

Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 22-0807.02 Jessica Herrera x4218

SENATE BILL 22-146

SENATE SPONSORSHIP

Zenzinger and Hisey,

HOUSE SPONSORSHIP

Snyder and Catlin,

Senate Committees

Local Government
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE EXPANSION OF THE COLORADO HOUSING AND**
102 **FINANCE AUTHORITY'S MIDDLE INCOME ACCESS PROGRAM, AND,**
103 **IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The bill transfers \$25 million to the department of local affairs (DOLA) for expansion of the middle income access program created and administered by the Colorado housing and finance authority (CHFA). The bill requires the division of housing within DOLA to contract with CHFA for administration of the money transferred.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

SENATE
Amended 2nd Reading
April 12, 2022

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 hereby finds and declares that:

4 (a) Colorado is experiencing a lack of affordable housing at
5 critical levels. The state continues to attract new residents and jobs, but
6 with this growth has come ever-increasing housing prices, placing
7 unsustainable demands on our limited housing stock. These underlying
8 issues have been exacerbated by the COVID-19 pandemic.

9 (b) In 2021, the general assembly enacted House Bill 21-1329,
10 which directed the executive committee of the legislative council to create
11 a task force to meet during the 2021 interim and issue a report with
12 recommendations to the general assembly and the governor on policies to
13 create transformative changes in the area of housing;

14 (c) Pursuant to section 24-75-229 (6)(a), C.R.S., and the
15 subsequent executive committee resolution, the task force, made up of
16 legislators, executive branch members, and nonlegislative members,
17 including industry experts, was formed to find ways to expend the money
18 allocated and provide funding and policy recommendations to:

19 (I) Address the issue of affordable housing; and

20 (II) Achieve the goals outlined by the committee that was
21 developed in accordance with 24-75-229 (6), C.R.S.; and

22 (d) The task force recommended that the general assembly invest
23 in the Colorado housing and finance authority's middle income access
24 program.

25 (2) (a) The general assembly further finds that the Colorado
26 housing and finance authority's middle income access program, referred

1 to in this section as the "program", is designed to provide financing to
2 developers seeking to build affordable rental housing to Coloradans with
3 an eighty percent area median income and above. The program fills a gap
4 in the marketplace, as existing state and federal resources primarily
5 support the development of housing for those with a sixty percent area
6 median income and below. The program addresses the middle income
7 workforce, sometimes referred to as the "missing middle", with incomes
8 too high for housing credit units under traditional thresholds but often
9 overburdened by market rents. Without affordable housing, teachers and
10 school employees are unable to live in the communities where they work.
11 Not only does this result in more traffic congestion and longer commutes,
12 but it also reduces community stability and inclusion. Support for the
13 program and increased middle income housing investment is significant
14 and spans throughout all regions of the state, including communities with
15 much needed housing such as Estes Park, Keystone, Steamboat Springs,
16 Gypsum, and Denver.

17 (b) Today, many of Colorado's essential workers earn more than
18 sixty percent area median income and yet still cannot afford market rate
19 rents. To date, the program has leveraged fourteen million dollars of
20 Colorado housing and finance authority-invested funds to support five
21 developments comprised of over six hundred units. To provide assistance
22 to the "missing middle", the general assembly finds it necessary to expand
23 the program.

24 **SECTION 2.** In Colorado Revised Statutes, **add** 24-32-721.3 as
25 follows:

26 **24-32-721.3. Middle income access program - contract with**
27 **Colorado housing and finance authority for administration of funds**

1 **- appropriation.** FOR STATE FISCAL YEAR 2022-2023, THE GENERAL
2 ASSEMBLY SHALL APPROPRIATE TWENTY-FIVE MILLION DOLLARS FROM
3 MONEY IN THE AFFORDABLE HOUSING AND HOME OWNERSHIP CASH FUND,
4 CREATED IN SECTION 24-75-229 (3)(a), THAT ORIGINATES FROM THE
5 GENERAL FUND TO THE DEPARTMENT OF LOCAL AFFAIRS FOR THE USE OF
6 THE DIVISION FOR THE PURPOSE OF EXPANDING THE MIDDLE INCOME
7 ACCESS PROGRAM ESTABLISHED IN AND ADMINISTERED BY THE COLORADO
8 HOUSING AND FINANCE AUTHORITY, CREATED IN PART 7 OF ARTICLE 4 OF
9 TITLE 29. THE DIVISION SHALL CONTRACT WITH THE AUTHORITY FOR
10 ADMINISTRATION OF THE MONEY APPROPRIATED TO THE DEPARTMENT
11 UNDER THIS SECTION. THE CONTRACT MAY INCLUDE NORMAL AND
12 CUSTOMARY FEES AND EXPENSES FOR ADMINISTRATION OF THE PROGRAM,
13 AND THE PROGRAM MUST BE ADMINISTERED IN A MANNER CONSISTENT
14 WITH THE PROGRAM GUIDELINES ESTABLISHED BY THE AUTHORITY.

15 **SECTION 3. Appropriation.** For the 2022-23 state fiscal year,
16 \$25.0 million is appropriated to the department of local affairs for use by
17 the division of housing. This appropriation is from the affordable housing
18 and home ownership cash fund created in section 24-75-229 (3)(a),
19 C.R.S., and originates from the general fund. To implement this act, the
20 division may use this appropriation for the middle income access program
21 administered by the Colorado housing and finance authority.

22 **SECTION 4. Safety clause.** The general assembly hereby finds,
23 determines, and declares that this act is necessary for the immediate
24 preservation of the public peace, health, or safety.