

An Act

HOUSE BILL 24-1316

BY REPRESENTATIVE(S) Lindstedt and Lindsay, Amabile, Bacon, Bird, Brown, Daugherty, Duran, Froelich, Hamrick, Hernandez, Herod, Jodeh, Joseph, Lukens, Marvin, Mauro, McCormick, Ortiz, Parenti, Rutinel, Titone, Valdez, Vigil, Woodrow, McCluskie, Boesenecker, Kipp, Lieder, McLachlan, Ricks, Sirota, Snyder, Velasco, Weissman, Willford, Young; also SENATOR(S) Bridges, Buckner, Cutter, Hinrichsen, Marchman, Michaelson Jenet, Mullica, Priola, Roberts, Sullivan.

CONCERNING THE CREATION OF A PILOT PROGRAM FOR A MIDDLE-INCOME HOUSING INCOME TAX CREDIT.

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

SECTION 1. In Colorado Revised Statutes, **add** part 54 to article 22 of title 39 as follows:

PART 54
MIDDLE-INCOME HOUSING TAX CREDIT

39-22-5401. Tax preference performance statement - legislative declaration. (1) IN ACCORDANCE WITH SECTION 39-21-304, WHICH REQUIRES EACH BILL THAT CREATES A NEW TAX EXPENDITURE TO INCLUDE A TAX PREFERENCE PERFORMANCE STATEMENT AS PART OF A STATUTORY

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

LEGISLATIVE DECLARATION, THE GENERAL ASSEMBLY FINDS AND DECLARES THAT THE PURPOSES OF THE TAX CREDIT ALLOWED IN THIS PART 54 ARE TO INDUCE CERTAIN DESIGNATED BEHAVIOR BY TAXPAYERS AND TO PROVIDE TAX RELIEF FOR CERTAIN BUSINESSES OR INDIVIDUALS. SPECIFICALLY, THE CREDIT SEEKS TO ADDRESS THE SHORTAGE OF AFFORDABLE HOUSING IN THE STATE AND INCREASE ACCESS TO AFFORDABLE HOUSING BY ENCOURAGING DEVELOPERS TO BUILD UNITS SPECIFICALLY FOR MIDDLE-INCOME INDIVIDUALS AND FAMILIES AND ALSO TO ENCOURAGE PRIVATE SECTOR INVESTMENT IN AFFORDABLE HOUSING.

(2) THE GENERAL ASSEMBLY AND THE STATE AUDITOR SHALL MEASURE THE EFFECTIVENESS OF THE INCOME TAX CREDIT ALLOWED IN THIS PART 54 IN ACHIEVING THE PURPOSES SPECIFIED IN SUBSECTION (1) OF THIS SECTION BASED ON THE INFORMATION REQUIRED TO BE REPORTED TO THE STATE AUDITOR BY THE COLORADO HOUSING AND FINANCE AUTHORITY PURSUANT TO SECTION 39-22-5408.

39-22-5402. Definitions. AS USED IN THIS PART 54, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(1) "ALLOCATION CERTIFICATE" MEANS A STATEMENT ISSUED BY THE AUTHORITY CERTIFYING THAT A QUALIFIED DEVELOPMENT MEETS THE REQUIREMENTS OF THIS PART 54 AND SPECIFYING THE AMOUNT OF THE CREDIT ALLOCATED TO THE OWNER OF A QUALIFIED DEVELOPMENT.

(2) "ALLOCATION PLAN" MEANS THE ALLOCATION PLAN ADOPTED BY THE AUTHORITY THAT GOVERNS THE SELECTION CRITERIA AND PREFERENCES FOR ALLOCATING THE CREDITS ALLOWED IN THIS PART 54 AND THAT IS POSTED ON THE AUTHORITY'S WEBSITE.

(3) "AUTHORITY" MEANS THE COLORADO HOUSING AND FINANCE AUTHORITY CREATED IN SECTION 29-4-704.

(4) "COMPLIANCE PERIOD" MEANS THE PERIOD OF FIFTEEN YEARS BEGINNING WITH THE FIRST TAXABLE YEAR OF THE CREDIT PERIOD.

(5) "CREDIT" MEANS THE MIDDLE-INCOME HOUSING TAX CREDIT ALLOWED PURSUANT TO THIS PART 54.

(6)(a) "CREDIT PERIOD" MEANS THE PERIOD OF FIVE TAXABLE YEARS

BEGINNING WITH THE TAXABLE YEAR IN WHICH A QUALIFIED DEVELOPMENT IS PLACED IN SERVICE.

(b) FOR PURPOSES OF THIS SUBSECTION (6), "PLACED IN SERVICE" MEANS THE DATE DEFINED BY THE AUTHORITY AS SET FORTH IN THE ALLOCATION PLAN AND BASED ON 26 CFR 1.46-3 (d).

(7) "DEPARTMENT" MEANS THE COLORADO DEPARTMENT OF REVENUE.

(8) "MIDDLE-INCOME HOUSING UNIT" MEANS A RESIDENTIAL UNIT IN A QUALIFIED DEVELOPMENT THAT IS RENT RESTRICTED AND RESERVED FOR OCCUPANCY ONLY BY MIDDLE-INCOME INDIVIDUALS AND FAMILIES.

(9) (a) "MIDDLE-INCOME INDIVIDUALS AND FAMILIES" MEANS INDIVIDUALS AND FAMILIES WITH AN ANNUAL INCOME BETWEEN EIGHTY PERCENT AND ONE HUNDRED TWENTY PERCENT OF THE AREA MEDIAN INCOME OF HOUSEHOLDS OF THAT SIZE IN THE COUNTY IN WHICH THE QUALIFIED DEVELOPMENT IS LOCATED; EXCEPT THAT, FOR INDIVIDUALS AND FAMILIES RESIDING IN A RURAL RESORT COUNTY, THE ANNUAL HOUSEHOLD INCOME IS BETWEEN EIGHTY PERCENT AND ONE HUNDRED FORTY PERCENT OF THE AREA MEDIAN INCOME OF HOUSEHOLDS OF THAT SIZE IN THE COUNTY IN WHICH THE QUALIFIED DEVELOPMENT IS LOCATED.

(b) FOR PURPOSES OF THIS SUBSECTION (9), "AREA MEDIAN INCOME" MEANS THE MEDIAN HOUSEHOLD INCOME OF HOUSEHOLDS OF A GIVEN SIZE IN THE COUNTY IN WHICH THE HOUSING IS LOCATED, AS ESTABLISHED FOR A GIVEN YEAR BY THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

(c) FOR PURPOSES OF THIS SUBSECTION (9), "RURAL RESORT COUNTY" MEANS ANY COUNTY CLASSIFIED AS A RURAL RESORT COUNTY BY THE DIVISION OF HOUSING IN THE DEPARTMENT OF LOCAL AFFAIRS AS SPECIFIED IN THE FINAL REPORT OF THE COLORADO STRATEGIC HOUSING WORKING GROUP, DATED JULY 6, 2021, INCLUDING UPDATES AND MODIFICATIONS TO THE INITIAL CLASSIFICATION OF A COUNTY.

(10) "OWNER" MEANS THE OWNER OF A QUALIFIED DEVELOPMENT.

(11) (a) "QUALIFIED BASIS" MEANS THE AMOUNT THAT EQUALS THE

ADJUSTED BASIS OF THE QUALIFIED DEVELOPMENT AS OF THE CLOSE OF THE FIRST TAXABLE YEAR OF THE CREDIT PERIOD MULTIPLIED BY THE APPLICABLE FRACTION.

(b) FOR PURPOSES OF THIS SUBSECTION (11), "ADJUSTED BASIS" MEANS THE ADJUSTED BASIS AMOUNT CALCULATED ACCORDING TO THE ALLOCATION PLAN.

(c) FOR PURPOSES OF THIS SUBSECTION (11), "APPLICABLE FRACTION" MEANS THE FRACTION THAT HAS AS ITS NUMERATOR THE NUMBER OF MIDDLE-INCOME HOUSING UNITS IN THE QUALIFIED DEVELOPMENT AND AS ITS DENOMINATOR THE NUMBER OF RESIDENTIAL UNITS IN THE QUALIFIED DEVELOPMENT.

(12) "QUALIFIED DEVELOPMENT" MEANS A HOUSING DEVELOPMENT THAT IS LOCATED IN THE STATE AND IS DETERMINED BY THE AUTHORITY TO MEET THE CRITERIA ESTABLISHED IN THE ALLOCATION PLAN, INCLUDING PROVIDING THE REQUIRED NUMBER OF MIDDLE-INCOME HOUSING UNITS.

(13) "QUALIFIED TAXPAYER" MEANS AN INDIVIDUAL, PERSON, FIRM, CORPORATION, OR OTHER ENTITY THAT OWNS AN INTEREST, DIRECT OR INDIRECT, IN A QUALIFIED DEVELOPMENT AND THAT IS SUBJECT TO THE TAXES IMPOSED BY THIS ARTICLE 22.

(14) (a) "RENT RESTRICTED" MEANS A RESIDENTIAL UNIT IN A QUALIFIED DEVELOPMENT FOR WHICH THE GROSS RENT DOES NOT EXCEED THIRTY PERCENT OF THE IMPUTED INCOME LIMITATION APPLICABLE TO THE UNIT.

(b) FOR PURPOSES OF THIS SUBSECTION (14), "IMPUTED INCOME LIMITATION APPLICABLE TO THE UNIT" MEANS THE INCOME LIMITATION FOR OCCUPANTS OF THE UNIT CALCULATED BASED ON THE NUMBER OF BEDROOMS IN THE UNIT AND USING THE AREA MEDIAN INCOME TARGET ELECTED BY THE OWNER, AS FOLLOWS:

(I) IN THE CASE OF A UNIT WITHOUT A SEPARATE BEDROOM, ONE INDIVIDUAL; OR

(II) IN THE CASE OF A UNIT WITH ONE OR MORE SEPARATE BEDROOMS, ONE AND ONE-HALF INDIVIDUALS FOR EACH SEPARATE

BEDROOM.

39-22-5403. Credit against tax - middle-income housing developments. (1) FOR THE INCOME TAX YEARS DURING THE CREDIT PERIOD, A QUALIFIED TAXPAYER IS ALLOWED A CREDIT AGAINST THE INCOME TAXES IMPOSED BY THIS ARTICLE 22 IN AN AMOUNT DETERMINED BY THE AUTHORITY PURSUANT TO THIS PART 54.

(2) THE AUTHORITY MAY ALLOCATE A CREDIT TO THE OWNER OF A QUALIFIED DEVELOPMENT BY ISSUING AN ALLOCATION CERTIFICATE TO THE OWNER. THE AUTHORITY MAY DETERMINE THE TIME AT WHICH IT WILL ISSUE AN ALLOCATION CERTIFICATE. THE AUTHORITY SHALL DETERMINE THE AMOUNT OF THE CREDIT. ALL CREDIT ALLOCATIONS MUST BE MADE ACCORDING TO THE ALLOCATION PLAN AND EACH CREDIT MUST BE NECESSARY FOR THE FINANCIAL FEASIBILITY OF THE QUALIFIED DEVELOPMENT.

(3) THE AUTHORITY SHALL NOT ALLOCATE A CREDIT TO AN OWNER PURSUANT TO THIS PART 54 UNLESS THE QUALIFIED DEVELOPMENT MEETS THE FOLLOWING REQUIREMENTS:

(a) THE QUALIFIED DEVELOPMENT IS THE SUBJECT OF A RECORDED RESTRICTIVE COVENANT REQUIRING THE DEVELOPMENT TO BE MAINTAINED AND OPERATED AS A QUALIFIED DEVELOPMENT FOR THE LENGTH OF THE COMPLIANCE PERIOD OR LONGER; AND

(b) THE QUALIFIED DEVELOPMENT MEETS THE ACCESSIBILITY AND ADAPTABILITY REQUIREMENTS OF TITLE VIII OF THE FEDERAL "CIVIL RIGHTS ACT OF 1968", AS AMENDED BY THE FEDERAL "FAIR HOUSING AMENDMENTS ACT OF 1988", 24 U.S.C. 3601 ET SEQ.

(4)(a) DURING EACH CALENDAR YEAR OF THE PERIOD BEGINNING ON JANUARY 1, 2025, AND ENDING ON DECEMBER 31, 2029, THE AUTHORITY MAY ALLOCATE A CREDIT, THE FULL AMOUNT OF WHICH MAY BE CLAIMED BY A QUALIFIED TAXPAYER AGAINST THE TAXES IMPOSED BY THIS ARTICLE 22 FOR EACH TAX YEAR OF THE FIVE-YEAR CREDIT PERIOD.

(b) (I) THE AGGREGATE AMOUNT OF ALL CREDITS ALLOCATED BY THE AUTHORITY IN EACH CALENDAR YEAR MUST NOT EXCEED THE FOLLOWING AMOUNTS:

- (A) FOR CALENDAR YEAR 2025, FIVE MILLION DOLLARS;
- (B) FOR CALENDAR YEAR 2026, FIVE MILLION DOLLARS;
- (C) FOR CALENDAR YEAR 2027, TEN MILLION DOLLARS;
- (D) FOR CALENDAR YEAR 2028, TEN MILLION DOLLARS; AND
- (E) FOR CALENDAR YEAR 2029, TEN MILLION DOLLARS.

(II) THE AUTHORITY MAY ALSO ALLOCATE ANY UNALLOCATED CREDITS FROM PRECEDING CALENDAR YEARS, AND THESE UNALLOCATED CREDITS ARE NOT INCLUDED IN THE ANNUAL DOLLAR LIMITS SPECIFIED IN SUBSECTION (4)(b)(I) OF THIS SECTION.

(c) THE AUTHORITY SHALL ADD THE AGGREGATE AMOUNT OF ANY UNALLOCATED CREDITS REMAINING AS OF DECEMBER 31, 2029, TO THE AMOUNT OF CREDITS THE AUTHORITY MAY ALLOCATE PURSUANT TO PART 21 OF THIS ARTICLE 22.

(5) IF THE AMOUNT OF A CREDIT ALLOCATED PURSUANT TO THIS SECTION EXCEEDS THE TAXES DUE ON THE QUALIFIED TAXPAYER'S INCOME FOR THE TAXABLE YEAR, THE EXCESS CREDIT AMOUNT MAY BE CARRIED FORWARD AS A CREDIT AGAINST THE QUALIFIED TAXPAYER'S INCOME TAX LIABILITY FOR UP TO THREE TAX YEARS FOLLOWING THE CREDIT PERIOD AND MUST BE APPLIED FIRST TO THE EARLIEST YEARS POSSIBLE. ANY AMOUNT OF THE CREDIT THAT IS NOT APPLIED AGAINST INCOME TAX LIABILITY WITHIN THIS THREE-YEAR CARRY-FORWARD PERIOD SHALL NOT BE REFUNDED TO THE TAXPAYER.

(6) IF AN OWNER OF A QUALIFIED DEVELOPMENT RECEIVING AN ALLOCATION OF A CREDIT IS A PARTNERSHIP, LIMITED LIABILITY COMPANY, S CORPORATION, OR SIMILAR PASS-THROUGH ENTITY, THE OWNER MAY ALLOCATE THE CREDIT AMONG ITS PARTNERS, SHAREHOLDERS, MEMBERS, OR OTHER QUALIFIED TAXPAYERS IN ANY MANNER AGREED TO BY SUCH PERSONS, REGARDLESS OF WHETHER ANY SUCH PERSONS ARE DEEMED A PARTNER FOR FEDERAL INCOME TAX PURPOSES. THE OWNER SHALL CERTIFY TO THE DEPARTMENT THE AMOUNT OF CREDIT ALLOCATED TO EACH PARTNER, SHAREHOLDER, MEMBER, OR OTHER QUALIFIED TAXPAYER. EACH PARTNER, SHAREHOLDER, MEMBER, OR OTHER QUALIFIED TAXPAYER

ADMITTED AS A PARTNER, SHAREHOLDER, MEMBER, OR OTHER QUALIFIED TAXPAYER OF THE OWNER PRIOR TO THE FILING OF A TAX CREDIT CLAIMING THE CREDIT IS ALLOWED TO CLAIM SUCH AMOUNT, SUBJECT TO ANY RESTRICTIONS SET FORTH IN THIS PART 54 OR IMPOSED BY THE AUTHORITY OR THE DEPARTMENT.

(7) TO CLAIM THE TAX CREDIT ALLOWED IN THIS PART 54, AN OWNER OF A QUALIFIED DEVELOPMENT TO WHICH THE AUTHORITY ALLOCATED A CREDIT AND ANY QUALIFIED TAXPAYER TO WHICH AN OWNER HAS ALLOCATED A PORTION OF ITS CREDIT SHALL FILE WITH ITS STATE INCOME TAX RETURN THE FOLLOWING DOCUMENTS:

(a) A COPY OF THE ALLOCATION CERTIFICATE ISSUED BY THE AUTHORITY; AND

(b) A COPY OF THE OWNER'S CERTIFICATION TO THE DEPARTMENT REGARDING ITS ALLOCATION OF THE CREDIT AMONG THE QUALIFIED TAXPAYERS HAVING OWNERSHIP INTERESTS IN THE QUALIFIED DEVELOPMENT, IF ANY.

39-22-5404. Qualified development owned by governmental or quasi-governmental entity. (1) NOTWITHSTANDING ANY OTHER PROVISION OF THIS PART 54:

(a) THE AUTHORITY MAY ALLOCATE CREDITS TO ANY GOVERNMENTAL OR QUASI-GOVERNMENTAL ENTITY, INCLUDING THE MIDDLE-INCOME HOUSING AUTHORITY CREATED IN SECTION 29-4-1104, WITH RESPECT TO A QUALIFIED DEVELOPMENT THAT IS OWNED BY SUCH ENTITY.

(b) (I) A GOVERNMENTAL OR QUASI-GOVERNMENTAL ENTITY MAY TRANSFER CREDITS ALLOCATED TO IT BY THE AUTHORITY TO ANY QUALIFIED TAXPAYER.

(II) SUCH A GOVERNMENTAL OR QUASI-GOVERNMENTAL ENTITY SHALL INVEST IN THE QUALIFIED DEVELOPMENT ANY COMPENSATION RECEIVED IN CONNECTION WITH A TRANSFER OF CREDITS TO A QUALIFIED TAXPAYER.

(III) A QUALIFIED TAXPAYER TO WHICH A CREDIT IS TRANSFERRED PURSUANT TO THIS SUBSECTION (1)(b) IS ENTITLED TO CLAIM THE CREDIT IN

THE SAME MANNER AND SUBJECT TO THE SAME CONDITIONS AND ALLOCATION RIGHTS AS AN OWNER OF A QUALIFIED DEVELOPMENT TO WHICH THE AUTHORITY HAS ALLOCATED A CREDIT.

(c) (I) A CREDIT ALLOCATED TO A GOVERNMENTAL OR QUASI-GOVERNMENTAL ENTITY OR A TRANSFEREE THEREOF IS SUBJECT TO RECAPTURE PURSUANT TO SECTION 39-22-5405.

(II) IF A CREDIT TRANSFERRED TO A QUALIFIED TAXPAYER BY A GOVERNMENTAL OR QUASI-GOVERNMENTAL ENTITY IS RECAPTURED PURSUANT TO SECTION 39-22-5405, THE GOVERNMENTAL OR QUASI-GOVERNMENTAL ENTITY SHALL NOTIFY THE DEPARTMENT OF THE IDENTITY OF THE QUALIFIED TAXPAYER TO WHICH IT TRANSFERRED A CREDIT.

39-22-5405. Recapture. (1) AS OF THE LAST DAY OF ANY TAXABLE YEAR DURING THE COMPLIANCE PERIOD, IF THE AMOUNT OF THE QUALIFIED BASIS OF A QUALIFIED DEVELOPMENT WITH RESPECT TO A QUALIFIED TAXPAYER IS LESS THAN THE AMOUNT OF THE QUALIFIED BASIS WITH RESPECT TO A QUALIFIED TAXPAYER AS OF THE LAST DAY OF THE PRIOR TAXABLE YEAR, THEN THE AMOUNT OF A RELEVANT TAXPAYER'S STATE INCOME TAX LIABILITY FOR THAT TAXABLE YEAR IS INCREASED BY THE CREDIT RECAPTURE AMOUNT.

(2) FOR PURPOSES OF SUBSECTION (1) OF THIS SECTION, THE CREDIT RECAPTURE AMOUNT IS AN AMOUNT EQUAL TO THE AGGREGATE DECREASE IN THE CREDIT ALLOWED TO A QUALIFIED TAXPAYER PURSUANT TO THIS PART 54 FOR ALL PRIOR TAXABLE YEARS THAT WOULD HAVE RESULTED IF THE ACCELERATED PORTION OF THE CREDIT ALLOWABLE BY REASON OF THIS PART 54 WERE NOT ALLOWED FOR ALL PRIOR TAXABLE YEARS WITH RESPECT TO THE REDUCED AMOUNT OF QUALIFIED BASIS DESCRIBED IN SUBSECTION (1) OF THIS SECTION.

(3) FOR PURPOSES OF SUBSECTION (2) OF THIS SECTION, THE ACCELERATED PORTION OF THE CREDIT FOR THE PRIOR TAXABLE YEARS WITH RESPECT TO ANY AMOUNT OF QUALIFIED BASIS IS THE DIFFERENCE BETWEEN:

(a) THE AGGREGATE CREDIT ALLOWED PURSUANT TO THIS PART 54, NOTWITHSTANDING THIS SUBSECTION (3), FOR THE YEARS WITH RESPECT TO SUCH QUALIFIED BASIS; AND

(b) THE AGGREGATE CREDIT THAT WOULD BE ALLOWABLE PURSUANT TO THIS PART 54 FOR SUCH YEARS WITH RESPECT TO THE QUALIFIED BASIS IF THE AGGREGATE CREDIT THAT WOULD HAVE BEEN ALLOWABLE, BUT FOR THIS SUBSECTION (3), FOR THE ENTIRE COMPLIANCE PERIOD WERE ALLOWABLE RATABLY OVER FIFTEEN YEARS.

(4) IF RECAPTURE OF ANY CREDIT IS REQUIRED IN ANY TAX YEAR, THE RETURN SUBMITTED FOR THAT TAX YEAR TO THE DEPARTMENT MUST INCLUDE THE FOLLOWING INFORMATION:

(a) THE PORTION OF CREDIT REQUIRED TO BE RECAPTURED;

(b) THE IDENTITY OF EACH TAXPAYER SUBJECT TO THE RECAPTURE;
AND

(c) THE AMOUNT OF CREDIT PREVIOUSLY ALLOCATED TO THE TAXPAYER.

39-22-5406. Parallel credits - insurance premium taxes. (1) ANY TAXPAYER WHO IS SUBJECT TO THE TAX ON INSURANCE PREMIUMS ESTABLISHED BY SECTIONS 10-3-209, 10-5-111, AND 10-6-128 AND WHO IS THEREFORE EXEMPT FROM THE PAYMENT OF INCOME TAX AND WHO IS OTHERWISE ELIGIBLE TO CLAIM A CREDIT PURSUANT TO THIS PART 54 MAY CLAIM THE CREDIT AND CARRY THE CREDIT FORWARD AGAINST THE INSURANCE PREMIUM TAX ON ITS CALENDAR QUARTER ESTIMATED TAX PAYMENTS MADE IN ACCORDANCE WITH SECTION 10-3-209 TO THE SAME EXTENT AS THE TAXPAYER WOULD HAVE BEEN ABLE TO CLAIM OR CARRY FORWARD SUCH CREDIT AGAINST INCOME TAX. ALL OTHER PROVISIONS OF THIS PART 54 WITH RESPECT TO THE CREDIT, INCLUDING THE AMOUNT, ALLOCATION, AND RECAPTURE OF THE CREDIT AND THE YEARS FOR WHICH THE CREDIT MAY BE CLAIMED, APPLY TO A CREDIT CLAIMED PURSUANT TO THIS SECTION.

(2) FOR PURPOSES OF ADMINISTERING THIS SECTION, ANY REFERENCE IN THIS PART 54 TO "INCOME TAX YEAR" MEANS CALENDAR YEAR.

39-22-5407. Rules - compliance monitoring. (1) THE AUTHORITY AND THE EXECUTIVE DIRECTOR OF THE DEPARTMENT, IN CONSULTATION WITH EACH OTHER, SHALL PROMULGATE RULES NECESSARY FOR THEIR RESPECTIVE ADMINISTRATION OF THIS PART 54. RULES OF THE AUTHORITY

ARE ADOPTED PURSUANT TO SECTION 29-4-708.

(2) THE AUTHORITY, IN CONSULTATION WITH THE DEPARTMENT, SHALL MONITOR AND OVERSEE COMPLIANCE WITH THIS PART 54 AND SHALL REPORT SPECIFIC OCCURRENCES OF NONCOMPLIANCE TO THE DEPARTMENT.

39-22-5408. Reporting requirements. (1) BY DECEMBER 31 OF EACH CALENDAR YEAR DURING WHICH CREDITS WERE ALLOCATED BY THE AUTHORITY PURSUANT TO THIS PART 54, THE AUTHORITY SHALL PROVIDE A WRITTEN REPORT ON THE MIDDLE-INCOME HOUSING TAX CREDIT PILOT PROGRAM CREATED IN THIS PART 54 TO THE GENERAL ASSEMBLY AND SHALL MAKE THE REPORT AVAILABLE TO THE PUBLIC. THE REPORT MUST:

(a) SPECIFY THE NUMBER OF QUALIFIED DEVELOPMENTS FOR WHICH THE AUTHORITY HAS ALLOCATED A CREDIT TO THE OWNER OF THE QUALIFIED DEVELOPMENT DURING THE CALENDAR YEAR AND THE NUMBER OF UNITS IN EACH DEVELOPMENT;

(b) PROVIDE HOUSING MARKET AND DEMOGRAPHIC INFORMATION THAT DEMONSTRATES HOW THE QUALIFIED DEVELOPMENTS SUPPORTED BY THE CREDIT ARE ADDRESSING THE NEED FOR MIDDLE-INCOME HOUSING WITHIN THE COMMUNITIES THEY ARE INTENDED TO SERVE AND PROVIDE INFORMATION ABOUT ANY REMAINING DISPARITIES IN HOUSING AFFORDABILITY WITHIN THOSE COMMUNITIES; AND

(c) DESCRIBE EACH QUALIFIED DEVELOPMENT FOR WHICH THE AUTHORITY HAS ALLOCATED A CREDIT, INCLUDING THE FOLLOWING:

(I) THE GEOGRAPHIC LOCATION OF THE QUALIFIED DEVELOPMENT;

(II) THE TOTAL NUMBER OF HOUSING UNITS SUPPORTED BY EACH QUALIFIED DEVELOPMENT;

(III) THE HOUSEHOLD TYPE AND ANY SPECIFIC DEMOGRAPHIC INFORMATION AVAILABLE ABOUT RESIDENTS INTENDED TO BE SERVED BY THE QUALIFIED DEVELOPMENT;

(IV) THE INCOME LEVELS INTENDED TO BE SERVED BY THE QUALIFIED DEVELOPMENT; AND

(V) THE RENTS OR SET-ASIDES AUTHORIZED FOR EACH HOUSING UNIT IN THE QUALIFIED DEVELOPMENT.

(1.5) IN ADDITION TO THE INFORMATION REQUIRED PURSUANT TO SUBSECTION (1) OF THIS SECTION, BY DECEMBER 31 OF THE LAST CALENDAR YEAR DURING WHICH CREDITS WERE ALLOCATED BY THE AUTHORITY PURSUANT TO THIS PART 54, THE AUTHORITY SHALL INCLUDE IN ITS ANNUAL REPORT THE FOLLOWING INFORMATION SUMMARIZING THE MIDDLE-INCOME HOUSING TAX CREDIT PILOT PROGRAM CREATED IN THIS PART 54:

(a) AN OVERVIEW OF THE DEMAND FOR AND UTILIZATION OF THE MIDDLE-INCOME HOUSING TAX CREDIT PROGRAM CREATED IN THIS PART 54;

(b) A SUMMARY OF THE APPLICATIONS FOR AND ALLOCATIONS OF THE TAX CREDIT CREATED IN THIS PART 54, BROKEN DOWN BY GEOGRAPHIC LOCATION AND BY THE TAXPAYER APPLYING FOR THE CREDIT;

(c) AN ANALYSIS, AS PRACTICABLE, OF THE IMPACT OF THE MIDDLE-INCOME HOUSING TAX CREDIT PROGRAM CREATED IN THIS PART 54 ON THE FOLLOWING:

(I) MIDDLE-INCOME INDIVIDUALS AND FAMILIES IN THE COMMUNITIES THAT THE QUALIFIED DEVELOPMENTS ARE INTENDED TO SERVE;

(II) MIDDLE-INCOME INDIVIDUALS AND FAMILIES STATEWIDE;

(III) HOUSING NEEDS IN THE COMMUNITIES THAT THE QUALIFIED DEVELOPMENTS ARE INTENDED TO SERVE; AND

(IV) HOUSING NEEDS STATEWIDE; AND

(d) ANY CHALLENGES OR OPPORTUNITIES RELATED TO THE MIDDLE-INCOME HOUSING TAX CREDIT PROGRAM CREATED IN THIS PART 54, AS IDENTIFIED BY THE AUTHORITY.

(2) THE AUTHORITY SHALL PROVIDE ANY INFORMATION DETERMINED NECESSARY TO EVALUATE THE EFFECTIVENESS OF THE CREDIT ALLOWED IN THIS PART 54 IN ACHIEVING THE PURPOSES SET FORTH IN SECTION 39-22-5401 (1) TO THE STATE AUDITOR AS PART OF THE STATE AUDITOR'S

EVALUATION OF TAX EXPENDITURES PURSUANT TO SECTION 39-21-305.

39-22-5409. Repeal. THIS PART 54 IS REPEALED, EFFECTIVE JANUARY 1, 2055.

SECTION 2. In Colorado Revised Statutes, 29-4-1107, **amend** (14) as follows:

29-4-1107. Powers of the board - selection of projects - ownership - report. (14) The authority shall not issue exempt facility bonds, as defined in section 142(a) of the internal revenue code of 1986, as amended, use private activity bonds volume cap allocation in the issuance of any bonds, or receive a direct allocation, statewide balance award or assignment of allocation of state ceiling under the Colorado private activity bond ceiling allocation act set forth in part 17 of article 32 of title 24, and the authority shall not use federal LIHTC or THE COLORADO state affordable housing tax ~~credits~~ CREDIT AUTHORIZED UNDER PART 21 OF ARTICLE 22 OF TITLE 39 for its affordable rental housing projects.

SECTION 3. Safety clause. The general assembly finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety or for appropriations for

the support and maintenance of the departments of the state and state institutions.

Julie McCluskie
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Steve Fenberg
PRESIDENT OF
THE SENATE

Robin Jones
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

Cindi L. Markwell
SECRETARY OF
THE SENATE

APPROVED _____
(Date and Time)

Jared S. Polis
GOVERNOR OF THE STATE OF COLORADO