

HOUSE COMMITTEE OF REFERENCE REPORT

_____ May 10, 2022
Chair of Committee Date

Committee on Appropriations.

After consideration on the merits, the Committee recommends the following:

SB22-232 be amended as follows, and as so amended, be referred to the Committee of the Whole with favorable recommendation:

1 Amend reengrossed bill, page 6, line 10, strike "LOCATED;" and substitute
2 "LOCATED, AS MODIFIED, IN EXCEPTIONAL CIRCUMSTANCES, BY THE
3 BOARD PURSUANT TO SECTION 29-4-1107 (2)(c);".

4 Page 6, strike line 27.

5 Strike page 7 and substitute:

6 "(b) THE BOARD CONSISTS OF THIRTEEN PERSONS.

7 (c) THE GOVERNOR SHALL APPOINT TO THE BOARD, WITH THE
8 CONSENT OF THE SENATE:

9 (I) AT LEAST ONE MEMBER WITH EXPERIENCE IN ONE OF EACH OF
10 THE FOLLOWING AREAS:

11 (A) THE DEVELOPMENT OF RENTAL HOUSING;

12 (B) REAL ESTATE TRANSACTIONS; AND

13 (C) PUBLIC FINANCE; AND

14 (II) AT LEAST ONE MEMBER WHICH MEETS ONE OF THE FOLLOWING
15 CRITERIA:

16 (A) BE THE DIRECTOR OF A LOCAL HOUSING AUTHORITY;

17 (B) BE AN ELECTED COUNTY COMMISSIONER FROM A COUNTY IN
18 THE STATE; AND

19 (C) BE A REPRESENTATIVE FROM A NONPROFIT ORGANIZATION
20 THAT HAS EXPERIENCE DEVELOPING MIDDLE-INCOME HOUSING.

21 (d) IN ADDITION TO THE APPOINTMENTS SET FORTH IN SUBSECTION
22 (2)(c)(I) OF THIS SECTION, THE GOVERNOR SHALL APPOINT TO THE BOARD:

23 (I) THE DIRECTOR OF THE OFFICE OF ECONOMIC DEVELOPMENT
24 ESTABLISHED IN SECTION 24-48.5-101 (1), OR THE DIRECTOR'S DESIGNEE;
25 AND

26 (II) THE DIRECTOR OF THE DIVISION OF HOUSING ESTABLISHED IN

1 SECTION 24-32-704, OR THE DIRECTOR'S DESIGNEE.

2 (e) IN ADDITION TO THE REQUIREMENTS OF THIS SUBSECTION (2)
3 OF THIS SECTION, WHEN MAKING APPOINTMENTS TO THE BOARD,
4 REASONABLE EFFORTS MUST BE MADE TO APPOINT MEMBERS THAT
5 REFLECT THE GEOGRAPHIC AND DEMOGRAPHIC DIVERSITY OF THE ENTIRE
6 STATE.

7 (f) (I) EACH MEMBER IS APPOINTED FOR A TERM OF FOUR YEARS;
8 EXCEPT THAT THE TERMS SHALL BE STAGGERED SO THAT NO MORE THAN
9 FIVE MEMBERS' TERMS EXPIRE IN THE SAME YEAR."

10 Page 8, strike lines 1 through 5 and substitute:

11 "(f) (II) NOTWITHSTANDING THE REQUIREMENTS OF SUBSECTION
12 (2)(f)(I) OF THIS SECTION, THE FIRST APPOINTED MEMBERS SHALL SERVE
13 INITIAL TERMS OF TWO-YEARS FOR FOUR MEMBERS, THREE-YEARS FOR
14 ANOTHER FOUR MEMBERS, AND FOUR-YEARS FOR THE REMAINING FIVE
15 MEMBERS. THIS SUBSECTION (2)(f)(II) IS REPEALED ON JULY 1, 2028."

16 Reletter succeeding paragraph accordingly.

17 Page 8, strike lines 14 and 15 and substitute "BY THE GOVERNOR FOR
18 MISCONDUCT, INCOMPETENCE, NEGLECT OF DUTY, OR OTHER CAUSE."

19 Page 8, strike lines 16 through 18 and insert:

20 "(3) THE GOVERNOR SHALL MAKE INITIAL APPOINTMENTS OF
21 BOARD MEMBERS IN ACCORDANCE WITH SUBSECTION (2)(b) OF THIS
22 SECTION ON OR BEFORE SEPTEMBER 1, 2022, AND SHALL APPOINT ONE OF
23 THE MEMBERS TO SERVE AS THE INITIAL CHAIRPERSON. THE INITIAL
24 CHAIRPERSON HAS THE AUTHORITY TO ESTABLISH AND ADMINISTER
25 MATTERS RELATED TO THE INITIAL SET UP OF THE AUTHORITY, INCLUDING
26 STAFFING, LEGAL SERVICES, OR TO COORDINATE WITH THE OFFICE OF
27 ECONOMIC DEVELOPMENT, CREATED IN SECTION 24-48.5-101 (1), OR THE
28 DEPARTMENT OF LOCAL AFFAIRS, CREATED IN SECTION 24-1-125 (1), ON
29 ADMINISTRATIVE MATTERS AND OTHER MATTERS RELATED TO THE INITIAL
30 SET UP AND OPERATION OF THE AUTHORITY, WHICH CONTRACTS SHALL BE
31 FOR A TERM OF NO LONGER THAN ONE YEAR FROM SEPTEMBER 1, 2022,
32 AND SHALL BE RATIFIED BY THE BOARD AT ITS INITIAL MEETING SET FORTH
33 IN SUBSECTION (4)(a) OF THIS SECTION. THE AUTHORITY MAY HIRE STAFF
34 AS IT DEEMS NECESSARY OR CONVENIENT TO ADMINISTER THIS PART 11
35 AND THE OFFICE OF ECONOMIC DEVELOPMENT OR THE DEPARTMENT OF
36 LOCAL AFFAIRS MAY ASSIST THE AUTHORITY WITH ADMINISTERING THIS
37 PART 11. THE AUTHORITY MAY COOPERATE AND ENTER INTO CONTRACTS
38 WITH THE OFFICE OF ECONOMIC DEVELOPMENT OR THE DEPARTMENT OF

1 LOCAL AFFAIRS, OR WITH ANOTHER AGENCY OR ENTITY, FOR
2 ADMINISTRATIVE OR OPERATIONS MATTERS, INCLUDING FOR STAFFING.
3 THE AUTHORITY SHALL PAY THE OFFICE OF ECONOMIC DEVELOPMENT, THE
4 DEPARTMENT OF LOCAL GOVERNMENT, OR ANOTHER AGENCY OR ENTITY
5 THAT THE AUTHORITY HAS ENTERED INTO A CONTRACT WITH FOR ALL
6 COSTS INCURRED FOR SERVICES, STAFFING, AND ADMINISTRATIVE COSTS
7 THAT ARE APPROVED BY THE INITIAL CHAIRPERSON AND RATIFIED BY THE
8 BOARD OR THAT ARE APPROVED BY THE AUTHORITY.

9 (4) (a) WITHIN THIRTY DAYS OF THE GOVERNOR'S INITIAL
10 APPOINTMENTS PURSUANT TO SUBSECTIONS(2) AND (3) OF THIS SECTION,
11 THE INITIAL CHAIRPERSON OF THE BOARD AS DESIGNATED BY THE
12 GOVERNOR SHALL SET DATES FOR THE FIRST AND SECOND BOARD
13 MEETINGS WHICH MUST BE HELD BEFORE DECEMBER 31, 2022. THE BOARD
14 MAY ELECT A NEW CHAIRPERSON PURSUANT TO SECTION 29-4-1105 (1)(n)
15 AT EITHER INITIAL MEETING. SUBSEQUENT MEETINGS SHALL BE SET BY THE
16 CHAIRPERSON OF THE BOARD."

17 Renumber succeeding subsections accordingly.

18 Page 9, strike line 24 and substitute "ANY CONTRACT, TRANSACTION, OR
19 PROPOSAL WITH THE AUTHORITY OR ANY INTEREST, DIRECT OR INDIRECT,
20 IN A NONPROFIT OR FOR-PROFIT ORGANIZATION SUBMITTING A PROPOSAL
21 TO THE AUTHORITY SHALL DISCLOSE".

22 Page 11, after line 22 insert:

23 "(c) IF THE AUTHORITY DESIRES TO VOLUNTARILY SELL AN
24 AFFORDABLE RENTAL HOUSING PROJECT, IT SHALL NOTIFY ALL LOCAL
25 GOVERNMENTS IN THE AREA IN WHICH THE PROJECT IS LOCATED, BROADLY
26 ADVERTISE THE SALE, AND FAVOR BUYERS THAT AGREE TO MAINTAIN THE
27 PROJECT AS AFFORDABLE HOUSING, PROVIDED THAT THE FINANCIAL TERMS
28 OF THE PURCHASE ARE SUFFICIENT TO SATISFY ALL OF THE AUTHORITY'S
29 OBLIGATIONS WITH RESPECT TO THE PROJECT. THIS SUBSECTION (11)(c)
30 SHALL NOT APPLY TO A SALE THAT OCCURS IN CONNECTION WITH THE
31 FORECLOSURE OF A MORTGAGE OR DEED OF TRUST THAT IS PLACED ON THE
32 PROJECT AS PART OF FINANCING IN CONNECTION WITH THE PROJECT."

33 Page 12, line 19, after "SPECIFY" insert "FOR INCOME-RESTRICTED UNITS".

34 Page 13, line 3, strike "50%" and substitute "FIFTY PERCENT".

35 Page 15, line 25, strike "11." and substitute "11; AND

36 (r) OTHER POWERS NECESSARY TO ACCOMPLISH THE AUTHORITY'S

- 1 SPECIFIC GOALS AS REQUIRED UNDER THIS PART 11."
- 2 Page 18, line 21, strike "29-4-1104 (11)(a)." and substitute "29-4-1104
3 (12)(a)."
- 4 Page 18, line 23, strike "OCTOBER 1, 2022," and substitute "APRIL 1,
5 2023,".
- 6 Page 18, line 26, strike "JANUARY 1, 2023," and substitute "JULY 1,
7 2023,".
- 8 Page 19, line 7, strike "ENTITIES" and substitute "ENTITIES."
- 9 Page 19, strike lines 8 and 9 and substitute "WHEN THE AUTHORITY HAS
10 DETERMINED IT HAS".
- 11 Page 20, line 25, strike "PROVIDES" and substitute "PROVIDE".
- 12 Page 20, line 27, strike "HAS" and substitute "HAVE".
- 13 Page 21, line 5, strike "TARGETS" and substitute "TARGET".
- 14 Page 21, line 15, strike "PROMOTES" and substitute "PROMOTE".
- 15 Page 21, lines 12 and 13 strike "INCOME, AS SPECIFIED IN SUBSECTION
16 (1)(c)(I) OF THIS SECTION," and substitute "INCOME FOR MIDDLE-INCOME
17 INDIVIDUALS AND FAMILIES AS SET FORTH IN SECTION 29-4-1103 (7)."
- 18 Page 21, line 18, strike "OR BELOW".
- 19 Page 22, line 13, strike "PROJECT," and substitute "PROJECT USING INITIAL
20 RESTRICTED RENTS AND WITH NO UPWARD TRENDING OF RENTS,".
- 21 Page 22, line 18, strike "AVAILABLE." and substitute "AVAILABLE;".
- 22 Page 22, after line 18 insert:
- 23 "(III) INCLUDE AN ESTIMATE OF THE RENT SAVINGS TO
24 INCOME-RESTRICTED TENANTS, AN ESTIMATE OF THE TAX SAVINGS
25 RESULTING FROM THE AFFORDABLE RENTAL HOUSING PROJECT'S
26 EXEMPTION FROM STATE AND LOCAL TAXES, A COMPARISON OF THE
27 ESTIMATED RENT SAVINGS AND ESTIMATED TAX SAVINGS, AND A
28 DESCRIPTION OF HOW THE TAX SAVINGS WILL BE USED TO PRODUCE RENT

1 SAVINGS OR OTHER BENEFITS TO INCOME-RESTRICTED TENANTS;".

2 Renumber succeeding subparagraphs accordingly.

3 Page 23, strike lines 13 through 15 and substitute "UNIQUE ECONOMIC
4 AND HOUSING COST ATTRIBUTES IN THE LOCAL".

5 Page 24, strike lines 14 through 25 and substitute:

6 "(b) (I) THE AUTHORITY MUST PROVIDE AND DELIVER WRITTEN
7 NOTICE OF A PROPOSED AFFORDABLE RENTAL HOUSING PROJECT TO THE
8 COUNTY AND MUNICIPALITY WHERE THE PROJECT IS PROPOSED TO BE
9 LOCATED WITHIN FOURTEEN DAYS OF THE AUTHORITY RECEIVING A
10 PROJECT PROPOSAL. THE COUNTY OR MUNICIPALITY MAY OBJECT TO A
11 PROJECT IN ACCORDANCE WITH THIS SUBSECTION (4)(b) AT ANY TIME
12 WITHIN NINETY DAYS AFTER RECEIPT OF THE NOTICE. THE AUTHORITY
13 SHALL NOT SELECT A PROPOSED AFFORDABLE RENTAL HOUSING PROJECT
14 IF THE COUNTY OR MUNICIPALITY IN WHICH THE PROJECT IS TO BE
15 LOCATED OBJECTS TO THE PROJECT IN ACCORDANCE WITH THIS
16 SUBSECTION (4)(b).

17 (II) EACH COUNTY AND MUNICIPALITY IN WHICH A PROPOSED
18 AFFORDABLE RENTAL HOUSING PROJECT WILL BE LOCATED MUST SOLICIT
19 FEEDBACK FROM OTHER LOCAL GOVERNMENTAL JURISDICTIONS IN THE
20 AREA IN WHICH THE PROJECT WILL BE LOCATED TO DETERMINE THE
21 IMPACT OF THE PROPOSED AFFORDABLE RENTAL HOUSING PROJECT ON THE
22 OTHER LOCAL GOVERNMENTAL JURISDICTIONS.

23 (III) DURING THE NINETY DAY NOTICE PERIOD PURSUANT TO
24 SUBSECTION (4)(b)(I) OF THIS SECTION, THE AUTHORITY SHALL USE BEST
25 EFFORTS TO WORK IN COOPERATION WITH OVERLAPPING LOCAL
26 GOVERNMENTAL ENTITIES FOR ANY PROPOSED AFFORDABLE RENTAL
27 HOUSING PROJECT. IF AFTER NEGOTIATIONS, A COUNTY OR A
28 MUNICIPALITY, OR BOTH, WITHIN WHICH BOUNDARIES A PROPOSED
29 AFFORDABLE RENTAL HOUSING PROJECT WILL BE LOCATED AND THAT HAS
30 OPTED INTO THE PILOT PROGRAM SET FORTH IN SUBSECTION (1)(a) OF THIS
31 SECTION, PROVIDES WRITTEN NOTICE TO THE AUTHORITY THAT THE
32 PROPOSED AFFORDABLE RENTAL HOUSING PROJECT IS NOT FEASIBLE AS
33 PROPOSED, WITH THE REASONS WHY THE PROJECT IS NOT FEASIBLE, THE
34 AUTHORITY SHALL NOT SELECT THE PROPOSED AFFORDABLE RENTAL
35 HOUSING PROJECT OR SHALL REQUEST THAT THE PROPOSAL BE
36 RESUBMITTED FOR RECONSIDERATION BY THE AUTHORITY AND THE
37 APPLICABLE COUNTY OR MUNICIPALITY, OR BOTH, AND SHALL TAKE INTO
38 ACCOUNT FEEDBACK RECEIVED FROM THE LOCAL GOVERNMENTAL
39 ENTITIES. NOTHING IN THIS SUBSECTION (4)(b)(III) PRECLUDES A LOCAL

1 GOVERNMENT FROM OBJECTING TO A PROJECT PROPOSAL THAT IS
2 RESUBMITTED TO THE AUTHORITY. IF THE PROPOSAL IS APPROVED BY THE
3 COUNTY OR MUNICIPALITY, OR BOTH AS APPLICABLE, OR IF NO FEEDBACK
4 IS RECEIVED BY THE AUTHORITY FROM THE COUNTY OR MUNICIPALITY, OR
5 BOTH AS APPLICABLE, THEN THE AUTHORITY MAY SELECT THE
6 AFFORDABLE RENTAL HOUSING PROJECT.

7 (IV) IF A COUNTY OR MUNICIPALITY HAS NOT APPROVED OR
8 OBJECTED TO THE PROJECT WITHIN SEVENTY-FIVE DAYS OF THE DATE THE
9 AUTHORITY DELIVERS ITS FIRST NOTICE REGARDING THE PROPOSED
10 PROJECT IN ACCORDANCE WITH SUBSECTION (4)(b)(I) OF THIS SECTION,
11 THE AUTHORITY MUST DELIVER A SECOND NOTICE REMINDING THE COUNTY
12 OR MUNICIPALITY THAT ANY OBJECTIONS TO THE PROPOSED PROJECT ARE
13 DUE WITHIN NINETY DAYS AFTER RECEIPT OF THE FIRST NOTICE SENT
14 PURSUANT TO SUBSECTION (4)(b)(I) OF THIS SECTION.

15 (V) A COUNTY OR MUNICIPALITY MAY APPROVE A PROPOSED
16 AFFORDABLE RENTAL HOUSING PROJECT AT ANY TIME, WHICH APPROVAL
17 ENDS THE NINETY DAY OBJECTION PERIOD SET FORTH IN THIS SUBSECTION
18 (4)(b). THE AUTHORITY MAY OFFER INCENTIVES TO OBTAIN SUCH
19 APPROVAL."

20 Page 25, line 13, strike "THE" and substitute "NOTWITHSTANDING THE
21 PROVISIONS OF THIS SUBSECTION (6),".

22 Page 26, line 9, strike "RENTAL" and substitute "INCOME-RESTRICTED
23 RENTAL".

24 Page 26, line 21, after "AUTHORITY" insert "FOR INCOME-RESTRICTED
25 UNITS".

26 Page 33, line 21, strike "SIX" and substitute "ONE".

27 Page 35, line 11, strike "AFFORDABLE" and substitute "ANY TYPE OF".

28 Page 35, line 14, strike "\$6,000,000" and substitute "\$1,000,000".

** *** ** *** **