aurora Housing Authority, developer of Peoria Crossing

historic investment: 2010 to 2021 units

The following table illustrates the number of units supported by credit and/or federal Housing Tax Credits annually between 2010 and 2021.

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	751	1,272	1,902	3,925
2016	692	1,642	1,062	3,396
2017	633	2,570	1,299	4,502
2018	814	2,142	533	3,489
2019	723	2,338	1,344	4,405
2020	801	1,506	853	3,160
2021	753	3,336	1,373	5,462



state affordable housing tax credit

state credit supports key affordable housing needs

As of 2021, 48 of the developments supported with state credit have placed in service, adding 4,870 new affordable rental housing units to Colorado’s housing stock. In 2021, CHFA reviewed state credit resident demographics for the units placed in service. This analysis showed the following.

Race/Ethnicity	Colorado Population	State Credit Residents
American Indian and Alaska Native	0.6%	1.2%
Asian	3.4%	0.4%
Black or African American	3.8%	18.2%
Hispanic or Latino	21.8%	27.9%
Native Hawaiian and Other Pacific Islander	0.2%	0.2%
Two or More Races	4.5%	1.8%
Another Race Reported	0.5%	7.3%
White	65.1%	43.1%

resident demographics



\$21,583

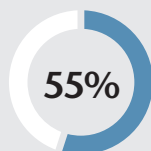
Median Income



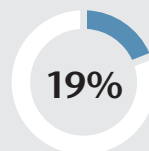
29%

Median AMI

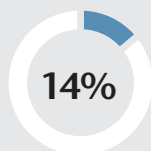
household size and demographics



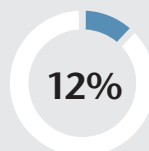
1 Person



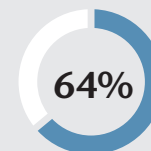
2 People



3 People



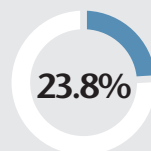
4+ People



Female Head of Household



Children



Retirees

state affordable housing tax credit

housing for colorado's workforce

The most common occupation of nonretired residents living in state credit-supported developments includes service industries, professionals, production/construction/operating work, sales, and clerical/administrative.

In Colorado, full-time employees paid minimum wage (\$12.32) earn \$25,626 in gross income annually, or 40 percent AMI (based on a one-person household). Yet, according to the 2021 National Low Income Housing Council's *Out of Reach* study⁸, Coloradans need to earn \$27.50 per hour in order to afford the median rent of a two-bedroom apartment without being housing cost-burdened. This equates to an 89-hour work week for those earning minimum wage. Based on this analysis, Colorado ranks ninth in the nation among high-cost housing states.

most common occupations of state credit nonretired residents

Occupation	Employed Residents	Median AMI	Median Income
Service-related	43%	37%	\$33,528
Professional	21%	39%	\$34,283
Sales/Retail	9%	41%	\$40,282
Construction-related	9%	37%	\$36,457
Administrative and Clerical	6%	42%	\$37,440

colorado job types and median wages

Occupation	Median Annual Wage	Colorado Median Income (one-person hh)	2021 Total Employment Statewide
Food Preparation and Serving Occupations	\$26,823	41%	215,880
Retail Salespersons	\$28,788	44%	70,060
Teaching Assistants, Except Postsecondary	\$30,034	46%	19,050
Healthcare Support Occupations	\$33,314	51%	94,660
Preschool Teachers, Except Special Education	\$33,570	52%	5,860
Nursing Assistants	\$34,544	53%	21,310
Customer Service Representatives	\$36,177	56%	48,440
Transportation and Material Moving Occupations	\$36,943	57%	199,170
Sales and Related Occupations	\$37,014	57%	268,680
Construction Laborers	\$38,112	59%	21,210
Emergency Medical Technicians and Paramedics	\$38,752	60%	4,060
Office and Administrative Support Occupations	\$40,871	63%	314,260
Construction and Extraction Occupations	\$50,053	77%	140,070

AMI based on the 2021, 1-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/default.aspx>; median incomes for Colorado are reported

state affordable housing tax credit

older adult housing

27 percent (2,217) of the units directly supported with state credit between 2015 and 2021 will provide affordable apartments for older adults.

housing for those transitioning out of homelessness

Ten of the developments supported with state credit between 2015 and 2021 will include housing for homeless families and individuals. These developments will provide a total of 320 affordable apartments for the homeless or permanent supportive housing units.

across colorado

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

Twenty-two of the 84 total developments supported with either state or federal Housing Tax Credits between 2015 and 2021 are located outside of the seven-county Denver metro region.

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



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“The CHFA award of federal 4 percent and state Housing Tax Credits was the lynchpin to the vision of All Saints Apartments becoming a reality. Thousands of seniors with low income in Denver are still in critical need of affordable housing, and the All Saints Apartments will serve seniors in an important and redeveloping corridor in southwest Denver. We are grateful for CHFA’s partnership with the All Saints Apartments.”

—Justin Raddatz, Vice President of Development for Archdiocesan Housing, developer of All Saints Apartments

affordable housing need

housing affordability defined

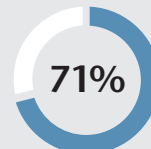
Housing affordability is an important consideration for everyone, regardless of income. Whether a household earns \$37,200 or \$21,583 annually, it must balance how much it can afford to spend on housing costs to ensure sufficient income for other needs, such as food, clothes, transportation, medical 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, 71 percent of renters earning less than 80 percent of AMI, or less than \$59,520, are cost burdened—paying more than 30 percent of their income on housing. Thirty-eight percent of those renters are extremely cost burdened, paying more than half of their income on housing costs.²

percent of
income on
housing

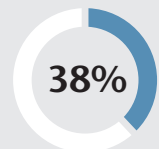


80%

AMI (<\$59,520)



Cost Burdened
Renters—Paying
More Than 30%



Extremely Cost
Burdened Renters—
Paying More Than 50%



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“We are thrilled to have received a 4 percent/ State tax credit allocation that will launch creation of an interactive, intergenerational campus of quality affordable housing for families and seniors that promotes healthy lifestyle practices and active engagement with nature.”

—Jo Ellen Davidson, Executive Director of Community Housing Development Association, Inc., developer of Jewell 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 overall 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 2000–2010 and 2010–2020 compared to the net housing unit increase during the same time period.

	2000–2010	2010–2020
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 not only the current short fall is addressed, but that Colorado is positioned to meet future demand as well. Colorado’s population is expected to grow by approximately one percent annually for the next five years.⁴ Total Colorado households are projected to rise by almost 877,720 households in the next 29 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 2020, the median home price increased an average of 10 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 ninth highest housing wage (wage needed to afford housing) of any state in the country, with a wage of \$27.50 an hour or roughly \$57,200 a year needed to afford a two-bedroom apartment.⁸ This means someone earning Colorado’s minimum wage of \$12.32 per hour would need to work 89 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 will still need to 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 when looking 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

This has been exacerbated by the pandemic. Colorado is reported to have lost 170,099 jobs from 2019 to 2020, and 76 percent of those jobs are in industries that pay less than 80 percent of average weekly wage.

affordable housing need

key considerations

Development Costs

As of September 2021, Engineering News Record reported an 8.4 percent increase in its overall construction cost index during the past year. This included a 14.5 percent rise in its building cost index and a 38 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 1.8 percent over the past year and skilled labor costs increasing by 1.3 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 affordable housing locally. 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.



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“We know that demand for housing at and below 60 percent of Area Median Income is the largest need in Summit County, and is oftentimes the hardest housing to develop because of the difference between what it costs to build and what the development’s income can afford. The use of the Housing Tax Credit is what makes these projects feasible. Coupling the Housing Tax Credit with our development strategy is what addresses the largest housing need in the county.”

—Kimball Crangle, Colorado Market President, Gorman & Company, developer of Wintergreen Ridge

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 14,000 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 21,420 students without a safe place to call home.²³ In addition, the Metro Denver Homeless Initiative's 2021 Point-in-Time Report counted 5,530 homeless men, women, and children living in Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, and Jefferson counties. Of those counted, 28 percent were families with children and 3 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

affordable housing need

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

21,420

Colorado students without a safe place to call home during the 2019–2020 school year.²³

5,530

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



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“Community Housing Partners designed Eagle Meadow Homes recognizing the need for service-enriched housing with set-aside units for formerly homeless families, including families living in motels or doubled up.”

–Signy Mikita, Executive Director of Community Housing Partners

affordable housing need

equity

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 40 percent, whereas the homeownership rate for householders reporting their race as White alone is 70 percent.¹⁶ Similar disparities are also found in the Hispanic or Latino community, which has a 50 percent homeownership rate, and the Native American community, which has a 50 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). These 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 faces 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.

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, 25 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 61 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, 64 percent of households over the age of 65 are living alone and 82 percent of all single person households are living alone are people over the age of 65.²¹ In addition, not all of the 13 percent of housing 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.



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“BHP is thrilled to have received an award of state and federal Housing Tax Credits for the Mt. Calvary Senior Housing community. This important development will prioritize individuals who currently do not have a home as well as the growing number of seniors in our community. Of those BHP currently serves in our supportive housing programs, over 50 percent are older adults, and we continue to see seniors making up a significant portion of those experiencing homelessness in our community. This redevelopment will provide vital homes for older adults who are a critical part of our community fabric.”

—Jeremy Durham, Executive Director of Boulder Housing Partners (BHP), developer of Mount Calvary Senior Housing

conclusion

Colorado's housing needs are vast and persist statewide. While regional differences drive each community's 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.

Demand for the state credit remains strong. In 2021, CHFA received 16 applications for credit, seeking a combined amount of \$13,401,000 million in state credit and \$20,090,678 million in federal 4 percent credit. Likewise, 2015 to 2020 requests for the competitively allocated state and federal 4 percent credit, and federal 9 percent credit out-paced availability.

Since renewed in 2014, the state credit has helped support 8,294 new and preserved affordable apartments and leveraged more than \$3.6 billion in economic impact. CHFA remains humbled and honored to steward this key resource on behalf of Colorado. We respectfully seek the support of the Colorado General Assembly in continuing this program beyond its currently authorized timeframe which ends on December 31, 2024.



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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.

With respect to its programs, services, activities, and employment practices, Colorado Housing and Finance Authority does not discriminate on the basis of race, color, religion, sex, age, national origin, disability, or any other protected classification under federal, state, or local law. Requests for reasonable accommodation, the provision of auxiliary aids, or any complaints alleging violation of this nondiscrimination policy should be directed to the Nondiscrimination Coordinator, 1.800.877.2432, TDD/TTY 800.659.2656, CHFA, 1981 Blake Street, Denver, Colorado 80202-1272, available weekdays 8:00am to 5:00pm.

Pages 3 to 6, pictured:

Conceptual rendering of 2700 Wewatta Affordable Apartments, Rivet Development
Conceptual rendering of All Saints Apartments, courtesy of Cushing Terrell
Conceptual rendering of Bluebird, courtesy of Shopworks Architecture
Conceptual rendering of Bonsai Apartments, Medici Development
Conceptual rendering of Eagle Meadow Homes, courtesy of Cuningham
Conceptual rendering of Flo, Denver Housing Authority
Conceptual rendering of Jewell Apartments, courtesy of Santulan Architecture
Johnson and Wales Family Housing, Archway Investment Corporation
Conceptual rendering of Mount Calvary Senior Housing, courtesy of Boulder Housing Partners
Conceptual rendering of Paloma Garden, courtesy of Studio Completiva
Park Ridge Apartments, Chrisman Development
Conceptual rendering of Peoria Crossing II, courtesy of EJ Architecture
Conceptual rendering of Ralston Gardens, courtesy of SAR+
Conceptual rendering of Wintergreen Ridge, courtesy of Gorman & Company
Conceptual rendering of Bluebird, courtesy of Shopworks Architecture

Page 6 pictured: conceptual rendering of Bluebird, courtesy of Shopworks Architecture

Page 8 pictured: conceptual rendering of Peoria Crossing II, courtesy of EJ Architecture

Page 12 pictured: conceptual rendering of conceptual rendering of All Saints Apartments, courtesy of Cushing Terrell

Page 13 pictured: conceptual rendering of Jewell Apartments, courtesy of Santulan Architecture

Page 17 pictured: conceptual rendering of Eagle Meadow Homes, courtesy of Cuningham

Page 19 pictured: conceptual rendering of Mount Calvary Senior Housing, courtesy of Boulder Housing Partners

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