

**Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

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
Appropriations

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, AND MAKING AN**
108 **APPROPRIATION.**

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

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.

[http://leg.colorado.gov/.](http://leg.colorado.gov/))

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,

1 the housing crisis that Colorado faces is not new. For decades, the lack of
2 affordable housing has upended the lives of thousands who face
3 homelessness in the Denver metropolitan area and across the state,
4 shuttered Colorado businesses, hindered working-class employment
5 because of a lack of workforce housing, and exacerbated inequities for
6 communities of color.

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

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

1 (d) These specified purposes include providing programs,
2 services, or other assistance for populations disproportionately impacted
3 by the COVID-19 pandemic;

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

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

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

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

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

25 (g) In House Bill 21-1329, enacted in 2021, the general assembly
26 created the affordable housing task force, referred to in this section as the
27 "task force", to develop recommendations to take advantage of this

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

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

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

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

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

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

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

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

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

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

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

6 (8) The general assembly further declares that the programs and
7 services described in this act are important government services.

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

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

14 **(a)** "COMMUNITY PARTNER" MEANS A NONPROFIT ORGANIZATION
15 THAT UNDERTAKES ANY OF THE ACTIVITIES OR SERVICES DESCRIBED IN
16 SUBSECTION (2)(b) OF THIS SECTION.

17 **(b)** "DEPARTMENT" MEANS THE DEPARTMENT OF LOCAL AFFAIRS.

18 **(c)** "ELIGIBLE RECIPIENT" MEANS A LOCAL GOVERNMENT OR A
19 COMMUNITY PARTNER THAT APPLIES FOR A GRANT THROUGH THE GRANT
20 PROGRAM.

21 **(d)** "FUND" MEANS THE LOCAL INVESTMENTS IN
22 TRANSFORMATIONAL AFFORDABLE HOUSING FUND CREATED IN
23 SUBSECTION (4)(a) OF THIS SECTION.

24 **(e)** "GRANT PROGRAM" MEANS THE LOCAL INVESTMENTS IN
25 TRANSFORMATIONAL AFFORDABLE HOUSING GRANT PROGRAM CREATED
26 IN SUBSECTION (2)(a) OF THIS SECTION.
27

1 (f) "LOCAL GOVERNMENT" MEANS A COUNTY, MUNICIPALITY, CITY
2 AND COUNTY, TRIBAL GOVERNMENT, SPECIAL DISTRICT ORGANIZED UNDER
3 TITLE 32, SCHOOL DISTRICT, DISTRICT, HOUSING AUTHORITY, COUNCIL OF
4 GOVERNMENTS, A REGIONAL PLANNING COMMISSION ORGANIZED UNDER
5 TITLE 30, OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE.

6 (g) "MATCH" MEANS MONETARY AND NONMONETARY
7 CONTRIBUTIONS TO A PROJECT.

8

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

10 **eligible for funding.** (a) THERE IS CREATED IN THE DIVISION THE LOCAL
11 INVESTMENTS IN TRANSFORMATIONAL AFFORDABLE HOUSING GRANT
12 PROGRAM TO PROVIDE GRANTS TO ELIGIBLE RECIPIENTS TO ENABLE SUCH
13 ENTITIES TO MAKE INVESTMENTS IN THEIR COMMUNITIES OR REGIONS OF
14 THE STATE IN TRANSFORMATIONAL AFFORDABLE HOUSING AND HOUSING
15 RELATED MATTERS IN ACCORDANCE WITH THE REQUIREMENTS OF THIS
16 SECTION. THE DIVISION SHALL ADMINISTER THE GRANT PROGRAM.

17 (b) THE DIVISION MAY AWARD GRANTS UNDER THE GRANT
18 PROGRAM TO SUPPORT INVESTMENTS BY ELIGIBLE RECIPIENTS IN PROJECTS
19 OR PROGRAMS THAT:

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

23 (II) PROVIDE GAP FINANCING FOR HOUSING DEVELOPMENT
24 PROJECTS INCLUDING BUT NOT LIMITED TO TRANSACTIONS UNDER THE
25 FEDERAL LOW-INCOME HOUSING TAX CREDIT AND THE AFFORDABLE
26 HOUSING TAX CREDIT CREATED IN SECTION 39-22-2102 (1) AND FOR THE
27 PURCHASE OR CONVERSION OF EXISTING AFFORDABLE HOUSING AND

1 MULTI-FAMILY DEVELOPMENTS, LAND, AND BUILDINGS, PARTICULARLY IN
2 COMMUNITIES WHERE EFFORTS HAVE BEEN MADE TO ENCOURAGE
3 AFFORDABLE HOUSING DEVELOPMENT OR IN COMMUNITIES IN WHICH LOW
4 CONCENTRATIONS OF AFFORDABLE HOUSING EXIST;

5 (III) INCREASE NEW AFFORDABLE FOR-SALE HOUSING STOCK BY
6 PROVIDING FUNDING TO ASSIST WITH THE COSTS OF CONSTRUCTION,
7 INCLUDING BUT NOT LIMITED TO CONSTRUCTION COSTS, LAND
8 ACQUISITION COSTS, TAP FEES, BUILDING PERMITS, AND IMPACT FEES;

9 (IV) MAINTAIN EXISTING AFFORDABLE HOUSING THROUGH
10 FUNDING FOR PRESERVATION, RESTORATION THROUGH REHABILITATION,
11 RETROFITTING, RENOVATION, CAPITAL IMPROVEMENTS, THE REPAIR OF
12 CURRENT AFFORDABLE HOUSING STOCK, INCLUDING HOUSING MADE
13 AVAILABLE UNDER 42 U.S.C. SEC. 1437f, AND PUBLIC HOUSING FOR
14 POPULATIONS AND HOUSEHOLDS DISPROPORTIONATELY IMPACTED BY THE
15 COVID-19 PANDEMIC WITH COMMITMENTS FOR LONG-TERM
16 AFFORDABILITY. THESE INVESTMENTS MAY INCLUDE BUT ARE NOT LIMITED
17 TO:

18 (A) SENIOR HOUSING;

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

20 (C) HOUSING UNITS THAT ARE INTEGRATED INTO NONSEGREGATED
21 HOUSING UNITS THAT ARE SPECIFICALLY DESIGNED FOR PEOPLE LIVING
22 WITH DISABILITIES;

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

26 (E) THE PROVISION OF TIME-LIMITED RENTAL ASSISTANCE FOR
27 HOUSEHOLDS DISPROPORTIONATELY IMPACTED BY THE COVID-19

1 PANDEMIC AND AT-RISK OF LOSING THEIR HOME OR IN NEED OF RAPID
2 RE-HOUSING, INCLUDING FUNDING FOR OUTREACH, HOUSING NAVIGATION
3 ASSISTANCE, AND LEGAL SERVICES.

4 (V) FINANCE ENERGY IMPROVEMENTS IN SINGLE-FAMILY AND
5 MULTI-FAMILY AFFORDABLE HOUSING THAT WILL PROVIDE FUNDING FOR
6 INCREMENTAL, UP-FRONT COSTS FOR EFFICIENT, ELECTRIC MEASURES AND
7 RENEWABLE ENERGY SYSTEMS FOR BOTH EXISTING HOMES AND RENTAL
8 UNITS AND NEW HOUSING CONSTRUCTION.

9 (VI) PROVIDE OR MAINTAIN PROPERTY CONVERSION FOR
10 TRANSITIONAL OR LONG-TERM HOUSING;

11 (VII) PROVIDE OR MAINTAIN PERMANENT SUPPORTIVE HOUSING
12 AND SUPPORTIVE SERVICES;

13 (VIII) PROVIDE OR MAINTAIN LAND BANKING AND LAND TRUST
14 STRATEGIES FOR LONG-TERM AFFORDABLE HOUSING PLANNING AND
15 DEVELOPMENT; AND

16 (IX) PROVIDE OR MAINTAIN FUNDING FOR EVICTION LEGAL
17 DEFENSE.

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

22 (I) THE PROCESS BY WHICH A LOCAL GOVERNMENT OR COMMUNITY
23 PARTNER APPLIES FOR A GRANT AWARD AND THE CRITERIA USED TO
24 DETERMINE ELIGIBILITY FOR A GRANT AWARD;

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

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

1 (IV) REPORTING REQUIREMENTS FOR GRANT RECIPIENTS; AND
2 (V) REQUIREMENTS FOR GRANT RECIPIENTS TO OFFER A MATCH IN
3 RESOURCES.

4 (b) IN AWARDING GRANTS, THE DIVISION SHALL PRIORITYZE
5 PROJECTS OR PROGRAMS THAT, TO THE GREATEST EXTENT PRACTICABLE,
6 PROMOTE ONE OR MORE OF THE FOLLOWING GOALS AND OBJECTIVES:

7 (I) INCREASE THE SUPPLY OF HOUSING IN URBAN, RURAL, AND
8 RURAL RESORT COMMUNITIES ACROSS THE STATE THAT IS PROPORTIONAL
9 TO EACH COMMUNITY'S DEMONSTRATED NEED THROUGH:

10 (A) A PREFERENCE FOR MIXED-INCOME PROJECTS IN WHICH A
11 PERCENTAGE OF UNITS, PROPORTIONAL TO THE DEMONSTRATED HOUSING
12 NEEDS OF THE LOCAL COMMUNITY, WITHIN A PARTICULAR DEVELOPMENT
13 HAVE RESTRICTED AVAILABILITY TO HOUSEHOLDS AT AND BELOW THE
14 INCOME LEVELS SPECIFIED IN SUBSECTION (3)(c) OF THIS SECTION. THE
15 PERCENTAGE OF RESTRICTED UNITS AND AFFORDABILITY LEVELS MUST
16 COMPLY WITH LAWS ENACTED BY LOCAL GOVERNMENTS PROMOTING THE
17 DEVELOPMENT OF NEW AFFORDABLE HOUSING UNITS PURSUANT TO
18 SECTION 29-20-104 (1);

19 (B) DEVELOPMENTS IN WHICH HOUSING UNITS ARE RESTRICTED AT
20 INCOME LEVELS DEMONSTRATED BY LOCAL COMMUNITY NEEDS AS
21 SPECIFIED IN SUBSECTION (3)(c)(I) OF THIS SECTION;

22 (C) TRANSIT ORIENTED DEVELOPMENT;

23 (D) THE INCLUSION OF HOUSING UNITS THAT ARE RESTRICTED FOR
24 RENTAL USAGE TO PERSONS WITH DISABILITIES OR THAT INCLUDE
25 UNIVERSAL DESIGN FEATURES THAT ALLOW INDIVIDUALS TO CONTINUE TO
26 RESIDE IN THEIR DWELLING UNITS AS THEY AGE; OR

27 (E) HOUSING THAT IS RESTRICTED TO THE VICTIMS OF DOMESTIC

- 1 VIOLENCE OR SEXUAL ASSAULT;
- 2 (II) LEVERAGE CAPITAL AND OPERATING SUBSIDIES FROM VARIOUS
3 PUBLIC AND PRIVATE SOURCES;
- 4 (III) CREATE OPPORTUNITIES TO BUILD INTERGENERATIONAL
5 WEALTH FOR FAMILIES;
- 6 (IV) PROMOTE THE LONG-TERM AFFORDABILITY OF ANY
7 DEVELOPMENTS OR PROJECTS THAT ARE FUNDED BY THE GRANT PROGRAM;
- 8 (V) INVOLVE THE PURCHASE OF REAL PROPERTY NECESSARY TO
9 SECURE LAND AREAS NEEDED FOR FUTURE DEVELOPMENT; OR
- 10 (VI) REPRESENT A ONE-TIME FUNDING PROPOSAL TO THE STATE
11 WITH MINIMAL OR NO MULTI-YEAR FINANCIAL OBLIGATIONS AND
12 CONTRIBUTE TO THE OVERALL WELL-BEING AND PROFESSIONAL AND
13 RECREATIONAL NEEDS OF THE LOCAL WORKFORCE AND POPULATION.
- 14 (c) THE RENTAL AND HOME OWNERSHIP TARGETS APPLICABLE TO
15 LOCAL COMMUNITIES ACROSS THE STATE AS REQUIRED BY SUBSECTION
16 (3)(b)(I) OF THIS SECTION ARE SPECIFIED IN SUBSECTION (3)(c)(I) OF THIS
17 SECTION IN ACCORDANCE WITH THE FOLLOWING:
- 18 (I) (A) FOR RENTAL HOUSING IN URBAN COUNTIES, HOUSING MUST
19 BE TARGETED TO HOUSEHOLDS WITH AN ANNUAL INCOME THAT IS AT OR
20 BELOW EIGHTY PERCENT OF THE AREA MEDIAN INCOME OF HOUSEHOLDS
21 OF THAT SIZE IN THE COUNTY IN WHICH THE HOUSING IS LOCATED.
- 22 (B) FOR RENTAL HOUSING IN RURAL COUNTIES, HOUSING MUST BE
23 TARGETED TO HOUSEHOLDS WITH AN ANNUAL INCOME THAT IS AT OR
24 BELOW ONE HUNDRED FORTY PERCENT OF THE AREA MEDIAN INCOME OF
25 HOUSEHOLDS OF THAT SIZE IN THE COUNTY IN WHICH THE HOUSING IS
26 LOCATED.
- 27 (C) FOR RENTAL HOUSING IN RURAL RESORT COUNTIES, HOUSING

1 MUST BE TARGETED TO HOUSEHOLDS WITH AN ANNUAL INCOME THAT IS AT
2 OR BELOW ONE HUNDRED SEVENTY PERCENT OF THE AREA MEDIAN INCOME
3 OF HOUSEHOLDS OF THAT SIZE IN THE COUNTY IN WHICH THE HOUSING IS
4 LOCATED.

5 (D) FOR HOME OWNERSHIP HOUSING IN ANY AREA OF THE STATE,
6 HOUSING MUST BE TARGETED TO HOUSEHOLDS WITH AN ANNUAL INCOME
7 THAT IS AT OR BELOW ONE HUNDRED FORTY PERCENT OF THE AREA
8 MEDIAN INCOME OF HOUSEHOLDS OF THAT SIZE IN THE COUNTY IN WHICH
9 THE HOUSING IS LOCATED.

10 (II) NOT LATER THAN SEPTEMBER 1, 2022, THE DIVISION SHALL
11 CLASSIFY EACH COUNTY IN THE STATE AS "URBAN", "RURAL", OR "RURAL
12 RESORT" BASED UPON DEFINITIONS OF THE TERMS AS SPECIFIED IN THE
13 FINAL REPORT OF THE COLORADO STRATEGIC HOUSING WORKING GROUP
14 FINAL REPORT DATED JULY 6, 2021. THE DIVISION SHALL REGULARLY
15 UPDATE AND PUBLISH MODIFICATION OF THE INITIAL CLASSIFICATION OF
16 A PARTICULAR COUNTY AS IT RECEIVES INFORMATION DOCUMENTING
17 CHANGES IN LOCAL ECONOMIC CIRCUMSTANCES AND HOUSING COST
18 FACTORS MATERIALLY AFFECTING SUCH CLASSIFICATIONS.

19 (III) NOTWITHSTANDING SUBSECTION (3)(c)(I) OF THIS SECTION,
20 ANY COUNTY MAY REQUEST FROM THE DIVISION:

21 (A) A DETERMINATION THAT A DIFFERENT INCOME RESTRICTION
22 SHOULD APPLY TO THAT COUNTY FROM THE ONE MADE APPLICABLE TO THE
23 COUNTY IN ACCORDANCE WITH SUBSECTION (3)(c)(I) OF THIS SECTION
24 BASED UPON THE UNIQUE ECONOMIC AND HOUSING COST FACTORS
25 PRESENT IN THE COUNTY. NOT LATER THAN SEPTEMBER 1, 2022, THE
26 DIVISION SHALL PUBLISH ANY SUCH MODIFIED INCOME RESTRICTIONS AND
27 THE BASIS FOR ANY MODIFICATION APPROVED.

1 (B) AT ANY TIME, A RECLASSIFICATION OF THE COUNTY FROM THE
2 CATEGORY IN WHICH THE COUNTY IS INITIALLY CLASSIFIED PURSUANT TO
3 SUBSECTION (3)(c)(II) BASED UPON THE UNIQUE ECONOMIC AND HOUSING
4 COST FACTORS PRESENT IN THE COUNTY.

5 (d) THE DIVISION SHALL EITHER CREATE OR UTILIZE AN EXISTING
6 PROCESS THAT ENSURES THAT GRANTS ARE ONLY CONSIDERED AND
7 AWARDED AFTER A FAIR AND RIGOROUS OPEN COMPETITION AMONG
8 ELIGIBLE GRANT RECIPIENTS.

9 (e) IN DETERMINING GRANT AMOUNTS, THE DIVISION SHALL SEEK
10 TO INCREASE INVESTMENTS IN FOR-SALE HOUSING STOCK. THE OBJECTIVE
11 DESCRIBED IN THIS SUBSECTION (3)(e) MAY BE ACHIEVED BY PROVIDING
12 GRANTS UNDER THE GRANT PROGRAM THAT ARE LAYERED WITH AWARDS
13 UNDER EXISTING STATE GRANT PROGRAMS TO INCREASE SUBSIDIES ON A
14 PER-UNIT BASIS.

15 (f) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION:

16 (I) THROUGH DECEMBER 31, 2023, THE DIVISION SHALL MAKE
17 NOT MORE THAN FIFTY PERCENT OF THE MONEY AVAILABLE UNDER THE
18 GRANT PROGRAM FOR GRANT APPLICATIONS, DEVELOPMENTS, OR
19 PROGRAMS THAT ARE PROPOSED FOR RURAL OR RURAL RESORT COUNTIES
20 ACROSS THE STATE AND SHALL MAKE NOT MORE THAN FIFTY PERCENT OF
21 THE FUNDS AVAILABLE UNDER THE GRANT PROGRAM FOR GRANT
22 APPLICATIONS, DEVELOPMENTS, OR PROGRAMS THAT ARE PROPOSED FOR
23 URBAN COUNTIES ACROSS THE STATE.

24 (II) AFTER DECEMBER 31, 2023, ALL UNENCUMBERED MONEY
25 AVAILABLE UNDER THE GRANT PROGRAM MAY BE EXPENDED IN
26 ACCORDANCE WITH THIS SECTION IN ANY AREA OF THE STATE WITHOUT
27 REGARD TO THE RESTRICTIONS SPECIFIED IN THIS SUBSECTION (3)(e).

1 (III) NOT LATER THAN JULY 15, 2023, THE DIVISION SHALL SUBMIT
2 A REPORT TO THE GENERAL ASSEMBLY SPECIFYING THE STATE OF
3 ENCUMBERED MONEY UNDER THE GRANT PROGRAM AS OF JUNE 30, 2023,
4 AND A LIST OF PROJECTS THAT HAVE BEEN APPROVED BUT THAT ARE
5 AWAITING FUNDING AS OF JUNE 30, 2023.

6 (g) IN LIGHT OF DIFFERING NEEDS FOR PER HOUSING UNIT
7 SUBSIDIES ACROSS DIFFERENT AREAS OF THE STATE, THE DIVISION MAY
8 WAIVE PER UNIT SUBSIDY AMOUNTS THAT HAVE BEEN INITIALLY SET FOR
9 PARTICULAR PROJECTS OR PROGRAMS TO ADJUST FOR MARKET FACTORS IF
10 THE PURPOSE OF THE PROJECT HAS BEEN ACCOMPLISHED OR TO SATISFY
11 THE INTENT OF THE GRANT AWARD.

12 (h) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION,
13 THE AMOUNT OF ANY GRANT AWARD UNDER THE GRANT PROGRAM AND
14 ANY RESTRICTIONS OR CONDITIONS PLACED UPON THE USE OF GRANT
15 MONEY AWARDED IS WITHIN THE DISCRETION OF THE DIVISION IN
16 ACCORDANCE WITH THE REQUIREMENTS OF THIS SECTION.

17 (4) **Fund.** (a) THE LOCAL INVESTMENTS IN TRANSFORMATIONAL
18 AFFORDABLE HOUSING FUND IS CREATED IN THE STATE TREASURY. THE
19 FUND CONSISTS OF MONEY TRANSFERRED TO THE FUND PURSUANT TO
20 SUBSECTION (4)(c) OF THIS SECTION; MONEY APPROPRIATED TO THE FUND
21 BY THE GENERAL ASSEMBLY; AND ANY GIFTS, GRANTS, OR DONATIONS
22 FROM ANY PUBLIC OR PRIVATE SOURCES, INCLUDING GOVERNMENTAL
23 ENTITIES, THAT THE DIVISION IS AUTHORIZED TO SEEK AND ACCEPT.

24 (b) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND
25 INCOME DERIVED FROM THE INVESTMENT AND DEPOSIT OF MONEY IN THE
26 FUND TO THE FUND. EXCEPT AS OTHERWISE REQUIRED BY THIS
27 SUBSECTION (4)(b), ALL MONEY NOT EXPENDED OR ENCUMBERED, AND

1 ALL INTEREST EARNED ON THE INVESTMENT OR DEPOSIT OF MONEY IN THE
2 FUND, MUST REMAIN IN THE FUND AND SHALL NOT REVERT TO THE
3 GENERAL FUND OR ANY OTHER FUND AT THE END OF ANY FISCAL YEAR.
4 THE MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED TO THE
5 DIVISION FOR THE PURPOSES OF THIS SECTION. ANY MONEY IN THE FUND
6 THAT IS NOT EXPENDED OR ENCUMBERED BY DECEMBER 31, 2024,
7 REVERTS TO THE GENERAL FUND. ANY MONEY TRANSFERRED INTO THE
8 FUND IN ACCORDANCE WITH THIS SUBSECTION (4) THAT IS NOT EXPENDED
9 OR ENCUMBERED FROM ANY APPROPRIATION AT THE END OF ANY FISCAL
10 YEAR IS AVAILABLE FOR EXPENDITURE BY JULY 1, 2024, WITHOUT
11 FURTHER APPROPRIATION.

12 (c) ON THE EFFECTIVE DATE OF THIS SECTION, OR AS SOON AS
13 PRACTICABLE THEREAFTER, THE STATE TREASURER SHALL TRANSFER ONE
14 HUNDRED FIFTY MILLION DOLLARS FROM THE AFFORDABLE HOUSING AND
15 HOME OWNERSHIP CASH FUND CREATED IN SECTION 24-75-229 (3)(a) THAT
16 ORIGINATES FROM MONEY THE STATE RECEIVED FROM THE FEDERAL
17 CORONAVIRUS STATE FISCAL RECOVERY FUND TO THE FUND. THE MONEY
18 TRANSFERRED PURSUANT TO THIS SUBSECTION (4) MUST ONLY BE USED
19 FOR:

20 (I) MAKING GRANTS TO ELIGIBLE RECIPIENTS PURSUANT TO THE
21 GRANT PROGRAM; AND

22 (II) THE COSTS OF ADMINISTERING THE GRANT PROGRAM AS MAY
23 BE INCURRED BY THE DIVISION. THE DEPARTMENT MAY EXPEND UP TO FIVE
24 PERCENT OF THE MONEY APPROPRIATED OR TRANSFERRED TO THE FUND TO
25 PAY FOR ITS DIRECT AND INDIRECT COSTS IN ADMINISTERING THE GRANT
26 PROGRAM. ALL SUCH ADMINISTRATIVE COSTS MUST BE PAID OUT OF THE
27 MONEY TRANSFERRED TO THE FUND PURSUANT TO THIS SUBSECTION (4)(c).

1 (5) **Reporting.** (a) IN CONNECTION WITH THE PUBLIC REPORT THE
2 DIVISION PREPARED IN ACCORDANCE WITH SECTION 24-32-705.5 (1), FOR
3 THE REPORT PREPARED IN 2023 AND 2024, THE DIVISION SHALL INCLUDE
4 IN THE REPORT INFORMATION SUMMARIZING THE USE OF ALL OF THE
5 MONEY THAT WAS AWARDED AS GRANTS FROM THE GRANT PROGRAM IN
6 THE PRECEDING STATE FISCAL YEAR. AT A MINIMUM, THE INFORMATION
7 INCLUDED IN THE REPORT PERTAINING TO THE GRANT PROGRAM MUST
8 SPECIFY THE NUMBER OF LOCAL GOVERNMENTS OR COMMUNITY PARTNERS
9 THAT APPLIED FOR A GRANT AWARD, INCLUDING THE NUMBER OF LOCAL
10 GOVERNMENTS OR COMMUNITY PARTNERS THAT WERE NOT AWARDED A
11 GRANT; THE AMOUNT OF GRANT MONEY DISTRIBUTED TO EACH GRANT
12 RECIPIENT; A DESCRIPTION OF EACH GRANT RECIPIENT'S USE OF THE GRANT
13 MONEY; AND HOW THE USE OF THE GRANT AWARDED FURTHERED THE
14 VISION OF TRANSFORMATIONAL AFFORDABLE HOUSING DESCRIBED IN THE
15 FINAL REPORT OF THE TASK FORCE ESTABLISHED IN SECTION 24-75-229
16 (6)(a). THE DIVISION SHALL ALSO INCLUDE IN THE REPORT ITS
17 RECOMMENDATIONS CONCERNING FUTURE ADMINISTRATION OF THE
18 GRANT PROGRAM.

19 (b) THE DIVISION AND ANY PERSON THAT RECEIVES MONEY FROM
20 THE DIVISION PURSUANT TO THE GRANT PROGRAM SHALL COMPLY WITH
21 THE COMPLIANCE, REPORTING, RECORD-KEEPING, AND PROGRAM
22 EVALUATION REQUIREMENTS ESTABLISHED BY THE OFFICE OF STATE
23 PLANNING AND BUDGETING AND THE STATE CONTROLLER IN ACCORDANCE
24 WITH SECTION 24-75-226 (5).

25 (6) **Repeal.** THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31,
26 2026.

27 **SECTION 3.** In Colorado Revised Statutes, 24-32-705, **amend**

1 (7) as follows:

2 **24-32-705. Functions of division.** (7) The division shall
3 administer the:

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

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

8 **SECTION 4.** In Colorado Revised Statutes, 24-32-705.5, **add**
9 (3.5) as follows:

10 **24-32-705.5. Annual public report on funding of affordable**
11 **housing preservation and production - definition.** (3.5) (a) FOR THE
12 PUBLIC REPORT REQUIRED BY SUBSECTION (1) OF THIS SECTION THAT THE
13 DIVISION IS REQUIRED TO PREPARE IN 2023 AND 2024, THE DIVISION SHALL
14 INCLUDE IN THE REPORT FOR EACH YEAR THE INFORMATION REQUIRED TO
15 BE INCLUDED IN THE REPORT IN ACCORDANCE WITH SECTION 23-32-726
16 (5).

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

18 **SECTION 5.** In Colorado Revised Statutes, **add** 24-32-132 as
19 follows:

20 **24-32-132. Infrastructure and strong communities grant**
21 **program - creation - fund - reporting - definitions - repeal.**

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

24 (a) "AFFORDABLE HOUSING" MEANS:

25 (I) FOR A HOUSEHOLD RESIDING IN HOUSING ON A RENTAL BASIS,
26 ANNUAL INCOME OF THE HOUSEHOLD IS AT OR BELOW ONE HUNDRED
27 FORTY PERCENT OF THE AREA MEDIAN INCOME OF HOUSEHOLDS OF THAT

1 SIZE IN THE COUNTY IN WHICH THE HOUSING IS LOCATED; OR

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

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

7 (c) "ELIGIBLE EXPENSES" INCLUDE PLANNING, ENGINEERING,
8 INFRASTRUCTURE, AND LOCAL CAPACITY.

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

11 (e) "FUND" MEANS THE INFRASTRUCTURE AND STRONG
12 COMMUNITIES GRANT PROGRAM FUND CREATED IN SUBSECTION (5) OF THIS
13 SECTION.

14 (f) "GRANT PROGRAM" MEANS THE INFRASTRUCTURE AND STRONG
15 COMMUNITIES GRANT PROGRAM CREATED IN SUBSECTION (3)(a) OF THIS
16 SECTION.

17 (g) "INFILL DEVELOPMENT" MEANS THE DEVELOPMENT OF UNUSED
18 AND UNDERUTILIZED LAND WITHIN EXISTING DEVELOPMENT PATTERNS,
19 TYPICALLY BUT NOT EXCLUSIVELY IN URBAN AREAS.

20 (h) "LOCAL GOVERNMENT" MEANS A COUNTY, MUNICIPALITY, OR
21 A CITY AND COUNTY.

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

25 (j) "SUSTAINABLE DEVELOPMENT PATTERN" MEANS A
26 DEVELOPMENT PATTERN THAT MAY BE EXTENDED IN A COST-EFFECTIVE
27 WAY THAT MITIGATES HARM AND MINIMIZES THE NEED FOR ADDITIONAL

1 RESOURCES TO MAINTAIN THE DEVELOPMENT OVER TIME.

2 (k) "TRANSIT-ORIENTED DEVELOPMENT" MEANS A DEVELOPMENT
3 THAT IS WITHIN WALKING DISTANCE OF A TRANSIT OR OTHER ALTERNATIVE
4 TRANSPORTATION FACILITY.

5 (2) **Multi-agency group - best practices.** (a) THE MULTI-AGENCY
6 GROUP SHALL ENCOURAGE THE INVOLVEMENT OF LOCAL GOVERNMENTS
7 ACROSS THE STATE IN THE GRANT PROGRAM. THE MULTI-AGENCY GROUP,
8 WITH THE ASSISTANCE OF STAKEHOLDERS, SHALL DEVELOP A LIST OF
9 SUSTAINABLE LAND USE BEST PRACTICES THAT WILL ACCOMPLISH THE
10 GOALS OF THE GRANT PROGRAM AND IMPROVE A LOCAL GOVERNMENT'S
11 VIABILITY IN BEING CONSIDERED FOR A GRANT AWARD.

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

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

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

19 (III) ANNEXATION POLICIES;

20 (IV) INTERGOVERNMENTAL AGREEMENTS THAT COORDINATE
21 FUTURE DEVELOPMENT;

22 (V) REDUCED PARKING REQUIREMENTS;

23 (VI) RELAXED OCCUPANCY RULES;

24 (VII) BUDGETING POLICIES;

25 (VIII) WATER RATE STRUCTURES;

26 (IX) ROAD STANDARDS;

27 (X) HAZARD RISK REDUCTION AND MITIGATION STANDARDS;

1 (XI) ENERGY EFFICIENT BUILDING CODES; AND

2 (XII) ZONING FOR INNOVATIVE HOUSING OPTIONS, INCLUDING BUT
3 NOT LIMITED TO MODULAR, MANUFACTURED, AND PREFABRICATED HOMES.

4 (c) THE MULTI-AGENCY GROUP SHALL DISTRIBUTE THE
5 SUSTAINABLE LAND USE PRACTICES DEVELOPED PURSUANT TO SUBSECTION
6 (2)(b) OF THIS SECTION TO LOCAL GOVERNMENTS SO THAT LOCAL
7 GOVERNMENTS MAY ANALYZE WHICH, IF ANY, OF THESE PRACTICES MIGHT
8 HAVE A POSITIVE IMPACT IN THEIR COMMUNITIES, AND THEN DETERMINE
9 HOW TO CUSTOMIZE THESE BEST PRACTICES AND ADOPT THEM IN THEIR
10 COMMUNITIES AS APPROPRIATE.

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

16 (b) THE DIVISION SHALL ADMINISTER THE GRANT PROGRAM, IN
17 CONSULTATION WITH THE COLORADO ENERGY OFFICE, CREATED IN
18 SECTION 24-38.5-101 (1), AND THE DEPARTMENT OF TRANSPORTATION,
19 CREATED IN SECTION 43-1-103 (1), AND, SUBJECT TO AVAILABLE
20 APPROPRIATIONS, AWARD GRANTS IN ACCORDANCE WITH THE
21 REQUIREMENTS OF THIS SECTION. SUBJECT TO AVAILABLE
22 APPROPRIATIONS, GRANTS MUST BE PAID OUT OF THE FUND CREATED IN
23 SUBSECTION (5) OF THIS SECTION.

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

1 (I) THE POTENTIAL IMPACT OF A PROJECT THAT A LOCAL
2 GOVERNMENT WOULD FUND WITH A GRANT AWARD IN LIGHT OF THE GOALS
3 OF THE GRANT PROGRAM; AND

4 (II) THE SUSTAINABLE LAND USE PRACTICES THAT THE LOCAL
5 GOVERNMENT HAS ADOPTED TO SUPPORT GREATER INFILL HOUSING
6 SUPPLY, MORE AFFORDABLE HOUSING, AND SUSTAINABLE DEVELOPMENT
7 PATTERNS.

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

11 (b) AT A MINIMUM, THE POLICIES, PROCEDURES, AND GUIDELINES
12 DEVELOPED PURSUANT TO SUBSECTION (4)(a) OF THIS SECTION MUST
13 REQUIRE THAT A GRANT AWARD BE USED, AT LEAST IN PART, TO FUND
14 INFRASTRUCTURE PROJECTS THAT INCREASE THE SUPPLY OF AFFORDABLE
15 HOUSING AND THAT ARE WITHIN OR ADJACENT TO EITHER A DOWNTOWN
16 AREA, A CORE BUSINESS DISTRICT OF A MUNICIPALITY, OR A
17 TRANSIT-ORIENTED DEVELOPMENT.

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

20 (d) THE GENERAL ASSEMBLY HEREBY ENCOURAGES GRANT
21 RECIPIENTS TO EXPEND A PORTION OF ANY GRANT AWARD, WHENEVER
22 POSSIBLE, FOR FUNDING ACCESSIBILITY IMPROVEMENTS OR AMENITIES
23 THAT MAKE THE SITE OF THE PROJECT AGE-FRIENDLY AND ACCESSIBLE FOR
24 PERSONS WITH DISABILITIES.

25 (5) **Fund - administrative costs - permitted uses - gifts, grants,**
26 **and donations.** (a) THE INFRASTRUCTURE AND STRONG COMMUNITIES
27 GRANT PROGRAM FUND IS HEREBY CREATED IN THE STATE TREASURY. THE

1 FUND CONSISTS OF ANY MONEY TRANSFERRED TO THE FUND, ANY MONEY
2 THAT THE GENERAL ASSEMBLY MAY APPROPRIATE TO THE FUND, AND ANY
3 GIFTS, GRANTS, OR DONATIONS THAT THE DIVISION RECEIVES FOR THE
4 GRANT PROGRAM PURSUANT TO SUBSECTION (5)(f) OF THIS SECTION. █

5 (b) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND
6 INCOME DERIVED FROM THE INVESTMENT AND DEPOSIT OF MONEY IN THE
7 FUND TO THE FUND. ALL MONEY IN THE FUND THAT IS NOT EXPENDED OR
8 ENCUMBERED, AND ALL INTEREST EARNED ON THE INVESTMENT OR
9 DEPOSIT OF MONEY IN THE FUND, REMAINS IN THE FUND AND SHALL NOT
10 BE CREDITED, TRANSFERRED, OR REVERTED TO THE GENERAL FUND OR ANY
11 OTHER FUND AT THE END OF ANY FISCAL YEAR. THE MONEY IN THE FUND
12 IS CONTINUOUSLY APPROPRIATED TO THE DIVISION FOR THE PURPOSES OF
13 THIS SECTION.

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

16 (I) THE COSTS OF ADMINISTERING THE GRANT PROGRAM AS MAY
17 BE INCURRED BY THE DIVISION. THE DEPARTMENT MAY EXPEND UP TO
18 FOUR PERCENT OF THE MONEY APPROPRIATED OR TRANSFERRED TO THE
19 FUND TO PAY FOR ITS DIRECT AND INDIRECT COSTS IN CONNECTION WITH
20 ADMINISTERING THE USES OF GRANT FUNDING DESCRIBED IN SUBSECTION
21 (5)(c)(II) OF THIS SECTION.

22 (II) MAKING GRANTS TO ELIGIBLE LOCAL GOVERNMENTS
23 PURSUANT TO THE GRANT PROGRAM TO ASSIST SUCH LOCAL
24 GOVERNMENTS IN:

25 (A) IDENTIFYING SUSTAINABLE LAND USE BEST PRACTICES AND
26 SUPPORTING SUSTAINABLE DEVELOPMENT PATTERNS; █

27 (B) DETERMINING WHERE AND HOW BEST TO UPGRADE LOCAL

1 GOVERNMENT INFRASTRUCTURE TO SUPPORT MORE EFFICIENT,
2 SUSTAINABLE DEVELOPMENT PATTERNS THAT ENABLE GREATER
3 AFFORDABLE INFILL HOUSING DEVELOPMENT; AND

4 (C) FINANCING INFRASTRUCTURE IMPROVEMENTS.

5 (d) THE COLORADO ENERGY OFFICE, CREATED IN SECTION
6 24-38.5-101 (1), MAY USE MONEY IN THE FUND FOR THE DIRECT AND
7 INDIRECT COSTS OF EDUCATIONAL PROGRAMMING AND TECHNICAL
8 ASSISTANCE FOR LOCAL GOVERNMENTS THAT THE COLORADO ENERGY
9 OFFICE PROVIDES PURSUANT TO SECTION 24-32-132 (2).

10 (e) THE DEPARTMENT OF TRANSPORTATION, CREATED IN SECTION
11 43-1-103 (1), MAY USE MONEY IN THE FUND FOR THE DIRECT AND
12 INDIRECT COSTS OF EDUCATIONAL PROGRAMMING AND TECHNICAL
13 ASSISTANCE FOR LOCAL GOVERNMENTS THAT THE DEPARTMENT OF
14 TRANSPORTATION PROVIDES PURSUANT TO SECTION 24-32-132 (2).

15 (f) THE DIVISION MAY SEEK, ACCEPT, AND EXPEND GIFTS, GRANTS,
16 OR DONATIONS FROM ANY PUBLIC OR PRIVATE RESOURCE FOR THE
17 PURPOSES OF THIS SECTION. THE DIVISION SHALL TRANSMIT ALL MONEY
18 RECEIVED FROM GIFTS, GRANTS, OR DONATIONS TO THE STATE TREASURER
19 WHO SHALL CREDIT THE MONEY TO THE FUND.

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

24 (7) **Reporting.** (a) ON OR BEFORE OCTOBER 1, 2023, AND ON OR
25 BEFORE OCTOBER 1 OF EACH YEAR THEREAFTER FOR THE DURATION OF
26 THE GRANT PROGRAM, THE DEPARTMENT SHALL SUBMIT A SUMMARIZED
27 REPORT ON THE GRANT PROGRAM TO THE SENATE LOCAL GOVERNMENT

1 COMMITTEE AND THE HOUSE OF REPRESENTATIVES LOCAL GOVERNMENT
2 COMMITTEE, OR ANY SUCCESSOR COMMITTEES. AT A MINIMUM, THE
3 REPORT MUST INCLUDE:

4 (I) THE NUMBER OF ADDITIONAL AFFORDABLE HOUSING UNITS AND
5 OVERALL HOUSING UNITS PROJECTED TO BE CREATED AS A RESULT OF THE
6 GRANT PROGRAM;

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

9 (III) THE ESTIMATED REDUCTION IN VEHICLE MILES TRAVELED AND
10 HOUSEHOLD TRANSPORTATION SAVINGS AS RESULT OF THE GRANT
11 PROGRAM; AND

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

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

18 (c) THE DIVISION AND ANY PERSON THAT RECEIVES MONEY FROM
19 THE DIVISION PURSUANT TO THE GRANT PROGRAM SHALL COMPLY WITH
20 THE COMPLIANCE, REPORTING, RECORD-KEEPING, AND PROGRAM
21 EVALUATION REQUIREMENTS ESTABLISHED BY THE OFFICE OF STATE
22 PLANNING AND BUDGETING AND THE STATE CONTROLLER IN ACCORDANCE
23 WITH SECTION 24-75-226 (5).

24 (8) **Repeal.** THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31,
25 2026.

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

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

9 **SECTION 7. Appropriation.** (1) For the 2022-23 state fiscal
10 year, \$431,985 is appropriated to the office of the governor. This
11 appropriation consists of \$319,450 from reappropriated funds received
12 from the department of local affairs from the local investments in
13 transformational affordable housing fund created in section 24-32-726
14 (4)(a), C.R.S., that originate from money the state received from the
15 federal coronavirus state fiscal recovery fund and \$112,535 from
16 reappropriated funds received from the department of local affairs from
17 the strong communities grant program fund created in section 24-32-132
18 (5), C.R.S. To implement this act, the office may use this appropriation
19 as follows:

20 (a) \$379,081, which consists of \$319,450 from reappropriated
21 funds received from the department of local affairs from the local
22 investments in transformational affordable housing fund created in
23 section 24-32-726 (4)(a), C.R.S., that originate from money the state
24 received from the federal coronavirus state fiscal recovery fund and
25 \$59,631 from reappropriated funds received from the department of local
26 affairs from the strong communities grant program fund created in section
27 24-32-132 (5), C.R.S., for use by the office of information technology to

1 provide information technology services for the department of local
2 affairs; and

3 (b) \$52,904 from reappropriated funds received from the
4 department of local affairs from the strong communities grant program
5 fund created in section 24-32-132 (5), C.R.S., for use by the Colorado
6 energy office for program administration, which amount is based on an
7 assumption that the office will require an addition 0.5 FTE to implement
8 this act.

9 **SECTION 8. Safety clause.** The general assembly hereby finds,
10 determines, and declares that this act is necessary for the immediate
11 preservation of the public peace, health, or safety.