



## Council Communication File Number: Res 2023-100

**Agenda Date:** 10/2/2023

**Version:** 1

**Status:** Agenda Ready

**In Control:** City Council

**File Type:** Resolution

A RESOLUTION AFFIRMING THE CITY OF COMMERCE CITY'S INTENT TO COMMIT TO INCREASING ITS BASELINE OF AFFORDABLE HOUSING UNITS IN THE CITY AND OTHER REQUIREMENTS OF PROPOSITION 123 AND AUTHORIZING THE CITY OF COMMERCE CITY'S FILING OF THE CITY OF COMMERCE CITY'S COMMITMENT WITH THE STATE'S DIVISION OF HOUSING

### **Summary and Background Information:**

Proposition 123 was approved by Colorado voters in 2022 and established a sustainable funding source for Colorado communities to make progress in addressing housing affordability challenges. Proposition 123 gives communities access to a dedicated and sustainable source of funding for affordable housing projects and initiatives via the creation of the State Affordable Housing Fund. The Fund dedicates 40% of funds to the Affordable Housing Support Fund administered by the Department of Local Affairs (DOLA), and 60% to the Affordable Housing Financing Fund. Several hundred million dollars for affordable housing will become available in the second half of 2023 for communities that file a commitment to Proposition 123 by November 1, 2023. This funding will be overseen by the Department of Local Affairs and the Governor's Office of Economic Development and International Trade. Example projects eligible to be funded by Proposition 123 dollars include rental assistance programs, eviction defense services, grants or loans for the development of affordable housing, and activities that contribute to the resolution of homelessness.

It is important to note that Proposition 123 requires a local government commitment to increase affordable housing units by three percent (3%) each year during the three-year program period. Municipalities will have the full three years to demonstrate that the number of affordable housing units increased by a total of nine percent (9%), even if a three percent (3%) increase may not be accounted for in a particular year during the three-year time frame.

For Commerce City and any qualifying non-profit organizations within city limits to access the funds provided by Proposition 123, the City must file a Local Government Affordable Housing Commitment with the Division of Housing by November 1, 2023. Interested municipalities are encouraged to apply before the deadline to access funds that are already available through Proposition 123. In addition to having early access to funds, filing a commitment sooner allows the City to begin counting any new affordable units that are constructed to the required nine percent (9%) of new

affordable housing units

Nearby municipalities that have already filed their commitment include Denver, Arvada, Westminster, Longmont, Lafayette, Littleton, Erie, and Boulder.

**Staff Responsible (Department Head):** Jim Tolbert; Assistant City Manager

**Staff Member Presenting:** Jim Tolbert; Assistant City Manager

**Financial Impact:** Positive

**Funding Source:** State Affordable Housing Fund

**Staff Recommendation:** N/A

**Suggested Motion:** Motion to approve Resolution 2023-100 affirming the City of Commerce City's expression of its intent to commit to increasing its baseline of affordable housing units in the City and other requirements of proposition 123 and authorizing the City of Commerce City's filing of the City of Commerce City's commitment with the State's Division of Housing