



Arapahoe County

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Board Summary Report

File #: 25-666

Agenda Date: 12/9/2025

Agenda #:

To: Board of County Commissioners

Through: Katherine Smith, Director, Community Resources

Prepared By:

Nancy Sonnenfeld, Community Development Administrator, Community Development, Housing and Homeless Services

Subject:

Approval and authorization for the Chair of the Board of County Commissioners to sign Intergovernmental Agreements reflecting Prop 123 unit-sharing with the City of Aurora and the City of Sheridan.

Purpose and Request:

The Board of County Commissioners is requested to adopt a resolution to approve and authorize the Chair of the Board of County Commissioners to sign Intergovernmental Agreements (IGAs) with the City of Aurora and the City of Sheridan which establish the terms and conditions for unit-sharing in alignment with Colorado Proposition 123 (C.R.S. § 29-32-101 *et seq.*).

These agreements have been finalized and approved by the County Attorney's Office and formalize a collaborative framework that enable participating jurisdictions to coordinate affordable housing production and compliance activities required under Proposition 123.

Alignment with Strategic Plan: Economic Resilience and Stability - Maintain and improve affordable housing initiatives, including housing preservation and homeownership support.

Background and Discussion: On November 4, 2025, the Board of County Commissioners (BOCC) approved the development of Intergovernmental Agreements (IGAs) with the City of Aurora and the City of Sheridan to establish the terms and conditions for unit-sharing in alignment with Colorado Proposition 123 (C.R.S. § 29-32-101 *et seq.*) and instructed staff to schedule the finalized items for consent agenda during a business meeting. The following narrative reflects the background and discussion portion of the Board Summary Report (BSR) presented to the BOCC during the aforementioned study session, without changes.

On October 3, 2023, Arapahoe County submitted an Affordable Housing Commitment to participate in Colorado Proposition 123, which was approved by voters in 2022. Colorado Revised Statutes (C.R.S.) Article 32 of Title 29 established the State Affordable Housing Fund (Prop 123) and was subsequently amended by HB23-1304. These statutory provisions set forth requirements for affordable housing commitments, tracking, and reporting for all participating jurisdictions. Under C.R.S. § 29-32-105(3)(d)(II), participating jurisdictions are required to execute a formal written agreement-such as an intergovernmental agreement (IGA) or memorandum of understanding (MOU) - that clearly identifies all participating jurisdictions, ensures that total credited units do not exceed

units actually produced, prevents duplication of unit credit, and establishes a collaborative framework under which jurisdictions support affordable housing production and share unit credit toward each jurisdiction's Prop 123 growth requirement.

Arapahoe County has collaborated with neighboring jurisdictions to develop unit-sharing agreements consistent with these requirements and as part of its compliance documentation. These draft agreements reflect a shared commitment to regional coordination in the production of affordable housing and ensure accurate reporting under Proposition 123. The agreements under consideration include 83 units in partnership with the City of Sheridan for the affordable housing development known as Bonsai Flats located at 3750 S. Sheridan; 60 units with the City of Aurora at 1900 S. Chambers Road, a Permanent Supportive Housing (PSH) development designed to provide long term housing solutions for individuals experiencing homelessness or housing instability; and 5 units at Sanctuary on Potomac, located at 1280 South Potomac Street on the Potomac Housing Campus, providing housing support for individuals with behavioral health needs.

Collectively, these IGAs represent a meaningful advancement in meeting and exceeding the County's affordable housing goals while promoting equitable access to safe and stable housing throughout the region. The IGAs will remain in effect through December 31, 2026, and are designed to enhance regional coordination, ensure regulatory consistency, and optimize the use of state and local housing resources to serve eligible households within Arapahoe County and its municipal partners.

Alternatives: The Board of County Commissioners may choose to reject the proposed Intergovernmental Agreements and suggest alternative approaches to fulfill the affordable housing unit requirements established under Proposition 123.

Fiscal Impact: The IGAs establishing unit-sharing arrangements pursuant to Proposition 123 do not have a direct fiscal impact on Arapahoe County's general fund. However, they are expected to significantly enhance regional collaboration in the development and management of affordable housing across the jurisdiction.

Alignment with Strategic Implementation Strategies: N/A

Concurrence: County Attorney's Office, Public Works and Development