



## **Questions & Answers on the Housing Investment Fund Initiative**

### **What does the Housing Investment Fund Initiative do?**

The Housing Investment Fund will provide approximately \$30 million each year to assist local communities increase the availability of affordable housing.

### **How will the Housing Investment Fund be created?**

Voters would approve a tax on real estate transactions equal to \$0.04 on every \$100 of property value, or \$40 on a property valued at \$100,000. It would be paid at closing.

### **Why do we need the Housing Investment Fund?**

Colorado ranks near the bottom of all states in the gap between wages and housing. The Housing Investment Fund will help create housing near jobs. This will reduce traffic congestion and pollution from drivers who currently can't afford housing near where they work. The Housing Investment Fund will help grow our economy. Businesses can't attract workers unless the workers will have a place to live. The Housing Investment Fund will support families, helping them pay less for housing and leaving more of their income left over for health care, education and other necessities. The Housing Investment Fund will help young people who currently can't afford to continue to live near their families in the neighborhood where they grew up.

### **How will the Housing Investment Fund be distributed?**

The Housing Investment Fund will be distributed 60% directly to local communities, and 40% through a statewide grant process administered by the Division of Housing. A majority of the money in any fiscal year must benefit very low-income people who earn 50% or less of the area median income.

### **What kinds of things will be done with the Housing Investment Fund?**

The Housing Investment Fund will support the statewide creation and preservation of affordable housing through such things as:

1. Assistance with down payments and closing costs to promote home ownership
2. Foreclosure & homelessness prevention
3. Purchases of land and real property for affordable housing
4. Development of affordable rentals and work force housing
5. Modifications to reduce energy consumption, helping seniors stay in their homes
6. Accessibility modifications for persons with disabilities

### **What economic benefits will the Housing Investment Fund provide?**

An economic impact study completed in 2000 estimated the impact to the state of \$26.5 million in housing grants. The study, done by Economic Planning Systems, showed a huge economic boon from a Housing Investment Fund. In addition to housing opportunities, estimated economic benefits include:

1. 3,200 new jobs
2. \$334 million in additional economic activity statewide
3. \$290 million annual increase in revenues to the construction and real estate industries.

### **Why is the Housing Investment Fund created in the state constitution?**

Colorado's constitution prohibits real estate transfer taxes. Unlike any other tax the constitution authorizes voters to approve, the will of the people to support this measure and tax themselves is not enough. A constitutional amendment is required.