

November 3, 2017

The Honorable Senator Michael Bennet

The Honorable Congressman Ken Buck

The Honorable Senator Cory Gardner

The Honorable Congressman Doug Lamborn

The Honorable Congresswoman Diana DeGette

The Honorable Congressman Mike Coffman

The Honorable Congressman Jared Polis

The Honorable Congressman Ed Perlmutter

The Honorable Congressman Scott Tipton

Dear Colorado Congressional Delegation:

I'm sure you are being inundated with information today following the release of the Tax Reform legislation, H.R. 1. We at CHFA, Colorado NAHRO, and Colorado Municipal League are very concerned about the proposal to end Private Activity Bond (PAB) activity effective December 31, 2017, and wanted to make sure you were aware of the significant negative impact that could result to Colorado's affordable housing investment if the PAB elimination is pursued.

In 2016, CHFA issued \$250 million in multifamily PAB 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 PAB to support their affordable housing and community development efforts. We estimate that without PAB, 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 PAB 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

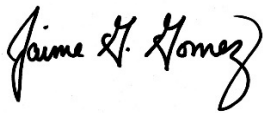
This year, we anticipate that PAB will support the development and/or preservation of over 2,743 affordable rental units. This is based on the number of 4% LIHTC and PAB developments approved by CHFA to date. In addition, we have pipeline requests (Letters Of Intent to seek 4% LIHTC and PAB from CHFA 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 PAB to support affordable rental housing, just this week CHFA issued \$52.6 million new in single family PAB which we estimate will support approximately 200 home mortgage loans to qualified first time homebuyers. We 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 will be putting together over the next couple of days a Chairman's Amendment that he will put before 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.

We greatly appreciate your support and consideration of this request.

Respectfully,



Jaime G. Gomez
Deputy Executive Director and COO
Colorado Housing and Finance Authority (CHFA)



Troy Gladwell
Board Chair
National Association of Housing and
Redevelopment Officials – Colorado Chapter



Sam Mamet
Executive Director
Colorado Municipal League