

STATEWIDE AFFORDABLE HOUSING LEGISLATIVE FACT SHEET - HB 1340

What:

- Colorado ranks at or near the bottom in almost every Federal funding formula for housing.
- The State General Fund levels are unpredictable and insufficient. With a zero line item in 2003, a dedicated and dependable source of funding is needed for affordable housing across Colorado.
- There is a minimum demand of an additional **\$30 million in flexible funding** for affordable housing needs across Colorado
- This year marks an historic opportunity to bring Colorado in line with the 38 other states across the country with statewide housing trust or investment funds.

How:

HB 1340 – Concerning the Development of the Colorado Housing Investment Fund

Sponsored by Representative John Kefalas and Senator Betty Boyd

- Would increase the documentary fee collected at the time of the sale of property from the current rate of 1 cent per \$100 to 5 cents per \$100, an increase from \$10 to just \$50 for every \$100,000 of the sale price of the property -- **less than 1/10 of 1 percent of the cost of a home**. The documentary fee on commercial and vacant lands would increase 1 cent per \$100 to a total of 2 cents per \$100, an increase from \$100 to \$200 on a \$1,000,000 land transaction.
- Would generate between **\$25-35 million** annually dependant on real estate transactions.
- Funds from the documentary fee would be placed in a fund administered by the Colorado Division of Housing.
- Dispersion of funds is based on models that take **local government allocation, statewide open application, community needs** and income level into account.
- Funds are flexible and go to the most pressing needs such as **closing cost assistance, foreclosure prevention, energy efficient building and zoning**. Additional uses include new construction, acquisition of existing real estate for conversion to affordable rental and affordable housing, providing developers with assistance to defray the cost of affordable housing in conformance with local inclusionary zoning and ordinances, rehabilitation of sub-standard shelters, transitional housing, and affordable rental and ownership units, development of special needs housing.
- Would refer the documentary fee increase to the voters for approval.

Why:

Some fast facts about the need for a dedicated and dependable source of funding for affordable housing in Colorado:

- Forty percent of renters and twenty percent of homeowners pay more than they can afford for housing. The price range they can afford is not provided by the market.
- Colorado faces a severe shortage of safe, decent and affordable housing for low and moderate-income workers, disabled, elderly and children living in poverty.
- The most recent economic impact study shows that a \$26.5 million fund creates 3,400 affordable units, yields 3,200 jobs, stimulates \$26 million in tax revenue, and garners \$334 million in economic activity.

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Supporters of HB1340:

Energy Outreach Colorado, City of Arvada, Catholic Charities, Colorado Catholic Conference, SEIU, Fort Collins Housing Authority, Colorado NAHRO, Hunger for Justice: Interfaith Voices Against Poverty, Housing Colorado, Housing Justice!, Metro CareRing, Lutheran Advocacy Ministry, Capitol Hill United Ministries, Interfaith Hospitality Network of Metro Denver, Housing Authority of Longmont, Longmont Housing Development Corporation, Denver Department of Human Services, Community Capital Corporation, All Families Deserve a Chance Coalition, RDM Communications, Jefferson County Housing Authority, Denver Urban Ministries

