



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Revised Fiscal Note

(replaces fiscal note June 2, 2021)

Drafting Number:	LLS 21-1023	Date:	June 4, 2021
Prime Sponsors:	Rep. Gonzales-Gutierrez; Woodrow Sen. Holbert; Gonzales	Bill Status:	Senate SVMA
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Bill Topic: ARPA MONEY TO INVEST AFFORDABLE HOUSING

Summary of Fiscal Impact:	<input checked="" type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
	<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
	<input checked="" type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill allocates federal American Rescue Plan Act funding for programs or services that address housing insecurity, lack of affordable housing, or homelessness resulting from the COVID-19 pandemic. It makes a one-time transfer of federal funds and increases state revenue and expenditures from FY 2021-22 through FY 2026-27.

Appropriation Summary: For FY 2021-22, the bill includes appropriations of \$100.0 million to the Department of Local Affairs Division of Housing and an appropriation of \$200,000 to the Legislative Department.

Fiscal Note Status: This fiscal note reflects the reengrossed bill.

**Table 1
State Fiscal Impacts Under HB 21-1329**

		Budget Year FY 2021-22	Out Year FY 2022-23
Revenue		-	-
Expenditures	Affordable Housing & Home Ownership Cash Fund	\$100,071,958	-
	Centrally Appropriated	\$3,220	
	Total Expenditures	\$100,075,178	
	Total FTE	0.2 FTE	
Transfers¹	American Rescue Plan Act Cash Fund	(\$550.0 million)	-
	Affordable Housing & Home Ownership Cash Fund	\$550.0 million	-
	Net Transfer	\$0	-
TABOR Refund		-	-

¹ This transfer will likely occur in FY 2020-21, but the exact timing will depend on when the bill becomes law. It is shown in FY 2021-22 in Table 1 for informational purposes.

Summary of Legislation

The bill creates the Affordable Housing and Home Ownership Cash Fund to provide assistance to households or populations disproportionately impacted by the COVID-19 public health emergency and to support programs or services that address housing insecurity, lack of affordable housing, or homelessness. Money in the fund may be transferred or appropriated to principal departments or the Judicial Department and used for purposes permitted under the federal American Rescue Plan Act of 2021 and not for any purposes prohibited by the act. The bill transfers \$550.0 million from the American Rescue Plan Act Cash Fund to the newly created Affordable Housing and Home Ownership Cash Fund. The fund is repealed on July 1, 2027.

The bill appropriates \$100.0 million to the Division of Housing in the Department of Local Affairs to provide gap financing to assist persons disproportionately impacted by the COVID-19 public health emergency to obtain affordable housing. The division may use up to 3.0 percent of any money appropriated or transferred to it to cover its administrative costs.

The Executive Committee of the Legislative Council must create, by resolution, a task force to meet during the 2021 interim to issue a report to the General Assembly and the Governor on policies to create transformative change in the area of housing. The Executive Committee must hire a facilitator to guide the work of the task force.

State Revenue

The bill will increase revenue from principal and interest payments received by the Division of Housing from loans originated using funds from the Affordable Housing and Home Ownership Cash Fund. Revenue will be deposited into the Housing Investment Trust Fund and has not been estimated. The revenue is subject to TABOR.

State Transfers

Within 3 days of the bill's effective date, the bill requires the transfer of \$550.0 million from the "American Rescue Plan Act" Cash Fund to the Affordable Housing and Home Ownership Cash Fund. This transfer is assumed to occur in FY 2020-21.

State Expenditures

The bill increases state expenditures in FY 2021-22 by \$100.1 million, as shown in Table 2 and described below. The bill also increases the money available to spend from the Affordable Housing and Home Ownership Cash Fund. It is assumed that additional expenditures will be specified in other bills or through the annual budget process, and have not been estimated in this fiscal note.

**Table 2
Expenditures Under HB 21-1329**

Cost Components	FY 2021-22	FY 2022-23
Department of Local Affairs		
Affordable Housing Assistance	\$100,000,000	-
Department of Local Affairs Subtotal	\$100,000,000	-
Legislative Department		
Personal Services	\$13,488	-
Legislator Reimbursements	\$8,470	-
Facilitator	\$150,000	-
Centrally Appropriated Costs ¹	\$3,220	-
FTE – Personal Services	0.2 FTE	-
Legislature Subtotal	\$75,178	-
Total	\$100,075,178	-
Total FTE	0.2 FTE	-

¹ Centrally appropriated costs are not included in the bill's appropriation.

Task Force Administration. Legislative Council Staff requires 0.2 FTE to staff the task force, perform research, manage remote participation, and write the report.

Task Force Membership. Reimbursement for legislative committee members assumes six meetings with a per diem of \$111.28 and \$124.00 travel for six members, resulting in a total cost of \$8,470.

Task Force Facilitator: The Executive Committee is required to hire a facilitator to guide the work of the task force. These services are estimated to cost \$50,000 for FY 2021-22.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are estimated to be \$3,220 for FY 2021-22.

TABOR refunds. The bill increases state revenue subject to TABOR. For FY 2022-23, the March 2021 LCS forecast projects revenue to fall short of the TABOR limit by \$28.6 million, or 0.2 percent of the limit. If actual revenue exceeds the limit, the bill will increase the amount required to be refunded to taxpayers from the General Fund in FY 2023-24.

Federal ARPA funds. This bill increases state revenue, which may impact the state's flexibility in spending federal American Rescue Plan Act (ARPA) funds. For more information, see the LCS memo, titled "Legislative Changes and Flexibility in Use of American Rescue Plan Funds," available online at: <https://leg.colorado.gov/node/2211881>.

Effective Date

The bill only takes effect if Senate Bill 21-288 becomes law, and it takes effect upon signature of the Governor or upon becoming law without his signature, or upon the effective date of SB 21-288, whoever is later. SB 21-288 creates the “American Rescue Plan Act of 2021” Cash Fund.

State Appropriations

For FY 2021-22, the bill includes an appropriation of \$100.0 million to the Department of Local Affairs from the Affordable Housing and Home Ownership Cash Fund. The fiscal note estimates that the bill requires an appropriation of \$71,958 and 0.2 FTE to the Legislative Department from the Affordable Housing and Home Ownership Cash Fund. The bill includes an appropriation of \$200,000 to the department from the fund.

State and Local Government Contacts

Legislative Council Staff