

Second Regular Session  
Seventy-third General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 22-0809.01 Megan McCall x4215

HOUSE BILL 22-1282

---

HOUSE SPONSORSHIP

**Mullica and Lynch**, Jodeh, Pico, Roberts, Woodrow, Woog

SENATE SPONSORSHIP

**Bridges and Woodward**,

---

**House Committees**  
Business Affairs & Labor

**Senate Committees**

---

A BILL FOR AN ACT

101 CONCERNING THE CREATION OF THE INNOVATIVE HOUSING INCENTIVE  
102 PROGRAM.

---

**Bill Summary**

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

The bill creates the innovative housing incentive program (program) within the office of economic development (office). A business located in Colorado that manufactures certain types of housing may apply for funding through the program. Funding may be awarded through grants for capital operating expenses and for incentives for units manufactured based on criteria established by the office, such as affordability, location

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.

where the unit is installed in the state, or meeting energy efficiency standards. Or, funding may be awarded through loans for the purpose of funding a manufacturing factory. The bill creates the innovative housing incentive program fund, requires a \$40 million transfer to the fund, and continuously appropriates all money in the fund to the office to fund the program.

---

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

2           **SECTION 1.** In Colorado Revised Statutes, **add** 24-48.5-132 as  
3 follows:

4           **24-48.5-132. Innovative housing incentive program - report -**  
5 **legislative declaration - definitions.** (1) THE GENERAL ASSEMBLY FINDS  
6 AND DECLARES THAT:

7           (a) COLORADO IS EXPERIENCING A LACK OF AFFORDABLE HOUSING  
8 AT CRITICAL LEVELS. THE STATE CONTINUES TO ATTRACT NEW RESIDENTS  
9 AND JOBS, BUT WITH THIS GROWTH HAS COME EVER-INCREASING HOUSING  
10 PRICES, PLACING UNSUSTAINABLE DEMANDS ON OUR LIMITED HOUSING  
11 STOCK. THESE UNDERLYING ISSUES HAVE ONLY BEEN EXACERBATED BY  
12 THE COVID-19 PANDEMIC.

13           (b) THE GENERAL ASSEMBLY APPROVED HOUSE BILL 21-1329,  
14 ENACTED IN 2021, WHICH DIRECTED THE EXECUTIVE COMMITTEE OF THE  
15 LEGISLATIVE COUNCIL TO CREATE A TASK FORCE TO MEET DURING THE  
16 2021 INTERIM AND ISSUE A REPORT WITH RECOMMENDATIONS TO THE  
17 GENERAL ASSEMBLY AND THE GOVERNOR ON POLICIES TO CREATE  
18 TRANSFORMATIVE CHANGES IN THE AREA OF HOUSING;

19           (c) BY SUBSEQUENT EXECUTIVE COMMITTEE RESOLUTION, THE  
20 AFFORDABLE HOUSING TRANSFORMATIONAL TASK FORCE AND SUBPANEL  
21 (TASK FORCE), MADE UP OF LEGISLATORS, EXECUTIVE BRANCH MEMBERS,  
22 AND NONLEGISLATIVE MEMBERS INCLUDING INDUSTRY EXPERTS, WAS

1 FORMED TO PROVIDE FUNDING AND POLICY RECOMMENDATIONS TO:

2 (I) ADDRESS THE ISSUE OF AFFORDABLE HOUSING;

3 (II) ACHIEVE THE GOALS OUTLINED BY THE COMMITTEE THAT  
4 WERE DEVELOPED IN ACCORDANCE WITH SECTION 24-75-229 (6); AND

5 (III) SUPPORT COLORADANS AND THEIR HOUSING NEEDS; AND

6 (d) THE TASK FORCE RECOMMENDED THAT THE GENERAL  
7 ASSEMBLY CREATE A PROGRAM TO PROVIDE DIRECT FUNDING FOR  
8 INNOVATIVE HOUSING BUSINESSES THROUGH WORKING CAPITAL GRANTS,  
9 INCENTIVES FOR PER-UNIT DEVELOPMENT, AND LOANS FOR FACTORY  
10 DEVELOPMENT TO FURTHER GROW THE INNOVATIVE HOUSING INDUSTRY  
11 IN THE STATE AND CREATE JOBS IN THE INDUSTRY, TO INCREASE THE  
12 SUPPLY OF AFFORDABLE HOUSING UNITS IN THE STATE, AND TO LOWER THE  
13 COST OF AFFORDABLE HOUSING FOR LOCAL GOVERNMENTS AND  
14 ORGANIZATIONS.

15 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE  
16 REQUIRES:

17 (a) "COAL TRANSITION COMMUNITY" HAS THE SAME MEANING AS  
18 SET FORTH IN SECTION 8-83-502 (1).

19 (b) "DIVISION" MEANS THE DIVISION OF HOUSING CREATED IN  
20 SECTION 24-32-704.

21 (c) "FUND" MEANS THE INNOVATIVE HOUSING INCENTIVE  
22 PROGRAM FUND CREATED IN SUBSECTION (5) OF THIS SECTION.

23 (d) "INNOVATIVE HOUSING BUSINESS" MEANS A NEW OR EXISTING  
24 BUSINESS IN COLORADO WITH FIVE HUNDRED OR FEWER EMPLOYEES THAT  
25 EITHER:

26 (I) MANUFACTURES ONE OR MORE OF THE FOLLOWING:

27 (A) MODULAR HOUSING;

1 (B) PREFABRICATED PANELIZED CONSTRUCTION;  
2 (C) 3D-PRINTED HOUSING;  
3 (D) KIT HOMES INSTALLED ON FOUNDATIONS; OR  
4 (E) HOUSING MANUFACTURED IN COMPLIANCE WITH THE  
5 "NATIONAL MANUFACTURED HOUSING CONSTRUCTION AND SAFETY  
6 STANDARDS ACT OF 1974", AS DEFINED IN SECTION 24-32-3302 AS THE  
7 "FEDERAL ACT", AND INSTALLED ON FOUNDATIONS; OR  
8 (II) MANUFACTURES HOUSING IN ANY OTHER MANNER THAT THE  
9 OFFICE DETERMINES TO BE INNOVATIVE AND ELIGIBLE FOR FUNDING.

10 (e) "OFFICE" MEANS THE COLORADO OFFICE OF ECONOMIC  
11 DEVELOPMENT CREATED IN SECTION 24-48.5-101.

12 (f) "PROGRAM" MEANS THE INNOVATIVE HOUSING INCENTIVE  
13 PROGRAM CREATED IN SUBSECTION (3) OF THIS SECTION.

14 (3) (a) THERE IS CREATED WITHIN THE OFFICE THE INNOVATIVE  
15 HOUSING INCENTIVE PROGRAM TO SUPPORT INNOVATIVE HOUSING  
16 BUSINESSES THROUGH FUNDING FROM GRANTS AND LOANS AND THE  
17 GROWTH OF AFFORDABLE HOUSING. THE OFFICE SHALL USE THE MONEY  
18 SPECIFIED IN SUBSECTION (5) OF THIS SECTION FOR THE PURPOSES SET  
19 FORTH IN SUBSECTIONS (3)(b) AND (4) OF THIS SECTION, IN ADDITION TO  
20 ANY RELATED ADMINISTRATIVE EXPENSES.

21 (b) IN ADDITION TO THE PROVISIONS SET FORTH IN SUBSECTION (4)  
22 OF THIS SECTION, THE OFFICE SHALL ESTABLISH A PROCESS FOR  
23 INNOVATIVE HOUSING BUSINESSES TO APPLY FOR A GRANT OR A LOAN  
24 UNDER THE PROGRAM, INCLUDING APPLICATION DEADLINES, THE  
25 INFORMATION AND DOCUMENTATION REQUIRED TO BE SUBMITTED TO THE  
26 OFFICE TO DEMONSTRATE ELIGIBILITY FOR A GRANT OR A LOAN, AND ANY  
27 OTHER REQUIREMENTS DETERMINED BY THE DIRECTOR OF THE OFFICE TO

1 BE NECESSARY. THE OFFICE SHALL CONSULT WITH THE DIVISION,  
2 INDUSTRY EXPERTS, AND STAKEHOLDERS TO ESTABLISH THE PROCESS  
3 OUTLINED IN THIS SUBSECTION (3)(b). THE OFFICE MAY CONTRACT WITH  
4 ONE OR MORE THIRD PARTIES TO ADMINISTER THE PROGRAM.

5 (4) (a) THE OFFICE MAY AWARD GRANTS FOR WORKING CAPITAL  
6 OPERATING EXPENSES ON A BASIS OF NO MORE THAN TWENTY PERCENT OF  
7 DEMONSTRATED OPERATING CAPITAL EXPENDITURES AND IN AN AMOUNT  
8 NOT LESS THAN FIFTY THOUSAND DOLLARS; EXCEPT THAT, FOR AN  
9 INNOVATIVE HOUSING BUSINESS LOCATED IN A COAL TRANSITION  
10 COMMUNITY THE AMOUNT SHALL BE NOT LESS THAN SEVENTY-FIVE  
11 THOUSAND DOLLARS. GRANTS AWARDED FOR WORKING CAPITAL  
12 OPERATING EXPENSES MAY BE USED FOR WORKING CAPITAL OPERATING  
13 EXPENSES INCLUDING, BUT NOT LIMITED TO, PAYROLL, INVENTORY, OR  
14 MATERIALS.

15 (b) (I) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (4)(b)(III)  
16 OF THIS SECTION, THE OFFICE MAY AWARD GRANTS FOR  
17 PERFORMANCE-BASED, PER-UNIT INCENTIVES FOR UNITS MANUFACTURED  
18 BY AN INNOVATIVE HOUSING BUSINESS AND INSTALLED IN COLORADO.  
19 GRANTS FOR PERFORMANCE-BASED, PER-UNIT INCENTIVES MAY BE USED  
20 DIRECTLY BY THE INNOVATIVE HOUSING BUSINESS OR MAY BE PASSED ON  
21 TO ANY SUPPLY CHAIN PARTICIPANT AS A REDUCED COST OR BENEFIT FOR  
22 THAT PARTICIPANT.

23 (II) THE OFFICE SHALL ESTABLISH THE INCENTIVES FOR WHICH A  
24 UNIT MANUFACTURED BY AN INNOVATIVE HOUSING BUSINESS MAY  
25 QUALIFY, WHICH MAY VARY, AND MAY INCLUDE AS CONSIDERATION FOR  
26 A BASE INCENTIVE DIFFERENT LEVELS OF AFFORDABILITY TO THE END  
27 USER, WITH ADDITIONAL CUMULATIVE INCENTIVES FOR INSTALLATION IN

1 COVID-19-IMPACTED AREAS OF THE STATE AS IDENTIFIED BY THE OFFICE,  
2 RESILIENCY CRITERIA, COMPLIANCE WITH INTERNATIONAL ENERGY  
3 CONSERVATION CODE REQUIREMENTS, OR ENERGY EFFICIENCY SUCH AS  
4 PRE-WIRING FOR SOLAR IMPROVEMENTS, HOME ENERGY RATING SYSTEM  
5 SCORE OF FIFTY OR LESS, AND NEAR NET-ZERO ENERGY EFFICIENCY. THE  
6 OFFICE, IN CONSULTATION WITH THE DIVISION, INDUSTRY EXPERTS, AND  
7 OTHER STAKEHOLDERS, MAY DETERMINE OTHER OPPORTUNITIES FOR  
8 ADDITIONAL INCENTIVES.

9 (III) AN INNOVATIVE HOUSING BUSINESS IS NOT ELIGIBLE TO  
10 RECEIVE ANY GRANT FOR PERFORMANCE-BASED, PER-UNIT INCENTIVES SET  
11 FORTH IN THIS SUBSECTION (4)(b) FOR UNITS INSTALLED IN A MOBILE  
12 HOME PARK, AS DEFINED IN SECTION 38-12-201.5 (6), THAT IS OWNED BY  
13 A FOR-PROFIT ENTITY OR FOR-PROFIT INDIVIDUALS.

14 (c) (I) THE OFFICE MAY AWARD LOANS TO FUND A PRIVATELY  
15 OWNED HOUSING FACTORY LOCATED IN THE STATE BY AN INNOVATIVE  
16 HOUSING BUSINESS THAT PRODUCES A PERCENTAGE OF AFFORDABLE  
17 HOUSING UNITS THAT ARE INSTALLED IN THE STATE. THE OFFICE MAY  
18 ESTABLISH LOANS, OR A PORTION OF LOANS, AWARDED THROUGH THE  
19 PROGRAM AS REVOLVING LOANS.

20 (II) IN CONSULTATION WITH THE DIVISION, THE OFFICE SHALL:

21 (A) ESTABLISH A FAIR AND RIGOROUS OPEN COMPETITION PROCESS  
22 AMONG ELIGIBLE APPLICANTS TO AWARD LOANS; AND

23 (B) REVIEW LOAN APPLICATIONS AND THE APPROVAL OF LOAN  
24 AWARDS, WHICH MAY INCLUDE NEGOTIATIONS WITH AN APPLICANT.

25 (III) PARAMETERS AND ELIGIBILITY TO BE CONSIDERED FOR A  
26 LOAN UNDER THE PROGRAM MAY INCLUDE, BUT ARE NOT LIMITED TO:

27 (A) AN APPLICANT'S WILLINGNESS TO DEDICATE A PORTION OF ITS

1 PRODUCTION FOR PURCHASE BY NONPROFIT OR PUBLIC HOUSING AGENCIES  
2 AT A REDUCED MARGIN;

3 (B) AN APPLICANT'S OPERATIONAL CAPABILITY AND FINANCIAL  
4 VIABILITY AND SUSTAINABILITY;

5 (C) THE LEVEL OF SUBSIDY REQUIRED BY THE APPLICANT IN THE  
6 INTEREST RATE STRUCTURE, THE DEGREE TO WHICH THE LOAN IS  
7 FORGIVABLE, POSITION IN THE CAPITAL STACK, OR OTHER TERMS OF THE  
8 LOAN;

9 (D) AN APPLICANT'S COMMITMENT TO PRODUCTION OF  
10 AFFORDABLE HOUSING UNITS WITHIN THE PROPOSED FACTORY;

11 (E) THE ECONOMIC IMPACT OF THE PROPOSED FACTORY IN THE  
12 COMMUNITY WHERE IT WILL BE LOCATED, INCLUDING JOB CREATION; OR

13 (F) AN APPLICANT'S COMMITMENT TO PRODUCTION OF ENERGY  
14 EFFICIENT UNITS WITHIN THE PROPOSED FACTORY.

15 (IV) THE OFFICE MAY CONTRACT WITH A THIRD-PARTY ENTITY,  
16 SUCH AS THE COLORADO HOUSING AND FINANCE AUTHORITY CREATED IN  
17 SECTION 29-4-704 (1), TO ADMINISTER PROGRAM LOANS. IF THE OFFICE  
18 CONTRACTS WITH THE COLORADO HOUSING AND FINANCE AUTHORITY, THE  
19 OFFICE MAY DO SO WITHOUT A COMPETITIVE PROCUREMENT PROCESS.  
20 LOAN TERMS AND AGREEMENTS SHALL BE SET BY THE THIRD-PARTY  
21 ENTITY IN ACCORDANCE WITH THE TERMS AGREED TO IN THE LOAN  
22 APPLICATION REVIEW AND NEGOTIATION PROCESS.

23 (5) (a) THE INNOVATIVE HOUSING INCENTIVE PROGRAM FUND IS  
24 HEREBY CREATED IN THE STATE TREASURY. THE FUND CONSISTS OF  
25 MONEY TRANSFERRED TO THE FUND IN ACCORDANCE WITH SUBSECTION  
26 (5)(e) OF THIS SECTION, ANY OTHER MONEY THAT THE GENERAL ASSEMBLY  
27 APPROPRIATES OR TRANSFERS TO THE FUND, AND ANY GIFTS, GRANTS, OR

1 DONATIONS CREDITED TO THE FUND PURSUANT TO SUBSECTION (5)(b) OF  
2 THIS SECTION.

3 (b) THE OFFICE MAY SEEK, ACCEPT, AND EXPEND GIFTS, GRANTS,  
4 OR DONATIONS FROM PRIVATE OR PUBLIC SOURCES FOR THE PURPOSES OF  
5 THIS SECTION. THE OFFICE SHALL TRANSMIT ALL MONEY RECEIVED  
6 THROUGH GIFTS, GRANTS, OR DONATIONS TO THE STATE TREASURER, WHO  
7 SHALL CREDIT THE MONEY TO THE FUND.

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

11 (d) MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED TO THE  
12 OFFICE FOR PURPOSES SPECIFIED IN THIS SECTION. THE OFFICE MAY  
13 EXPEND UP TO TWO PERCENT OF THE MONEY TRANSFERRED TO THE FUND  
14 PURSUANT TO SUBSECTION (5)(e) OF THIS SECTION ON AN ANNUAL BASIS  
15 TO PAY FOR ITS DIRECT AND INDIRECT COSTS IN IMPLEMENTING AND  
16 ADMINISTERING THIS SECTION.

17 (e) ON JULY 1, 2022, THE STATE TREASURER SHALL TRANSFER  
18 FORTY MILLION DOLLARS TO THE FUND.

19 (6) (a) ON OR BEFORE SEPTEMBER 1, 2022, AND ON OR BEFORE  
20 SEPTEMBER 1 OF EACH YEAR THEREAFTER, INNOVATIVE HOUSING  
21 BUSINESSES PARTICIPATING IN THE PROGRAM SHALL PROVIDE AN ANNUAL  
22 REPORT TO THE OFFICE. THE REPORT SHALL INCLUDE:

23 (I) THE NUMBER OF UNITS THE INNOVATIVE HOUSING BUSINESS  
24 BUILT IN THE YEAR;

25 (II) THE NUMBER OF UNITS BUILT BY THE INNOVATIVE HOUSING  
26 BUSINESS AND INSTALLED IN THE STATE;

27 (III) THE NUMBER OF NET NEW JOBS IN THE STATE CREATED BY THE



1 INNOVATIVE HOUSING BUSINESS; AND

2 (IV) ANY OTHER INFORMATION REQUIRED OR REQUESTED BY THE  
3 OFFICE.

4 (b) ON OR BEFORE NOVEMBER 1, 2022, AND ON OR BEFORE  
5 NOVEMBER 1 OF EACH YEAR THEREAFTER, THE OFFICE SHALL SUBMIT A  
6 REPORT DETAILING THE EXPENDITURE OF MONEY FROM THE FUND TO THE  
7 GENERAL ASSEMBLY. AT A MINIMUM, THE REPORT MUST INCLUDE  
8 INFORMATION FOR THE PAST FISCAL YEAR CONCERNING:

9 (I) THE NUMBER OF INNOVATIVE HOUSING BUSINESSES APPLYING  
10 TO THE PROGRAM;

11 (II) THE PERCENTAGE OF APPLICANTS FUNDED AND AVERAGE RATE  
12 OF FUNDING UNDER THE PROGRAM, INCLUDING DETAIL ON WHAT TYPE OF  
13 HOUSING THE INNOVATIVE HOUSING BUSINESSES THAT RECEIVE FUNDING  
14 MANUFACTURE; AND

15 (III) THE GEOGRAPHIC DISTRIBUTION OF THE APPLICANTS FOR AND  
16 RECIPIENTS OF GRANTS AND LOANS.

17 (c) NOTWITHSTANDING THE REQUIREMENT IN SECTION 24-1-136  
18 (11)(a)(I), THE REQUIREMENT TO SUBMIT THE REPORTS REQUIRED IN THIS  
19 SUBSECTION (6) CONTINUES INDEFINITELY.

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