

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

**REVISED**

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

LLS NO. 21-0901.02 Bob Lackner x4350

**HOUSE BILL 21-1271**

**HOUSE SPONSORSHIP**

**McCluskie and Jodeh**, Bacon, Benavidez, Bennett, Bird, Boesenecker, Caraveo, Cutter, Duran, Esgar, Exum, Froelich, Gonzales-Gutierrez, Herod, Hooton, Jackson, Kennedy, Kipp, Lontine, McCormick, McLachlan, Michaelson Jenet, Mullica, Ortiz, Ricks, Roberts, Tipper, Titone, Valdez A., Valdez D., Weissman, Woodrow, Young

**SENATE SPONSORSHIP**

**Gonzales**,

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**House Committees**

Transportation & Local Government  
Appropriations

**Senate Committees**

Local Government  
Appropriations

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**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.**

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**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  
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.

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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.