

SB22-159 Revolving Loan Fund Invest Affordable Housing

Tuesday, April 5, 2022

Senate Finance 1:30 | Old Supreme Court

Written Testimony: Support

Thank you, Madam Chair and members of the committee. My name is Matt Gorenc, and I'm Government Affairs Manager at the Denver Metro Chamber of Commerce.

I am pleased to be here on behalf of the Chamber to express our support of Senate Bill 159.

Colorado is an attractive place to live and work and our business community is thriving. At the same time, residents are struggling to keep up with skyrocketing housing prices. According to the Colorado Association of Realtors, the average home price in Denver increased a staggering \$84,000 between January 2022 and February 2022. That is a nearly 15% hike in appreciation—in just one month. Just yesterday, the *Denver Post* published an article declaring Metro Denver as the fifth least affordable housing market in the country.

And now buyers continue to feel the strain as interest rates have soared to their highest levels since 2018. Rates have increased more than one percentage point in just a few months. One percentage point on a mortgage generates tens of thousands of dollars in savings over the life of the loan, and it creates a lower monthly payment at a time when Denver homebuyers are feeling the strain of soaring housing prices and record inflation. A one percentage point increase on a mortgage for a \$600,000 home increases the monthly payment by approximately \$300 a month.

High interest rates coupled with sky-high housing prices in the Denver area spell trouble for our vibrant workforce and threaten the vitality of our economy. Not only are housing prices a menace to business attraction and retention, but they also threaten Denver's ability to attract top talent. Without affordable housing, our talent will be forced to move elsewhere. Homebuyers are seeing any glimmer of hope around affordable housing crushed, and our economy is in peril if the legislature doesn't take decisive action to slow this upward trajectory.

This bill brings major relief for the housing pain our workforce is experiencing. By offering qualified recipients below-market, flexible interest rates, the legislature can make an enormous impact on monthly payments so our vibrant workforce can remain in Denver and continue participating in our competitive economy. The best part is, the revolving loan mechanism will serve to benefit qualified recipients for many years to come. The Chamber applauds the legislature for acting at this pivotal time.

We urge the members of this committee to vote yes on this bill.