

Colorado General Assembly Passes Trendsetter Affordable Housing Initiatives

Colorado's General Assembly passed two bills this legislative session dedicated to improving the state of affordable housing in Colorado. HB24-1316 and HB24-1434 aim to supplement the State's oversubscribed affordable housing programs and alleviate a stressed housing market.

Representative Lindstedt, Representative Lindsay and Senator Bridges ushered in Bill 1316, dubbed the Middle-Income Housing Tax Credit. Bill 1316 is the first of its kind to leverage private sector investment to support the "missing-middle", households earning between 80% and 120% of Area Medium Income (AMI), or up to 140% in rural resort counties. Through this program, Colorado unlocks support for the missing-middle by allowing Middle-Income Housing Tax Credits (MIHTC) awards in the amount of \$5 million for 2025-2026 and up to \$10 million in 2027-2029. The pilot program will run initially for a period of five years.

MIHTC builds upon the Affordable Housing Tax Credit program and CHFA's Middle-Income Access Loan Program and allows allocations of Tax Credits to both for-profit and nonprofit affordable housing developers as well as governmental and quasi-governmental entities.

Accompanying Bill 1316 is Bill 1434, which provides much needed expansion of Colorado's already oversubscribed State Affordable Housing Tax Credit Program (AHTC). Specifically, Bill 1434 increases the state's credit authority by \$20 million in 2024; \$16 million in 2025; \$12 million in 2026 and 2027; \$16 million in 2028; and \$20 million in 2029-2031. Bill 1434 will also allow investors to claim their credits at a more accelerated rate than previously allowed. Additionally, Bill 1434 establishes a new five-year credit for certain eligible projects located in Transit Oriented Communities (TOC) with the TOC Credit being allocated in the amounts of \$2 million in 2025-2027; \$11 million in 2028; and \$13 million in 2029. The TOC Credit can be combined with the AHTC or utilized independently.

Both bills were supported by Colorado's Housing and Finance Authority to address the growing need for affordable and middle-income housing in Colorado.

The bills are currently on Governor Polis' desk for signature.