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Bill invests \$25M to relieve Colorado’s affordable-housing problem

DENVER – With the supply of available units dwindling as demand increases, Colorado’s affordable-housing crisis is imposing a heavy burden on low-income families. Since 2007, the average rent in the state has increased by 21 percent as the income for the median renter household increased by only 1.1 percent. Meanwhile, the vacancy rate is below 2 percent in some of the state’s most active housing markets. In Colorado, an estimated 161,658 households pay more than half of their monthly income on rent – leaving fewer resources for essentials such as food, clothing and transportation, and pushing many of these families to the brink of homelessness.

To address this serious issue, Rep. Max Tyler, D-Lakewood, has introduced legislation that will bring an estimated \$25 million in financial assistance to developers of low-income housing units while providing funds to help low-income tenants defray high rental costs in Colorado.

Cosponsored in the House by Rep. Daneya Esgar, D- Pueblo, [House Bill 1384](#) would invest in affordable housing by drawing one-third of the available balance from the state’s unclaimed property trust fund. The money would be deposited into a rental housing fund established by the Colorado Housing and Finance Authority (CHFA) for five fiscal years, beginning July 1, 2015. HB 1384 is part of a package of bills intended to address the affordable-housing shortage. Another bill introduced by Rep. Tyler, HB 1383, would extend the availability of state low-income housing tax credits available through CHFA.

“Simply put, the affordable housing problem can’t be resolved by the private market alone,” Rep. Tyler said regarding HB 1384. “Providing grants and loans will give developers more resources to acquire land and build housing units for those who earn less than 60 percent of the median income. In the shorter-term, financial assistance for tenants will help many Coloradans keep a roof under their heads and enable them to devote their limited resources to other needs, such as food, clothing and transportation. HB 1384 supports private development of affordable housing that will stay affordable in the long-term and gives renters resources to afford housing, without implications on taxpayers or Colorado’s budget.”

Though several federal rental assistance programs help make housing more affordable, such programs only serve a small share of low-income Coloradans who struggle to pay the rent.

“We’ve got a huge unmet need in the rental-housing market,” said Claire Levy, Executive Director of the Colorado Center on Law and Policy, a former state legislator who was instrumental in developing HB 1384. “We have no delusions that this bill will solve our affordable-housing problem, but it will provide some much-needed relief for low-income Coloradans.” She added that empirical evidence shows that investing in safe, stable and affordable housing reduces homelessness, housing instability as well as health care and other public assistance costs.

Aaron Miripol, President and CEO of the Urban Land Conservancy, sees first-hand the challenges Colorado is facing because of the astounding shortfall of affordable homes. “Due to the lack of state resources for affordable housing acquisition, construction and rehabilitation, ULC and its partners are facing a huge barrier in our work with the majority of our 25 real estate investments lacking the essential funding to produce affordable housing options for communities that need it most,” he said.

Sara Reynolds, Executive Director of Housing Colorado, cites projections that indicate 70 percent of the new jobs created in Colorado over the next 10 years will have starting salaries of less than \$36,000 annually, making affordable housing a critical issue for Colorado’s economy. “Without investments in housing for working families, we put our continued progress and our economic future at risk.”

Dick Taft, President and CEO of Rocky Mountain Communities, a nonprofit dedicated to developing affordable-housing projects, also characterized HB 1384 as a step in the right direction. “Although the funding pales in comparison to the hundreds of millions needed to provide for Colorado’s current shortfall of affordable housing, this bill will expand the impact of the funding Colorado has received over the last four years from the national mortgage settlement, the disaster relief funding and the state housing tax credit.”

HB 1384 will be heard by the House State, Veterans’ and Military Affairs Committee on Wednesday, April 29.

To learn more about the legislation, please read [Claire Levy’s blog posting](#) on CCLP’s website.

[The Colorado Center on Law and Policy](#) is a nonprofit, non-partisan research and advocacy organization that engages in legislative, administrative and legal advocacy on behalf of low-income Coloradans.