

SENATE COMMITTEE OF REFERENCE REPORT

Chair of Committee

Date

May 3, 2022

Committee on State, Veterans, & Military Affairs.

After consideration on the merits, the Committee recommends the following:

SB22-232 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

- 1 Amend printed bill, page 3, strike lines 13 through 19.
- 2 Reletter succeeding paragraphs accordingly.
- 3 Page 4, lines 17 and 18, strike "ESPECIALLY IN OUR TREASURED HERITAGE
4 NEIGHBORHOODS,".
- 5 Page 5, line 8, strike "INTEREST," and substitute "INTEREST".
- 6 Page 5, strike lines 9 through 11, and substitute "AND IS A MATTER OF
7 STATEWIDE CONCERN. THE ACTIVITIES".
- 8 Page 5, lines 18 and 19, strike "A PROJECT" and substitute "REAL
9 PROPERTY THAT HAS THE PRIMARY PURPOSE OF PROVIDING RENTAL
10 HOUSING FOR MIDDLE-INCOME INDIVIDUALS AND FAMILIES, WHICH
11 PROPERTY IS".
- 12 Page 6, after line 10 insert:
13 "(7) "MIDDLE-INCOME INDIVIDUALS AND FAMILIES" MEANS, ONLY
14 FOR PURPOSES OF THIS PART 11, INDIVIDUALS AND FAMILIES WITH INCOME
15 LEVELS DESCRIBED IN SECTION 29-4-1107 (1)(c)(I), AS MODIFIED, IN
16 EXCEPTIONAL CIRCUMSTANCES, BY THE BOARD PURSUANT TO SECTION
17 29-4-1107 (2)(c)."
- 18 Page 6, line 21, strike "ELEVEN" and substitute "THIRTEEN".
- 19 Page 7, line 8, strike "SERVE ON THE BOARD" and substitute "BE THE

1 DIRECTOR".

2 Page 7, line 14, strike "WORKS ON THE DEVELOPMENT OF WORKFORCE
3 HOUSING; AND" and substitute "HAS EXTENSIVE EXPERIENCE DEVELOPING
4 HOUSING AT EIGHTY PERCENT TO ONE HUNDRED PERCENT AREA MEDIAN
5 INCOME;".

6 Page 7, line 16, strike "DESIGNEE." and substitute "DESIGNEE; AND".

7 Page 7, after line 16 insert:

8 (F) BE THE DIRECTOR OF THE DIVISION OF HOUSING ESTABLISHED
9 IN SECTION 24-32-704, OR THE DIRECTOR'S DESIGNEE.".

10 Page 7, line 20, strike "THREE" and substitute "FOUR".

11 Page 7, line 21, strike "THREE" and substitute "FOUR".

12 Page 10, line 18, after "(11)" insert "(a)".

13 Page 11, after line 6 insert:

14 (b) PROPERTY SOLD BY THE AUTHORITY OR OTHERWISE NOT
15 OWNED BY THE AUTHORITY, A CONTROLLED ENTITY, OR OTHER
16 GOVERNMENTAL ENTITY EXEMPT FROM TAXATION SHALL BE SUBJECT TO
17 ALL TAXATION AND ASSESSMENTS IMPOSED BY THE STATE, A CITY, A
18 COUNTY, A CITY AND COUNTY, ANY OTHER POLITICAL SUBDIVISION OF THE
19 STATE, OR A LOCAL GOVERNMENTAL ENTITY.".

20 Page 11, line 11, after "(13)" insert "(a)".

21 Page 11, after line 19 insert:

22 (b) ON A QUARTERLY BASIS, THE AUTHORITY SHALL SUBMIT A
23 REPORT TO THE GOVERNOR, TO THE STATE AUDITOR, AND TO THE SENATE
24 COMMITTEES ON FINANCE AND HEALTH AND HUMAN SERVICES OR ANY
25 SUCCESSOR COMMITTEE, AND THE HOUSE OF REPRESENTATIVES
26 COMMITTEES ON FINANCE, HEALTH AND INSURANCE AND PUBLIC AND
27 BEHAVIORAL HEALTH AND HUMAN SERVICES OR ANY SUCCESSOR
28 COMMITTEES. ANY DEVELOPER OR OPERATOR OF AN AFFORDABLE RENTAL
29 HOUSING PROJECT MUST PROVIDE TO THE AUTHORITY INFORMATION
30 REQUIRED BY THIS SUBSECTION (13)(b). THE REPORT SHALL INCLUDE FOR
31 EACH AFFORDABLE RENTAL HOUSING PROJECT:

1 (I) THE NUMBER OF UNITS DEVELOPED AND MUST SPECIFY AT
2 WHAT AREA MEDIAN INCOME LEVELS;
3 (II) THE NUMBER OF UNITS OCCUPIED;
4 (III) THE AVERAGE AREA MEDIAN INCOME BEING SERVED;
5 (IV) THE ACTUAL RENTS CHARGED FOR EACH UNIT;
6 (V) ACTUAL INCOMES OF HOUSEHOLDS RESIDING WITHIN THE
7 UNITS AND LENGTH OF OCCUPANCY;
8 (VI) THE AVERAGE MARKET RENT FOR A UNIT OF THE SAME TYPE,
9 SIZE, AND AMENITIES PRIOR TO THE DEVELOPMENT OF AN AFFORDABLE
10 RENTAL HOUSING PROJECT; AND
11 (VII) THE AVERAGE MARKET RENT FOR A UNIT OF THE SAME TYPE,
12 SIZE, AND AMENITIES AFTER ONE YEAR OF OCCUPANCY OF AT LEAST 50%
13 OF THE UNITS DEVELOPED IN THE AFFORDABLE RENTAL HOUSING PROJECT,
14 AND FOR EACH YEAR THEREAFTER."

15 Page 13, line 12, strike "PART 11;" and substitute "PART 11. NOTHING IN
16 THIS SUBSECTION (1)(m) GRANTS THE AUTHORITY THE POWER TO
17 REDEFINE TERMS THAT ARE ALREADY DEFINED IN THIS PART 11."

18 Page 15, line 24, strike "ACTIVITIES;" and substitute "ACTIVITIES. THE
19 AUTHORITY SHALL HIRE FULL-TIME STAFF WHO ARE FULL-TIME EMPLOYEES
20 OF THE AUTHORITY AND ARE RESPONSIBLE FOR COMPLIANCE WITH PUBLIC
21 MEETING LAWS AND OPEN RECORDS REQUESTS, AFFORDABLE RENTAL
22 HOUSING PROJECT PROPOSAL SOLICITATION AND REVIEW, AND
23 REPORTING."

24 Page 17, line 5, after "PROPOSALS" insert "AS PART OF AN INITIAL PILOT
25 PROGRAM".

26 Page 17, line 8, after the period add "THE AUTHORITY MAY CONTINUE TO
27 SOLICIT PROPOSALS AS PART OF THE INITIAL PILOT PROGRAM; EXCEPT THAT
28 THE AUTHORITY SHALL SELECT PROPOSED AFFORDABLE RENTAL HOUSING
29 PROJECTS THAT WILL DEVELOP AN AGGREGATE OF NOT MORE THAN THREE
30 THOUSAND FIVE HUNDRED UNITS. AFFORDABLE RENTAL HOUSING
31 PROJECTS SELECTED IN THE INITIAL PILOT PROGRAM MUST HAVE
32 GEOGRAPHIC, INCOME, AND PROJECT-SIZE DIVERSITY AND BE PROPOSED BY
33 A VARIETY OF DEVELOPER ENTITIES INCLUDING NONPROFITS, HOUSING
34 AUTHORITIES, FOR-PROFIT DEVELOPERS, OR LOCAL GOVERNMENTS."

35 Page 17, line 9, strike "THE" and substitute "SUBJECT TO THE PROVISIONS
36 OF SUBSECTION (1)(a) OF THIS SECTION, THE".

37 Page 17, line 20, after the period add "THE AUTHORITY'S OVERALL

1 PORTFOLIO OF AFFORDABLE RENTAL HOUSING PROJECTS MUST MAINTAIN
2 THAT EIGHTY PERCENT ARE NEW BUILD CONSTRUCTION PROJECTS."

3 Page 18, strike lines 6 through 19 and substitute "FAMILIES WITH ANNUAL
4 INCOME OF THE HOUSEHOLD BETWEEN EIGHTY PERCENT AND ONE
5 HUNDRED TWENTY PERCENT OF THE AREA MEDIAN INCOME OF THE
6 HOUSEHOLDS OF THAT SIZE IN THE COUNTY IN WHICH THE AFFORDABLE
7 RENTAL HOUSING PROJECT IS LOCATED; EXCEPT THAT, FOR
8 MIDDLE-INCOME INDIVIDUALS AND FAMILIES RESIDING IN A RURAL RESORT
9 COUNTY, THE ANNUAL INCOME OF THE HOUSEHOLD SHALL BE BETWEEN
10 EIGHTY PERCENT AND ONE HUNDRED FORTY PERCENT OF THE AREA
11 MEDIAN INCOME OF THE HOUSEHOLDS OF THAT SIZE IN THE COUNTY IN
12 WHICH THE AFFORDABLE RENTAL HOUSING PROJECT IS LOCATED;"

13 Page 18, line 23, strike "AND".

14 Page 18, strike lines 24 through 27 and substitute:

15 "(IV) PROVIDES FOR THE LONG-TERM AFFORDABILITY OF RENTAL
16 UNITS;

17 (V) HAS MINIMAL NEGATIVE IMPACT ON EXISTING OR PLANNED
18 AFFORDABLE HOUSING PROJECTS IN THE STATE, WHICH IMPACTS SHALL BE
19 EVALUATED BY THE AUTHORITY IN CONSULTATION WITH OTHER HOUSING
20 AUTHORITIES, NONPROFITS, LOCAL GOVERNMENTS, OR ANY OTHER
21 APPLICABLE ENTITY;

22 (VI) TARGETS A DIVERSE RANGE OF INCOME LEVELS AND
23 PROPOSES AT LEAST TWENTY PERCENT OF THE RENTAL UNITS FOR
24 INDIVIDUALS AND FAMILIES WITH ANNUAL INCOME OF THE HOUSEHOLD AT
25 EIGHTY PERCENT OF THE AREA MEDIAN INCOME OF HOUSEHOLDS OF THAT
26 SIZE IN THE COUNTY IN WHICH THE HOUSING IS LOCATED OR
27 DEMONSTRABLY TARGETS THE LOWEST POSSIBLE AREA MEDIAN INCOME
28 GIVEN THE PROPOSED SCOPE OF THE DEVELOPMENT; AND

29 (VII) PROMOTES MIXED-INCOME DEVELOPMENT WHERE A
30 PERCENTAGE OF UNITS, PROPORTIONAL TO THE LOCAL DEMONSTRATED
31 HOUSING NEEDS WITHIN A PARTICULAR DEVELOPMENT, HAVE RESTRICTED
32 AVAILABILITY TO HOUSEHOLDS AT OR BELOW THE INCOME LEVELS
33 SPECIFIED IN SUBSECTION (1)(c)(I) OF THIS SECTION. THE PERCENTAGE OF
34 RESTRICTED UNITS AND AFFORDABILITY LEVELS MUST COMPLY WITH ANY
35 LOCAL LAWS PROMOTING THE DEVELOPMENT OF NEW AFFORDABLE
36 HOUSING UNITS PURSUANT TO SECTION 29-20-104 (1)."

37 Page 19, strike lines 8 through 18.

38 Page 20, after line 1, insert:

1 "(II) SHOW HOW THE DEVELOPMENT ALIGNS WITH THE IDENTIFIED
2 NEEDS OF A COMMUNITY WHERE THE PROPOSED AFFORDABLE RENTAL
3 HOUSING PROJECT WILL BE LOCATED, AS DEFINED IN THE COMMUNITY'S
4 HOUSING NEEDS ASSESSMENT, WHERE AVAILABLE."

5 Renumber succeeding subparagraphs accordingly.

6 Page 20, line 24, after the period add "A PROPOSED AFFORDABLE RENTAL
7 HOUSING PROJECT THAT RECEIVES A WAIVER BY THE BOARD PURSUANT TO
8 THIS SUBSECTION (2)(c) MUST STILL TARGET MIDDLE-INCOME HOUSING IN
9 THE PROPOSAL."

10 Page 21, strike lines 1 through 7 and substitute "INCLUDE AN AGREEMENT
11 FROM THE DEVELOPER AND THE OPERATOR".

12 Page 21, after line 10 insert:

13 "(4) (a) THE AUTHORITY SHALL ESTABLISH A PROCESS TO PROVIDE
14 NOTIFICATION TO LOCAL GOVERNMENTAL ENTITIES WHERE A PROPOSED
15 AFFORDABLE RENTAL HOUSING PROJECT WILL BE LOCATED PRIOR TO
16 SELECTION OF THE PROJECT.

17 (b) THE AUTHORITY MUST WORK IN COOPERATION WITH AND
18 SOLICIT FEEDBACK FROM OVERLAPPING LOCAL GOVERNMENTAL ENTITIES
19 FOR ANY PROPOSED AFFORDABLE RENTAL HOUSING PROJECT. IF, AFTER
20 GOOD FAITH NEGOTIATIONS, A HOME RULE MUNICIPALITY THAT HAS OPTED
21 INTO THE PILOT PROGRAM SET FORTH IN SUBSECTION (1)(a) OF THIS
22 SECTION, OR A COUNTY IF A PROPOSED AFFORDABLE RENTAL HOUSING
23 PROJECT IS LOCATED OUTSIDE OF A HOME RULE MUNICIPALITY AND THAT
24 HAS OPTED INTO THE PILOT PROGRAM SET FORTH IN SUBSECTION (1)(a) OF
25 THIS SECTION, IN COOPERATION WITH OTHER IMPACTED ENTITIES,
26 DETERMINES THAT THE PROPOSED AFFORDABLE RENTAL HOUSING PROJECT
27 IS NOT FEASIBLE AS PROPOSED, THE AUTHORITY SHALL NOT SELECT THE
28 PROPOSED AFFORDABLE HOUSING RENTAL PROJECT."

29 Renumber succeeding subsections accordingly.

30 Page 21, line 16, after the period add "THE AUTHORITY MAY ESTABLISH
31 ADDITIONAL RESTRICTIONS ON DEVELOPER FEES, INCLUDING CAPS ON
32 OPERATING FEES AND OTHER MARKUPS, WHICH SHALL BE SET FORTH IN
33 THE CONTRACT."

34 Page 21, line 19, strike "AUTHORITY." and substitute "AUTHORITY; EXCEPT
35 THAT, AND SUBJECT TO APPROVAL BY THE AUTHORITY, A HOUSING

1 AUTHORITY WHOSE PROPOSAL IS SELECTED MAY RETAIN A PORTION OF
2 INTEREST IN THE AFFORDABLE RENTAL HOUSING PROJECT."

3 Page 22, after line 12, insert:

4 "(9) THE AUTHORITY SHALL CONTRACT WITH AN OUTSIDE GROUP
5 TO EVALUATE THE SUCCESS OF ITS AFFORDABLE RENTAL HOUSING
6 PROJECTS."

7 Renumber succeeding subsections accordingly.

8 Page 22, line 13, strike "(10)" and substitute "(10) (a)".

9 Page 22, line 24, after the period insert "RENT SET BY THE AUTHORITY
10 MUST BE AT LEAST TEN PERCENT BELOW MARKET RENTAL RATES AND
11 SHALL NOT EXCEED MAXIMUM RENTS FOR HOUSEHOLDS OF A GIVEN SIZE
12 AND INCOME LEVEL AS PUBLISHED ANNUALLY BY THE COLORADO HOUSING
13 AND FINANCE AUTHORITY CREATED IN SECTION 29-4-704.

14 (b) RENTAL UNITS IN AN AFFORDABLE RENTAL HOUSING PROJECT
15 SHALL NOT BE RENTED ON A SHORT-TERM BASIS."

16 Page 23, after line 5 insert:

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

23 (13) THE AUTHORITY SHALL NOT USE ANY FUNDING AVAILABLE TO
24 IT TO ACQUIRE EXISTING FEDERAL LIHTC SUBSIDIZED PROPERTIES
25 ADMINISTERED BY THE COLORADO HOUSING AND FINANCE AUTHORITY
26 CREATED IN SECTION 29-4-704, THE COLORADO STATE AFFORDABLE
27 HOUSING TAX CREDIT SUBSIDIZED PROPERTIES, OR THE UNITED STATES
28 DEPARTMENT OF AGRICULTURE 515 RURAL RENTAL HOUSING LOAN
29 PROGRAM SUBSIDIZED PROPERTIES WITHOUT GUARANTEES OF
30 CORRESPONDING AFFORDABILITY AND CONTINUANCE WITH ANY EXISTING
31 RENTAL ASSISTANCE CONTRACTS."

32 Page 24, line 4, after "ACTIVITIES" insert "RELATING TO AFFORDABLE
33 RENTAL HOUSING PROJECTS".

34 Page 24, line 5, strike "DUTIES." and substitute "DUTIES RELATING TO
35 AFFORDABLE RENTAL HOUSING PROJECTS."

- 1 Page 26, line 22, strike "PARTY" and substitute "PARTY."
- 2 Page 26, strike line 23.
- 3 Page 26, line 24, strike "NEED NOT" and substitute "SHALL".
- 4 Page 26, line 25, after the period add "SUCH LIEN OF THE PLEDGE IS
5 SUPERIOR ONLY TO ANY OTHER LIEN ON THE SAME REVENUE, ASSETS, OR
6 PROPERTY THAT IS FILED LATER IN TIME OTHER THAN A LIEN FOR
7 PROPERTY TAXES."
- 8 Page 30, line 8, strike "ANY STATE OR LOCAL GOVERNMENT" and
9 substitute "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,".

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