



Legislative Council Staff
Nonpartisan Services for Colorado's Legislature

Fiscal Note

Drafting Number: LLS 24-0710 Date: March 5, 2024
Prime Sponsors: Rep. Frizell; Lindstedt Bill Status: House Trans., Hous. & Local Govt.
Fiscal Analyst: Colin Gaiser | 303-866-2677 colin.gaiser@coleg.gov

Bill Topic: EFFECTIVE IMPLEMENTATION OF AFFORDABLE HOUSING PROGRAM

Summary of Fiscal Impact: [ ] State Revenue [ ] State Transfer [ ] Local Government
[ x ] State Expenditure [ ] TABOR Refund [ ] Statutory Public Entity

The bill creates new affordable housing rules and regulations for the Division of Housing in the Department of Local Affairs, and modifies rules for affordable housing funding for local governments. It increases state expenditures on an ongoing basis.

Appropriation Summary: No appropriation is required. The Housing Development Grant Fund is continuously appropriated to the Division of Housing in the Department of Local Affairs.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under HB 24-1308

Table with 4 columns: Category, Budget Year FY 2024-25, Out Year FY 2025-26, and FTE. Rows include Revenue, Expenditures (Cash Funds, Centrally Appropriated, Total Expenditures), Total FTE, Transfers, and Other Budget Impacts.

## Summary of Legislation

The bill creates new requirements for the Division of Housing (DOH) in the Department of Local Affairs (DOLA) and local governments concerning affordable housing.

**Affordable housing program applications.** The bill establishes procedures for the DOH to follow with applications for affordable housing programs. This includes accepting applications at least once per month or on a rolling basis and making a final decision on an application within 15 calendar days of receiving it. The bill also establishes requirements for next steps after the DOH denies, modifies, or approves an application, and sets deadlines for finalizing approved loans, grants, or contracts related to an affordable housing program.

**Public report.** Starting in 2025, the DOH must add to its annual public report information on affordable housing applications and money in the Housing Development Grant Fund.

**Affordable housing commitments.** The bill allows a local government or tribal government donating land for affordable housing to a community land trust or a nonprofit affordable homeownership developer to receive credit for funding from the statewide affordable housing fund. A school district that similarly donates land may assign its credit to the local government or tribal government.

## State Expenditures

The bill increases state expenditures in the Department of Local Affairs by \$203,000 in FY 2024-25 and \$228,000 in FY 2025-26, paid from the Housing Development Grant Fund. Expenditures are shown in Table 2 and detailed below.

**Table 2**  
**Expenditures Under HB 24-1308**

	<b>FY 2024-25</b>	<b>FY 2025-26</b>
<b>Department of Local Affairs</b>		
Personal Services	\$143,069	\$178,836
Operating Expenses	\$2,560	\$3,200
Capital Outlay Costs	\$20,010	-
Centrally Appropriated Costs <sup>1</sup>	\$36,945	\$46,182
FTE – Personal Services	2.0 FTE	2.5 FTE
<b>Total Cost</b>	<b>\$202,584</b>	<b>\$228,218</b>
<b>Total FTE</b>	<b>2.0 FTE</b>	<b>2.5 FTE</b>

<sup>1</sup> Centrally appropriated costs are not included in the bill's appropriation.

**Department of Local Affairs.** The DOLA requires 2.0 FTE to prepare, negotiate, and execute loan and grant agreements for the DOH, and to assist in expediting agreements to meet the bill's deadline requirements. The DOLA also requires 0.5 FTE of a budget analyst to assist the budget team and ensure funds are set up and coded appropriately. The fiscal note assumes a September 2024 start date for this staff, and standard operating costs and capital outlay are included.

**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 shown in Table 2.

### **Effective Date**

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

### **State Appropriations**

No appropriation is required. The Housing Development Grant Fund is continuously appropriated to the Division of Housing in the Department of Local Affairs.

### **State and Local Government Contacts**

Counties	Local Affairs	Personnel
Treasury		

---

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).