

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

REREVISED

*This Version Includes All Amendments
Adopted in the Second House*

LLS NO. 21-0901.02 Bob Lackner x4350

HOUSE BILL 21-1271

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House Committees

Transportation & Local Government
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Appropriations

A BILL FOR AN ACT

101 **CONCERNING THE ESTABLISHMENT OF PROGRAMS OFFERING STATE**
102 **ASSISTANCE TO LOCAL GOVERNMENTS TO PROMOTE THE**
103 **DEVELOPMENT OF INNOVATIVE AFFORDABLE HOUSING**
104 **STRATEGIES IN A MANNER THAT IS COMPATIBLE WITH BEST**
105 **LOCAL LAND USE PRACTICES, AND, IN CONNECTION THEREWITH,**
106 **MAKING AN 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 <http://leg.colorado.gov>.)

The bill creates 3 different programs in the department of local

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.

SENATE
3rd Reading Unamended
June 7, 2021

SENATE
Amended 2nd Reading
June 4, 2021

HOUSE
3rd Reading Unamended
May 5, 2021

HOUSE
Amended 2nd Reading
May 4, 2021

affairs (DOLA) for the purpose of offering grant money and other forms of state assistance to local governments to promote innovative solutions to the development of affordable housing across the state.

Local government affordable housing development incentives grant program (housing development incentives grant program). This program will provide grants to local governments that adopt not less than 3 policy and regulatory tools from among a menu of options that create incentives to promote the development of affordable housing. A local government that adopts such tools is eligible for a grant from the housing development incentives grant program as an incentive to develop one or more affordable housing developments in their community that are liveable, vibrant, and driven by community benefits. The division of local government (DLG) within DOLA administers the housing development incentives grant program.

The bill enumerates items included in the menu of policy and regulatory tools.

Local government planning grant program. This program will provide grants to local governments that lack one or more of the policy and regulatory tools that provide incentives to promote the development of affordable housing that forms the basis for a grant under the housing development incentives grant program and that could benefit from additional funding to be able to create and make use of these policy and regulatory tools. Money under the planning grant program will be available to a local government to enable the government to retain a consultant or a related professional service to assess the housing needs of its community or to make changes to its policies, programs, development review processes, land use codes, and related rules to become an eligible recipient of a grant under the housing development incentives grant program. The planning grant program will be administered by the DLG. As part of its administration of the planning grant program, the DLG will provide assistance to local governments on best land use practices and tools and is required to update and publish model county and municipal land use codes for the benefit of local governments across the state.

The affordable housing guided toolkit and local officials guide program (housing toolkit program). This program creates the housing toolkit program within the division of housing (DOH) within DOLA. The purpose of the housing toolkit program is to award funding to qualified counties and municipalities selected in a competitive process who commit to the adoption of best land use practices with demonstrated success in the development of affordable housing. Under the housing toolkit program, technical assistance will be provided by consultants and related professionals to local governments who demonstrate an understanding of the housing needs of their communities, take steps to engage their entire communities in this process, make changes to their land use codes and related processes that provide incentives and reduce barriers to the

development of affordable housing, obtain and support viable sites in their communities for the development of affordable housing, and attract developers committed to making such investments in their communities. The DOH is to administer the housing toolkit program.

In evaluating applications for grants from the housing development incentives grant program, the bill requires the DLG to prioritize proposals submitted by local governments based on factors specified in the bill.

On or before September 1, 2021, the bill requires the executive director of DOLA or the executive director's designee to adopt policies, procedures, and guidelines for the 3 different state assistance programs that include, without limitation:

- Procedures and timelines by which an eligible recipient may apply for a grant;
- Criteria for determining the amount of grant awards;
- Performance criteria for grant recipients' projects; and
- Reporting requirements for grant recipients.

On the effective date of the bill, or as soon as practicable thereafter, the state treasurer is required to transfer \$9,300,000 from the general fund to the Colorado heritage communities fund for the creation, implementation, and administration by the DLG of the housing development incentives grant programs.

On the effective date of the bill, or as soon as practicable thereafter, the state treasurer is required to transfer \$2,100,000 from the general fund to the Colorado heritage communities fund for the creation, implementation, and administration by the DLG of the planning grant program.

On the effective date of the bill, or as soon as practicable thereafter, the state treasurer is required to transfer \$1,600,000 from the general fund to the housing development grant fund for the creation, implementation, and administration by the DOH of the housing toolkit program.

All costs incurred in administering any of the 3 programs created under the bill must be paid out of the money transferred under the bill. All money transferred under the bill for the 3 state programs must be expended over the subsequent 3 state fiscal years.

On or before November 1 of each year, the executive director of DOLA or the director's designee is required to publish a report summarizing the use of all assistance that was awarded from the 3 different programs created under the bill in the preceding fiscal year. The bill specifies additional required contents of the reports. The reports must be shared with the general assembly and posted on DOLA's website.

The bill updates and repeals obsolete statutory provisions concerning the office of smart growth (OSG) within DOLA and the Colorado heritage communities fund.

The bill authorizes the OSG, as money becomes available, to

provide grants or other forms of assistance to counties and municipalities to address critical planning issues and specifies examples of the forms of assistance that may be provided by the office. The OSG is required to create guidelines to specify the activities on the part of local governments that will qualify for grant funding or other forms of assistance provided under the bill. The OSG is permitted to use available money to administer the Colorado heritage grant program.

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, determines, and declares that:

4 (a) Coloradans have identified housing affordability as the biggest
5 issue facing the state as one in every seven Colorado households is
6 spending more than half of its income on housing according to a study by
7 Shift Research Lab;

8 (b) The median home price to median income ratio has increased
9 across markets all across the nation. As of 2019, the price-to-income ratio
10 was considerably larger for renters than owners, with the gap most
11 significant in major metropolitan areas with a population greater than
12 three million people. Across large metropolitan areas with a population
13 greater than one million but less than three million, the gap in
14 price-to-income ratio for renters was largest in Providence, Denver, and
15 Salt Lake City.

16 (c) The same measurement on a statewide scale puts Colorado
17 among just five states with a greater than sixty percent gap between home
18 price and income growth between 2009 and 2019. Between 2012 and
19 2019, Colorado fell from being one of the most affordable states to one
20 of the least affordable states in the country based on median income to
21 median pricing.

22 (d) Currently, Colorado has a shortage of nearly 121,000

1 affordable rental units, and the Colorado housing and finance authority
2 reports that nearly half of all Colorado renters are considered cost
3 burdened, with an additional twenty-four percent being severely cost
4 burdened;

5 (e) By this act, the general assembly is focusing a portion of the
6 stimulus dollars it has received from the federal government to begin to
7 remedy this affordable housing crisis in Colorado with innovative
8 legislation that will jumpstart the production of housing statewide in the
9 next three years through three programs detailed in the act. In
10 combination, these programs focus on removing regulatory barriers to
11 affordable housing development and offering incentives to local
12 governments to make policy changes, as well as a mechanism for local
13 governments to receive expertise or financial assistance from the state.

14 (f) The general assembly recognizes that local governments
15 throughout the state vary in their stages of meeting the housing needs of
16 their communities. In order to help local governments respond to these
17 needs and to encourage them to extend their ability to create housing and
18 more liveable and vibrant communities, the divisions of local government
19 and housing within the department of local affairs will focus on three
20 programs.

21 (g) When a local government is at the nascent phase of addressing
22 affordable housing needs, it may require additional help to develop an
23 overall strategy. The housing toolkit program grant would offer local
24 governments comprehensive support to make effective change by
25 assessing housing needs, building effective communication strategies
26 around the need for affordable housing, understanding which actions
27 might have the biggest impact, and supporting the local government

1 through the steps preparatory to taking action to address these housing
2 needs.

3 (h) When a local government is at an intermediate phase of
4 addressing affordable housing needs, it may require particular expertise
5 to help it refine and advance its housing strategy. The planning grant
6 program awards local governments funding to hire assistance to adopt
7 qualifying land use strategies that prepare the local government to meet
8 this phase of its housing needs by conducting a needs assessment,
9 reviewing model land use codes, or making investments in its community
10 that would enable the local government to be competitive in applying for
11 a housing development incentives grant.

12 (i) If a local government is demonstrating an ongoing commitment
13 to advancing its land use regulations and policies to address the
14 affordable housing needs in its community, it may be eligible to apply for
15 a housing development incentives grant. This grant is focused on
16 allowing local governments to adopt effective tools to spur housing
17 creation. The menu of strategy options is broad enough that any
18 community can be successful in finding the right mix of strategies that fit
19 its community, or the local government may introduce its own innovative
20 or unique approach. Local governments would choose the strategies that
21 best fits the character of their community to pursue the grant funding
22 from the state whether they are in an urban, rural, mountain resort, or
23 eastern plains location. Additionally, the department of local affairs
24 would have the discretion to select novel, creative, or innovative
25 proposals from communities that offer an additional approach to create
26 affordable housing or would be able to consider how those local
27 governments that have already taken steps to address housing

1 affordability would be eligible to continue and advance their approaches
2 if they have already undertaken some of the best practice approaches. The
3 most competitive local governments will demonstrate a continued
4 commitment to removing barriers to affordable housing development.

5 (j) On March 11, 2021, the federal government enacted the
6 "American Rescue Plan Act of 2021", Pub.L. 117-2, referred to in this
7 section as the "federal act", pursuant to which Colorado will receive
8 \$3,828,761,790 from the federal coronavirus state fiscal recovery fund to
9 be used for certain specified purposes;

10 (k) These specified purposes include providing programs,
11 services, or other assistance for populations disproportionately impacted
12 by the COVID-19 public health emergency;

13 (l) More specifically, pursuant to 31 C.F.R. 35.6 (b), these
14 specified purposes include programs or services that address housing
15 insecurity, lack of affordable housing, or homelessness, including
16 supportive housing or other programs or services to improve access to
17 stable affordable housing among individuals who are homeless; the
18 development of affordable housing to increase the supply of affordable
19 housing developments that are livable, vibrant, and driven by community
20 benefits; and housing vouchers and assistance relocating to
21 neighborhoods with higher levels of economic opportunity and to reduce
22 concentrated areas of low economic opportunity;

23 (m) The three grant programs funded by the bill will enable local
24 governments across the state at various stages of development in their
25 ability to provide affordable housing to create and implement the
26 programs or services that address housing insecurity, lack of affordable
27 housing, or homelessness to enable populations, households, or

1 geographic areas disproportionately affected by the COVID-19 public
2 health emergency to obtain affordable housing. Accordingly, pursuant to
3 31 C.F.R. 35.6 (b), the assistance that will be provided by the three grant
4 programs funded by the bill is an eligible use of money received by the
5 state under the federal act.

6 **SECTION 2.** In Colorado Revised Statutes, 24-32-104, **add** (4)
7 and (5) as follows:

8 **24-32-104. Functions of the division - definition.** (4) THE
9 DIVISION SHALL ADMINISTER THE LOCAL GOVERNMENT AFFORDABLE
10 HOUSING DEVELOPMENT INCENTIVES GRANT PROGRAM CREATED IN
11 SECTION 24-32-130 (2) AND THE LOCAL GOVERNMENT PLANNING GRANT
12 PROGRAM CREATED IN SECTION 24-32-130 (5).

13 (5) THE DIVISION SHALL CONSULT WITH THE DIVISION OF HOUSING
14 CREATED IN SECTION 24-32-704 IN CONNECTION WITH THE CREATION AND
15 ADMINISTRATION OF THE HOUSING TOOLKIT PROGRAM IN ACCORDANCE
16 WITH SECTION 24-32-721.5 (2)(a).

17 **SECTION 3.** In Colorado Revised Statutes, **add** 24-32-130 as
18 follows:

19 **24-32-130. Local government affordable housing development**
20 **incentives grant program - local government planning grant program**
21 **- creation - report - definitions.** (1) AS USED IN THIS SECTION, UNLESS
22 THE CONTEXT OTHERWISE REQUIRES:

23 (a) "AFFORDABLE HOUSING" MEANS:
24 (I) FOR A HOUSEHOLD RESIDING IN HOUSING ON A RENTAL BASIS,
25 ANNUAL INCOME OF THE HOUSEHOLD IS AT OR BELOW EIGHTY PERCENT OF
26 THE AREA MEDIAN INCOME OF HOUSEHOLDS OF THAT SIZE IN THE COUNTY
27 IN WHICH THE HOUSING IS LOCATED;

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

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

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

8 (c) "ELIGIBLE RECIPIENT" MEANS A LOCAL GOVERNMENT THAT IS
9 ELIGIBLE TO RECEIVE A GRANT THROUGH THE HOUSING DEVELOPMENT
10 INCENTIVES GRANT PROGRAM OR THE PLANNING GRANT PROGRAM.

11 (d) "HOUSING DEVELOPMENT INCENTIVES GRANT PROGRAM"
12 MEANS THE LOCAL GOVERNMENT AFFORDABLE HOUSING DEVELOPMENT
13 INCENTIVES GRANT PROGRAM CREATED IN SUBSECTION (2) OF THIS
14 SECTION.

15 (e) "LOCAL GOVERNMENT" MEANS A COUNTY, A MUNICIPALITY, OR
16 A CITY AND COUNTY.

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

23 (g) "PLANNING GRANT PROGRAM" MEANS THE LOCAL
24 GOVERNMENT PLANNING GRANT PROGRAM CREATED IN SUBSECTION (5) OF
25 THIS SECTION.

26 (2) THERE IS HEREBY CREATED IN THE DEPARTMENT THE LOCAL
27 GOVERNMENT AFFORDABLE HOUSING DEVELOPMENT INCENTIVES GRANT

1 PROGRAM TO PROVIDE GRANTS TO LOCAL GOVERNMENTS THAT ADOPT ONE
2 OR MORE POLICY OR REGULATORY TOOLS THAT CREATE INCENTIVES TO
3 PROMOTE THE DEVELOPMENT OF AFFORDABLE HOUSING. A LOCAL
4 GOVERNMENT THAT ADOPTS SUCH TOOLS IN ACCORDANCE WITH THIS
5 SECTION IS ELIGIBLE FOR A GRANT FROM THE HOUSING DEVELOPMENT
6 INCENTIVES GRANT PROGRAM AS AN INCENTIVE TO DEVELOP ONE OR MORE
7 AFFORDABLE HOUSING DEVELOPMENTS IN THEIR COMMUNITY OR REGION
8 THAT ARE DRIVEN BY COMMUNITY BENEFITS AND THAT FOCUS ON
9 CRITICAL HOUSING NEEDS AS IDENTIFIED BY THE LOCAL GOVERNMENT.
10 THE DIVISION SHALL ADMINISTER THE HOUSING DEVELOPMENT
11 INCENTIVES GRANT PROGRAM.

12 (3) (a) AS PART OF THE POLICIES, PROCEDURES, AND GUIDELINES
13 THE DIVISION IS REQUIRED TO ADOPT FOR THE HOUSING DEVELOPMENT
14 INCENTIVES GRANT PROGRAM PURSUANT TO SUBSECTION (6)(a) OF THIS
15 SECTION, THE DIVISION SHALL DEVELOP A MENU OF DIFFERENT POLICY OR
16 REGULATORY TOOLS THAT LOCAL GOVERNMENTS MAY ADOPT AS
17 INCENTIVES TO PROMOTE AFFORDABLE HOUSING DEVELOPMENT WITHIN
18 THEIR TERRITORIAL BOUNDARIES OR ACROSS THEIR REGION.

19 (b) (I) THE MENU OF TOOLS THE DIVISION MUST DEVELOP
20 PURSUANT TO SUBSECTION (3)(a) OF THIS SECTION MUST INCLUDE SUCH
21 INCENTIVES TO PROMOTE AFFORDABLE HOUSING DEVELOPMENT
22 INCLUDING BUT NOT LIMITED TO:

23 (A) THE USE OF VACANT PUBLICLY OWNED REAL PROPERTY WITHIN
24 THE LOCAL GOVERNMENT FOR THE DEVELOPMENT OF AFFORDABLE
25 HOUSING;

26 (B) THE CREATION OF A PROGRAM TO SUBSIDIZE OR OTHERWISE
27 REDUCE LOCAL DEVELOPMENT REVIEW OR FEES, INCLUDING BUT NOT

1 LIMITED TO BUILDING PERMIT FEES, PLANNING WAIVERS, AND WATER AND
2 SEWER TAP FEES, FOR AFFORDABLE HOUSING DEVELOPMENT;

3 (C) THE CREATION OF AN EXPEDITED DEVELOPMENT REVIEW
4 PROCESS FOR AFFORDABLE HOUSING AIMED AT HOUSEHOLDS THE ANNUAL
5 INCOME OF WHICH IS AT OR BELOW ONE HUNDRED TWENTY PERCENT OF
6 THE AREA MEDIAN INCOME OF HOUSEHOLDS OF THAT SIZE IN THE COUNTY
7 IN WHICH THE HOUSING IS LOCATED;

8 (D) THE CREATION OF AN EXPEDITED DEVELOPMENT REVIEW
9 PROCESS FOR ACQUIRING OR REPURPOSING UNDERUTILIZED COMMERCIAL
10 PROPERTY THAT CAN BE REZONED TO INCLUDE AFFORDABLE HOUSING
11 UNITS, INCLUDING THE PRESERVATION OF EXISTING AFFORDABLE HOUSING
12 UNITS;

13 (E) THE ESTABLISHMENT OF A DENSITY BONUS PROGRAM TO
14 INCREASE THE CONSTRUCTION OF UNITS THAT MEET CRITICAL HOUSING
15 NEEDS IN THE LOCAL COMMUNITY;

16 (F) WITH RESPECT TO WATER UTILITY CHARGES, THE CREATION OF
17 PROCESSES TO PROMOTE THE USE OF SUB-METERING OF UTILITY CHARGES
18 FOR AFFORDABLE HOUSING PROJECTS AND THE CREATION OF EXPERTISE IN
19 WATER UTILITY MATTERS DEDICATED TO AFFORDABLE HOUSING PROJECTS;

20 (G) WITH RESPECT TO INFRASTRUCTURE, THE CREATION OF A
21 DEDICATED FUNDING SOURCE TO SUBSIDIZE INFRASTRUCTURE COSTS AND
22 ASSOCIATED FEES RELATED TO PUBLICLY OWNED WATER, SANITARY
23 SEWER, STORM SEWERS, AND ROADWAYS INFRASTRUCTURE;

24 (H) GRANTING DUPLEXES, TRIPLEXES, OR OTHER APPROPRIATE
25 MULTI-FAMILY HOUSING OPTIONS AS A USE BY RIGHT IN SINGLE-FAMILY
26 RESIDENTIAL ZONING DISTRICTS;

27 (I) THE CLASSIFICATION OF A PROPOSED AFFORDABLE HOUSING

1 DEVELOPMENT AS A USE BY RIGHT WHEN IT MEETS THE BUILDING DENSITY
2 AND DESIGN STANDARDS OF A GIVEN ZONING DISTRICT;

3 (J) AUTHORIZING ACCESSORY DWELLING UNITS AS A USE BY RIGHT
4 ON PARCELS IN SINGLE FAMILY ZONING DISTRICTS THAT MEET THE SAFETY
5 AND INFRASTRUCTURE CAPACITY CONSIDERATIONS OF LOCAL
6 GOVERNMENTS;

7 (K) ALLOWING PLANNED UNIT DEVELOPMENTS WITH INTEGRATED
8 AFFORDABLE HOUSING UNITS;

9 (L) ALLOWING THE DEVELOPMENT OF SMALL SQUARE FOOTAGE
10 RESIDENTIAL UNIT SIZES;

11 (M) LESSENERED MINIMUM PARKING REQUIREMENTS FOR NEW
12 AFFORDABLE HOUSING DEVELOPMENTS; AND

13 (N) THE CREATION OF A LAND DONATION, LAND ACQUISITION, OR
14 LAND BANKING PROGRAM.

15 (II) IN ADDITION TO THE ITEMS LISTED IN SUBSECTION (3)(b)(I) OF
16 THIS SECTION, THE POLICIES, PROCEDURES, AND GUIDELINES ADOPTED BY
17 THE DIVISION MUST ALSO ALLOW FOR THE ADOPTION BY A LOCAL
18 GOVERNMENT OF ADDITIONAL POLICY OR REGULATORY TOOLS THAT
19 PROVIDE NOVEL, CREATIVE, OR INNOVATIVE INCENTIVES TO THE
20 DEVELOPMENT OF AFFORDABLE HOUSING.

21 (4) (a) IN THE POLICIES, PROCEDURES, AND GUIDELINES THE
22 DIVISION IS REQUIRED TO ADOPT FOR THE HOUSING DEVELOPMENT
23 INCENTIVES GRANT PROGRAM PURSUANT TO SUBSECTION (6)(a) OF THIS
24 SECTION, THE DIVISION SHALL SPECIFY, WITHOUT LIMITATION:

25 (I) THE MANNER BY WHICH A LOCAL GOVERNMENT BECOMES AN
26 ELIGIBLE RECIPIENT FOR THE GRANT PROGRAM AND THE CRITERIA USED TO
27 DETERMINE ELIGIBILITY;

1 (II) THE MANNER IN WHICH A LOCAL GOVERNMENT'S ONGOING
2 COMMITMENT TO REFINE AND EXPAND ITS LAND USE POLICIES AFFECTS THE
3 COMPETITIVENESS OF ITS GRANT APPLICATION; AND

4 (III) A REQUIREMENT THAT A LOCAL GOVERNMENT SHALL SELECT
5 NOT LESS THAN THREE OPTIONS FROM THE MENU OF POLICY OR
6 REGULATORY TOOLS SPECIFIED IN SUBSECTION (3)(b) OF THIS SECTION.

7 (b) IN EVALUATING APPLICATIONS FOR GRANTS FROM THE HOUSING
8 DEVELOPMENT INCENTIVES GRANT PROGRAM, THE DIVISION SHALL
9 PRIORITIZE PROPOSALS SUBMITTED BY LOCAL GOVERNMENTS BASED ON
10 THE DEGREE TO WHICH THE GRANT AWARD, EITHER ON ITS OWN, OR AS
11 PART OF OTHER INCENTIVES MADE AVAILABLE TO THE ELIGIBLE RECIPIENT:

12 (I) REPRESENTS GEOGRAPHIC DIVERSITY THROUGHOUT THE STATE
13 WITH RESPECT TO THE DIFFERENT KINDS OF COMMUNITIES BEING
14 AWARDED GRANTS;

15 (II) SATISFIES THE GOAL OF ACHIEVING BEST PRACTICES IN
16 AFFORDABLE HOUSING DEVELOPMENT WHETHER WITH RESPECT TO THE
17 MENU OF POLICY OR REGULATORY TOOLS ADOPTED BY THE LOCAL
18 GOVERNMENT OR THAT REPRESENTS A NOVEL, CREATIVE, OR INNOVATIVE
19 APPROACH TO THE DEVELOPMENT OF AFFORDABLE HOUSING;

20 (III) OFFERS MAXIMUM IMPACT IN INITIATING AFFORDABLE
21 HOUSING CREATION WITHIN THE LOCAL COMMUNITY OR REGION THAT IS
22 DRIVEN BY COMMUNITY BENEFITS AND THAT FOCUSES ON CRITICAL
23 HOUSING NEEDS AS IDENTIFIED BY THE LOCAL GOVERNMENT;

24 (IV) EXTENDS OR ADVANCES EXISTING APPROACHES BY THE
25 LOCAL GOVERNMENT TO INITIATE HOUSING CREATION WHETHER WITH
26 RESPECT TO THE PRODUCTION OF HOUSING UNITS OR LONGER TERM POLICY
27 CHANGES;

1 (V) REPRESENTS DIVERSITY IN THE TYPE OF AFFORDABLE HOUSING
2 CREATED FOR RENTAL HOUSING IN ACCORDANCE WITH SUBSECTION
3 (1)(a)(I) OF THIS SECTION AND FOR HOME OWNERSHIP IN ACCORDANCE
4 WITH SUBSECTION (1)(a)(II) OF THIS SECTION; ==

5 (VI) INITIATES OR PRESERVES HOUSING AFFORDABILITY THAT CAN
6 BE MAINTAINED FOR A LONG-TERM PERIOD OF AFFORDABILITY AS
7 NEGOTIATED BY THE DEPARTMENT AND THE LOCAL GOVERNMENT AND
8 THAT ALLOWS THE LOCAL GOVERNMENT TO DETERMINE THE METHOD FOR
9 ACHIEVING AFFORDABILITY; AND

10 (XII) SUPPORTS SUSTAINABLE DEVELOPMENT PATTERNS SUCH AS
11 INFILL AND THE REDEVELOPMENT OF EXISTING BUILDINGS.

12 (c) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, WITH
13 RESPECT TO THE AWARDING OF GRANTS UNDER THE HOUSING
14 DEVELOPMENT INCENTIVES GRANT PROGRAM, THE DIVISION SHALL
15 PRIORITIZE ITS FUNDING IN FAVOR OF THOSE LOCAL GOVERNMENTS THAT
16 DEMONSTRATE THE SUFFICIENT USE OF LOCAL INCENTIVES FOR
17 AFFORDABLE HOUSING DEVELOPMENT IN SUCH MANNER AS TO BE ABLE TO
18 LEVERAGE FUNDING FOR THE MAXIMUM IMPACT ON THE NUMBER OF
19 AFFORDABLE HOUSING UNITS BUILT OVER TIME AND THAT ARE
20 AFFORDABLE AS NEGOTIATED BY THE DEPARTMENT AND LOCAL
21 GOVERNMENTS.

22 (5) THERE IS HEREBY CREATED IN THE DEPARTMENT THE LOCAL
23 GOVERNMENT PLANNING GRANT PROGRAM TO PROVIDE GRANTS TO LOCAL
24 GOVERNMENTS THAT LACK ONE OR MORE OF THE POLICY AND
25 REGULATORY TOOLS THAT PROVIDE INCENTIVES TO PROMOTE THE
26 DEVELOPMENT OF AFFORDABLE HOUSING AS DESCRIBED IN SUBSECTION (3)
27 OF THIS SECTION AND THAT COULD BENEFIT FROM ADDITIONAL FUNDING

1 TO BE ABLE TO CREATE AND MAKE USE OF THESE POLICY AND
2 REGULATORY TOOLS. MONEY UNDER THE PLANNING GRANT PROGRAM
3 WILL BE AVAILABLE TO A LOCAL GOVERNMENT TO ENABLE THE
4 GOVERNMENT TO RETAIN A CONSULTANT OR A RELATED PROFESSIONAL
5 SERVICE TO ASSESS THE HOUSING NEEDS OF ITS COMMUNITY, INCLUDING
6 CONSIDERATIONS OF EQUITY, OR TO MAKE CHANGES TO ITS POLICIES,
7 PROGRAMS, DEVELOPMENT REVIEW PROCESSES, LAND USE CODES, AND
8 RELATED RULES TO BECOME AN ELIGIBLE RECIPIENT OF A GRANT UNDER
9 THE HOUSING DEVELOPMENT INCENTIVES GRANT PROGRAM. THE
10 PLANNING GRANT PROGRAM WILL BE ADMINISTERED BY THE DIVISION. AS
11 PART OF ITS ADMINISTRATION OF THE PLANNING GRANT PROGRAM, THE
12 DIVISION SHALL PROVIDE ASSISTANCE TO LOCAL GOVERNMENTS ON BEST
13 LAND USE PRACTICES AND TOOLS AND SHALL UPDATE AND PUBLISH MODEL
14 COUNTY AND MUNICIPAL LAND USE CODES FOR THE BENEFIT OF LOCAL
15 GOVERNMENTS ACROSS THE STATE.

16 (6) (a) ON OR BEFORE SEPTEMBER 1, 2021, THE EXECUTIVE
17 DIRECTOR OF THE DEPARTMENT OR THE EXECUTIVE DIRECTOR'S DESIGNEE
18 SHALL ADOPT POLICIES, PROCEDURES, AND GUIDELINES FOR THE HOUSING
19 INCENTIVES GRANT PROGRAM AND PLANNING GRANT PROGRAM THAT
20 INCLUDE, WITHOUT LIMITATION:

21 (I) PROCEDURES AND TIMELINES BY WHICH AN ELIGIBLE RECIPIENT
22 MAY APPLY FOR A GRANT;

23 (II) CRITERIA FOR DETERMINING THE AMOUNT OF GRANT AWARDS;

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

25 AND

26 (IV) REPORTING REQUIREMENTS FOR GRANT RECIPIENTS.

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

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

6 (c) TO THE EXTENT APPLICABLE, AND UNLESS OTHERWISE
7 REQUIRED BY THIS SECTION, REQUIREMENTS GOVERNING THE PROCESS OF
8 AWARDING A COLORADO HERITAGE PLANNING GRANT UNDER PART 32 OF
9 THIS TITLE 24 GOVERN THE PROCESS FOR OBTAINING A GRANT FROM THE
10 HOUSING DEVELOPMENT INCENTIVES GRANT PROGRAM OR THE PLANNING
11 GRANT PROGRAM UNDER THIS SECTION.

12 (7) ALL FUNDING OF ANY GRANTS AWARDED UNDER EITHER THE
13 HOUSING DEVELOPMENT INCENTIVES GRANT PROGRAM OR THE PLANNING
14 GRANT PROGRAM MUST BE MADE ENTIRELY OUT OF THE MONEY
15 TRANSFERRED FROM THE GENERAL FUND AND THE AFFORDABLE HOUSING
16 AND HOME OWNERSHIP CASH FUND CREATED IN SECTION 24-75-229(3)(a),
17 THAT ORIGINATES FROM MONEY THE STATE RECEIVED FROM THE FEDERAL
18 CORONAVIRUS STATE FISCAL RECOVERY FUND, TO THE COLORADO
19 HERITAGE COMMUNITIES FUND CREATED IN SECTION 24-32-3207 (1) IN
20 ACCORDANCE WITH SECTION 24-32-3207 (6). ALL COSTS INCURRED BY THE
21 DIVISION IN ADMINISTERING EITHER THE HOUSING DEVELOPMENT
22 INCENTIVES GRANT PROGRAM OR THE PLANNING GRANT PROGRAM MUST
23 BE PAID OUT OF THE MONEY TRANSFERRED UNDER SECTION 24-32-3207
24 (6). THE DIVISION MAY USE UP TO FOUR PERCENT OF ANY MONEY
25 TRANSFERRED TO IT UNDER THIS SECTION TO COVER ITS ADMINISTRATIVE
26 COSTS IN ADMINISTERING OR EVALUATING EITHER THE HOUSING
27 DEVELOPMENT INCENTIVES GRANT PROGRAM OR THE PLANNING GRANT

1 PROGRAM. ALL MONEY TRANSFERRED INTO THE COLORADO HERITAGE
2 COMMUNITIES FUND IN ACCORDANCE WITH SECTION 24-32-3207 (6) MUST
3 BE EXPENDED BY JULY 1, 2024. ANY MONEY TRANSFERRED INTO THE FUND
4 IN ACCORDANCE WITH THIS SUBSECTION (7) THAT IS NOT EXPENDED OR
5 ENCUMBERED FROM ANY APPROPRIATION AT THE END OF ANY FISCAL YEAR
6 IS AVAILABLE FOR EXPENDITURE BY JULY 1, 2024, WITHOUT FURTHER
7 APPROPRIATION.

8 (8) (a) ON OR BEFORE NOVEMBER 1, 2022, AND ON OR BEFORE
9 NOVEMBER 1, 2023, THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OR
10 THE EXECUTIVE DIRECTOR'S DESIGNEE SHALL PUBLISH A REPORT
11 SUMMARIZING THE USE OF ALL MONEY THAT WAS AWARDED AS GRANTS
12 FROM THE HOUSING DEVELOPMENT INCENTIVES GRANT PROGRAM IN THE
13 PRECEDING FISCAL YEAR. AT A MINIMUM, THE REPORT MUST SPECIFY THE
14 NUMBER OF LOCAL GOVERNMENTS THAT APPLIED FOR A GRANT AWARD,
15 INCLUDING THE NUMBER OF LOCAL GOVERNMENTS THAT WERE NOT
16 AWARDED A GRANT; THE POLICY OR REGULATORY TOOLS ADOPTED BY THE
17 LOCAL GOVERNMENTS THAT QUALIFIED FOR A GRANT AWARD; THE
18 AMOUNT OF GRANT MONEY DISTRIBUTED TO EACH GRANT RECIPIENT; AND
19 A DESCRIPTION OF EACH GRANT RECIPIENT'S USE OF THE GRANT MONEY. IN
20 THE REPORT, THE DIVISION SHALL ALSO PROVIDE ITS RECOMMENDATIONS
21 CONCERNING FUTURE ADMINISTRATION OF THE GRANT PROGRAM. THE
22 REPORT MUST BE SHARED WITH THE GENERAL ASSEMBLY AND POSTED ON
23 THE DEPARTMENT'S WEBSITE.

24 (b) ON OR BEFORE NOVEMBER 1, 2022, AND ON OR BEFORE
25 NOVEMBER 1, 2023, THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OR
26 THE EXECUTIVE DIRECTOR'S DESIGNEE SHALL PUBLISH A REPORT
27 SUMMARIZING THE USE OF ALL MONEY THAT WAS AWARDED AS GRANTS

1 FROM THE PLANNING GRANT PROGRAM IN THE PRECEDING FISCAL YEAR.
2 AT A MINIMUM, THE REPORT MUST SPECIFY THE AMOUNT OF GRANT
3 MONEY DISTRIBUTED TO EACH GRANT RECIPIENT AND A DESCRIPTION OF
4 EACH GRANT RECIPIENT'S USE OF THE GRANT MONEY. IN THE REPORT, THE
5 DIVISION SHALL ALSO PROVIDE ITS RECOMMENDATIONS CONCERNING
6 FUTURE ADMINISTRATION OF THE GRANT PROGRAM. THE REPORT MUST BE
7 SHARED WITH THE GENERAL ASSEMBLY AND POSTED ON THE
8 DEPARTMENT'S WEBSITE.

9 **SECTION 4.** In Colorado Revised Statutes, 24-32-705, **add** (5)
10 as follows:

11 **24-32-705. Functions of division.** (5) THE DIVISION SHALL
12 ADMINISTER THE AFFORDABLE HOUSING GUIDED TOOLKIT AND LOCAL
13 OFFICIALS GUIDE PROGRAM IN ACCORDANCE WITH SECTION 24-32-721.5.

14 **SECTION 5.** In Colorado Revised Statutes, 24-32-721, **amend**
15 (1); and **add** (5) as follows:

16 **24-32-721. Colorado affordable housing construction grants**
17 **and loans - housing development grant fund - creation - housing**
18 **assistance for persons with behavioral, mental health, or substance**
19 **use disorders - cash fund - appropriation - report to general assembly**
20 **- rules - definitions - repeal.** (1) There is hereby created in the state
21 treasury the housing development grant fund, which fund is administered
22 by the division and is referred to in this section as the "fund". The fund
23 consists of money credited to the fund in accordance with section
24 39-26-123 (3)(b); money transferred to the fund in accordance with
25 section 24-22-118 (2); money appropriated to the fund by the general
26 assembly; all money transferred to the fund from the marijuana tax cash
27 fund created in section 39-28.8-501 (1) and any other cash fund

1 maintained by the state; ALL MONEY TRANSFERRED TO THE FUND FROM
2 THE GENERAL FUND PURSUANT TO SUBSECTION (5) OF THIS SECTION; all
3 money collected by the division for purposes of this section from federal
4 grants, from other contributions, gifts, grants, and donations received
5 from any other organization, entity, or individual, public or private; and
6 from any fees or interest earned on such money. The division is hereby
7 authorized and directed to solicit, accept, expend, and disburse all money
8 collected for the fund from the sources specified in this subsection (1) for
9 the purpose of making grants, ~~or~~ loans, OR OTHER FORMS OF ASSISTANCE
10 THAT MAY BE AWARDED UNDER SECTION 24-32-721.5 and for program
11 administration as provided in this section. All such money must be
12 transmitted to the state treasurer to be credited to the fund. The money in
13 the fund is continuously appropriated to the division for the purposes of
14 this section.

15 (5) ON THE EFFECTIVE DATE OF THIS SUBSECTION (5), THE STATE
16 TREASURER SHALL TRANSFER ONE MILLION SIX HUNDRED THOUSAND
17 DOLLARS FROM THE GENERAL FUND TO THE HOUSING DEVELOPMENT
18 GRANT FUND CREATED IN SUBSECTION (1) OF THIS SECTION. THE DIVISION
19 SHALL USE THE MONEY TRANSFERRED PURSUANT TO THIS SUBSECTION (5)
20 FOR THE AFFORDABLE HOUSING GUIDED TOOLKIT AND LOCAL OFFICIALS
21 GUIDE PROGRAM CREATED IN SECTION 24-32-721.5.

22 **SECTION 6.** In Colorado Revised Statutes, **add** 24-32-721.5 as
23 follows:

24 **24-32-721.5. Affordable housing guided toolkit and local**
25 **officials guide program - creation.** (1) (a) THERE IS HEREBY CREATED
26 WITHIN THE DIVISION THE AFFORDABLE HOUSING GUIDED TOOLKIT AND
27 LOCAL OFFICIALS GUIDE PROGRAM, REFERRED TO IN THIS SECTION AS THE

1 "HOUSING TOOLKIT PROGRAM". THE PURPOSE OF THE HOUSING TOOLKIT
2 PROGRAM IS TO AWARD FUNDING TO QUALIFIED COUNTIES,
3 MUNICIPALITIES, AND FEDERALLY RECOGNIZED TRIBES WITHIN THE STATE
4 SELECTED IN A COMPETITIVE PROCESS WHO COMMIT TO THE ADOPTION OF
5 BEST LAND USE PRACTICES WITH DEMONSTRATED SUCCESS IN THE
6 DEVELOPMENT OF AFFORDABLE HOUSING. UNDER THE HOUSING TOOLKIT
7 PROGRAM, TECHNICAL ASSISTANCE WILL BE PROVIDED BY CONSULTANTS
8 AND RELATED PROFESSIONALS TO ENABLE LOCAL GOVERNMENTS TO
9 ACHIEVE AN UNDERSTANDING OF THE HOUSING NEEDS OF THEIR
10 COMMUNITIES, INCLUDING THE EQUITY IMPACTS OF THEIR LAND USE
11 POLICIES AND REGULATIONS, TAKE STEPS TO ENGAGE THEIR ENTIRE
12 COMMUNITIES IN THIS PROCESS, MAKE CHANGES TO THEIR LAND USE
13 CODES AND RELATED PROCESSES THAT PROVIDE INCENTIVES AND REDUCE
14 BARRIERS TO THE DEVELOPMENT OF AFFORDABLE HOUSING, OBTAIN AND
15 SUPPORT VIABLE SITES IN THEIR COMMUNITIES FOR THE DEVELOPMENT OF
16 AFFORDABLE HOUSING, AND ATTRACT DEVELOPERS COMMITTED TO
17 MAKING SUCH INVESTMENTS IN THEIR COMMUNITIES. THE DIVISION SHALL
18 ADMINISTER THE HOUSING TOOLKIT PROGRAM.

19 (b) ALL FUNDING OF ANY ASSISTANCE AWARDED UNDER THE
20 HOUSING TOOLKIT PROGRAM MUST BE MADE ENTIRELY OUT OF THE MONEY
21 TRANSFERRED FROM THE GENERAL FUND TO THE HOUSING DEVELOPMENT
22 GRANT FUND CREATED IN SECTION 24-32-721 (1) IN ACCORDANCE WITH
23 SECTION 24-32-721 (5). ALL COSTS INCURRED BY THE DIVISION IN
24 ADMINISTERING THE HOUSING TOOLKIT PROGRAM MUST BE PAID OUT OF
25 THE MONEY TRANSFERRED IN ACCORDANCE WITH SECTION 24-32-721 (5).
26 THE DIVISION MAY USE UP TO EIGHT PERCENT OF ANY MONEY
27 APPROPRIATED TO IT UNDER THIS SECTION TO COVER ITS ADMINISTRATIVE

1 COSTS IN ADMINISTERING THE HOUSING TOOLKIT PROGRAM. ALL MONEY
2 TRANSFERRED TO THE HOUSING DEVELOPMENT GRANT FUND IN
3 ACCORDANCE WITH SECTION 24-32-721 (5) MUST BE EXPENDED OVER THE
4 SUBSEQUENT THREE STATE FISCAL YEARS.

5 (2) (a) IN EVALUATING APPLICATIONS FOR TECHNICAL ASSISTANCE
6 UNDER THE HOUSING TOOLKIT PROGRAM, THE DIVISION SHALL PRIORITIZE
7 PROJECTS BASED UPON WHETHER THE APPLICATION WILL, IN THE
8 DISCRETION OF THE DIVISION, CREATE THE MAXIMUM IMPACT ON THE
9 DEVELOPMENT OF AFFORDABLE HOUSING IN THE AREAS OF GREATEST NEED
10 ACROSS THE STATE AND WILL SATISFY ONE OR MORE OF THE FACTORS
11 SPECIFIED IN SUBSECTION (1) OF THIS SECTION. THE DIVISION SHALL
12 CONSULT WITH THE DIVISION OF LOCAL GOVERNMENT IN CONNECTION
13 WITH THE CREATION AND ADMINISTRATION OF THE HOUSING TOOLKIT
14 PROGRAM.

15 (b) ON OR BEFORE SEPTEMBER 1, 2021, THE EXECUTIVE DIRECTOR
16 OF THE DEPARTMENT OF LOCAL AFFAIRS OR THE EXECUTIVE DIRECTOR'S
17 DESIGNEE SHALL ADOPT POLICIES AND PROCEDURES FOR THE HOUSING
18 TOOLKIT PROGRAM THAT INCLUDE, WITHOUT LIMITATION:

19 (I) PROCEDURES AND TIME LINES BY WHICH AN ELIGIBLE RECIPIENT
20 MAY APPLY FOR ASSISTANCE UNDER THE HOUSING TOOLKIT PROGRAM;

21 (II) CRITERIA FOR DETERMINING THE AMOUNT OR NATURE OF THE
22 ASSISTANCE AWARDED;

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

24 AND

25 (IV) REPORTING REQUIREMENTS FOR GRANT RECIPIENTS.

26 (c) ON OR BEFORE NOVEMBER 1, 2022, AND ON OR BEFORE
27 NOVEMBER 1, 2023, THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OR

1 THE EXECUTIVE DIRECTOR'S DESIGNEE SHALL PUBLISH A REPORT
2 SUMMARIZING THE USE OF ALL ASSISTANCE THAT WAS AWARDED FROM
3 THE HOUSING TOOLKIT PROGRAM IN THE PRECEDING FISCAL YEAR. IN THE
4 REPORT, THE DIVISION SHALL ALSO PROVIDE ITS RECOMMENDATIONS
5 CONCERNING FUTURE ADMINISTRATION OF THE HOUSING TOOLKIT
6 PROGRAM. THE REPORT MUST BE SHARED WITH THE GENERAL ASSEMBLY
7 AND POSTED ON THE DEPARTMENT'S WEBSITE.

8 **SECTION 7.** In Colorado Revised Statutes, 24-32-3202, **amend**
9 (7); and **repeal** (6) as follows:

10 **24-32-3202. Definitions.** As used in this part 32, unless the context
11 otherwise requires:

12 (6) ~~"Growth" means changes in population that impact land use,~~
13 ~~infrastructure development, and the surrounding environment.~~

14 (7) "Local government" means any county, city and county, city,
15 town, or special district created pursuant to article 1 of title 32. ~~C.R.S.~~
16 ~~except that, for purposes of this part 32 in connection with section~~
17 ~~24-32-3203 (3)(c)(I), "local government" shall be deemed to include an~~
18 ~~irrigation district, ditch company, or conservancy district.~~

19 **SECTION 8.** In Colorado Revised Statutes, 24-32-3203, **amend**
20 (3)(c) and (3)(d); and **repeal** (3)(a) as follows:

21 **24-32-3203. Office of smart growth - creation - powers and**
22 **duties of executive director.** (3) The executive director shall have the
23 following powers and duties in administering this part 32:

24 (a) ~~To designate areas within Colorado as Colorado heritage~~
25 ~~communities. Areas designated as Colorado heritage communities shall~~
26 ~~be eligible for a Colorado heritage planning grant by the office out of~~
27 ~~moneys in the fund created by section 24-32-3207 in accordance with the~~

1 ~~provisions of this part 32.~~

2 (c) To review and approve applications for Colorado heritage
3 planning grants awarded by the office out of ~~moneys~~ MONEY in the fund
4 in accordance with the requirements of this part 32, and to determine the
5 amount of money to be awarded under each such grant. An application for
6 such a grant ~~shall~~ MUST:

7 (I) ~~Be submitted jointly by the governing bodies of at least two~~
8 ~~local governments; except that applications regarding water banking~~
9 ~~pursuant to subparagraph (II) of this paragraph (c) may also be submitted~~
10 ~~singly or in combination by the governing body of a local government or~~
11 ~~by an irrigation district, ditch company, or conservancy district; and~~

12 (II) Address critical planning issues, including, without limitation,
13 land use and development patterns, AFFORDABLE HOUSING, transportation
14 planning, mitigation of environmental hazards, water banking pursuant
15 to article 80.5 of title 37, ~~C.R.S.~~, and energy use.

16 (d) To review and approve applications for grants awarded by the
17 office out of ~~moneys~~ MONEY in the fund to assist a local government, as
18 applicable, in developing a master plan in conformity with section
19 30-28-106 or 31-23-206; ~~C.R.S.~~, and to ~~determine the amount of money~~
20 ~~to be awarded under each such grant pursuant to section 24-32-3207 (2);~~

21 **SECTION 9.** In Colorado Revised Statutes, 24-32-3207, **amend**
22 **(1); repeal (2); and add (6)** as follows:

23 **24-32-3207. Colorado heritage communities fund - creation -**
24 **source of funds.** (1) There is hereby created in the state treasury the
25 Colorado heritage communities fund, which fund ~~shall be~~ IS administered
26 by the director and which ~~shall consist~~ CONSISTS of all ~~moneys~~ MONEY
27 appropriated to ~~said~~ THE fund by the general assembly, MONEY

1 TRANSFERRED FROM THE GENERAL FUND AND THE AFFORDABLE HOUSING
2 AND HOME OWNERSHIP CASH FUND CREATED IN SECTION 24-75-229 (3)(a),
3 THAT ORIGINATES FROM MONEY THE STATE RECEIVED FROM THE FEDERAL
4 CORONAVIRUS STATE FISCAL RECOVERY FUND, TO THE FUND PURSUANT TO
5 SUBSECTION (6) OF THIS SECTION, and all other ~~moneys~~ MONEY collected
6 by the office for the fund from federal grants or other contributions,
7 grants, gifts, bequests, or donations received from other agencies of state
8 government, individuals, private organizations, or foundations. Such
9 ~~moneys~~ MONEY shall be transmitted to the state treasurer to be credited to
10 the fund.

11 (2) ~~Not more than an amount equal to thirty percent of any~~
12 ~~moneys in the fund as of the beginning of any given fiscal year shall be~~
13 ~~made available before the end of that same fiscal year to local~~
14 ~~governments in grant moneys for the development of master plans~~
15 ~~pursuant to section 24-32-3203 (3)(d).~~

16 (6) (a) ON THE EFFECTIVE DATE OF THIS SUBSECTION (6), OR AS
17 SOON AS PRACTICABLE THEREAFTER, THE STATE TREASURER SHALL
18 TRANSFER:

19 (I) THIRTY MILLION DOLLARS FROM THE AFFORDABLE HOUSING
20 AND HOME OWNERSHIP CASH FUND CREATED IN SECTION 24-75-229 (3)(a),
21 THAT ORIGINATES FROM MONEY THE STATE RECEIVED FROM THE FEDERAL
22 CORONAVIRUS STATE FISCAL RECOVERY FUND, TO THE COLORADO
23 HERITAGE COMMUNITIES FUND CREATED IN SUBSECTION (1) OF THIS
24 SECTION; AND

25 (II) NINE MILLION THREE HUNDRED THOUSAND DOLLARS FROM THE
26 GENERAL FUND TO THE COLORADO HERITAGE COMMUNITIES FUND
27 CREATED IN SUBSECTION (1) OF THIS SECTION.

1 (b) THE DIVISION OF LOCAL GOVERNMENT IN THE DEPARTMENT
2 SHALL USE THE MONEY TRANSFERRED PURSUANT TO SUBSECTION (6)(a) OF
3 THIS SECTION FOR THE CREATION, IMPLEMENTATION, AND
4 ADMINISTRATION OF THE LOCAL GOVERNMENT AFFORDABLE HOUSING
5 DEVELOPMENT INCENTIVES GRANT PROGRAM CREATED IN SECTION
6 24-32-130 (2) IN ACCORDANCE WITH THE REQUIREMENTS OF SECTION
7 24-32-130.

8 (c) ON THE EFFECTIVE DATE OF THIS SUBSECTION (6), OR AS SOON
9 AS PRACTICABLE THEREAFTER, THE STATE TREASURER SHALL TRANSFER:

10 (I) FIVE MILLION DOLLARS FROM THE AFFORDABLE HOUSING AND
11 HOME OWNERSHIP CASH FUND CREATED IN SECTION 24-75-229 (3)(a),
12 THAT ORIGINATES FROM MONEY THE STATE RECEIVED FROM THE FEDERAL
13 CORONAVIRUS STATE FISCAL RECOVERY FUND, TO THE COLORADO
14 HERITAGE COMMUNITIES FUND CREATED IN SUBSECTION (1) OF THIS
15 SECTION; AND

16 (II) TWO MILLION ONE HUNDRED THOUSAND DOLLARS FROM THE
17 GENERAL FUND TO THE COLORADO HERITAGE COMMUNITIES FUND
18 CREATED IN SUBSECTION (1) OF THIS SECTION.

19 (d) THE DIVISION OF LOCAL GOVERNMENT IN THE DEPARTMENT
20 SHALL USE THE MONEY TRANSFERRED PURSUANT TO SUBSECTION (6)(c) OF
21 THIS SECTION FOR THE CREATION, IMPLEMENTATION, AND
22 ADMINISTRATION OF THE LOCAL GOVERNMENT PLANNING GRANT
23 PROGRAM CREATED IN SECTION 24-32-130 (5) IN ACCORDANCE WITH THE
24 REQUIREMENTS OF SECTION 24-32-130. WITH RESPECT TO ANY MONEY
25 TRANSFERRED INTO THE COLORADO HERITAGE COMMUNITIES FUND
26 PURSUANT TO SUBSECTION (6)(c) OF THIS SECTION, THE DIVISION MAY USE
27 ANY MONEY THAT IS UNEXPENDED OR UNENCUMBERED AS OF JUNE 30,

1 2024 FOR PURPOSES OF THE LOCAL GOVERNMENT AFFORDABLE HOUSING
2 DEVELOPMENT INCENTIVES GRANT PROGRAM CREATED IN SECTION
3 24-32-130 (2) AS NEEDED IN ACCORDANCE WITH SECTION 24-32-130.

4 **SECTION 10.** In Colorado Revised Statutes, 24-32-3208, **add** (3)
5 as follows:

6 **24-32-3208. Additional sources of funding.** (3) AS MONEY
7 BECOMES AVAILABLE, THE OFFICE OF SMART GROWTH CREATED IN
8 SECTION 24-32-3203 (1) MAY PROVIDE GRANTS OR OTHER FORMS OF
9 ASSISTANCE TO COUNTIES AND MUNICIPALITIES FOR PURPOSES CONSISTENT
10 WITH SECTION 24-32-3203 (3)(c)(II), INCLUDING, WITHOUT LIMITATION,
11 THE HIRING OF CONSULTANTS AND RELATED FORMS OF PROFESSIONAL
12 EXPERTISE; UPDATING PLANS, POLICIES, CODES, AND RELATED LAND
13 DEVELOPMENT REVIEW PROCESSES; AND OFFERING GRANTS, LOANS, OR
14 OTHER FORMS OF ASSISTANCE AS INCENTIVES FOR THE DEVELOPMENT OF
15 AFFORDABLE HOUSING, WHICH FORMS OF ASSISTANCE MAY INCLUDE THE
16 ACQUISITION OF PROPERTY, THE PROVISION OF INFRASTRUCTURE, OR THE
17 DEVELOPMENT OF COMMUNITY AMENITIES. THE OFFICE SHALL CREATE
18 GUIDELINES TO SPECIFY THE ACTIVITIES ON THE PART OF LOCAL
19 GOVERNMENTS THAT WILL QUALIFY FOR GRANT FUNDING OR OTHER FORMS
20 OF ASSISTANCE UNDER THIS SUBSECTION (3). THE OFFICE MAY ALSO USE
21 AVAILABLE MONEY TO IMPLEMENT OR FACILITATE GRANT AND OTHER
22 INCENTIVE PROGRAMS BY HIRING STAFF, CREATING TECHNICAL RESOURCES
23 FOR LOCAL GOVERNMENTS, HIRING CONSULTANTS AND RELATED FORMS OF
24 PROFESSIONAL EXPERTISE, AND OTHERWISE ADMINISTERING THE
25 COLORADO HERITAGE GRANT PROGRAM IN ACCORDANCE WITH THIS PART
26 32. THE OFFICE MAY USE A PORTION OF ANY SUCH MONEY FOR HIRING AND
27 MAINTAINING STAFF, DEFRAYING OPERATIONAL EXPENSES, AND

1 ADMINISTRATION ASSOCIATED WITH THE PROVISION OF GRANTS AND
2 OTHER FORMS OF INCENTIVES UNDER THIS SUBSECTION (3).

3 **SECTION 11.** In Colorado Revised Statutes, **repeal** 24-32-3206.

4 **SECTION 12. Appropriation.** (1) For the 2021-22 state fiscal
5 year, \$39,300,000 is appropriated to the department of local affairs for
6 use by the division of local government. This appropriation is from the
7 Colorado heritage communities fund created in section 24-32-3207 (1),
8 C.R.S., and is based on an assumption that the division will require an
9 additional 0.9 FTE. To implement this act, the division shall use this
10 appropriation for the affordable housing development incentives grant
11 program created in section 24-32-130 (2), C.R.S.

12 (2) For the 2021-22 state fiscal year, \$7,100,000 is appropriated
13 to the department of local affairs for use by the division of local
14 government. This appropriation is from the Colorado heritage
15 communities fund created in section 24-32-3207 (1), C.R.S., and is based
16 on an assumption that the division will require an additional 1.7 FTE. To
17 implement this act, the division shall use this appropriation for the local
18 government planning grant program created in section 24-32-130 (5),
19 C.R.S.

20 **SECTION 13. Effective date.** This act takes effect on passage;
21 except that section 24-32-3207 (6)(a)(I) and (6)(c)(I) in section 9 of this
22 act requiring transfers from the affordable housing and home ownership
23 cash fund created in section 24-75-229 (3)(a) take effect only if House
24 Bill 21-1329 becomes law, and, in which case, section 24-32-3207 (6)
25 (a)(I) and (6)(c)(I) take effect either upon the effective date of this act or
26 one day after the effective date of House Bill 21-1329, whichever is later.

27

1 **SECTION 14. Safety clause.** The general assembly hereby finds,
2 determines, and declares that this act is necessary for the immediate
3 preservation of the public peace, health, or safety.