

Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 22-0811.01 Bob Lackner x4350

HOUSE BILL 22-1304

HOUSE SPONSORSHIP

Roberts and Bradfield, Jodeh, Woodrow

SENATE SPONSORSHIP

Coleman and Gonzales,

House Committees

Transportation & Local Government

Senate Committees

A BILL FOR AN ACT

101 CONCERNING STATE GRANTS FOR INVESTMENTS IN AFFORDABLE
102 HOUSING AT THE LOCAL LEVEL, AND, IN CONNECTION
103 THEREWITH, CREATING THE LOCAL INVESTMENTS IN
104 TRANSFORMATIONAL AFFORDABLE HOUSING GRANT PROGRAM
105 AND THE INFRASTRUCTURE AND STRONG COMMUNITIES GRANT
106 PROGRAM TO INVEST IN INFILL INFRASTRUCTURE PROJECTS
107 THAT SUPPORT AFFORDABLE HOUSING.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

The bill creates 2 state grant programs:

- The local investments in transformational affordable housing grant program (affordable housing grant program), administered by the division of housing (DOH) in the department of local affairs (department); and
- The infrastructure and strong communities grant program (strong communities grant program), administered by the division of local government (DLG) in the department.

The affordable housing grant program provides grants to local governments and nonprofit organizations to enable such entities to make investments in their communities or regions of the state in transformational affordable housing and housing related matters. The strong communities grant program provides grants to eligible local governments to enable local governments to invest in infill infrastructure projects that support affordable housing.

The strong communities grant program portion of the bill requires a multi-agency group, comprised of DLG, the state energy office, and the department of transportation, with the assistance of stakeholders, to develop a list of sustainable land use best practices that will accomplish the goals of the grant program and improve a local government's viability in being considered for a grant award.

The bill requires both DOH and DLG to develop policies, procedures, and guidelines governing the administration of the respective grant programs. The bill specifies how grant funding is to be prioritized and eligible uses of grant money awarded under the grant programs.

The bill creates 2 funds in the state treasury: The local investments in transformational affordable housing fund and the infrastructure and strong communities grant program fund. The bill specifies requirements pertaining to the administration of these funds.

Both funds are initially supported with a transfer of a specified amount of money from different funds.

Both grant programs are subject to reporting requirements specified in the bill, and both grant programs are repealed by a date specified in the bill.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1. Legislative declaration - intent - definitions.**

3 (1) The general assembly hereby finds, determines, and declares that:

4 (a) Though it has been exacerbated by the COVID-19 pandemic,
5 the housing crisis that Colorado faces is not new. For decades, the lack of

1 affordable housing has upended the lives of thousands who face
2 homelessness in the Denver metropolitan area and across the state,
3 shuttered Colorado businesses, hindered working-class employment
4 because of a lack of workforce housing, and exacerbated inequities for
5 communities of color.

6 (b) Currently, Colorado has a shortage of nearly 121,000
7 affordable rental units, and the Colorado housing and finance authority
8 reports that nearly half of all Colorado renters are considered cost
9 burdened, with an additional 24% being severely cost burdened. The
10 average home price in the state increased 130% from 2011 to 2021.
11 Statewide, the median price increased an additional 7% from January to
12 February 2022 and the median price is now \$555,540, a 90% increase
13 over March 2021. The town home and condominium market also reached
14 a new pricing level in February 2022 and now stands at \$402,390, which
15 is an increase of 17% from February 2021. Six out of ten Colorado
16 households are unable to afford the average priced home. As used in this
17 section, "cost-burdened" means that more than 30% percent of a
18 household's monthly income is expended on housing and "severely
19 cost-burdened means" that more than 50% of a household's monthly
20 income is expended on housing.

21 (c) On March 11, 2021, the federal government enacted the
22 "American Rescue Plan Act of 2021", Pub.L. 117-2, referred to in this
23 section as "ARPA", pursuant to which Colorado has received
24 \$3,828,761,790 from the federal coronavirus state fiscal recovery fund,
25 referred to in this section as the "SFRF", to be used for certain specified
26 purposes;

27 (d) These specified purposes include providing programs,

1 services, or other assistance for populations disproportionately impacted
2 by the COVID-19 pandemic;

3 (e) More specifically, federal regulations and guidance construing
4 dictating allocation of the SFRF promulgated by the United States
5 treasury identify a nonexclusive list of uses that address the
6 disproportionate negative economic effects of the COVID-19 pandemic,
7 including building stronger communities through investments in housing
8 and neighborhoods. Services in this category alleviate the immediate
9 economic impact of the COVID-19 pandemic on housing insecurity while
10 addressing conditions that contributed to poor public health and economic
11 outcomes during the pandemic, namely concentrated areas with limited
12 economic opportunity and inadequate or poor quality housing.

13 (f) Under these regulations, SFRF money may be used for
14 programs or services that address housing insecurity, lack of affordable
15 and workforce housing, or homelessness, including:

16 (I) Supportive housing or other programs or services to improve
17 access to stable, affordable housing among unhoused individuals;

18 (II) The development of affordable housing to increase the supply
19 of affordable housing units that are livable, vibrant, and driven by
20 community benefits; and

21 (III) Housing vouchers and assistance to allow individuals to
22 relocate in neighborhoods with high levels of economic opportunity and
23 to reduce concentrated areas of low economic opportunity;

24 (g) In House Bill 21-1329, enacted in 2021, the general assembly
25 created the affordable housing task force, referred to in this section as the
26 "task force", to develop recommendations to take advantage of this
27 once-in-a-lifetime spending opportunity presented by ARPA to bring

1 transformative policies to Colorado's housing sector that will provide
2 immediate, sweeping, and long-lasting change. ARPA provided the
3 impetus to bring together the legislative and executive branches of state
4 government, as well as a diverse group of stakeholders made up of
5 affordable housing practitioners and experts, to tackle the affordable
6 housing crisis and determine which investments would make the biggest
7 impact. The 16-member task force was made up of a bipartisan group of
8 ten members of the general assembly and six agency directors. A
9 15-member subpanel of diverse affordable housing experts was also
10 appointed to advise the task force. The task force and subpanel undertook
11 a deliberative, iterative, and transparent process. Ultimately, the task force
12 came to near unanimous consensus on its funding recommendations and
13 allocations, as well as broad agreement on several policy concepts.

14 (h) The recommendations of the task force are intended to take
15 advantage of this once-in-a-lifetime funding opportunity, specifically, a
16 one-time investment of \$400 million, to institute transformational housing
17 policies and programs that will allow the state to better meet the challenge
18 of providing affordable housing, from addressing homelessness to
19 supporting housing for Colorado's workforce; and

20 (i) The recommendations made by the task force will not solve
21 Colorado's affordable housing crisis completely but will be a
22 transformational step forward in achieving that objective. Once
23 implemented at the local level across the state, these policies will make
24 significant strides in increasing access to flexible capital sources,
25 fostering innovation, strengthening the social safety net, enhancing
26 market stability, and ultimately promoting more broad and equitable
27 ownership and rental housing for Coloradans in every corner of the state.

1 These investments will result in more affordable housing being built
2 across the state and will help to maintain existing housing stock that is at
3 risk of becoming unsafe or unaffordable. The recommendations will help
4 reduce disparities and address homelessness and will assist many
5 Coloradans in purchasing homes that were previously out of financial
6 reach, which will help build intergenerational wealth across the state.

7 (2) The general assembly further finds, determines, and declares
8 that the programs and services funded by the transfers in this act are
9 appropriate uses of the money transferred to Colorado under the SFRF
10 and subsequently transferred into the affordable housing and home
11 ownership cash fund created in section 24-75-229 (3)(a), C.R.S. This
12 money will be put to expeditious and efficient use in building stronger
13 communities across the state by making grants to community partners and
14 local governments across the state to assist these entities in making
15 investments in housing for populations, households, or geographic areas
16 disproportionately affected by the COVID-19 pandemic.

17 (3) By this act, the general assembly is focusing a portion of the
18 SFRF money that it has received from the federal government to begin to
19 ameliorate the affordable housing crisis in Colorado by creating and
20 administering a program to provide direct, flexible, and timely grant
21 funding to community-based nonprofit organizations and local
22 governments that have or are pursuing measures to facilitate affordable
23 housing development or the purchase of land or buildings for and the
24 development of supportive, rental, transitional, and for-sale housing
25 targeted at populations and communities disproportionately impacted by
26 the COVID-19 pandemic.

27 (4) The general assembly intends that the grants made under this

1 act will be made to community-based and nonprofit organizations for
2 housing navigation and rehousing support, timely deployment of
3 assistance, and technical and legal assistance. The general assembly
4 intends that funds should be made available to local and regional groups
5 and governments to be used for a variety of needs as specified in this act.

6 (5) The general assembly additionally intends that the grant
7 program ensure flexibility of funding that will allow for operating grants
8 to be made to community-based nonprofit organizations and qualified
9 local governments, particularly in small, rural, and mountain resort
10 communities that can best meet their own development needs.

11 (6) The potential uses of SFRF money directed by this act are in
12 alignment with the priority articulated by the governor and legislators
13 representing both major political parties of investing in strong
14 communities. Such potential uses include funding for local infill
15 infrastructure needs to help support and catalyze affordable housing
16 development and further Colorado's sustainable development patterns,
17 provide community benefits, ensure multimodal connectivity, reduce
18 greenhouse gas emissions, strengthen social and environmental equity,
19 and improve quality of life and community resilience.

20 (7) The general assembly further intends that the structure of
21 funding criteria for the grant program created by this act encourage the
22 use of public policies that allow for the development of affordable
23 housing on a local basis congruent with local needs and conditions. To
24 achieve the greatest transformation possible, funding criteria should also
25 aim to support and promote the leveraging of local funding resources.
26 When appropriate, such funds should be aligned with loan funds from
27 other public and private sources and priority should be given to projects

1 that significantly leverage other funding sources. As part of the assistance
2 provided by this act, the general assembly intends that additional funds be
3 directed to eviction legal defense, given the ongoing challenges of
4 evictions caused by the COVID-19 pandemic.

5 **SECTION 2.** In Colorado Revised Statutes, **add** 24-32-726 as
6 follows:

7 **24-32-726. Transformational affordable housing through local**
8 **investments - grant program - investments eligible for funding -**
9 **report - definitions - repeal. (1) Definitions.** AS USED IN THIS SECTION,
10 UNLESS THE CONTEXT OTHERWISE REQUIRES:

11 (a) "AFFORDABLE HOUSING" MEANS:

12 (I) FOR A HOUSEHOLD RESIDING IN HOUSING ON A RENTAL BASIS,
13 ANNUAL INCOME OF THE HOUSEHOLD IS AT OR BELOW ONE HUNDRED
14 FORTY PERCENT OF THE AREA MEDIAN INCOME OF HOUSEHOLDS OF THAT
15 SIZE IN THE COUNTY IN WHICH THE HOUSING IS LOCATED;

16 (II) FOR A HOUSEHOLD RESIDING IN HOUSING ON A HOME
17 OWNERSHIP BASIS, ANNUAL INCOME OF THE HOUSEHOLD AT OR BELOW ONE
18 HUNDRED FORTY PERCENT OF THE AREA MEDIAN INCOME OF HOUSEHOLDS
19 OF THAT SIZE IN THE COUNTY IN WHICH THE HOUSING IS LOCATED; OR

20 (III) HOUSING THAT INCORPORATES MIXED-INCOME
21 DEVELOPMENT.

22 (b) "COMMUNITY PARTNER" MEANS A NONPROFIT ORGANIZATION
23 THAT UNDERTAKES ANY OF THE ACTIVITIES OR SERVICES DESCRIBED IN
24 SUBSECTION (2)(b) OF THIS SECTION.

25 (c) "DEPARTMENT" MEANS THE DEPARTMENT OF LOCAL AFFAIRS.

26 (d) "ELIGIBLE RECIPIENT" MEANS A LOCAL GOVERNMENT OR A
27 COMMUNITY PARTNER THAT APPLIES FOR A GRANT THROUGH THE GRANT

1 PROGRAM.

2 (e) "FUND" MEANS THE LOCAL INVESTMENTS IN
3 TRANSFORMATIONAL AFFORDABLE HOUSING FUND CREATED IN
4 SUBSECTION (4)(a) OF THIS SECTION.

5 (f) "GRANT PROGRAM" MEANS THE LOCAL INVESTMENTS IN
6 TRANSFORMATIONAL AFFORDABLE HOUSING GRANT PROGRAM CREATED
7 IN SUBSECTION (2)(a) OF THIS SECTION.

8 (g) "LOCAL GOVERNMENT" MEANS A COUNTY, MUNICIPALITY, CITY
9 AND COUNTY, TRIBAL GOVERNMENT, SPECIAL DISTRICT ORGANIZED UNDER
10 TITLE 32, SCHOOL DISTRICT, DISTRICT, HOUSING AUTHORITY, OR ANY
11 OTHER POLITICAL SUBDIVISION OF THE STATE.

12 (h) "MATCH" MEANS MONETARY AND NONMONETARY
13 CONTRIBUTIONS TO A PROJECT.

14 (i) "MIXED-INCOME DEVELOPMENT" MEANS HOUSING THAT
15 INCORPORATES MIXED-INCOME DEVELOPMENT IN THAT SOME, BUT NOT
16 ALL, HOUSING UNITS WITHIN A PARTICULAR DEVELOPMENT HAVE
17 RESTRICTED AVAILABILITY TO HOUSEHOLDS AT OR BELOW THE INCOME
18 LEVELS SPECIFIED IN SUBSECTION (1)(a) OF THIS SECTION IN ADDITION TO
19 SOME UNITS THAT ARE ABOVE SUCH INCOME LEVELS WITH OR WITHOUT
20 SUCH RESTRICTED AVAILABILITY.

21 (2) **Creation of the grant program - projects or programs**

22 **eligible for funding.** (a) THERE IS CREATED IN THE DIVISION THE LOCAL
23 INVESTMENTS IN TRANSFORMATIONAL AFFORDABLE HOUSING GRANT
24 PROGRAM TO PROVIDE GRANTS TO ELIGIBLE RECIPIENTS TO ENABLE SUCH
25 ENTITIES TO MAKE INVESTMENTS IN THEIR COMMUNITIES OR REGIONS OF
26 THE STATE IN TRANSFORMATIONAL AFFORDABLE HOUSING AND HOUSING
27 RELATED MATTERS IN ACCORDANCE WITH THE REQUIREMENTS OF THIS

1 SECTION. THE DIVISION SHALL ADMINISTER THE GRANT PROGRAM.

2 (b) THE DIVISION MAY AWARD GRANTS UNDER THE GRANT
3 PROGRAM TO SUPPORT INVESTMENTS BY ELIGIBLE RECIPIENTS IN PROJECTS
4 OR PROGRAMS THAT:

5 (I) DEVELOP AND INTEGRATE INFRASTRUCTURE TIED TO AN
6 AFFORDABLE HOUSING DEVELOPMENT, INCLUDING FUNDING FOR CAPITAL
7 CONSTRUCTION AND THE COST OF INFRASTRUCTURE DESIGN;

8 (II) PROVIDE GAP FINANCING FOR HOUSING DEVELOPMENT
9 PROJECTS INCLUDING BUT NOT LIMITED TO TRANSACTIONS UNDER THE
10 FEDERAL LOW-INCOME HOUSING TAX CREDIT AND THE AFFORDABLE
11 HOUSING TAX CREDIT CREATED IN SECTION 39-22-2102 (1) AND FOR THE
12 PURCHASE OR CONVERSION OF EXISTING AFFORDABLE HOUSING AND
13 MULTI-FAMILY DEVELOPMENTS, LAND, AND BUILDINGS, PARTICULARLY IN
14 COMMUNITIES WHERE EFFORTS HAVE BEEN MADE TO ENCOURAGE
15 AFFORDABLE HOUSING DEVELOPMENT OR IN COMMUNITIES IN WHICH LOW
16 CONCENTRATIONS OF AFFORDABLE HOUSING EXIST;

17 (III) MAINTAIN EXISTING AFFORDABLE HOUSING THROUGH
18 FUNDING FOR PRESERVATION, RESTORATION THROUGH REHABILITATION,
19 RETROFITTING, RENOVATION, CAPITAL IMPROVEMENTS, THE REPAIR OF
20 CURRENT AFFORDABLE HOUSING STOCK, INCLUDING HOUSING MADE
21 AVAILABLE UNDER 42 U.S.C. SEC. 1437f, AND PUBLIC HOUSING FOR
22 POPULATIONS AND HOUSEHOLDS DISPROPORTIONATELY IMPACTED BY THE
23 COVID-19 PANDEMIC WITH COMMITMENTS FOR LONG-TERM
24 AFFORDABILITY. THESE INVESTMENTS MAY INCLUDE BUT ARE NOT LIMITED
25 TO:

26 (A) SENIOR HOUSING;

27 (B) REMEDIATION OF LOW-QUALITY AND CONDEMNED PROPERTIES;

1 (C) HOUSING SPECIFICALLY DESIGNED FOR PEOPLE LIVING WITH
2 DISABILITIES;

3 (D) THE PURCHASE AND TRANSITION OF CURRENT HOUSING STOCK,
4 INCLUDING PROPERTIES CURRENTLY IN USE ON A SHORT-TERM RENTAL
5 BASIS, INTO AFFORDABLE HOUSING ON A LONG-TERM BASIS;

6 (E) THE PROVISION OF TIME-LIMITED RENTAL ASSISTANCE FOR
7 HOUSEHOLDS DISPROPORTIONATELY IMPACTED BY THE COVID-19
8 PANDEMIC AND AT-RISK OF LOSING THEIR HOME OR IN NEED OF RAPID
9 RE-HOUSING, INCLUDING FUNDING FOR OUTREACH, HOUSING NAVIGATION
10 ASSISTANCE, AND LEGAL SERVICES; AND

11 (F) FINANCING ENERGY IMPROVEMENTS IN SINGLE-FAMILY AND
12 MULTI-FAMILY AFFORDABLE HOUSING THAT WILL PROVIDE FUNDING FOR
13 INCREMENTAL, UP-FRONT COSTS FOR EFFICIENT, ELECTRIC MEASURES AND
14 RENEWABLE ENERGY SYSTEMS FOR BOTH EXISTING HOMES AND RENTAL
15 UNITS AND NEW HOUSING CONSTRUCTION.

16 (IV) PROPERTY CONVERSION FOR TRANSITIONAL OR LONG-TERM
17 HOUSING;

18 (V) PERMANENT SUPPORTIVE HOUSING AND SUPPORTIVE SERVICES;

19 (VI) LAND BANKING AND LAND TRUST STRATEGIES FOR
20 LONG-TERM AFFORDABLE HOUSING PLANNING AND DEVELOPMENT; AND

21 (VII) FUNDING FOR EVICTION LEGAL DEFENSE.

22 (3) **Policies, procedures, and guidelines.** (a) ON OR BEFORE
23 SEPTEMBER 1, 2022, THE DIVISION SHALL ADOPT POLICIES, PROCEDURES,
24 AND GUIDELINES FOR THE GRANT PROGRAM THAT INCLUDE, WITHOUT
25 LIMITATION:

26 (I) THE PROCESS BY WHICH A LOCAL GOVERNMENT OR COMMUNITY
27 PARTNER APPLIES FOR A GRANT AWARD AND THE CRITERIA USED TO

1 DETERMINE ELIGIBILITY FOR A GRANT AWARD;

2 (II) PROCEDURES AND TIME LINES BY WHICH AN ELIGIBLE
3 RECIPIENT MAY APPLY FOR A GRANT;

4 (III) PERFORMANCE CRITERIA FOR GRANT RECIPIENTS' PROJECTS;

5 (IV) REPORTING REQUIREMENTS FOR GRANT RECIPIENTS; AND

6 (V) REQUIREMENTS FOR GRANT RECIPIENTS TO OFFER A MATCH IN
7 RESOURCES.

8 (b) IN AWARDING GRANTS, THE DIVISION SHALL GIVE PREFERENCE
9 TO PROJECTS OR PROGRAMS THAT, TO THE GREATEST EXTENT
10 PRACTICABLE, PROMOTE ONE OR MORE OF THE FOLLOWING GOALS AND
11 OBJECTIVES:

12 (I) INCREASE THE SUPPLY OF HOUSING THAT IS:

13 (A) RESTRICTED AT INCOME LEVELS DEMANDED BY THE LOCAL
14 WORKFORCE;

15 (B) TRANSIT-ORIENTED; OR

16 (C) RESTRICTED TO PERSONS WITH DISABILITIES;

17 (II) LEVERAGE CAPITAL AND OPERATING SUBSIDIES FROM VARIOUS
18 PUBLIC AND PRIVATE SOURCES;

19 (III) INVOLVE THE PURCHASE OF REAL PROPERTY NECESSARY TO
20 SECURE LAND AREAS NEEDED FOR FUTURE DEVELOPMENT; OR

21 (IV) REPRESENT A ONE-TIME FUNDING PROPOSAL TO THE STATE
22 WITH MINIMAL OR NO MULTI-YEAR FINANCIAL OBLIGATIONS.

23 (c) THE DIVISION SHALL EITHER CREATE OR UTILIZE AN EXISTING
24 PROCESS THAT ENSURES THAT GRANTS ARE ONLY CONSIDERED AND
25 AWARDED AFTER A FAIR AND RIGOROUS OPEN COMPETITION AMONG
26 ELIGIBLE GRANT RECIPIENTS.

27 (d) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION,

1 THE AMOUNT OF ANY GRANT AWARD UNDER THE GRANT PROGRAM AND
2 ANY RESTRICTIONS OR CONDITIONS PLACED UPON THE USE OF GRANT
3 MONEY AWARDED IS WITHIN THE DISCRETION OF THE DIVISION IN
4 ACCORDANCE WITH THE REQUIREMENTS OF THIS SECTION.

5 (4) **Fund.** (a) THE LOCAL INVESTMENTS IN TRANSFORMATIONAL
6 AFFORDABLE HOUSING FUND IS CREATED IN THE STATE TREASURY. THE
7 FUND CONSISTS OF MONEY TRANSFERRED TO THE FUND PURSUANT TO
8 SUBSECTION (4)(c) OF THIS SECTION; MONEY APPROPRIATED TO THE FUND
9 BY THE GENERAL ASSEMBLY; AND ANY GIFTS, GRANTS, OR DONATIONS
10 FROM ANY PUBLIC OR PRIVATE SOURCES, INCLUDING GOVERNMENTAL
11 ENTITIES, THAT THE DIVISION IS AUTHORIZED TO SEEK AND ACCEPT.

12 (b) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND
13 INCOME DERIVED FROM THE INVESTMENT AND DEPOSIT OF MONEY IN THE
14 FUND TO THE FUND. EXCEPT AS OTHERWISE REQUIRED BY THIS
15 SUBSECTION (4)(b), ALL MONEY NOT EXPENDED OR ENCUMBERED, AND
16 ALL INTEREST EARNED ON THE INVESTMENT OR DEPOSIT OF MONEY IN THE
17 FUND, MUST REMAIN IN THE FUND AND SHALL NOT REVERT TO THE
18 GENERAL FUND OR ANY OTHER FUND AT THE END OF ANY FISCAL YEAR.
19 THE MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED TO THE
20 DIVISION FOR THE PURPOSES OF THIS SECTION. ANY MONEY IN THE FUND
21 THAT IS NOT EXPENDED OR ENCUMBERED BY DECEMBER 31, 2024,
22 REVERTS TO THE GENERAL FUND. ANY MONEY TRANSFERRED INTO THE
23 FUND IN ACCORDANCE WITH THIS SUBSECTION (4) THAT IS NOT EXPENDED
24 OR ENCUMBERED FROM ANY APPROPRIATION AT THE END OF ANY FISCAL
25 YEAR IS AVAILABLE FOR EXPENDITURE BY JULY 1, 2024, WITHOUT
26 FURTHER APPROPRIATION.

27 (c) ON THE EFFECTIVE DATE OF THIS SECTION, OR AS SOON AS

1 PRACTICABLE THEREAFTER, THE STATE TREASURER SHALL TRANSFER ONE
2 HUNDRED FIFTY MILLION DOLLARS FROM THE AFFORDABLE HOUSING AND
3 HOME OWNERSHIP CASH FUND CREATED IN SECTION 24-75-229 (3)(a) THAT
4 ORIGINATES FROM MONEY THE STATE RECEIVED FROM THE FEDERAL
5 CORONAVIRUS STATE FISCAL RECOVERY FUND TO THE FUND. THE MONEY
6 TRANSFERRED PURSUANT TO THIS SUBSECTION (4) MUST ONLY BE USED
7 FOR:

8 (I) MAKING GRANTS TO ELIGIBLE RECIPIENTS PURSUANT TO THE
9 GRANT PROGRAM; AND

10 (II) THE COSTS OF ADMINISTERING THE GRANT PROGRAM AS MAY
11 BE INCURRED BY THE DIVISION. THE DEPARTMENT MAY EXPEND UP TO FIVE
12 PERCENT OF THE MONEY APPROPRIATED OR TRANSFERRED TO THE FUND TO
13 PAY FOR ITS DIRECT AND INDIRECT COSTS IN ADMINISTERING THE GRANT
14 PROGRAM. ALL SUCH ADMINISTRATIVE COSTS MUST BE PAID OUT OF THE
15 MONEY TRANSFERRED TO THE FUND PURSUANT TO THIS SUBSECTION (4)(c).

16 (5) **Reporting.** IN CONNECTION WITH THE PUBLIC REPORT THE
17 DIVISION PREPARED IN ACCORDANCE WITH SECTION 24-32-705.5 (1), FOR
18 THE REPORT PREPARED IN 2023 AND 2024, THE DIVISION SHALL INCLUDE
19 IN THE REPORT INFORMATION SUMMARIZING THE USE OF ALL OF THE
20 MONEY THAT WAS AWARDED AS GRANTS FROM THE GRANT PROGRAM IN
21 THE PRECEDING STATE FISCAL YEAR. AT A MINIMUM, THE INFORMATION
22 INCLUDED IN THE REPORT PERTAINING TO THE GRANT PROGRAM MUST
23 SPECIFY THE NUMBER OF LOCAL GOVERNMENTS OR COMMUNITY PARTNERS
24 THAT APPLIED FOR A GRANT AWARD, INCLUDING THE NUMBER OF LOCAL
25 GOVERNMENTS OR COMMUNITY PARTNERS THAT WERE NOT AWARDED A
26 GRANT; THE AMOUNT OF GRANT MONEY DISTRIBUTED TO EACH GRANT
27 RECIPIENT; A DESCRIPTION OF EACH GRANT RECIPIENT'S USE OF THE GRANT

1 MONEY; AND HOW THE USE OF THE GRANT AWARDED FURTHERED THE
2 VISION OF TRANSFORMATIONAL AFFORDABLE HOUSING DESCRIBED IN THE
3 FINAL REPORT OF THE TASK FORCE ESTABLISHED IN SECTION 24-75-229
4 (6)(a). THE DIVISION SHALL ALSO INCLUDE IN THE REPORT ITS
5 RECOMMENDATIONS CONCERNING FUTURE ADMINISTRATION OF THE
6 GRANT PROGRAM.

7 (6) **Repeal.** THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31,
8 2026.

9 **SECTION 3.** In Colorado Revised Statutes, 24-32-705, **amend**
10 (7) as follows:

11 **24-32-705. Functions of division.** (7) The division shall
12 administer the:

13 (a) Affordable housing guided toolkit and local officials guide
14 program in accordance with section 24-32-721.5; AND

15 (b) LOCAL INVESTMENTS IN THE TRANSFORMATIONAL AFFORDABLE
16 HOUSING GRANT PROGRAM CREATED IN SECTION 24-32-726 (2)(a).

17 **SECTION 4.** In Colorado Revised Statutes, 24-32-705.5, **add**
18 (3.5) as follows:

19 **24-32-705.5. Annual public report on funding of affordable**
20 **housing preservation and production - definition.** (3.5) (a) FOR THE
21 PUBLIC REPORT REQUIRED BY SUBSECTION (1) OF THIS SECTION THAT THE
22 DIVISION IS REQUIRED TO PREPARE IN 2023 AND 2024, THE DIVISION SHALL
23 INCLUDE IN THE REPORT FOR EACH YEAR THE INFORMATION REQUIRED TO
24 BE INCLUDED IN THE REPORT IN ACCORDANCE WITH SECTION 23-32-726
25 (5).

26 (b) THIS SUBSECTION (3.5) IS REPEALED, EFFECTIVE JULY 1, 2026.

27 **SECTION 5.** In Colorado Revised Statutes, **add** 24-32-132 as

1 follows:

2 **24-32-132. Infrastructure and strong communities grant**
3 **program - creation - fund - reporting - definitions - repeal.**

4 (1) **Definitions.** AS USED IN THIS SECTION, UNLESS THE CONTEXT
5 OTHERWISE REQUIRES:

6 (a) "AFFORDABLE HOUSING" MEANS:

7 (I) FOR A HOUSEHOLD RESIDING IN HOUSING ON A RENTAL BASIS,
8 ANNUAL INCOME OF THE HOUSEHOLD IS AT OR BELOW ONE HUNDRED
9 FORTY PERCENT OF THE AREA MEDIAN INCOME OF HOUSEHOLDS OF THAT
10 SIZE IN THE COUNTY IN WHICH THE HOUSING IS LOCATED; OR

11 (II) FOR A HOUSEHOLD RESIDING IN HOUSING ON A HOME
12 OWNERSHIP BASIS, ANNUAL INCOME OF THE HOUSEHOLD AT OR BELOW ONE
13 HUNDRED FORTY PERCENT OF THE AREA MEDIAN INCOME OF HOUSEHOLDS
14 OF THAT SIZE IN THE COUNTY IN WHICH THE HOUSING IS LOCATED.

15 (b) "DEPARTMENT" MEANS THE DEPARTMENT OF LOCAL AFFAIRS.

16 (c) "ELIGIBLE EXPENSES" INCLUDE PLANNING, INFRASTRUCTURE,
17 AND LOCAL CAPACITY.

18 (d) "ELIGIBLE LOCAL GOVERNMENT" MEANS A MUNICIPALITY OR
19 A COUNTY THAT HAS PARTNERED WITH A MUNICIPALITY.

20 (e) "FUND" MEANS THE INFRASTRUCTURE AND STRONG
21 COMMUNITIES GRANT PROGRAM FUND CREATED IN SUBSECTION (5) OF THIS
22 SECTION.

23 (f) "GRANT PROGRAM" MEANS THE INFRASTRUCTURE AND STRONG
24 COMMUNITIES GRANT PROGRAM CREATED IN SUBSECTION (3)(a) OF THIS
25 SECTION.

26 (g) "INFILL DEVELOPMENT" MEANS THE DEVELOPMENT OF UNUSED
27 AND UNDERUTILIZED LAND WITHIN EXISTING DEVELOPMENT PATTERNS,

1 TYPICALLY BUT NOT EXCLUSIVELY IN URBAN AREAS.

2 (h) "LOCAL GOVERNMENT" MEANS A COUNTY, MUNICIPALITY, OR
3 A CITY AND COUNTY.

4 (i) "MULTI-AGENCY GROUP" MEANS THE DIVISION, THE COLORADO
5 ENERGY OFFICE CREATED IN SECTION 24-38.5-101 (1), AND THE
6 DEPARTMENT OF TRANSPORTATION CREATED IN SECTION 43-1-103 (1).

7 (j) "SUSTAINABLE DEVELOPMENT PATTERN" MEANS A
8 DEVELOPMENT PATTERN THAT MAY BE EXTENDED IN A COST-EFFECTIVE
9 WAY THAT MITIGATES HARM AND MINIMIZES THE NEED FOR ADDITIONAL
10 RESOURCES TO MAINTAIN THE DEVELOPMENT OVER TIME.

11 (k) "TRANSIT-ORIENTED DEVELOPMENT" MEANS A DEVELOPMENT
12 THAT IS WITHIN WALKING DISTANCE OF A TRANSIT OR OTHER ALTERNATIVE
13 TRANSPORTATION FACILITY.

14 (2) **Multi-agency group - best practices.** (a) THE MULTI-AGENCY
15 GROUP SHALL ENCOURAGE THE INVOLVEMENT OF LOCAL GOVERNMENTS
16 ACROSS THE STATE IN THE GRANT PROGRAM. THE MULTI-AGENCY GROUP,
17 WITH THE ASSISTANCE OF STAKEHOLDERS, SHALL DEVELOP A LIST OF
18 SUSTAINABLE LAND USE BEST PRACTICES THAT WILL ACCOMPLISH THE
19 GOALS OF THE GRANT PROGRAM AND IMPROVE A LOCAL GOVERNMENT'S
20 VIABILITY IN BEING CONSIDERED FOR A GRANT AWARD.

21 (b) THE SUSTAINABLE LAND USE BEST PRACTICES REFERENCED IN
22 SUBSECTION (2)(a) OF THIS SECTION WILL ADDRESS ONE OR MORE OF THE
23 FOLLOWING, WITHOUT LIMITATION:

24 (I) ENABLING ACCESSORY DEVELOPMENT UNITS OR THE USE OF
25 MULTIPLEXES BY RIGHT IN RESIDENTIAL ZONES;

26 (II) ZONING FOR MIXED-USE HIGHER DENSITY DEVELOPMENT IN
27 DOWNTOWN AREAS OF MUNICIPALITIES AND AROUND TRANSIT STATIONS;

- 1 (III) ANNEXATION POLICIES;
- 2 (IV) INTERGOVERNMENTAL AGREEMENTS THAT COORDINATE
- 3 FUTURE DEVELOPMENT;
- 4 (V) REDUCED PARKING REQUIREMENTS;
- 5 (VI) RELAXED OCCUPANCY RULES;
- 6 (VII) BUDGETING POLICIES;
- 7 (VIII) WATER RATE STRUCTURES;
- 8 (IX) ROAD STANDARDS;
- 9 (X) HAZARD RISK REDUCTION AND MITIGATION STANDARDS;
- 10 (XI) ENERGY EFFICIENT BUILDING CODES; AND
- 11 (XII) ZONING FOR INNOVATIVE HOUSING OPTIONS, INCLUDING BUT
- 12 NOT LIMITED TO MODULAR, MANUFACTURED, AND PREFABRICATED HOMES.

13 (c) THE MULTI-AGENCY GROUP SHALL DISTRIBUTE THE
14 SUSTAINABLE LAND USE PRACTICES DEVELOPED PURSUANT TO SUBSECTION
15 (2)(b) OF THIS SECTION TO LOCAL GOVERNMENTS SO THAT LOCAL
16 GOVERNMENTS MAY ANALYZE WHICH, IF ANY, OF THESE PRACTICES MIGHT
17 HAVE A POSITIVE IMPACT IN THEIR COMMUNITIES, AND THEN DETERMINE
18 HOW TO CUSTOMIZE THESE BEST PRACTICES AND ADOPT THEM IN THEIR
19 COMMUNITIES AS APPROPRIATE.

20 (3) **Grant program - criteria for awarding grants.** (a) THE
21 INFRASTRUCTURE AND STRONG COMMUNITIES GRANT PROGRAM IS HEREBY
22 CREATED WITHIN THE DIVISION TO PROVIDE GRANTS TO ELIGIBLE LOCAL
23 GOVERNMENTS TO ENABLE LOCAL GOVERNMENTS TO INVEST IN INFILL
24 INFRASTRUCTURE PROJECTS THAT SUPPORT AFFORDABLE HOUSING.

25 (b) THE DIVISION SHALL ADMINISTER THE GRANT PROGRAM AND,
26 SUBJECT TO AVAILABLE APPROPRIATIONS, AWARD GRANTS IN
27 ACCORDANCE WITH THE REQUIREMENTS OF THIS SECTION. SUBJECT TO

1 AVAILABLE APPROPRIATIONS, GRANTS MUST BE PAID OUT OF THE FUND
2 CREATED IN SUBSECTION (5) OF THIS SECTION.

3 (c) THE DIVISION SHALL DEVELOP POLICIES, PROCEDURES, AND
4 GUIDELINES THAT ESTABLISH THE CRITERIA THAT THE DIVISION MUST
5 CONSIDER IN AWARDING GRANTS PURSUANT TO THIS SECTION. AT A
6 MINIMUM, THE CRITERIA MUST INCLUDE THE CONSIDERATION OF:

7 (I) THE POTENTIAL IMPACT OF A PROJECT THAT A LOCAL
8 GOVERNMENT WOULD FUND WITH A GRANT AWARD IN LIGHT OF THE GOALS
9 OF THE GRANT PROGRAM; AND

10 (II) THE SUSTAINABLE LAND USE PRACTICES THAT THE LOCAL
11 GOVERNMENT HAS ADOPTED TO SUPPORT GREATER INFILL HOUSING
12 SUPPLY, MORE AFFORDABLE HOUSING, AND SUSTAINABLE DEVELOPMENT
13 PATTERNS.

14 (4) **Policies, procedures, and guidelines governing use of grant**
15 **funds.** (a) THE DIVISION SHALL DEVELOP POLICIES AND PROCEDURES TO
16 DETERMINE HOW GRANTS FUNDED BY THE GRANT PROGRAM MAY BE USED.

17 (b) AT A MINIMUM, THE POLICIES, PROCEDURES, AND GUIDELINES
18 DEVELOPED PURSUANT TO SUBSECTION (4)(a) OF THIS SECTION MUST
19 REQUIRE THAT A GRANT AWARD BE USED, AT LEAST IN PART, TO FUND
20 INFRASTRUCTURE PROJECTS THAT:

21 (I) ARE WITHIN OR ADJACENT TO A DOWNTOWN, CORE BUSINESS
22 DISTRICT, OR TRANSIT-ORIENTED DEVELOPMENT; OR

23 (II) ASSIST IN INCREASING THE SUPPLY OF AFFORDABLE HOUSING.

24 (c) A PORTION OF ANY GRANT AWARD MAY BE USED FOR PROJECT
25 DELIVERY, PLANNING, AND COMMUNITY ENGAGEMENT.

26 (d) THE GENERAL ASSEMBLY HEREBY ENCOURAGES GRANT
27 RECIPIENTS TO EXPEND A PORTION OF ANY GRANT AWARD, WHENEVER

1 POSSIBLE, FOR FUNDING ACCESSIBILITY IMPROVEMENTS OR AMENITIES
2 THAT MAKE THE SITE OF THE PROJECT AGE-FRIENDLY AND ACCESSIBLE FOR
3 PERSONS WITH DISABILITIES.

4 (5) **Fund - administrative costs - permitted uses - gifts, grants,
5 and donations.** (a) THE INFRASTRUCTURE AND STRONG COMMUNITIES
6 GRANT PROGRAM FUND IS HEREBY CREATED IN THE STATE TREASURY. THE
7 FUND CONSISTS OF ANY MONEY TRANSFERRED TO THE FUND, ANY MONEY
8 THAT THE GENERAL ASSEMBLY MAY APPROPRIATE TO THE FUND, AND ANY
9 GIFTS, GRANTS, OR DONATIONS THAT THE DIVISION RECEIVES FOR THE
10 GRANT PROGRAM PURSUANT TO SUBSECTION (5)(f) OF THIS SECTION.
11 MONEY IN THE FUND IS SUBJECT TO ANNUAL APPROPRIATION BY THE
12 GENERAL ASSEMBLY FOR THE PURPOSES DESCRIBED IN SUBSECTION (5)(c)
13 OF THIS SECTION.

14 (b) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND
15 INCOME DERIVED FROM THE INVESTMENT AND DEPOSIT OF MONEY IN THE
16 FUND TO THE FUND. ALL MONEY IN THE FUND THAT IS NOT EXPENDED OR
17 ENCUMBERED, AND ALL INTEREST EARNED ON THE INVESTMENT OR
18 DEPOSIT OF MONEY IN THE FUND, REMAINS IN THE FUND AND SHALL NOT
19 BE CREDITED, TRANSFERRED, OR REVERTED TO THE GENERAL FUND OR ANY
20 OTHER FUND AT THE END OF ANY FISCAL YEAR. THE MONEY IN THE FUND
21 IS CONTINUOUSLY APPROPRIATED TO THE DIVISION FOR THE PURPOSES OF
22 THIS SECTION.

23 (c) THE DIVISION MAY ONLY USE THE MONEY IN THE FUND FOR ONE
24 OR MORE OF THE FOLLOWING USES:

25 (I) THE COSTS OF ADMINISTERING THE GRANT PROGRAM AS MAY
26 BE INCURRED BY THE DIVISION. THE DEPARTMENT MAY EXPEND UP TO
27 FOUR PERCENT OF THE MONEY APPROPRIATED OR TRANSFERRED TO THE

1 FUND TO PAY FOR ITS DIRECT AND INDIRECT COSTS IN CONNECTION WITH
2 ADMINISTERING THE USES OF GRANT FUNDING DESCRIBED IN SUBSECTION
3 (5)(c)(II) OF THIS SECTION.

4 (II) MAKING GRANTS TO ELIGIBLE LOCAL GOVERNMENTS
5 PURSUANT TO THE GRANT PROGRAM TO ASSIST SUCH LOCAL
6 GOVERNMENTS IN:

7 (A) IDENTIFYING SUSTAINABLE LAND USE BEST PRACTICES AND
8 SUPPORTING SUSTAINABLE DEVELOPMENT PATTERNS; AND

9 (B) DETERMINING WHERE AND HOW BEST TO UPGRADE LOCAL
10 GOVERNMENT INFRASTRUCTURE TO SUPPORT MORE EFFICIENT,
11 SUSTAINABLE DEVELOPMENT PATTERNS THAT ENABLE GREATER
12 AFFORDABLE INFILL HOUSING DEVELOPMENT.

13 (d) THE COLORADO ENERGY OFFICE, CREATED IN SECTION
14 24-38.5-101 (1), MAY USE MONEY IN THE FUND FOR THE DIRECT AND
15 INDIRECT COSTS OF EDUCATIONAL PROGRAMMING AND TECHNICAL
16 ASSISTANCE FOR LOCAL GOVERNMENTS THAT THE COLORADO ENERGY
17 OFFICE PROVIDES PURSUANT TO SECTION 24-32-132 (2).

18 (e) THE DEPARTMENT OF TRANSPORTATION MAY USE MONEY IN
19 THE FUND FOR THE DIRECT AND INDIRECT COSTS OF EDUCATIONAL
20 PROGRAMMING AND TECHNICAL ASSISTANCE FOR LOCAL GOVERNMENTS
21 THAT THE DEPARTMENT OF TRANSPORTATION PROVIDES PURSUANT TO
22 SECTION 24-32-132 (2).

23 (f) THE DIVISION MAY SEEK, ACCEPT, AND EXPEND GIFTS, GRANTS,
24 OR DONATIONS FROM ANY PUBLIC OR PRIVATE RESOURCE FOR THE
25 PURPOSES OF THIS SECTION. THE DIVISION SHALL TRANSMIT ALL MONEY
26 RECEIVED FROM GIFTS, GRANTS, OR DONATIONS TO THE STATE TREASURER
27 WHO SHALL CREDIT THE MONEY TO THE FUND.

1 **(6) Transfer of money to fund.** ON THE EFFECTIVE DATE OF THIS
2 SECTION, OR AS SOON AS PRACTICABLE THEREAFTER, THE STATE
3 TREASURER SHALL TRANSFER TWENTY-EIGHT MILLION DOLLARS FROM THE
4 GENERAL FUND TO THE FUND.

5 **(7) Reporting.** (a) ON OR BEFORE OCTOBER 1, 2023, AND ON OR
6 BEFORE OCTOBER 1 OF EACH YEAR THEREAFTER FOR THE DURATION OF
7 THE GRANT PROGRAM, THE DEPARTMENT SHALL SUBMIT A SUMMARIZED
8 REPORT ON THE GRANT PROGRAM TO THE SENATE LOCAL GOVERNMENT
9 COMMITTEE AND THE HOUSE OF REPRESENTATIVES LOCAL GOVERNMENT
10 COMMITTEE, OR ANY SUCCESSOR COMMITTEES. AT A MINIMUM, THE
11 REPORT MUST INCLUDE:

12 (I) THE NUMBER OF ADDITIONAL AFFORDABLE HOUSING UNITS AND
13 OVERALL HOUSING UNITS PROJECTED TO BE CREATED AS A RESULT OF THE
14 GRANT PROGRAM;

15 (II) THE PROJECTED OR ESTIMATED REDUCTION IN GREENHOUSE
16 GAS EMISSIONS AS A RESULT OF THE GRANT PROGRAM;

17 (III) THE ESTIMATED REDUCTION IN VEHICLE MILES TRAVELED AND
18 HOUSEHOLD TRANSPORTATION SAVINGS AS RESULT OF THE GRANT
19 PROGRAM; AND

20 (IV) THE NUMBER AND TYPE OF BEST PRACTICES ADOPTED BY
21 ELIGIBLE LOCAL GOVERNMENTS THAT HAVE RECEIVED GRANT AWARDS.

22 (b) NOTWITHSTANDING SECTION 24-1-136 (11)(a)(I), THE
23 REPORTING REQUIREMENT SPECIFIED IN SUBSECTION (7)(a) OF THIS
24 SECTION CONTINUES UNTIL THE GRANT PROGRAM IS REPEALED IN
25 ACCORDANCE WITH SUBSECTION (8) OF THIS SECTION.

26 **(8) Repeal.** THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31,
27 2026.

1 **SECTION 6.** In Colorado Revised Statutes, 24-32-104, **add** (8)
2 as follows:

3 **24-32-104. Functions of the division - interconnectivity grant**
4 **program - interconnectivity grant program fund - reporting -**
5 **definition.** (8) THE DIVISION SHALL ADMINISTER THE INFRASTRUCTURE
6 AND STRONG COMMUNITIES GRANT PROGRAM CREATED IN SECTION
7 24-32-132. IN CONNECTION WITH THE ADMINISTRATION OF THE GRANT
8 PROGRAM, THE DIVISION SHALL CONSULT WITH THE COLORADO ENERGY
9 OFFICE CREATED IN SECTION 24-38.5-101 (1) AND THE DEPARTMENT OF
10 TRANSPORTATION CREATED IN SECTION 43-1-103 (1).

11 **SECTION 7. Safety clause.** The general assembly hereby finds,
12 determines, and declares that this act is necessary for the immediate
13 preservation of the public peace, health, or safety.