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Support HB19-1228 to Strengthen Colorado's Affordable Housing Tax Credit

Sponsored by Rep. Shannon Bird, Rep. Brianna Titone, Sen. Jack Tate, and Sen. Rachel Zenzinger

Bill Summary

HB19-1228 increases the amount of state Affordable Housing Tax Credits that CHFA may allocate annually from \$5 million to \$10 million in 2020 – 2024.

Program Overview

- Colorado's Affordable Housing Tax Credit (state AHTC) raises private sector equity needed to support the development and preservation of affordable rental housing.
- It is modeled after the nationally recognized federal Low Income Housing Tax Credit (federal LIHTC) created in 1986 under President Reagan's administration.
- CHFA is currently authorized to allocate \$5 million in state AHTC through 2024.

Building on Success: Program Results

4,796 housing units directly supported

- Between 2015 - 2018, the state AHTC program has directly supported the development of 4,796 affordable rental units, and enabled CHFA to support 15,312 units using state and/or federal LIHTC.
- The median household income of residents living in state tax credit-supported units is \$34,598, or approximately 42 percent of Area Median Income (AMI).

\$534 million in new private sector investment raised to support Colorado housing

- The sale of the state and federal tax credits allocated to state AHTC-supported units will generate over \$534 million in private sector equity investment in Colorado that otherwise would not have occurred.

\$1.9 billion in economic impact

- The development of the 4,796 units directly supported with state AHTC is estimated to generate over \$1.9 billion in economic impact in Colorado.

\$37 million in previously untapped federal 4 percent lihtc leveraged

- CHFA leverages the state AHTC with the federal 4 percent credit, which historically has been under-utilized in Colorado due to a lack of other gap resources required to make these types of deals financially feasible.

- All states have access to two types of federal LIHTC to support affordable housing:
 - Federal 4 percent LIHTC, which is designed to subsidize approximately 30 percent of an affordable development's costs; and
 - Federal 9 percent LIHTC, which is designed to subsidize approximately 70 percent of an affordable development's costs.

housing credit supports key affordable housing needs

workforce housing

- The top six employment categories of residents living in state AHTC-supported units are: service industry, professional, clerical/administrative, sales, production/construction, and paraprofessional.
- In Colorado, full-time employees paid minimum wage earn \$21,216 in gross annual income or 37% AMI.

homeless housing

- Four of the developments directly supported with state AHTC, and 19 of the developments supported with either state or federal credit between 2015 and 2018 will include Permanent Supportive Housing for homeless families and individuals.

senior housing

- Twenty-seven percent (27%) or 1,289 of the units directly supported with state AHTC, between 2015-2018 will provide affordable rental housing for seniors.

across colorado

- Since being created, the state AHTC has helped facilitate more affordable housing development outside the seven-county Denver metro area.
 - 55 of the 162 developments supported with either state or federal tax credits between 2015 and 2018 are located outside of the seven-county Denver Metro region.
 - 17 on the Western Slope
 - Aspen, Basalt, Cortez, Durango, Glenwood Springs, Grand Junction, Gunnison, Gypsum, Keystone, Montrose, New Castle, and Steamboat Springs
 - 21 in northern and north-eastern Colorado
 - Burlington, Fort Collins, Greeley, Loveland, and Windsor
 - 17 in southern and southeast Colorado
 - Alamosa, Buena Vista, Canon City, Colorado Springs, Poncha Springs, Pueblo, Trinidad, and Woodland Park

For more information, please contact Jerilynn Martinez, CHFA Community Relations Director at 303.895.9124 jmartinez@chfainfo.com, Julie McKenna at 303.898.8484 or Jenifer Brandeberry at 303.638.4420.