

Proposition 123 Fact Sheet (Citation DOLA Website)

A helpful presentation on all things Proposition 123 may be found [here](#).
<https://www.youtube.com/watch?v=ZzMJD4xJ8CU>

Enabling Action

In November 2022, Colorado voters passed Proposition 123, a ballot measure authorizing the state to retain money from existing state tax revenue to support affordable housing investment. These funds are split 60/40 between the Office of Economic Development and International Trade (OEDIT) and the Department of Local Affairs (DOLA) through its Division of Housing (DOH), respectively. OEDIT manages the Affordable Housing Financing Fund in partnership with the Colorado Housing and Finance Authority (CHFA), which serves as Contract Administrator. DOH manages the Affordable Housing Support Fund.

Overall (Statewide) Participation

More than 90% of Colorado's population lives in a community that has committed. A spreadsheet of participants may be found [here](#).

https://engagedola.org/prop-123/news_feed/commitment-filings-for-2023

Note: DOLA has also created a Local Commitment Workshop Presentation. This may be found [here](#).

<https://drive.google.com/file/d/1ntmr9gsAj3K0sM4MnpmLB7l8gXujLrlf/view>

Funding

\$116 million from the 2023-24 budget year (transferred July 1, 2024) (for affordable housing will become available in the second half of 2023 due to the enactment of Proposition 123.

Funding Split

Sixty percent of Proposition 123 funds are allocated to the Affordable Housing Finance Fund, which is managed by OEDIT and administered by CHFA. This fund includes three programmatic areas: ***Land Banking, Equity, and Concessional Debt***. Unless otherwise noted, local and tribal governments must complete a Proposition 123 Local Government Affordable Housing Commitment for projects within their jurisdiction to be eligible for funding.

Forty percent of Proposition 123 funds are allocated to the Affordable Housing Support Fund, which is managed by the Department of Local Affairs (DOLA) through its Division of Housing (DOH) and Division of Local Government (DLG). The Support Fund includes three programmatic areas: ***Affordable Homeownership, Serving Persons Experiencing Homelessness, and Local Planning Capacity Development***.

Grants to local governments to increase the capacity of local government planning departments responsible for processing land use, permitting, and zoning applications for housing projects.

- Fast-track and other streamlining development processes and systems/technologies
- Land use code amendments that effectively streamline development review (e.g., admin approval)
- Staff or contractor assistance to review affordable housing applications within an expedited timeline

Note: The Town is participating in two Local Planning Capacity Development grants currently (awarded one with Gilpin County and pursuing another).

Fund Allocation

Organizations (Non-profits, Community Land Trusts, Private Entities, and Local Governments) are only eligible for funding if the proposed project or program takes place in municipalities, counties, or tribes that have committed to increasing their affordable housing stock above a baseline amount

The Town of Lyons Commitment

The Resolution for the Town's Commitment is attached. Our commitment, however, is ten (10) units over the next three years.

Important Deadlines

- **November 2024**

Deadline: Late Local Government Affordable Housing Commitment Filings,
Eligibility Starting 2025

- **November 2025**

This is an upcoming stage for Proposition 123 Implementation
Deadline: Late Local Government Affordable Housing Commitment Filings,
Eligibility Starting 2025

- **November 2026**

This is an upcoming stage for Proposition 123 Implementation
Deadline: On-Time Local Government Affordable Housing Commitment Filings,
Cycle 2

- **January 2027**

This is an upcoming stage for Proposition 123 Implementation
Deadline: Compliance with fast-track approval and annual increases in affordable housing

Qualifying Strategies and Examples (Links Provided)

The Department of Labor Affairs competitively procured Root Policy Research, Plan Tools LLC, and SE Group to create and revise guidance documents for qualifying strategies listed in House Bill 21-1271. The guidance below is intended to support local governments seeking initial or additional thinking to help them achieve their local land use goals related to affordable housing development.

- [Use of vacant publicly owned property for affordable housing development \(opens in new window\)](#)
- [Subsidize/reduce local government fees \(opens in new window\)](#)
- [Expedited development review for affordable housing up to 120% AMI \(opens in new window\)](#)
- [Expedited development review for acquiring or repurposing underutilized commercial property \(opens in new window\)](#)
- [Density bonus program for housing needs \(opens in new window\)](#)
- [Promote sub-metering utility charges for affordable housing \(opens in new window\)](#)
- [Dedicated funding source to subsidize affordable housing infrastructure costs and fees \(opens in new window\)](#)
- [Middle multi-family \(duplex, triplex, other\) use by right in single-family residential zoning districts \(opens in new window\)](#)
- [Affordable housing as a use by right in residential zoning districts \(opens in new window\)](#)
- [ADU use by right in single-family zoning districts \(opens in new window\)](#)
- [Allow planned unit developments \(PUDs\) with integrated affordable housing units \(opens in new window\)](#)
- [Allow small square footage residential unit sizes \(opens in new window\)](#)
- [Lessened minimum parking requirements for new affordable housing \(opens in new window\)](#)
- [Land donation/acquisition/banking program \(opens in new window\)](#)
- [Inclusionary zoning ordinance \(House Bill 21-1117\) \(opens in new window\)](#)
- [Other novel, innovative, creative approaches – General \(opens in new window\)](#)
- [Other novel, innovative, creative approaches - Housing Authorities](#)

Fast-track Information

Prop 123 states that in order to remain eligible for Prop 123 funds in the next 3-year cycle (2027-2029), local governments must demonstrate they have implemented an expedited review process for housing projects where at least half of the units are affordable.

[See here.](#) <https://cdola.colorado.gov/prop123fasttrack>