

Affordable Housing Capital Fund Plan

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- **Current conditions**
- **Outcomes and uses**
- **Process and criteria**

- 1. Does the sequencing of investments align with Councilmembers' expectations?**
- 2. Are there potential uses Councilmembers would like prioritized?**
- 3. Do the process and criteria for awarding funds align with Councilmembers' expectations?**



Current Conditions



Undesignated

- \$5 million – 2016-25 CCIP
- \$8 million – 2026-35 ¼ Cent Capital Tax
 - \$550,000 appropriated and remaining

Designated and Appropriated

- \$400,000 CCIP for fee credits

Supports

- Capital expenses
- Affordable housing

Development costs have increased

Area	5-year Average Per Unit Development Cost	5-year Average Per Square Foot Development Costs	2025 Average Per Unit Development Cost
Larimer/Weld	\$373,707	\$392	<i>No data available</i>
Denver Metro	\$411,159	\$389	<i>No data available</i>
El Paso/Teller	\$323,208	\$337	<i>No data available</i>
Statewide	\$394,685	\$382	\$497,900

Colorado Housing Finance Authority, Affordable Housing Development Costs Dashboard, Five-Year Averages (2021 – 2025)

- **High level of uncertainty related to federal regulations**
 - Build America Buy America brings costs and possible delays
 - Changes to Low Income Housing Tax Credits
- **Developers desire a flexible and transparent process for accessing CCIP**
 - Aligning all City housing funding





Outcomes and Uses



Ensure affordable projects can be built or acquired, without delay



Accelerate Land Bank deployment



Offset costs for more affordable development



Establish sustainable source of funding



Ensure affordable projects can be built or acquired, without delay

Uses

- Gap funding for projects

Tradeoffs

- Supports new development, preservation, and acquisition
- One-time investments; funds do not usually return/revolve



Offset costs for more affordable development

Uses

- Increase fee credit amount and/or extend to higher AMI levels

Tradeoffs

- Can quickly exhaust funding; reduces funding for gap subsidy
- Requires code change
- Primarily benefit new development
- Housing Strategic Plan approach focuses on directing resources to units at lowest AMIs

Scenario	Average Estimated Annual Cost
\$14k/unit for 30% AMI (current)	\$297,500
\$14k/unit for 50% AMI	\$682,500
\$14k/unit for all affordable	\$1,610,000
\$28k/unit for 30% AMI	\$595,000
\$28k/unit for 50% AMI	\$1,365,000
\$28k/unit for all affordable	\$3,220,000

Figures based on average production from 2018 – 2025.



Accelerate Land Bank deployment

Uses

- Support development of Land Bank parcels

Tradeoffs

- Fewer funds for projects underway
- Leverages other City resources



Establish sustainable source of funding

Uses

- Provide short-term loans and long-term equity (revolving fund)

Tradeoffs

- Will require years for fund to build before it can increase production
- Contributes to regional loan fund (with local restrictions)



Ensure affordable projects can be built or acquired, without delay



Accelerate Land Bank deployment



Offset costs for more affordable development



Establish sustainable source of funding

Sequencing of funds

2026



\$5 m CCIP, 26 appropriation
\$550k ¼ CCT appropriated

2027/28



¼ CCT 27/28 appropriation



2029/30



¼ CCT 29/30 appropriation



\$400k CCIP appropriated

Assess opportunities



¼ CCT 29/30 appropriation



- 1. Does the sequencing of investments align with Councilmembers' expectations?**
- 2. Are there potential uses Councilmembers would like prioritized?**



Process and Criteria



- Competitive process (Q1/Q2) is gateway to City funding
 - Consider applications for AHCF
- Optional second window for AHCF requests (Q3/Q4)
- Accept requests for timely, unexpected, and extraordinary opportunities
- Utilize staff committee review
- Project subsidy requests or other investments (e.g., Land Bank improvement) approved by Council

Criteria

- Capital expenses of new development, preservation, or acquisition
- Substantially affordable projects
 - Funding proportional to affordable units produced
- Restriction required
- Geographic parameters



3. Does the process and criteria for awarding funds align with Councilmembers' expectations?