

**Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO**

REVISED

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

LLS NO. 22-0966.01 Megan McCall x4215

SENATE BILL 22-232

SENATE SPONSORSHIP

Bridges and Moreno, Coleman, Simpson, Zenzinger, Buckner, Donovan, Fields, Ginal, Jaquez Lewis, Lee, Story, Winter

HOUSE SPONSORSHIP

Herod and Bernett,

Senate Committees

State, Veterans, & Military Affairs
Appropriations

House Committees

Appropriations

A BILL FOR AN ACT

101 **CONCERNING THE PROVISION OF WORKFORCE HOUSING THROUGH THE**
102 **CREATION OF THE MIDDLE-INCOME HOUSING AUTHORITY, 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 creates the Colorado workforce housing trust authority (authority) for the purpose of acquiring, constructing, rehabilitating, owning, operating, and financing affordable rental housing projects for middle-income workforce housing. The authority is governed by a board of directors composed of appointees by the governor with the consent of

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.

HOUSE
Amended 2nd Reading
May 10, 2022

SENATE
Amended 3rd Reading
May 6, 2022

SENATE
Amended 2nd Reading
May 5, 2022

the senate. The bill specifies requirements governing the appointment of board members and other administrative details. The board must solicit project proposals by October 1, 2022. Rental units in affordable rental housing projects must provide middle-income workforce housing with stable rents.

The authority is a "public entity" and is a "special purpose authority" for the purpose of TABOR.

The authority is authorized to exercise the powers necessary to acquire, construct, rehabilitate, own, operate, and finance affordable rental housing projects, including but not limited to:

- The power to issue bonds payable solely from revenues from affordable rental housing projects and with no recourse to the state;
- The power to enter into public-private partnerships and to contract with experienced real estate professionals to develop and operate affordable rental housing projects;
- The power to employ its own personnel or contract with public or private entities, or both, for services necessary or convenient to the conduct of all of the authority's activities;
- To provide assistance to tenants in its rental housing to enable a transition to home ownership; and
- To establish one or more controlled entities to carry out its activities.

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

2 **SECTION 1.** In Colorado Revised Statutes, 24-77-102, **add**
3 (15)(b)(XX) as follows:

4 **24-77-102. Definitions.** As used in this article 77, unless the
5 context otherwise requires:

6 (15)(b) "Special purpose authority" includes, but is not limited to:

7 (XX) THE MIDDLE-INCOME HOUSING AUTHORITY CREATED IN
8 SECTION 29-4-1104 (1).

9 **SECTION 2.** In Colorado Revised Statutes, **add** part 11 to article
10 4 of title 29 as follows:

11 **PART 11**

12 **==**

1 MIDDLE-INCOME HOUSING AUTHORITY

2 **29-4-1101. Short title.** THE SHORT TITLE OF THIS PART 11 IS THE
3 "MIDDLE-INCOME HOUSING AUTHORITY ACT".

4 **29-4-1102. Legislative declaration.** (1) THE GENERAL ASSEMBLY
5 FINDS AND DECLARES THAT:

6 (a) THERE IS AN ACUTE SHORTAGE OF AFFORDABLE
7 MIDDLE-INCOME HOUSING IN THE STATE, PARTICULARLY IN FAST-GROWING
8 AREAS WHERE JOBS ARE BEING CREATED. HOUSING IS INCREASINGLY NOT
9 AFFORDABLE FOR ESSENTIAL WORKERS SUCH AS NURSES, TEACHERS,
10 FIREFIGHTERS, AND OTHER MEMBERS OF COMMUNITIES WHO EARN TOO
11 MUCH TO QUALIFY FOR GOVERNMENTAL HOUSING SUBSIDIES AND FOR
12 WHOM THE MARKET IS NOT BUILDING NEW HOUSING.

13 ==

14 (b) FOR MOST OF COLORADO'S POST-WAR HISTORY, THE PRIVATE
15 MARKET PROVIDED AN ABUNDANT SUPPLY OF STARTER HOMES FOR
16 MIDDLE-INCOME EARNERS. AS COSTS HAVE ESCALATED IN HIGH-COST
17 HOUSING MARKETS, PRIVATE INVESTORS HAVE SHIFTED THEIR FOCUS TO
18 FINANCING HOUSING FOR ONLY THE TOP EARNERS IN THE MARKETPLACE,
19 WHERE HIGH RETURNS ON INVESTMENT CAN STILL BE ACHIEVED. IN THE
20 DENVER METRO AREA, NOT ONLY ARE THERE FEWER AFFORDABLE RENTAL
21 UNITS BUILT EVERY YEAR, BUT THERE ARE ALSO FEWER AFFORDABLE
22 RENTAL PROPERTIES IN TOTAL. THIS SAME TREND IS OCCURRING IN ALL
23 HIGH-COST COMMUNITIES ACROSS THE STATE.

24 (c) THERE ARE ESTABLISHED MARKETS TO RAISE CAPITAL TO
25 FINANCE AFFORDABLE HOUSING FOR LOW-INCOME INDIVIDUALS WHO
26 QUALIFY FOR GOVERNMENTAL HOUSING SUBSIDIES, GENERALLY THOSE
27 WHOSE INCOME IS SIXTY PERCENT, OR IN SOME CASES EIGHTY PERCENT, OR

1 LESS OF AREA MEDIAN INCOME, THROUGH THE SALE OF FEDERAL AND
2 STATE LOW-INCOME HOUSING TAX CREDITS AND TAX-EXEMPT BONDS;

3 (d) EVEN WITH HISTORIC STATE INVESTMENT THIS YEAR OF
4 HUNDREDS OF MILLIONS OF DOLLARS FOR AFFORDABLE HOUSING, THE
5 STATEWIDE NEED IS IN THE BILLIONS; EVEN WITH THE GENERAL
6 ASSEMBLY'S INVESTMENT, THERE SIMPLY IS NOT ENOUGH CAPITAL
7 AVAILABLE TO FINANCE THE MIDDLE-INCOME WORKFORCE HOUSING,
8 LEAVING A DAMAGING VOID OF HOUSING SUPPLY FOR MIDDLE-INCOME
9 INDIVIDUALS, FAMILIES, AND COMMUNITIES;

10 (e) IN ORDER TO SOLVE FOR THE ACUTE SHORTAGE OF AFFORDABLE
11 MIDDLE-INCOME HOUSING, A MECHANISM IS NEEDED THAT WILL
12 ROBUSTLY INCREASE THE SUPPLY OF AFFORDABLE MIDDLE-INCOME
13 HOUSING BY RAISING LARGE AMOUNTS OF PRIVATE SECTOR CAPITAL TO
14 FINANCE PROJECTS THAT CAN BE PLACED INTO SERVICE QUICKLY AND
15 EFFICIENTLY. THE CREATION OF THE MIDDLE-INCOME HOUSING AUTHORITY
16 IS SUCH A MECHANISM.

17 (f) THE AUTHORITY WILL BE ABLE TO PLACE PROJECTS INTO
18 SERVICE QUICKLY AND EFFICIENTLY BECAUSE IT WILL RELY ON THE
19 EXPERTISE OF LOCAL GOVERNMENTS, NONPROFIT ORGANIZATIONS, AND
20 EXPERIENCED REAL ESTATE INDUSTRY PROFESSIONALS TO IDENTIFY,
21 PROPOSE, DEVELOP, AND OPERATE ITS PROJECTS;

22 (g) THE AUTHORITY'S HOUSING UNITS WILL REMAIN AFFORDABLE
23 WITH STABLE RENTS BECAUSE THEY WILL BE OWNED BY THE AUTHORITY
24 AND OPERATED BY EXPERIENCED AND COMPETENT OPERATORS AT THE
25 AUTHORITY'S DIRECTION, IN PERPETUITY; AND

26 (h) INCREASING AFFORDABLE RENTAL WORKFORCE HOUSING
27 THROUGH THE ACTIVITIES OF THE AUTHORITY AND THE EXERCISE OF ITS

1 PLENARY POWERS PURSUANT TO THIS PART 11 IS IN THE PUBLIC INTEREST
2 AND IS A MATTER OF STATEWIDE CONCERN. THE ACTIVITIES OF THE
3 AUTHORITY WILL COMPLY WITH FAIR HOUSING LAWS AND PROMOTE A
4 SUBSTANTIAL, LEGITIMATE, AND NONDISCRIMINATORY INTEREST OF THE
5 STATE THAT CANNOT BE SERVED BY ANOTHER PRACTICE THAT HAS A LESS
6 DISCRIMINATORY EFFECT.

7 **29-4-1103. Definitions.** AS USED IN THIS PART 11, UNLESS THE
8 CONTEXT OTHERWISE REQUIRES:

9 (1) (a) "AFFORDABLE RENTAL HOUSING PROJECT" MEANS REAL
10 PROPERTY THAT HAS THE PRIMARY PURPOSE OF PROVIDING RENTAL
11 HOUSING FOR MIDDLE-INCOME INDIVIDUALS AND FAMILIES, WHICH
12 PROPERTY IS SELECTED BY THE AUTHORITY AND OWNED BY THE
13 AUTHORITY IN ACCORDANCE WITH THE PROVISIONS SET FORTH IN SECTION
14 29-4-1107.

15 (b) AN "AFFORDABLE RENTAL HOUSING PROJECT" MAY INCLUDE
16 COMMERCIAL SPACE IF THE BOARD DETERMINES THAT THE COMMERCIAL
17 SPACE IS INCIDENTAL TO THE HOUSING COMPONENT OF THE PROJECT.

18 (2) "AUTHORITY" MEANS THE MIDDLE-INCOME HOUSING
19 AUTHORITY CREATED BY THIS PART 11.

20 (3) "BOARD" MEANS THE BOARD OF DIRECTORS OF THE
21 AUTHORITY.

22 (4) "BOND" MEANS ANY BOND, NOTE, OR OTHER OBLIGATION OF
23 THE AUTHORITY AUTHORIZED TO BE ISSUED UNDER THIS PART 11.

24 (5) "CONTROLLED ENTITY" MEANS AN ENTITY ESTABLISHED BY
25 THE AUTHORITY IN ACCORDANCE WITH SECTION 29-4-1106 (1)(g).

26 (6) "FAIR HOUSING LAWS" MEANS THE FEDERAL "FAIR HOUSING
27 ACT", 42 U.S.C. SEC. 3601 ET SEQ., AS AMENDED, ANY COMPARABLE LAW

1 OF THE STATE, AND ANY COMPARABLE ORDINANCE, RESOLUTION, OR
2 OTHER LAW OF ANY LOCAL GOVERNMENT THAT PROPERTY OF THE
3 AUTHORITY IS SUBJECT TO AND THE REGULATIONS AND RULES
4 PROMULGATED UNDER THIS PART 11.

5 (7) "MIDDLE-INCOME INDIVIDUALS AND FAMILIES" MEANS, ONLY
6 FOR PURPOSES OF THIS PART 11, UNLESS AS OTHERWISE PROVIDED UNDER
7 SECTION 29-4-1107 (2)(c), INDIVIDUALS AND FAMILIES WITH ANNUAL
8 INCOME OF THE HOUSEHOLD BETWEEN EIGHTY PERCENT AND ONE
9 HUNDRED TWENTY PERCENT OF THE AREA MEDIAN INCOME OF THE
10 HOUSEHOLDS OF THAT SIZE IN THE COUNTY IN WHICH THE AFFORDABLE
11 RENTAL HOUSING PROJECT IS LOCATED; EXCEPT THAT, FOR
12 MIDDLE-INCOME INDIVIDUALS AND FAMILIES RESIDING IN A RURAL RESORT
13 COUNTY, THE ANNUAL INCOME OF THE HOUSEHOLD SHALL BE BETWEEN
14 EIGHTY PERCENT AND ONE HUNDRED FORTY PERCENT OF THE AREA
15 MEDIAN INCOME OF THE HOUSEHOLDS OF THAT SIZE IN THE COUNTY IN
16 WHICH THE AFFORDABLE RENTAL HOUSING PROJECT IS LOCATED.

17 **29-4-1104. Middle-income housing authority - creation - board**
18 **of directors - meetings - records - tax exempt - audit - report.**

19 (1) THERE IS CREATED THE MIDDLE-INCOME HOUSING AUTHORITY, WHICH
20 IS A BODY CORPORATE AND A POLITICAL SUBDIVISION OF THE STATE,
21 WHICH SHALL NOT BE AN AGENCY OF STATE GOVERNMENT, AND SHALL
22 NOT BE SUBJECT TO ADMINISTRATIVE DIRECTION BY ANY DEPARTMENT,
23 COMMISSION, BOARD, BUREAU, OR AGENCY OF THE STATE.

24 (2) (a) THE POWERS OF THE AUTHORITY ARE VESTED IN THE
25 GOVERNING BODY OF THE AUTHORITY, WHICH IS A BOARD OF DIRECTORS.

26 (b) THE BOARD CONSISTS OF FOURTEEN PERSONS.

27 (c) THE GOVERNOR SHALL APPOINT TO THE BOARD, WITH THE

1 CONSENT OF THE SENATE:

2 (I) AT LEAST ONE MEMBER WITH EXPERIENCE IN ONE OF EACH OF

3 THE FOLLOWING AREAS:

4 (A) THE DEVELOPMENT OF RENTAL HOUSING;

5 (B) REAL ESTATE TRANSACTIONS; AND

6 (C) PUBLIC FINANCE; AND

7 (II) AT LEAST ONE MEMBER WHICH MEETS ONE OF THE FOLLOWING

8 CRITERIA:

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

10 (B) BE AN ELECTED COUNTY COMMISSIONER FROM A RURAL

11 COUNTY IN THE STATE;

12 (C) BE AN ELECTED COUNTY COMMISSIONER FROM A COUNTY IN

13 THE STATE; AND

14 (D) BE A REPRESENTATIVE FROM A NONPROFIT ORGANIZATION

15 THAT HAS EXPERIENCE DEVELOPING MIDDLE-INCOME HOUSING.

16 (d) IN ADDITION TO THE APPOINTMENTS SET FORTH IN SUBSECTION

17 (2)(c)(I) OF THIS SECTION, THE GOVERNOR SHALL APPOINT TO THE BOARD:

18 (I) THE DIRECTOR OF THE OFFICE OF ECONOMIC DEVELOPMENT

19 ESTABLISHED IN SECTION 24-48.5-101 (1), OR THE DIRECTOR'S DESIGNEE;

20 AND

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

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

23 (e) IN ADDITION TO THE REQUIREMENTS OF THIS SUBSECTION (2)

24 OF THIS SECTION, WHEN MAKING APPOINTMENTS TO THE BOARD,

25 REASONABLE EFFORTS MUST BE MADE TO APPOINT MEMBERS THAT

26 REFLECT THE GEOGRAPHIC AND DEMOGRAPHIC DIVERSITY OF THE ENTIRE

27 STATE.

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

4 (II) NOTWITHSTANDING THE REQUIREMENTS OF SUBSECTION
5 (2)(f)(I) OF THIS SECTION, THE FIRST APPOINTED MEMBERS SHALL SERVE
6 INITIAL TERMS OF TWO-YEARS FOR FOUR MEMBERS, THREE-YEARS FOR
7 ANOTHER FOUR MEMBERS, AND FOUR-YEARS FOR THE REMAINING SIX
8 MEMBERS. THIS SUBSECTION (2)(f)(II) IS REPEALED ON JULY 1, 2028.

9 (g) A MEMBER HOLDS OFFICE FOR THE MEMBER'S TERM UNTIL A
10 SUCCESSOR IS APPOINTED. ANY MEMBER IS ELIGIBLE FOR REAPPOINTMENT,
11 BUT MEMBERS ARE NOT ELIGIBLE TO SERVE MORE THAN TWO
12 CONSECUTIVE FULL TERMS. MEMBERS OF THE BOARD SERVE WITHOUT
13 COMPENSATION FOR SUCH SERVICES BUT SHALL BE REIMBURSED FOR THEIR
14 NECESSARY EXPENSES WHILE SERVING AS A MEMBER OF THE BOARD. ANY
15 VACANCY MUST BE FILLED IN THE SAME MANNER AS THE ORIGINAL
16 APPOINTMENT FOR THE UNEXPIRED TERM. ANY MEMBER MAY BE REMOVED
17 BY THE GOVERNOR FOR MISCONDUCT, INCOMPETENCE, NEGLECT OF DUTY,
18 OR OTHER CAUSE.

19 (3) THE GOVERNOR SHALL MAKE INITIAL APPOINTMENTS OF BOARD
20 MEMBERS IN ACCORDANCE WITH SUBSECTION (2)(b) OF THIS SECTION ON
21 OR BEFORE SEPTEMBER 1, 2022, AND SHALL APPOINT ONE OF THE
22 MEMBERS TO SERVE AS THE INITIAL CHAIRPERSON. THE INITIAL
23 CHAIRPERSON HAS THE AUTHORITY TO ESTABLISH AND ADMINISTER
24 MATTERS RELATED TO THE INITIAL SET UP OF THE AUTHORITY, INCLUDING
25 STAFFING, LEGAL SERVICES, OR TO COORDINATE WITH THE OFFICE OF
26 ECONOMIC DEVELOPMENT, CREATED IN SECTION 24-48.5-101 (1), OR THE
27 DEPARTMENT OF LOCAL AFFAIRS, CREATED IN SECTION 24-1-125 (1), ON

1 ADMINISTRATIVE MATTERS AND OTHER MATTERS RELATED TO THE INITIAL
2 SET UP AND OPERATION OF THE AUTHORITY, WHICH CONTRACTS SHALL BE
3 FOR A TERM OF NO LONGER THAN ONE YEAR FROM SEPTEMBER 1, 2022,
4 AND SHALL BE RATIFIED BY THE BOARD AT ITS INITIAL MEETING SET FORTH
5 IN SUBSECTION (4)(a) OF THIS SECTION. THE AUTHORITY MAY HIRE STAFF
6 AS IT DEEMS NECESSARY OR CONVENIENT TO ADMINISTER THIS PART 11
7 AND THE OFFICE OF ECONOMIC DEVELOPMENT OR THE DEPARTMENT OF
8 LOCAL AFFAIRS MAY ASSIST THE AUTHORITY WITH ADMINISTERING THIS
9 PART 11. THE AUTHORITY MAY COOPERATE AND ENTER INTO CONTRACTS
10 WITH THE OFFICE OF ECONOMIC DEVELOPMENT OR THE DEPARTMENT OF
11 LOCAL AFFAIRS, OR WITH ANOTHER AGENCY OR ENTITY, FOR
12 ADMINISTRATIVE OR OPERATIONS MATTERS, INCLUDING FOR STAFFING.
13 THE AUTHORITY SHALL PAY THE OFFICE OF ECONOMIC DEVELOPMENT, THE
14 DEPARTMENT OF LOCAL AFFAIRS, OR ANOTHER AGENCY OR ENTITY THAT
15 THE AUTHORITY HAS ENTERED INTO A CONTRACT WITH FOR ALL COSTS
16 INCURRED FOR SERVICES, STAFFING, AND ADMINISTRATIVE COSTS THAT
17 ARE APPROVED BY THE INITIAL CHAIRPERSON AND RATIFIED BY THE BOARD
18 OR THAT ARE APPROVED BY THE AUTHORITY.

19 (4) (a) WITHIN THIRTY DAYS OF THE GOVERNOR'S INITIAL
20 APPOINTMENTS PURSUANT TO SUBSECTIONS (2) AND (3) OF THIS SECTION,
21 THE INITIAL CHAIRPERSON OF THE BOARD AS DESIGNATED BY THE
22 GOVERNOR SHALL SET DATES FOR THE FIRST AND SECOND BOARD
23 MEETINGS WHICH MUST BE HELD BEFORE DECEMBER 31, 2022. THE BOARD
24 MAY ELECT A NEW CHAIRPERSON PURSUANT TO SECTION 29-4-1105 (1)(n)
25 AT EITHER INITIAL MEETING. SUBSEQUENT MEETINGS SHALL BE SET BY THE
26 CHAIRPERSON OF THE BOARD.

27 (b) ALL MEETINGS OF THE BOARD ARE OPEN TO THE PUBLIC. NO

1 BUSINESS OF THE BOARD SHALL BE TRANSACTED EXCEPT AT A REGULAR OR
2 SPECIAL MEETING AT WHICH A QUORUM CONSISTING OF AT LEAST A
3 MAJORITY OF THE TOTAL MEMBERSHIP OF THE BOARD IS PRESENT. ANY
4 ACTION OF THE BOARD REQUIRES THE AFFIRMATIVE VOTE OF A MAJORITY
5 OF THE MEMBERS PRESENT AT THE MEETING.

6 (c) ONE OR MORE MEMBERS OF THE BOARD MAY PARTICIPATE IN
7 ANY MEETING AND MAY VOTE THROUGH THE USE OF
8 TELECOMMUNICATIONS DEVICES, INCLUDING A CONFERENCE TELEPHONE
9 OR SIMILAR COMMUNICATIONS EQUIPMENT. PARTICIPATION THROUGH
10 TELECOMMUNICATIONS DEVICES CONSTITUTES PRESENCE IN PERSON AT
11 THE MEETING. USE OF TELECOMMUNICATIONS FOR PARTICIPATION DOES
12 NOT SUPERSEDE ANY REQUIREMENTS FOR OPEN MEETINGS OTHERWISE
13 PROVIDED BY LAW.

14 (5) (a) ALL RESOLUTIONS AND ORDERS OF THE BOARD MUST BE
15 RECORDED AND AUTHENTICATED BY THE SIGNATURE OF THE SECRETARY
16 OR ANY ASSISTANT SECRETARY OF THE BOARD. EVERY LEGISLATIVE ACT
17 OF THE BOARD OF A GENERAL OR PERMANENT NATURE MUST BE BY
18 RESOLUTION. THE BOOK OF RESOLUTIONS, CORPORATE ACTS, AND ORDERS
19 IS A PUBLIC RECORD. A PUBLIC RECORD MUST ALSO BE MADE OF ALL
20 OTHER PROCEEDINGS OF THE BOARD, MINUTES OF THE MEETINGS, ANNUAL
21 REPORTS, CERTIFICATES, CONTRACTS, AND BONDS GIVEN BY OFFICERS,
22 EMPLOYEES, AND ANY OTHER AGENTS OF THE AUTHORITY. THE ACCOUNT
23 OF ALL MONEY RECEIVED BY AND DISBURSED ON BEHALF OF THE
24 AUTHORITY IS A PUBLIC RECORD.

25 (b) ALL PUBLIC RECORDS OF THE AUTHORITY ARE SUBJECT TO THE
26 "COLORADO OPEN RECORDS ACT", PART 2 OF ARTICLE 72 OF TITLE 24.
27 ALL RECORDS ARE SUBJECT TO ANY BUDGET AND AUDIT LAWS APPLICABLE

1 TO THE AUTHORITY AND MAY BE SUBJECT TO REGULAR AUDIT TO THE
2 EXTENT REQUIRED BY LAW.

3 (6) ANY BOARD MEMBER, EMPLOYEE, OR OTHER AGENT OR
4 ADVISER OF THE AUTHORITY WHO HAS A DIRECT OR INDIRECT INTEREST IN
5 ANY CONTRACT, TRANSACTION, OR PROPOSAL WITH THE AUTHORITY OR
6 ANY INTEREST, DIRECT OR INDIRECT, IN A NONPROFIT OR FOR-PROFIT
7 ORGANIZATION SUBMITTING A PROPOSAL TO THE AUTHORITY SHALL
8 DISCLOSE THIS INTEREST TO THE AUTHORITY. THIS INTEREST MUST BE SET
9 FORTH IN THE MINUTES OF THE AUTHORITY, AND NO BOARD MEMBER,
10 EMPLOYEE, OR OTHER AGENT OR ADVISER HAVING SUCH INTEREST SHALL
11 PARTICIPATE ON BEHALF OF THE AUTHORITY IN THE AUTHORIZATION OF
12 ANY SUCH CONTRACT OR TRANSACTION.

13 (7) NO PART OF THE REVENUES OR ASSETS OF THE AUTHORITY
14 SHALL INURE TO THE BENEFIT OF, OR BE DISTRIBUTED TO, ITS MEMBERS OR
15 OFFICERS OR ANY OTHER PRIVATE PERSONS OR ENTITIES.

16 (8) THE AUTHORITY SHALL NOT DISCRIMINATE BASED ON RACE,
17 CREED, COLOR, NATIONAL ORIGIN, ANCESTRY, RELIGION, SEX, GENDER,
18 SEXUAL ORIENTATION, GENDER IDENTITY, GENDER EXPRESSION, MARITAL
19 STATUS, FAMILIAL STATUS, MILITARY STATUS, HANDICAP, OR PHYSICAL OR
20 MENTAL DISABILITY AND WILL OTHERWISE COMPLY WITH FAIR HOUSING
21 LAWS.

22 (9) BONDS, CONTRACTS, AND ANY OTHER OBLIGATION OR
23 LIABILITY OF THE AUTHORITY ARE SPECIAL LIMITED OBLIGATIONS OF THE
24 AUTHORITY AND ARE NOT BONDS, CONTRACTS, OBLIGATIONS, OR
25 OTHERWISE LIABILITIES OF THE STATE. THE STATE HAS NO OBLIGATION OR
26 LIABILITY WITH RESPECT TO ANY BONDS, CONTRACTS, OR OTHER
27 OBLIGATION OR LIABILITY OF THE AUTHORITY.

1 (10) THE AUTHORITY IS A "PUBLIC ENTITY" AS SET FORTH IN
2 SECTIONS 24-10-103 (5) AND 11-57-203 (3) AND A "SPECIAL PURPOSE
3 AUTHORITY" AS SET FORTH IN SECTION 24-77-102 (15).

4 (11) THE AUTHORITY AND ITS CORPORATE EXISTENCE CONTINUES
5 UNTIL TERMINATED BY LAW; EXCEPT THAT NO SUCH LAW SHALL TAKE
6 EFFECT SO LONG AS THE AUTHORITY HAS BONDS, NOTES, OR OTHER
7 OBLIGATIONS OUTSTANDING, UNLESS ADEQUATE PROVISION HAS BEEN
8 MADE FOR THE PAYMENT OF SUCH OBLIGATIONS. UPON TERMINATION OF
9 THE EXISTENCE OF THE AUTHORITY, ALL ITS RIGHTS AND PROPERTIES IN
10 EXCESS OF ITS OBLIGATIONS SHALL PASS TO AND BE VESTED IN THE STATE.

11 (12) (a) THE INCOME AND REVENUE OF THE AUTHORITY, ALL
12 PROPERTY AT ANY TIME OWNED BY THE AUTHORITY, ALL BONDS ISSUED BY
13 THE AUTHORITY, THE INTEREST ON AND OTHER INCOME FROM SUCH
14 BONDS, AND THE TRANSFER OF SUCH BONDS ARE EXEMPT FROM INCOME
15 TAXATION, REAL AND PERSONAL PROPERTY TAXATION, AND ALL OTHER
16 TAXATION AND ASSESSMENTS IN THE STATE. THE PURCHASE AND USE OF
17 PROPERTY BY OR FOR THE BENEFIT OF THE AUTHORITY ARE EXEMPT FROM
18 SALES AND USE TAXES IMPOSED BY THE STATE, A COUNTY, A CITY AND
19 COUNTY, A CITY, ANY OTHER POLITICAL SUBDIVISION OF THE STATE, OR
20 LOCAL GOVERNMENT ENTITY. IN THE RESOLUTION OR INDENTURE
21 AUTHORIZING BONDS, THE AUTHORITY MAY WAIVE THE EXEMPTION FROM
22 FEDERAL INCOME TAXATION FOR INTEREST ON THE BONDS. THE
23 AUTHORITY MAY AGREE TO MAKE PAYMENTS IN LIEU OF PROPERTY OR
24 SALES AND USE TAXES TO THE STATE, A COUNTY, A CITY AND COUNTY, A
25 CITY, ANY POLITICAL SUBDIVISION OF THE STATE, OR LOCAL GOVERNMENT
26 ENTITY.

27 (b) PROPERTY SOLD BY THE AUTHORITY OR OTHERWISE NOT

1 OWNED BY THE AUTHORITY, A CONTROLLED ENTITY, OR OTHER
2 GOVERNMENTAL ENTITY EXEMPT FROM TAXATION SHALL BE SUBJECT TO
3 ALL TAXATION AND ASSESSMENTS IMPOSED BY THE STATE, A CITY, A
4 COUNTY, A CITY AND COUNTY, ANY OTHER POLITICAL SUBDIVISION OF THE
5 STATE, OR A LOCAL GOVERNMENTAL ENTITY.

6 (c) IF THE AUTHORITY DESIRES TO VOLUNTARILY SELL AN
7 AFFORDABLE RENTAL HOUSING PROJECT, IT SHALL NOTIFY IN WRITING
8 RELEVANT PUBLIC ENTITIES, INCLUDING STATE AGENCIES, LOCAL
9 GOVERNMENTS, AND PUBLIC HOUSING AUTHORITIES IN THE AREA IN WHICH
10 THE PROJECT IS LOCATED. NOTICE MUST INCLUDE A DESCRIPTION OF THE
11 PROPERTY TO BE SOLD. NOTIFIED PUBLIC ENTITIES HAVE NINETY DAYS
12 AFTER THE DATE OF NOTICE TO SUBMIT A PROPOSED PURCHASE AND SALE
13 AGREEMENT, AND OBTAIN BINDING COMMITMENT FOR ANY NECESSARY
14 FINANCING OR GUARANTEES. AFTER THE NINETY-DAY PERIOD HAS
15 ELAPSED, THE AUTHORITY MAY BROADLY ADVERTISE THE SALE, AND
16 FAVOR BUYERS THAT AGREE TO MAINTAIN THE PROJECT AS AFFORDABLE
17 HOUSING, PROVIDED THAT THE FINANCIAL TERMS OF THE PURCHASE ARE
18 SUFFICIENT TO SATISFY ALL OF THE AUTHORITY'S OBLIGATIONS WITH
19 RESPECT TO THE PROJECT.

20 (13) A GIFT OR CONTRIBUTION TO OR FOR THE USE OF THE
21 AUTHORITY FOR USE IN CONNECTION WITH THE ACTIVITIES OF THE
22 AUTHORITY IS TREATED AS A GIFT TO A POLITICAL SUBDIVISION OF THE
23 STATE MADE EXCLUSIVELY FOR PUBLIC PURPOSES.

24 (14) (a) THE AUTHORITY SHALL CONDUCT AN ANNUAL AUDIT OF
25 ITS FINANCES AND SHALL ADOPT A BUDGET AND WORK PLAN FOR EACH
26 FISCAL YEAR. THE AUTHORITY SHALL SUBMIT TO THE GOVERNOR, THE
27 STATE AUDITOR, AND THE GENERAL ASSEMBLY WITHIN SIX MONTHS AFTER

1 THE END OF THE STATE FISCAL YEAR A REPORT THAT SHALL SET FORTH A
2 COMPLETE AND DETAILED OPERATING AND FINANCIAL STATEMENT OF THE
3 AUTHORITY DURING SUCH YEAR. THE REPORT MAY ALSO INCLUDE ANY
4 RECOMMENDATIONS FOR LEGISLATION OR OTHER ACTION THAT MAY BE
5 NECESSARY TO CARRY OUT THE PURPOSES OF THE AUTHORITY.

6 (b) ON A QUARTERLY BASIS, THE AUTHORITY SHALL SUBMIT A
7 REPORT TO THE GOVERNOR, TO THE STATE AUDITOR, AND TO THE SENATE
8 COMMITTEES ON FINANCE AND HEALTH AND HUMAN SERVICES OR ANY
9 SUCCESSOR COMMITTEE, AND THE HOUSE OF REPRESENTATIVES
10 COMMITTEES ON FINANCE, HEALTH AND INSURANCE AND PUBLIC AND
11 BEHAVIORAL HEALTH AND HUMAN SERVICES OR ANY SUCCESSOR
12 COMMITTEES. ANY DEVELOPER OR OPERATOR OF AN AFFORDABLE RENTAL
13 HOUSING PROJECT MUST PROVIDE TO THE AUTHORITY INFORMATION
14 REQUIRED BY THIS SUBSECTION (13)(b). THE REPORT SHALL INCLUDE FOR
15 EACH AFFORDABLE RENTAL HOUSING PROJECT:

16 (I) THE NUMBER OF UNITS DEVELOPED AND MUST SPECIFY FOR
17 INCOME-RESTRICTED UNITS AT WHAT AREA MEDIAN INCOME LEVELS;

18 (II) THE NUMBER OF UNITS OCCUPIED;

19 (III) THE AVERAGE AREA MEDIAN INCOME BEING SERVED;

20 (IV) THE ACTUAL RENTS CHARGED FOR EACH UNIT;

21 (V) ACTUAL INCOMES OF HOUSEHOLDS RESIDING WITHIN THE
22 UNITS AND LENGTH OF OCCUPANCY;

23 (VI) THE AVERAGE MARKET RENT FOR A UNIT OF THE SAME TYPE,
24 SIZE, AND AMENITIES PRIOR TO THE DEVELOPMENT OF AN AFFORDABLE
25 RENTAL HOUSING PROJECT;

26 (VII) THE AVERAGE MARKET RENT FOR A UNIT OF THE SAME TYPE,
27 SIZE, AND AMENITIES AFTER ONE YEAR OF OCCUPANCY OF AT LEAST FIFTY

1 PERCENT OF THE UNITS DEVELOPED IN THE AFFORDABLE RENTAL HOUSING
2 PROJECT, AND FOR EACH YEAR THEREAFTER;

3 (VIII) THE AMOUNT OF MIDDLE-INCOME RENTAL SAVINGS
4 ACCRUED TO THE LOCAL COMMUNITY FROM THE DEVELOPMENT;

5 (IX) THE AMOUNT OF TAX EXEMPTIONS ACCRUED; AND

6 (X) THE RENTS CHARGED AND OCCUPANCY RATES OF NONINCOME
7 RESTRICTED UNITS OF HOUSING.

8 **29-4-1105. General powers.** (1) IN ADDITION TO ANY OTHER
9 POWERS GRANTED TO THE AUTHORITY IN THIS PART 11, THE AUTHORITY
10 HAS THE FOLLOWING POWERS:

11 (a) TO HAVE THE DUTIES, PRIVILEGES, IMMUNITIES, RIGHTS,
12 LIABILITIES, AND DISABILITIES OF A BODY CORPORATE AND POLITICAL
13 SUBDIVISION OF THE STATE;

14 (b) TO HAVE PERPETUAL EXISTENCE AND SUCCESSION;

15 (c) TO ADOPT, HAVE, AND USE A SEAL AND TO ALTER THE SAME AT
16 ITS PLEASURE;

17 (d) TO SUE AND BE SUED;

18 (e) TO ENTER INTO ANY CONTRACT OR AGREEMENT NOT
19 INCONSISTENT WITH THIS PART 11 OR THE LAWS OF THE STATE;

20 (f) TO BORROW MONEY AND TO ISSUE BONDS EVIDENCING THE
21 SAME;

22 (g) TO PURCHASE, LEASE, LEASE WITH AN OPTION TO PURCHASE,
23 TRADE, EXCHANGE, OR OTHERWISE ACQUIRE, MAINTAIN, HOLD, IMPROVE,
24 MORTGAGE, LEASE, ENCUMBER, AND DISPOSE OF REAL PROPERTY AND
25 PERSONAL PROPERTY, WHETHER TANGIBLE OR INTANGIBLE, AND ANY
26 INTEREST THEREIN, INCLUDING EASEMENTS AND RIGHTS-OF-WAY,
27 WITHOUT RESTRICTION OR LIMITATION;

1 (h) TO ACQUIRE OFFICE SPACE, EQUIPMENT, SERVICES, SUPPLIES,
2 AND INSURANCE NECESSARY TO CARRY OUT THE PURPOSES OF THIS PART
3 11;

4 (i) TO DEPOSIT ANY MONEY OF THE AUTHORITY IN ANY BANKING
5 INSTITUTION WITHIN OR WITHOUT THE STATE OR IN ANY DEPOSITORY
6 AUTHORIZED IN SECTION 24-75-603, AND TO APPOINT, FOR THE PURPOSE
7 OF MAKING SUCH DEPOSITS, ONE OR MORE PERSONS TO ACT AS
8 CUSTODIANS OF THE MONEY OF THE AUTHORITY, WHO SHALL GIVE SURETY
9 BONDS IN SUCH AMOUNTS AND FORM AND FOR SUCH PURPOSES AS THE
10 BOARD REQUIRES;

11 (j) TO CONTRACT FOR AND TO ACCEPT ANY GIFTS, GRANTS, AND
12 LOANS OF FUNDS, PROPERTY, OR ANY OTHER AID IN ANY FORM FROM THE
13 FEDERAL GOVERNMENT, THE STATE, ANY STATE AGENCY, OR ANY OTHER
14 SOURCE, OR ANY COMBINATION THEREOF, AND TO COMPLY, SUBJECT TO
15 THE PROVISIONS OF THIS PART 11, WITH THE TERMS AND CONDITIONS OF
16 SUCH CONTRACTS OR THE ACCEPTANCE OF SUCH ITEMS;

17 (k) TO HAVE AND EXERCISE ALL RIGHTS AND POWERS NECESSARY
18 OR INCIDENTAL TO OR IMPLIED FROM THE SPECIFIC POWERS GRANTED IN
19 THIS PART 11, WHICH SPECIFIC POWERS SHALL NOT BE CONSIDERED AS A
20 LIMITATION UPON ANY POWER NECESSARY OR APPROPRIATE TO CARRY OUT
21 THE PURPOSES AND INTENT OF THIS PART 11;

22 (l) TO FIX THE TIME AND PLACE OR PLACES AT WHICH ITS REGULAR
23 AND SPECIAL MEETINGS ARE TO BE HELD;

24 (m) TO ADOPT AND FROM TIME TO TIME AMEND OR REPEAL
25 BYLAWS AND RULES AND REGULATIONS CONSISTENT WITH THE PROVISIONS
26 OF THIS PART 11, INCLUDING RULES REGARDING THE DEFINITION AND
27 INTERPRETATION OF TERMS USED IN THIS PART 11. NOTHING IN THIS

1 SUBSECTION (1)(m) GRANTS THE AUTHORITY THE POWER TO REDEFINE
2 TERMS THAT ARE ALREADY DEFINED IN THIS PART 11.

3 (n) TO ELECT ONE MEMBER AS CHAIRPERSON OF THE BOARD AND
4 ANOTHER MEMBER AS CHAIRPERSON PRO TEM OF THE BOARD AND TO
5 ELECT ONE OR MORE MEMBERS AS SECRETARY AND TREASURER OF THE
6 BOARD AND ELECT OR APPOINT SUCH OTHER OFFICES AS THE BOARD MAY
7 DETERMINE AND PROVIDE FOR THEIR DUTIES AND TERMS OF OFFICE;

8 (o) TO APPOINT AGENTS, EMPLOYEES, AND PROFESSIONAL AND
9 BUSINESS ADVISERS, INCLUDING REAL ESTATE PROFESSIONALS,
10 CONSTRUCTION COMPANIES, PROPERTY MANAGERS, ATTORNEYS,
11 ACCOUNTANTS, AND FINANCIAL ADVISERS AS MAY FROM TIME TO TIME BE
12 NECESSARY IN ITS JUDGMENT TO ACCOMPLISH THE PURPOSES OF THIS PART
13 11, AND TO FIX THE COMPENSATION OF SUCH AGENTS, EMPLOYEES, AND
14 ADVISERS, AND TO ESTABLISH THE POWERS AND DUTIES OF ALL AGENTS,
15 EMPLOYEES, AND ADVISERS, AS WELL AS ANY OTHER PERSON
16 CONTRACTING WITH THE AUTHORITY TO PROVIDE SERVICES, INCLUDING
17 TERMINATION OF EMPLOYMENT OR THE CONTRACT FOR SERVICES;

18 (p) TO MAKE AND EXECUTE AGREEMENTS, CONTRACTS, AND
19 OTHER INSTRUMENTS NECESSARY OR CONVENIENT IN THE EXERCISE OF THE
20 POWERS AND FUNCTIONS OF THE AUTHORITY UNDER THIS PART 11,
21 INCLUDING BUT NOT LIMITED TO CONTRACTS WITH ANY PERSON, FIRM,
22 CORPORATION, MUNICIPALITY, STATE AGENCY, COUNTY, OR OTHER
23 ENTITY. ALL MUNICIPALITIES, COUNTIES, AND STATE AGENCIES MAY
24 ENTER INTO AND DO ALL THINGS NECESSARY TO PERFORM ANY SUCH
25 ARRANGEMENT OR CONTRACT WITH THE AUTHORITY.

26 (q) TO ENTER INTO INTEREST RATE EXCHANGE AGREEMENTS FOR
27 BONDS IN ACCORDANCE WITH ARTICLE 59.3 OF TITLE 11; AND

1 (r) OTHER POWERS NECESSARY TO ACCOMPLISH THE AUTHORITY'S
2 SPECIFIC GOALS AS REQUIRED UNDER THIS PART 11.

3 **29-4-1106. Additional powers - affordable workforce housing**
4 **projects.** (1) IN ADDITION TO THE POWERS SPECIFIED IN SECTION
5 29-4-1105, THE AUTHORITY HAS THE FOLLOWING POWERS:

6 (a) TO ACQUIRE, CONSTRUCT, REHABILITATE, OWN, OPERATE, AND
7 FINANCE AFFORDABLE RENTAL HOUSING PROJECTS;

8 (b) TO CONSULT WITH A QUALIFIED NONPROFIT ORGANIZATION,
9 COUNTY, MUNICIPALITY, HOUSING AUTHORITY, SCHOOL DISTRICT, OR
10 OTHER RELEVANT ENTITY AS DETERMINED BY THE AUTHORITY TO
11 IDENTIFY GAPS IN AFFORDABLE HOUSING CAPACITY, DISPROPORTIONATELY
12 IMPACTED COMMUNITIES, OR OTHER COMMUNITIES OR LOCALITIES IN NEED
13 OF WORKFORCE HOUSING TO GUIDE THE AUTHORITY IN ITS SELECTION OF
14 PROJECT PROPOSALS TO FUND;

15 (c) TO EXERCISE GENERAL CONTROL AND SUPERVISION OF
16 AFFORDABLE RENTAL HOUSING PROJECTS AND THE LAND THEY ARE
17 LOCATED ON AND EXERCISE PLENARY POWER TO ADOPT ALL BYLAWS AND
18 REGULATIONS PERTAINING TO THE ACQUISITION, FINANCING,
19 DEVELOPMENT, USE, AND OPERATION OF AFFORDABLE RENTAL HOUSING
20 PROJECTS IN ORDER TO ADVANCE THE STATE INTEREST IN THE PROVISION
21 OF AFFORDABLE RENTAL WORKFORCE HOUSING PURSUANT TO THIS PART
22 11, NOT IN CONFLICT WITH THE LAW, AS THE BOARD MAY DEEM
23 NECESSARY TO SECURE THE SUCCESSFUL OPERATION OF THE AUTHORITY
24 AND PROMOTE THE PURPOSES OF THIS PART 11;

25 (d) TO MAKE AND ENTER INTO CONTRACTS OR AGREEMENTS WITH
26 ANY PRIVATE OR PUBLIC ENTITY TO FACILITATE A PUBLIC-PRIVATE
27 PARTNERSHIP, INCLUDING:

1 (I) AN AGREEMENT FOR THE AUTHORITY TO ACQUIRE, CONSTRUCT,
2 FINANCE, OR OPERATE PROPERTY OR SERVICES IN CONNECTION WITH AN
3 AFFORDABLE RENTAL HOUSING PROJECT OR HOUSING ASSISTANCE
4 CONSISTENT WITH THE PROVISIONS OF THIS PART 11; OR

5 (II) AN AGREEMENT FOR A PRIVATE ENTITY TO ACQUIRE,
6 CONSTRUCT, FINANCE, OR OPERATE PROPERTY OR SERVICES IN
7 CONNECTION WITH AN AFFORDABLE RENTAL HOUSING PROJECT OR
8 HOUSING ASSISTANCE CONSISTENT WITH THE PROVISIONS OF THIS PART 11;

9 (e) TO CONTRACT WITH EXPERIENCED REAL ESTATE
10 PROFESSIONALS WITH A PROVEN TRACK RECORD IN DEVELOPING AND
11 OPERATING PROJECTS OF SIMILAR SCALE AND COMPLEXITY FOR THE
12 DEVELOPMENT AND OPERATION OF AFFORDABLE RENTAL HOUSING
13 PROJECTS AND TO EMPLOY ITS OWN PERSONNEL OR CONTRACT WITH
14 PUBLIC OR PRIVATE ENTITIES, OR BOTH, FOR OTHER SERVICES NECESSARY
15 OR CONVENIENT TO THE CONDUCT OF ALL OF THE AUTHORITY'S OTHER
16 ACTIVITIES. THE AUTHORITY SHALL HIRE FULL-TIME STAFF WHO ARE
17 FULL-TIME EMPLOYEES OF THE AUTHORITY AND ARE RESPONSIBLE FOR
18 COMPLIANCE WITH PUBLIC MEETING LAWS AND OPEN RECORDS REQUESTS,
19 AFFORDABLE RENTAL HOUSING PROJECT PROPOSAL SOLICITATION AND
20 REVIEW, AND REPORTING.

21 (f) TO PROVIDE HOUSING ASSISTANCE TO A TENANT IN A RENTAL
22 UNIT OF AN AFFORDABLE RENTAL HOUSING PROJECT IN ORDER FOR THE
23 TENANT TO TRANSITION TO HOME OWNERSHIP ON AFFORDABLE TERMS,
24 PROVIDED THAT:

25 (I) ANY FUNDS USED FOR SUCH ASSISTANCE ARE DEEMED TO BE
26 EXCESS FUNDS FROM THOSE FUNDS NEEDED TO DEVELOP AND OPERATE AN
27 AFFORDABLE RENTAL HOUSING PROJECT; AND

1 (II) THE HOUSING ASSISTANCE MAY TAKE THE FORM OF A GRANT,
2 A SUBORDINATED LOAN, OR AN INTEREST IN THE RESIDENTIAL PROPERTY
3 PURCHASED BY THE TENANT; AND

4 (g) IN ORDER TO ISOLATE OPERATING RISK ON A
5 PROJECT-BY-PROJECT BASIS, TO ESTABLISH, OR ADOPT A RESOLUTION
6 APPROVING THE ESTABLISHMENT OF, ONE OR MORE CONTROLLED ENTITIES
7 ON A PER-PROJECT BASIS FOR THE DURATION OF THE AFFORDABLE RENTAL
8 HOUSING PROJECT UNLESS THE CONTROLLED ENTITY MUST OVERSEE MORE
9 THAN ONE AFFORDABLE RENTAL HOUSING PROJECT AS DEMONSTRATED BY
10 AN APPLICANT FOR FUNDING TO THE AUTHORITY, PROVIDED THAT:

11 (I) THE CONTROLLED ENTITY MAY BE A NONPROFIT CORPORATION,
12 LIMITED LIABILITY COMPANY, OR OTHER ENTITY FORMED PURSUANT TO
13 STATE LAW AND THE AUTHORITY SHALL BE THE SOLE MEMBER OF THE
14 ENTITY;

15 (II) THE AUTHORITY SHALL APPOINT THE GOVERNING BODY OF OR
16 AGENT TO OVERSEE THE CONTROLLED ENTITY AND MAY REMOVE A
17 MEMBER OF THE GOVERNING BODY OR AGENT FOR CAUSE;

18 (III) ANY REVENUE OF THE CONTROLLED ENTITY NOT REQUIRED TO
19 PAY ITS EXPENSES AND OBLIGATIONS AND TO FUND RESERVES THEREFOR
20 FOR SUCH EXPENSES AND OBLIGATIONS AND, UPON DISSOLUTION OF THE
21 CONTROLLED ENTITY, ANY ASSETS OF THE CONTROLLED ENTITY NOT
22 REQUIRED TO PAY ITS EXPENSES AND OBLIGATIONS MUST BE DISTRIBUTED
23 TO OR AT THE DIRECTION OF THE AUTHORITY AND SHALL NOT BE USED FOR
24 OR ACCRUE TO THE BENEFIT OF ANY PRIVATE INTERESTS;

25 (IV) THE AUTHORITY MAY LOAN PROCEEDS FROM BONDS ISSUED
26 BY THE AUTHORITY TO THE CONTROLLED ENTITY; AND

27 (V) THE CONTROLLED ENTITY SHALL ENJOY THE SAME PRIVILEGES

1 AND IMMUNITIES AS THE AUTHORITY, INCLUDING BUT NOT LIMITED TO THE
2 EXEMPTIONS FROM TAXATION PURSUANT TO SECTION 29-4-1104 (12)(a).

3 **29-4-1107. Powers of the board - selection of projects -**
4 **ownership - report.** (1) (a) ON OR BEFORE APRIL 1, 2023, THE
5 AUTHORITY SHALL PUBLISH THE FIRST SOLICITATION FOR PROPOSALS AS
6 PART OF AN INITIAL PILOT PROGRAM AND MUST COMPLETE THE REVIEW
7 AND SELECTION PROCESS ON OR BEFORE JULY 1, 2023, IN ACCORDANCE
8 WITH THE REQUIREMENTS SET FORTH IN THIS SECTION. THE AUTHORITY
9 MAY CONTINUE TO SOLICIT PROPOSALS AS PART OF THE INITIAL PILOT
10 PROGRAM; EXCEPT THAT THE AUTHORITY SHALL SELECT PROPOSED
11 AFFORDABLE RENTAL HOUSING PROJECTS THAT WILL DEVELOP AN
12 AGGREGATE OF NOT MORE THAN THREE THOUSAND FIVE HUNDRED UNITS.
13 AFFORDABLE RENTAL HOUSING PROJECTS SELECTED IN THE INITIAL PILOT
14 PROGRAM MUST HAVE GEOGRAPHIC, INCOME, AND PROJECT-SIZE
15 DIVERSITY AND BE BY A VARIETY OF DEVELOPER ENTITIES. WHEN THE
16 AUTHORITY HAS DETERMINED IT HAS ENOUGH INFORMATION FROM THE
17 PILOT PROGRAM SET FORTH IN THIS SUBSECTION (1)(a), THE AUTHORITY
18 SHALL PREPARE A REPORT AND PUBLICLY PRESENT TO THE GENERAL
19 ASSEMBLY A COMPREHENSIVE EVALUATION OF THE AUTHORITY'S IMPACT
20 ON MIDDLE-INCOME INDIVIDUALS AND FAMILIES AND ON HOUSING OF ALL
21 TYPES IN THE STATE. THE REPORT MUST INCLUDE RECOMMENDATIONS ON
22 WHETHER THE PILOT PROGRAM SHOULD END AND RECOMMENDATIONS FOR
23 LEGISLATIVE CHANGES TO IMPROVE OR MODIFY THE PROGRAM AS
24 IMPLEMENTED BY THE AUTHORITY.

25 (b) SUBJECT TO THE PROVISIONS OF SUBSECTION (1)(a) OF THIS
26 SECTION, THE AUTHORITY SHALL SELECT AFFORDABLE RENTAL HOUSING
27 PROJECTS BASED ON PROPOSALS FROM LOCAL GOVERNMENTS, HOUSING

1 AUTHORITIES, NONPROFIT ORGANIZATIONS SPECIALIZING IN HOUSING, AND
2 EXPERIENCED REAL ESTATE PROFESSIONALS WITH PROVEN TRACK
3 RECORDS IN DEVELOPING AND OPERATING PROJECTS OF SIMILAR SCALE
4 AND COMPLEXITY USING A FAIR AND TRANSPARENT PROCESS THAT
5 CREATES COMPETITION AND LIMITS PRIVATE SECTOR DEVELOPMENT FEES
6 TO AN AMOUNT THAT IS LESS THAN THE PRIVATE SECTOR DEVELOPMENT
7 FEES THAT ARE CUSTOMARILY RECEIVED AS OF THE EFFECTIVE DATE OF
8 THIS PART 11 FOR PROJECTS RECEIVING A FEDERAL LOW-INCOME HOUSING
9 TAX CREDIT PROVIDED BY SECTION 42 OF THE "INTERNAL REVENUE CODE
10 OF 1986", REFERRED TO IN THIS SECTION AS THE "LIHTC". THE
11 AUTHORITY'S OVERALL PORTFOLIO OF AFFORDABLE RENTAL HOUSING
12 PROJECTS MUST MAINTAIN THAT EIGHTY PERCENT ARE NEW BUILD
13 CONSTRUCTION PROJECTS.

14 (c) THE AUTHORITY SHALL ESTABLISH A PROCESS FOR SOLICITING
15 AND EVALUATING PROPOSALS AND SELECTING PROJECTS THAT INCLUDES
16 BUT IS NOT LIMITED TO PRIORITIZATION CRITERIA THAT GIVES PREFERENCE
17 TO PROPOSED AFFORDABLE RENTAL HOUSING PROJECTS THAT PROMOTE
18 ONE OR MORE OF THE FOLLOWING GOALS AND OBJECTIVES:

19 (I) INCREASE THE SUPPLY OF AFFORDABLE WORKFORCE HOUSING
20 IN URBAN, RURAL, AND RURAL RESORT COMMUNITIES ACROSS THE STATE,
21 AS EACH TERM IS CLASSIFIED PURSUANT TO SUBSECTION (1)(d) OF THIS
22 SECTION, THAT RESPONDS TO EACH COMMUNITY'S DEMONSTRATED NEED
23 FOR MIDDLE-INCOME PROJECTS IN WHICH AT LEAST SIXTY PERCENT OF
24 UNITS WITHIN A PARTICULAR DEVELOPMENT ARE AVAILABLE TO RENT OR
25 ARE ACTIVELY RENTED TO MIDDLE-INCOME INDIVIDUALS AND FAMILIES
26 AS DEFINED IN SECTION 29-4-1103 (7);

27 (II) CREATE OPPORTUNITIES TO BUILD INTERGENERATIONAL

1 WEALTH FOR FAMILIES;

2 (III) MEANINGFULLY CONTRIBUTE TO THE ALLEVIATION OF
3 HOUSING PRESSURES THE LOCAL WORKFORCE FACES;

4 (IV) PROVIDE FOR THE LONG-TERM AFFORDABILITY OF RENTAL
5 UNITS;

6 (V) HAVE MINIMAL NEGATIVE IMPACT ON EXISTING OR PLANNED
7 AFFORDABLE HOUSING PROJECTS IN THE STATE, WHICH IMPACTS SHALL BE
8 EVALUATED BY THE AUTHORITY IN CONSULTATION WITH OTHER HOUSING
9 AUTHORITIES, NONPROFITS, LOCAL GOVERNMENTS, OR ANY OTHER
10 APPLICABLE ENTITY;

11 (VI) TARGET A DIVERSE RANGE OF INCOME LEVELS WITHIN THE
12 INCOME RESTRICTED HOUSING COMPONENT FOR MIDDLE-INCOME
13 INDIVIDUALS AND FAMILIES AS SET FORTH IN SECTION 29-4-1103 (7) AND
14 PROPOSES AT LEAST THIRTY PERCENT OF THE RENTAL UNITS FOR
15 INDIVIDUALS AND FAMILIES WITH ANNUAL INCOME OF THE HOUSEHOLD AT
16 EIGHTY PERCENT OF THE AREA MEDIAN INCOME OF HOUSEHOLDS OF THAT
17 SIZE IN THE COUNTY IN WHICH THE HOUSING IS LOCATED OR
18 DEMONSTRABLY TARGETS THE LOWEST POSSIBLE AREA MEDIAN INCOME
19 FOR MIDDLE-INCOME INDIVIDUALS AND FAMILIES AS SET FORTH IN SECTION
20 29-4-1103 (7) GIVEN THE PROPOSED SCOPE OF THE DEVELOPMENT; AND

21 (VII) PROMOTE MIXED-INCOME DEVELOPMENT WHERE A
22 PERCENTAGE OF UNITS, PROPORTIONAL TO THE LOCAL DEMONSTRATED
23 HOUSING NEEDS WITHIN A PARTICULAR DEVELOPMENT, HAVE RESTRICTED
24 AVAILABILITY TO HOUSEHOLDS AT THE INCOME LEVELS FOR
25 MIDDLE-INCOME INDIVIDUALS AND FAMILIES AS SET FORTH IN SECTION
26 29-4-1103 (7). THE PERCENTAGE OF RESTRICTED UNITS AND
27 AFFORDABILITY LEVELS MUST COMPLY WITH ANY LOCAL LAWS PROMOTING

1 THE DEVELOPMENT OF NEW AFFORDABLE HOUSING UNITS PURSUANT TO
2 SECTION 29-20-104 (1).

3 (d) ON OR BEFORE SEPTEMBER 1, 2022, THE DIVISION OF HOUSING,
4 CREATED IN SECTION 24-32-704 (1), SHALL CLASSIFY EACH COUNTY IN THE
5 STATE AS "URBAN", "RURAL", OR "RURAL RESORT" BASED UPON THE
6 DEFINITIONS OF THE TERMS AS SPECIFIED IN THE FINAL REPORT OF THE
7 COLORADO STRATEGIC HOUSING WORKING GROUP, DATED JULY 6, 2021.
8 THE DIVISION OF HOUSING SHALL REGULARLY UPDATE AND PUBLISH
9 MODIFICATIONS OF THIS INITIAL CLASSIFICATION.

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11 (2) (a) IN ADDITION TO ANY OTHER CRITERIA ESTABLISHED BY THE
12 AUTHORITY, A PROPOSAL MUST:

13 (I) INCLUDE A COMPREHENSIVE PLAN OF FINANCE TO FINANCE THE
14 AFFORDABLE RENTAL HOUSING PROJECT FROM THE PROCEEDS OF BONDS
15 ISSUED BY THE AUTHORITY AND SOLD BY APPROVED UNDERWRITERS
16 IDENTIFIED IN THE PROPOSAL AND OTHER SOURCES, WITH ALL BONDS
17 ISSUED BY THE AUTHORITY BEING PAYABLE SOLELY FROM REVENUE
18 GENERATED BY AND SECURED SOLELY BY THE AFFORDABLE RENTAL
19 HOUSING PROJECT USING INITIAL RESTRICTED RENTS AND WITH NO
20 UPWARD TRENDING OF RENTS, WITH NO FINANCIAL OBLIGATION OR OTHER
21 LIABILITY OF THE STATE;

22 (II) SHOW HOW THE DEVELOPMENT ALIGNS WITH THE IDENTIFIED
23 NEEDS OF A COMMUNITY WHERE THE PROPOSED AFFORDABLE RENTAL
24 HOUSING PROJECT WILL BE LOCATED, AS DEFINED IN THE COMMUNITY'S
25 HOUSING NEEDS ASSESSMENT, WHERE AVAILABLE;

26 (III) INCLUDE AN ESTIMATE OF THE RENT SAVINGS TO
27 INCOME-RESTRICTED TENANTS, AN ESTIMATE OF THE TAX SAVINGS

1 RESULTING FROM THE AFFORDABLE RENTAL HOUSING PROJECT'S
2 EXEMPTION FROM STATE AND LOCAL TAXES, A COMPARISON OF THE
3 ESTIMATED RENT SAVINGS AND ESTIMATED TAX SAVINGS, AND A
4 DESCRIPTION OF HOW THE TAX SAVINGS WILL BE USED TO PRODUCE RENT
5 SAVINGS OR OTHER BENEFITS TO INCOME-RESTRICTED TENANTS;

6 (IV) LIMIT PRIVATE SECTOR DEVELOPMENT FEES TO AN AMOUNT
7 LESS THAN THE PRIVATE SECTOR DEVELOPMENT FEES THAT ARE
8 CUSTOMARY FOR LIHTC PROJECTS AS OF THE EFFECTIVE DATE OF THIS
9 PART 11;

10 (V) COMPLY WITH ALL TERMS OF THIS PART 11; AND

11 (VI) INCLUDE AN EXPLICIT DISCLAIMER THAT THE STATE HAS NO
12 LIABILITY FOR ANY OBLIGATIONS OF THE AUTHORITY, THAT THE BONDS,
13 CONTRACTUAL, AND OTHER OBLIGATIONS AND LIABILITIES OF THE
14 AUTHORITY ARE SPECIAL LIMITED OBLIGATIONS OF THE AUTHORITY AND
15 ARE NOT BONDS, OBLIGATIONS, OR LIABILITIES OF THE STATE, AND THAT
16 THE STATE SHALL HAVE NO OBLIGATION OR LIABILITY WITH RESPECT TO
17 ANY OF THE BONDS, CONTRACTUAL, OR OTHER OBLIGATIONS OR
18 LIABILITIES OF THE AUTHORITY.

19 (b) IN ADDITION TO ANY OTHER CRITERIA ESTABLISHED BY THE
20 AUTHORITY, A PROPOSAL MAY PROVIDE THAT A PORTION OF THE BONDS
21 ISSUED BY THE AUTHORITY TO FINANCE THE AFFORDABLE RENTAL
22 HOUSING PROJECT BE SOLD TO INVESTORS IDENTIFIED IN THE PROPOSAL.

23 (c) AN APPLICANT MAY, AT ANY TIME, REQUEST THAT THE BOARD
24 GRANT THE APPLICANT AN EXCEPTION TO THE UPPER LIMITS OF THE AREA
25 MEDIAN INCOME LEVELS FOR MIDDLE-INCOME INDIVIDUALS AND FAMILIES
26 AS SET FORTH IN SECTION 29-4-1103 (7) BASED UPON DEMONSTRATED
27 UNIQUE ECONOMIC AND HOUSING COST ATTRIBUTES IN THE LOCAL

1 COMMUNITY IN WHICH THE AFFORDABLE RENTAL HOUSING PROJECT IS
2 PROPOSED TO BE LOCATED.

3 (d) IF REQUIRED BY A LOCAL COMMUNITY IN WHICH A PROPOSED
4 AFFORDABLE RENTAL HOUSING PROJECT WILL BE LOCATED, AN APPLICANT
5 MAY REQUEST THAT THE BOARD GRANT THE APPLICANT AN ABILITY TO
6 PROVIDE A LIMITED NUMBER OF UNITS IN THE AFFORDABLE RENTAL
7 HOUSING PROJECT BELOW EIGHTY PERCENT OF AREA MEDIAN INCOME,
8 ONLY AS IS REQUIRED BY LOCAL ORDINANCE, ZONING INCENTIVES, OR
9 SIMILAR RULES AND REGULATIONS IN THE LOCAL COMMUNITY IN WHICH
10 THE PROPOSED AFFORDABLE RENTAL HOUSING PROJECT WILL BE LOCATED.
11 A PROPOSED AFFORDABLE RENTAL HOUSING PROJECT THAT RECEIVES A
12 WAIVER BY THE BOARD PURSUANT TO THIS SUBSECTION (2)(d) MUST STILL
13 HAVE A PRIMARY PURPOSE OF PROVIDING RENTAL HOUSING FOR
14 MIDDLE-INCOME INDIVIDUALS AND FAMILIES.

15 (3) To incentivize quality affordable rental housing
16 projects that will operate consistently and efficiently, in
17 evaluating proposals the authority shall favor proposals that
18 include an agreement from the developer and the operator
19 identified in the proposal to continue as developer and operator
20 of the affordable rental housing project for a period of at least
21 ten years, subject to the authority's right to remove them.

22 (4) (a) The authority shall establish a process to provide
23 notification to local governmental entities where a proposed
24 affordable rental housing project will be located prior to
25 selection of the project.

26 (b) (I) The authority must provide and deliver written
27 notice of a proposed affordable rental housing project to the

1 COUNTY AND MUNICIPALITY WHERE THE PROJECT IS PROPOSED TO BE
2 LOCATED WITHIN FOURTEEN DAYS OF THE AUTHORITY RECEIVING A
3 PROJECT PROPOSAL. THE COUNTY OR MUNICIPALITY MAY OBJECT TO A
4 PROJECT IN ACCORDANCE WITH THIS SUBSECTION (4)(b) AT ANY TIME
5 WITHIN NINETY DAYS AFTER RECEIPT OF THE NOTICE. THE AUTHORITY
6 SHALL NOT SELECT A PROPOSED AFFORDABLE RENTAL HOUSING PROJECT
7 IF THE COUNTY OR MUNICIPALITY IN WHICH THE PROJECT IS TO BE
8 LOCATED OBJECTS TO THE PROJECT IN ACCORDANCE WITH THIS
9 SUBSECTION (4)(b).

10 (II) EACH COUNTY AND MUNICIPALITY IN WHICH A PROPOSED
11 AFFORDABLE RENTAL HOUSING PROJECT WILL BE LOCATED MUST SOLICIT
12 FEEDBACK FROM OTHER LOCAL GOVERNMENTAL JURISDICTIONS IN THE
13 AREA IN WHICH THE PROJECT WILL BE LOCATED TO DETERMINE THE
14 IMPACT OF THE PROPOSED AFFORDABLE RENTAL HOUSING PROJECT ON THE
15 OTHER LOCAL GOVERNMENTAL JURISDICTIONS.

16 (III) DURING THE NINETY DAY NOTICE PERIOD PURSUANT TO
17 SUBSECTION (4)(b)(I) OF THIS SECTION, THE AUTHORITY SHALL USE BEST
18 EFFORTS TO WORK IN COOPERATION WITH OVERLAPPING LOCAL
19 GOVERNMENTAL ENTITIES FOR ANY PROPOSED AFFORDABLE RENTAL
20 HOUSING PROJECT. IF AFTER NEGOTIATIONS, A COUNTY OR A
21 MUNICIPALITY, OR BOTH, WITHIN WHICH BOUNDARIES A PROPOSED
22 AFFORDABLE RENTAL HOUSING PROJECT WILL BE LOCATED AND THAT HAS
23 OPTED INTO THE PILOT PROGRAM SET FORTH IN SUBSECTION (1)(a) OF THIS
24 SECTION, PROVIDES WRITTEN NOTICE TO THE AUTHORITY THAT THE
25 PROPOSED AFFORDABLE RENTAL HOUSING PROJECT IS NOT FEASIBLE AS
26 PROPOSED, WITH THE REASONS WHY THE PROJECT IS NOT FEASIBLE, THE
27 AUTHORITY SHALL NOT SELECT THE PROPOSED AFFORDABLE RENTAL

1 HOUSING PROJECT OR SHALL REQUEST THAT THE PROPOSAL BE
2 RESUBMITTED FOR RECONSIDERATION BY THE AUTHORITY AND THE
3 APPLICABLE COUNTY OR MUNICIPALITY, OR BOTH, AND SHALL TAKE INTO
4 ACCOUNT FEEDBACK RECEIVED FROM THE LOCAL GOVERNMENTAL
5 ENTITIES. NOTHING IN THIS SUBSECTION (4)(b)(III) PRECLUDES A LOCAL
6 GOVERNMENT FROM OBJECTING TO A PROJECT PROPOSAL THAT IS
7 RESUBMITTED TO THE AUTHORITY. IF THE PROPOSAL IS APPROVED BY THE
8 COUNTY OR MUNICIPALITY, OR BOTH AS APPLICABLE, OR IF NO FEEDBACK
9 IS RECEIVED BY THE AUTHORITY FROM THE COUNTY OR MUNICIPALITY, OR
10 BOTH AS APPLICABLE, THEN THE AUTHORITY MAY SELECT THE
11 AFFORDABLE RENTAL HOUSING PROJECT.

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

20 (V) A COUNTY OR MUNICIPALITY MAY APPROVE A PROPOSED
21 AFFORDABLE RENTAL HOUSING PROJECT AT ANY TIME, WHICH APPROVAL
22 ENDS THE NINETY DAY OBJECTION PERIOD SET FORTH IN THIS SUBSECTION
23 (4)(b). THE AUTHORITY MAY OFFER INCENTIVES TO OBTAIN SUCH
24 APPROVAL.

25 (5) WHEN AN AFFORDABLE RENTAL HOUSING PROJECT IS
26 SELECTED, THE AUTHORITY SHALL ENTER INTO A CONTRACT WITH THE
27 PERSON OR GROUP THAT SUBMITS THE PROPOSAL BASED ON THE TERMS SET

1 FORTH IN THE PROPOSAL AND ANY ADDITIONAL TERMS DEEMED
2 APPROPRIATE BY THE AUTHORITY AND IN ACCORDANCE WITH THE
3 PROVISIONS SET FORTH IN THIS PART 11. THE AUTHORITY MAY ESTABLISH
4 ADDITIONAL RESTRICTIONS ON DEVELOPER FEES, INCLUDING CAPS ON
5 OPERATING FEES AND OTHER MARKUPS, WHICH SHALL BE SET FORTH IN
6 THE CONTRACT.

7 (6) ALL INTERESTS OF THE PERSON OR GROUP WHOSE PROPOSAL
8 FOR AN AFFORDABLE RENTAL HOUSING PROJECT IS SELECTED WILL BE
9 TRANSFERRED TO THE AUTHORITY; EXCEPT THAT, AND SUBJECT TO
10 APPROVAL BY THE AUTHORITY, A HOUSING AUTHORITY WHOSE PROPOSAL
11 IS SELECTED MAY RETAIN A PORTION OF INTEREST IN THE AFFORDABLE
12 RENTAL HOUSING PROJECT. NOTWITHSTANDING THE PROVISIONS OF THIS
13 SUBSECTION (6), THE PERSON OR GROUP OF A SELECTED AFFORDABLE
14 RENTAL HOUSING PROJECT SHALL NOT RETAIN OR OTHERWISE BE ENTITLED
15 TO ANY INTEREST IN THE AFFORDABLE RENTAL HOUSING PROJECT OR ANY
16 RIGHT TO PAYMENTS FROM THE REVENUES FROM THE AFFORDABLE RENTAL
17 HOUSING PROJECT TRANSFERRED TO THE AUTHORITY, EXCEPT FOR THE
18 PERSON'S OR GROUP'S RIGHT TO COMPENSATION AND TO REIMBURSEMENT
19 FOR EXPENSES, WHICH SHALL BE CLEARLY DETAILED IN THE CONTRACT
20 BETWEEN THE AUTHORITY AND THE PERSON OR GROUP SET FORTH IN
21 SUBSECTION (5) OF THIS SECTION.

22 (7) AN AFFORDABLE RENTAL HOUSING PROJECT AND REVENUE
23 FROM AN AFFORDABLE RENTAL HOUSING PROJECT PROPOSED BY A PERSON
24 OR GROUP SHALL NOT BE PLEDGED OR OTHERWISE USED FOR THE PAYMENT
25 OF BONDS OR OTHER OBLIGATIONS OF PROJECTS PROPOSED BY ANY OTHER
26 PERSON OR GROUP WITHOUT THE CONSENT OF BOTH THE PERSON OR GROUP
27 AND OTHER PERSON OR GROUP.

1 (8) THE AFFORDABLE RENTAL HOUSING PROJECTS, ASSETS OF THE
2 AUTHORITY, AND THE APPRECIATION IN VALUE AND PROCEEDS OF ANY
3 SALE OF AN AFFORDABLE RENTAL HOUSING PROJECT MUST BE USED TO
4 PROVIDE AFFORDABLE MIDDLE-INCOME WORKFORCE HOUSING AND SHALL
5 NOT BE DIVERTED TO ANY OTHER USE OR FOR ANY OTHER PURPOSE WHILE
6 THE AUTHORITY IS IN EXISTENCE.

7 (9) THE AUTHORITY SHALL CONTRACT WITH AN OUTSIDE GROUP TO
8 EVALUATE THE SUCCESS OF ITS AFFORDABLE RENTAL HOUSING PROJECTS.

9 (10) (a) INCOME-RESTRICTED RENTAL UNITS IN AFFORDABLE
10 RENTAL HOUSING PROJECTS MUST BE AFFORDABLE MIDDLE-INCOME
11 WORKFORCE HOUSING, AND RENTS FOR UNITS OF AFFORDABLE RENTAL
12 HOUSING PROJECTS MUST REMAIN AS STABLE AS IS FINANCIALLY FEASIBLE.
13 TO DETERMINE RENT, THE BOARD SHALL CONSIDER INFORMATION FROM
14 MARKET STUDIES PREPARED IN CONNECTION WITH THE DEVELOPMENT OF
15 THE AFFORDABLE RENTAL HOUSING PROJECT AND OTHER AVAILABLE
16 INFORMATION ADJUSTED AS THE BOARD DEEMS APPROPRIATE FOR THE
17 PERIOD SINCE THE INFORMATION WAS COMPILED AND ANY ADDITIONAL
18 FACTS AND CIRCUMSTANCES APPLICABLE TO THE AFFORDABLE RENTAL
19 HOUSING PROJECT AND THE AREA IN WHICH IT IS LOCATED, WITH A GOAL
20 OF NOT EXCEEDING THIRTY PERCENT OF THE INDIVIDUAL'S OR FAMILY'S
21 INCOME. RENT SET BY THE AUTHORITY FOR INCOME-RESTRICTED UNITS
22 MUST BE AT LEAST TEN PERCENT BELOW MARKET RENTAL RATES AND
23 SHALL NOT EXCEED MAXIMUM RENTS FOR HOUSEHOLDS OF A GIVEN SIZE
24 AND INCOME LEVEL AS ESTABLISHED BY THE UNITED STATES DEPARTMENT
25 OF HOUSING AND URBAN DEVELOPMENT OR PUBLISHED BY THE COLORADO
26 DIVISION OF HOUSING OR OTHER STATEWIDE AUTHORITY ON HOUSING.

27 (b) RENTAL UNITS IN AN AFFORDABLE RENTAL HOUSING PROJECT

1 SHALL NOT BE RENTED ON A SHORT-TERM BASIS.

2 (11) THE AUTHORITY SHALL CREATE PRIORITIES FOR SELECTING
3 TENANTS FOR UNITS IN AN AFFORDABLE RENTAL HOUSING PROJECT THAT
4 FAVOR INDIVIDUALS WHO WORK, OR FAMILIES WHERE AT LEAST ONE
5 MEMBER OF THE FAMILY WORKS, IN THE AREA IN WHICH THE AFFORDABLE
6 RENTAL HOUSING PROJECT IS LOCATED, IN ADDITION TO OTHER PRIORITIES
7 THAT THE BOARD DETERMINES ARE APPROPRIATE BASED ON THE FACTS
8 AND CIRCUMSTANCES APPLICABLE TO THE AFFORDABLE RENTAL HOUSING
9 PROJECT AND THE AREA IN WHICH IT IS LOCATED.

10 (12) THE AUTHORITY SHALL NOT UTILIZE STATE FUNDING WHERE
11 THE MONEY ORIGINATES FROM THE FEDERAL "AMERICAN RESCUE PLAN
12 ACT OF 2021", PUB.L. 117-2, AS THE ACT MAY BE SUBSEQUENTLY
13 AMENDED, FOR ANY LOAN, GRANT, OR OTHER PROGRAM ESTABLISHED BY
14 SENATE BILLS 22-146, 22-159, AND 22-160, ENACTED IN 2022, AND
15 HOUSE BILLS 22-1282 AND 22-1304, ENACTED IN 2022.

16 (13) THE AUTHORITY SHALL NOT USE ANY FUNDING AVAILABLE TO
17 IT TO ACQUIRE EXISTING PROPERTIES SUPPORTED WITH THE FEDERAL
18 LOW-INCOME HOUSING TAX CREDIT PROVIDED BY SECTION 42 OF THE
19 INTERNAL REVENUE CODE, THE COLORADO STATE AFFORDABLE HOUSING
20 TAX CREDIT AUTHORIZED UNDER PART 21 OF ARTICLE 22 OF TITLE 39, OR
21 THE UNITED STATES DEPARTMENT OF AGRICULTURE 515 RURAL RENTAL
22 HOUSING LOAN PROGRAM SUBSIDIZED PROPERTIES.

23 (14) THE AUTHORITY SHALL NOT ISSUE EXEMPT FACILITY BONDS,
24 AS DEFINED IN SECTION 142(a) OF THE INTERNAL REVENUE CODE OF 1986,
25 AS AMENDED, USE PRIVATE ACTIVITY BONDS VOLUME CAP ALLOCATION IN
26 THE ISSUANCE OF ANY BONDS, OR RECEIVE A DIRECT ALLOCATION,
27 STATEWIDE BALANCE AWARD OR ASSIGNMENT OF ALLOCATION OF STATE

1 CEILING UNDER THE COLORADO PRIVATE ACTIVITY BOND CEILING
2 ALLOCATION ACT SET FORTH IN PART 17 OF ARTICLE 32 OF TITLE 24, AND
3 THE AUTHORITY SHALL NOT USE FEDERAL LIHTC OR STATE AFFORDABLE
4 HOUSING TAX CREDITS FOR ITS AFFORDABLE RENTAL HOUSING PROJECTS.

5 **29-4-1108. Relationship of authority and other jurisdictions.**

6 (1) THE PROVISION OF AFFORDABLE RENTAL HOUSING BY THE AUTHORITY
7 IS A MATTER OF STATEWIDE CONCERN AND THEREFORE EACH COUNTY,
8 MUNICIPALITY, OR SPECIAL DISTRICT IN WHICH AN AFFORDABLE RENTAL
9 HOUSING PROJECT IS LOCATED, IN CONNECTION WITH THE PROJECT, SHALL
10 PROVIDE GOVERNMENTAL SERVICES OF THE SAME CHARACTER AND TO THE
11 SAME EXTENT AS SERVICES PROVIDED FOR OTHER RESIDENTS OF THE
12 COUNTY, MUNICIPALITY, OR SPECIAL DISTRICT.

13 (2) NOTWITHSTANDING THE PROVISIONS SET FORTH IN SUBSECTION
14 (1) OF THIS SECTION, THE AUTHORITY MAY ENTER INTO CONTRACTUAL OR
15 INTERGOVERNMENTAL AGREEMENTS WITH ANY COUNTY, MUNICIPALITY,
16 OR SPECIAL DISTRICT FOR THE PROVISION OF ANY ADDITIONAL
17 COMMUNITY, MUNICIPAL, OR PUBLIC FACILITIES OR SERVICES NECESSARY
18 OR DESIRABLE FOR ANY AFFORDABLE RENTAL HOUSING PROJECT.

19 (3) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE
20 STATE, ANY STATE AGENCY, ANY COUNTY, AND ANY MUNICIPALITY IN
21 WHICH A PROJECT IS OR IS TO BE LOCATED, AND ANY BOARD, AUTHORITY,
22 AGENCY, DEPARTMENT, COMMISSION, PUBLIC CORPORATION, OR
23 INSTRUMENTALITY OF SUCH COUNTY OR MUNICIPALITY, HAS THE POWER
24 TO LEND OR GRANT MONEY OR ANY OTHER FORM OF PROPERTY, REAL,
25 PERSONAL, OR MIXED, TO THE AUTHORITY AND TO ENTER INTO CONTRACTS
26 TO MAKE SUCH LOANS AND GRANTS, ALL UPON WHICH SUCH TERMS AND
27 CONDITIONS AS THE AUTHORITY AND THE STATE, STATE AGENCY, COUNTY,

1 OR MUNICIPALITY MAY AGREE.

2 **29-4-1109. Bonds.** (1) (a) THE AUTHORITY MAY ISSUE BONDS TO
3 FINANCE ITS AFFORDABLE RENTAL HOUSING PROJECTS OR TO ACCOMPLISH
4 OR FURTHER ANY OF ITS POWERS OR DUTIES RELATING TO AFFORDABLE
5 RENTAL HOUSING PROJECTS.

6 (b) BONDS MUST BE ISSUED PURSUANT TO RESOLUTION OF THE
7 BOARD, ARE PAYABLE SOLELY FROM ALL OR A SPECIFIED PORTION OF THE
8 REVENUES OR ASSETS OF THE AUTHORITY AND MAY BE SECURED BY A
9 MORTGAGE, DEED OF TRUST, PLEDGE, OTHER SECURITY INTEREST IN OR
10 ENCUMBRANCE ON ANY OF THE REVENUE, PROPERTY, OR ASSETS OF THE
11 AUTHORITY.

12 (c) BONDS MAY BE EXECUTED AND DELIVERED BY THE AUTHORITY
13 AT SUCH TIMES; MAY BE IN SUCH FORM AND DENOMINATIONS AND
14 INCLUDE SUCH TERMS AND MATURITIES; MAY BE SUBJECT TO OPTIONAL OR
15 MANDATORY REDEMPTION PRIOR TO MATURITY WITH OR WITHOUT A
16 PREMIUM; MAY BE IN FULLY REGISTERED FORM OR BEARER FORM
17 REGISTRABLE AS TO PRINCIPAL OR INTEREST OR BOTH; MAY BEAR SUCH
18 CONVERSION PRIVILEGES; MAY BE PAYABLE IN SUCH INSTALLMENTS AND
19 AT SUCH TIMES NOT EXCEEDING FORTY-FIVE YEARS FROM THE DATE
20 THEREOF; MAY BE PAYABLE AT SUCH PLACE OR PLACES WHETHER WITHIN
21 OR WITHOUT THE STATE; MAY BEAR INTEREST AT SUCH RATE OR RATES PER
22 ANNUM, WHICH MAY BE FIXED OR VARY ACCORDING TO INDEX,
23 PROCEDURE, OR FORMULA OR AS DETERMINED BY THE AUTHORITY OR ITS
24 AGENTS, WITHOUT REGARD TO ANY INTEREST RATE LIMITATION
25 APPEARING IN ANY OTHER LAW OF THE STATE; MAY BE SUBJECT TO
26 PURCHASE AT THE OPTION OF THE HOLDER OR THE AUTHORITY; MAY BE
27 EVIDENCED IN SUCH MANNER; MAY BE EXECUTED BY SUCH OFFICERS OF

1 THE AUTHORITY, INCLUDING THE USE OF ONE OR MORE FACSIMILE
2 SIGNATURES SO LONG AS AT LEAST ONE MANUAL SIGNATURE APPEARS ON
3 THE BONDS, WHICH MAY BE EITHER OF AN OFFICER OF THE AUTHORITY OR
4 OF AN AGENT AUTHENTICATING THE SAME; MAY BE IN THE FORM OF
5 COUPON BONDS THAT HAVE ATTACHED INTEREST COUPONS BEARING A
6 MANUAL OR FACSIMILE SIGNATURE OF AN OFFICER OF THE AUTHORITY;
7 AND MAY CONTAIN SUCH PROVISIONS NOT INCONSISTENT WITH THIS PART
8 11, ALL AS PROVIDED IN THE RESOLUTION OF THE BOARD UNDER WHICH
9 THE BONDS ARE AUTHORIZED TO BE ISSUED OR AS PROVIDED IN A TRUST
10 INDENTURE BETWEEN THE AUTHORITY AND ANY COMMERCIAL BANK OR
11 TRUST COMPANY HAVING FULL TRUST POWERS.

12 (d) BONDS MAY BE SOLD AT PUBLIC OR PRIVATE SALE AT SUCH
13 PRICE OR PRICES, IN SUCH MANNER, AND AT SUCH TIMES AS DETERMINED
14 BY THE BOARD, AND THE AUTHORITY MAY PAY ALL FEES, EXPENSES, AND
15 COMMISSIONS THAT IT DEEMS NECESSARY OR ADVANTAGEOUS IN
16 CONNECTION WITH THE SALE OF THE BONDS. THE POWER TO FIX THE DATE
17 OF SALE OF THE BONDS, TO RECEIVE BIDS OR PROPOSALS, TO AWARD AND
18 SELL BONDS, TO FIX INTEREST RATES, AND TO TAKE ALL OTHER ACTION
19 NECESSARY TO SELL AND DELIVER THE BONDS MAY BE DELEGATED TO AN
20 OFFICER OR AGENT OF THE AUTHORITY.

21 (e) ANY OUTSTANDING BONDS MAY BE REFUNDED BY THE
22 AUTHORITY PURSUANT TO ARTICLE 56 OF TITLE 11.

23 (f) ALL BONDS AND ANY INTEREST COUPONS APPLICABLE TO THE
24 BONDS ARE DECLARED TO BE NEGOTIABLE INSTRUMENTS.

25 (g) THE RESOLUTION OR TRUST INDENTURE AUTHORIZING THE
26 ISSUANCE OF THE BONDS MAY PLEDGE ALL OR A PORTION OF THE
27 REVENUES AND ASSETS OF THE AUTHORITY; MAY GRANT OR PROVIDE FOR

1 A MORTGAGE, DEED OF TRUST, PLEDGE, OTHER SECURITY INTEREST IN OR
2 ENCUMBRANCE ON ANY OF THE REVENUES, PROPERTY, OR ASSETS OF THE
3 AUTHORITY; MAY PLEDGE ALL OR A PORTION OF THE RIGHTS OF THE
4 AUTHORITY TO IMPOSE AND RECEIVE RENT OR OTHER CHARGES IN
5 ACCORDANCE WITH THE PROVISIONS OF THIS PART 11; MAY CONTAIN SUCH
6 PROVISIONS FOR PROTECTING AND ENFORCING THE RIGHTS AND REMEDIES
7 OF HOLDERS OF ANY OF THE BONDS AS THE AUTHORITY DEEMS
8 APPROPRIATE; MAY SET FORTH THE RIGHTS AND REMEDIES OF THE
9 HOLDERS OF ANY OF THE BONDS; AND MAY CONTAIN PROVISIONS THAT THE
10 AUTHORITY DEEMS APPROPRIATE FOR THE SECURITY OF THE HOLDERS OF
11 THE BONDS, INCLUDING, BUT NOT LIMITED TO, PROVISIONS FOR LETTERS OF
12 CREDIT, INSURANCE, STANDBY CREDIT AGREEMENTS, OR OTHER FORMS OF
13 CREDIT ENSURING TIMELY PAYMENT OF THE BONDS, INCLUDING THE
14 REDEMPTION PRICE OR THE PURCHASE PRICE.

15 (h) ANY PLEDGE OF REVENUE, ASSETS, OR OTHER PROPERTY MADE
16 BY THE AUTHORITY OR BY ANY PERSON OR GOVERNMENTAL UNIT WITH
17 WHICH THE AUTHORITY CONTRACTS IS VALID AND BINDING FROM THE TIME
18 THE PLEDGE IS MADE. THE PLEDGED REVENUES, ASSETS, OR PROPERTY ARE
19 IMMEDIATELY SUBJECT TO THE LIEN OF THE PLEDGE WITHOUT ANY
20 PHYSICAL DELIVERY OR FURTHER ACT, AND THE LIEN OF THE PLEDGE IS
21 VALID AND BINDING AGAINST ALL PARTIES HAVING CLAIMS OF ANY KIND
22 IN TORT, CONTRACT, OR OTHERWISE AGAINST THE PLEDGING PARTY.
23 THE INSTRUMENT BY WHICH THE PLEDGE IS CREATED SHALL BE RECORDED
24 OR FILED. SUCH LIEN OF THE PLEDGE IS SUPERIOR ONLY TO ANY OTHER
25 LIEN ON THE SAME REVENUE, ASSETS, OR PROPERTY THAT IS FILED LATER
26 IN TIME OTHER THAN A LIEN FOR PROPERTY TAXES.

27 (i) NEITHER THE MEMBERS OF THE BOARD OF THE AUTHORITY,

1 EMPLOYEES OF THE AUTHORITY, NOR ANY PERSON EXECUTING THE BONDS
2 ARE LIABLE PERSONALLY ON THE BONDS OR SUBJECT TO ANY PERSONAL
3 LIABILITY BY REASON OF THE ISSUANCE OF THE BONDS.

4 (j) THE AUTHORITY MAY PURCHASE ITS BONDS OUT OF ANY
5 AVAILABLE MONEY AND MAY HOLD, PLEDGE, CANCEL, OR RESELL SUCH
6 BONDS SUBJECT TO AND IN ACCORDANCE WITH AGREEMENTS WITH THE
7 HOLDERS OF THE BONDS.

8 (2) THE AUTHORITY MAY INVEST OR DEPOSIT ANY PROCEEDS AND
9 ANY INTEREST FROM THE SALE OF BONDS IN THE MANNER PROVIDED BY
10 PART 6 OF ARTICLE 75 OF TITLE 24. IN ADDITION, THE AUTHORITY MAY
11 DIRECT A CORPORATE TRUSTEE THAT HOLDS SUCH PROCEEDS AND ANY
12 INTEREST TO INVEST OR DEPOSIT SUCH PROCEEDS AND ANY INTEREST IN
13 INVESTMENTS OR DEPOSITS OTHER THAN THOSE SPECIFIED BY SAID PART
14 6 IF THE BOARD DETERMINES, BY RESOLUTION, THAT THE INVESTMENT OR
15 DEPOSIT MEETS THE STANDARD ESTABLISHED IN SECTION 15-1-304, THE
16 INCOME IS AT LEAST COMPARABLE TO INCOME AVAILABLE ON
17 INVESTMENTS OR DEPOSITS SPECIFIED BY PART 6 OF ARTICLE 75 OF TITLE
18 24, AND THE INVESTMENT WILL ASSIST THE AUTHORITY IN THE
19 COMPLETION OF THE AFFORDABLE RENTAL HOUSING PROJECT OR
20 ACTIVITIES TO BE FINANCED FROM PROCEEDS OF THE BONDS.

21 (3) ALL BANKS, TRUST COMPANIES, SAVINGS AND LOAN
22 ASSOCIATIONS, INSURANCE COMPANIES, EXECUTORS, ADMINISTRATORS,
23 GUARDIANS, TRUSTEES, AND OTHER FIDUCIARIES MAY LEGALLY INVEST
24 ANY MONEY WITHIN THEIR CONTROL IN BONDS ISSUED UNDER THIS PART
25 11. PUBLIC ENTITIES, AS DEFINED IN SECTION 24-75-601 (1), MAY INVEST
26 PUBLIC MONEY IN SUCH BONDS ONLY IF THE BONDS SATISFY THE
27 INVESTMENT REQUIREMENTS ESTABLISHED IN PART 6 OF ARTICLE 75 OF

1 TITLE 24.

2 (4) BONDS ISSUED UNDER THIS PART 11 ARE EXEMPT FROM THE
3 PROVISIONS OF ARTICLE 51 OF TITLE 11.

4 (5) THE ISSUANCE OF BONDS BY THE AUTHORITY PURSUANT TO
5 THIS PART 11 NEED NOT COMPLY WITH THE REQUIREMENTS OF ANY OTHER
6 STATE LAW APPLICABLE TO THE ISSUANCE OF BONDS AND NO
7 PROCEEDINGS, NOTICE, OR APPROVAL IS REQUIRED FOR THE ISSUANCE OF
8 BONDS BY THE AUTHORITY EXCEPT AS PROVIDED IN THIS PART 11.

9 **29-4-1110. Agreement of the state not to limit or alter rights**
10 **of obligees.** THE STATE PLEDGES AND AGREES WITH THE HOLDERS OF ANY
11 BONDS ISSUED UNDER THIS PART 11 AND WITH THOSE PARTIES WHO ENTER
12 INTO CONTRACTS WITH THE AUTHORITY THAT THE STATE WILL NOT IMPAIR
13 THE RIGHTS VESTED IN THE AUTHORITY OR THE RIGHTS OR OBLIGATIONS
14 OF ANY PERSON WITH WHICH THE AUTHORITY CONTRACTS TO FULFILL THE
15 TERMS OF ANY AGREEMENTS MADE PURSUANT TO THIS PART 11. THE
16 STATE FURTHER AGREES THAT IT WILL NOT IMPAIR THE RIGHTS OR
17 REMEDIES OF THE HOLDERS OF ANY BONDS OF THE AUTHORITY UNTIL THE
18 BONDS HAVE BEEN PAID OR UNTIL ADEQUATE PROVISION FOR PAYMENT
19 HAS BEEN MADE. THE AUTHORITY MAY INCLUDE THIS PROVISION AND
20 UNDERTAKING FOR THE STATE IN THE BONDS.

21 **29-4-1111. Issuance of funds to the authority.** ON JULY 1, 2022,
22 THE STATE TREASURER SHALL ISSUE TO THE AUTHORITY A WARRANT PAID
23 FROM THE GENERAL FUND IN AN AMOUNT EQUAL TO ONE MILLION DOLLARS
24 FOR USE BY THE AUTHORITY CONSISTENT WITH THE PROVISIONS OF THIS
25 PART 11.

26 **29-4-1112. No action maintainable.** AN ACTION OR PROCEEDING
27 AT LAW OR IN EQUITY TO REVIEW ANY ACTS OR PROCEEDINGS OR TO

1 QUESTION THE VALIDITY OR ENJOIN THE PERFORMANCE OF ANY ACT OR
2 PROCEEDINGS OR THE ISSUANCE OF ANY BONDS OR FOR ANY OTHER RELIEF
3 AGAINST OR FROM ANY ACTS OR PROCEEDINGS DONE UNDER THIS PART 11,
4 WHETHER BASED UPON IRREGULARITIES OR JURISDICTIONAL DEFECTS,
5 SHALL NOT BE MAINTAINED UNLESS COMMENCED WITHIN THIRTY DAYS
6 AFTER THE PERFORMANCE OF THE ACT OR PROCEEDINGS OR THE EFFECTIVE
7 DATE OF THE ACTS OR PROCEEDINGS, WHICHEVER OCCURS FIRST, AND IS
8 THEREAFTER PERPETUALLY BARRED.

9 **29-4-1113. Judicial examination of powers, acts, proceedings,**
10 **or contracts of the authority.** IN ITS DISCRETION, THE BOARD MAY FILE
11 A PETITION AT ANY TIME IN THE DISTRICT COURT IN AND FOR ANY COUNTY
12 IN WHICH THE AUTHORITY IS LOCATED WHOLLY OR IN PART, OR IN WHICH
13 THE AUTHORITY INTENDS TO CONDUCT ACTIVITIES, SEEKING A JUDICIAL
14 EXAMINATION AND DETERMINATION OF ANY POWER CONFERRED TO THE
15 AUTHORITY, ANY REVENUE-RAISING POWER EXERCISED OR THAT MAY BE
16 EXERCISED BY THE AUTHORITY, OR ANY ACT, PROCEEDING, OR CONTRACT
17 OF THE AUTHORITY, WHETHER OR NOT THE ACT OR PROCEEDING HAS
18 OCCURRED OR THE CONTRACT HAS BEEN EXECUTED. THE JUDICIAL
19 EXAMINATION AND DETERMINATION MUST BE CONDUCTED IN
20 SUBSTANTIALLY THE MANNER SET FORTH IN SECTION 32-4-540; EXCEPT
21 THAT THE NOTICE REQUIRED MUST BE PUBLISHED ONCE A WEEK FOR THREE
22 CONSECUTIVE WEEKS AND THE HEARING MUST BE HELD NOT LESS THAN
23 THIRTY DAYS NOR MORE THAN FORTY DAYS AFTER THE FILING OF THE
24 PETITION.

25 **29-4-1114. This part 11 not a limitation of powers.** NOTHING IN
26 THIS PART 11 CONSTITUTES A RESTRICTION OR LIMITATION UPON ANY
27 OTHER POWERS THAT THE AUTHORITY MIGHT OTHERWISE HAVE UNDER

1 ANY OTHER LAW OF THE STATE, AND THIS PART 11 IS CUMULATIVE TO ANY
2 SUCH POWERS. THIS PART 11 DOES AND IS CONSTRUED TO PROVIDE A
3 COMPLETE, ADDITIONAL, AND ALTERNATIVE METHOD FOR ACTING IN ANY
4 MANNER AUTHORIZED THEREBY AND IS SUPPLEMENTAL AND ADDITIONAL
5 TO POWERS CONFERRED BY OTHER LAWS.

6 **29-4-1115. Construction of this part 11.** THE GRANT OF
7 AUTHORITY PURSUANT TO THIS PART 11 IS IN ADDITION TO ALL OTHER
8 AUTHORITY PROVIDED BY LAW. NOTHING IN THIS PART 11 LIMITS THE
9 AUTHORITY OF THE STATE, A LOCAL GOVERNMENT, OR A POLITICAL
10 SUBDIVISION OF THE STATE, INCLUDING THE COLORADO HOUSING AND
11 FINANCE AUTHORITY CREATED IN SECTION 29-4-704, TO UTILIZE OTHER
12 POLICIES AND PROCEDURES FOR THE ACQUISITION, CONSTRUCTION,
13 REHABILITATION, OWNERSHIP, OPERATION, OR FINANCING OF ANY TYPE OF
14 HOUSING.

15 **SECTION 3. Appropriation.** For the 2022-23 state fiscal year,
16 \$1,000,000 is appropriated to the department of treasury. This
17 appropriation is from the general fund. To implement this act, the
18 department may use this appropriation for payment to the Colorado
19 workforce housing trust authority.

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