

Prop 123 Resolution Res 2026-080

June 15th, 2026



Commerce
CITY

Prop 123 Overview

- Colorado Proposition 123 (**passed in 2022**) created the state's first dedicated funding stream for affordable housing, diverting roughly **\$300 million** annually from existing state income tax revenue.
- The funds target the entire housing continuum - from land acquisition and construction to first-time buyer assistance and homelessness prevention.
- Eligible applicants include nonprofit agencies, community land trusts, developers, and local governments.
 - To qualify, projects must be located in a jurisdiction that has completed a Proposition 123 Local Government Affordable Housing Commitment with the State.

Prop 123 Fund Allocation and Management

The money is distributed through a 60/40 split across two main state entities:

- **60% - Office of Economic Development and International Trade (OEDIT):** Manages programs focused on the **creation and preservation of affordable units**. Programs include **land banking** (acquiring land for future development), **equity** investments in multi-family rental developments, and **concessionary debt** (gap financing and loans for modular housing).
- **40% - Department of Local Affairs (DOLA):** Manages the Affordable Housing Support Fund. This branch funds programs for **homeownership, local capacity and planning grants**, and homelessness prevention/supportive services.

Prop 123 Requirements

- Commerce City filed its commitment to Prop 123 in 2023 to access these funds.
- To remain in good standing with this commitment and have continued access to future funding, municipalities must:
 - Increase existing affordable housing units by 3% a year
 - **Establish a fast-track review process for Affordable housing developments**
- The **fast-track review process for Affordable housing** requires a final decision on a complete application within 90 calendar days. For example, when an affordable housing project submits a complete site development plan, the city must provide a final decision within 90 days.
 - Fast-track review does not apply if an applicant chooses to opt-out.
 - The State allows for extensions to the 90-day time frame for both the city and applicant.

Resolution Objective

- Approving the resolution establishes a formal policy that any complete application received by the City for **an affordable housing development a decision will be rendered on the application within ninety (90) calendar days** as required by the State's Prop 123 Fast Track Requirements.
 - **Commerce City's Light Speed Review Program and 3-2-1 Development Review Timeframe** will meet the State's Prop 123 Fast Track Requirements.
 - This resolution is presented for compliance with Prop 123 and does not change what we are doing in practice.
- **Adopting the resolution secures compliance and up to \$45,000 in grant funding** if completed by June 30, 2026 (no local match necessary)
 - Final deadline to comply is December 31st, 2026
- If the resolution is not passed by the final deadline, the City may lose access to future Prop 123 funding

3-2-1 Development Review Timeframe

- On March 31, 2026, the Light Speed Review process was launched by Community Development to shorten review and permitting timelines for all development applications.
- A key component of the Light Speed Review is the City's commitment to a 3-2-1 review time frame:
 - Three weeks for the first review
 - Two weeks for the second review
 - One week for the third review