AGENDA ITEM or FINAL CONTRACT REVIEW SUBMITTAL FORM

Agenda Item: Ratification of Correspondence; Release of Tax Ref

Action Requested:

Parties to the Agreement:

Term Begins: **Term Ends:** **Grant Contract #:**

Summary:

Please see the attached letter for ratification.

Fiscal Impact:

Submitted by: Josh Ost **Submitter's Email Address:** jost@gunnisoncounty.org

Finance Review: ○ Required ◉ Not Required

Comments:

Reviewed by: Discharge Date:

County Attorney Review: ○ Required ◉ Not Required

Comments:

Reveiwed by: Discharge Date: Certificate of Insurance Required

Yes ○ No ○

County Manager Review:

Comments:

Reveiwed by: GUNCOUNTY1\mbirnie Discharge Date: 11/20/2017

◉ Consent Agenda ○ Regular Agenda ○ Worksession Time Allotted: 0

Agenda Date: 12/5/2017

Revised April 2015

Gunnison County
COLORADO

Gunnison County Board of County Commissioners
Phone: (970) 641–0248 • Fax: (970) 641–3061
Email: bocc@gunnisoncounty.org • www.GunnisonCounty.org

November 8, 2017

Senator Michael Bennet, john_whitney@bennet.senate.gov
Senator Cory Gardner, cory.gardner.senate@state.co.us
Representative Scott Tipton, scott.tipton.house@state.co.us

Re: Release of Tax Reform Legislation H.R. 1

Dear Senators Bennet and Gardner, and Representative Tipton,

The Gunnison County Board of County Commissioners, along with many other Colorado-based organizations, is very concerned about the proposal to end Private Activity Bond (PAB) activity on December 31, 2017.

The continuance of the tax exempt status associated with PAB activity is critical to efforts in Gunnison County and across Colorado to support affordable housing issues, economic development and other worthwhile projects. For example, Gunnison County issued PABs via the University Foundation for the benefit of Western State Colorado University's completion of the Student Center, which would not have been possible without the use of PABs. Also, Club 20, of which we are members, has been pursuing various means in which to support affordable housing issues, which continue to be of serious concern in rural and metropolitan areas across the State of Colorado.

Elimination of PAB activity would undoubtedly result in significant negative impacts to affordable housing in Colorado. In 2016, Colorado Housing and Finance Authority (CHFA) issued $250 million in multifamily PABs to support the development and/or preservation of 1,887 rental housing units in communities across the state. In addition to CHFA, several cities and counties across the state issue PABs to support their affordable housing and community development efforts. It is estimated that without PABs, the number of affordable housing units able to be supported in Colorado last year using the federal 4% LIHTC program, which requires a PAB allocation as a part of the transaction, would have fallen from 3,396 units supported to only 692 units. This is simply inadequate to address the state's varied and significant need for affordable housing.

The chart below shows the importance of PABs in supporting affordable rental housing in Colorado. This chart is conservative in that it only reflects PAB leveraged with 4% federal LIHTC. It doesn't speak to PAB being used alone without the leverage of the 4% credit, which also is a permitted use and occurs in Colorado.

YEAR	**9% LIHTC Units Supported W/O PAB**	**4% LIHTC Units Supported With PAB**
2012	849	923
2013	864	1,582
2014	700	1,331
2015	751	3,174
2016	692	2,704
TOTAL: 2012-2016	**3,856**	**9,714**

This year, it is anticipated that PABs will support the development and/or preservation of over 2,743 affordable rental units. This is based on the number of 4% LIHTC and PAB developments approved by CHFA to date. In addition, CHFA has pipeline requests (Letters of Intent to seek 4% LIHTC and PAB from CHFA or other PAB issuers) for 1,059 units ($7.2 million in 4% credit requests) which would require an additional $210 million in bond cap. These developments – both approved and in the pipeline - are located in communities across the state including: Alamosa, Antonito, Arvada, Aurora, Boulder, Brighton, Castle Rock, Center, Colorado Springs, Commerce City, Denver, Greeley, Gypsum, Lafayette, Lakewood, Fort Collins, Northglenn, Parker, Pueblo, Thornton, and Westminster.

In addition to using PABs to support affordable rental housing, last week CHFA issued $52.6 million new in single family PAB which is estimated to support approximately 200 home mortgage loans to qualified first time homebuyers. CHFA will also use $178 million in PAB this year to support approximately 800 households with Mortgage Credit Certificates. Counties served by this single family activity include: Adams, Arapahoe, Boulder, Broomfield, Delta, Denver, Douglas, Eagle, El Paso, Elbert, Fremont, Garfield, Gilpin, Grand, Gunnison, Jefferson, Larimer, La Plata, Lake, Logan, Mesa, Moffat, Montezuma, Montrose, Morgan, Park, Pueblo, Rio Grande, Routt, Teller, and Weld.

We respectfully urge to you communicate to Ways and Means Committee Chairman Kevin Brady (R-TX) and Ranking Member Richard Neal (D-MA) the need to restore tax-exempt private activity Housing Bonds in the tax reform bill, H.R. 1.

We understand Chairman Brady presented a Chairman's Amendment to the Committee at the outset of the Monday, November 6 mark-up, proposing a limited number of changes to the bill. It is imperative to Colorado and our ability to further support the state's housing needs that PAB is restored in that amendment.

A fact sheet about PAB, and its varied uses to support housing Colorado is attached.

We greatly appreciate your support and consideration of this request.

Best Regards,

Phil Chamberland, Chairperson	Jonathan Houck, Commissioner	John Messner, Commissioner