



## Proposition #123: Dedicate Revenue for Affordable Housing Programs

### Student Voter Information Guide

- Ballot proposal 123 is “Shall there be a change to the Colorado Revised Statutes concerning statewide funding for additional affordable housing, and, in connection therewith, dedicating state revenues collected from an existing tax of one-tenth of one percent on federal taxable income of every individual, estate, trust, and corporation, as defined in law, for affordable housing and exempting the dedicated revenues from the constitutional limitation on state fiscal year spending; allocating 60% of the dedicated revenues to affordable housing financing programs that will reduce rents, purchase land for affordable housing development, and build assets for renters; allocating 40% of the dedicated revenues to programs that support affordable home ownership, serve persons experiencing homelessness, and support local planning capacity.” The revenue taken from federal taxable income will go to support first-time home buyers and renters and will support the construction of more affordable housing.
- Colorado is growing rapidly, and many new housing infrastructures are being built. Although with all these new buildings, living in Colorado is still not cheap. With housing being in high demand, they can make rent increases, and there are still people willing to pay. This, however, has left a large group of people unable to afford a house.
- A ‘yes’ vote on Proposition 123 will take a small portion, .01% of taxes that Coloradans are already paying and distribute them to six different organizations. Those organizations are land banking, creation and preservation of affordable rental housing, debt financing for affordable housing projects, affordable homeownership, homelessness relief, and increasing local planning capacity. This vote does not force any local governments to use this money for affordable housing. It is up to each local government to put this money to use, and they are not forced to use it in any way.
- A ‘no’ vote on Proposition 123 would mean that the state revenue would continue to be spent on priorities as determined by the state legislature or returned to the taxpayers in the form of a TABOR tax refund. With a ‘no’ vote, there is no effect on the individual, and everything would stay the same.
- The argument for the proposal is that the affordable housing issues in Colorado are causing middle-class Colorado residents to struggle. Colorado has quickly become one of the most expensive states in the U.S. A high population growth, and underproduction of housing have led to a highly unpredictable and unsteady housing market. The cost of homes and rent has increased to an amount that many middle-class or blue-collar workers can’t afford. Colorado is a state with many middle-class and blue-collar workers, including teachers, small business owners, and construction that are essential to Colorado. The average income for middle class workers in Colorado is \$22,000- \$68,000 per individual and rent ranges from \$1,100 to \$2,000 or \$13,200- \$24,000 per year. These numbers show that most of a middle-class worker's income is spent on housing. In a one-income household, it is impossible for them to pay rent working a full-time job at minimum wage. Proposition 123 will create a sustainable source of funds to help tackle the housing issues. Adding more apartment-style housing or taking over already existing infrastructures is suggested to make them more affordable.
- The argument against proposition 123 is that 1% of state taxes is needed in other places. The fear is that allocating the 1% to housing will impact the budget, and there won't be the TABOR surplus we have seen in previous years. Another argument against this proposition is that the taxpayers won't receive a TABOR tax refund meaning less money coming back to Colorado taxpayers. Also, this proposition leaves the decision to adopt proposition 123 up to the local governments to utilize this money and does not ensure that anything will be changed.
- To conclude, a yes vote on Proposition 123 would mean that .01% of state tax funding will be set aside to help with the housing issue. It is entirely up to the local governments to participate and use this funding. A yes is not a vote for successfully adopting the proposal because local governments can still reject the proposition. Additionally, the Colorado taxpayers will receive less money in the TABOR refund. The housing issue is a known problem in Colorado, and proposition 123 is a starting point for allocating funds to affordable housing. With this, families would be able to afford to house. With lower rent, more people will be able to afford rent, and then, in the long run, some people might be able to cut back work hours to allow for more time with their families or to participate within the community.

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