

# Leadership Denver Affordable Housing Discussion

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*financing the places where  
people live and work*

# what is affordable housing?

- Housing where the occupant spends no more than 30% of their gross income on housing costs
  - homeownership
    - principal, interest, taxes, and insurance
  - rent
    - rent and utilities

# Housing Continuum

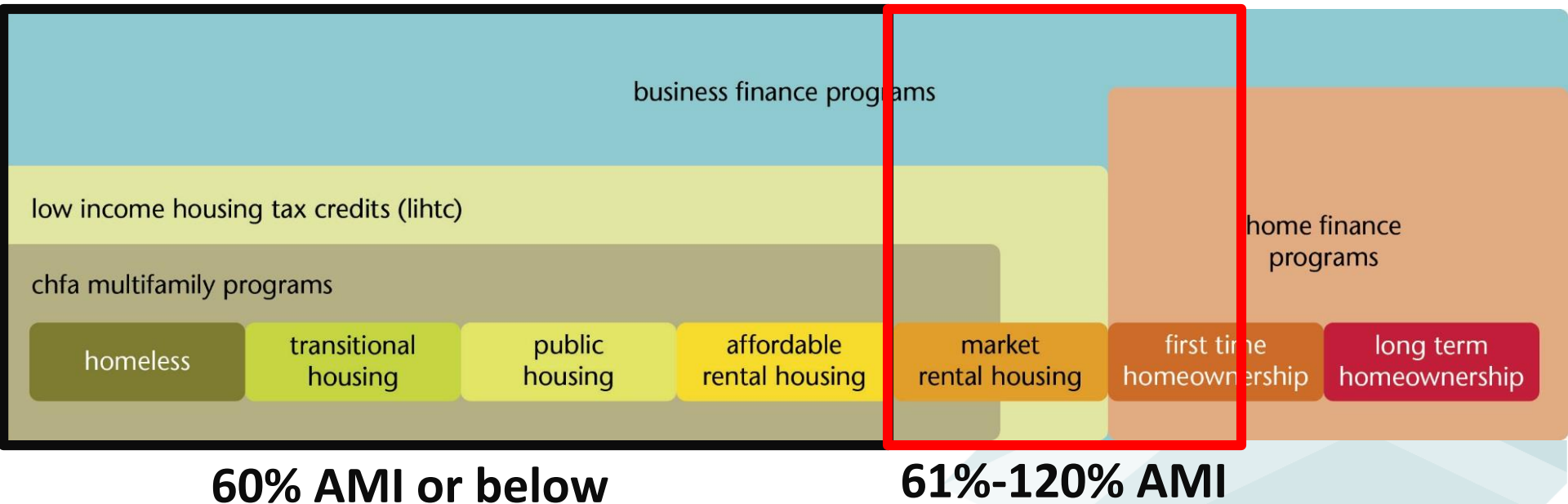


Homelessness ➡ Homeownership

# CHFA's Housing Continuum

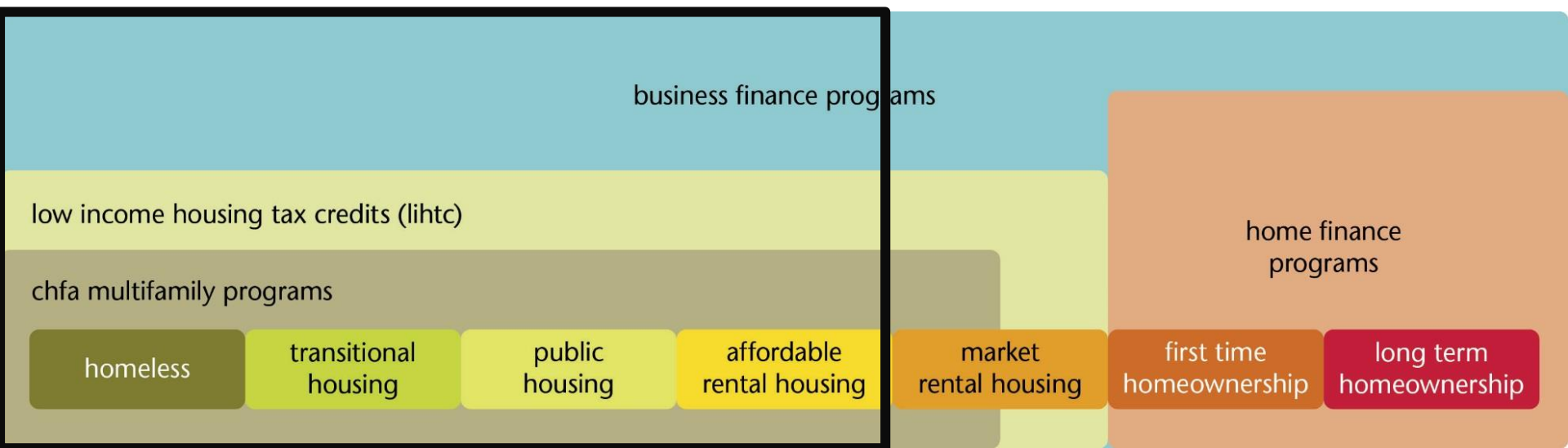
## Affordable Housing

## Market Rate Housing



# Housing Continuum: **30% - 60% AMI**

## Affordable Housing



**Incomes range from \$19,000 to \$38,000 per year**

**Rents range from \$540/month to \$1,081/month**

# What does it look like?



## Cornerstone Apartments



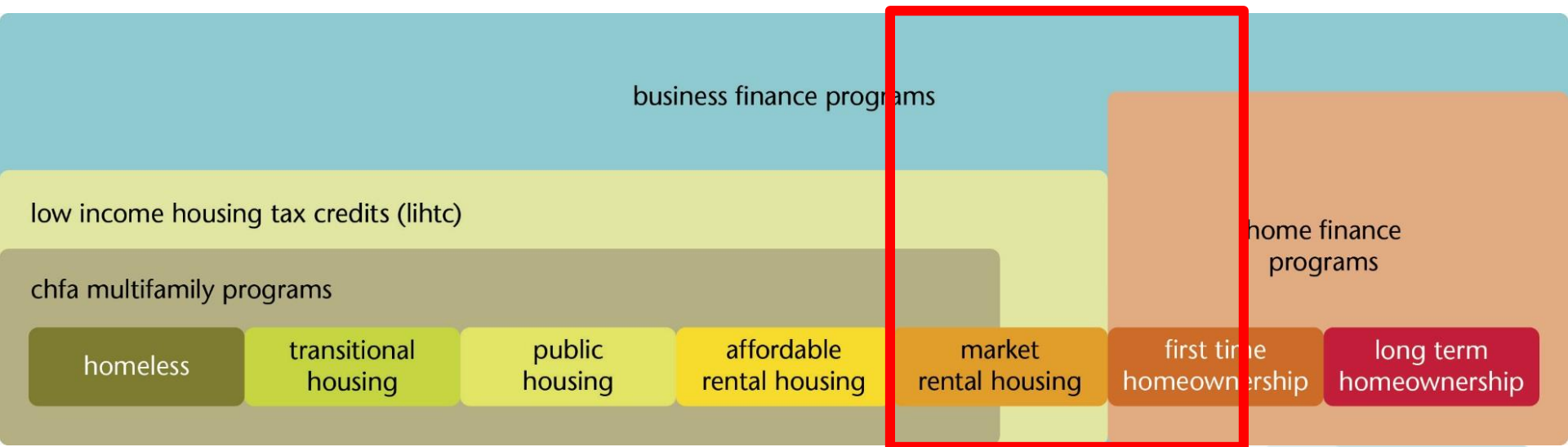
# What does it look like?



## University Hills

# Housing Continuum: 61% to 120% AMI

## Market Rate Housing



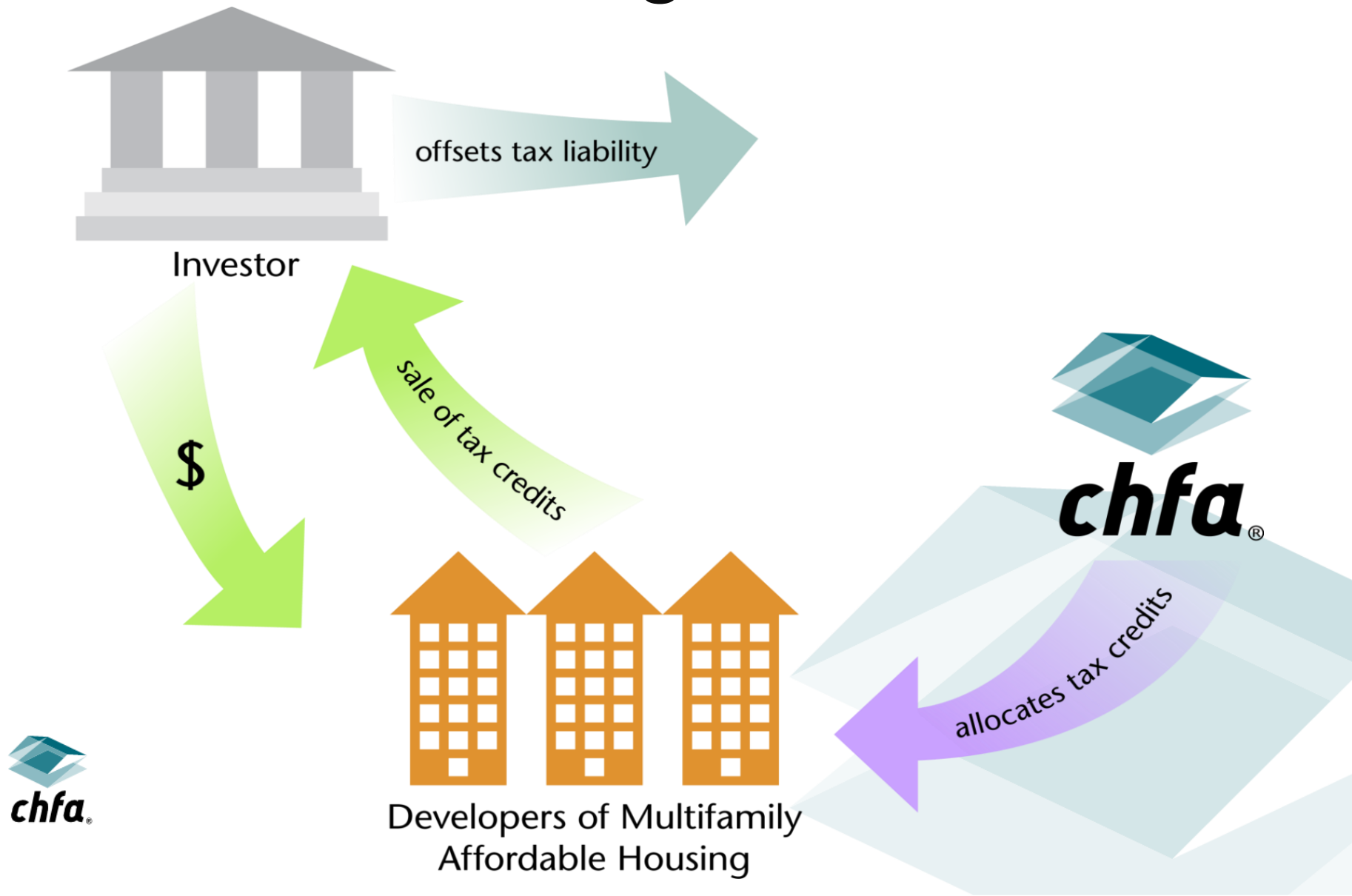
**Incomes range from \$38,460 to \$77,000 per year**  
**Rents range from \$1,081/month to \$2,100/month**



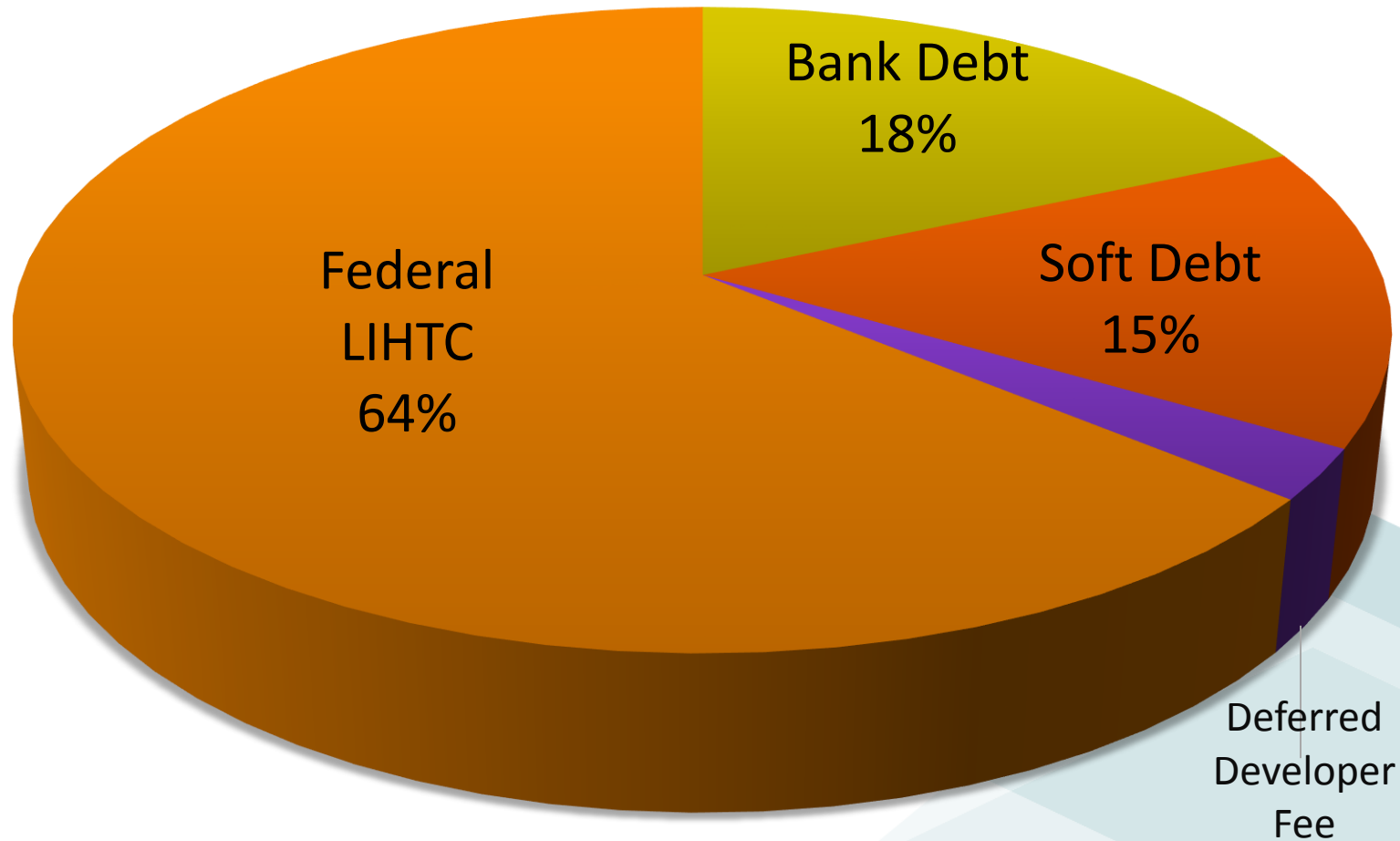
# How are “affordable” units getting built?

- Federal Resources
  - ***Low income housing tax credits (LIHTC)***
  - Private Activity Bonds
  - HOME Funds
  - CDBG
- State Funds
- Local Funds
- Private: Banks, Foundations, Social investors

# low income housing tax credits

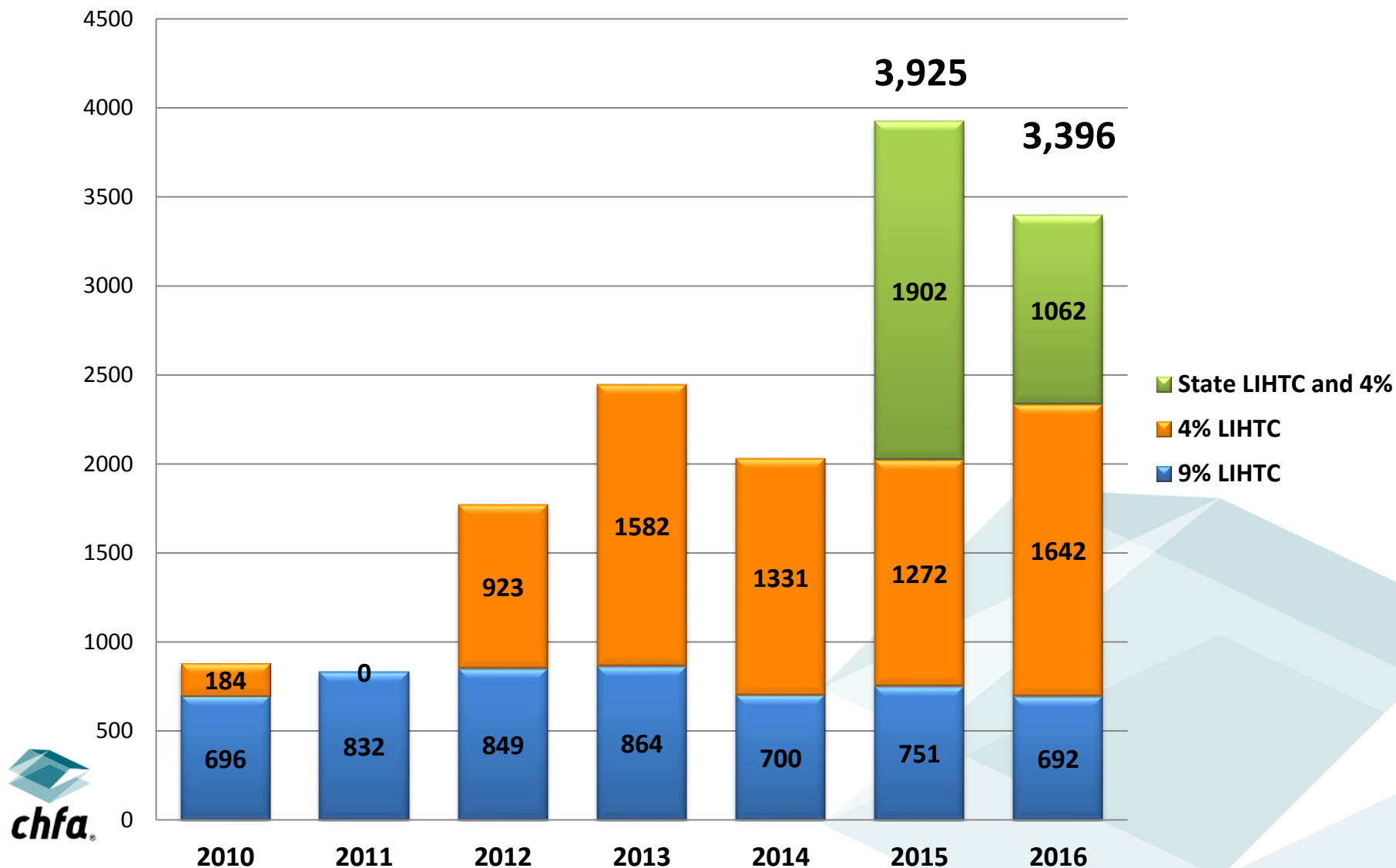


# 9% LIHTC – sources of funds



■ Bank Debt    ■ Soft Debt    ■ Deferred Developer Fee    ■ Federal LIHTC

# There are not enough units being built:

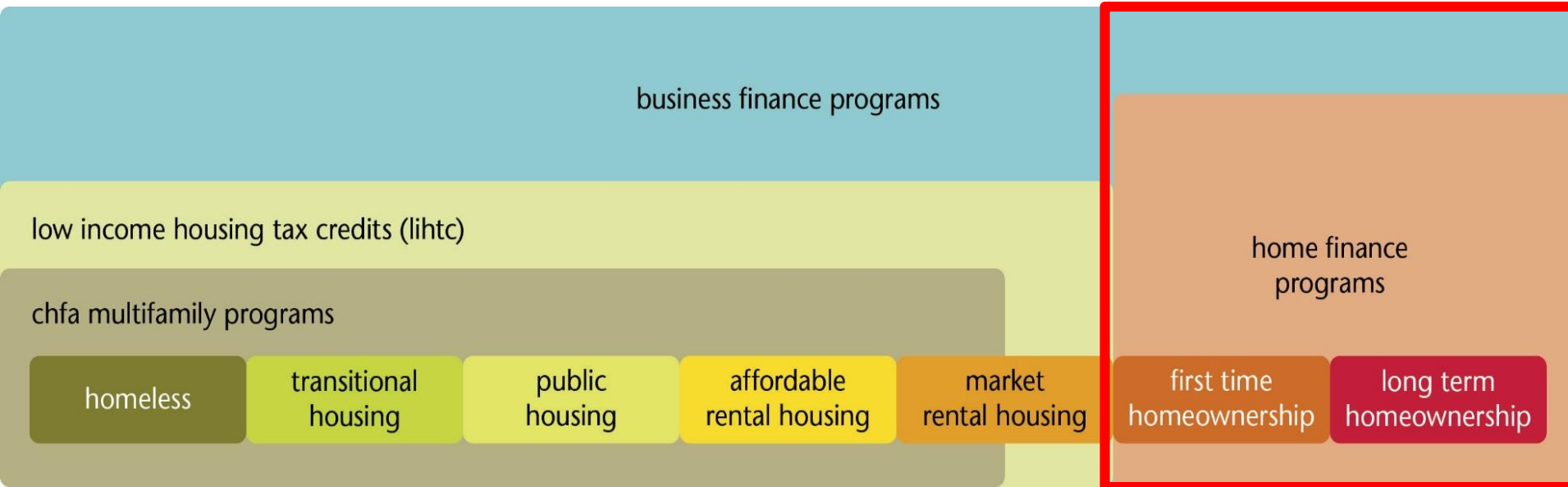


# The Case for Preservation:

- One-third of the nations population lives in rental housing – 36% of households in Colorado are rental households.
- Nationally, for every new affordable unit created, two are lost from the affordable housing inventory.
- Loss of affordable housing stock displaces individuals (including seniors) and families, and contributes to a disruption of neighborhood stability, character, and socioeconomic diversity.

# CHFA's Housing Continuum

## Homeownership



**50%-140% AMI**

# Homeownership

- The homeownership rate in Colorado is 64%
- The average home price in Denver reached \$423,000 in 2016 (median home price reached \$398,000)
- Despite a low interest rate environment, achieving homeownership was difficult due to limited affordable inventory and rapidly appreciating home values
- Biggest barriers to homeownership:
  - Affordable inventory
  - Down Payment Assistance



# Down Payment Assistance

- Biggest barrier to home ownership is typically considered the ability to come up with a sufficient down payment (up to 20% is required for conventional loans)
- Given the average home price in Denver, the required down payment would be as high as \$42,000 – assuming a 20% down payment
- Down payment assistance programs are available in the metro area, but are limited.

# thank you

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