

HB22-1051 Mod Affordable Housing Tax Credit

Wednesday, February 2 2022

Transportation & Local Government

1:30 p.m. Room LSB-A

(1) in house calendar.

Written Testimony: Support

Thank you, Mr. Chair and members of the committee for the opportunity to submit testimony today on behalf of the Denver Metro Chamber of Commerce and our work through Prosper Colorado. I submit this testimony in support of House Bill 1051.

As a membership organization representing thousands of businesses in the Denver Metropolitan Area, we are committed to creating opportunity and economic success for all Coloradans. One of the most significant obstacles to the success and competitiveness of our region is the dearth of workforce housing. The high cost of living in our state slows Colorado's economic growth, undermines our ability to attract and retain talent, and poses a significant challenge to employees across the state.

The significance of this issue has been borne out in the data and research collected through Prosper Colorado. In July of 2021, the median home price in the Denver Metro region hit \$542,000 – up more than \$120,000 in just 2 years. The area median-income in Denver is \$63,793 for a single-income household and \$80,597 for a two-person household. Rental burden is also an issue. The median rent for a one-bedroom apartment is \$1,387, for a two-bedroom unit, the average cost is \$1,700. Without increased collaboration between government, private and nonprofit sectors, our community will continue to face real challenges attracting and retaining a diverse, young and qualified workforce and creating more inclusive growth.

The Chamber has historically supported this tax credit, and since it was originally enacted, it has proven to be an effective and efficient tool to encourage the development of low-income and workforce housing. We are also supportive to see changes in this iteration of the bill that extend the credit out 10 years instead of 5 to provide developers additional stability and predictability as they look to develop in Colorado.

Thank you to Representative Bird, Representative McKean, Senator Zenzinger, and Senator Hisey for bringing this bill and we urge the committee to vote yes.

Adam Burg, Vice President of Government Affairs, Denver Metro Chamber of Commerce