



Colorado General Assembly
Joint Budget Committee

Joint Budget Committee Staff

FY 2014-15 Budget Briefing Summary

Department of Local Affairs

The Department of Local Affairs is responsible for building community and local government capacity by providing training, technical, and financial assistance to localities. Major divisions include the Executive Director's Office, Property Taxation, the Division of Housing, and the Division of Local Governments. The Department's FY 2013-14 appropriation represents 1.4 percent of statewide operating appropriations and 0.5 percent of statewide General Fund appropriations.

FY 2013-14 Appropriation and FY 2014-15 Request

Department of Local Affairs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$302,416,196	\$15,059,717	\$208,770,557	\$8,629,582	\$69,956,340	164.3
Other Legislation	<u>2,788,851</u>	<u>2,638,851</u>	<u>150,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$305,205,047	\$17,698,568	\$208,920,557	\$8,629,582	\$69,956,340	164.3
FY 2014-15 Requested Appropriation						
FY 2013-14 Appropriation	\$305,205,047	17,698,568	\$208,920,557	\$8,629,582	\$69,956,340	164.3
R1 Board of Assessment Appeals GF refinance	0	72,936	(72,936)	0	0	0.0
R2 Housing Development Grants	4,186,869	4,186,869	0	0	0	2.7
R3 Division of Housing reorganization	0	0	0	0	0	0.0
R4 Downtown Revitalization Technical Assistance	4,000	0	0	4,000	0	0.0
R5 Geothermal Energy Impact Grants	50,000	0	50,000	0	0	0.0
Annualize prior year legislation	945,289	945,289	0	0	0	0.0
NP1 HCPF R7 Medicaid	272,099	0	0	272,099	0	1.8
Centrally appropriated line items	269,189	296,662	158,539	(254,221)	68,209	0.0
Non-prioritized requested changes	<u>76,508</u>	<u>76,508</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$311,009,001	\$23,276,832	\$209,056,160	\$8,651,460	\$70,024,549	168.8
Increase/(Decrease)	\$5,803,954	\$5,578,264	\$135,603	\$21,878	\$68,209	4.5
Percentage Change	1.9%	31.5%	0.1%	0.3%	0.1%	2.7%

Summary of Issues Presented to the Joint Budget Committee

Informational Issue: Update on Fort Lyon Supportive Residential Community: Senate Bill 13-210 provided an appropriation to the Department of Local Affairs for the operation of a new supportive housing community at Fort Lyon in Bent County. The Fort Lyon Supportive Residential Community provides recovery oriented transitional housing to homeless individuals with mental health and substance abuse disabilities. The planned program combines housing with counseling, educational, vocational, and employment services for up to 300 homeless and formerly homeless persons across the state of Colorado with an emphasis on homeless veterans.

Federal Mineral Lease Direct Distribution: In September, the Department of Local Affairs made a 1331 Supplemental Request for Federal Mineral Lease (FML) Direct Distribution backfill from the Local Government Permanent Fund. Because the request did not meet the standard to make a 1331 Supplemental Request, the Committee asked that Staff brief this issue during the regular budget cycle. Section 34-63-102, C.R.S., allows the Department to backfill FML Direct Distributions when the Legislative Council's March forecast projects the revenue from FML Direct Distributions will be 10.0 percent less than the amount distributed in the previous year. However, the current statute allows for the backfill only in the *current* fiscal year.

R1 Board of Assessment Appeals GF refinance: The Department is requesting to replace \$72,936 in cash fund spending authority with \$72,936 in General Fund. The mechanism for funding the Board changed due to recent legislation that included a cash appropriation of \$150,000. The fiscal note included with the bill did not account for the two-year cycle related to property tax appeals heard by the Board. In re-assessment years more appeals are received and therefore more revenue is generated. In the second year, a non-assessment year, property owners who appealed their valuation in a re-assessment year are foreclosed from appealing their assessment again. The General Fund appropriation will allow the Board to continue operating at current levels.

R2 Housing Development Grants: The Department is requesting an appropriation of \$4.2 million including 2.7 FTE to increase the number of affordable housing units being produced through administering Housing Development Grants. The Department anticipates granting the request will produce an additional 800 affordable housing units and effectively bring an end to the chronically and veteran homeless populations by 2015.

R3 Division of Housing Reorganization: The Department is requesting a reorganization of its Long Bill for the Division of Housing. The Division has moved from a centralized operation to one focusing more on distributed services and wishes to better communicate to its stakeholders how its funds are used. This reorganization has a neutral effect on the Division of Housing budget and performance measures.

R4 Downtown Revitalization Technical Assistance: The Department is requesting authority to spend \$4,000 reappropriated funds from the Office of Economic Development and International Trade (OEDIT). DOLA, OEDIT, and Downtown Colorado, Inc., a non-profit, partner to provide Downtown Assessments to Colorado communities. Currently, for communities to get fully reimbursed through the program they must submit duplicative paperwork to both OEDIT and DOLA. Granting this request would streamline the process for resource scarce communities.

R5 Geothermal Energy Impact Grants: The Department is requesting authority to spend \$50,000 from the Geothermal Resource Leasing Fund to fulfill its statutory requirements to provide grants to state agencies, school districts, and political subdivisions affected by geothermal development and production for planning and providing services necessitated by geothermal energy development.

For More Information

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To read the entire briefing: http://www.tornado.state.co.us/gov_dir/leg_dir/jbc/2013-14/LOCbrf.pdf