

Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 22-0808.01 Bob Lackner x4350

SENATE BILL 22-159

SENATE SPONSORSHIP

Bridges and Zenzinger,

HOUSE SPONSORSHIP

Ortiz and Will,

Senate Committees
Local Government

House Committees

A BILL FOR AN ACT

101 CONCERNING THE CREATION OF A REVOLVING LOAN FUND WITHIN THE
102 DIVISION OF HOUSING IN THE DEPARTMENT OF LOCAL AFFAIRS
103 TO MAKE INVESTMENTS IN TRANSFORMATIONAL AFFORDABLE
104 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>.)

The bill creates the transformational affordable housing revolving loan fund program (loan program) in the division of housing (division) in the department of local affairs (department) as a revolving loan program

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.

in accordance with the requirements of the bill and the policies established by the division. The loan program provides flexible, low-interest, and below-market rate loan funding to assist eligible recipients in completing the eligible loan projects identified in the bill.

The division may administer the loan program or, if it determines that it would be more efficient and effective to contract out full or partial administration of the program, the division may enter into a contract with a third-party entity to administer the loan program.

The division is required to establish and publicize policies for the loan program. The bill specifies factors the division is encouraged to consider in evaluating loan applications.

The transformational affordable housing revolving loan fund (fund) is created in the state treasury and the bill specifies requirements pertaining to the administration of the fund.

The bill requires a transfer of a specified sum of money to the fund.

The division is required to report on the activities of the loan program as part of the regular annual public report prepared by the division on affordable housing spending undertaken by the state.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 hereby finds 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
6 affordable housing has upended the lives of thousands who face
7 homelessness in the Denver metropolitan area and across the state,
8 shuttered Colorado businesses, hindered working-class employment
9 because of a lack of workforce housing, and exacerbated inequities for
10 communities of color.

11 (b) Currently, Colorado has a shortage of nearly 121,000
12 affordable rental units, and the Colorado housing and finance authority
13 reports that nearly half of all Colorado renters pay at least thirty percent
14 of their income on housing, with an additional twenty-four percent paying

1 fifty percent or more of their income on housing;

2 (c) In House Bill 21-1329, enacted in 2021, the general assembly
3 created the affordable housing transformational task force, referred to in
4 this section as the "task force", to recommend transformational policies
5 to Colorado's housing sector that will produce immediate, sweeping, and
6 long-lasting change. The impetus of the task force brought together the
7 legislative and executive branches of state government, as well as a
8 diverse group of stakeholders made up of affordable housing practitioners
9 and experts, to tackle the affordable housing crisis and determine which
10 investments would make the biggest impact. The sixteen-member task
11 force was made up of a bipartisan group of ten members of the general
12 assembly, five agency directors, and the executive director of the
13 Colorado housing and finance authority. A fifteen-member subpanel of
14 diverse affordable housing experts was also appointed to advise the task
15 force. The task force and subpanel undertook a deliberative, iterative, and
16 transparent process. Ultimately the task force came to a near unanimous
17 consensus on its funding recommendations and allocations, as well as a
18 broad agreement on several policy concepts.

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

1 housing being built across the state and will maintain existing affordable
2 housing stock that is at risk of becoming unsafe or unaffordable. The
3 recommendations made by the task force will help reduce disparities and
4 address homelessness. They will help many Coloradans purchase homes
5 that were previously out of financial reach, which will help build
6 intergenerational wealth across the state.

7 (e) The task force also identified an equitable funding distribution
8 to effectively address the disproportionate impacts from COVID-19;

9 (f) The revolving loan program created by this act will provide
10 individuals and households across the state critical financial support with
11 more flexible loan criteria not regularly offered by traditional financial
12 institutions, thereby assisting Coloradans in obtaining necessary access
13 to capital;

14 (g) A revolving loan fund ensures that these funds are evergreen
15 and recycled many times across multiple generations, thereby assisting the
16 provision of affordable housing for all Coloradans far into the future; and

17 (h) By providing eligible recipients who face barriers in
18 establishing borrower relationships with traditional lenders to access
19 capital, a revolving loan program can provide financial support to
20 unserved or underserved populations.

21 (2) The general assembly intends to address the affordable
22 housing crisis in Colorado, in part, by creating a revolving loan fund to
23 provide flexible, low-interest, and below-market rate funding that will
24 support increases in new housing developments, the preservation and
25 rehabilitation of existing home stock, property conversions, and
26 nontraditional housing capacity in diverse geographic communities where
27 the economic impact of COVID-19 has significantly affected housing

1 affordability and availability. The funds provided by the revolving loan
2 fund are intended to support the development of new affordable housing
3 units and the purchase of existing affordable housing units, either rental
4 housing or for-sale homes, including mixed-income developments.
5 Supporting the recommendations of the task force, the general assembly
6 intends that interest rates on loans made available under this section be
7 below-market rates and not exceed those necessary to meaningfully
8 advance affordable housing development or the preservation of existing
9 affordable housing stock in local communities across the state. Further,
10 money should be made available to local and regional groups,
11 governments, and community partners to be used for a variety of more
12 specific affordable housing needs across the state as specified in this
13 section.

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

16 **24-32-726. Revolving loan fund - eligible projects - report -**
17 **definitions - legislative declaration. (1) Definitions.** AS USED IN THIS
18 SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

19 (a) "ADMINISTRATOR" MEANS A THIRD-PARTY ENTITY OR ENTITIES
20 THAT THE DIVISION CONTRACTS WITH TO ADMINISTER ALL OR ANY PART OF
21 THE LOAN PROGRAM PURSUANT TO SUBSECTION (2)(b) OF THIS SECTION.

22 (b) "AFFORDABLE HOUSING" MEANS:

23 (I) FOR A HOUSEHOLD RESIDING IN HOUSING ON A RENTAL BASIS,
24 ANNUAL INCOME OF THE HOUSEHOLD IS AT OR BELOW ONE HUNDRED
25 TWENTY PERCENT OF THE AREA MEDIAN INCOME OF HOUSEHOLDS OF THAT
26 SIZE IN THE COUNTY IN WHICH THE HOUSING IS LOCATED;

27 (II) FOR A HOUSEHOLD RESIDING IN HOUSING ON A HOME

1 OWNERSHIP BASIS, ANNUAL INCOME OF THE HOUSEHOLD IS AT OR BELOW
2 ONE HUNDRED TWENTY PERCENT OF THE AREA MEDIAN INCOME OF
3 HOUSEHOLDS OF THAT SIZE IN THE COUNTY IN WHICH THE HOUSING IS
4 LOCATED; OR

5 (III) HOUSING THAT INCORPORATES MIXED-INCOME
6 DEVELOPMENT.

7 (c) "COMMUNITY PARTNER" MEANS A NONPROFIT ORGANIZATION
8 THAT UNDERTAKES ANY OF THE ACTIVITIES OR SERVICES DESCRIBED IN
9 SUBSECTION (3) OF THIS SECTION.

10 (d) "DEPARTMENT" MEANS THE DEPARTMENT OF LOCAL AFFAIRS.

11 (e) "ELIGIBLE RECIPIENT" MEANS A LOCAL GOVERNMENT, A
12 FOR-PROFIT DEVELOPER, OR A COMMUNITY PARTNER THAT APPLIES FOR A
13 LOAN THROUGH THE LOAN PROGRAM.

14 (f) "FUND" MEANS THE TRANSFORMATIONAL AFFORDABLE
15 HOUSING REVOLVING LOAN FUND CREATED IN SUBSECTION (9)(a) OF THIS
16 SECTION.

17 (g) "LOAN PROGRAM" MEANS THE TRANSFORMATIONAL
18 AFFORDABLE HOUSING REVOLVING LOAN FUND PROGRAM CREATED IN
19 SUBSECTION (2)(a) OF THIS SECTION.

20 (h) "LOCAL GOVERNMENT" MEANS A COUNTY, MUNICIPALITY, CITY
21 AND COUNTY, TRIBAL GOVERNMENT, SPECIAL DISTRICT ORGANIZED UNDER
22 TITLE 32, SCHOOL DISTRICT, DISTRICT, HOUSING AUTHORITY, OR ANY
23 OTHER POLITICAL SUBDIVISION OF THE STATE.

24 (i) "MIXED INCOME DEVELOPMENT" MEANS HOUSING THAT
25 INCORPORATES DEVELOPMENT THAT IS MARKETED FOR HOUSEHOLDS IN
26 DIFFERENT INCOME LEVELS. SPECIFICALLY, SOME, BUT NOT ALL, HOUSING
27 UNITS WITHIN A PARTICULAR DEVELOPMENT HAVE RESTRICTED

1 AVAILABILITY TO HOUSEHOLDS AT OR BELOW THE INCOME LEVELS
2 SPECIFIED IN SUBSECTION (1)(b) OF THIS SECTION IN ADDITION TO SOME
3 UNITS THAT ARE ABOVE SUCH INCOME LEVELS WITH OR WITHOUT SUCH
4 RESTRICTED AVAILABILITY.

5 (2) **Creation of loan program - administration.** (a) THE
6 TRANSFORMATIONAL AFFORDABLE HOUSING REVOLVING LOAN FUND
7 PROGRAM IS HEREBY CREATED IN THE DIVISION AS A REVOLVING LOAN
8 PROGRAM IN ACCORDANCE WITH THE REQUIREMENTS OF THIS SECTION AND
9 THE POLICIES ESTABLISHED BY THE DIVISION PURSUANT TO SUBSECTION (5)
10 OF THIS SECTION. THE LOAN PROGRAM IS ESTABLISHED TO PROVIDE
11 FLEXIBLE, LOW-INTEREST, AND BELOW-MARKET RATE LOAN FUNDING TO
12 ASSIST ELIGIBLE RECIPIENTS IN COMPLETING THE ELIGIBLE LOAN PROJECTS
13 IDENTIFIED IN SUBSECTION (3) OF THIS SECTION.

14 (b) THE DIVISION MAY ADMINISTER THE LOAN PROGRAM OR, IF IT
15 DETERMINES THAT IT WOULD BE MORE EFFICIENT AND EFFECTIVE TO
16 CONTRACT OUT FULL OR PARTIAL ADMINISTRATION OF THE PROGRAM, IT
17 MAY ENTER INTO A CONTRACT WITH A BUSINESS NONPROFIT
18 ORGANIZATION, BANK, NONDEPOSITORY COMMUNITY DEVELOPMENT
19 FINANCIAL INSTITUTION, BUSINESS DEVELOPMENT CORPORATION,
20 NONPROFIT ORGANIZATION THAT ADMINISTERS GAP FINANCING,
21 CONSTRUCTION, OR MORTGAGE LOAN PROGRAMS, OR OTHER ENTITY AS
22 DETERMINED BY THE DIVISION TO ADMINISTER THE LOAN PROGRAM IN
23 WHOLE OR IN PART. IF THE DIVISION CONTRACTS WITH AN ENTITY OR
24 ENTITIES TO ADMINISTER THE PROGRAM, THE DIVISION SHALL USE AN OPEN
25 AND COMPETITIVE PROCESS TO SELECT THE ENTITY OR ENTITIES. A
26 CONTRACT WITH AN ADMINISTRATOR MAY INCLUDE AN ADMINISTRATION
27 FEE ESTABLISHED BY THE DIVISION AT AN AMOUNT REASONABLY

1 CALCULATED TO COVER THE ONGOING ADMINISTRATIVE COSTS OF THE
2 DIVISION IN OVERSEEING THE LOAN PROGRAM. THE DIVISION MAY
3 ADVANCE MONEY TO AN ENTITY UNDER A CONTRACT IN PREPARATION IN
4 THE FORM OF A GRANT OR PAYMENT FOR ISSUING LOANS AND
5 ADMINISTERING THE LOAN PROGRAM.

6 (c) THE DIVISION MAY WORK WITH THE COLORADO HOUSING AND
7 FINANCE AUTHORITY, CREATED IN SECTION 29-4-704 (1), TO ASSIST IN
8 OFFERING LOANS UNDER THE LOAN PROGRAM.

9 (3) **Eligible loan projects.** IN ORDER TO RECEIVE LOAN FUNDING
10 UNDER THE LOAN PROGRAM, THE PROJECT FOR WHICH THE LOAN
11 APPLICANT SEEKS LOAN FUNDING MUST DO ONE OR MORE OF THE
12 FOLLOWING:

13 (a) DEVELOP AND INTEGRATE HOUSING-RELATED INFRASTRUCTURE
14 TO OFFSET CONSTRUCTION AND PREDEVELOPMENT COSTS;

15 (b) PROVIDE GAP FINANCING FOR HOUSING DEVELOPMENT
16 PROJECTS, INCLUDING TRANSACTIONS UNDER THE FEDERAL LOW-INCOME
17 TAX CREDIT DEFINED IN SECTION 39-22-2101 (7) AND THE AFFORDABLE
18 HOUSING TAX CREDIT CREATED IN SECTION 39-22-2102 (1). FOR PURPOSES
19 OF THIS SUBSECTION (3)(b), GAP FINANCING INCLUDES FINANCING
20 MECHANISMS THAT ALLOW PERSONS SEEKING AFFORDABLE HOUSING TO
21 PURCHASE EXISTING AFFORDABLE HOUSING AND MULTI-FAMILY
22 STRUCTURES, PARTICULARLY IN COMMUNITIES WHERE EFFORTS HAVE
23 BEEN MADE TO ENCOURAGE AFFORDABLE HOUSING DEVELOPMENT OR IN
24 COMMUNITIES IN WHICH LOW CONCENTRATIONS OF AFFORDABLE HOUSING
25 EXIST.

26 (c) MAINTAIN EXISTING AFFORDABLE HOUSING THROUGH FUNDING
27 FOR THE PRESERVATION AND RESTORATION OF AFFORDABLE HOUSING

1 STOCK THROUGH REHABILITATION, RETROFITTING, RENOVATION, CAPITAL
2 IMPROVEMENTS, AND REPAIR OF CURRENT AFFORDABLE HOUSING STOCK,
3 INCLUDING HOUSING MADE AVAILABLE UNDER 42 U.S.C. SEC. 1437f AND
4 AFFORDABLE HOUSING FOR POPULATIONS AND HOUSEHOLDS
5 DISPROPORTIONATELY IMPACTED BY THE COVID-19 PANDEMIC WITH
6 COMMITMENTS FOR LONG-TERM AFFORDABILITY. THE USES COVERED BY
7 THIS SUBSECTION (3)(c) MUST INCLUDE INVESTMENTS IN ONE OR MORE OF
8 THE FOLLOWING:

- 9 (I) SENIOR HOUSING;
 - 10 (II) THE REMEDIATION OF LOW-QUALITY OR CONDEMNED
11 PROPERTIES;
 - 12 (III) HOUSING SPECIFICALLY DESIGNED FOR PEOPLE LIVING WITH
13 DISABILITIES;
 - 14 (IV) WEATHERIZATION AND ENERGY IMPROVEMENTS TO
15 MULTI-FAMILY AND SINGE-FAMILY RESIDENTS TO MAINTAIN AND IMPROVE
16 THE QUALITY OF AFFORDABLE HOMES AND RENTAL UNITS;
 - 17 (V) THE PURCHASE AND TRANSITION OF CURRENT HOUSING STOCK
18 INTO AFFORDABLE HOUSING, INCLUDING PROPERTIES CURRENTLY IN USE
19 ON A SHORT-TERM RENTAL BASIS;
 - 20 (VI) PROGRAMS OR INITIATIVES TO ENSURE THAT EXISTING
21 HOUSING REMAINS AFFORDABLE FOR LOCAL WORKFORCE OR COMMUNITY
22 HOUSEHOLDS;
 - 23 (VII) LAND ACQUISITION FOR AFFORDABLE HOUSING;
 - 24 (VIII) PROPERTY CONVERSION AND ADAPTIVE REUSE; OR
 - 25 (IX) PERMANENT SUPPORTIVE HOUSING.
- 26 (d) FINANCE ENERGY IMPROVEMENTS IN AFFORDABLE HOUSING,
27 WHICH WILL PROVIDE FUNDING FOR INCREMENTAL UP-FRONT COSTS FOR

1 EFFICIENT, ELECTRIC MEASURES, AND RENEWABLE ENERGY SYSTEMS FOR
2 BOTH EXISTING BUILDINGS AND NEW HOUSING CONSTRUCTION.

3 (4) **Loan program goals.** (a) THE LOAN PROGRAM MUST BE
4 ADMINISTERED WITH A GOAL OF GENERATING ENOUGH RETURN ON LOANS
5 MADE UNDER THE LOAN PROGRAM TO REPLENISH THE LOAN PROGRAM FOR
6 FUTURE LOAN ALLOCATIONS.

7 (b) ALL LOANS FINANCED THROUGH THE LOAN PROGRAM MUST
8 OFFER FLEXIBLE TERMS AND LOW-INTEREST AND BELOW-MARKET RATES.

9 (5) **Loan program policies.** THE DIVISION OR THE
10 ADMINISTRATOR, AS APPLICABLE, SHALL ESTABLISH AND PUBLICIZE
11 POLICIES FOR THE LOAN PROGRAM. AT A MINIMUM, THE POLICIES MUST
12 ADDRESS:

13 (a) THE PROCESS AND DEADLINES FOR APPLYING FOR AND
14 RECEIVING A LOAN UNDER THE LOAN PROGRAM, INCLUDING THE
15 INFORMATION AND DOCUMENTATION REQUIRED FOR A LOAN APPLICATION;

16 (b) ELIGIBILITY CRITERIA FOR INDIVIDUALS OR ENTITIES APPLYING
17 FOR A LOAN UNDER THE LOAN PROGRAM;

18 (c) THE MAXIMUM ASSISTANCE LEVELS FOR LOANS;

19 (d) LOAN TERMS, INCLUDING INTEREST RATES AND REPAYMENT
20 TERMS;

21 (e) REPORTING REQUIREMENTS FOR LOAN RECIPIENTS;

22 (f) LOAN PROGRAM FEES, INCLUDING THE APPLICATION FEE,
23 ORIGINATION FEE, AND CLOSING COST POLICIES;

24 (g) UNDERWRITING AND RISK MANAGEMENT POLICIES;

25 (h) THE AMOUNT OF ANY APPLICATION OR ORIGINATION FEES AND
26 CLOSING COST POLICIES; AND

27 (i) ANY ADDITIONAL REQUIREMENTS THAT THE DIVISION DEEMS

1 NECESSARY TO ADMINISTER THE LOAN PROGRAM.

2 (6) **Prioritization requirements.** (a) THE GENERAL ASSEMBLY
3 HEREBY ENCOURAGES THE DIVISION, TO THE EXTENT PRACTICABLE, IN
4 REVIEWING LOAN APPLICATIONS, TO CONSIDER PRIORITIZING APPLICATIONS
5 FOR PROJECTS THAT:

6 (I) ARE LOCATED IN COMMUNITIES THAT:

7 (A) FACE BARRIERS TO ACCESSING CAPITAL FROM TRADITIONAL
8 SOURCES;

9 (B) HAVE SUFFERED SIGNIFICANT NEGATIVE FINANCIAL OR OTHER
10 IMPACTS RESULTING FROM THE COVID-19 PANDEMIC; OR

11 (C) ARE OTHERWISE UNDERSERVED;

12 (II) ALIGN WITH OTHER STATE ECONOMIC DEVELOPMENT EFFORTS;

13 (III) CREATE PERMANENTLY AFFORDABLE HOME OWNERSHIP
14 OPPORTUNITIES; OR

15 (IV) ARE HIGHLY ENERGY EFFICIENT OR USE HIGH-EFFICIENCY
16 ELECTRIC EQUIPMENT FOR SPACE AND WATER HEATING. THE DIVISION MAY
17 CONSULT WITH THE COLORADO ENERGY OFFICE CREATED IN SECTION
18 24-38.5-101 (1) TO DEVELOP CRITERIA FOR MEETING THE OBJECTIVES
19 DESCRIBED IN THIS SUBSECTION (6)(a)(IV).

20 (b) TO THE EXTENT PRACTICABLE, THE DIVISION AND THE
21 ADMINISTRATOR, AS APPLICABLE, SHALL SUPPORT INNOVATIVE FUNDING
22 MECHANISMS THAT ALLOW MONEY TO REVOLVE QUICKLY TO ENSURE THE
23 RAPID REUSE OF MONEY FOR ONGOING PROJECTS.

24 (7) **Publicizing the loan program.** THE DIVISION SHALL WORK
25 WITH THE MINORITY BUSINESS OFFICE CREATED IN SECTION 24-49.5-102,
26 SMALL BUSINESS DEVELOPMENT CENTERS, COMMUNITY DEVELOPMENT
27 FINANCIAL INSTITUTIONS, AND STAKEHOLDER PARTNERS TO PROMOTE THE

1 PROGRAM TO ELIGIBLE RECIPIENTS WHO PRIMARILY SERVE COMMUNITIES
2 THAT ARE UNDERSERVED OR DISADVANTAGED, INCLUDING ELIGIBLE
3 RECIPIENTS LOCATED IN RURAL COUNTIES. ON OR BEFORE DECEMBER 1,
4 2022, THE DIVISION SHALL DEVELOP AND ADMINISTER A MARKETING
5 INITIATIVE FOR THE PROGRAM IN COORDINATION WITH THE MINORITY
6 BUSINESS OFFICE CREATED IN SECTION 24-49.5-102, THE SMALL BUSINESS
7 ASSISTANCE CENTER CREATED IN SECTION 24-48.5-102, LOCAL CHAMBERS
8 OF COMMERCE, AND OTHER LOCAL AND REGIONAL ECONOMIC
9 DEVELOPMENT ENTITIES TO PROMOTE THE PROGRAM TO ELIGIBLE
10 RECIPIENTS AND TARGET COMMUNITIES. THE MARKETING INITIATIVE
11 SHALL BE CONDUCTED IN THE TOP SPOKEN LANGUAGES IN THOSE
12 COMMUNITIES.

13 **(8) Gifts, grants, and donations - leveraging federal money.**

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

19 (b) THE DIVISION MAY EXPEND, DEPLOY, OR LEVERAGE MONEY
20 RECEIVED FROM FEDERAL GOVERNMENT PROGRAMS THAT SUPPORT LOANS
21 AND INVESTMENTS FOR ONE OR MORE OF THE ELIGIBLE PROJECTS SPECIFIED
22 IN SUBSECTION (3) OF THIS SECTION TO MAKE LOANS UNDER THE LOAN
23 PROGRAM OR TO OTHERWISE MARKET, PROMOTE, OR SUPPORT LOANS
24 UNDER THE PROGRAM, IF ALLOWED UNDER FEDERAL LAW.

25 **(9) Transformational affordable housing revolving loan fund**
26 **- transfer of money to fund - payment of administrative costs -**
27 **appropriation.** (a) THE TRANSFORMATIONAL AFFORDABLE HOUSING

1 REVOLVING LOAN FUND IS HEREBY CREATED IN THE STATE TREASURY. THE
2 FUND CONSISTS OF MONEY TRANSFERRED TO THE FUND IN ACCORDANCE
3 WITH SUBSECTION (9)(d) OF THIS SECTION, ANY OTHER MONEY THAT THE
4 GENERAL ASSEMBLY APPROPRIATES OR TRANSFERS TO THE FUND, AND ANY
5 GIFTS, GRANTS, OR DONATIONS CREDITED TO THE FUND PURSUANT TO
6 SUBSECTION (8)(a) OF THIS SECTION.

7 (b) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND
8 INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE
9 FUND TO THE FUND.

10 (c) MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED TO THE
11 DEPARTMENT FOR THE PURPOSES SPECIFIED IN THIS SECTION. THE
12 DEPARTMENT MAY EXPEND UP TO FIVE PERCENT OF THE MONEY
13 APPROPRIATED OR TRANSFERRED INTO, OR REPAID FROM, THE FUND ON AN
14 ANNUAL BASIS TO PAY FOR ITS DIRECT AND INDIRECT COSTS IN
15 ADMINISTERING THIS SECTION.

16 (d) ON JULY 1, 2022, OR AS SOON AS PRACTICABLE THEREAFTER,
17 THE STATE TREASURER SHALL TRANSFER ONE HUNDRED FIFTY MILLION
18 DOLLARS TO THE FUND. THE DIVISION SHALL USE THE MONEY
19 TRANSFERRED PURSUANT TO THIS SUBSECTION (9)(d) ONLY FOR:

20 (I) MAKING LOANS TO ELIGIBLE RECIPIENTS PURSUANT TO THE
21 LOAN PROGRAM; AND

22 (II) THE COSTS OF ADMINISTERING THE LOAN PROGRAM AS MAY BE
23 INCURRED BY THE DIVISION OR THE ADMINISTRATOR, AS APPLICABLE, IN
24 ACCORDANCE WITH SUBSECTION (9)(c) OF THIS SECTION. ALL SUCH
25 ADMINISTRATIVE COSTS MUST BE PAID OUT OF THE MONEY EITHER
26 TRANSFERRED TO THE FUND PURSUANT TO SUBSECTION (9)(c) OF THIS
27 SECTION OR THAT IS APPROPRIATED TO THE FUND.

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

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

19 **24-32-705. Functions of division.** (7) The division shall
20 administer:

21 (a) The affordable housing guided toolkit and local officials guide
22 program in accordance with section 24-32-721.5;

23 (b) THE TRANSFORMATIONAL AFFORDABLE HOUSING REVOLVING
24 LOAN FUND PROGRAM CREATED IN SECTION 24-32-726 (2)(a), UNLESS THE
25 DIVISION ELECTS TO CONTRACT OUT FULL OR PARTIAL ADMINISTRATION OF
26 THE LOAN PROGRAM PURSUANT TO SECTION 24-32-726 (2)(b).

27 **SECTION 4.** In Colorado Revised Statutes, 24-32-705.5, **add**

1 (3.5) as follows:

2 **24-32-705.5. Annual public report on funding of affordable**
3 **housing preservation and production - definition.** (3.5) FOR THE
4 PUBLIC REPORT REQUIRED BY SUBSECTION (1) OF THIS SECTION, THE
5 DIVISION MUST INCLUDE, ON AN ANNUAL BASIS, THE INFORMATION
6 REQUIRED TO BE INCLUDED IN ACCORDANCE WITH SECTION 24-32-726
7 (10).

8 **SECTION 5. Safety clause.** The general assembly hereby finds,
9 determines, and declares that this act is necessary for the immediate
10 preservation of the public peace, health, or safety.