

# Colorado Office of Economic Development & International Trade SMART Act Hearing

Joint Business Committee  
January 23, 2024

## Presenters:

Eve Lieberman - Executive Director

Hilary Cooper - Housing Director

Josh Blanchard - Colorado Creative Industries Director

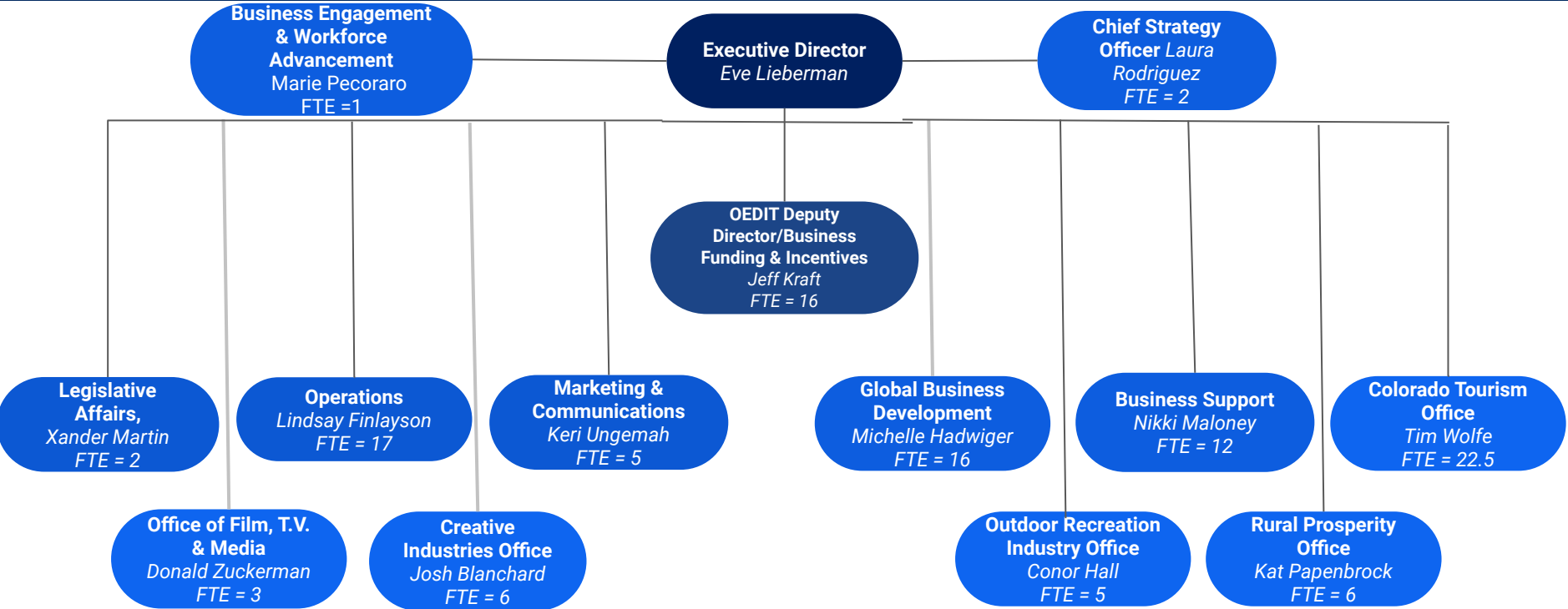
Sonya Guram - Deputy Director of Business Funding & Incentives

# OEDIT Mission & Vision

**OEDIT's Mission:** Empower all to thrive in Colorado's economy.

**OEDIT's Vision:** We envision a future where our quality of life continually improves, great jobs and affordable housing are readily available, economic mobility and resiliency exist, environmental stewardship is valued by all, and international visitors abound.

# OEDIT Organizational Chart



# OEDIT's FY 2023-24 Wildly Important Goals (WIGs)

# OEDIT's FY 2023-24 Wildly Important Goals (WIGs)

## Housing Units Incentivized:

Incentive the creation of at least 2,000 units by June 30, 2024.

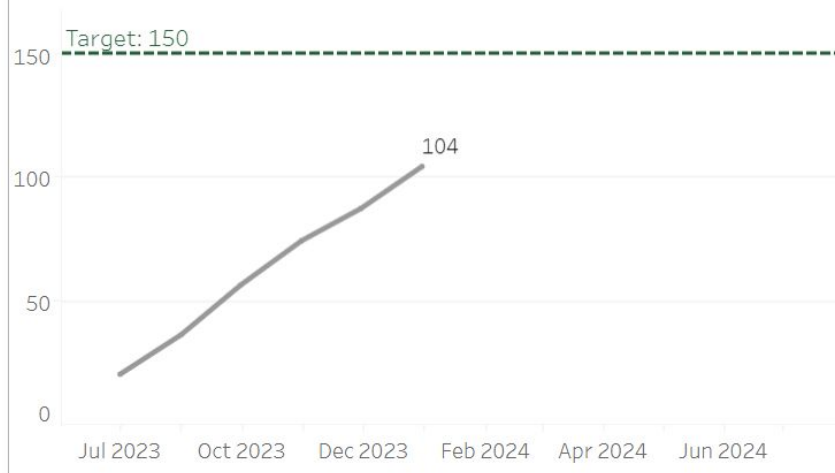


**Context:** Successful completion of this goal will increase the number of housing units that are both available and affordable across Colorado.

# How OEDIT will accomplish the WIG

OEDIT will achieve this goal through the following leading indicators:

Host 150 community engagement meetings to promote OEDIT's housing programs by June 30, 2024.



Develop and incorporate environmental, sustainability, and transportation standards into OEDIT housing programs, aligned with the State's Strategic Growth goals, by June 30, 2024.



# OEDIT's FY 2023-24 Wildly Important Goals (WIGs)

## Create and Sustain Rural Job:

Support rural communities by creating or retaining 3,100 jobs by June 30, 2024.



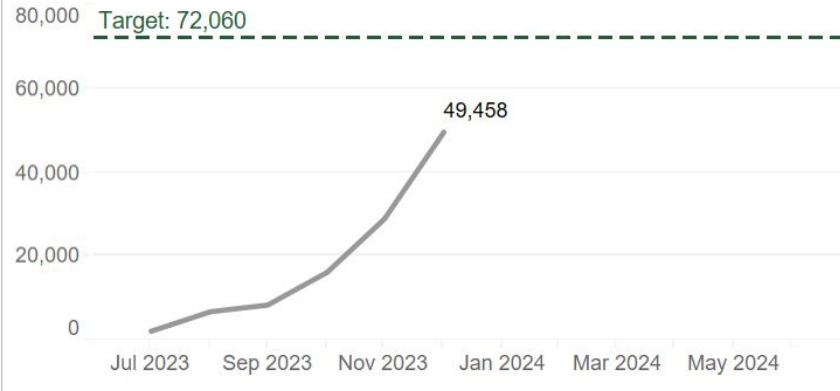
**Context:** Successful completion of this goal will mean that rural communities are establishing the business environment necessary to attract and retain businesses, thereby paving the way to create and sustain jobs for years to come.



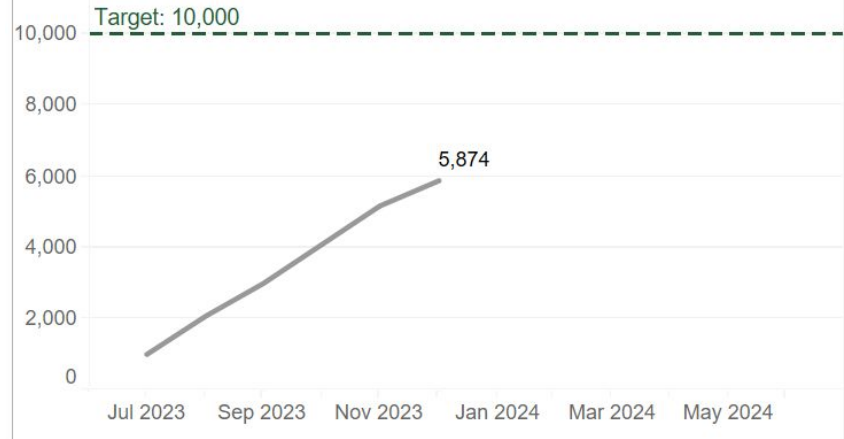
# How OEDIT will accomplish the WIG

OEDIT will achieve this goal through the following leading indicators:

Target marketing and communications campaigns to support rural job creation and retention, resulting in 72,060 media hits and digital engagements by June 30, 2024.



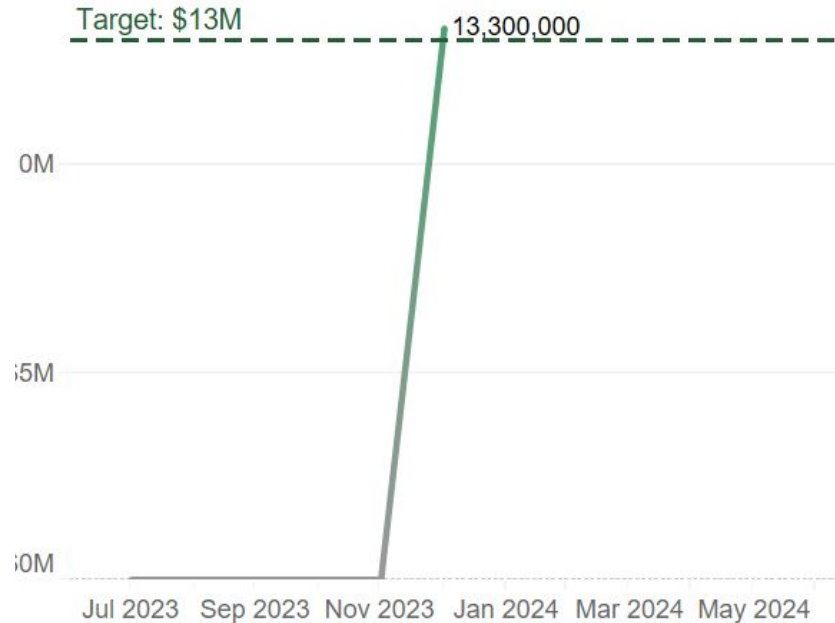
Provide 10,000 hours of 1:1 consulting to support rural job creation and retention by June 30, 2024.



# OEDIT's FY 2023-24 Wildly Important Goals (WIGs)

## Support Colorado Semiconductor Industry:

Leverage \$13M in the form of incentives, tax credits, and grants to support Colorado's semiconductor industry by June 30, 2024

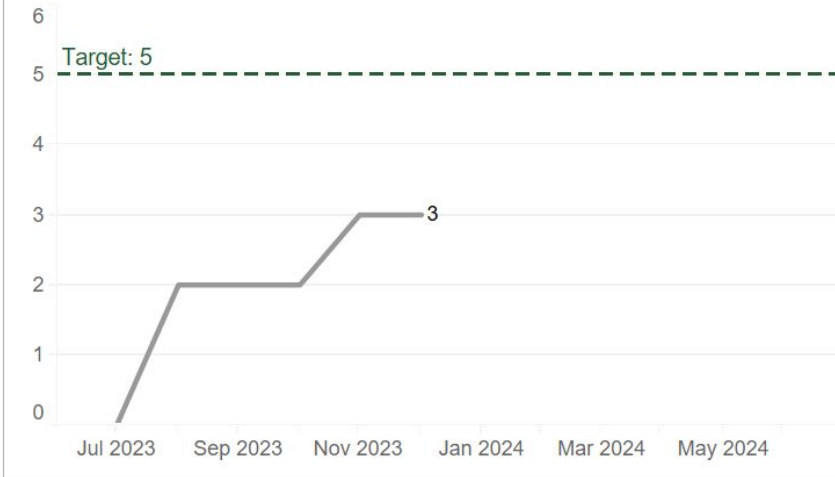


**Context:** Successful completion of this goal will ensure that Colorado remains one of the leaders in advanced industries in the United States, and position the state to expand in the emerging semiconductor and advanced manufacturing marketing created through the Federal CHIPS Act.

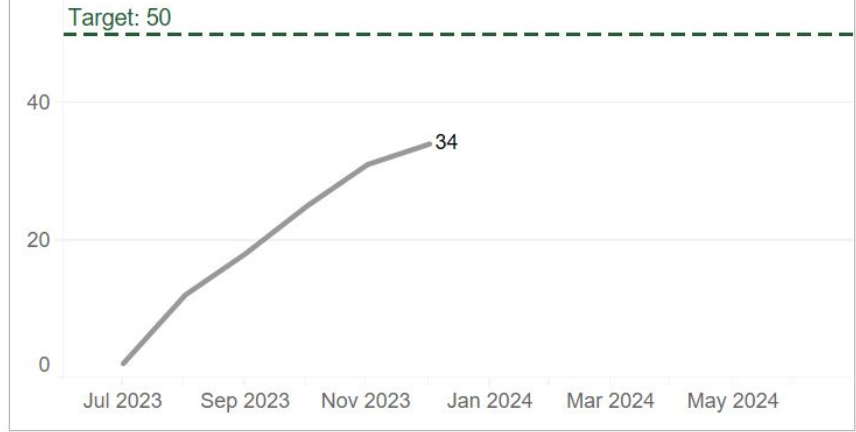
# How OEDIT will accomplish the WIGs

OEDIT will achieve this goal through the following leading indicators:

Promote Colorado's advanced manufacturing industry through business connections with at least five foreign and domestic markets by June 30, 2024.



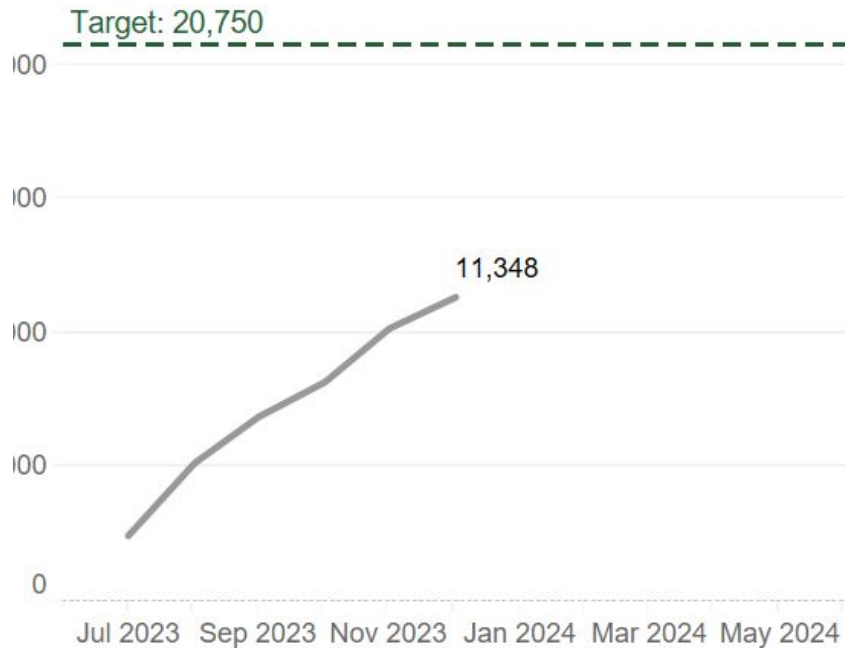
Attend 50 regional community engagement meetings across Colorado including webinars/seminars, roadshows, and region visits to promote OEDIT's CHIPS incentives by June 30, 2024.



# OEDIT's FY 2023-24 Wildly Important Goals (WIGs)

## Support to Small Businesses:

Support 20,750 small business through increasing access to capital and providing technical assistance by June 30, 2024.

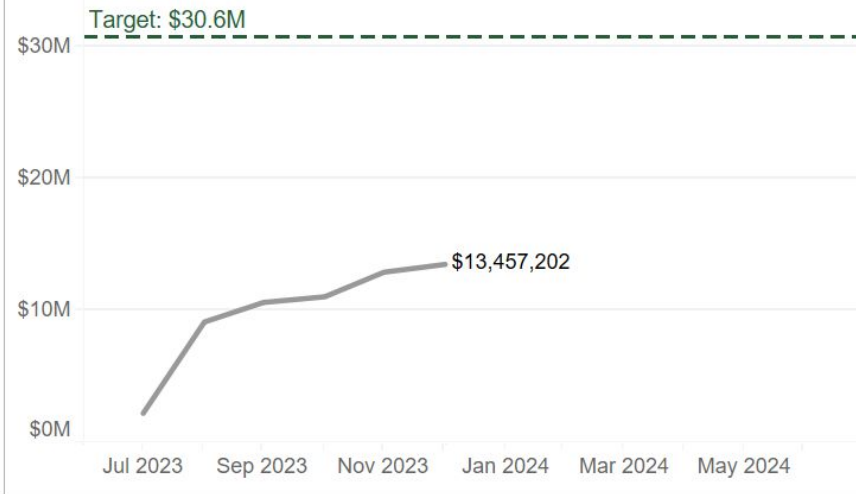


**Context:** Successful completion of this goal will help eliminate barriers to business ownership, bolster entrepreneurship, and build long-term financial sustainability for small businesses that are vital to Colorado's economy.

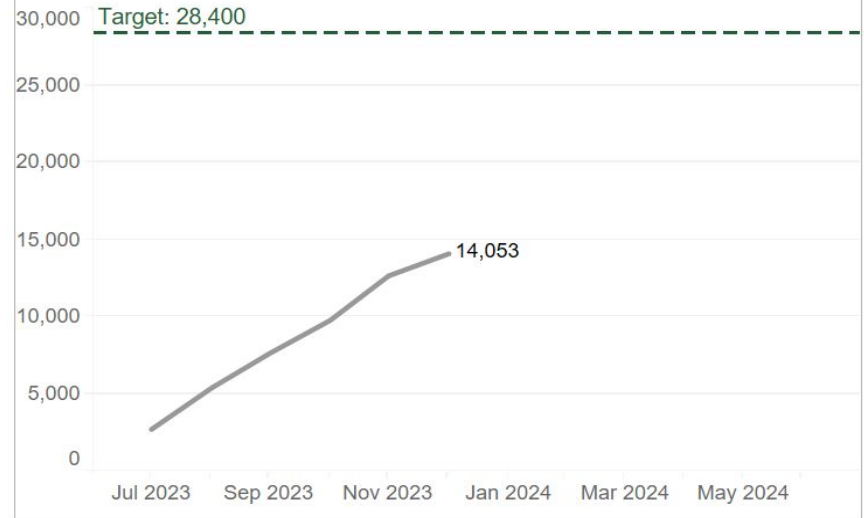
# How OEDIT will accomplish the WIGs

OEDIT will achieve this goal through the following leading indicators:

Increase access to capital for small business by \$30,600,000 by June 30, 2024.



Provide 28,400 hours of technical assistance to small businesses across Colorado by June 30, 2024.



# More Information

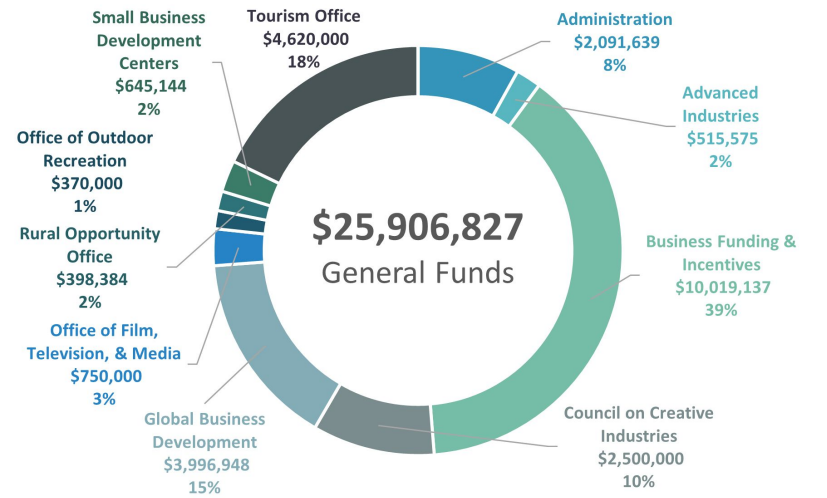
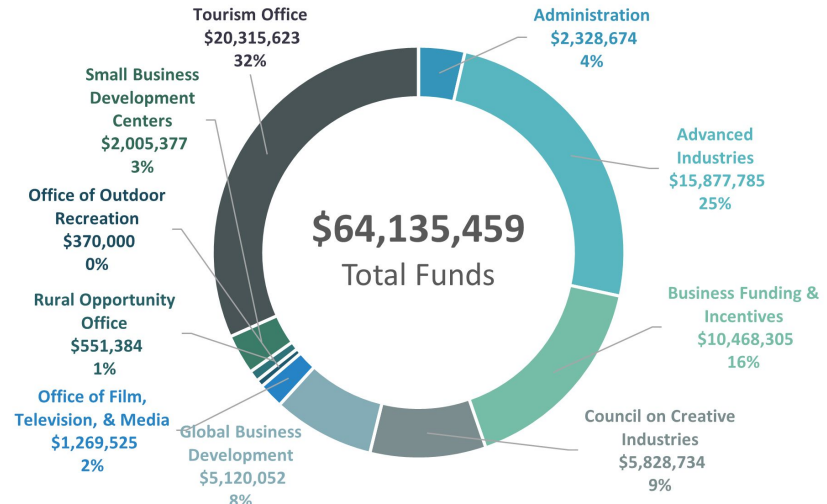
To view monthly updates on Wildly Important Goals and corresponding lead measures, please visit the [Governor's Dashboard](#).

For more information on additional Department goals and context, view our [FY 2023-24 Performance Plan](#).

# OEDIT FY 2024-25 Budget Request

## FY 2024-25 Budget Request Snapshot

FY 2024-25 Total Funds: \$64.1M  
 FY 2024-25 General Funds: \$25.9M  
 Total Requested FTE: 74.9  
 FY 2024-25 New FTE: 5



# OEDIT Select FY 2024-25 Budget Requests

- **R-01:** Advanced Industries Accelerator Program Funding Modification
- **R-02:** Rural Opportunity Office Operational Funding Support
- **R-03:** CCI General Fund Increase
- **R-04:** Creative Districts Modification and Funding
- **R-05:** Agricultural Technology Recruitment
- **R-06:** Small Business Support Division Package
- **R-07:** APEX Procurement Technical Assistance Program
- **BA-01:** OREC Budget Amendment



# Legislative Agenda

The Department respectfully requests the General Assembly consider legislation on the following:

- **Supporting Federal Quantum Tech Hubs Designation in Colorado**
- **Rural Jumpstart Reauthorization** [Lukens, Taggart, Roberts, Simpson]
- **Incentives for Community Infrastructure Investments** [Titone, Lukens, Fenberg]
- **Advanced Industry Accelerator Funding Fix** [Bird, Lynch, Hansen, Simpson]
- **Employee Ownership Codification + Tax Credit** [Lindstedt, Bridges]
- **Reauthorization of Opportunity Now** [Lukens, Soper, Bridges]
- **Adaptive Reuse Tax Credit** [Valdez, Priola]
- **Continuation of Cannabis Business Office Funding** [Snyder]
- **Film Incentive Technical Modifications**

# Equity, Diversity, and Inclusion

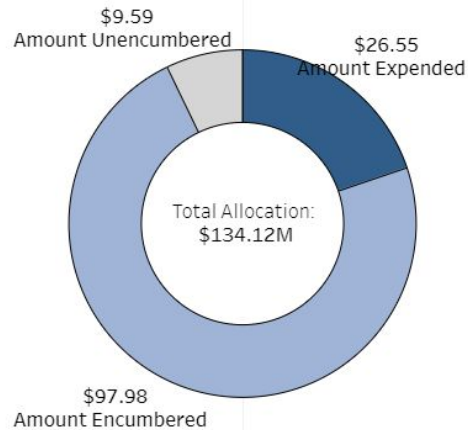
In accordance with the Governor's Executive Order [2020 175](#), the Department has implemented the following efforts in accordance with its equity, diversity, and inclusion plan:

- **Partner Outreach Program**
  - Collaborating with trusted leaders of under-resourced communities to conduct grassroots outreach to communicate available OEDIT funding and business support programs.
- **Intentionally Inclusive Idea (i3)**
  - Dedicated team creating internal resources for program managers to assist in designing inclusive and accessible programs.
- **IDEA Committee**
  - Building a strategic plan in order to address several external and internal improvements such as identifying and addressing factors deterring under-resourced communities' from engaging with OEDIT, integrating IDEA values across all 14 divisions, improving hiring and retention protocols, and measuring equity in OEDIT's programming.
- **Improved Marketing and Communications**
  - OEDIT's Small Business Accelerated Growth Market Research program integrated marketing campaign generated 700+ applications (including 239 Spanish language) from a wide range of constituencies and garnered earned media across the state
  - Increasing language accessibility.
- **Community Business Preservation Program**
  - Provides grants and consulting support to groups of culturally similar businesses that are facing displacement pressures. There is an added preference for businesses in economically disadvantaged areas.

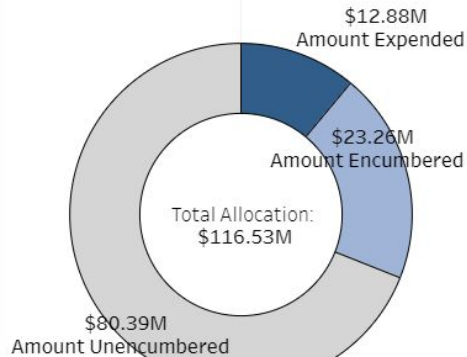
# Stimulus Funding Implementation

## Overall Spending Status - OEDIT

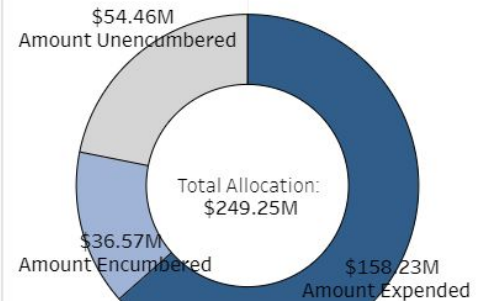
### ARPA State & Local Fiscal Recovery Funds (SLFRF)



### Direct to Agency Awards (DAA)



### State Stimulus



Data as of 9/30/2023

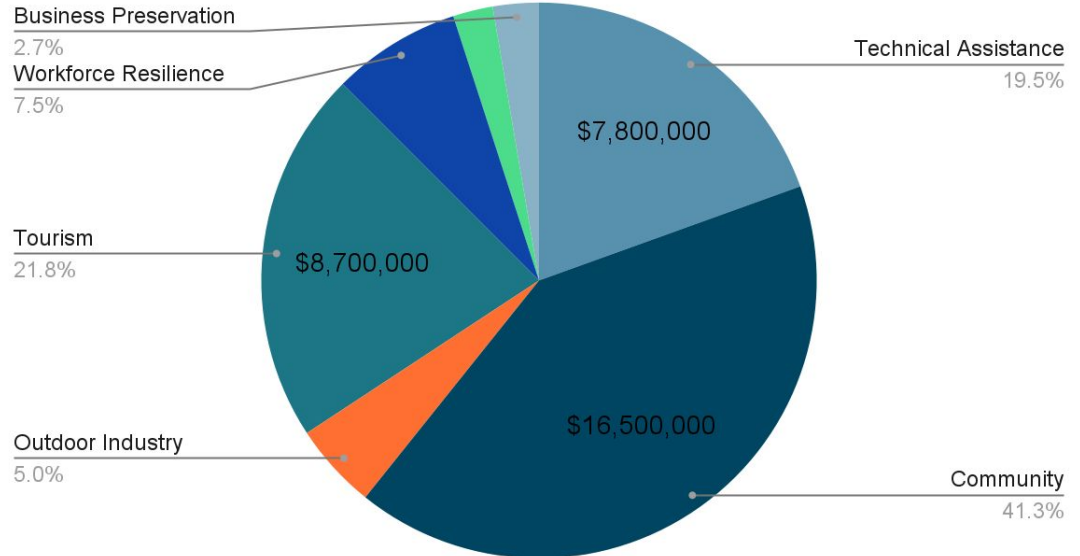
# OEDIT SLFRF ARPA Programs, SB21-291

\$40M Funding Breakdown (at least in \$10M Rural Colorado):

- *Technical Assistance* - **\$7.8M**
- *Colorado Community Revitalization Grant* - **\$16.5M**
- *Outdoor Industry Impact Fund* - **\$2M**
- *Tourism* - **\$8.7M**
- *Workforce Resilience Training Assistance* - **\$3M**
- *Salesforce Rebuild* - **\$930K**
- *Community Business Preservation Program* - **\$1.07M**

Fund Source: from Federal ARPA SLFRF into the EDC's Strategic Fund

## Strategic Fund - \$40M



# Opportunity Now Update, HB22-1350

## Phase 1 Highlights:

- 425 Applications were received from over 1K education and industry partners.
- Opportunity Now awarded \$27 million in grants to 46 grantees across all 14 economic regions.
- Grantees anticipate serving nearly 10K Coloradans, with more than 3K individuals placed into Colorado's most in-demand industries: infrastructure/construction, health care, education and early childhood.



## Phase 2 & 3 Progress:

- Phase 2 will award approximately \$50 million in funding. We plan to announce Phase 2 grantees in March 2024.
- Phase 3 will award the remaining \$8-10 million. Application will launch in August 2024, and grantee announcements will be made in November 2024.

# OEDIT Housing Programs Update

**The Innovative Housing Incentive Program (IHIP) HB22-1282**, supports the development and expansion of the state's innovative housing manufacturing businesses through grants and loans.

- Performance based funds launched December 2022
  - Nine businesses approved for a total of \$8.9M (5 modular, 3 panelized & 1 3D printed)
  - To date \$837,000 disbursed incentivising 173 units
- IHIP loan program closed November 2023 (combined with Prop 123 Modular Loans)
  - 16 applications received, requesting \$89 million. OEDIT, CHFA & DOLA are finalizing the selection, awards will be announced this month. IHIP & Prop 123 Modular loan programs are expected to finance over 4000 units a year for the next 3 years.

# OEDIT Housing Programs Update Cont.

The **Middle Income Housing Authority** (MIHA) SB22-232 & SB23-035, is a special purpose authority, authorized to acquire, rehabilitate, construct, finance, own and operate affordable rental housing projects for middle-income workforce housing. MIHA received \$1 million in 2022 for start up assistance.

- MIHA is authorized to issue tax free revenue bonds for projects. Bonds will be sold at market rates.
- Contracted with OEDIT for administrative services, and Sierra Mgmt Group as the Financial Advisor.
- Conditionally selected six projects/994 units, projects teams are seeking gap funds to fill project funding gaps.

Program Updates:

- High interest rates and construction costs are some of the challenges facing the middle-income housing market. Current MIHA projects have a range of funding gaps. MIHA will be accepting project proposals again in February.

# OEDIT Housing Programs Update Cont.

**State Affordable Housing Financing Fund** (Prop 123) OEDIT is working with program administrator CHFA, to implement the first year of Prop 123 programs. 1/2 of regular annual funding was available for FY24 (\$96 million). Program updates:

- **Land Banking** (\$24.5 million available)
  - Launched July 2023 / 113 applications received / \$256 million requested in total
  - Awards announced in late January / Estimated 21 projects / 1380 units
- **Concessionary Debt** - Low & middle income multifamily rental (\$14 million available)
  - Launched September 2023 / 38 applications received / \$113 million in requests
  - 7 project with 722 units are in underwriting
- **Concessionary Debt** - Modular (\$18 million available) - One time investment to boost modular housing supply
  - Launched in October with IHIP Factory Loan Program / 7 applications received (Prop 123) / \$25 million requested
  - Final selection being finalized / 4000 units annually estimated
- **Equity** (\$38.7 million available) - Launch planned in February / 300 units estimated



# Community Revitalization Grant, SB21-252 & HB22-1409

- This grant supported creative projects that combined creative industry workforce housing, commercial spaces, performance space, community gathering spaces, child care centers, and retail partnerships for the purpose of economic recovery and diversification by supporting creative sector entrepreneurs, artisans, and community non-profit organizations.
- Community Revitalization Grants and its partners are generating 748 affordable housing units while elevating the arts across the state.
- 59 total projects were awarded through \$98M in awards from two legislative appropriations and additional ARPA funding. In total:
  - 56% are located in rural areas
  - 40% are located in Opportunity Zones
  - 85% include energy efficiency improvement or renewable energy

# Community Revitalization Grants Update



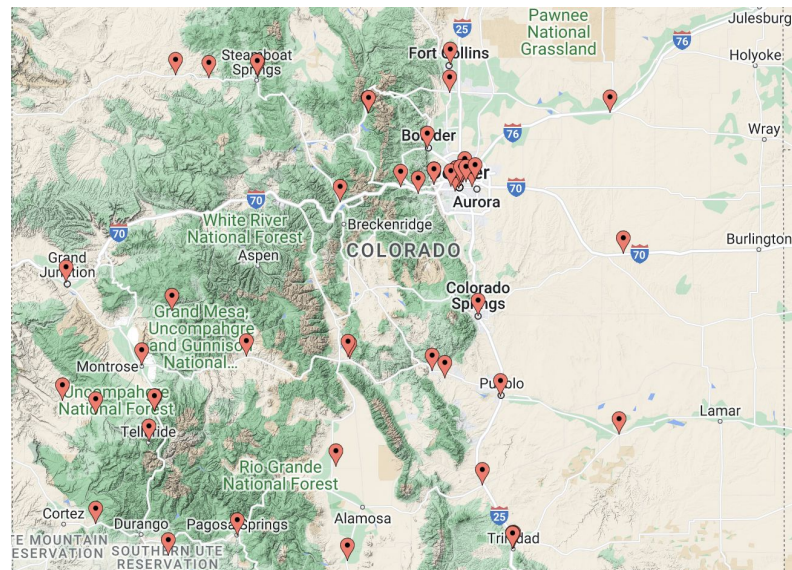
## **Loveland Feed and Grain (\$5 million):**

This completes the Artspace Loveland Arts campus by redeveloping the historic Feed & Grain into affordable live/work housing for creatives and 6,000 square feet of sustainable commercial space. The grant funding will provide 39 units of live/work space for artists and creative sector workers.



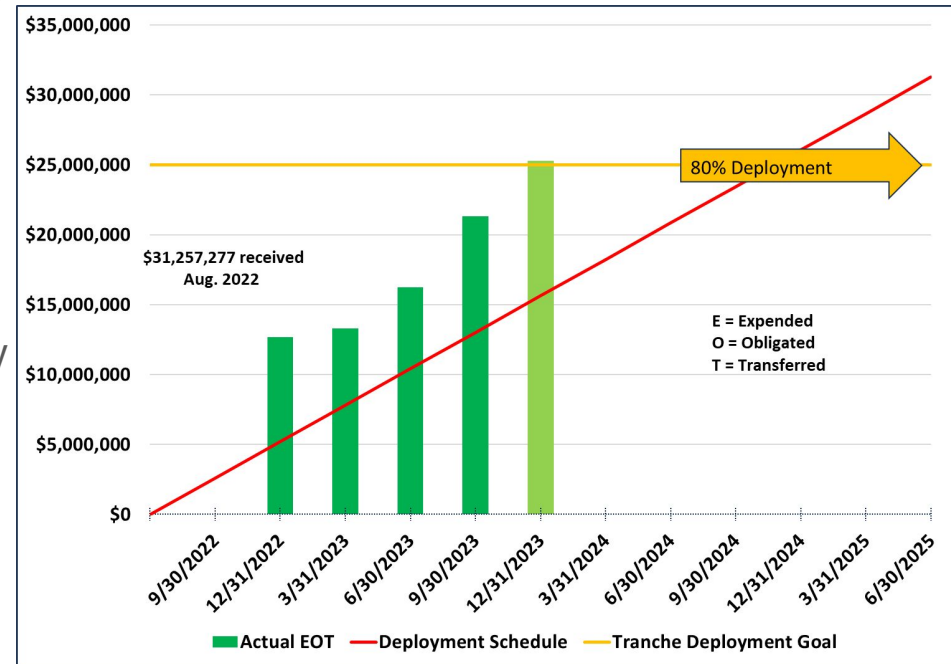
## **SPMDTU (\$1.076 million):**

the grant will complete the structural stabilization, restoration and rehabilitation of the Sociedad Protección de Trabajadores Unidos (SPMDTU) Concilio Superior building in Antonito, Colorado. It is the oldest active Hispanic organization in the U.S.



# State Small Business Credit Initiative (SSBCI) Update

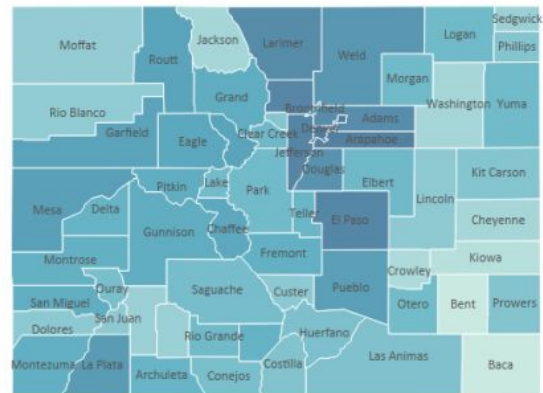
- Authorized under the American Rescue Plan Act of 2021, administered by US Treasury.
- Implemented through Economic Development Commission.
- Application approved to fund the CO Venture Capital Authority, the CLIMBER Loan Fund, and Cash Collateral Support programs increasing access to capital for small businesses and socially and economically disadvantaged individuals.
- Capital received in 3 tranches. OEDIT will request tranche 2 in Q1-2, 2024.



# Small Business COVID-19 Grant Program Update

- Overview of Small Business COVID-19 Grant Program
  - The grant program put more than \$25 million into the hands of small business owners who had been hard hit by restrictions enacted to stem the spread of COVID-19.
  - The program launched on August 1, 2020 through a collaborative effort led by the Colorado Office of Economic Development and International Trade (OEDIT), the Colorado Housing and Finance Authority (CHFA), and Energize Colorado.
  - There was significant diversity in grant awardees across the state.

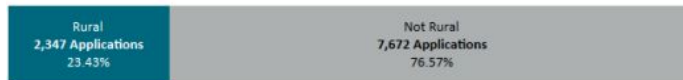
Number of Awarded Grants by County



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## Rural vs. Non-Rural

### Total Applications Received



### Awarded Grants



# 2023 Talent Pipeline Report

The 2023 Talent Pipeline Report was published on Dec. 15, 2023. The report identifies:

- Top jobs & critical industries
- Key features of the current labor force
- Strategies to align supply with industry demand

## **Policy Recommendations:**

- Strengthen support for employers' talent development.
- Increase the availability of career-connected learning opportunities.
- Establish a statewide longitudinal data system.
- Invest in high-impact opportunities.

# Questions?

