

Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 22-0807.02 Jessica Herrera x4218

SENATE BILL 22-146

SENATE SPONSORSHIP

Zenzinger and Hisey,

HOUSE SPONSORSHIP

Snyder and Catlin,

Senate Committees

Local Government

House Committees

A BILL FOR AN ACT

101 CONCERNING THE EXPANSION OF THE COLORADO HOUSING AND
102 FINANCE AUTHORITY'S MIDDLE INCOME ACCESS PROGRAM.

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 transfers \$25 million to the department of local affairs (DOLA) for expansion of the middle income access program created and administered by the Colorado housing and finance authority (CHFA). The bill requires the division of housing within DOLA to contract with CHFA for administration of the money transferred.

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.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 hereby finds and declares that:

4 (a) Colorado is experiencing a lack of affordable housing at
5 critical levels. The state continues to attract new residents and jobs, but
6 with this growth has come ever-increasing housing prices, placing
7 unsustainable demands on our limited housing stock. These underlying
8 issues have been exacerbated by the COVID-19 pandemic.

9 (b) In 2021, the general assembly enacted House Bill 21-1329,
10 which directed that money received pursuant to the "American Rescue
11 Plan Act of 2021", Pub.L. 117-2, be utilized for housing investments to
12 assist Coloradans disproportionately impacted by the COVID-19
13 pandemic and directed the executive committee of the legislative council
14 to create a task force to meet during the 2021 interim and issue a report
15 with recommendations to the general assembly and the governor on
16 policies to create transformative changes in the area of housing;

17 (c) Pursuant to section 24-75-229 (6)(a), C.R.S., and the
18 subsequent executive committee resolution, the task force, made up of
19 legislators, executive branch members, and nonlegislative members,
20 including industry experts, was formed to find ways to expend the money
21 allocated and provide funding and policy recommendations to:

22 (I) Address the issue of affordable housing; and

23 (II) Achieve the goals outlined by the committee that was
24 developed in accordance with 24-75-229 (6), C.R.S.; and

25 (d) The task force recommended that the general assembly invest
26 in the Colorado housing and finance authority's middle income access

1 program.

2 (2) (a) The general assembly further finds that the Colorado
3 housing and finance authority's middle income access program, referred
4 to in this section as the "program", is designed to provide financing to
5 developers seeking to build affordable rental housing to Coloradans with
6 an eighty percent area median income and above. The program fills a gap
7 in the marketplace, as existing state and federal resources primarily
8 support the development of housing for those with a sixty percent area
9 median income and below. The program addresses the middle income
10 workforce, sometimes referred to as the "missing middle", with incomes
11 too high for housing credit units under traditional thresholds but often
12 overburdened by market rents. Without affordable housing, teachers and
13 school employees are unable to live in the communities where they work.
14 Not only does this result in more traffic congestion and longer commutes,
15 but it also reduces community stability and inclusion. Support for the
16 program and increased middle income housing investment is significant
17 and spans throughout all regions of the state, including communities with
18 much needed housing such as Estes Park, Keystone, Steamboat Springs,
19 Gypsum, and Denver.

20 (b) Today, many of Colorado's essential workers earn more than
21 sixty percent area median income and yet still cannot afford market rate
22 rents. To date, the program has leveraged fourteen million dollars of
23 Colorado housing and finance authority-invested funds to support five
24 developments comprised of over six hundred units. To provide assistance
25 to the "missing middle", the general assembly finds it necessary to expand
26 the program.

27 **SECTION 2.** In Colorado Revised Statutes, **add** 24-32-721.3 as

1 follows:

2 **24-32-721.3. Transfer - middle income access program -**
3 **contract with Colorado housing and finance authority for**
4 **administration of funds.** ON JULY 1, 2022, THE GENERAL ASSEMBLY
5 SHALL TRANSFER TWENTY-FIVE MILLION DOLLARS TO THE DEPARTMENT
6 OF LOCAL AFFAIRS TO BE USED FOR EXPANDING THE MIDDLE INCOME
7 ACCESS PROGRAM ESTABLISHED IN AND ADMINISTERED BY THE COLORADO
8 HOUSING AND FINANCE AUTHORITY, CREATED IN PART 7 OF ARTICLE 4 OF
9 TITLE 29. THE DIVISION OF HOUSING SHALL CONTRACT WITH THE
10 AUTHORITY FOR ADMINISTRATION OF THE MONEY TRANSFERRED TO THE
11 DEPARTMENT UNDER THIS SECTION. THE CONTRACT MAY INCLUDE
12 NORMAL AND CUSTOMARY FEES AND EXPENSES FOR ADMINISTRATION OF
13 THE PROGRAM, AND THE PROGRAM MUST BE ADMINISTERED IN A MANNER
14 CONSISTENT WITH THE PROGRAM GUIDELINES ESTABLISHED BY THE
15 AUTHORITY.

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