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- Integrating and enhancing local community employment services

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Legislative & Policy Preview 2018: Family Economic Security

The Colorado Center on Law and Policy advances the health and economic security of low-income Coloradans through research, education, advocacy and litigation. As a nonprofit, nonpartisan organization, we work with a variety of stakeholders to develop and support legislation and policies that achieve our mission. We focus on addressing systemic barriers to economic self-sufficiency that will produce real results.

This year, CCLP will collaborate with national partners to protect the interests of low-income Coloradans in federal policy discussions. Since Congress may delegate additional authority to states regarding critical programs and services, we are prepared to work with partner organizations to ensure that decision-makers in Colorado make choices that are in the best interests of struggling families throughout the state.

Family Economic Security Legislation: Housing

Stable, affordable housing is a cornerstone of financial and emotional security. Roughly in two Colorado renters pays more than 30 percent of their income in rent, and an alarming 75 percent of extremely low income renters pays more than half their income in rent. For every 100 low-income renters, there are only 27 affordable units available. Some parts of the state that are not growing face deterioration of their housing stock, and loss of more affordable homes. We are working with our organizational partners on a large slate of housing legislation. Among our priorities:

Housing funding from Unclaimed Property Fund

Once again, we will back a proposal to use a small portion of the Unclaimed Property Trust Fund -- \$30 million a year for three years with two additional years at \$20 million per year—for affordable housing. The Division of Housing in the State Department of Local Affairs would administer the funding.

Permitted uses would include: down-payment assistance, home rehabilitation, new construction of homes for those earning less than 80 percent of Area Median Income (AMI), mobile home repair, leveraging Low Income Housing Tax Credit funding for housing, and rental assistance. Priority populations for rental assistance would include homeless families with school age children, Medicaid clients in nursing homes who could live in the community with in-home services, family unification programs, homeless veterans, those earning less than 60 percent of AMI, and survivors of domestic violence.

Manufactured housing sales-tax elimination

Approximately 4 percent of homes in Colorado are manufactured homes. They represent an important segment of the affordable-housing stock and remain an unsubsidized, private-sector option for struggling families, seniors and people with disabilities. In today's market, many of these homes are appreciating in value; allowing owners to build some equity. Too often though, they are segregated into mobile home parks, sited on rented lots and vulnerable to redevelopment pressure. Colorado law is conflicted, treating manufactured homes as both real and personal property.

In 2018 CCLP is proposing eliminating the state sales tax on new manufactured homes. Such homeowners are already subject to annual property tax on their homes. Eliminating the state sales tax would save consumers approximately \$1,000 on the average \$66,100 purchase price of a new manufactured home. Given that the median income for manufactured home households is \$30,000, this legislation would provide significant tax relief to those families pursuing the dream of homeownership.

Preservation of manufactured homes

In 2017, we actively supported House Bill 1354, which removed the statutory requirement that county treasurers sell manufactured homes to the public if their owners were delinquent on their annual property taxes. While the approved bill will keep many low- and moderate-income Coloradans in their homes, CCLP had considerable reservations about the legislation because it failed to address a provision in Colorado law that allows a county to possess and dispose of manufactured homes worth less than \$1,000 if their owners are delinquent on their annual property taxes. Thus, we will be working closely with partner organizations to pursue a "clean-up" bill so that vulnerable families can remain in their homes and avoid government-imposed displacement.

Copy of rental documents

We will once again back legislation to guarantee that tenants receive a copy of their lease, plus a receipt for rent paid by cash or money order. Receipts would be provided automatically if the tenant pays the landlord in-person or upon request if the tenant drops off the payment. This bill would enact into law a basic, common practice in the tenant-landlord relationship. We anticipate this will help stabilize landlord tenant relationships by preventing misunderstandings. Because it is common for low-income renters to pay rent with cash or money order, there is no record of a transaction unless a landlord provides a receipt of payment. As a result, many Colorado renters have been vulnerable to eviction or late charges because they were not able to prove that they had already paid rent – creating greater instability for those who are struggling to make ends meet or to apply for credit.

Family Economic Security Legislation: Employment

Nearly 20 percent of prime working-age Coloradans are not working, even as Colorado's economic development is constrained in some areas by a lack of workers. Many want to work, but face barriers to employment. CCLP, in conjunction with the Colorado Skills2Compete Coalition, conducted a needs assessment of community and publicly funded employment service organizations that encompassed 63 of Colorado's 64 counties. Here are the policy priorities that were identified as part of the needs assessment:

Support services for those seeking training and employment

The assessment revealed the need for emergency supportive service funds for participants' employment goals. The availability of support services – such as emergency child care, work equipment, legal assistance, or fees, is critical for those with barriers to employment to successfully pursue an employment or training opportunity.

We developed legislation that would create a supportive services fund that public agencies and community-based organizations can draw from to serve low-income participants. It would appropriate General Fund dollars (approximately \$2.5 million per year) to support these needs. It would establish a reimbursement mechanism for eligible organizations to provide employment-related support services upfront. Participant benefits would be capped at \$400 per person per annum. While not providing all the comprehensive support services a person might need, the fund would meet the small-dollar needs that can otherwise derail a person's employment pursuits.

Integrating and enhancing local community employment services

The needs assessment also revealed that current funding streams for local employment services are not enough to adequately serve individuals with barriers to employment. These employment services are required to fully integrate community-based organizations and public agencies so that they can collectively and sufficiently serve job-seeker who have barriers to employment such as recent divorce, homelessness, a criminal record or low levels of literacy. The state's geographic size and economic diversity require tailored solutions developed locally by public agencies in conjunction with community organizations to address unmet needs and reduce poverty.

We developed legislation that would appropriate \$3 million for four years from the general fund to be distributed on a formula basis to local communities. An additional \$600,000 per year would be appropriated to rural communities, to be distributed on a formula basis in recognition of the significant challenges facing these communities. The bill would require local community-based organizations and public agencies to collaborate on and implement a plan that would address a community's unmet need specifically tailored to job-seekers with barriers to employment in their own communities.

Other Family Economic Security Legislation

"Clean slate" legislation

Society expects people to work, pay restitution and support their families after they've been incarcerated. Unfortunately, many Coloradans with criminal records experience unemployment, food insecurity and housing instability -- fueling poverty and recidivism rates.

To rectify the problem, CCLP developed "clean-slate" legislation that provides for automatically sealing certain criminal records so that they are not available to the public, but can still be accessed by law enforcement, family courts and victims of crime. Our clean-slate proposal will only apply to certain nonviolent offenses that are already eligible for sealing under Colorado law. It will eliminate costly and burdensome steps including court petition and filing fees for individuals who have remained free of misdemeanor and felony convictions for a specified period of time. By removing barriers to housing and employment, this bill will give people a chance to move on with their lives and support their families.

Prize-linked savings

The personal savings rate in the United States has been declining, most recently hitting a low of 2.9 percent of total income saved on a per-person average. As wages have not kept pace with expenses, saving money has become harder. According to the Federal Reserve's 2016 Survey of Household Economic Decision-making (SHED), 44 percent of people would not be able to come up with money to meet a \$400 emergency without resorting to credit cards or having to sell something.

Prize-linked savings are a proven technique to encourage new savers. They give people a chance to win prizes in

exchange for making deposits into a savings account without putting their money or interest at risk. Studies show that savers maintain their savings, and tend not to withdraw their money even if they don't win a prize. Under a proposal advanced by CCLP, with support from members of the Financial Equity Coalition, financial institutions and credit unions would explicitly be allowed to offer prize-linked savings programs in Colorado.

Supporting our partners

In addition to the bills CCLP will be leading, we expect to support the Senior Lobby's Property Tax, Rent, Heat Rebate bill, the Colorado Coalition for the Homeless' Eviction Right to Cure Bill and a host of other proposals.