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Focus On: Aurora, Colorado

NICK DECICCO, SENIOR EDITOR AND PRODUCER, NOVOGRADAC

If one theme has persisted across the past half-century for the city of Aurora, Colorado, it's growth.

It's true today, as the city expands toward Colorado's Eastern Plains and north toward undeveloped land in proximity to Denver International Airport.

It was true in the 1990s, when more than 1 million new residents flocked to the Centennial State according to Census data, with some of them calling home newly developed areas of Aurora near the E-470 highway.

It was true in the 1970s, too, when Aurora was named one of nation's fastest-growing cities, more than doubling in population across the decade.

In terms of affordable housing, that's meant decades of a city unable to keep pace with its growth.

"The city of Aurora is growing very, very quickly," said Martin Petrov, director of housing development with the local public housing authority, Aurora Housing Authority (AHA). AHA is also one of the city's primary developers and managers. "It's a challenge to keep up. Currently, the city estimates that we're short about 8,000 affordable units. It's hard to fill that very quickly."

Sarah Pulliam, the city's housing and community development manager, echoed those sentiments.

"Growth has always been a factor," said Pulliam. "I can preserve a unit faster than I can build a unit. When I'm

already at a deficit of 8,000 units and people continue to come in, I can't build housing fast enough. In three years, we've put 1,900 units in the pipeline, but in those same three years, only about 300 have been developed and are leasing up."

It's a challenge to keep up. Currently, the city estimates that we're short about 8,000 affordable units. It's hard to fill that very quickly.

-Martin Petrov, Aurora Housing Authority

That perpetual growth poses a challenge to develop and/or rehabilitate affordable housing using low-income housing tax credits (LIHTCs) in

"A-Town." This is in addition to other hurdles familiar to other major American cities, including climbing interest rates, high construction costs, additional financing complexity and more.

I Remember Aurora

The Arapahoe, Cheyenne, Ute and Sioux were native to the land that Aurora inhabits today. France claimed the land in 1682, with much of Colorado joining American holdings in 1803's Louisiana Purchase. The name of one of the native tribes, Arapahoe, persists as the county name for the vast majority of Aurora.

The city was initially named Fletcher in 1890 after real estate developer Donald Fletcher. In the years following the silver crash of 1893, Fletcher fled the city for California after leaving the locale responsible for bond payments for water that didn't exist. In 1908,

2023 EMPLOYMENT BY INDUSTRY

INDUSTRY	PMA		USA	
	NUMBER EMPLOYED	PERCENT EMPLOYED	NUMBER EMPLOYED	PERCENT EMPLOYED
Mgmt of Companies/Enterprises	338	0.15%	237,343	0.14%
Mining	493	0.22%	561,373	0.34%
Agric/Forestry/Fishing/Hunting	738	0.33%	1,785,076	1.07%
Utilities	1,125	0.51%	1,502,053	0.90%
Wholesale Trade	3,959	1.79%	3,291,556	1.98%
Arts/Entertainment/Recreation	4,043	1.83%	3,747,153	2.26%
Real Estate/Rental/Leasing	4,478	2.03%	2,954,339	1.78%
Information	7,137	3.23%	3,255,493	1.96%
Public Administration	8,428	3.81%	8,264,977	4.98%
Other Services	10,093	4.57%	7,659,177	4.61%
Finance/Insurance	13,151	5.95%	8,016,602	4.83%
Manufacturing	13,965	6.32%	16,689,019	10.05%
Admin/Support/Waste Mgmt Svcs	14,006	6.34%	7,081,387	4.26%
Educational Services	14,337	6.49%	15,195,042	9.15%
Transportation/Warehousing	17,254	7.81%	8,419,689	5.07%
Accommodation/Food Services	18,126	8.20%	11,278,763	6.79%
Prof/Scientific/Tech Services	18,331	8.29%	13,808,768	8.31%
Construction	20,776	9.40%	11,451,658	6.89%
Retail Trade	22,289	10.08%	17,466,879	10.51%
Healthcare/Social Assistance	27,972	12.65%	23,456,754	14.12%
Total Employment	221,039	100.0%	166,123,101	100.0%



Source: Esri Demographics 2023, Novogradac Consulting LLP, September 2023

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

DENVER-AURORA-CENTENNIAL, CO Metropolitan Statistical Area 19740					USA			
YEAR	TOTAL EMPLOYMENT	% CHANGE	UNEMPLOYMENT RATE	CHANGE	TOTAL EMPLOYMENT	% CHANGE	UNEMPLOYMENT RATE	CHANGE
2022	1,686,714	4.3%	3.0%	-2.5%	158,291,000	3.7%	3.7%	-1.7%
2023	1,704,735	1.1%	3.2%	0.3%	161,037,000	1.7%	3.6%	0.0%
2024	1,701,824	-0.2%	4.2%	1.0%	161,346,000	0.2%	4.0%	0.4%
2025 YTD Avg.	1,696,939	-0.3%	4.6%	0.4%	163,342,875	1.2%	4.3%	0.3%

Source: U.S. Bureau of Labor Statistics, October 2025

the town voted to strip Fletcher's name and rebrand after one of its subdivisions: Aurora.

Wheat and barley farming were drivers of the city's economy in the early 20th century. Both World Wars brought a strong military presence, with the establishment of Buckley Air Force Base and the since-shuttered Lowry Air Force Base, which also hosted Fitzsimons Army Hospital.

Today, "The A" is a core component of the southeastern side of the Denver Metro area as the state's third-largest city by population and its largest in land size. Rechristened Buckley Space Force Base in 2021, the installation is the city's largest employer along with several medical facilities, including those at the Anschutz Medical Campus that succeeded Fitzsimons.

The hourly wage needed to afford a two-bedroom, fair-market rent in the Denver-Aurora-Lakewood Metropolitan Statistical Area (MSA) is \$41.15, according to the National Low Income Housing Coalition's 2025 Out of Reach report. More than one-third of the MSA's residents are renters. Data from Novogradac's valuation department shows the largest segment of income earners, 18.2%, take home between \$50,000 and \$74,999, with 31% of its population between the ages of 25 and 44 as of 2024.

It is also a diverse city. According to Novogradac data, 45.4% of residents identify as white, 15.9% as Black, 15.8% as two or more races, 6.5% as Asian, 1.5% as American Indian, 0.5% as Pacific Islander and 14.4% as another race not previously listed. More than 150 languages are spoken in Aurora, said Pulliam.

You Wild Colorado

For developers working in Aurora, the city administers local and federal funding, including HOME funds, Community Development Block Grants, American Rescue Plan (ARP) Act, HOME-ARP funds, grants and more.

Available land for new developments lies to the north and east.

“We’re prioritizing those areas based on demand where it’s most urgent and where investment can have an impact,” said Pulliam. “These are neighborhoods that are at higher risk of displacement and in strategic development corridors. They face the largest affordability gaps. Rising rents can create displacement.”

Petrov agreed.

“People can’t afford what they used to be able to afford,” said Petrov. “The homeless population has exploded. We’re trying to find a way to help a lot of folks. Aurora is just growing way too fast too quickly.”

Alleviating the tensions of displacement and tenancy rates will take a balancing act between developers, property managers, the city and the community to cope with both a housing shortage and a struggle to keep residents in those apartments.

“We are having a hard time leasing up,” said Petrov. “There is a disconnect somewhere in the numbers.”

Developers face a race for resources in Aurora and the state of Colorado. Three times the number of LIHTC applications were submitted to the Colorado Housing and Finance Authority (CHFA) than allocated credits in 2024.

“You really have to put the best project out there to even be considered,” said Petrov. “We have to also figure out a way not to rely on CHFA exclusively, as developers, because resources are being strained year after year. There’s no way for CHFA to possibly fund all of the projects that are submitted. ... There’s just too many people for limited resources.”

Making an application sparkle involves communication with CHFA as well as doing more due diligence on the front end to see if a development is viable or it’s beneficial to hold onto land in the shorter term, said Petrov.

That land is a particular challenge on Aurora’s most available plots to the north and east. These areas are truly undeveloped, such that infrastructure, including roads, water, public transportation and more, needs to be established first.

We do have lots of land, but I will say we have a lot of land that doesn’t have infrastructure, doesn’t have water, doesn’t have roads,

-Martin Petrov, Aurora Housing Authority

“The land is cheaper near the airport,” said Petrov. “The problem is the infrastructure is not set up. As a housing authority, we rely on public funding. And if we don’t have public transportation, if we don’t have shops nearby, we cannot develop that far out. Nobody will finance a deal that’s not going to help people struggling. It defeats the purpose to do affordable housing in that place.”

Pulliam voiced some of the same thoughts.

“We do have lots of land, but I will say we have a lot of land that doesn’t have infrastructure, doesn’t have water, doesn’t have roads,” said Pulliam. “If you’re



Image: Courtesy of KCG Companies

KCG Companies will use 4% state and federal low-income housing tax credits to rehabilitate Tiara Apartments in Aurora, Colorado.

talking about building out east, that is an issue for us. ... If you're talking about building affordable housing out there, that's not near jobs, it's not near RTD (the Regional Transportation District, the Denver Metro area public transit). Those are things we cannot do to someone struggling just to make ends meet. We can't put them out away from everything they need."

Developers building in eastern Aurora may need to wait until later this decade as infrastructure demands catch up. Both Petrov and Pulliam said that how that will happen is an ongoing conversation among Aurora citizens, the city, developers and more.

Lucky Old Colorado

For Indiana-based vertically integrated real estate developer and manager KCG Companies, one way to

confront land challenges is to focus on rehabilitation. That includes Tiara Apartments, the firm's first foray into the Colorado market.

"Aurora stood out because of the city's commitment to preserving housing, its effective partnership with organizations like the Aurora Housing Authority and the broader support from state and municipal leaders," said Paul Moore, vice president of acquisitions for KCG. "Entering a new state always requires careful alignment between community needs and our mission, and Aurora provided exactly that. Tiara gave us the chance to preserve an existing affordable housing community for elderly and disabled residents, while also investing in substantial renovations and supportive services that will improve daily life for residents."

KCG is using federal and state 4% LIHTCs and bonds on a Section 8 acquisition-rehabilitation of Tiara

Apartments. Construction is underway, with the aim to finish by the end of March 2026.

AHA's efforts include rehabilitation and new construction. For rehabilitations, Petrov said the capital stack looks at any equity from refinancing before adding 4% LIHTCs and loans. AHA issues its own bonds. Celebrating its 50th anniversary this year, AHA manages 14 properties with more than 1,100 apartments. It also acts as a special limited partner for more than 4,000 apartments across the state by granting developers a property tax exemption in exchange.

Decisive Steps

Unsurprisingly, the forecast for the next decade and beyond for Aurora remains continued growth. Data from Novogradac's valuation department anticipates more than 20,000 new residents before decade's end. Young families, seniors and immigrant communities are expected to increase, said Pulliam, which will continue to increase demand for housing across all income levels.

Some see Aurora as a cost-effective alternate to living in Denver proper.

"If we continue to grow, we have to absorb regional demand," said Pulliam. "We are less expensive than Denver—there are people who come across the (city border) line, which we love. But it does require more housing, community and political will, public support, zoning policy and city council priorities all play a role."

In keeping with its efforts on Tiara, Moore said expanding funding opportunities and financial incentives for housing preservation will help the city adapt.

"As Aurora grows, new housing will inevitably be built," said Moore. "Balancing that growth with protection and investment in existing housing stock will be critical. Building preservation into the city's growth strategy will help maintain affordability while improving older infrastructure."

In addition to the north and east areas of Aurora, Pulliam said the July passage of the One Big Beautiful Bill Act, which brought permanence for the opportunity zones incentive, could bolster interest for new developments in those areas. Those include some of the lands of the Lowry Air Force Base, which was shuttered in the 1990s. The eastern portion of the former installation sits in Aurora and, now that a 30-year deed restriction from 1994 limiting the land's use to education of vocational training has expired, is available for a wider variety of potential uses, including affordable housing development.

AHA's near-term efforts are focused on Sanctuary on Potomac, which broke ground in July. The property is situated next to The Medical Center of Aurora, which allows it to provide services to those experiencing mental health issues and homelessness. The site is estimated for completion in 2026.

The PHA also is resyndicating The Residences at Willow Park, an older property in its portfolio. The plans call to complete the rehabilitation of all 68 apartments in 2026, as well as add a new building later this year.

For KCG's part, Moore said Aurora's needs are reflective of nationwide trends for stable, high-quality housing near resources and amenities.

"We have seen strong demand for senior and disabled housing in particular, which is vital for vulnerable

populations,” said Moore. “Tiara Apartments is already at full occupancy and currently has a waitlist. As the baby boomer generation continues to age, the need for communities where seniors can live with dignity, access supportive services, and feel a true sense of belonging will only increase. We believe Tiara Apartments can serve as a model for how to meet those needs.”

And it's Still Alright

Aurora is not immune to resistance to affordable housing, said Pulliam and Petrov.

Pulliam was reluctant to categorize the pushback. “It can be from a lot of different angles,” said Pulliam. She said building strong relationships with developers and the community are ways to show residents that affordable housing is “not the monster that they think it is.”

Moore said the city of Aurora has been supportive and collaborative to developers of affordable housing.

“Their willingness to work closely with our development team helped us navigate the complexities of an extensive rehabilitation and secure the necessary permits and approvals to move (Tiara Apartments) forward,” said Moore.

The challenge of meeting Aurora’s rapid growth is an ongoing challenge for all in the affordable housing community.

“Everybody struggling to get a grip on it and figure out what to tackle first,” said Petrov. “That just spills out to us as well, as developers. We’re trying to figure out where can we build to address the growth.” ♦

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