

**JBC STAFF FISCAL ANALYSIS  
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING STATE GRANTS FOR INVESTMENTS IN AFFORDABLE HOUSING AT THE LOCAL LEVEL, AND, IN CONNECTION THEREWITH, CREATING THE LOCAL INVESTMENTS IN TRANSFORMATIONAL AFFORDABLE HOUSING GRANT PROGRAM AND THE INFRASTRUCTURE AND STRONG COMMUNITIES GRANT PROGRAM TO INVEST IN INFILL INFRASTRUCTURE PROJECTS THAT SUPPORT AFFORDABLE HOUSING.

Prime Sponsors: Reps. Roberts and Bradfield  
Sens. Coleman and Gonzales

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**Appropriation Items of Note**

**Appropriation Required, Amendment in Packet**

**General Fund Impact**

**New Cash Fund (with Continuous Appropriation)**

**Fiscal Impact of Bill as Amended to Date**

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/04/22.

<b>XXX</b>	<b>No Change:</b> Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	<b>Update:</b> Fiscal impact has changed due to <i>new information or technical issues</i>
	<b>Update:</b> Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	<b>Non-Concurrence:</b> JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

**Amendments in This Packet for Consideration by Appropriations Committee**

<b>Amendment</b>	<b>Description</b>
J.001	Staff-prepared appropriation amendment

**Current Appropriations Clause in Bill**

The bill requires but does not contain an appropriation clause.

**Description of Amendments in This Packet**

**J.001** Staff has prepared amendment **J.001** (attached) to add a provision appropriating a total of

## HB22-1304

## JBC Staff Analysis

\$431,985 reappropriated funds from the Department of Local Affairs to the Office of the Governor for FY 2022-23. This provision also states that the appropriation is based on the assumption that the Office will require an additional 0.5 FTE to implement the act.

### Points to Consider

#### *General Fund Impact*

The Joint Budget Committee has proposed a budget package for FY 2022-23 based on the March 2022 Legislative Council Staff revenue forecast. The budget package includes two set-asides:

- \$40.0 million General Fund for bills that create ongoing obligations; and
- \$900.0 million General Fund for bills that create one-time obligations in FY 2022-23.

The \$40.0 million appropriations set-aside includes an additional \$6.0 million General Fund to provide a 15.0 percent General Fund reserve for those appropriations. The \$900.0 million obligations set-aside does not include an additional amount for a General Fund reserve and, assumes, but does not require, that obligations be addressed through statutory transfers rather than appropriations. Therefore appropriations from the -\$900.0 million set-aside require an additional 15.0 percent to maintain the statutory General Fund reserve.

This bill creates a one-time obligation and includes a General Fund transfer of \$28.0 million for FY 2022-23, reducing the \$900.0 million set aside by the same amount.

#### *Legislative Authority*

Is it necessary to "continuously appropriate" money in the Local Investments in Transformational Affordable Housing Fund and the Infrastructure and Strong Communities Grant Program Fund? This method of funding essentially moves related expenditures off-budget, and thus expenditures are not reported or accounted for through the budget process.

#### *Fund Source*

The bill transfers \$150.0 million from the Affordable Housing and Home Ownership Cash Fund that originates from money the state received from the federal Coronavirus State Fiscal Recovery Fund to the Local Investments in Transformational Affordable Housing Fund. If the reengrossed version of H.B. 22-1340 is adopted in its current form, there will not be sufficient funds available in the Affordable Housing and Home Ownership Cash Fund that originate from money the state received from the federal Coronavirus State Fiscal Recovery Fund available for this bill.

#### *Technical Issue*

The bill requires that money in the Local Investments in Transformational Affordable Housing Fund that is not expended or encumbered by December 31, 2024 revert to the General Fund. However, these funds originate from the federal Coronavirus State Fiscal Recovery Fund and therefore must revert to the American Rescue Plan Act of 2021 Cash Fund pursuant to 24-75-226 (4)(d), C.R.S.