



HOUSING AUTHORITY MEETING – Town Hall – Monday, January 26, 2026

Call to Order & Roll Call – **@ 5:00pm**

ATTENTION: Meetings are being conducted in a hybrid virtual/in person. Instructions for public participation in Silverton Housing Authority meetings are as follows:

- Zoom Webinar Link: <https://us02web.zoom.us/j/88637487127>
- By Telephone: Dial 669-900-6833 and enter Webinar ID 886 3748 7127 when prompted.
- YouTube (live and recorded for later viewing, does not support public comment): www.youtube.com/channel/UCmJga9lUXK5TZhHugprpQ

If you would like to make a public comment during a specific Agenda Item, please submit a request to the Director at achase@silverton.co.us

MEETING PROTOCOLS: Please turn off cell phones; be respectful and take personal conversations into the lobby. The public is invited to attend all regular, special and work sessions of the Silverton Housing Authority.

Silverton Housing Authority Meeting @5:00pm

1. Call to Order and Roll Call
2. Public Comment
3. Approval of 12/1/2025 Meeting Minutes
4. Presentation: 1320 Greene Street Special Limited Partnership Proposal
5. Director's Report
6. Discussion Item: Meeting Scheduling



MEETING MINUTES

SILVERTON HOUSING AUTHORITY

Silverton Town Hall – Monday, December 1st, 2025

Call to Order & Roll Call – @ 5:30pm

Present: Trustee Halvorson, Trustee Gardiner, Trustee Wakefield, Trustee Schnitker, Mayor Pro Tem Harper, Mayor Kranker

Absent: Trustee George

Staff: Anne Chase - Director, Melina Marks - Secretary

Silverton Housing Authority Meeting @5:30pm

1. Public Comment
2. Approval of 9/22/2025 Meeting Minutes
Trustee Halvorson moved, and Trustee Gardiner seconded to approve the 9/22/2025 Meeting Minutes. Passed unanimously with roll call.
3. 2025 Waitlist Drawing: Anvil Townhomes Ownership Program
Trustee Gardiner made a motion to approve the Official Applicant List for the 2025 Anvil Townhomes Waitlist Drawing, and Trustee Schnitker seconded. Passed unanimously with roll call.
 - Conducted the Official Waitlist Drawings for the 80% AMI Waitlist and the 2-bedroom 100% AMI Waitlist.
4. Director's Report
 - Director Anne Chase reviewed the director's report.
5. Resolution 2025-11: A Resolution Amending the Silverton Affordable Housing Guidelines Section 107.1.
Trustee Halvorson made a motion to adopt Resolution 2025-11, Trustee Schnitker seconded. Passed unanimously with roll call.
6. PUBLIC HEARING: Resolution 2025-12: A Resolution of the Housing Authority of the Town of Silverton Adopting the Budget for the Housing Authority of the Town of Silverton for the Fiscal Year Beginning January 1, 2026, and Ending December 31, 2026.
Trustee Gardiner made a motion to adopt Resolution 2025-12 seconded by Trustee Halvorson. Passed unanimously with roll call.



7. Resolution 2025-13: A Resolution of the Housing Authority of the Town of Silverton Adopting the Budget for Anvil Townhomes LLC for the Fiscal Year Beginning January 1, 2026, and Ending December 31, 2026.

Trustee Schnitker made a motion to adopt Resolution 2025-13, Mayor Pro Tem Harper seconded the motion. Passed unanimously with roll call.

8. Local Planning Capacity Grant Match Amendment

- Direction was given to request an amendment to keep the Town match at 25%, versus increasing to 75%, and to accept the \$50,000 incentive funding for Town's fast adoption of the Expedited Review Policy for affordable housing.

Adjourned 6:44pm

12/1/2025 Meeting Minutes Approved on 1/26/2026

Melina Marks, SHA Appointed Secretary

Dayna Kranker, Chair



AGENDA MEMO

SUBJECT: Special Limited Partnership Policy
MEETING DATE: 1/26/2026
STAFF CONTACT: Anne Chase

Overview:

As a Housing Authority in the State of Colorado the SHA has the power under CRS § 29-4-201 to -203 to provide sales, use, property tax and special assessment exemptions to development projects through special limited partnerships (SLP). The Colorado General Assembly enacted these powers to incentivize the development and preservation of affordable housing. The housing authority is often a 1% owner in a project that substantially benefits persons of low income.

Please review the article (pages 33-38) attached below written by the attorney who advises the SHA on the Anvil Townhomes development. The article provides a comprehensive overview of the tax exemption powers of housing authorities. As a quick overview, the housing authority has the following powers:

1. Provide sales and use tax for the duration of construction.
2. Provide property tax and special assessment exemption for as long as the housing authority is a partner in the SLP.

Across Colorado, housing authorities use this incentive as an opportunity to further their mission and as a nominal source of income. The SHA has used this incentive as a 1% owner in Anvil Townhomes LLC, however, since this was an entity and project owned by the Housing Authority, we did not create a formal policy for SLPs.

A private developer on Greene Street is interested in including long-term rentals in the redevelopment of the former Ye Old Livery building. They are proposing the SHA enter into a SLP with the project to provide tax exemptions for the residential portion of the project to provide middle income long-term rentals.

After the presentation, Staff seeks direction to draft a special limited partnership policy to formally guide the process for private developers interested in creating affordable housing. The Board will not make the decision to enter into a partnership until a formal policy is adopted. The policy will create an application process that will include extensive legal and board review prior to entering into the partnership.

The policy would include the following:

1. Public benefit standards: How "affordable" would be defined (e.g. AMI, term length, rent limits).
2. Fee structures: Whether SHA receives any fee, cash flow, or other consideration as a partner.
3. Duration and exit: Requirements for affordability periods and guidelines for SHA participation lengths.
4. Application evaluation criteria.

Discussion on the above items will happen during a future SHA meeting with the presentation of a policy draft.

Direction: Direction to or not to draft a Special Limited Partnerships Policy.

Affordable Housing Tax Exemptions in Colorado

BY ALEX GANO



This article explains property and sales and use tax exemptions for affordable housing projects in Colorado.

To incentivize the development and preservation of affordable housing in Colorado, the General Assembly enacted several tax exemptions for affordable housing projects. This article discusses property and sales and use tax exemptions under Colorado law and provides practice pointers for attorneys. This article is not intended to provide an exhaustive treatise on this topic. Rather, it aims to provide attorneys who advise affordable housing developers, lenders, investors, housing authorities, and local governments with an overview of the substantive law and a sense of how these exemptions work in practice.

The first section focuses on tax exemptions available through partnerships with local housing authorities. Research indicates that Colorado is one of only two states that empowers local housing authorities to grant these tax exemptions.¹ The second section delves into the exemptions available to projects owned by nonprofits and community land trusts. The list of these exemptions grew with the passage of HB 23-1184 in 2023.

Affordable housing law is a hodgepodge of state and federal law. This article analyzes state tax law, but federal tax law—namely the federal Low-Income Housing Tax Credit (LIHTC) program—drives the financial structure of most affordable housing rental projects, and the US Department of Housing and Urban Development (HUD) plays a substantial role in regulating some of these projects.

Photo at left: Willoughby Corner (Lafayette, Colorado) is Boulder County Housing Authority's multiphase affordable housing project. The project has benefited from state and local tax exemptions due to Boulder County Housing Authority's ownership interest and will include about 400 housing units at full build-out. (Photo courtesy of Molly Chiang.)

Housing Authority Partnerships

The most utilized tax exemptions for affordable housing projects are rooted in Colorado's Housing Authorities Law.² The housing authority-based exemptions are almost always used in affordable rental projects (as opposed to homeownership projects). Housing authorities can provide projects with exemptions (1) from sales and use taxes during construction and (2) from property taxes and special assessments for as long as the housing authority holds an ownership interest in the project.

The property tax exemption is especially valuable for affordable housing projects, which do not generate significant net operating income because of the restricted rents their residents pay. By eliminating a major operating expense, developers can build a viable project.

This section discusses which housing authorities can provide tax exemptions, what types of projects qualify, qualifying ownership structures, and other transactional considerations.

Types of Housing Authorities and Jurisdictional Boundaries

Three types of local housing authorities exist in Colorado—city, county, and multijurisdictional—all of which can confer the same tax exemptions. The Division of Local Government in the Colorado Department of Local Affairs maintains a list of housing authorities that have complied with the statutory filing requirements.³

A city housing authority shares geographical boundaries with the city that created it.⁴ For example, the Aurora Housing Authority's boundaries are coterminous with the City of Aurora's municipal boundaries.

A county housing authority shares boundaries with the county that created it, but its boundaries exclude any cities within the county unless a city passes a resolution authorizing the city's inclusion within the county housing authority's boundaries.⁵ For example, the Boulder County Housing Authority's boundaries include

all of unincorporated Boulder County and the City of Lafayette, which has authorized BCHA to operate within Lafayette's boundaries.

A consortium of cities and counties can create a multijurisdictional housing authority, and its boundaries may include all (or less than all) of the cities, towns, and counties that created it.⁶ For example, the Chaffee Housing Authority is a multijurisdictional housing authority that operates in unincorporated Chaffee County, the City of Salida, and the Town of Buena Vista.

The Housing Authorities Law does not explain the significance of these boundaries and does not expressly limit a housing authority's power to grant tax exemptions to its jurisdictional boundaries. For example, could the Denver Housing Authority hold an ownership interest in a housing project in Grand Junction? The Housing Authorities Law does not clearly answer this question.

Practitioners agree that the concept of boundaries would be meaningless if a housing authority's powers were not confined to its jurisdictional boundaries. If a housing authority desires to develop or partner with a private developer for a project outside the housing authority's geographical boundaries, the housing authority or developer should either seek a resolution from the local government with jurisdiction over the project that authorizes the housing authority to operate within the local government's boundaries or enter into an intergovernmental agreement with the local housing authority.⁷

Partnerships

The Housing Authorities Law empowers housing authorities to "prepare, carry out, and operate projects" and "establish entities controlled by the [housing] authority that may . . . invest in as a partner or other participant or take any and all steps necessary or convenient to undertake or otherwise develop a project[.]"⁸ These provisions empower housing authorities to develop their



The Fruita Mews is a 50-unit LIHTC project developed by IndiBuild that benefited from state and local tax exemptions due to the Fruita Housing Authority's ownership interest. (Photo courtesy of IndiBuild.)

own projects and partner with private nonprofit and for-profit developers.

“Projects”

The statute defines “project” broadly to include “buildings and improvements, . . . commercial facilities, and community facilities . . . to provide dwelling accommodations on financial terms within the means of persons of low income.”⁹ The inclusion of nonresidential improvements allows housing authorities to develop and partner in mixed-use projects that include community-serving nonresidential uses like health care clinics, grocery stores, libraries, and childcare facilities. Housing authorities can also develop and partner in projects that include market-rate housing units “as long as the project substantially benefits persons of low income.”¹⁰

“Low Income”

The Housing Authorities Law has three key provisions that reference “persons of low income”:

1. Projects that a housing authority may sponsor or partner in must “substantially

benefit *persons of low income*.”¹¹

2. Only the portion of a project that “is occupied by *persons of low income*” qualifies for an exemption from property taxes and special assessments.¹²
3. Sales and use tax and property tax exemptions are only available “in proportion to the percentage of the project that is for occupancy by *persons of low income*.”¹³

But the Housing Authorities Law does not define “low income.” Instead, it allows each housing authority to determine what constitutes low-income based on local circumstances.¹⁴ Colorado housing authorities have not adopted a uniform standard. Most Front Range housing authorities follow HUD’s definition of “low income” as households earning at or below 80% of area median income.¹⁵ But housing authorities in the Western Slope and rural resort communities have granted tax exemptions to projects serving households earning at or below 140% of area median income.¹⁶ And, at the other end of the spectrum, at least one Front Range housing authority will only partner in projects that serve what HUD calls “extremely

low-income” households, which are households earning at or below 30% of area median income.

Determining what constitutes “low income” often becomes a key point of discussion and negotiation between the developer and housing authority, especially with rural housing authorities that may not have established partnership policies.¹⁷ On the one hand, most jurisdictions in Colorado are experiencing a shortage of affordable housing, and many affordable housing projects need the tax exemptions to be economically viable. On the other hand, these tax exemptions deprive governments of necessary tax revenue.

Ownership Structure

The tax exemptions under the Housing Authorities Law allow for three different ownership structures. All three structures require at least an element of ownership by the housing authority.¹⁸ In practice, most affordable rental housing projects (and most commercial real estate projects) are owned by single-purpose entities (SPEs), usually a limited liability company or limited partnership.¹⁹

The first structure is where the SPE that owns the project is wholly owned by a housing authority. This structure is rarely used.

The second structure is where the housing authority holds “an ownership interest” in the SPE that owns the project. This structure is the most common for newer projects developed by a housing authority (where the housing authority serves as the SPE’s general partner or manager) and projects developed by private developers where the housing authority serves as a special limited partner or non-managing member.

The third structure is where a wholly owned subsidiary of the housing authority holds “an ownership interest” in the SPE that owns the project. Some housing authorities in the Front Range use a nonprofit subsidiary to hold the housing authority’s ownership interests in projects developed by others.

The economics of the second and third structure drive down the housing authority’s ownership interest to a de minimis amount, usually 0.01%.²⁰ For projects involving tax credits, the investor wants to capture as many of the tax benefits as possible, and these tax benefits are

OWNERSHIP STRUCTURES UNDER HOUSING AUTHORITIES LAW

Structure 1

Housing Authority



SPE

Housing Authority (0.01%)

Structure 2

General Partner or Manager (0.01%)



SPE

Limited Partner or Non-Managing Member (99.98%)

Structure 3

Housing Authority



Wholly Owned Housing Authority Subsidiary (0.01%)

General Partner or Manager (0.01%)

Limited Partner or Non-Managing Member (99.98%)



SPE



ties to their ownership percentage. Even in a more familiar joint venture structure used for non-tax credit workforce or “missing middle” rental projects, the joint ventures usually divide up cash flow and capital proceeds according to ownership interest. In either scenario, there is not a compelling reason for the housing authority to hold more than a de minimis ownership interest.

In all three structures, the housing authority exerts very little control over the SPE. The SPE generally must comply with all affordability covenants, deliver periodic financial and operational reports to the housing authority, and pay the agreed-upon fees.

Tax Exemptions

The Housing Authorities Law provides qualifying projects with exemptions from property taxes and special assessments and from sales and use taxes during construction.

Property taxes. The Housing Authorities Law grants qualifying entities an exemption from all property taxes,²¹ including those levied by school districts, cities, counties, and other taxing districts.

This exemption is not processed through the Division of Property Taxation like other property tax exemptions. Instead, the housing authority or developer that partners with a housing authority submits a formal letter or property tax exemption certificate to the county assessor. The letter or certificate must state the housing authority’s percentage interest in the qualifying entity (or the percentage interest held by housing authority’s wholly owned subsidiary), the specific provision from the Housing Authorities Law that confers the exemption, and a statement about the portion of the project that qualifies for the exemption.

Most county assessors in the Front Range are familiar with the housing authority property tax exemption and implement it without further discussion. Many county assessors in rural areas are not familiar with the exemption, in which case the housing authority and developer may need to discuss the exemption with the county assessor and county attorney. Specifically, the housing authority and developer may need to explain how the ownership is structured and provide examples from other jurisdictions. The property tax exemption does not require

subsequent compliance filings and should remain in effect until the housing authority no longer holds an ownership interest in the project.

Special assessments. The Housing Authorities Law also grants a qualifying project an exemption from “any special assessment to the state, any county, city and county, municipality, or other political subdivision of the state.”²² For newer neighborhoods on previously undeveloped land and major urban redevelopment projects, these special assessments can exceed the assessment for local property taxes.

Even though the definition of “project” in the Housing Authorities Law includes nonresidential improvements, the exemption from special assessments does not extend to commercial facilities or market-rate housing.²³

This exemption presents challenges when the land lies within a special district—such as a fire, water, or sanitation district—or a general improvement or metropolitan district formed to finance infrastructure within a larger planned area. In practice, metropolitan districts have generally excluded affordable housing projects from the district rather than allowing the project to avail itself of the exemption. Some districts negotiate for a lump-sum payment in lieu of annual assessments. Special districts are experimenting with ways to circumvent this exemption. For example, some metropolitan districts are recording stand-alone covenants in which the owner and its successors in title agree to pay special assessments notwithstanding any exemption.

Sales and use tax. The Housing Authorities Law grants qualifying entities an exemption from sales and use taxes “to the state or any county, city and county, municipality, or other political subdivision of the state” during construction.²⁴ In practice, this exemption applies to all materials purchased for the project through completion and the issuance of a certificate of occupancy. The exemption also applies to fixtures and appliances.²⁵ Like the exemption from special assessments, the sales and use tax exemption does not extend to commercial facilities or market-rate housing.²⁶

Construction costs are the single largest expense for most housing projects, and building materials usually make up around half of

construction costs. This exemption reduces the cost of building materials by between 5% and 10%, depending on the jurisdiction’s combined tax rate.

To obtain a tax exemption certificate from the Colorado Department of Revenue, the qualifying entity must submit Form DR 0715 and a sales and use tax exemption certificate from the housing authority with project details.²⁷ Once approved, the entity’s general contractor must submit Form DR 0172 to receive the exemption certificate, which can then be shared with subcontractors and material suppliers.

Partial Exemption

All three tax exemptions are limited to the portion of the project “that is for occupancy” or “is occupied” by low-income households.²⁸

For mixed-use and mixed-income projects, the Housing Authorities Law allows the housing authority to grant a partial exemption based on relative square footage or cost of a project that serves low-income households.²⁹ For example, consider a mixed-use project with a café on the ground floor and low-income housing units on the four floors above the café. If the café occupies 20% of the building, but the cost of its construction makes up only 15% of the total project costs, then the housing authority could grant sales, use, and property tax exemptions for 80% or 85% of the project depending on whether it takes the square footage or cost approach.

The partial exemption provisions also allow housing authorities to partner in mixed-income projects. For example, consider a 100-unit project with 50 units of market-rate housing and 50 units of affordable housing. If the market-rate units occupy 50% of the building, but the cost of their construction makes up 55% of the total project costs, then the housing authority could grant sales, use, and property tax exemptions for 50% or 45% of the project.

Ground Leases

The Housing Authorities Law’s tax exemptions extend to “[a] project . . . leased to” a qualifying entity.³⁰ Affordable housing projects often use ground lease structures for public policy and tax reasons. At least a few county assessors in the Front Range have determined that if the ground



Northeast Denver Housing Center's Central Park Condos include 70 for-sale condominium units available for homeowners earning less than 80% of area median income. During construction, the project benefited from a new property tax exemption under Title 39. (Photo courtesy of the Northeast Denver Housing Center.)

lease requires the affordable housing project (the ground lessee) to pay property taxes, then the property tax exemption extends to both the leasehold interest and the landlord's fee interest.

Housing Authority Fees and Purchase Rights

Housing authorities usually charge fees to partner in affordable housing projects sponsored by private developers and frequently negotiate rights to eventually purchase the project. These fees and purchase rights vary from jurisdiction to jurisdiction and from project to project. Larger housing authorities with established partnership programs tend to charge higher fees and impose ongoing compliance obligations, while smaller housing authorities tend to play a limited role in project oversight and charge lower fees.

At a minimum, housing authorities usually require their development partners to reimburse them for out-of-pocket legal and due diligence expenses. For projects serving extremely low-income households and projects sponsored by nonprofit developers, housing authorities typically reduce their fees or do not charge beyond the initial reimbursement at closing. Some housing authorities require projects to pay an annual asset management fee or a one-time payment in lieu of taxes, which housing authorities calculate based on the value of tax savings conferred by the housing authority's participation. The asset management fee is typically fixed and increases annually by a set percentage. Some projects pay the payment in lieu of taxes annually, and others pay it upfront at the closing of their construction financing. Housing authorities and developers can structure

these fees in different ways to best suit the project's financial needs.

Home Rule Question

Some home rule jurisdictions, including Denver and Colorado Springs, have taken the position that the local component of sales and use taxes is a matter of purely local concern, in which case (these jurisdictions argue) the home rule jurisdiction's sales and use tax regime would prevail over the tax exemption in the Housing Authorities Law.³¹ Although this issue has not been litigated under the Housing Authorities Law, precedent favors this position.³² In a recent case, a Denver district court held that home rule jurisdictions' sales and use taxes prevailed over a state statute that purported to grant a sales and use tax exemption for public school construction and maintenance.³³

Developers working in home rule jurisdictions should proactively engage with the local government to determine whether the jurisdiction will honor the exemption. If it will honor the exemption, the developer should seek a resolution from its governing body. If it will not honor the exemption, the developer will need to engage with their general contractor to accurately include local sales and use taxes in their construction budget.

Recent Trends

Until recently, the tax exemptions available under the Housing Authorities Law were most frequently used in projects financed with federal LIHTC. These projects usually restrict occupancy to households earning at or below 60% of area median income.³⁴

Recent legislative changes at the federal and state level have expanded the use of housing authority tax exemptions to benefit projects with higher-income households.

First, a legislative change in 2018 to the federal LIHTC program allows LIHTC projects to serve households earning up to 80% of area median income as long as the project's *average* household income equals 60% or less of area median income.³⁵ In practice, housing authorities have been willing to determine that the entire project—even the units that serve households earning up to 80% of area median income—benefit persons of low income.

Second, pandemic-era federal funding (mostly from the State and Local Fiscal Recovery Funds component of the American Rescue Plan Act) and Proposition 123³⁶ have funneled resources to so-called workforce or “missing middle” housing projects—projects serving households earning between 80% and 120% of area median income. The new funding sources have increased interest in this market segment among affordable and market-rate developers. Housing authorities are frequently granting full or partial tax exemptions to these projects.

Another noteworthy legislative change involves the creation of a statewide Middle Income Housing Authority in 2022.³⁷ Although discussion of the Middle Income Housing Authority's full powers is beyond the scope of this article, the Middle-Income Housing



New construction of 20 units of for-sale townhomes developed by the Craig Housing Authority. (Photo courtesy of the Craig Housing Authority.)

Authority Act exempts “the affordable housing component” of its properties from property and sales and use taxes.³⁸

Nonprofit Tax Exemptions for Affordable Housing

In addition to the tax exemptions available under the Housing Authorities Law, Colorado provides affordable housing projects sponsored by nonprofit developers with other avenues for exemptions. The General Assembly expanded the types of affordable housing projects that qualify for exemptions under HB 23-1184.³⁹ The second half of this article discusses five separate exemptions. Exemptions available for transitional housing, assisted living facilities, and orphanages are beyond the scope of this article.

All five exemptions discussed below are codified in Title 39. The first three exemptions are only available to affordable housing rental projects sponsored by nonprofit developers.⁴⁰ The next two exemptions are only available to nonprofits and community land trusts developing for-sale affordable housing.⁴¹

These exemptions are not self-executing. For each exemption, the property owner must complete a general exemption application and exemption-specific supplements from the Division of Property Taxation (division) within the Colorado Department of Local Affairs. The staff of the exemptions section within the division

is knowledgeable and can help with choosing the correct forms. Practitioners and developers should anticipate a six- to twelve-month review and approval timeline, on-site inspections, and follow-up questions from the division.

Property Tax Exemptions for Nonprofit Rental Housing

Title 39 includes property tax exemptions for three types of affordable rental projects sponsored by nonprofit developers.⁴²

These exemptions begin once construction commences if the “property is irrevocably committed to residential use” in accordance with the exemption’s requirements.⁴³ Although the statute does not define “irrevocably committed to residential use,” under current administrative practice, a long-term use and occupancy covenant provides sufficient evidence of the applicant’s commitment to the exemption’s affordability requirements.

For each project type, the property owner must demonstrate that the project is “efficiently operated.”⁴⁴ The division assesses efficiency by examining the reasonableness of the project’s operating costs, among other factors.⁴⁵

Like the exemptions available under the Housing Authorities Law, the division may grant a partial exemption if less than the entire project is occupied by qualified households.⁴⁶ If the division grants the initial exemption,

the property owner must submit an annual occupancy report to the division.⁴⁷ If the property owner does not already obtain resident income certifications for HUD, the Colorado Housing and Finance Authority, or the Colorado Division of Housing, then the property owner must obtain stand-alone certifications for the division.

Elderly or disabled low-income residential facility. The first exemption is available for nonprofit-sponsored affordable housing projects that serve low-income senior or disabled households.⁴⁸ Senior (age 62 or older) or disabled individuals or any household with a senior or disabled head of house or spouse meet the exemption's requirement.⁴⁹

To qualify for the exemption, the property owner must also limit occupancy to households earning at or below 150% of the "limits prescribed for similar individuals or families who occupy low-rent public housing operated by a city or county housing authority which is nearest in distance" to the project.⁵⁰ In practice, the division interprets "limits prescribed for . . . low-rent public housing" to mean households earning at or below 80% of area median income.

Low-income households. The second exemption is available for nonprofit-sponsored affordable housing rental projects that serve households earning less than 30% of area median income.⁵¹ The property owner seeking this exemption must also demonstrate that the project's rents are lower than a comparable housing unit for which the exemption does not apply by "at least the value" of the exemption.⁵² The division uses Fair Market Rent calculated by HUD as a proxy for "comparable housing unit[s]." In practice, projects that serve these extremely low-income households are only economically viable with Project-Based Section 8 vouchers.

Single-parent families in a family service facility. The third exemption is available for nonprofit-sponsored affordable housing rental projects that serve "single-parent families."⁵³ The statute does not define single-parent families. Like the property tax exemption for elderly and disabled housing, the property owner must demonstrate that the households' incomes are at or below 150% of the "limits prescribed for similar individuals or families who occupy low-rent public housing operated by [the local housing

authority]."⁵⁴ In addition to the restrictions on family composition and income, the project seeking the exemption must also provide its residents with counseling services and an on-site licensed childcare facility.⁵⁵

Property Tax Exemptions for For-Sale Affordable Housing

In 2023, the General Assembly passed and the governor signed HB 23-1184, which granted property tax exemptions to nonprofits and community land trusts that develop for-sale affordable housing.⁵⁶ The first exemption grants nonprofit developers and community land trusts a property tax exemption while they hold vacant land and construct the project.⁵⁷ The second exempts land owned by a nonprofit or community land trust held under a long-term ground lease.⁵⁸

Pre-sale exemption. Beginning in property tax year 2024, property on which a nonprofit housing developer intends to construct or rehabilitate housing to eventually sell to income-qualifying households is exempt from property taxes.⁵⁹

Qualifying households cannot earn more than 100% of area median income except in rural resort communities, where they can earn up to 120%.⁶⁰ The statute provides examples of "indicators" of a nonprofit's intent to develop for-sale affordable housing.⁶¹

The exemption's availability begins when the nonprofit housing developer acquires the property and ends when it either conveys the property without developing affordable housing or sells the housing units to income-qualified buyers.⁶² If the nonprofit conveys the property without selling affordable housing to a qualified household or other nonprofit housing developer, it must repay all property taxes that would have been collected but for the exemption.⁶³ If the nonprofit develops the property and sells units to income-qualified buyers, the exemption ends when the local government issues a certificate of occupancy for the unit.⁶⁴

Community land trust property. HB 23-1184 also included a stand-alone exemption for community land trust property.⁶⁵ In a community land trust, the trust retains fee title to the underlying property and leases the underlying

property and sells the improvements to an income-qualified homebuyer. This transaction results in two separate taxable parcels: one for the community land trust's fee interest in the underlying property, and another for the homeowner's interest in the improvements.

HB 23-1184 granted a property tax exemption for the community land trust's fee interest in the underlying dirt and clarifies that the exemption does not extend to the homeowner's improvements.⁶⁶ Like the exemption for land owned by a nonprofit affordable housing developer on which it intends to construct affordable housing, if the trust later conveys the property such that it no longer qualifies as an affordable homeownership property, the trust must repay all property taxes that would have been collected but for the exemption.⁶⁷

To claim the exemption, the community land trust must submit the land lease to the county assessor to create the separate tax parcels. The trust must also complete and submit a general exemption application and an exemption-specific supplemental form to the Division of Property Taxation, and if the exemption is granted, file annual exemption reports.⁶⁸

Conclusion

Colorado law incentivizes the development of affordable housing through tax exemptions. For most affordable rental projects, developers partner with the local housing authority. These partnerships unlock sales, use, and property tax exemptions that make these projects economically viable. Colorado law provides other property tax exemptions for affordable rental projects owned by nonprofits and for for-sale affordable housing projects developed by nonprofits and community land trusts. 



Alex Gano is an attorney at New Communities Law in Denver, where he specializes in affordable housing development and finance. He thanks Charles Allison-Godfrey, Treasa Burke, Jon Peterson, Bill Callison, and Ben Doyle, all of whom generously offered contributions to this article.

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NOTES

1. Texas allows local government units (including housing authorities) to create subsidiaries called Public Facility Corporations that exempt affordable housing projects from ad valorem taxes.

2. CRS §§ 29-4-201 to -230.

3. Colorado Department of Local Affairs, Division of Local Government, Local Government Information System, https://dola.colorado.gov/dlg_lgis_ui_pub/.

4. CRS § 29-4-204(5).

5. CRS § 29-5-508.

6. CRS § 29-1-204.5.

7. See CRS § 29-20-105 (authorizing and encouraging the use of intergovernmental agreements "for the purposes of planning or regulating the development of land").

8. CRS § 29-4-209(1)(d), (d.7).

9. CRS §§ 29-4-203(12), -226(1)(d), -227(1)(b).

10. CRS § 29-4-203(12).

11. *Id.* (emphasis added).

12. CRS § 29-4-226(1)(d) (emphasis added).

13. CRS § 29-4-227(1)(b) (emphasis added).

14. See CRS §§ 29-4-203(12) (granting housing authorities the discretion to determine whether a project "substantially benefits persons of low income"), -227(1)(b) (a housing authority's determination of the percentage of the project that is for occupancy by persons of low income "is presumed valid absent manifest error").

15. See, e.g., Denver Housing Authority, *Special Limited Partnership Development Participation Policy* (Nov. 21, 2024), <https://www.denverhousing.org/affordable-housing-developers>; Housing Authority of the City of Aurora, *Partnership Criteria Policy* (Aug. 11, 2022), https://irp.cdn-website.com/cb9d28f1/files/uploaded/SLP%20Policy%20Amended%20Aug%202022_zt2xqGj2QKKXfP6Xe5FM.pdf; Maiker Housing Partners, *Special Limited Partnership Development Participation Policy* (Mar. 19, 2020), <https://maikerhp.org/wp-content/uploads/2020/11/Maiker-Development-Participation-Policy-200319.pdf>.

16. See, e.g., Chaffee Housing Authority, Resolution No. 2023-18, 2023, <https://www.chaffeehousingauthority.org/realestateprojects/carbonatetestreet> (granting tax exemptions for workforce housing project in Buena Vista serving households earning 80% to 120% of area median income).

17. Front Range housing authorities participate in projects more frequently than rural housing authorities. To prevent renegotiating terms on every project, and to treat similarly situated developers similarly, Front Range housing authorities tend to adhere to written partnership policies that are updated periodically.

18. CRS §§ 29-4-226(1), -227(1)(b).

19. Because most affordable rental housing projects are financed in part with tax credits—almost always federal LIHTC—developers structure these entities as LLC or limited partnerships where the developer owns a nominal interest (0.01%) and the tax credit investor owns almost all of the membership or partnership interests (99.99%).

20. Practitioners have not settled on how small an ownership interest can be to still be treated as an ownership interest under state law and federal tax law. It is not uncommon to see partnership or membership interests as low as 0.005% in these structures.

21. CRS § 29-4-227(1)(b).

22. CRS § 29-4-226(1).

23. CRS § 29-4-226(1)(d).

24. CRS § 29-4-227(1)(b). See also CRS § 39-26-704(1.5) (authorizing the sales and use tax exemption).

25. Colorado Department of Revenue, Taxpayer Service Division, *Sales 95: Sales/Use Tax Exemption for Affordable Housing Projects* (2016), <https://tax.colorado.gov/sites/tax/files/Sales%2095.pdf>.

26. CRS § 29-4-227(1)(b).

27. Colorado Department of Revenue, *supra* note 25.

28. CRS §§ 29-4-226(1)(d) (limiting the exemption from special assessments), -227(1)(b) (limiting the exemption from sales and use and property taxes).

29. CRS § 29-4-227(1)(b).

30. *Id.*

31. See Colo. Const. art. XX, § 6; *City & Cnty. of Denv. v. State*, 788 P.2d 764 (Colo. 1990).

32. *Winslow Constr. Co. v. City & Cnty. of Denv.*, 960 P.2d 685 (Colo. 1998).

33. *City & Cnty. of Denv. v. State*, Case No. 2022CV31841 (Denv. Dist. Ct. Nov. 23, 2022).

34. IRC § 42(g)(1)(C).

35. 26 CFR § 1.42-19.

36. CRS §§ 29-32-101 et seq.

37. SB 22-232.

38. CRS § 29-4-1104(12)(a).

39. CRS §§ 39-2-113.5, 39-2-117, 39-3-127.7.

40. CRS § 39-3-112(3)(c).

41. CRS §§ 39-3-113.5, -127.7.

42. CRS §§ 39-3-113.5, -127.7.

43. CRS § 39-3-113.

44. CRS § 39-3-112(3)(b).

45. CRS § 39-3-112(3)(b)(I).

46. CRS § 39-3-112(4).

47. CRS § 39-2-117(3)(a)(I).

48. CRS § 39-3-112(1)(a.3), (a.5), (2), (3)(a)(II)(A).

49. *Id.*

50. *Id.*

51. CRS § 39-3-112(1)(b.3), (2), (3)(a)(II)(C).

52. CRS § 39-3-112(1)(b.5)(III).

53. CRS § 39-3-112(2), (3)(a)(II)(B).

54. CRS § 39-3-112(3)(a)(II)(A).

55. CRS § 39-3-112(1)(b).

56. CRS §§ 39-2-113.5, 39-2-117, 39-3-127.7.

57. CRS § 39-3-113.5.

58. CRS § 39-3-127.7.

59. CRS § 39-3-113.5(2)(b)(I).

Olde Livery Historic Rehabilitation Project

Formal Proposal to the Silverton Housing Authority Board

Address: 1142 Greene Street, Silverton, Colorado

Presentation Date: January 26, 2026

Submitted by: Bonanza Boy LLC

1. Executive Summary

Bonanza Boy LLC respectfully submits this proposal to the Silverton Housing Authority (SHA) seeking consideration of a partnership structure to support the residential component of the Olde Livery Historic Rehabilitation Project (the “Project”). The Project is a mixed-use redevelopment of the historic Olde Livery Silverton property that will deliver six new long-term rental housing units targeted to moderate- and middle-income workforce households, alongside community-serving commercial and lodging uses.

This proposal requests SHA’s participation through the formation of a Special Purpose Limited Liability Company (the “SPL”), in which SHA would hold a de minimis ownership interest. This structure would enable the residential portion of the Project to qualify for property tax and construction-period sales and use tax exemptions under Colorado Housing Authorities Law, while also unlocking other funding opportunities through the Colorado Department of Local Affairs, thereby improving long-term project feasibility and supporting deeper housing affordability.

2. Project Description

The Olde Livery Project is located at 1142 Greene Street in downtown Silverton and involves the historic rehabilitation of an original Livery building. Upon completion, the Project will include:

- Six (6) long-term rental housing units targeted to moderate- and middle-income workforce households
- Approximately 1,600 square feet of street-level commercial space, including a storefront café operated through a joint venture with a local entrepreneur
- Three (3) small hotel room units supporting Silverton’s tourism economy
- A large rooftop deck available for residents and community events

The residential component represents approximately 53% or more of the Project’s interior square footage and is expected to carry approximately \$2.46 million of the total Project costs.

Residential tenants will have access to shared amenities, including the rooftop deck and lounge areas associated with the café.

3. Demonstrated Community Housing Need

Silverton is experiencing an acute shortage of long-term rental housing, with vacancy rates near zero. According to the 2024 Anvil Market Study prepared for the Silverton Housing Authority by Western Spaces LLC, the Town requires approximately nine additional long-term rental units to

achieve a healthy 5% vacancy rate. The Olde Livery Project would deliver six rental units, addressing approximately 66% of the identified rental housing gap.

These new units are specifically intended to serve local workforce households earning approximately 80% to 100% of Area Median Income (AMI), consistent with observed market demand and existing rent levels for comparable units in Silverton.

4. Development Phases and Timeline

The Project is expected to proceed according to the following timeline:

- Demolition and utility work: approximately 5–6 months, commencing in late January 2026
- Rehabilitation construction: anticipated to begin around June 2026 following demolition
- Substantial completion: anticipated January 2028, perhaps earlier

The overall construction period is expected to span approximately 24 months.

5. Economic and Community Impact

The Project will generate meaningful economic and community benefits, including:

- Creation of approximately two full-time equivalent jobs on an annual basis
- A joint venture opportunity with a local entrepreneur to operate the café
- Estimated gross revenues of approximately \$750,000 annually across Project operations once stabilized
- Estimated net positive cash flows of approximately \$110,000 annually once stabilized

In addition to direct economic benefits, the Project represents an investment of nearly \$7 million in preserving and reinvigorating a historic Silverton structure while supporting housing stability for local workers.

6. Capital Stack and Incentive Programs

Total Project costs are currently estimated at approximately \$6.89 million prior to the application of incentive programs, all of which will be funded up front via developer equity. The Project is well-positioned to leverage a variety of federal, state, and local funding sources, including:

- Federal and State Historic Rehabilitation Tax Credits - ~\$2.7MM combined
- State Historic Fund grants – Up to \$200k depending on award
- State Community Revitalization Tax Credits – Estimated ~\$900k to \$1MM of funding
- State Middle-Income Housing Tax Credits – Estimated ~\$1MM in credits
- Federal New Markets Tax Credits – Estimated ~\$1MM in credits

Successful utilization of these programs may also serve as a replicable model for other historic and mixed-use properties in Silverton. We would be happy to connect with other developers to help them take advantage of these programs to help with future projects!

Proforma forecasts of construction costs and forecasted operations supporting this proposal are available and will be provided to appropriate SHA staff upon request.

7. Benefits of SHA Partnership

SHA participation in the Project would provide several direct financial and policy benefits, including:

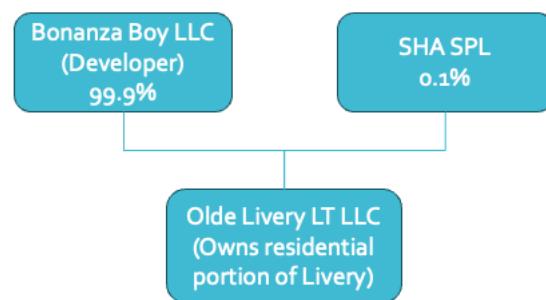
- Eligibility for a property tax exemption for the residential portion of the Project, with recent property tax assessments of \$5,051 (2023) and \$5,167 (2024)
- Eligibility for a construction-period sales and use tax exemption, estimated to generate approximately \$116,000 in savings attributable to materials for the residential component
- Opportunity to convert up to \$330,000 of Department of Local Affairs (DOLA) loan funding into grant funding, eliminating future interest burden

Collectively, the estimated monetary value of SHA's participation is approximately \$456,000. These benefits materially improve Project feasibility, support affordability, and enhance the ability to maintain long-term workforce rental housing.

8. Proposed Partnership Structure

The Project proposes formation of a Special Purpose Limited Liability Company to own and operate the residential portion of the Olde Livery Project. Under the proposed structure:

- Olde Livery LT LLC will own the residential portion of the Project
- Bonanza Boy LLC will hold a 99.9% ownership interest and serve as managing member
- The Silverton Housing Authority will hold a 0.1% non-managing ownership interest



Bonanza Boy LLC will be responsible for rehabilitation construction, ongoing operations, and administration of grant and tax credit programs. SHA would apply for applicable Department of Housing funding and participate in accordance with policies and conditions established by the SHA Board.

9. Key Project Principals and Relevant Experience

Colby Barrett, PE, JD – Colby is a seasoned entrepreneur and executive with decades of experience leading complex operating businesses. He previously served as Chief Executive Officer and President of Geostabilization International, where he oversaw the growth and operations of a multinational geotechnical engineering and geohazard mitigation firm over a period of about 15 years. Mr. Barrett also authored numerous papers on landslides, erosion control, and geosynthetically confined soils. He brings extensive experience in capital deployment, organizational leadership, and long-term asset stewardship and was named to Engineering News-Record's National Top 20 under 40 and received Ernst and Young's

Entrepreneur of the Year Award. He is currently focused on family-owned ventures together with his wife Leslie, including real estate development and agricultural operations, and serves as a principal sponsor of the Olde Livery Project. He is a licensed professional engineer and holds a juris doctorate from Yale University.

Matthew Anderson, CPA - Matt is a licensed Certified Public Accountant in Colorado with a professional background spanning public accounting, institutional real estate, and now works with Colby mainly on real estate development projects such as the Livery. He began his career in public accounting focusing on tax compliance and strategic planning for mid-sized real estate and mortgage banking companies. He later spent time with Apartment Investment and Management Company (AIMCO), a Denver-based multifamily publicly traded REIT, gaining experience in asset management, financial reporting, and large-scale multifamily housing assets. Mr. Anderson currently serves as CFO of Bonanza Boy LLC and oversees investment structuring, financial strategy, and execution for the Olde Livery Project.

Jonathan Sylvester, PMP – Jonathan will serve as the project manager for the Livery and has 30 years' experience leading teams and complex projects across defense, aerospace, automotive, management consulting, education, and construction. He has managed multidisciplinary teams and large-scale initiatives from concept through execution in both public and private sectors and has earned multiple graduate degrees, including Project Management Professional (PMP) certification.

Architect and General Contractor – Tim Stroh with Springboard Studio will serve as the architect, and Brian Anderson with 9318 Contracting recently completed a similar historic rehabilitation on the Citizens State Bank building on Greene Street in Silverton. These two will lead the Project design and demo/construction efforts through completion.

10. Board Action Requested

Bonanza Boy LLC respectfully requests that the Silverton Housing Authority Board:

1. Review and consider adoption of a developer partnership policy governing Special Purpose Limited Partnerships or LLCs; and
2. Provide direction to staff to proceed with application review, negotiation of partnership terms, and conditional approval of SHA participation in the Olde Livery Project.

We appreciate the Board's consideration and look forward to the opportunity to partner with SHA to advance Silverton's workforce housing goals while preserving a significant historic asset in the community.

Any questions or concerns may be directed to Matt Anderson, who can be reached at the below contact information.

Bonanza Boy LLC
Attn: Matt Anderson
PO Box 992
Montrose, CO 81402

208-917-0322

matt@barrettoffice.com



Silverton Housing Authority
Director's Report

Department: **Housing**

Head of Department: **Anne Chase**

Date of SHA Board meeting: **1/26/2026**

For immediate Board consideration:

- Special Limited Partnership Policy drafting.

Regular Meetings & Communication:

- Weekly team calls for Anvil Townhomes
- Weekly Region 9 Housing Team Leads
- Meetings with private developers interested in partnerships x 2

Top on the TO DO list:

- ADUG Grant application for pre-approved ADU plans and technical guide.
- Continued marketing and outreach for Anvil Townhome buyers.
- 2026 Work Plan

Upcoming Issues:

- 2026 Work Plan

Notable completed tasks:

- First jurisdiction in the state to achieve Proposition 123 commitment.
- Presented Affordability Covenants to BOCC for Anvil Townhomes
- Q4 2025 reporting for grants.
- Website update for Anvil Townhomes application

Grants (applications, updates, awards):

- **Local Planning Capacity:** amendment letter with Town match reduction to 25% and \$50K bonus was accepted.

Ongoing Project Updates:

- **Anvil Townhomes** set week 1/26. Two of two buyer income files approved by the state.
- **Boxcar Apartment** Rockfall analysis study shows the site is not in a rock-fall hazard zone from Anvil Mountain.
- **Homebuyer Education**- no report.
- **ADU Pattern Book** – working towards HB11-52 compliance as a Supportive Jurisdiction for eligibility for the ADUG grant. Will apply for ADUG grant in February
- **Zanoni Parcel** – on hold.
- **Multijurisdictional Housing Authority** BOCC has expressed interest in housing director salary as a discussion item during quarterly joint Town / County session.

Learning/ Professional Development:

- Monthly DOLA Housing Peer Exchange webinars.