

Please Support HB - 1017 Expand Availability of Affordable Housing

Housing Costs Were High Before the Flood

Even before the flooding last year, the cost of housing has been out of reach for many Colorado residents, and getting more so every year. Overall in Colorado, the Fair Market Rent for a two-bedroom apartment is \$897 a month. For a worker in Colorado making minimum wage of \$7.78, a worker would need to work 89 hours a week to *make a two-bedroom apartment affordable (paying 30% of their income towards housing costs)*.¹

Flooding has Made Housing Less Available

Recent catastrophic flooding has decreased the availability of housing in many communities, driving up rental costs and displacing more people.² In some parts of the state, housing is completely unavailable, and in other parts of the state, low wage earners cannot afford what is available. The lack of available housing often leads to long commutes, which creates corresponding increases in congestion, air pollution, road damage, and less family time, inability to participate in community life and resultant negative family and social consequences.

The State Has a Role in Helping Communities Recover

Colorado needs more tools for developers and communities to meet their needs around affordable housing in the state. Research shows that affordable housing promotes stable communities, increases educational achievement, and results in documented reductions in medical and criminal justice system spending.³

Housing Development Can Improve Colorado's Economy

A recent study by the National Association of Home builders, shows the economic impacts of building single and multifamily subsidized and market rate homes in Colorado provides \$1.83 billion in income for Colorado residents, \$515 million in taxes and other state and local revenue, and 26,500 jobs in Colorado. The impact beyond the first year is over \$335 million in income, \$96 million in taxes, and 4,968 jobs.⁴

What does the bill do?

House Bill 1017 does two things:

- Positions the Division of Housing to accept funds from any source, making it possible to create a Colorado Housing Investment Fund that will have a dedicated and dependable source of funding long-term.

Changes the name from the home investment trust fund to the housing investment trust fund; changes the definition of the fund to allow it to accept any and all kinds of revenue, and continuously appropriates the monies in the fund. Allows the Division of Housing to charge a loan origination fee for any loans from the fund. Clarifies that gifts, grants and donations may be from any source, and the fund may keep interest earned. Allows money to be used for program administration, within limits. Requires monies in the fund to be for projects initiated in the current fiscal year, but they can be completed in other years.

- Creates public-private partnerships for supporting affordable housing by re-instating the State Low-Income Housing Tax Credit.

The Colorado Housing Credit was modeled after the Federal LIHTC program. The Federal program was created in 1986 under the Reagan Administration. The federal program has been the most successful affordable housing finance program, and today has helped produce over 41,656 affordable rental units in Colorado, resulting in over \$6.1 billion in economic impact and indirectly supporting 34,731 jobs.

The two year previous tax credit helped create 840 affordable rental housing units. The sale of the tax credits to private investors generated \$20,130,301 in private equity.

Second, the estimated secondary economic activity to be generated by one year of Colorado LIHTC at the time the program was in place was \$57,305,450.

Currently the Colorado Housing and Finance authority has indicated that the demand for their tax credits to support affordable housing outpaces supply by about 4 to 1.

Who Supports this Bill?

- ❖ **9to5, National Association of Working Women – Colorado Chapter**
- ❖ **AARP**
- ❖ **All Families Deserve a Chance Coalition**
- ❖ **Colorado Catholic Conference**
- ❖ **Colorado Center for Work, Education and Employment**
- ❖ **Colorado Coalition Against Domestic Violence**
- ❖ **Colorado Council of Churches – Voices for Justice Program**
- ❖ **Colorado Impact: Center for Economic Prosperity**
- ❖ **Colorado Progressive Coalition**
- ❖ **Denver Urban Ministries**
- ❖ **FRESC**
- ❖ **Habitat for Humanity – Colorado**
- ❖ **Hunger Free Colorado**
- ❖ **Jubilee Ministries of Colorado**
- ❖ **Lutheran Advocacy Ministry – Colorado**
- ❖ **Metro CareRing**

1 – Out of Reach 2013, published by the National Low Income Housing Coalition

2 – Denver Post editorial, "What will Colorado floods mean for affordable housing?" September 28, 2013

3 – National Housing Conference – Center for Housing Policy

4 – The Economic Impact of Subsidized Housing Programs in Colorado Income, Jobs, and Taxes Generated, National Association of Homebuilders, April 2012