



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1360: AFFORDABLE HOUSING FINANCING FUND

Prime Sponsors:

Rep. Brown; Taggart
Sen. Bridges; Kirkmeyer

Fiscal Analyst:

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Fiscal note status: The fiscal note reflects the introduced bill, which was recommended by the Joint Budget Committee as part of the FY 2026-27 Long Bill budget package.

Summary Information

Overview. The bill transfers \$130 million from the Affordable Housing Fund to the General Fund in the current FY 2025-26, and makes temporary modifications to the allocation of the remaining revenue collected under Proposition 123.

Types of impacts. The bill is projected to affect the following areas in FY 2025-26 and FY 2026-27 only:

- State Expenditures
- State Transfers
- Local Government

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

Type of Impact	Current Year FY 2025-26	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0	\$0
State Expenditures	\$0	\$0	\$0
Transferred Funds	\$130 million	\$0	\$0
Change in TABOR Refunds	\$0	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE	0.0 FTE

Table 1A
State Transfers

Fund Source	Current Year FY 2025-26	Budget Year FY 2026-27	Out Year FY 2027-28
General Fund	\$130 million	\$0	\$0
Affordable Housing Fund	-\$130 million	\$0	\$0
Net Transfer	\$0	\$0	\$0

Summary of Legislation

Proposition 123, approved by voters, diverts income tax revenue to the Affordable Housing Fund (AH Fund) to pay for affordable housing programs. 40 percent of this revenue is transferred to the Affordable Housing Support Fund (AH Support Fund) for use by the Department of Local Affairs (DOLA) and the Department of Health Care Policy and Financing (HCPF), and 60 percent is transferred to the Affordable Housing Financing Fund (AH Financing Fund) for use by the Governor’s Office of Economic Development and International Trade (OEDIT).

On June 30, 2026, this bill transfers \$130 million from the AH Fund to the General Fund.

For FY 2026-27, the bill makes the following adjustments to transfers for affordable housing:

- transfers an amount equal to 40 percent of the balance of the AH Fund immediately prior to the transfer to the General Fund to the AH Support Fund, and the remaining balance to the AH Financing Fund (i.e., the bill holds harmless the allocation available for DOLA and reduces the allocation available to OEDIT);
- allows OEDIT to continue calculating their permitted overhead spending as if the full transfer of money to the AH Financing Fund had occurred; and
- temporarily changes the allocations of money in the AH Financing Fund, allowing OEDIT to decrease concessionary debt allocations and increase land banking and equity allocations otherwise required by current law.

The bill clarifies that all money in the AH Financing Fund, including interest earned on the investment or deposit of money in the fund, is continuously appropriated to OEDIT.

For the current FY 2025-26, the bill allows the General Assembly to reduce the allocation to the AH Financing Fund when revenue forecasts project that state revenue will not exceed the state fiscal year spending limit.

State Transfers

For the current FY 2025-26, the bill transfers \$130 million from the Affordable Housing Fund to the General Fund.

State Expenditures

For FY 2026-27 only, the bill reduces funding available in the AH Financing Fund for affordable housing programs administered by OEDIT and local administrative partners. Money in the AH Financing Fund is continuously appropriated to OEDIT, so no adjustment in appropriations is required to reflect this reduction.

Local Government

For FY 2026-27 only, local governments acting as administrators of affordable housing programs in partnership with OEDIT may have less available program funding.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Joint Budget Committee Staff