

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

**PREAMENDED**

*This Unofficial Version Includes Committee  
Amendments Not Yet Adopted on Second Reading*

LLS NO. 22-0811.01 Bob Lackner x4350

**HOUSE BILL 22-1304**

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**SENATE SPONSORSHIP**

**Coleman and 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 STATE GRANTS FOR INVESTMENTS IN AFFORDABLE**  
102            **HOUSING AT THE LOCAL LEVEL, AND, IN CONNECTION**  
103            **THEREWITH, CREATING THE LOCAL INVESTMENTS IN**  
104            **TRANSFORMATIONAL AFFORDABLE HOUSING GRANT PROGRAM**  
105            **AND THE INFRASTRUCTURE AND STRONG COMMUNITIES GRANT**  
106            **PROGRAM TO INVEST IN INFILL INFRASTRUCTURE PROJECTS**  
107            **THAT SUPPORT AFFORDABLE HOUSING, AND MAKING AN**  
108            **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*

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.*

HOUSE  
3rd Reading Unamended  
April 20, 2022

HOUSE  
Amended 2nd Reading  
April 14, 2022

[http://leg.colorado.gov/.](http://leg.colorado.gov/))

The bill creates 2 state grant programs:

- The local investments in transformational affordable housing grant program (affordable housing grant program), administered by the division of housing (DOH) in the department of local affairs (department); and
- The infrastructure and strong communities grant program (strong communities grant program), administered by the division of local government (DLG) in the department.

The affordable housing grant program provides grants to local governments and nonprofit organizations to enable such entities to make investments in their communities or regions of the state in transformational affordable housing and housing related matters. The strong communities grant program provides grants to eligible local governments to enable local governments to invest in infill infrastructure projects that support affordable housing.

The strong communities grant program portion of the bill requires a multi-agency group, comprised of DLG, the state energy office, and the department of transportation, with the assistance of stakeholders, to develop a list of sustainable land use best practices that will accomplish the goals of the grant program and improve a local government's viability in being considered for a grant award.

The bill requires both DOH and DLG to develop policies, procedures, and guidelines governing the administration of the respective grant programs. The bill specifies how grant funding is to be prioritized and eligible uses of grant money awarded under the grant programs.

The bill creates 2 funds in the state treasury: The local investments in transformational affordable housing fund and the infrastructure and strong communities grant program fund. The bill specifies requirements pertaining to the administration of these funds.

Both funds are initially supported with a transfer of a specified amount of money from different funds.

Both grant programs are subject to reporting requirements specified in the bill, and both grant programs are repealed by a date specified in the bill.

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

2 **SECTION 1. Legislative declaration - intent - definitions.**

3 (1) The general assembly hereby finds, determines, and declares that:

4 (a) Though it has been exacerbated by the COVID-19 pandemic,

1 the housing crisis that Colorado faces is not new. For decades, the lack of  
2 affordable housing has upended the lives of thousands who face  
3 homelessness in the Denver metropolitan area and across the state,  
4 shuttered Colorado businesses, hindered working-class employment  
5 because of a lack of workforce housing, and exacerbated inequities for  
6 communities of color.

7 (b) Currently, Colorado has a shortage of nearly 121,000  
8 affordable rental units, and the Colorado housing and finance authority  
9 reports that nearly half of all Colorado renters are considered cost  
10 burdened, with an additional 24% being severely cost burdened. The  
11 average home price in the state increased 130% from 2011 to 2021.  
12 Statewide, the median price increased an additional 7% from January to  
13 February 2022 and the median price is now \$555,540, a 90% increase  
14 over March 2021. The town home and condominium market also reached  
15 a new pricing level in February 2022 and now stands at \$402,390, which  
16 is an increase of 17% from February 2021. Six out of ten Colorado  
17 households are unable to afford the average priced home. As used in this  
18 section, "cost-burdened" means that more than 30% percent of a  
19 household's monthly income is expended on housing and "severely  
20 cost-burdened means" that more than 50% of a household's monthly  
21 income is expended on housing.

22 (c) On March 11, 2021, the federal government enacted the  
23 "American Rescue Plan Act of 2021", Pub.L. 117-2, referred to in this  
24 section as "ARPA", pursuant to which Colorado has received  
25 \$3,828,761,790 from the federal coronavirus state fiscal recovery fund,  
26 referred to in this section as the "SFRF", to be used for certain specified  
27 purposes;

1 (d) These specified purposes include providing programs,  
2 services, or other assistance for populations disproportionately impacted  
3 by the COVID-19 pandemic;

4 (e) More specifically, federal regulations and guidance construing  
5 dictating allocation of the SFRF promulgated by the United States  
6 treasury identify a nonexclusive list of uses that address the  
7 disproportionate negative economic effects of the COVID-19 pandemic,  
8 including building stronger communities through investments in housing  
9 and neighborhoods. Services in this category alleviate the immediate  
10 economic impact of the COVID-19 pandemic on housing insecurity while  
11 addressing conditions that contributed to poor public health and economic  
12 outcomes during the pandemic, namely concentrated areas with limited  
13 economic opportunity and inadequate or poor quality housing.

14 (f) Under these regulations, SFRF money may be used for  
15 programs or services that address housing insecurity, lack of affordable  
16 and workforce housing, or homelessness, including:

17 (I) Supportive housing or other programs or services to improve  
18 access to stable, affordable housing among unhoused individuals;

19 (II) The development of affordable housing to increase the supply  
20 of affordable housing units that are livable, vibrant, and driven by  
21 community benefits; and

22 (III) Housing vouchers and assistance to allow individuals to  
23 relocate in neighborhoods with high levels of economic opportunity and  
24 to reduce concentrated areas of low economic opportunity;

25 (g) In addition to enumerated uses, the SFRF regulations allow for  
26 funds categorized as revenue replacement to be used for government  
27 services;

1           (h) In House Bill 21-1329, enacted in 2021, the general assembly  
2           created the affordable housing task force, referred to in this section as the  
3           "task force", to develop recommendations to take advantage of this  
4           once-in-a-lifetime spending opportunity presented by ARPA to bring  
5           transformative policies to Colorado's housing sector that will provide  
6           immediate, sweeping, and long-lasting change. ARPA provided the  
7           impetus to bring together the legislative and executive branches of state  
8           government, as well as a diverse group of stakeholders made up of  
9           affordable housing practitioners and experts, to tackle the affordable  
10          housing crisis and determine which investments would make the biggest  
11          impact. The 16-member task force was made up of a bipartisan group of  
12          ten members of the general assembly and six agency directors. A  
13          15-member subpanel of diverse affordable housing experts was also  
14          appointed to advise the task force. The task force and subpanel undertook  
15          a deliberative, iterative, and transparent process. Ultimately, the task force  
16          came to near unanimous consensus on its funding recommendations and  
17          allocations, as well as broad agreement on several policy concepts.

18          (i) The recommendations of the task force are intended to take  
19          advantage of this once-in-a-lifetime funding opportunity, specifically, a  
20          one-time investment of \$400 million, to institute transformational housing  
21          policies and programs that will allow the state to better meet the challenge  
22          of providing affordable housing, from addressing homelessness to  
23          supporting housing for Colorado's workforce; and

24          (j) The recommendations made by the task force will not solve  
25          Colorado's affordable housing crisis completely but will be a  
26          transformational step forward in achieving that objective. Once  
27          implemented at the local level across the state, these policies will make

1 significant strides in increasing access to flexible capital sources,  
2 fostering innovation, strengthening the social safety net, enhancing  
3 market stability, and ultimately promoting more broad and equitable  
4 ownership and rental housing for Coloradans in every corner of the state.  
5 These investments will result in more affordable housing being built  
6 across the state and will help to maintain existing housing stock that is at  
7 risk of becoming unsafe or unaffordable. The recommendations will help  
8 reduce disparities and address homelessness and will assist many  
9 Coloradans in purchasing homes that were previously out of financial  
10 reach, which will help build intergenerational wealth across the state.

11 (2) The general assembly further finds, determines, and declares  
12 that the programs and services funded by the transfers in this act are  
13 appropriate uses of the money transferred to Colorado under the SFRF  
14 and subsequently transferred into the affordable housing and home  
15 ownership cash fund created in section 24-75-229 (3)(a), C.R.S. This  
16 money will be put to expeditious and efficient use in building stronger  
17 communities across the state by making grants to community partners and  
18 local governments across the state to assist these entities in making  
19 investments in housing for populations, households, or geographic areas  
20 disproportionately affected by the COVID-19 pandemic.

21 (3) By this act, the general assembly is focusing a portion of the  
22 SFRF money that it has received from the federal government to begin to  
23 ameliorate the affordable housing crisis in Colorado by creating and  
24 administering a program to provide direct, flexible, and timely grant  
25 funding to community-based nonprofit organizations and local  
26 governments that have or are pursuing measures to facilitate affordable  
27 housing development or the purchase of land or buildings for and the

1 development of supportive, rental, transitional, and for-sale housing  
2 targeted at populations and communities disproportionately impacted by  
3 the COVID-19 pandemic.

4 (4) The general assembly intends that the grants made under this  
5 act will be made to community-based and nonprofit organizations for  
6 housing navigation and rehousing support, timely deployment of  
7 assistance, and technical and legal assistance. The general assembly  
8 intends that funds should be made available to local and regional groups  
9 and governments to be used for a variety of needs as specified in this act.

10 (5) The general assembly additionally intends that the grant  
11 program ensure flexibility of funding that will allow for operating grants  
12 to be made to community-based nonprofit organizations and qualified  
13 local governments, particularly in small, rural, and mountain resort  
14 communities that can best meet their own development needs.

15 (6) The potential uses of SFRF money directed by this act are in  
16 alignment with the priority articulated by the governor and legislators  
17 representing both major political parties of investing in strong  
18 communities. Such potential uses include funding for local infill  
19 infrastructure needs to help support and catalyze affordable housing  
20 development and further Colorado's sustainable development patterns,  
21 provide community benefits, ensure multimodal connectivity, reduce  
22 greenhouse gas emissions, strengthen social and environmental equity,  
23 and improve quality of life and community resilience.


24 (7) The general assembly further intends that the structure of  
25 funding criteria for the grant program created by this act encourage the  
26 use of public policies that allow for the development of affordable  
27 housing on a local basis congruent with local needs and conditions. To

1 achieve the greatest transformation possible, funding criteria should also  
2 aim to support and promote the leveraging of local funding resources.  
3 When appropriate, such funds should be aligned with loan funds from  
4 other public and private sources and priority should be given to projects  
5 that significantly leverage other funding sources. As part of the assistance  
6 provided by this act, the general assembly intends that additional funds be  
7 directed to eviction legal defense, given the ongoing challenges of  
8 evictions caused by the COVID-19 pandemic.

9 (8) The general assembly further declares that the programs and  
10 services described in this act are important government services.

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

13 **24-32-726. Transformational affordable housing through local**  
14 **investments - grant program - investments eligible for funding -**  
15 **report - definitions - repeal. (1) Definitions.** AS USED IN THIS SECTION,  
16 UNLESS THE CONTEXT OTHERWISE REQUIRES:

17   
18 (a) "COMMUNITY PARTNER" MEANS A NONPROFIT ORGANIZATION  
19 THAT UNDERTAKES ANY OF THE ACTIVITIES OR SERVICES DESCRIBED IN  
20 SUBSECTION (2)(b) OF THIS SECTION.

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

22 (c) "ELIGIBLE RECIPIENT" MEANS A LOCAL GOVERNMENT OR A  
23 COMMUNITY PARTNER THAT APPLIES FOR A GRANT THROUGH THE GRANT  
24 PROGRAM.

25 (d) "FUND" MEANS THE LOCAL INVESTMENTS IN  
26 TRANSFORMATIONAL AFFORDABLE HOUSING FUND CREATED IN  
27 SUBSECTION (4)(a) OF THIS SECTION.



1 (e) "GRANT PROGRAM" MEANS THE LOCAL INVESTMENTS IN  
2 TRANSFORMATIONAL AFFORDABLE HOUSING GRANT PROGRAM CREATED  
3 IN SUBSECTION (2)(a) OF THIS SECTION.

4 (f) "LOCAL GOVERNMENT" MEANS A COUNTY, MUNICIPALITY, CITY  
5 AND COUNTY, TRIBAL GOVERNMENT, SPECIAL DISTRICT ORGANIZED UNDER  
6 TITLE 32, SCHOOL DISTRICT, DISTRICT, HOUSING AUTHORITY, COUNCIL OF  
7 GOVERNMENTS, A REGIONAL PLANNING COMMISSION ORGANIZED UNDER  
8 TITLE 30, OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE.

9 (g) "MATCH" MEANS MONETARY AND NONMONETARY  
10 CONTRIBUTIONS TO A PROJECT.

11

12 (2) **Creation of the grant program - projects or programs**

13 **eligible for funding.** (a) THERE IS CREATED IN THE DIVISION THE LOCAL  
14 INVESTMENTS IN TRANSFORMATIONAL AFFORDABLE HOUSING GRANT  
15 PROGRAM TO PROVIDE GRANTS TO ELIGIBLE RECIPIENTS TO ENABLE SUCH  
16 ENTITIES TO MAKE INVESTMENTS IN THEIR COMMUNITIES OR REGIONS OF  
17 THE STATE IN TRANSFORMATIONAL AFFORDABLE HOUSING AND HOUSING  
18 RELATED MATTERS IN ACCORDANCE WITH THE REQUIREMENTS OF THIS  
19 SECTION. THE DIVISION SHALL ADMINISTER THE GRANT PROGRAM.

20 (b) THE DIVISION MAY AWARD GRANTS UNDER THE GRANT  
21 PROGRAM TO SUPPORT INVESTMENTS BY ELIGIBLE RECIPIENTS IN PROJECTS  
22 OR PROGRAMS THAT:

23 (I) DEVELOP AND INTEGRATE INFRASTRUCTURE TIED TO AN  
24 AFFORDABLE HOUSING DEVELOPMENT, INCLUDING FUNDING FOR CAPITAL  
25 CONSTRUCTION AND THE COST OF INFRASTRUCTURE DESIGN;

26 (II) PROVIDE GAP FINANCING FOR HOUSING DEVELOPMENT  
27 PROJECTS INCLUDING BUT NOT LIMITED TO TRANSACTIONS UNDER THE

1 FEDERAL LOW-INCOME HOUSING TAX CREDIT AND THE AFFORDABLE  
2 HOUSING TAX CREDIT CREATED IN SECTION 39-22-2102 (1) AND FOR THE  
3 PURCHASE OR CONVERSION OF EXISTING AFFORDABLE HOUSING AND  
4 MULTI-FAMILY DEVELOPMENTS, LAND, AND BUILDINGS, PARTICULARLY IN  
5 COMMUNITIES WHERE EFFORTS HAVE BEEN MADE TO ENCOURAGE  
6 AFFORDABLE HOUSING DEVELOPMENT OR IN COMMUNITIES IN WHICH LOW  
7 CONCENTRATIONS OF AFFORDABLE HOUSING EXIST;

8 (III) INCREASE NEW AFFORDABLE FOR-SALE HOUSING STOCK BY  
9 PROVIDING FUNDING TO ASSIST WITH THE COSTS OF CONSTRUCTION,  
10 INCLUDING BUT NOT LIMITED TO CONSTRUCTION COSTS, LAND  
11 ACQUISITION COSTS, TAP FEES, BUILDING PERMITS, AND IMPACT FEES;

12 (IV) MAINTAIN EXISTING AFFORDABLE HOUSING THROUGH  
13 FUNDING FOR PRESERVATION, RESTORATION THROUGH REHABILITATION,  
14 RETROFITTING, RENOVATION, CAPITAL IMPROVEMENTS, THE REPAIR OF  
15 CURRENT AFFORDABLE HOUSING STOCK, INCLUDING HOUSING MADE  
16 AVAILABLE UNDER 42 U.S.C. SEC. 1437f, AND PUBLIC HOUSING FOR  
17 POPULATIONS AND HOUSEHOLDS DISPROPORTIONATELY IMPACTED BY THE  
18 COVID-19 PANDEMIC WITH COMMITMENTS FOR LONG-TERM  
19 AFFORDABILITY. THESE INVESTMENTS MAY INCLUDE BUT ARE NOT LIMITED  
20 TO:

21 (A) SENIOR HOUSING;

22 (B) REMEDIATION OF LOW-QUALITY AND CONDEMNED PROPERTIES;

23 (C) HOUSING UNITS THAT ARE INTEGRATED INTO NONSEGREGATED  
24 HOUSING UNITS THAT ARE SPECIFICALLY DESIGNED FOR PEOPLE LIVING  
25 WITH DISABILITIES;

26 (D) THE PURCHASE AND TRANSITION OF CURRENT HOUSING STOCK,  
27 INCLUDING PROPERTIES CURRENTLY IN USE ON A SHORT-TERM RENTAL

1 BASIS, INTO AFFORDABLE HOUSING ON A LONG-TERM BASIS; AND

2 (E) THE PROVISION OF TIME-LIMITED RENTAL ASSISTANCE FOR  
3 HOUSEHOLDS DISPROPORTIONATELY IMPACTED BY THE COVID-19  
4 PANDEMIC AND AT-RISK OF LOSING THEIR HOME OR IN NEED OF RAPID  
5 RE-HOUSING, INCLUDING FUNDING FOR OUTREACH, HOUSING NAVIGATION  
6 ASSISTANCE, AND LEGAL SERVICES.

7 (V) FINANCE ENERGY IMPROVEMENTS IN SINGLE-FAMILY AND  
8 MULTI-FAMILY AFFORDABLE HOUSING THAT WILL PROVIDE FUNDING FOR  
9 INCREMENTAL, UP-FRONT COSTS FOR EFFICIENT, ELECTRIC MEASURES AND  
10 RENEWABLE ENERGY SYSTEMS FOR BOTH EXISTING HOMES AND RENTAL  
11 UNITS AND NEW HOUSING CONSTRUCTION.

12 (VI) PROVIDE OR MAINTAIN PROPERTY CONVERSION FOR  
13 TRANSITIONAL OR LONG-TERM HOUSING;

14 (VII) PROVIDE OR MAINTAIN PERMANENT SUPPORTIVE HOUSING  
15 AND SUPPORTIVE SERVICES;

16 (VIII) PROVIDE OR MAINTAIN LAND BANKING AND LAND TRUST  
17 STRATEGIES FOR LONG-TERM AFFORDABLE HOUSING PLANNING AND  
18 DEVELOPMENT; AND

19 (IX) PROVIDE OR MAINTAIN FUNDING FOR EVICTION LEGAL  
20 DEFENSE.

21 (3) **Policies, procedures, and guidelines.** (a) ON OR BEFORE  
22 SEPTEMBER 1, 2022, THE DIVISION SHALL ADOPT POLICIES, PROCEDURES,  
23 AND GUIDELINES FOR THE GRANT PROGRAM THAT INCLUDE, WITHOUT  
24 LIMITATION:

25 (I) THE PROCESS BY WHICH A LOCAL GOVERNMENT OR COMMUNITY  
26 PARTNER APPLIES FOR A GRANT AWARD AND THE CRITERIA USED TO  
27 DETERMINE ELIGIBILITY FOR A GRANT AWARD;

1 (II) PROCEDURES AND TIME LINES BY WHICH AN ELIGIBLE  
2 RECIPIENT MAY APPLY FOR A GRANT;  
3 (III) PERFORMANCE CRITERIA FOR GRANT RECIPIENTS' PROJECTS;  
4 (IV) REPORTING REQUIREMENTS FOR GRANT RECIPIENTS; AND  
5 (V) REQUIREMENTS FOR GRANT RECIPIENTS TO OFFER A MATCH IN  
6 RESOURCES.

7 (b) IN AWARDING GRANTS, THE DIVISION SHALL PRIORITIZE  
8 PROJECTS OR PROGRAMS THAT, TO THE GREATEST EXTENT PRACTICABLE,  
9 PROMOTE ONE OR MORE OF THE FOLLOWING GOALS AND OBJECTIVES:

10 (I) INCREASE THE SUPPLY OF HOUSING IN URBAN, RURAL, AND  
11 RURAL RESORT COMMUNITIES ACROSS THE STATE THAT IS PROPORTIONAL  
12 TO EACH COMMUNITY'S DEMONSTRATED NEED THROUGH:

13 (A) A PREFERENCE FOR MIXED-INCOME PROJECTS IN WHICH A  
14 PERCENTAGE OF UNITS, PROPORTIONAL TO THE DEMONSTRATED HOUSING  
15 NEEDS OF THE LOCAL COMMUNITY, WITHIN A PARTICULAR DEVELOPMENT  
16 HAVE RESTRICTED AVAILABILITY TO HOUSEHOLDS AT AND BELOW THE  
17 INCOME LEVELS SPECIFIED IN SUBSECTION (3)(c) OF THIS SECTION. THE  
18 PERCENTAGE OF RESTRICTED UNITS AND AFFORDABILITY LEVELS MUST  
19 COMPLY WITH LAWS ENACTED BY LOCAL GOVERNMENTS PROMOTING THE  
20 DEVELOPMENT OF NEW AFFORDABLE HOUSING UNITS PURSUANT TO  
21 SECTION 29-20-104 (1);

22 (B) DEVELOPMENTS IN WHICH HOUSING UNITS ARE RESTRICTED AT  
23 INCOME LEVELS DEMONSTRATED BY LOCAL COMMUNITY NEEDS AS  
24 SPECIFIED IN SUBSECTION (3)(c)(I) OF THIS SECTION;

25 (C) TRANSIT ORIENTED DEVELOPMENT;

26 (D) THE INCLUSION OF HOUSING UNITS THAT ARE RESTRICTED FOR  
27 RENTAL USAGE TO PERSONS WITH DISABILITIES OR THAT INCLUDE

1 UNIVERSAL DESIGN FEATURES THAT ALLOW INDIVIDUALS TO CONTINUE TO  
2 RESIDE IN THEIR DWELLING UNITS AS THEY AGE; OR

3 (E) HOUSING THAT IS RESTRICTED TO THE VICTIMS OF DOMESTIC  
4 VIOLENCE OR SEXUAL ASSAULT;

5 (II) LEVERAGE CAPITAL AND OPERATING SUBSIDIES FROM VARIOUS  
6 PUBLIC AND PRIVATE SOURCES;

7 (III) CREATE OPPORTUNITIES TO BUILD INTERGENERATIONAL  
8 WEALTH FOR FAMILIES;

9 (IV) PROMOTE THE LONG-TERM AFFORDABILITY OF ANY  
10 DEVELOPMENTS OR PROJECTS THAT ARE FUNDED BY THE GRANT PROGRAM;

11 (V) INVOLVE THE PURCHASE OF REAL PROPERTY NECESSARY TO  
12 SECURE LAND AREAS NEEDED FOR FUTURE DEVELOPMENT; OR

13 (VI) REPRESENT A ONE-TIME FUNDING PROPOSAL TO THE STATE  
14 WITH MINIMAL OR NO MULTI-YEAR FINANCIAL OBLIGATIONS AND  
15 CONTRIBUTE TO THE OVERALL WELL-BEING AND PROFESSIONAL AND  
16 RECREATIONAL NEEDS OF THE LOCAL WORKFORCE AND POPULATION.

17 (c) THE RENTAL AND HOME OWNERSHIP TARGETS APPLICABLE TO  
18 LOCAL COMMUNITIES ACROSS THE STATE AS REQUIRED BY SUBSECTION  
19 (3)(b)(I) OF THIS SECTION ARE SPECIFIED IN SUBSECTION (3)(c)(I) OF THIS  
20 SECTION IN ACCORDANCE WITH THE FOLLOWING:

21 (I) (A) FOR A HOUSEHOLD RESIDING IN HOUSING ON A RENTAL  
22 BASIS IN URBAN COUNTIES, HOUSING MUST BE TARGETED TO HOUSEHOLDS  
23 WITH AN ANNUAL INCOME THAT IS AT OR BELOW EIGHTY PERCENT OF THE  
24 AREA MEDIAN INCOME OF HOUSEHOLDS OF THAT SIZE IN THE COUNTY IN  
25 WHICH THE HOUSING IS LOCATED.

26 (B) FOR A HOUSEHOLD RESIDING IN HOUSING ON A RENTAL BASIS  
27 IN RURAL COUNTIES, HOUSING MUST BE TARGETED TO HOUSEHOLDS WITH

1 AN ANNUAL INCOME THAT IS AT OR BELOW ONE HUNDRED FORTY PERCENT  
2 OF THE AREA MEDIAN INCOME OF HOUSEHOLDS OF THAT SIZE IN THE  
3 COUNTY IN WHICH THE HOUSING IS LOCATED.

4 (C) FOR A HOUSEHOLD RESIDING IN HOUSING ON A RENTAL BASIS  
5 IN RURAL RESORT COUNTIES, HOUSING MUST BE TARGETED TO  
6 HOUSEHOLDS WITH AN ANNUAL INCOME THAT IS AT OR BELOW ONE  
7 HUNDRED SEVENTY PERCENT OF THE AREA MEDIAN INCOME OF  
8 HOUSEHOLDS OF THAT SIZE IN THE COUNTY IN WHICH THE HOUSING IS  
9 LOCATED.

10 (D) FOR A HOUSEHOLD RESIDING IN HOUSING ON A HOME  
11 OWNERSHIP BASIS IN ANY AREA OF THE STATE, HOUSING MUST BE  
12 TARGETED TO HOUSEHOLDS WITH AN ANNUAL INCOME THAT IS AT OR  
13 BELOW ONE HUNDRED FORTY PERCENT OF THE AREA MEDIAN INCOME OF  
14 HOUSEHOLDS OF THAT SIZE IN THE COUNTY IN WHICH THE HOUSING IS  
15 LOCATED.

16 (II) NOT LATER THAN SEPTEMBER 1, 2022, THE DIVISION SHALL  
17 CLASSIFY EACH COUNTY IN THE STATE AS "URBAN", "RURAL", OR "RURAL  
18 RESORT", AS THOSE TERMS ARE USED IN THIS SECTION, BASED UPON  
19 DEFINITIONS OF THE TERMS AS SPECIFIED IN THE FINAL REPORT OF THE  
20 COLORADO STRATEGIC HOUSING WORKING GROUP FINAL REPORT DATED  
21 JULY 6, 2021. THE DIVISION SHALL REGULARLY UPDATE AND PUBLISH  
22 MODIFICATION OF THE INITIAL CLASSIFICATION OF A PARTICULAR COUNTY  
23 AS IT RECEIVES INFORMATION DOCUMENTING CHANGES IN LOCAL  
24 ECONOMIC CIRCUMSTANCES AND HOUSING COST FACTORS MATERIALLY  
25 AFFECTING SUCH CLASSIFICATIONS.

26 (III) NOTWITHSTANDING SUBSECTION (3)(c)(I) OR (3)(c)(II) OF  
27 THIS SECTION, ANY COUNTY OR MUNICIPALITY MAY REQUEST FROM THE

1 DIVISION:

2 (A) A DETERMINATION THAT A DIFFERENT INCOME RESTRICTION  
3 SHOULD APPLY TO THAT COUNTY OR MUNICIPALITY FROM THE ONE MADE  
4 APPLICABLE TO THE COUNTY OR MUNICIPALITY IN ACCORDANCE WITH  
5 SUBSECTION (3)(c)(I) OF THIS SECTION BASED UPON THE UNIQUE  
6 ECONOMIC AND HOUSING COST FACTORS PRESENT IN THE COUNTY OR  
7 MUNICIPALITY. NOT LATER THAN SEPTEMBER 1, 2022, THE DIVISION SHALL  
8 PUBLISH ANY SUCH MODIFIED INCOME RESTRICTIONS AND THE BASIS FOR  
9 ANY MODIFICATION APPROVED.

10 (B) AT ANY TIME, A RECLASSIFICATION OF THE COUNTY OR  
11 MUNICIPALITY FROM THE CATEGORY IN WHICH THE COUNTY OR  
12 MUNICIPALITY IS INITIALLY CLASSIFIED PURSUANT TO SUBSECTION  
13 (3)(c)(II) BASED UPON THE UNIQUE ECONOMIC AND HOUSING COST  
14 FACTORS PRESENT IN THE COUNTY OR MUNICIPALITY.

15 (d) THE DIVISION SHALL EITHER CREATE OR UTILIZE AN EXISTING  
16 PROCESS THAT ENSURES THAT GRANTS ARE ONLY CONSIDERED AND  
17 AWARDED AFTER A FAIR AND RIGOROUS OPEN COMPETITION AMONG  
18 ELIGIBLE GRANT RECIPIENTS.

19 (e) IN DETERMINING GRANT AMOUNTS, THE DIVISION SHALL SEEK  
20 TO INCREASE INVESTMENTS IN FOR-SALE HOUSING STOCK. THE OBJECTIVE  
21 DESCRIBED IN THIS SUBSECTION (3)(e) MAY BE ACHIEVED BY PROVIDING  
22 GRANTS UNDER THE GRANT PROGRAM THAT ARE LAYERED WITH AWARDS  
23 UNDER EXISTING STATE GRANT PROGRAMS TO INCREASE SUBSIDIES ON A  
24 PER-UNIT BASIS.

25 (f) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION:

26 (I) THROUGH DECEMBER 31, 2023, THE DIVISION SHALL MAKE NOT  
27 MORE THAN FIFTY PERCENT OF THE MONEY AVAILABLE UNDER THE GRANT

1 PROGRAM FOR GRANT APPLICATIONS, DEVELOPMENTS, OR PROGRAMS THAT  
2 ARE PROPOSED FOR RURAL OR RURAL RESORT COUNTIES ACROSS THE  
3 STATE AND SHALL MAKE NOT MORE THAN FIFTY PERCENT OF THE FUNDS  
4 AVAILABLE UNDER THE GRANT PROGRAM FOR GRANT APPLICATIONS,  
5 DEVELOPMENTS, OR PROGRAMS THAT ARE PROPOSED FOR URBAN COUNTIES  
6 ACROSS THE STATE.

7 (II) AFTER DECEMBER 31, 2023, ALL UNENCUMBERED MONEY  
8 AVAILABLE UNDER THE GRANT PROGRAM MAY BE EXPENDED IN  
9 ACCORDANCE WITH THIS SECTION IN ANY AREA OF THE STATE WITHOUT  
10 REGARD TO THE RESTRICTIONS SPECIFIED IN SUBSECTION (3)(f)(I) OF THIS  
11 SECTION.

12 (III) NOT LATER THAN JULY 15, 2023, THE DIVISION SHALL SUBMIT  
13 A REPORT TO THE GENERAL ASSEMBLY SPECIFYING THE STATE OF  
14 ENCUMBERED MONEY UNDER THE GRANT PROGRAM AS OF JUNE 30, 2023,  
15 AND A LIST OF PROJECTS THAT HAVE BEEN APPROVED BUT THAT ARE  
16 AWAITING FUNDING AS OF JUNE 30, 2023.

17 (g) IN LIGHT OF DIFFERING NEEDS FOR PER HOUSING UNIT  
18 SUBSIDIES ACROSS DIFFERENT AREAS OF THE STATE, THE DIVISION MAY  
19 WAIVE PER UNIT SUBSIDY AMOUNTS THAT HAVE BEEN INITIALLY SET FOR  
20 PARTICULAR PROJECTS OR PROGRAMS TO ADJUST FOR MARKET FACTORS IF  
21 THE PURPOSE OF THE PROJECT HAS BEEN ACCOMPLISHED OR TO SATISFY  
22 THE INTENT OF THE GRANT AWARD.

23 (h) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION,  
24 THE AMOUNT OF ANY GRANT AWARD UNDER THE GRANT PROGRAM AND  
25 ANY RESTRICTIONS OR CONDITIONS PLACED UPON THE USE OF GRANT  
26 MONEY AWARDED IS WITHIN THE DISCRETION OF THE DIVISION IN  
27 ACCORDANCE WITH THE REQUIREMENTS OF THIS SECTION.



1           (4) **Fund.** (a) THE LOCAL INVESTMENTS IN TRANSFORMATIONAL  
2 AFFORDABLE HOUSING FUND IS CREATED IN THE STATE TREASURY. THE  
3 FUND CONSISTS OF MONEY TRANSFERRED TO THE FUND PURSUANT TO  
4 SUBSECTION (4)(c) OF THIS SECTION; MONEY APPROPRIATED TO THE FUND  
5 BY THE GENERAL ASSEMBLY; AND ANY GIFTS, GRANTS, OR DONATIONS  
6 FROM ANY PUBLIC OR PRIVATE SOURCES, INCLUDING GOVERNMENTAL  
7 ENTITIES, THAT THE DIVISION IS AUTHORIZED TO SEEK AND ACCEPT.

8           (b) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND  
9 INCOME DERIVED FROM THE INVESTMENT AND DEPOSIT OF MONEY IN THE  
10 FUND TO THE FUND. EXCEPT AS OTHERWISE REQUIRED BY THIS  
11 SUBSECTION (4)(b), ALL MONEY NOT EXPENDED OR ENCUMBERED, AND  
12 ALL INTEREST EARNED ON THE INVESTMENT OR DEPOSIT OF MONEY IN THE  
13 FUND, MUST REMAIN IN THE FUND AND SHALL NOT REVERT TO THE  
14 GENERAL FUND OR ANY OTHER FUND AT THE END OF ANY FISCAL YEAR.  
15 THE MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED TO THE  
16 DIVISION FOR THE PURPOSES OF THIS SECTION. ANY MONEY IN THE FUND  
17 THAT IS NOT EXPENDED OR ENCUMBERED BY DECEMBER 31, 2024,  
18 REVERTS TO THE "AMERICAN RESCUE PLAN ACT OF 2021" CASH FUND  
19 CREATED IN SECTION 24-75-226 (2) IN ACCORDANCE WITH SECTION  
20 24-75-226 (4)(d). ANY MONEY TRANSFERRED INTO THE FUND IN  
21 ACCORDANCE WITH THIS SUBSECTION (4) THAT IS NOT EXPENDED OR  
22 ENCUMBERED FROM ANY APPROPRIATION AT THE END OF ANY FISCAL YEAR  
23 IS AVAILABLE FOR EXPENDITURE BY JULY 1, 2024, WITHOUT FURTHER  
24 APPROPRIATION.

25           (c) ON THE EFFECTIVE DATE OF THIS SECTION, OR AS SOON AS  
26 PRACTICABLE THEREAFTER, THE STATE TREASURER SHALL TRANSFER ONE  
27 HUNDRED THIRTY-EIGHT MILLION DOLLARS FROM THE AFFORDABLE

1 HOUSING AND HOME OWNERSHIP CASH FUND CREATED IN SECTION  
2 24-75-229 (3)(a) THAT ORIGINATES FROM MONEY THE STATE RECEIVED  
3 FROM THE FEDERAL CORONAVIRUS STATE FISCAL RECOVERY FUND TO THE  
4 FUND. THE MONEY TRANSFERRED PURSUANT TO THIS SUBSECTION (4)  
5 MUST ONLY BE USED FOR:

6 (I) MAKING GRANTS TO ELIGIBLE RECIPIENTS PURSUANT TO THE  
7 GRANT PROGRAM; AND

8 (II) THE COSTS OF ADMINISTERING THE GRANT PROGRAM AS MAY  
9 BE INCURRED BY THE DIVISION. THE DEPARTMENT MAY EXPEND UP TO SIX  
10 PERCENT OF THE MONEY APPROPRIATED OR TRANSFERRED TO THE FUND TO  
11 PAY FOR ITS DIRECT AND INDIRECT COSTS IN ADMINISTERING THE GRANT  
12 PROGRAM. ALL SUCH ADMINISTRATIVE COSTS MUST BE PAID OUT OF THE  
13 MONEY TRANSFERRED TO THE FUND PURSUANT TO THIS SUBSECTION (4)(c).

14 (5) **Reporting.** (a) IN CONNECTION WITH THE PUBLIC REPORT THE  
15 DIVISION PREPARED IN ACCORDANCE WITH SECTION 24-32-705.5 (1), FOR  
16 THE REPORT PREPARED IN 2023 AND 2024, THE DIVISION SHALL INCLUDE  
17 IN THE REPORT INFORMATION SUMMARIZING THE USE OF ALL OF THE  
18 MONEY THAT WAS AWARDED AS GRANTS FROM THE GRANT PROGRAM IN  
19 THE PRECEDING STATE FISCAL YEAR. AT A MINIMUM, THE INFORMATION  
20 INCLUDED IN THE REPORT PERTAINING TO THE GRANT PROGRAM MUST  
21 SPECIFY THE NUMBER OF LOCAL GOVERNMENTS OR COMMUNITY PARTNERS  
22 THAT APPLIED FOR A GRANT AWARD, INCLUDING THE NUMBER OF LOCAL  
23 GOVERNMENTS OR COMMUNITY PARTNERS THAT WERE NOT AWARDED A  
24 GRANT; THE AMOUNT OF GRANT MONEY DISTRIBUTED TO EACH GRANT  
25 RECIPIENT; A DESCRIPTION OF EACH GRANT RECIPIENT'S USE OF THE GRANT  
26 MONEY; AND HOW THE USE OF THE GRANT AWARDED FURTHERED THE  
27 VISION OF TRANSFORMATIONAL AFFORDABLE HOUSING DESCRIBED IN THE

1 FINAL REPORT OF THE TASK FORCE ESTABLISHED IN SECTION 24-75-229  
2 (6)(a). THE DIVISION SHALL ALSO INCLUDE IN THE REPORT ITS  
3 RECOMMENDATIONS CONCERNING FUTURE ADMINISTRATION OF THE  
4 GRANT PROGRAM.

5 (b) THE DIVISION AND ANY PERSON THAT RECEIVES MONEY FROM  
6 THE DIVISION PURSUANT TO THE GRANT PROGRAM SHALL COMPLY WITH  
7 THE COMPLIANCE, REPORTING, RECORD-KEEPING, AND PROGRAM  
8 EVALUATION REQUIREMENTS ESTABLISHED BY THE OFFICE OF STATE  
9 PLANNING AND BUDGETING AND THE STATE CONTROLLER IN ACCORDANCE  
10 WITH SECTION 24-75-226 (5).

11 (6) **Repeal.** THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31,  
12 2026.

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

15 **24-32-705. Functions of division.** (7) The division shall  
16 administer the:

17 (a) Affordable housing guided toolkit and local officials guide  
18 program in accordance with section 24-32-721.5; AND

19 (b) LOCAL INVESTMENTS IN THE TRANSFORMATIONAL AFFORDABLE  
20 HOUSING GRANT PROGRAM CREATED IN SECTION 24-32-726 (2)(a).

21 **SECTION 4.** In Colorado Revised Statutes, 24-32-705.5, **add**  
22 (3.5) as follows:

23 **24-32-705.5. Annual public report on funding of affordable**  
24 **housing preservation and production - definition.** (3.5) (a) FOR THE  
25 PUBLIC REPORT REQUIRED BY SUBSECTION (1) OF THIS SECTION THAT THE  
26 DIVISION IS REQUIRED TO PREPARE IN 2023 AND 2024, THE DIVISION SHALL  
27 INCLUDE IN THE REPORT FOR EACH YEAR THE INFORMATION REQUIRED TO

1 BE INCLUDED IN THE REPORT IN ACCORDANCE WITH SECTION 23-32-726  
2 (5).

3 (b) THIS SUBSECTION (3.5) IS REPEALED, EFFECTIVE JULY 1, 2026.

4 **SECTION 5.** In Colorado Revised Statutes, **add** 24-32-132 as  
5 follows:

6 **24-32-132. Infrastructure and strong communities grant**  
7 **program - creation - fund - reporting - definitions - repeal.**

8 (1) **Definitions.** AS USED IN THIS SECTION, UNLESS THE CONTEXT  
9 OTHERWISE REQUIRES:

10 (a) "AFFORDABLE HOUSING" MEANS:

11 (I) FOR A HOUSEHOLD RESIDING IN HOUSING ON A RENTAL BASIS,  
12 ANNUAL INCOME OF THE HOUSEHOLD IS AT OR BELOW ONE HUNDRED  
13 FORTY PERCENT OF THE AREA MEDIAN INCOME OF HOUSEHOLDS OF THAT  
14 SIZE IN THE COUNTY IN WHICH THE HOUSING IS LOCATED; ■■■

15 (II) FOR A HOUSEHOLD RESIDING IN HOUSING ON A HOME  
16 OWNERSHIP BASIS, ANNUAL INCOME OF THE HOUSEHOLD AT OR BELOW ONE  
17 HUNDRED FORTY PERCENT OF THE AREA MEDIAN INCOME OF HOUSEHOLDS  
18 OF THAT SIZE IN THE COUNTY IN WHICH THE HOUSING IS LOCATED; OR

19 (III) FOR A HOUSEHOLD RESIDING IN HOUSING ON A HOME  
20 OWNERSHIP BASIS IN RURAL RESORT COUNTIES, ANNUAL INCOME OF THE  
21 HOUSEHOLD IS AT OR BELOW ONE HUNDRED SIXTY PERCENT OF THE AREA  
22 MEDIAN INCOME OF HOUSEHOLDS OF THAT SIZE IN THE COUNTY IN WHICH  
23 THE HOUSING IS LOCATED.

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

25 (c) "ELIGIBLE EXPENSES" INCLUDE PLANNING, ENGINEERING,  
26 INFRASTRUCTURE, AND LOCAL CAPACITY.

27 (d) "ELIGIBLE LOCAL GOVERNMENT" MEANS A MUNICIPALITY OR

1 A COUNTY.

2 (e) "FUND" MEANS THE INFRASTRUCTURE AND STRONG  
3 COMMUNITIES GRANT PROGRAM FUND CREATED IN SUBSECTION (5) OF THIS  
4 SECTION.

5 (f) "GRANT PROGRAM" MEANS THE INFRASTRUCTURE AND STRONG  
6 COMMUNITIES GRANT PROGRAM CREATED IN SUBSECTION (3)(a) OF THIS  
7 SECTION.

8 (g) "INFILL DEVELOPMENT" MEANS THE DEVELOPMENT OF UNUSED  
9 AND UNDERUTILIZED LAND WITHIN EXISTING DEVELOPMENT PATTERNS,  
10 TYPICALLY BUT NOT EXCLUSIVELY IN URBAN AREAS.

11 (h) "LOCAL GOVERNMENT" MEANS A COUNTY, MUNICIPALITY, OR  
12 A CITY AND COUNTY.

13 (i) "MULTI-AGENCY GROUP" MEANS THE DIVISION, THE COLORADO  
14 ENERGY OFFICE CREATED IN SECTION 24-38.5-101 (1), AND THE  
15 DEPARTMENT OF TRANSPORTATION CREATED IN SECTION 43-1-103 (1).

16 (j) "SUSTAINABLE DEVELOPMENT PATTERN" MEANS A  
17 DEVELOPMENT PATTERN THAT MAY BE EXTENDED IN A COST-EFFECTIVE  
18 WAY THAT MITIGATES HARM AND MINIMIZES THE NEED FOR ADDITIONAL  
19 RESOURCES TO MAINTAIN THE DEVELOPMENT OVER TIME.

20 (k) "TRANSIT-ORIENTED DEVELOPMENT" MEANS A DEVELOPMENT  
21 THAT IS WITHIN WALKING DISTANCE OF A TRANSIT OR OTHER ALTERNATIVE  
22 TRANSPORTATION FACILITY.

23 (2) **Multi-agency group - best practices.** (a) THE MULTI-AGENCY  
24 GROUP SHALL ENCOURAGE THE INVOLVEMENT OF LOCAL GOVERNMENTS  
25 ACROSS THE STATE IN THE GRANT PROGRAM. THE MULTI-AGENCY GROUP,  
26 WITH THE ASSISTANCE OF STAKEHOLDERS, SHALL DEVELOP A LIST OF  
27 SUSTAINABLE LAND USE BEST PRACTICES THAT WILL ACCOMPLISH THE

1 GOALS OF THE GRANT PROGRAM AND IMPROVE A LOCAL GOVERNMENT'S  
2 VIABILITY IN BEING CONSIDERED FOR A GRANT AWARD.

3 (b) THE SUSTAINABLE LAND USE BEST PRACTICES REFERENCED IN  
4 SUBSECTION (2)(a) OF THIS SECTION WILL ADDRESS ONE OR MORE OF THE  
5 FOLLOWING, WITHOUT LIMITATION:

6 (I) ENABLING ACCESSORY DEVELOPMENT UNITS OR THE USE OF  
7 MULTIPLEXES BY RIGHT IN RESIDENTIAL ZONES;

8 (II) ZONING FOR MIXED-USE HIGHER DENSITY DEVELOPMENT IN  
9 DOWNTOWN AREAS OF MUNICIPALITIES AND AROUND TRANSIT STATIONS;

10 (III) ANNEXATION POLICIES;

11 (IV) INTERGOVERNMENTAL AGREEMENTS THAT COORDINATE  
12 FUTURE DEVELOPMENT;

13 (V) REDUCED PARKING REQUIREMENTS;

14 (VI) RELAXED OCCUPANCY RULES;

15 (VII) BUDGETING POLICIES;

16 (VIII) WATER RATE STRUCTURES;

17 (IX) ROAD STANDARDS;

18 (X) HAZARD RISK REDUCTION AND MITIGATION STANDARDS;

19 (XI) ENERGY EFFICIENT BUILDING CODES; [REDACTED]

20 (XII) ZONING FOR INNOVATIVE HOUSING OPTIONS, INCLUDING BUT  
21 NOT LIMITED TO MODULAR, MANUFACTURED, AND PREFABRICATED  
22 HOMES;

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

26 (XIV) PLANNED UNIT DEVELOPMENTS WITH INTEGRATED  
27 AFFORDABLE HOUSING UNITS;

1 (XV) THE DEVELOPMENT OF SMALL SQUARE FOOTAGE  
2 RESIDENTIAL UNIT SIZES; OR

3 (XVI) ANY OTHER PRACTICE THAT IS DEEMED INNOVATIVE BY A  
4 LOCAL GOVERNMENT AND APPROVED BY THE MULTI-AGENCY WORKING  
5 GROUP.

6 (c) THE MULTI-AGENCY GROUP SHALL DISTRIBUTE THE  
7 SUSTAINABLE LAND USE PRACTICES DEVELOPED PURSUANT TO SUBSECTION  
8 (2)(b) OF THIS SECTION TO LOCAL GOVERNMENTS SO THAT LOCAL  
9 GOVERNMENTS MAY ANALYZE WHICH, IF ANY, OF THESE PRACTICES MIGHT  
10 HAVE A POSITIVE IMPACT IN THEIR COMMUNITIES, AND THEN DETERMINE  
11 HOW TO CUSTOMIZE THESE BEST PRACTICES AND ADOPT THEM IN THEIR  
12 COMMUNITIES AS APPROPRIATE.

13 (3) **Grant program - criteria for awarding grants.** (a) THE  
14 INFRASTRUCTURE AND STRONG COMMUNITIES GRANT PROGRAM IS HEREBY  
15 CREATED WITHIN THE DIVISION TO PROVIDE GRANTS TO ELIGIBLE LOCAL  
16 GOVERNMENTS TO ENABLE LOCAL GOVERNMENTS TO INVEST IN INFILL  
17 INFRASTRUCTURE PROJECTS THAT SUPPORT AFFORDABLE HOUSING.

18 (b) THE DIVISION SHALL ADMINISTER THE GRANT PROGRAM, IN  
19 CONSULTATION WITH THE COLORADO ENERGY OFFICE, CREATED IN  
20 SECTION 24-38.5-101 (1), AND THE DEPARTMENT OF TRANSPORTATION,  
21 CREATED IN SECTION 43-1-103 (1), AND, SUBJECT TO AVAILABLE  
22 APPROPRIATIONS, AWARD GRANTS IN ACCORDANCE WITH THE  
23 REQUIREMENTS OF THIS SECTION. SUBJECT TO AVAILABLE  
24 APPROPRIATIONS, GRANTS MUST BE PAID OUT OF THE FUND CREATED IN  
25 SUBSECTION (5) OF THIS SECTION.

26 (c) THE DIVISION SHALL DEVELOP POLICIES, PROCEDURES, AND  
27 GUIDELINES THAT ESTABLISH THE CRITERIA THAT THE DIVISION MUST

1 CONSIDER IN AWARDING GRANTS PURSUANT TO THIS SECTION. AT A  
2 MINIMUM, THE CRITERIA MUST INCLUDE THE CONSIDERATION OF:

3 (I) THE POTENTIAL IMPACT OF A PROJECT THAT A LOCAL  
4 GOVERNMENT WOULD FUND WITH A GRANT AWARD IN LIGHT OF THE GOALS  
5 OF THE GRANT PROGRAM; AND

6 (II) THE SUSTAINABLE LAND USE PRACTICES THAT THE LOCAL  
7 GOVERNMENT HAS ADOPTED TO SUPPORT GREATER INFILL HOUSING  
8 SUPPLY, MORE AFFORDABLE HOUSING, AND SUSTAINABLE DEVELOPMENT  
9 PATTERNS.

10 (4) **Policies, procedures, and guidelines governing use of grant**  
11 **funds.** (a) THE DIVISION SHALL DEVELOP POLICIES AND PROCEDURES TO  
12 DETERMINE HOW GRANTS FUNDED BY THE GRANT PROGRAM MAY BE USED.

13 (b) AT A MINIMUM, THE POLICIES, PROCEDURES, AND GUIDELINES  
14 DEVELOPED PURSUANT TO SUBSECTION (4)(a) OF THIS SECTION MUST  
15 REQUIRE THAT A GRANT AWARD BE USED, AT LEAST IN PART, TO FUND  
16 INFRASTRUCTURE PROJECTS THAT INCREASE THE SUPPLY OF AFFORDABLE  
17 HOUSING AND THAT ARE WITHIN OR ADJACENT TO A DOWNTOWN AREA, A  
18 CORE BUSINESS DISTRICT OF A MUNICIPALITY, A TRANSIT-ORIENTED  
19 DEVELOPMENT, OR THAT INCLUDE ONSITE EARLY CHILDHOOD CARE AND  
20 EDUCATION SERVICES.

21 (c) THE DIVISION SHALL ENSURE FLEXIBILITY IS AFFORDED RURAL  
22 COUNTIES TO BE ABLE TO SEEK GRANT FUNDING THAT ADDRESSES LOCAL  
23 OBJECTIVES THAT ARE COMPATIBLE WITH THE GOALS UNDERLYING THE  
24 GRANT PROGRAM.

25 (d) A PORTION OF ANY GRANT AWARD MAY BE USED FOR PROJECT  
26 DELIVERY, PLANNING, AND COMMUNITY ENGAGEMENT.

27 (e) THE GENERAL ASSEMBLY HEREBY ENCOURAGES GRANT



1 RECIPIENTS TO EXPEND A PORTION OF ANY GRANT AWARD, WHENEVER  
2 POSSIBLE, FOR FUNDING ACCESSIBILITY IMPROVEMENTS OR AMENITIES  
3 THAT MAKE THE SITE OF THE PROJECT AGE-FRIENDLY AND ACCESSIBLE FOR  
4 PERSONS WITH DISABILITIES.

5 (f) (I) NOT LATER THAN SEPTEMBER 1, 2022, THE DIVISION OF  
6 HOUSING, CREATED IN SECTION 24-32-704 (1), SHALL CLASSIFY EACH  
7 COUNTY IN THE STATE AS "URBAN", "RURAL", OR "RURAL RESORT", AS  
8 THOSE TERMS ARE USED IN THIS SECTION, BASED UPON THE DEFINITIONS  
9 OF THE TERMS AS SPECIFIED IN THE FINAL REPORT OF THE COLORADO  
10 STRATEGIC HOUSING WORKING GROUP FINAL REPORT, DATED JULY 6, 2021.  
11 THE DIVISION OF HOUSING SHALL REGULARLY UPDATE AND PUBLISH  
12 MODIFICATIONS OF THE INITIAL CLASSIFICATION OF A PARTICULAR COUNTY  
13 AS IT RECEIVES OR PRODUCES INFORMATION DOCUMENTING CHANGES IN  
14 LOCAL ECONOMIC CIRCUMSTANCES AND HOUSING COST FACTORS  
15 MATERIALLY AFFECTING SUCH CLASSIFICATIONS.

16 (II) NOTWITHSTANDING SUBSECTION (4)(f)(I) OF THIS SECTION,  
17 ANY COUNTY OR MUNICIPALITY MAY REQUEST FROM THE DIVISION OF  
18 HOUSING:

19 (A) A DETERMINATION THAT A DIFFERENT INCOME RESTRICTION  
20 SHOULD APPLY TO THAT COUNTY OR MUNICIPALITY FROM THE ONE MADE  
21 APPLICABLE TO THE COUNTY OR MUNICIPALITY IN ACCORDANCE WITH  
22 SUBSECTION (4)(f)(I) OF THIS SECTION BASED UPON THE UNIQUE  
23 ECONOMIC AND HOUSING COST FACTORS PRESENT IN THE COUNTY OR  
24 MUNICIPALITY. NOT LATER THAN SEPTEMBER 1, 2022, THE DIVISION OF  
25 HOUSING SHALL PUBLISH ANY SUCH MODIFIED INCOME RESTRICTIONS AND  
26 THE BASIS FOR ANY MODIFICATION APPROVED.

27 (B) AT ANY TIME, A RECLASSIFICATION OF THE COUNTY OR

1 MUNICIPALITY FROM THE CATEGORY IN WHICH THE COUNTY IS INITIALLY  
2 CLASSIFIED PURSUANT TO SUBSECTION (4)(f)(I) OF THIS SECTION BASED  
3 UPON THE UNIQUE ECONOMIC AND HOUSING COST FACTORS PRESENT IN  
4 THE COUNTY OR MUNICIPALITY.

5 (5) **Fund - administrative costs - permitted uses - gifts, grants,  
6 and donations.** (a) THE INFRASTRUCTURE AND STRONG COMMUNITIES  
7 GRANT PROGRAM FUND IS HEREBY CREATED IN THE STATE TREASURY. THE  
8 FUND CONSISTS OF ANY MONEY TRANSFERRED TO THE FUND, ANY MONEY  
9 THAT THE GENERAL ASSEMBLY MAY APPROPRIATE TO THE FUND, AND ANY  
10 GIFTS, GRANTS, OR DONATIONS THAT THE DIVISION RECEIVES FOR THE  
11 GRANT PROGRAM PURSUANT TO SUBSECTION (5)(f) OF THIS SECTION. ■

12 (b) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND  
13 INCOME DERIVED FROM THE INVESTMENT AND DEPOSIT OF MONEY IN THE  
14 FUND TO THE FUND. ALL MONEY IN THE FUND THAT IS NOT EXPENDED OR  
15 ENCUMBERED, AND ALL INTEREST EARNED ON THE INVESTMENT OR  
16 DEPOSIT OF MONEY IN THE FUND, REMAINS IN THE FUND AND SHALL NOT  
17 BE CREDITED, TRANSFERRED, OR REVERTED TO THE GENERAL FUND OR ANY  
18 OTHER FUND AT THE END OF ANY FISCAL YEAR. THE MONEY IN THE FUND  
19 IS CONTINUOUSLY APPROPRIATED TO THE DIVISION FOR THE PURPOSES OF  
20 THIS SECTION.

21 (c) THE DIVISION MAY ONLY USE THE MONEY IN THE FUND FOR ONE  
22 OR MORE OF THE FOLLOWING USES:

23 (I) THE COSTS OF ADMINISTERING THE GRANT PROGRAM AS MAY  
24 BE INCURRED BY THE DIVISION. THE DEPARTMENT MAY EXPEND UP TO SIX  
25 PERCENT OF THE MONEY APPROPRIATED OR TRANSFERRED TO THE FUND TO  
26 PAY FOR ITS DIRECT AND INDIRECT COSTS IN CONNECTION WITH  
27 ADMINISTERING THE USES OF GRANT FUNDING DESCRIBED IN SUBSECTION

1 (5)(c)(II) OF THIS SECTION.

2 (II) MAKING GRANTS TO ELIGIBLE LOCAL GOVERNMENTS  
3 PURSUANT TO THE GRANT PROGRAM TO ASSIST SUCH LOCAL  
4 GOVERNMENTS IN:

5 (A) IDENTIFYING SUSTAINABLE LAND USE BEST PRACTICES AND  
6 SUPPORTING SUSTAINABLE DEVELOPMENT PATTERNS; █

7 (B) DETERMINING WHERE AND HOW BEST TO UPGRADE LOCAL  
8 GOVERNMENT INFRASTRUCTURE TO SUPPORT MORE EFFICIENT,  
9 SUSTAINABLE DEVELOPMENT PATTERNS THAT ENABLE GREATER  
10 AFFORDABLE INFILL HOUSING DEVELOPMENT; AND

11 (C) FINANCING INFRASTRUCTURE IMPROVEMENTS.

12 (d) THE COLORADO ENERGY OFFICE, CREATED IN SECTION  
13 24-38.5-101 (1), MAY USE MONEY IN THE FUND FOR THE DIRECT AND  
14 INDIRECT COSTS OF EDUCATIONAL PROGRAMMING AND TECHNICAL  
15 ASSISTANCE FOR LOCAL GOVERNMENTS THAT THE COLORADO ENERGY  
16 OFFICE PROVIDES PURSUANT TO SECTION 24-32-132 (2).

17 (e) THE DEPARTMENT OF TRANSPORTATION, CREATED IN SECTION  
18 43-1-103 (1), MAY USE MONEY IN THE FUND FOR THE DIRECT AND  
19 INDIRECT COSTS OF EDUCATIONAL PROGRAMMING AND TECHNICAL  
20 ASSISTANCE FOR LOCAL GOVERNMENTS THAT THE DEPARTMENT OF  
21 TRANSPORTATION PROVIDES PURSUANT TO SECTION 24-32-132 (2).

22 (f) THE DIVISION MAY SEEK, ACCEPT, AND EXPEND GIFTS, GRANTS,  
23 OR DONATIONS FROM ANY PUBLIC OR PRIVATE RESOURCE FOR THE  
24 PURPOSES OF THIS SECTION. THE DIVISION SHALL TRANSMIT ALL MONEY  
25 RECEIVED FROM GIFTS, GRANTS, OR DONATIONS TO THE STATE TREASURER  
26 WHO SHALL CREDIT THE MONEY TO THE FUND.

27 (6) **Transfer of money to fund.** ON THE EFFECTIVE DATE OF THIS

1 SECTION, OR AS SOON AS PRACTICABLE THEREAFTER, THE STATE  
2 TREASURER SHALL TRANSFER TO THE FUND FORTY MILLION DOLLARS FROM  
3 THE AFFORDABLE HOUSING AND HOME OWNERSHIP CASH FUND CREATED  
4 IN SECTION 24-75-229 (3)(a) THAT ORIGINATES FROM MONEY THE STATE  
5 RECEIVED FROM THE FEDERAL CORONAVIRUS STATE FISCAL RECOVERY  
6 FUND.

7 (7) **Reporting.** (a) ON OR BEFORE OCTOBER 1, 2023, AND ON OR  
8 BEFORE OCTOBER 1 OF EACH YEAR THEREAFTER FOR THE DURATION OF  
9 THE GRANT PROGRAM, THE DEPARTMENT SHALL SUBMIT A SUMMARIZED  
10 REPORT ON THE GRANT PROGRAM TO THE SENATE LOCAL GOVERNMENT  
11 COMMITTEE AND THE HOUSE OF REPRESENTATIVES LOCAL GOVERNMENT  
12 COMMITTEE, OR ANY SUCCESSOR COMMITTEES. AT A MINIMUM, THE  
13 REPORT MUST INCLUDE:

14 (I) THE NUMBER OF ADDITIONAL AFFORDABLE HOUSING UNITS AND  
15 OVERALL HOUSING UNITS PROJECTED TO BE CREATED AS A RESULT OF THE  
16 GRANT PROGRAM;

17 (II) THE PROJECTED OR ESTIMATED REDUCTION IN GREENHOUSE  
18 GAS EMISSIONS AS A RESULT OF THE GRANT PROGRAM;

19 (III) THE ESTIMATED REDUCTION IN VEHICLE MILES TRAVELED AND  
20 HOUSEHOLD TRANSPORTATION SAVINGS AS RESULT OF THE GRANT  
21 PROGRAM; AND

22 (IV) THE NUMBER AND TYPE OF BEST PRACTICES ADOPTED BY  
23 ELIGIBLE LOCAL GOVERNMENTS THAT HAVE RECEIVED GRANT AWARDS.

24 (b) NOTWITHSTANDING SECTION 24-1-136 (11)(a)(I), THE  
25 REPORTING REQUIREMENT SPECIFIED IN SUBSECTION (7)(a) OF THIS  
26 SECTION CONTINUES UNTIL THE GRANT PROGRAM IS REPEALED IN  
27 ACCORDANCE WITH SUBSECTION (8) OF THIS SECTION.

1 (c) THE DIVISION AND ANY PERSON THAT RECEIVES MONEY FROM  
2 THE DIVISION PURSUANT TO THE GRANT PROGRAM SHALL COMPLY WITH  
3 THE COMPLIANCE, REPORTING, RECORD-KEEPING, AND PROGRAM  
4 EVALUATION REQUIREMENTS ESTABLISHED BY THE OFFICE OF STATE  
5 PLANNING AND BUDGETING AND THE STATE CONTROLLER IN ACCORDANCE  
6 WITH SECTION 24-75-226 (5).

7 (8) **Repeal.** THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31,  
8 2026.

9 **SECTION 6.** In Colorado Revised Statutes, 24-32-104, **add** (8)  
10 as follows:

11 **24-32-104. Functions of the division - interconnectivity grant**  
12 **program - interconnectivity grant program fund - reporting -**  
13 **definition.** (8) THE DIVISION SHALL ADMINISTER THE INFRASTRUCTURE  
14 AND STRONG COMMUNITIES GRANT PROGRAM CREATED IN SECTION  
15 24-32-132. IN CONNECTION WITH THE ADMINISTRATION OF THE GRANT  
16 PROGRAM, THE DIVISION SHALL CONSULT WITH THE COLORADO ENERGY  
17 OFFICE CREATED IN SECTION 24-38.5-101 (1) AND THE DEPARTMENT OF  
18 TRANSPORTATION CREATED IN SECTION 43-1-103 (1).

19 **SECTION 7. Appropriation.** (1) For the 2022-23 state fiscal  
20 year, \$431,985 is appropriated to the office of the governor. This  
21 appropriation consists of \$319,450 from reappropriated funds received  
22 from the department of local affairs from the local investments in  
23 transformational affordable housing fund created in section 24-32-726  
24 (4)(a), C.R.S., that originate from money the state received from the  
25 federal coronavirus state fiscal recovery fund and \$112,535 from  
26 reappropriated funds received from the department of local affairs from  
27 the strong communities grant program fund created in section 24-32-132

1 (5), C.R.S. To implement this act, the office may use this appropriation  
2 as follows:

3 (a) \$379,081, which consists of \$319,450 from reappropriated  
4 funds received from the department of local affairs from the local  
5 investments in transformational affordable housing fund created in  
6 section 24-32-726 (4)(a), C.R.S., that originate from money the state  
7 received from the federal coronavirus state fiscal recovery fund and  
8 \$59,631 from reappropriated funds received from the department of local  
9 affairs from the strong communities grant program fund created in section  
10 24-32-132 (5), C.R.S., for use by the office of information technology to  
11 provide information technology services for the department of local  
12 affairs; and

13 (b) \$52,904 from reappropriated funds received from the  
14 department of local affairs from the strong communities grant program  
15 fund created in section 24-32-132 (5), C.R.S., for use by the Colorado  
16 energy office for program administration, which amount is based on an  
17 assumption that the office will require an addition 0.5 FTE to implement  
18 this act.

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