



COLORADO
MUNICIPAL
LEAGUE



AMEND HB26-1206

Improved Funding to Support Development

AMEND BY REMOVING SECTION 4

Section 4 of HB 26-1206 destabilizes financing and development for urban renewal authorities (URAs) and the projects they support by allowing agreements tied to URA debt to create priority liens on project property — liens that function like property tax liens and automatically override existing mortgages and other financing structures. This is a significant departure from current practice that introduces unnecessary risk into URA projects statewide.

The remainder of the bill expands funding tools for housing authorities, including voter-approved tax options and enhanced bonding authority, which will not be jeopardized by the removal of Section 4.

WHY REMOVE SECTION 4

URAs are on the front lines of community reinvestment across Colorado, including creating affordable housing options. Section 4 ties their hands by attaching a high-priority lien to URA projects that:

- **Kills construction financing** — no lender will accept a subordinate position to a statutory super-priority lien, making projects impossible to finance
- **Prevents TIF deals from moving forward** — increasing uncertainty and risk for developers and communities alike
- **Raises financing costs for redevelopment projects** — even those that never use this tool
- **Solves a problem that doesn't exist** — URAs can already enter into shortfall agreements with developers under current law

Section 4 appears to be driven by out-of-state financial interests rather than local redevelopment needs and leaves key legal questions unanswered — including who can issue and enforce these liens across multiple property owners within urban renewal areas.

VOTE YES ON FLOOR AMENDMENT TO STRIKE SECTION 4

Section 4 is an unnecessary special interest provision that eliminates risk for specific out-of-state lenders while adding complexity, cost, and risk for every other party — developers, municipalities, housing authorities, and the communities they serve. Please vote **yes on the floor amendment** to remove Section 4 from HB 26-1206.

CONTACT

Elizabeth Haskell | CML legislative & policy advocate | 303-995-6467 | ehaskell@cml.org