

CHAPTER 161

GOVERNMENT - LOCAL

SENATE BILL 22-146

BY SENATOR(S) Zenzinger and Hisey, Bridges, Buckner, Danielson, Donovan, Fields, Ginal, Gonzales, Hinrichsen, Holbert, Jaquez Lewis, Lee, Moreno, Pettersen, Rodriguez, Simpson, Story, Winter, Fenberg;
also REPRESENTATIVE(S) Snyder and Catlin, Amabile, Bacon, Bennett, Bird, Boesenecker, Cutter, Esgar, Froelich, Hooton, Kipp, Lindsay, Lontine, McCluskie, McLachlan, Michaelson Jenet, Ricks, Roberts, Valdez D., Weissman.

AN ACT

CONCERNING THE EXPANSION OF THE COLORADO HOUSING AND FINANCE AUTHORITY'S MIDDLE INCOME ACCESS PROGRAM, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

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

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

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

(b) In 2021, the general assembly enacted House Bill 21-1329, which directed the executive committee of the legislative council to create a task force to meet during the 2021 interim and issue a report with recommendations to the general assembly and the governor on policies to create transformative changes in the area of housing;

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

(I) Address the issue of affordable housing; and

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.

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

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

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

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

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

24-32-721.3. Middle income access program - contract with Colorado housing and finance authority for administration of funds - appropriation. FOR STATE FISCAL YEAR 2022-2023, THE GENERAL ASSEMBLY SHALL APPROPRIATE TWENTY-FIVE MILLION DOLLARS FROM MONEY IN THE AFFORDABLE HOUSING AND HOME OWNERSHIP CASH FUND, CREATED IN SECTION 24-75-229 (3)(a), THAT ORIGINATES FROM THE GENERAL FUND TO THE DEPARTMENT OF LOCAL AFFAIRS FOR THE USE OF THE DIVISION FOR THE PURPOSE OF EXPANDING THE MIDDLE INCOME ACCESS PROGRAM ESTABLISHED IN AND ADMINISTERED BY THE COLORADO HOUSING AND FINANCE AUTHORITY, CREATED IN PART 7 OF ARTICLE 4 OF TITLE 29. THE DIVISION SHALL CONTRACT WITH THE AUTHORITY FOR ADMINISTRATION OF THE MONEY APPROPRIATED TO THE DEPARTMENT UNDER THIS SECTION. THE CONTRACT MAY INCLUDE NORMAL AND CUSTOMARY FEES AND EXPENSES FOR ADMINISTRATION OF THE PROGRAM, AND THE PROGRAM MUST BE ADMINISTERED IN A MANNER CONSISTENT WITH THE PROGRAM GUIDELINES ESTABLISHED BY THE AUTHORITY.

SECTION 3. Appropriation. For the 2022-23 state fiscal year, \$25.0 million is appropriated to the department of local affairs for use by the division of housing. This appropriation is from the affordable housing and home ownership cash fund created in section 24-75-229 (3)(a), C.R.S., and originates from the general fund.

To implement this act, the division may use this appropriation for the middle income access program administered by the Colorado housing and finance authority.

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

Approved: May 16, 2022