

# An Act

HOUSE BILL 24-1308

BY REPRESENTATIVE(S) Frizell and Lindstedt, Amabile, Bacon, Bird, Boesenecker, Brown, Clifford, Daugherty, Duran, Epps, Froelich, Garcia, Hamrick, Hernandez, Jodeh, Joseph, Kipp, Lieder, Lindsay, Lukens, Mabrey, Marshall, Marvin, McCormick, Ortiz, Parenti, Rutinel, Sirota, Snyder, Story, Titone, Valdez, Velasco, Vigil, Willford, Woodrow, Young, McCluskie;

also SENATOR(S) Gonzales, Bridges, Buckner, Coleman, Cutter, Exum, Jaquez Lewis, Kolker, Michaelson Jenet, Mullica, Priola, Roberts, Winter F.

CONCERNING PROVISIONS TO FACILITATE THE EFFECTIVE IMPLEMENTATION OF PROGRAMS FOR AFFORDABLE HOUSING, AND, IN CONNECTION THEREWITH, ADDING ANNUAL REPORTING REQUIREMENTS BY THE DIVISION OF HOUSING CONCERNING APPLICATIONS FOR AFFORDABLE HOUSING PROGRAMS AND MONEY IN AND ISSUED FROM THE HOUSING DEVELOPMENT GRANT FUND; CREATING A PROCESS FOR REVIEWING AND APPROVING APPLICATIONS FOR ALL AFFORDABLE HOUSING PROGRAMS BY THE DIVISION OF HOUSING; MAKING MODIFICATIONS TO THE "CITY HOUSING LAW" TO ALLOW A CITY TO OWN OR LEASE AND MANAGE, OPERATE, OR MAINTAIN, OR CONTRACT FOR MANAGEMENT, OPERATION, OR MAINTENANCE OF HOUSING PROJECTS; AND SPECIFYING THE REQUIREMENTS FOR AN APPLICATION AND ANNUAL REPORTS FOR PURPOSES OF A PROPERTY TAX EXEMPTION FOR A

*Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.*

COMMUNITY LAND TRUST OR NONPROFIT AFFORDABLE HOMEOWNERSHIP DEVELOPER FOR PROPERTY THAT HAS BEEN SUBDIVIDED.

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

**SECTION 1. Legislative declaration.** (1) The general assembly finds and declares that:

(a) The lack of timely affordable housing grants and loans directly impacts the market ability to generate new affordable housing opportunities;

(b) The goals of the division of housing's grant and loan programs should be to address housing needs throughout the state, serve populations with the greatest unmet need, optimize the housing stability of households served, and promote the sustainability of affordable housing development projects rather than maximizing financial returns to the state;

(c) The division of housing should seek to find balance in providing project subsidy levels that support the overall health, resiliency, and ability to advance the work of mission-based organizations without over-subsidizing projects or strictly forcing these organizations to maximize debt leverage or functionally eliminate cash flow;

(d) The grant, loan, and overall fund administration practices of the division of housing over the last three years have resulted in measurable project delays including time lost and increased fiscal costs from higher interest and holding costs;

(e) The current grant and fund administrative practices of the division of housing limit the ability of nonprofit housing providers and housing authorities to deliver affordable housing to Colorado residents who need it;

(f) A streamlined and transparent process for awarding the division of housing's limited pool of housing development funding sources to all housing resources administered by the division of housing will optimize the outcomes of a particular program or particular use to the benefit of residents served through affordable housing development projects;

(g) A sustainable and stable network of affordable housing providers will result in the creation, operation, and preservation of income-restricted affordable housing stock for low- and moderate-income households;

(h) Streamlining the review and award process, including providing transparent expectations on process and timing, reducing administrative barriers, and providing clear guidelines for submission and awards, is fundamental to the financial sustainability of grantees and awardees and the success of affordable housing development projects; and

(i) Streamlining the review and award process will support the preservation of naturally occurring and subsidized affordable housing.

(2) The general assembly further finds that it is necessary for the state to improve the efficiency and timelines of the application and award process of affordable housing development grant and loan money.

**SECTION 2.** In Colorado Revised Statutes, 24-32-705, **add** (1)(x) as follows:

**24-32-705. Functions of division.** (1) The division has the following functions:

(x) TO OPTIMIZE THE OUTCOMES OF A PARTICULAR PROGRAM OR PARTICULAR USE TO THE BENEFIT OF HOUSEHOLDS SERVED IN A MANNER THAT OPTIMIZES THE SOCIOECONOMIC AND HOUSING STABILITY OUTCOMES OF HOUSEHOLDS SERVED; OPTIMIZES THE FINANCIAL SUSTAINABILITY OF AN AFFORDABLE HOUSING PROJECT OR PROGRAM; OPTIMIZES THE CREATION, OPERATION, AND AFFORDABILITY LENGTH OF AFFORDABLE HOUSING STOCK CREATED; OPTIMIZES THE PRESERVATION OF NATURALLY OCCURRING AND SUBSIDIZED AFFORDABLE HOUSING; CONSIDERS THE IMPACT OF AWARD TERMS ON THE FINANCIAL STABILITY OF THE ORGANIZATIONS DELIVERING DEVELOPMENT PROJECTS AND RESIDENT SERVICES; LEVERAGES OR IS LEVERAGED BY OTHER AVAILABLE SOURCES OF MONEY; ADDRESSES HOUSING NEEDS THROUGHOUT THE STATE; AND SERVES POPULATIONS WITH THE GREATEST UNMET NEED.

**SECTION 3.** In Colorado Revised Statutes, 24-32-705.5, **amend** (1)(b) and (1)(c); and **add** (1)(d), (1.3), and (1.5) as follows:

**24-32-705.5. Annual public report on funding of affordable housing preservation and production - definitions - repeal.**

(1) Commencing in 2021 and every year thereafter, as part of the department's presentation to its joint committees of reference at a hearing held pursuant to section 2-7-203 (2)(a) of the "State Measurement for Accountable, Responsive, and Transparent (SMART) Government Act", in accordance with this section, the division shall prepare a public report that specifies the total amount of money that:

(b) The division or the board has awarded from any federal, state, other public, or any private source during the prior fiscal year in the form of a grant, contract, or loan to promote the preservation or production of emergency or affordable housing; ~~and~~

(c) The division expended during the prior fiscal year on administrative costs associated with each funding source identified in subsection (1)(a) of this section and the number of full-time employees supported by the funding source identified; AND

(d) THE DIVISION USES OF EXISTING STATE AND FEDERAL FUNDS TO PROVIDE THE BEST USE OF SUBSIDIES TO MAXIMIZE UNIT PRODUCTION INCLUDING DEVELOPMENTS IN HIGH-NEED, DIFFICULT-TO-DEVELOP AREAS, AND CONFIRMATION OF RULES AND PRACTICES THAT ENSURE DEVELOPMENTS ARE NOT DISQUALIFIED FROM FURTHER SUPPORT FROM THE DIVISION OR THE OFFICE OF ECONOMIC DEVELOPMENT BASED ON PRIOR RECEIPT OF MONEY PURSUANT TO ARTICLE 32 OF TITLE 29.

(1.3) FOR THE PUBLIC REPORT REQUIRED PURSUANT TO SUBSECTION (1) OF THIS SECTION, FOR 2025 AND EACH YEAR THEREAFTER, THE DIVISION SHALL INCLUDE THE FOLLOWING INFORMATION CONCERNING ANY AFFORDABLE HOUSING PROGRAM ADMINISTERED BY THE DIVISION IN THE YEAR PRECEDING THE YEAR IN WHICH THE PUBLIC REPORT IS PRESENTED:

(a) THE NUMBER OF APPLICATIONS, BY PROGRAM, SUBMITTED TO THE DIVISION;

(b) THE NUMBER OF APPLICATIONS APPROVED BY THE DIVISION, BY PROGRAM;

(c) THE NUMBER OF APPLICATIONS DENIED BY THE DIVISION, BY

PROGRAM;

(d) THE AGGREGATE AMOUNT OF MONEY AWARDED FOR ALL APPROVED APPLICATIONS;

(e) THE AGGREGATE AMOUNT OF MONEY APPLIED FOR BUT NOT AWARDED FOR ALL DENIED APPLICATIONS, BY PROGRAM; AND

(f) THE NUMBER OF APPLICATIONS, BY PROGRAM, PENDING REVIEW AND THE AGGREGATE AMOUNT OF MONEY APPLIED FOR IN ALL PENDING APPLICATIONS AT THE TIME OF THE PUBLIC REPORT.

(1.5) (a) FOR THE PUBLIC REPORT REQUIRED PURSUANT TO SUBSECTION (1) OF THIS SECTION, FOR 2025 AND EACH YEAR THEREAFTER, THE DIVISION SHALL INCLUDE THE FOLLOWING INFORMATION CONCERNING THE FUND:

(I) THE TOTAL AMOUNT OF REVENUE IN THE FUND AND AN IDENTIFICATION OF EACH SOURCE OF ALL REVENUE IN THE FUND CATEGORIZED BY THE AMOUNT OF REVENUE THAT IS ATTRIBUTABLE TO EACH SOURCE;

(II) THE TOTAL AMOUNT OF MONEY IN THE FUND;

(III) THE AGGREGATE AMOUNT OF MONEY IN THE FUND ENCUMBERED BY AN AWARD LETTER AND THE AGGREGATE AMOUNT OF MONEY IN THE FUND ENCUMBERED BY AN EXECUTED CONTRACT FOR GRANTS FROM THE FUND;

(IV) THE AGGREGATE AMOUNT OF MONEY IN THE FUND ENCUMBERED IN THE YEAR PRIOR TO THE YEAR IN WHICH THE PUBLIC REPORT IS PREPARED THAT WAS UNENCUMBERED IN ANY YEAR PRIOR TO THE REPORTING YEAR;

(V) THE AMOUNT OF UNENCUMBERED MONEY IN THE FUND AT THE TIME THE PUBLIC REPORT IS PREPARED;

(VI) THE AMOUNT OF MONEY TRANSFERRED FROM THE FUND TO ANY OTHER FUND IN THE YEAR PRIOR TO THE YEAR IN WHICH THE PUBLIC REPORT IS PREPARED AND AN IDENTIFICATION OF THE FUNDS TO WHICH MONEY FROM

THE FUND WAS TRANSFERRED;

(VII) THE NUMBER OF CONTRACTS DRAFTED AND EXECUTED FOR LOANS OR GRANTS FROM THE FUND AND THE NUMBER OF DAYS IT TOOK TO EXECUTE EACH CONTRACT. IF THE AVERAGE NUMBER OF DAYS TO EXECUTE CONTRACTS INCLUDED IN THE REPORT IS MORE THAN NINETY DAYS, THE DIVISION SHALL INCLUDE AN EXPLANATION REGARDING THIS AVERAGE AND A PLAN TO REDUCE THE AVERAGE TO NINETY DAYS OR LESS.

(VIII) THE AVERAGE NUMBER OF DAYS TO PRODUCE PRELIMINARY VERSIONS OF CONTRACTS AFTER MONEY IN THE FUND IS AWARDED TO RECIPIENTS. IF THE AVERAGE NUMBER OF DAYS TO PRODUCE PRELIMINARY VERSIONS OF CONTRACTS INCLUDED IN THE REPORT IS MORE THAN THIRTY DAYS, THE DIVISION SHALL INCLUDE AN EXPLANATION REGARDING THIS AVERAGE AND A PLAN TO REDUCE THE AVERAGE TO THIRTY DAYS OR LESS.

(IX) THE AVERAGE NUMBER OF DAYS FOR RECIPIENTS TO RECEIVE SIGNED CONTRACTS AFTER THE CONTRACTS ARE APPROVED AND TERMS ARE FINALIZED BY THE DIVISION AND THE RECIPIENT. IF THE AVERAGE NUMBER OF DAYS FOR RECIPIENTS TO RECEIVE SIGNED CONTRACTS AFTER THE CONTRACTS ARE APPROVED AND TERMS ARE FINALIZED IS MORE THAN TEN DAYS, THE DIVISION SHALL INCLUDE AN EXPLANATION REGARDING THIS AVERAGE AND A PLAN TO REDUCE THE AVERAGE TO TEN DAYS OR LESS.

(b) AS USED IN THIS SUBSECTION (1.5), UNLESS THE CONTEXT OTHERWISE REQUIRES, "FUND" MEANS THE HOUSING DEVELOPMENT GRANT FUND CREATED IN SECTION 24-32-721 (1).

**SECTION 4.** In Colorado Revised Statutes, **add 24-32-705.7** as follows:

**24-32-705.7. Application process for all affordable housing programs administered by the division of housing - rules - definitions.**

(1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "AFFORDABLE HOUSING" HAS THE SAME MEANING AS SET FORTH IN SECTION 24-32-705.5 (6).

(b) "AFFORDABLE HOUSING PROGRAM" MEANS:

(I) MONEY LOANED FROM THE HOUSING INVESTMENT TRUST FUND CREATED IN SECTION 24-32-717 (1)(a);

(II) ANY PROGRAM THAT USES MONEY FROM THE HOUSING DEVELOPMENT GRANT FUND CREATED IN SECTION 24-32-721 (1);

(III) THE AFFORDABLE HOUSING GUIDED TOOLKIT AND LOCAL OFFICIALS GUIDE PROGRAM CREATED IN SECTION 24-32-721.7 (1)(a);

(IV) THE LOCAL INVESTMENTS IN TRANSFORMATIONAL AFFORDABLE HOUSING GRANT PROGRAM CREATED IN SECTION 24-32-729 (2)(a);

(V) THE TRANSFORMATIONAL AFFORDABLE HOUSING REVOLVING LOAN FUND PROGRAM CREATED IN SECTION 24-32-731 (2)(a); AND

(VI) ANY OTHER PROGRAM ADMINISTERED OR IMPLEMENTED BY THE DIVISION THAT IS RELATED TO AFFORDABLE HOUSING DEVELOPMENT.

(c) "BOARD" MEANS THE STATE HOUSING BOARD CREATED IN SECTION 24-32-706 (1).

(2) NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, ALL AFFORDABLE HOUSING PROGRAMS ADMINISTERED OR IMPLEMENTED BY THE DIVISION THAT REQUIRE AN APPLICATION PROCESS ARE SUBJECT TO THE PROVISIONS OF THIS SECTION.

(3)(a) THE DIVISION SHALL RECEIVE APPLICATIONS FOR AFFORDABLE HOUSING PROGRAMS NOT LESS THAN ONCE PER QUARTER WHERE A QUARTER IS EVERY THREE MONTHS BEGINNING IN JULY. THE DIVISION SHALL PUBLISH THE APPLICATION SCHEDULE FOR THE SECOND HALF OF STATE FISCAL YEAR 2024-25 NO LATER THAN NOVEMBER 1, 2024, AND SHALL PUBLISH THE APPLICATION SCHEDULE FOR EACH SUBSEQUENT STATE FISCAL YEAR NO LATER THAN MAY 1 OF THE PRECEDING STATE FISCAL YEAR AND SHALL UPDATE THE SCHEDULE NO LATER THAN SIXTY DAYS BEFORE THE START OF THE NEXT QUARTER. IF FOR ANY AFFORDABLE HOUSING PROGRAM THE DIVISION WILL NOT BE ACCEPTING APPLICATIONS FOR AN UPCOMING QUARTER, THE DIVISION SHALL POST NOTICE OF THIS ON ITS WEBSITE AND INCLUDE AN EXPLANATION OF WHY APPLICATIONS FOR THE AFFORDABLE HOUSING PROGRAM WILL NOT BE ACCEPTED, WHICH MAY INCLUDE THERE BEING INSUFFICIENT REVENUE TO PROVIDE FUNDING FOR THE AFFORDABLE

HOUSING PROGRAM. NOT LATER THAN TEN CALENDAR DAYS FROM THE DATE THAT A QUARTERLY APPLICATION PERIOD CLOSES, THE DIVISION SHALL COMPLETE THE REVIEWING OF ALL APPLICATIONS SUBMITTED IN THE APPLICATION PERIOD FOR COMPLETENESS AND ISSUE ANY REQUESTS FOR ADDITIONAL INFORMATION, FORMS, OR QUESTIONS TO THE APPLICANTS, AS NECESSARY.

(b) (I) WITHIN FORTY-FIVE CALENDAR DAYS AFTER A COMPLETE APPLICATION IS RECEIVED BY THE DIVISION, AND NO MORE THAN FORTY-FIVE CALENDAR DAYS AFTER THE SEVENTEENTH CALENDAR DAY FOLLOWING THE DATE AN APPLICATION IS SUBMITTED, THE DIVISION SHALL COMPLETE ANY ADDITIONAL REVIEW OF AN APPLICATION THAT MAY BE REQUIRED AFTER ITS INITIAL REVIEW REQUIRED BY SUBSECTION (3)(a) OF THIS SECTION AND EITHER SEND ALL APPLICATIONS IT DEEMS COMPLETE TO THE BOARD FOR FINAL DECISION OR MAKE A FINAL DECISION ON APPLICATIONS IT DEEMS COMPLETE, AS APPLICABLE. IF THE DIVISION IS UNABLE TO SEND AN APPLICATION TO THE BOARD WITHIN FORTY-FIVE DAYS, THE DIVISION SHALL NOTIFY THE APPLICANT OF THE DELAY WITH AN EXPLANATION FOR THE DELAY AND THE DATE THAT THE DIVISION WILL SEND THE APPLICATION TO THE BOARD.

(II) THE BOARD SHALL MEET AND MAKE A FINAL DECISION ON COMPLETED APPLICATIONS SUBMITTED TO IT FROM THE DIVISION AT THE NEXT REGULARLY SCHEDULED MEETING OF THE BOARD.

(c) (I) IF THE FINAL DECISION ON AN APPLICATION IS APPROVAL OF THE APPLICATION BY THE BOARD OR THE DIVISION, AS APPLICABLE, THE DIVISION SHALL NOTIFY THE APPROVED APPLICANT IN WRITING IN ACCORDANCE WITH SUBSECTION (3)(c)(II) OF THIS SECTION AND WITHIN THIRTY CALENDAR DAYS PROVIDE THE APPROVED APPLICANT WITH A PRELIMINARY DRAFT OF ANY REQUIRED CONTRACTS FOR LOANS OR GRANTS AWARDED PURSUANT TO AN AFFORDABLE HOUSING PROGRAM, IF APPLICABLE. THE DIVISION HAS NINETY DAYS FROM THE DATE OF RECEIVING A SUBSTANTIALLY COMPLETE POST-AWARD DUE DILIGENCE PACKAGE FROM THE APPROVED APPLICANT, OR IF NO POST-AWARD DUE DILIGENCE IS REQUIRED THEN NINETY DAYS FROM THE DATE OF THE END OF THE THIRTY-DAY PERIOD, TO FINALIZE ANY TERMS AND CONDITIONS OF APPROVED LOANS OR GRANTS PURSUANT TO AN AFFORDABLE HOUSING PROGRAM AND EXECUTE ANY REQUIRED CONTRACTS, BUT THE NINETY DAY PERIOD PAUSES FOR THE PERIOD OF TIME AN APPROVED APPLICANT RECEIVES



A PRELIMINARY DRAFT FROM THE DIVISION OF ANY REQUIRED CONTRACT FOR THE AFFORDABLE HOUSING PROGRAM UNTIL THE DIVISION RECEIVES THE EXECUTED CONTRACT FROM THE APPROVED APPLICANT. THE DIVISION SHALL PROVIDE EXECUTED CONTRACTS TO AN APPROVED APPLICANT WITHIN TEN CALENDAR DAYS OF FINALIZING THE CONTRACT.

(II) LETTERS OF APPROVAL REQUIRED BY SUBSECTION (3)(c)(I) OF THIS SECTION MUST INCLUDE INFORMATION CONCERNING:

(A) THE TIMELINE FOR ISSUANCE OF MONEY AS APPROVED BY THE DIVISION OR THE BOARD PURSUANT TO THE AFFORDABLE HOUSING PROGRAM;

(B) ANY TERMS FOR THE LOAN OR GRANT PERIOD; AND

(C) ANY CONDITIONS THAT THE APPROVED APPLICANT MUST MEET OR PROVIDE PRIOR TO THE EXECUTION OF CONTRACTS FOR THE LOAN OR GRANT PURSUANT TO THE AFFORDABLE HOUSING PROGRAM, INCLUDING CLOSING OR CURING ANY OUTSTANDING AWARDS UNDER OTHER AFFORDABLE HOUSING PROGRAMS.

(d) (I) ANY CHANGES TO THE TERMS OF AN APPROVED LOAN OR GRANT PURSUANT TO AN AFFORDABLE HOUSING PROGRAM BY THE DIVISION MUST BE MADE TO AN APPROVED APPLICANT WITHIN TEN CALENDAR DAYS OF THE DATE THE DIVISION ISSUES A LETTER OF APPROVAL REQUIRED PURSUANT TO SUBSECTION (3)(c)(I) OF THIS SECTION.

(II) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (3)(d)(I) OF THIS SECTION, AN APPROVED APPLICANT MAY REQUEST CHANGES TO THE TERMS OF AN APPROVED LOAN OR GRANT AT ANY TIME BEFORE THE CONTRACT IS FINALIZED AND THE DIVISION SHALL REVIEW AND RESPOND TO ANY REQUESTS FOR CHANGES MADE AFTER APPROVAL OF THE LOAN OR GRANT BUT BEFORE THE CONTRACT IS FINALIZED WITHIN THIRTY DAYS. A REQUEST FOR CHANGES BY AN APPROVED APPLICANT MAY EXTEND ANY APPLICABLE TIME PERIOD SET FORTH IN SUBSECTION (3)(c)(I) BY NOT MORE THAN THIRTY DAYS.

(4) THE DIVISION MAY PROMULGATE RULES FOR THE IMPLEMENTATION OF THIS SECTION IN ACCORDANCE WITH ARTICLE 4 OF THIS TITLE 24.

**SECTION 5.** In Colorado Revised Statutes, 24-32-717, **add** (3.7) as follows:

**24-32-717. Housing investment trust fund - loans - definitions.**

(3.7) IF APPLICATIONS ARE REQUIRED FOR LOANS PURSUANT TO THIS SECTION, THE APPLICATION PROCESS MUST BE IN ACCORDANCE WITH THE PROCESS SET FORTH IN SECTION 24-32-705.7.

**SECTION 6.** In Colorado Revised Statutes, 24-32-721, **amend** (2)(e); and **add** (8) as follows:

**24-32-721. Colorado affordable housing construction grants and loans - housing development grant fund - creation - housing assistance for persons with behavioral, mental health, or substance use disorders - cash fund - appropriation - report to general assembly - rules - definitions - repeal.** (2) (e) In determining how best to allocate money to promote the various purposes specified in subsection (2)(d) of this section, the division shall consult with stakeholders from urban and rural communities and representatives from populations of different income levels with diverse housing needs and shall award funding to meet the needs of local communities that will optimize the ~~return on money invested in a particular program or for a particular use~~ SOCIO-ECONOMIC AND HOUSING STABILITY OF OUTCOMES OF HOUSEHOLDS SERVED; OPTIMIZE THE CREATION, OPERATION, AND AFFORDABILITY LENGTH OF AFFORDABLE HOUSING STOCK CREATED; OPTIMIZE THE PRESERVATION OF NATURALLY OCCURRING AND SUBSIDIZED AFFORDABLE HOUSING; CONSIDER THE IMPACT OF AWARD TERMS ON THE FINANCIAL STABILITY OF THE ORGANIZATIONS DELIVERING THESE DEVELOPMENT PROJECTS AND RESIDENT SERVICES; leverage OR BE LEVERAGED BY other available PUBLIC OR PRIVATE sources of money; BE LAYERED WITH OTHER FUNDS ADMINISTERED BY THE STATE; address housing needs throughout the state; and serve populations with the greatest unmet need. THE DIVISION MAY EVALUATE AND AWARD FUNDING OPPORTUNITIES AT ALL STAGES OF A PROJECT, INCLUDING PREDEVELOPMENT AND FIRST-IN CATALYTIC FUND COMMITMENTS.

(8) IF APPLICATIONS ARE REQUIRED FOR MONEY FROM THE FUND PURSUANT TO THIS SECTION, THE APPLICATION PROCESS MUST BE IN ACCORDANCE WITH THE PROCESS SET FORTH IN SECTION 24-32-705.7.

**SECTION 7.** In Colorado Revised Statutes, 24-32-721.7, **add** (1)(c)

as follows:

**24-32-721.7. Affordable housing guided toolkit and local officials guide program - creation.** (1) (c) THE PROCESS FOR APPLICATIONS REQUIRED PURSUANT TO THIS SECTION MUST BE IN ACCORDANCE WITH THE PROCESS SET FORTH IN SECTION 24-32-705.7.

**SECTION 8.** In Colorado Revised Statutes, 24-32-729, **add** (3)(a.5) as follows:

**24-32-729. Transformational affordable housing through local investments - grant program - investments eligible for funding - report - definitions - repeal.** (3) **Policies, procedures, and guidelines.** (a.5) THE APPLICATION PROCESS FOR THE GRANT PROGRAM MUST BE IN ACCORDANCE WITH THE PROCESS SET FORTH IN SECTION 24-32-705.7. ON OR BEFORE SEPTEMBER 1, 2024, THE DIVISION SHALL AMEND ANY POLICIES, PROCEDURES, AND GUIDELINES FOR THE GRANT PROGRAM THAT ARE NOT CONSISTENT WITH THE APPLICATION PROCESS SET FORTH IN SECTION 24-32-705.7.

**SECTION 9.** In Colorado Revised Statutes, 24-32-731, **add** (5)(a.5) as follows:

**24-32-731. Revolving loan fund - eligible projects - report - definitions - legislative declaration.** (5) **Loan program policies - eligibility for loan funding.** (a.5) THE APPLICATION PROCESS FOR THE LOAN PROGRAM MUST BE IN ACCORDANCE WITH THE PROCESS SET FORTH IN SECTION 24-32-705.7. ON OR BEFORE SEPTEMBER 1, 2024, THE DIVISION SHALL AMEND ANY POLICIES, PROCEDURES, AND GUIDELINES FOR THE GRANT PROGRAM THAT ARE NOT CONSISTENT WITH THE APPLICATION PROCESS SET FORTH IN SECTION 24-32-705.7.

**SECTION 10.** In Colorado Revised Statutes, 29-4-103, **amend** (9) as follows:

**29-4-103. Definitions.** As used in this part 1, unless the context otherwise requires:

(9) "Housing project" means all real and personal property, buildings and improvements, stores, offices, lands for farming and

gardening, and community facilities acquired, constructed, or to be acquired or constructed pursuant to a single plan or undertaking to demolish, clear, remove, alter, or repair unsafe, unsanitary, or substandard housing or to provide dwelling accommodations at rentals within the means of persons of low income. The term "housing project" also means the planning of the buildings and improvements, the acquisition of property, the demolition of existing structures, the construction, reconstruction, alteration, and repair of the improvements, and all other work in connection therewith. THE TERM "HOUSING PROJECT" ALSO MEANS THE PROVISION OF DWELLING ACCOMMODATIONS TO PERSONS, WITHOUT REGARD TO INCOME, AS LONG AS THE HOUSING PROJECT SUBSTANTIALLY BENEFITS PERSONS OF LOW INCOME.

**SECTION 11.** In Colorado Revised Statutes, 29-4-104, **amend** (1)(a) and (1)(k); and **add** (1)(l) as follows:

**29-4-104. Powers of cities to undertake projects.** (1) Every city has power and is authorized:

(a) To construct, ACQUIRE, OWN, OR LEASE any housing project within the city;

(k) To do all acts and things necessary or convenient to carry out the powers expressly given in this part 1; AND

(l) TO MANAGE, OPERATE, AND MAINTAIN, OR CONTRACT FOR THE MANAGEMENT, OPERATION, AND MAINTENANCE, OF ANY HOUSING PROJECT OWNED OR LEASED BY THE CITY.

**SECTION 12.** In Colorado Revised Statutes, **amend** 29-4-107 as follows:

**29-4-107. Management of housing projects.** (1) The city, ~~shall~~ AT THE CITY'S SOLE AND ABSOLUTE DISCRETION, MAY:

(a) CONTRACT WITH A NONPROFIT ENTITY OR PRIVATE ENTITY TO MANAGE, MAINTAIN, AND OPERATE ANY HOUSING PROJECT CONSTRUCTED, ACQUIRED, OWNED, OR LEASED BY THE CITY; OR

(b) Deliver possession of any housing projects constructed, acquired, OWNED, or leased by it THE CITY to the authority within the

boundaries of which the city is included, but the title to all property comprising such housing projects shall remain in the city. The authority shall operate and maintain all ~~such~~ housing projects of the city THAT THE CITY HAS DELIVERED POSSESSION OF IN ACCORDANCE WITH THIS SUBSECTION (1)(b) and shall fix, levy, and collect such rents, fees, or other charges for the use and occupancy of such housing projects as such authority determines; but if there are any agreements of the city with an obligee, the authority shall fix, levy, collect, and revise such rents, fees, and other charges in accordance with such agreements and subject thereto. All rents, fees, and other charges received by the authority from any such housing project shall not be commingled with any ~~moneys~~ MONEY of the authority and shall be deposited in a special account in any depository authorized in section 24-75-603. ~~C.R.S.~~

(2) After the payment of the cost of operation and maintenance of ~~such~~ A housing project THAT THE CITY DELIVERS POSSESSION OF TO THE AUTHORITY PURSUANT TO SUBSECTION (1)(b) OF THIS SECTION, the net receipts of such project shall be paid by the authority to the city at monthly or longer intervals as the city may determine or at such intervals as shall be provided for in any agreement by the city with an obligee.

**SECTION 13.** In Colorado Revised Statutes, 29-4-209, amend (1)(f) as follows:

**29-4-209. Powers of authority.** (1) An authority shall constitute a body both corporate and politic, exercising public powers and having all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this part 2, including the following powers in addition to others granted in this section:

(f) To manage as agent of the city any project constructed or owned by the city THAT THE CITY DELIVERS POSSESSION OF TO THE AUTHORITY PURSUANT TO SECTION 29-4-107 (1)(b);

**SECTION 14.** In Colorado Revised Statutes, 39-3-127.7, amend (7) as follows:

**39-3-127.7. Community land trust property - nonprofit affordable homeownership developer property - exemption - requirements - legislative declaration - definitions.** (7) (a) Any

community land trust or nonprofit affordable homeownership developer that claims a property tax exemption pursuant to this section shall comply with the provisions of section 39-2-117; EXCEPT THAT IF THE REAL PROPERTY THAT IS ALLOWED AN EXEMPTION PURSUANT TO THIS SECTION HAS BEEN SUBDIVIDED, THE OWNER OF SUCH PROPERTY OR THE OWNER'S AGENT IS ONLY REQUIRED TO:

(I) SUBMIT ONE APPLICATION FOR THE EXEMPTION FOR ALL PARCELS IN CONNECTION WITH THE SUBDIVISION PURSUANT TO SECTION 39-2-117 (1)(a), BUT THE FILING MUST BE ACCOMPANIED BY A PAYMENT IN ACCORDANCE WITH SECTION 39-2-117 (1)(a)(I) IN AN AMOUNT NOT TO EXCEED THE AGGREGATE AMOUNT OF PAYMENTS THAT WOULD BE REQUIRED IF INDIVIDUAL APPLICATIONS WERE FILED FOR EACH PARCEL; AND

(II) IF THE EXEMPTION IS GRANTED, FILE ONE ANNUAL REPORT PURSUANT TO SECTION 39-2-117 (3)(a) FOR ALL PARCELS IN CONNECTION WITH THE SUBDIVISION, BUT THE FILING MUST BE ACCOMPANIED BY A PAYMENT IN ACCORDANCE WITH SECTION 39-2-117 (3)(a) IN AN AMOUNT NOT TO EXCEED THE AGGREGATE AMOUNT OF PAYMENTS THAT WOULD BE REQUIRED IF INDIVIDUAL REPORTS WERE FILED FOR EACH PARCEL.

(b) NOTWITHSTANDING SUBSECTION (7)(a)(II) OF THIS SECTION, IF THE REAL PROPERTY THAT IS ALLOWED AN EXEMPTION PURSUANT TO THIS SECTION HAS BEEN SUBDIVIDED BUT THE SUBDIVIDED PARCEL HAS BEEN SPLIT INTO A SEPARATE TAXABLE PARCEL FROM THE IMPROVEMENTS AND IS LEASED TO THE OWNER OF THE IMPROVEMENTS AS AN AFFORDABLE HOMEOWNERSHIP PROPERTY, THEN THE OWNER OF SUCH REAL PROPERTY OR THE OWNER'S AGENT MUST FILE AN INDIVIDUAL ANNUAL REPORT FOR THE SUBDIVIDED PARCEL IN ACCORDANCE WITH SECTION 39-2-117 (3)(a).

**SECTION 15. No appropriation.** The general assembly has determined that this act can be implemented within existing appropriations, and therefore no separate appropriation of state money is necessary to carry out the purposes of this act.

**SECTION 16. Act subject to petition - effective date - applicability.** (1) This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item,

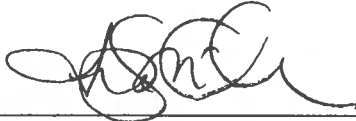
section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2024 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

(2) (a) Sections 4 through 9 of this act apply to applications submitted for affordable housing programs administered by the division of housing on or after September 1, 2024, or, if a referendum petition is filed in accordance with subsection (1) of this section, on or after the date of the official declaration of the vote thereon by the governor.

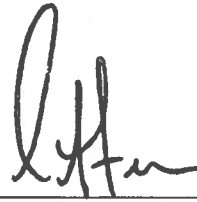
(b) Sections 10 through 13 of this act apply to any housing project pursuant to part 1 of article 4 of title 29, C.R.S., on or after the applicable effective date of this act.

(c) Section 14 of this act applies to applications submitted and

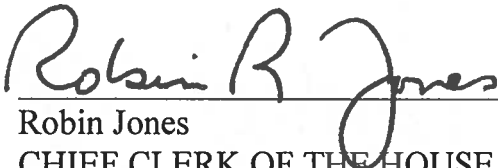
annual reports filed pursuant to section 39-2-117, C.R.S., for the exemption allowed by section 39-3-127.7, C.R.S., on or after the applicable effective date of this act.



Julie McCluskie  
SPEAKER OF THE HOUSE  
OF REPRESENTATIVES



Steve Fenberg  
PRESIDENT OF  
THE SENATE

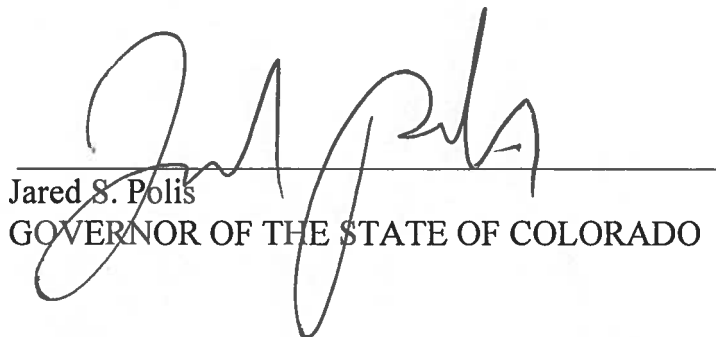


Robin Jones  
CHIEF CLERK OF THE HOUSE  
OF REPRESENTATIVES



Cindi L. Markwell  
SECRETARY OF  
THE SENATE

APPROVED Friday, May 31<sup>st</sup> 2024 at 10:20 AM  
(Date and Time)



Jared S. Polis  
GOVERNOR OF THE STATE OF COLORADO