



HB24-1434: Expand and Strengthen the State Affordable Housing Tax Credit

Sponsored by: Rep. Shannon Bird, Rep. Ron Weinberg, Sen. Rachel Zenzinger, and Sen. Cleave Simpson

Colorado's Affordable Housing Tax Credit (state AHTC) raises private sector equity 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 \$10 million in state AHTC through 2031. The program is oversubscribed by a rate of 3 to 1.

HB24-1434 increases CHFA's state credit authority by \$20 million in 2024; \$16 million in 2025; \$12 million in 2026 and 2027; \$16 million in 2028; and \$20 million in 2029-2031. The bill also accelerates the pace at which investors may claim the new credit resources to further amplify AHTC's already significant and positive impacts.

HB24-1434 also includes a new five-year housing tax credit for eligible projects in Transit Oriented Communities (TOC), originally a provision of HB24-1313 sponsored by Representative Woodrow, Representative Jodeh, Senator Hansen, and Senator Winter. CHFA will be authorized to allocate the TOC credit as follows: \$2 million in 2025-2027; \$11 million in 2028; and \$13 million in 2029.

10,782 housing units directly supported

- Between 2015 through 2023, the state AHTC program has directly supported the development of 10,782 affordable rental units.
- The median household income of residents living in tax credit-supported units is \$25,392, or approximately 32 percent of Area Median Income (AMI).
- The top five employment categories of residents living in state AHTC-supported units are: service industry, professional, construction-related, administrative and clerical, and sales/retail.
- State AHTC has enabled CHFA to better utilize its state and federal Housing Tax Credits to support developments in urban, rural, and rural resort regions of the state.

\$1.7 billion in new private sector investment raised to support Colorado housing

- The sale of the state and federal housing tax credits allocated to state AHTC-supported units will generate over \$1.7 billion in private sector equity investment in Colorado that otherwise would not have occurred.

\$130.7 million in federal 4 percent lihtc leveraged

All states utilize two types of federal LIHTC to support affordable housing:

- Federal 9 percent credit, which is designed to subsidize approximately 70 percent of an affordable development's costs; and
- Federal 4 percent credit, which is designed to subsidize approximately 30 percent of an affordable development's costs.
- Historically, CHFA has leveraged state AHTC with federal 4 percent credit, which helps CHFA better meet the state's varied housing needs, including supportive housing, housing for extremely low-income households, mixed income housing, as well as supporting development in high-cost and rural areas.

\$5.5 billion in economic impact

The development of the 10,700+ units directly supported with state AHTC is estimated to generate over \$5.5 billion in economic impact in Colorado and support 36,357 jobs.

For more information contact Jerilynn Francis at jfrancis@chfainfo.com, Julia Selby at jselby@chfainfo.com, Julie McKenna at 303.898.8494, or Jenifer Brandeberry at 303.638.4420.