

Colorado Homeless Contribution Tax Credit (HCTC)

Sponsored by Reps. Tipper and Rich, and Sens. Winter and Simpson

Please support HB 22-1083

Bill Concept

This bill upgrades and enhances the current enterprise zone contribution tax credit that is used to support organizations that serve the homeless. The bill establishes statewide eligibility for the contribution tax credit and supports the full continuum of effective homeless interventions and services.

Purpose of the Bill

Since 1994, Colorado has offered a tax credit for contributions to organizations that serve the homeless located within enterprise zones. This bill removes the enterprise zone requirements and makes the tax credit available statewide for organizations that provide the following services:

- Outreach efforts to engage or provide services to homeless individuals or families.
- Prevention services targeting individuals or families facing imminent risk of homelessness.
- Emergency shelter and services for people experiencing homelessness and/or survivors of domestic violence.
- Supportive housing services for individuals and families experiencing homelessness.
- Services to assist the homeless with employment.

The bill shifts program oversight from the Office of Economic Development and International Trade to the Department of Local Affairs. DOLA is required to review, approve, and designate organizations as eligible for tax contributions.

The income tax credit is equal to 25% of the total contribution to the qualifying organization and is capped at \$100,000 per taxpayer annually. The credit is 30% for rural/distressed areas to further incentivize investment in areas that have traditionally lacked access to public and philanthropic funds.

In 2020, over \$22 million of private sector contributions were certified through the enterprise zone program with the state providing about \$5.5 million in tax credits, a value of 25% of the private sector investment. The existing but limited program is popular: in 2020, 14,400 Colorado households and businesses contributed. The “leveraging” impact afforded through the tax credit is the key to this program’s success, and this bill takes this program statewide.

Advantages of New Program

- Moving the program from OEDIT to DOLA will create synergy between existing and evolving statewide housing and homelessness services and initiatives.
- Small nonprofit and faith-based homeless service providers support this measure. Many of them do not have the capacity to manage government grants. This initiative provides such organizations an opportunity to leverage support from local individuals and businesses.
- The new program expands the types of homeless services that are eligible to include street outreach, homeless prevention, and emergency shelter programs.
- DOLA will work with qualified service providers to determine outcomes on a program by program basis. The reporting requirements will be simplified and will dovetail with DOLA’s existing parameters and data gathering platform. Current enterprise zone reporting is focused primarily on “employment outcomes” as required by statute and excludes important, needed services to the most vulnerable populations.
- Most donors get involved with the organizations they support, and stay informed of the successes of the organization. This gives the HCTC initiative unique public accountability. If programs are not getting clear results, donors pull back support - a natural, self-adjusting feedback mechanism for both private and state resources.

Organizations in Support of HB 21-1083

Statewide / Regional / Public Organizations:

For further information, please contact the lobbyists for the Colorado Homeless Contribution Tax Credit Coalition:

Ed Bowditch, ed.bowditch@bcpublicaffairs.com, (303) 489-8680 Jennifer Cassell, jennifer.cassell@bcpublicaffairs.com, (785) 393-0472

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The Colorado Coalition for the Homeless, Statewide
Colorado Nonprofit Association, Statewide
Colorado Children's Campaign
The Salvation Army, Major Richard Pease
Volunteers Of America Colorado, Dave Schunk, President & CEO
Pikes Peak Community Health Partnership, Jennifer Mariano
The Colorado Rural Collaborative for Homeless Youth, Kippi Klausen, ED
Native American Housing Circle Coalition, Johnny McCraigie, Coordinator
Action 22, Rural Colorado, Brian McCain
Southern Colorado Community Foundation, Jeff Osterman, President
The Caring for Colorado Foundation, Linda Reiner, ED
United Way of Weld County, Lyle SmithGraybel, DD
United Way of Larimer County, Deirdre Sullivan, President & CEO
All Families Deserve a Chance (AFDC) Coalition
San Luis Valley Development Resource Group, Kevin Wilkens, ED
Economic Development District of Southwest Colorado, Laura Lewis Marchino, ED
Family Resource Center Association, Mark Kling, ED
Lutheran Advocacy Ministry Colorado, Peter Severson, Director
Violence Free Colorado, Amelia Lobo, Public Policy Specialist
Enterprise Community Partners, Kinsey Hasstedt, State and Local Policy Director
Denver Homeless Leadership Council, Cathy Alderman
Elevation Community Land Trust, Tiana Patterson, Public Partnerships and Legal Director
Housing Colorado, Brian Rossbert, ED
Neighborhood Development Collaborative, Jonathan Cappelli, Director
Colorado Children's Campaign, Sarah Barnes
Colorado Poverty Law Project, Jack Regenbogen, Policy & Advocacy Staff Attorney
Colorado Social Legislation Committee, Aubrey Wilde, Executive Committee Member
Children's Hospital Colorado, Andrea Stojisavljevic, Senior Policy Coordinator
Covid-19 Eviction Defense Project, Melissa Mejia
City of Northglenn
City of Fort Collins
Mesa County

Service Providers:

Jack Briggs, President & CEO, **Springs Rescue Mission, Colorado Springs**
Kathy Kline, ED, **Pueblo Rescue Mission**
Anne Morse, ED, **Manna, Durango**
Kim Bowman, ED, **Posada, Pueblo**
Griff Freyschlag, ED, **Denver Rescue Mission, Metro Denver**
Charlene Tortorice, Executive Director, **Advocates Against Domestic Assault, Trinidad**
Andy Barton, President & CEO, **Catholic Charities of Central Colorado, Colorado Springs**
Rachel Woolley, Assistant Controller, **Catholic Charities of Denver**
Christina Carlson, ED, **Urban Peak, Denver**
Matthew Ayers, **Dream Centers of Colorado Springs**
Courtney Jensen, Development Manager, **Family Promise of Greater Denver**
Tina Wilson, Interim ED, **The Bridge Shelter, Cortez**
Beth Hall Roalstad, E.D., **Homeward Pikes Peak, Colorado Springs**
Lance Cheslock, E.D., **La Puente, Alamosa**
Deedee Clement, E.D., **Loaves and Fishes, Canon City**
David Rout, ED, **Homeward Alliance, Fort Collins**
David Warren, E.D., **Open Doors Ministry, Denver**

Tom Luehrs, CEO, **Saint Francis Center, Denver**
Haley Chapin, E.D. **Tri-Lakes Cares, Monument**
Amanda Pearson, Board Chair, **Tu Casa, Alamosa**
Kristy Milligan, CEO, **Westside CARES, Colorado Springs**
Katherine Lawson, CDO, **Family Tree, Denver**
Crystal Karr, IED, **Family Promise, Colorado Springs**
Cole Chandler, ED, **Colorado Village Cooperative, Denver**
Stephanie Miller, CEO, **The Delores Project, Denver**
Elizabeth Salkind, ED, **Housing Solutions for the Southwest**
Jennifer Walker, ED, **Crisis Center, Littleton**
Renee Bebee, ED, **Crossfire Ministries, Colorado Springs**
Emily Maguire, DD, **Providence Network, Denver**
Robert Dorshimer, CEO, **Mile High Behavioral Healthcare, Aurora**
Annette Zacharias, ED, **Family Housing Network, Ft Collins**
Victoria McVicker, CEO, **SafeHouse, Denver**
Janet Morris, ED, **Sacred Heart House, Denver**
Corry Higbee, ED, **Pueblo Cooperative Care Center, Pueblo**
Kathleen Cronan, ED, **Earthlinks-Day Shelter & Employment Service, Denver**
Sheri Mintz, CEO, **Bright Future Foundation, Avon**
Shawna Kempainen, ED, **The Place, Colorado Springs**
Ethan Hemming, CEO, **Warren Village, Denver**
Julia Stewart, President, **The Gathering Place, Denver**
John Parvensky, President & CEO, **Fort Lyon Supportive Residential Community, Las Animas**
Ted Pascoe, ED, **Senior Support Services, Denver**
David Murphy, ED, **Rhonda's Place, Denver**
Jenn Lopez, President, **Lumien Apartments II, Durango**
Marc-Paul Johnsen, Deputy Director, **Denver Inner City Parish, Denver**
Karen Allen, MA ED, **Beyond Home, Arvada**

What Advocates are saying about the Colorado Homeless Contribution Tax Credit:

Jack Briggs, President & CEO, Springs Rescue Mission, Colorado Springs

Addressing homelessness, addiction, and poverty should start with local communities and active citizens who choose to engage. The current Enterprise Zone program and future Homeless Contribution Tax Credit are fiscally responsible incentives to return income to citizens engaging in just such community action. At Springs Rescue Mission, every day, we see supporters take advantage of the current Enterprise Zone opportunity, including increased local donations due to the extra income the E-Zone credit provides. This directly supports the programming that helps neighbors in need relearn work skills, develop self-worth, and move along a path out of homelessness, poverty, and addiction. The HCTC will allow for more flexibility to target the most effective programs for individuals along that movement path for health, work, and housing to include service support for those in Permanent Supportive Housing. We strongly support the improvements captured in the HCTC initiative.

Griff Freyschlag, ED, Denver Rescue Mission

Denver Rescue Mission (DRM) is in full support of the Colorado Homeless Contribution Tax Credit Coalition's introduction of a new (Housing Focused) Tax Credit moving from the OEDIT to DOH. DRM has been very involved in the Enterprise Zone program since its inception and has relied upon the Tax Credit as a motivation for our donors. DRM is committed to job creation for men and families but the majority of our focus for those in need is to provide life-saving emergency services i.e. food and shelter with the goal of placing this population into permanent housing.

Major Richard Pease, Secretary of Business, The Salvation Army

The Salvation Army Intermountain Division serves every zip code in Colorado. We fully support the Colorado Homeless Tax Credit because every region in the state faces issues of homelessness, poverty, and addiction. The CHTC likely will incentivize greater philanthropy and enable many more organizations to collaborate in overcoming these challenges, whether they occur in a large metropolitan area or a small town.

Dave Schunk, President & CEO, Volunteers of America Colorado

For 125 years, Volunteers of America Colorado has been dedicated to the public good. In addressing homelessness, we work hard every day to transform lives, strengthen communities and serve society as a whole. We believe the Colorado Homeless Contribution Tax Credit will be critically important to the ongoing work of our mission and other similar non-profit organizations across Colorado delivering essential services and enhancing the quality of life for our homeless neighbors. Together with our generous donors and partners, we can greatly expand the number of Coloradans we serve every year.

Lyle Smith Graybeal, VP CD, United Way of Weld County

Thankfully, our local United Way of Weld County's Housing Navigation Center benefits from the Colorado Enterprise Zone tax credit. I know that the tax credit is an inducement to giving as I personally donate to the Housing Navigation Center program and benefit from the 25% reduction in taxes! The passing of a State of Colorado homelessness services tax credit will be the same kind of motivator, and it will allow nonprofits that work with people experiencing homelessness to do specifically what they do best: provide emergency shelter in a way that leads to their guests getting and keeping housing.

Tom Luehrs, CEO, Saint Francis Center, Denver

For St. Francis Center, the value of tax credits are vital. A tax credit to donors and potential donors highlights the importance of the work that we are engaged in. It speaks highly to the fact that the state and larger community are coming together to create solutions and incentivizes support for efforts to combat issues around homelessness and have made this work a priority for the state.

Donors and supporters have a myriad of choices when it comes to supporting the work of Colorado nonprofits. Our tax credit program gives us a chance to thank and connect with more donors who take advantage of this rare tax benefit. It differentiates St. Francis Center from other nonprofits.

Raising funds for helping people experiencing homelessness is hard work. The tax credit gives donors a reward for joining in this difficult effort. The tax credit increases support which leads to improved outcomes in our community.

Laura Lewis Marchino, ED, Economic Development District of Southwest Colorado

Region 9 supports this effort because EZ Projects are limited to five years and to EZ areas only. The definition around housing support, etc. is much broader allowing more organizations to participate.

David Rout, ED, Homeward Alliance, Fort Collins

We are fortunate enough to be located in an Enterprise Zone, so we already benefit enormously from this tax credit—and would support any effort to expand it to other nonprofits. We have received tens-of-thousands of dollars in contributions from individuals who cited the Enterprise Zone credit as a factor in their decision to contribute to Homeward Alliance. The bottom line is that the credit helps us achieve our mission—but because it is based on our physical location—we (a) worry about the impact to our agency if we relocated or the zone changed and (b) want other nonprofits to have access to the same opportunity.

Charlene Tortorice, ED, Advocates Against Domestic Assault, Trinidad

Advocates Against Domestic Assault wholeheartedly supports this initiative. A major cause of homelessness for women and their children continues to be domestic violence. Each year a vast number of persons are forced to leave their homes in order to ensure their safety and that of their children. For countless domestic violence survivors, emergency shelters are the difference between another violent episode and safety. Without these services many victims would be homeless, sleeping in their vehicles or returning to their abusive relationship, putting them even at a higher risk. The most dangerous stage in an abusive relationship is directly after the abused partner leaves the relationship.

Matthew Ayers, CEO, Dream Center, Colorado Springs

Tax credits help us achieve our mission that is largely hidden from the public, but is a national crisis. Families experiencing homelessness are the largest and fastest growing group of people experiencing homelessness according to McKinney Vento data. The current tax credits help us tremendously, but because they are based on our physical location—we (a) may lose the impact if we relocate or the zone changes and (b) want other nonprofits, many of them our partners, to have access to the same opportunity.

Courtney Jensen, DR, Family Promise of Greater Denver

We work with families at risk of or experiencing homelessness in the Greater Denver region. We support the effort to explore a new tax credit that would cover a greater range of programs and services.

Haley Chapin, ED, Tri-Lakes Cares, Monument

Tri-Lakes Cares would be in favor of support, as we were just recently dropped from the EZ last year due to their narrow focus on types of homeless service that are eligible.

Katherine Lawson, CDO, Family Tree, Denver

For Family Tree, the value of a Colorado Homelessness Tax Credit is largely based on providing our donors a benefit to support the vital role we play in supporting people experiencing domestic violence and homelessness across the Denver Metro area. At this time, Enterprise Zone Tax Credit donations are narrowly restricted by geographic region and therefore limits our ability to extend the credit. Family Tree is excited about the CHTC option and feel it would help support our very important work in the homelessness space.

Amanda Pearson, Board Chair, Tu Casa, San Luis Valley

Incentivizing donations also incentivizes involvement. This will help our community grow in sharing responsibility for our own problems. This is a truly rare tax credit program, as I see that the most common Colorado taxpayer can benefit from participating.

Emily Maguire, DD, Providence Network, Denver

As a 100% privately funded, faith-based organization, Providence Network utilizes tax credit incentives to help leverage critical support from individuals and businesses. While our short-term transitional housing programs qualify under the current EZ program, our longer-term affordable housing communities do not. Research and our 30 years of experience show that the complex issues surrounding housing and homelessness require a complex and comprehensive approach, like ours, which would be more fully recognized by this expanded legislation.
