



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Revised Fiscal Note

(replaces fiscal note dated April 10,2024)

Table with 2 columns: Field (Drafting Number, Prime Sponsors, Date, Bill Status, Fiscal Analyst) and Value (LLS 24-0288, Rep. Woodrow; Jodeh Sen. Hansen; Winter F., May 1, 2024, Senate Appropriations, Josh Abram | 303-866-3561 josh.abram@coleg.gov, Louis Pino | 303-866-3556)

Bill Topic: HOUSING IN TRANSIT-ORIENTED COMMUNITIES

Summary of Fiscal Impact table with 3 columns: Impact Category (State Revenue, State Expenditure, State Transfer, TABOR Refund, Local Government, Statutory Public Entity) and Status (checkbox)

The bill requires that certain local governments plan and implement housing density goals approved by the Department of Local Affairs (DOLA) and creates a grant program and other technical assistance to support these efforts. Beginning FY 2024-25, the bill transfers money from the General Fund, and increases expenditures by the state and affected local governments.

Appropriation Summary: For FY 2024-25, the bill requires an appropriation of \$183,138 to the Colorado Energy Office. The other funds affected by the bill are continuously appropriated. See State Appropriations section.

Fiscal Note Status: The revised fiscal note reflects the reengrossed bill, as amended by the Senate Local Government and Housing Committee

Table 1 State Fiscal Impacts Under HB 24-1313

Main fiscal impact table with columns: Category, Budget Year FY 2024-25, Out Year FY 2025-26. Rows include Revenue, Expenditures (General Fund, Cash Funds, Centrally Appropriated, Total Expenditures, Total FTE), Transfers and Diversions (General Fund, Transit Communities Cash Fund, Net Transfer / Diversion), and Other Budget Impacts (General Fund Reserve).

## **Summary of Legislation**

The bill identifies local governments that must create, report, and implement a housing opportunity goal to increase housing inventory. The Department of Local Affairs (DOLA) in collaboration with the Colorado Energy Office (CEO) and the Colorado Department of Transportation (CDOT), must provide broad technical assistance to affected local governments, and administer a grant program to assist with planning, compliance, and infrastructure projects.

**Transit-oriented communities.** The bill affects any municipality with a population of at least 4,000 residents that lies within a metropolitan planning organization (MPO). The bill also affects county governments whose jurisdictions include a specific portion of a transit station area or transit corridor.

**Housing opportunity goal report.** The bill requires that transit-oriented communities submit a housing opportunity goal report to DOLA. A preliminary report is due by January 2025 and another by December 2026. Progress reports are required every three years. The housing opportunity goal report must:

- calculate a housing opportunity goal to determine a target average zoned housing density;
- include data, methodology and maps used to calculate the goal;
- identify zoning districts that may qualify as transit centers or neighborhood centers;
- adopt affordability strategies, displacement mitigation strategies, and implementation plans; and,
- if applicable, provide an analysis that there are insufficient water supplies to provide the needed domestic service necessary to meet the goal.

DOLA must either approve the report or provide direction for amending and resubmitting the report. If a transit-oriented community fails to create the housing opportunity goal report or if DOLA does not approve the report by December 2027, or if progress reports are not submitted and approved, DOLA must designate the community as non-qualified.

**Transit and neighborhood centers.** The bill establishes multiple criteria for transit-oriented communities to designate areas as transit centers and neighborhood centers, with these designations subject to approval by DOLA. Among other requirements, transit centers must net housing density requirements, have an administrative process for multifamily development on specific parcels, and be located within a transit area. DOLA may establish other criteria communities must use to designate transit and neighborhood centers.

**DOLA technical assistance.** By July 31, 2024, DOLA must consult with MPOs and transit agencies to publish a map designating transit areas to be used in calculating local governments' housing opportunity goals. By December 1, 2024, DOLA must publish models and guidance to assist local governments in meeting their goals, and calculating the appropriate housing density for transit-oriented communities. By June 30, 2025, DOLA must develop a menu of standard affordability strategies and long-term and alternative affordability strategies for communities to adopt and include in their housing opportunity goal reports. DOLA must also provide guidance and a methodology for local governments to conduct displacement risk assessments, and develop a menu of displacement mitigation strategies.

**Grant program.** The bill creates the Transit-oriented Communities Infrastructure Grant Program in DOLA to assist local governments with planning, community engagement, and infrastructure projects for the benefit of regulated affordable housing, transit centers and neighborhood centers.

**Funding.** The bill creates the Transit-oriented Communities Infrastructure Fund in the state treasury (the fund). In FY 2024-25, the treasurer must transfer \$35 million from the General Fund to the fund.

Money in the fund is continuously appropriated to DOLA. The department may spend up to six percent of money in the fund for administrative expenses to provide technical assistance and administer the grant program.

## **State Transfers**

In FY 2024-25, the bill transfers \$35 million from the General Fund to the Transit-oriented Communities Infrastructure Fund.

## **State Expenditures**

The bill increases state expenditures by about \$9.2 million in FY 2024-25 and \$9.0 million in FY 2025-26 and ongoing. Expenditures are in DOLA, CDOT, and the CEO, paid from a combination of cash funds and General Fund. Workload may also increase in the Departments of Law and Regulatory Agencies. Expenditures are shown in Table 3 and detailed below.

**Table 3**  
**Expenditures Under HB 24-1313**

	FY 2024-25	FY 2025-26
<b>Department of Local Affairs</b>		
Personal Services	\$360,130	\$422,785
Operating Expenses	\$6,144	\$7,296
Capital Outlay Costs	\$40,020	-
Local Government Information System Upgrade	\$70,000	\$5,000
Consultant Services	\$163,450	\$83,940
Infrastructure Grants	\$8,200,000	\$8,200,000
Centrally Appropriated Costs <sup>1</sup>	\$90,241	\$106,705
FTE – Personal Services	4.8 FTE	5.7 FTE
<b>DOLA Subtotal</b>	<b>\$8,929,985</b>	<b>\$8,825,726</b>
<b>Department of Transportation</b>		
Personal Services	\$76,994	\$76,994
Operating Expenses	\$1,280	\$1,280
Capital Outlay Costs	\$6,670	-
Centrally Appropriated Costs <sup>1</sup>	\$20,097	\$20,097
FTE – Personal Services	1.0 FTE	1.0 FTE
<b>CDOT Subtotal</b>	<b>\$105,041</b>	<b>\$98,371</b>
<b>Colorado Energy Office</b>		
Personal Services	\$80,584	\$80,584
Operating Expenses	\$1,024	\$1,024
Consultant	\$100,000	-
Technical Mapping Services	\$1,530	\$1,530
Centrally Appropriated Costs <sup>1</sup>	\$17,557	\$17,557
FTE – Personal Services	0.8 FTE	0.8 FTE
<b>CEO Subtotal</b>	<b>\$200,695</b>	<b>\$100,695</b>
<b>Total Cost</b>	<b>\$9,235,721</b>	<b>\$9,024,792</b>
<b>Total FTE</b>	<b>6.6 FTE</b>	<b>7.5 FTE</b>

<sup>1</sup> Centrally appropriated costs are not included in the bill's appropriation.

## Department of Local Affairs

DOLA will have costs to provide technical assistance and oversee implementation of the bill's transit-oriented community goals, and to manage a new grant program, as outlined below.

- **Staff.** DOLA requires 4.7 FTE in FY 2024-25 and 5.7 FTE in FY 2025-26 in the Division of Local Government and the Division of Housing, including a manager, program assistant, technical assistance planner and statistical analyst, to implement the reporting and compliance requirements and provide other technical assistance to transit-oriented communities. These staff also include contracting and communication specialists to assist with the grant program. Personal services include standard operating and capital outlay costs.
- **Local government information system upgrade.** The Office of Information Technology will provide upgrades to the Local Government Information System to receive and host new document types and reports submitted by transit-oriented communities to the department.
- **Consultant services.** DOLA requires consultant services to create and refine models, advise staff on complex technical issues related to compliance and grant program awards, and to assist with evaluations and feedback on housing opportunity goal reports.
- **Infrastructure grants.** The Transit-oriented Communities Infrastructure Fund will have \$35 million deposited into the fund in FY 2024-25. Assuming this funding is available for four years, through FY 2027-28, approximately \$2.2 million will be spent for administrative purposes, leaving about \$32.8 million to provide in grants to qualified transit-oriented communities. Assuming this amount is distributed evenly across 4 years equals about \$8.2 million in grants annually, beginning FY 2024-25.

## Colorado Department of Transportation

CDOT requires 1.0 FTE Analyst V to assist DOLA with consulting services, planning and oversight, and participate in outreach and training when implementing the reporting and compliance requirements.

## Colorado Energy Office

The Colorado Energy Office will require the equivalent of 0.8 FTE at the analyst level to coordinate with CDOT and DOLA, including assistance with document review, technical assistance, grant application review, and other implementation activities. The fiscal note assumes that CEO will have a lead role in developing technical analysis and mapping for the transit areas map with DOLA and CDOT, which requires the purchase of consultant services to help create appropriate models and provide guidance and technical mapping services.

## Department of Law

The Department of Law will have an increase in workload to provide legal services to partner agencies implementing the act. It is assumed that no adjustment in appropriations is required for this work.

## Centrally Appropriated Costs

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are shown in Table 3.

## Other Budget Impacts

**General Fund reserve.** Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts shown in Table 1, decreasing the amount of General Fund available for other purposes.

## Local Government

Affected jurisdictions will have increased costs to analyze existing transit areas and calculate the required housing opportunity goal, review and update local codes and ordinance, report progress and demonstrate compliance with DOLA, and apply for and manage grants.

## Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

## State Appropriations

For FY 2024-25, the bill requires and includes a General Fund appropriation of \$183,138 to the Colorado Energy Office, and 0.8 FTE.

In addition, the bill requires and includes a reappropriation of \$70,000 to the Governor's Office of Information Technology from the Transit-oriented Communities Infrastructure Fund in DOLA.

Expenditures in the Department of Local Affairs are paid from the Transit-oriented Communities Infrastructure Fund and expenditures in the Colorado Department of Transportation are paid from the State Highway Fund. These funds are continuously appropriated to their respective departments, and no additional appropriations are required in this bill.

## State and Local Government Contacts

CHFA	Counties	Law
Local Affairs	Municipalities	Energy Office
Revenue	Transportation	

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The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).