

Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO

DRAFT
3.7.22

DRAFT

LLS NO. 22-0808.01 Bob Lackner x4350

SENATE BILL

SENATE SPONSORSHIP

Fenberg,

HOUSE SPONSORSHIP

(None),

BILL TOPIC: "Revolving Loan Fund Invest Affordable Hous"

A BILL FOR AN ACT

101 **CONCERNING THE CREATION OF A REVOLVING LOAN FUND WITHIN THE**
102 **DIVISION OF HOUSING IN THE DEPARTMENT OF LOCAL AFFAIRS**
103 **TO MAKE INVESTMENTS IN TRANSFORMATIONAL AFFORDABLE**
104 **HOUSING.**

Bill Summary

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

The bill summary for this measure has been intentionally omitted and will appear on future redrafts of this measure.

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

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

4 <*{I'm not sure to what extent ARPA/ARPA*
5 *money/"disproportionately impacted communities" language should be*
6 *stated in the legislative declaration if funding of the loan program is to*
7 *come from another source. It seems some reference to the task*
8 *force/subpanel should be included as the source of the*
9 *recommendations (and possibly funding as well). I have left all of this*
10 *language in the declaration pending further*
11 *discussions/developments.}>*

12 (a) Though it has been exacerbated by the COVID-19 pandemic,
13 the housing crisis that Colorado faces is not new. For decades, the lack of
14 affordable housing has upended the lives of thousands who face
15 homelessness in the Denver metropolitan area and across the state,
16 shuttered Colorado businesses, hindered working-class employment
17 because of a lack of workforce housing, and exacerbated inequities for
18 communities of color.

19 (b) Currently, Colorado has a shortage of nearly 121,000
20 affordable rental units, and the Colorado housing and finance authority
21 reports that nearly half of all Colorado renters pay at least thirty percent
22 of their income on housing, with an additional twenty-four percent paying
23 fifty percent or more of their income on housing;

24 (c) On March 11, 2021, the federal government enacted the
25 "American Rescue Plan Act of 2021", Pub.L. 117-2, referred to in this
26 section as "ARPA", pursuant to which Colorado has received

1 \$3,828,761,790 from the federal coronavirus state fiscal recovery fund to
2 be used for specified purposes;

3 (d) These specified purposes include providing programs,
4 services, or other assistance for populations disproportionately impacted
5 by the COVID-19 public health emergency;

6 (e) More specifically, pursuant to 31 CFR 35.6 (b), these specified
7 purposes include programs or services that address housing insecurity,
8 lack of affordable housing, or homelessness, including supportive
9 housing or other programs or services to improve access to stable
10 affordable housing among individuals who are homeless; the
11 development of affordable housing to increase the supply of affordable
12 housing developments that are livable, vibrant, and driven by community
13 benefits; and the provision of housing vouchers and assistance relocating
14 to neighborhoods with higher levels of economic opportunity to reduce
15 concentrated areas of low economic opportunity;

16 (f) In House Bill 21-1329, enacted in 2021, the general assembly
17 created the affordable housing transformational task force, referred to in
18 this subsection (1) as the "task force", to make recommendations for the
19 best uses of ARPA funds to develop and implement transformational
20 policies to Colorado's housing sector that will produce immediate,
21 sweeping, and long-lasting change. ARPA provided the impetus to bring
22 together the legislative and executive branches of state government, as
23 well as a diverse group of stakeholders made up of affordable housing
24 practitioners and experts, to tackle the affordable housing crisis and
25 determine which investments would make the biggest impact. The
26 sixteen-member task force was made up of a bipartisan group of ten
27 members of the general assembly and six agency directors. A

1 fifteen-member subpanel of diverse affordable housing experts was also
2 appointed to advise the task force. The task force and subpanel undertook
3 a deliberative, iterative, and transparent process. Ultimately the task force
4 came to a near unanimous consensus on its funding recommendations and
5 allocations, as well as a broad agreement on several policy concepts.

6 (g) The recommendations of the task force are intended to take
7 optimal advantage of this once-in-a-generation funding opportunity,
8 specifically a one-time investment of \$400 million to institute
9 transformational housing policies that allow the state to better meet the
10 challenge of providing affordable housing, from addressing homelessness
11 to supporting housing for Colorado's workforce;

12 (h) The recommendations made by the task force will not solve
13 Colorado's affordable housing crisis completely but will be a
14 transformational step forward in achieving that objective. Once
15 implemented at the local level across the state, these policies will make
16 significant strides in increasing access to flexible capital sources,
17 fostering innovation, strengthening the social safety net, enhancing
18 market stability, and ultimately promoting more broad and equitable
19 home ownership and rental housing opportunities for Coloradans in every
20 corner of the state. These investments will result in more affordable
21 housing being built across the state and will maintain existing affordable
22 housing stock that is at risk of becoming unsafe or unaffordable. The
23 recommendations made by the task force will help reduce disparities and
24 address homelessness. They will help many Coloradans purchase homes
25 that were previously out of financial reach, which will help build
26 intergenerational wealth across the state.

27 (i) The task force and subpanel identified the flexibility of ARPA

1 funds as critical to enable available resources to conform to local needs
2 and conditions. In addition, timely funding is also critical to addressing
3 immediate housing needs produced or exacerbated by the COVID-19
4 public health emergency.

5 (j) ARPA funds are one-time dollars and, to achieve the greatest
6 transformation possible, funding criteria should aim to support and
7 promote the leveraging of local funding resources. When appropriate, the
8 funds made available by the revolving loan fund should be leveraged with
9 money from other public and private sources to the greatest extent
10 possible and priority should be given to projects that significantly
11 leverage other public and private funding sources.

12 (k) The task force also identified an equitable funding distribution
13 as critical in order to effectively respond to the mandate of addressing
14 disproportionate impacts from COVID-19.

15 (l) The revolving loan program created by this section will provide
16 individuals and households across the state critical financial support with
17 more flexible loan criteria not regularly offered by traditional financial
18 institutions, thereby assisting Coloradans in obtaining necessary access
19 to capital;

20 (m) A revolving loan fund ensures that these funds are evergreen
21 and recycled many times across multiple generations, thereby assisting the
22 provision of affordable housing for all Coloradans far into the future; and

23 (n) By providing eligible recipients who face barriers in
24 establishing borrower relationships with traditional lenders to access
25 capital, a revolving loan program can provide financial support to
26 unserved or underserved populations.

27 (2) The general assembly intends to address the affordable

1 housing crisis in Colorado, in part, by creating a revolving loan fund to
2 provide flexible, low-interest, and below-market rate funding that will
3 support increases in new housing developments, the preservation and
4 rehabilitation of existing home stock, property conversions, and
5 nontraditional housing capacity in diverse geographic communities where
6 the economic impact of COVID-19 has significantly affected housing
7 affordability and availability. The funds provided by the revolving loan
8 fund are intended to support the development of new affordable housing
9 units and the purchase of existing affordable housing units, either rental
10 housing or for-sale homes, including mixed-income developments.
11 Supporting the recommendations of the task force, the general assembly
12 intends that interest rates on loans made available under this section be
13 below-market rates and not exceed those necessary to meaningfully
14 advance affordable housing development or the preservation of existing
15 affordable housing stock in local communities across the state. Further,
16 money should be made available to local and regional groups and
17 governments to be used for a variety of more specific affordable housing
18 needs across the state as specified in this section.

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

21 **24-32-726. Revolving loan fund - eligible projects - report -**
22 **definitions. (1) Definitions.** AS USED IN THIS SECTION, UNLESS THE
23 CONTEXT OTHERWISE REQUIRES:

24 (a) "ADMINISTRATOR" MEANS A THIRD-PARTY ENTITY OR ENTITIES
25 THAT THE DIVISION CONTRACTS WITH TO ADMINISTER ALL OR ANY PART OF
26 THE LOAN PROGRAM PURSUANT TO SUBSECTION (2)(b) OF THIS SECTION.

27 (b) "AFFORDABLE HOUSING" MEANS:

1 (I) FOR A HOUSEHOLD RESIDING IN HOUSING ON A RENTAL BASIS,
2 ANNUAL INCOME OF THE HOUSEHOLD IS AT OR BELOW EIGHTY PERCENT OF
3 THE AREA MEDIAN INCOME OF HOUSEHOLDS OF THAT SIZE IN THE COUNTY
4 IN WHICH THE HOUSING IS LOCATED;

5 (II) FOR A HOUSEHOLD RESIDING IN HOUSING ON A HOME
6 OWNERSHIP BASIS, ANNUAL INCOME OF THE HOUSEHOLD IS AT OR BELOW
7 ONE HUNDRED FORTY PERCENT OF THE AREA MEDIAN INCOME OF
8 HOUSEHOLDS OF THAT SIZE IN THE COUNTY IN WHICH THE HOUSING IS
9 LOCATED; OR

10 (III) HOUSING THAT INCORPORATES MIXED-INCOME
11 DEVELOPMENT.

12 (c) "COMMUNITY PARTNER" MEANS A NONGOVERNMENTAL
13 ORGANIZATION PRIMARILY OPERATING AT THE LOCAL LEVEL WITHIN THE
14 STATE THAT...<"Community partner" is my umbrella term for a
15 non-profit entity that, along with a local government, is eligible to
16 receive a loan award. I am certainly not sold on this term name. Please
17 add necessary identifying criteria for this type of entity.>

18 (d) "DEPARTMENT" MEANS THE DEPARTMENT OF LOCAL AFFAIRS.

19 (e) "ELIGIBLE RECIPIENT" MEANS A LOCAL GOVERNMENT OR A
20 COMMUNITY PARTNER THAT APPLIES FOR A LOAN THROUGH THE LOAN
21 PROGRAM.

22 (f) "FUND" MEANS THE TRANSFORMATIONAL AFFORDABLE
23 HOUSING REVOLVING LOAN FUND CREATED IN SUBSECTION (9)(a) OF THIS
24 SECTION.

25 (g) "LOAN PROGRAM" MEANS THE TRANSFORMATIONAL
26 AFFORDABLE HOUSING REVOLVING LOAN FUND PROGRAM CREATED IN
27 SUBSECTION (2)(a) OF THIS SECTION.

1 (h) "LOCAL GOVERNMENT" MEANS A COUNTY, MUNICIPALITY, CITY
2 AND COUNTY, TRIBAL GOVERNMENT, SPECIAL DISTRICT ORGANIZED UNDER
3 TITLE 32, SCHOOL DISTRICT, DISTRICT, HOUSING AUTHORITY, OR ANY
4 OTHER POLITICAL SUBDIVISION OF THE STATE.

5 (i) "MIXED INCOME DEVELOPMENT" MEANS HOUSING THAT
6 INCORPORATES DEVELOPMENT THAT IS MARKETED FOR HOUSEHOLDS IN
7 DIFFERENT INCOME LEVELS. SPECIFICALLY, SOME, BUT NOT ALL, HOUSING
8 UNITS WITHIN A PARTICULAR DEVELOPMENT HAVE RESTRICTED
9 AVAILABILITY TO HOUSEHOLDS AT OR BELOW THE INCOME LEVELS
10 SPECIFIED IN SUBSECTION (1)(a) OF THIS SECTION IN ADDITION TO SOME
11 UNITS THAT ARE ABOVE SUCH INCOME LEVELS WITH OR WITHOUT SUCH
12 RESTRICTED AVAILABILITY.

13 (2) **Creation of loan program - administration.** (a) THE
14 DIVISION SHALL CREATE THE LOAN PROGRAM AS A REVOLVING LOAN
15 PROGRAM IN ACCORDANCE WITH THE REQUIREMENTS OF THIS SECTION AND
16 THE POLICIES ESTABLISHED BY THE DIVISION PURSUANT TO SUBSECTION (5)
17 OF THIS SECTION. THE PROGRAM IS ESTABLISHED TO PROVIDE FLEXIBLE,
18 LOW-INTEREST, AND BELOW-MARKET RATE LOAN FUNDING TO ASSIST
19 ELIGIBLE RECIPIENTS IN COMPLETING THE ELIGIBLE LOAN PROJECTS
20 IDENTIFIED IN SUBSECTION (3) OF THIS SECTION.

21 (b) THE DIVISION MAY ADMINISTER THE LOAN PROGRAM OR, IF IT
22 DETERMINES THAT IT WOULD BE MORE EFFICIENT AND EFFECTIVE TO
23 CONTRACT OUT FULL OR PARTIAL ADMINISTRATION OF THE PROGRAM, IT
24 MAY ENTER INTO A CONTRACT WITH A BUSINESS NONPROFIT
25 ORGANIZATION, BANK, NONDEPOSITORY COMMUNITY DEVELOPMENT
26 FINANCIAL INSTITUTION, BUSINESS DEVELOPMENT CORPORATION, OR
27 OTHER ENTITY AS DETERMINED BY THE DIVISION TO ADMINISTER THE LOAN

1 PROGRAM IN WHOLE OR IN PART. IF THE DIVISION CONTRACTS WITH AN
2 ENTITY OR ENTITIES TO ADMINISTER THE PROGRAM, THE DIVISION SHALL
3 USE AN OPEN AND COMPETITIVE PROCESS TO SELECT THE ENTITY OR
4 ENTITIES. A CONTRACT WITH AN ADMINISTRATOR MAY INCLUDE AN
5 ADMINISTRATION FEE ESTABLISHED BY THE DIVISION AT AN AMOUNT
6 REASONABLY CALCULATED TO COVER THE ONGOING ADMINISTRATIVE
7 COSTS OF THE DIVISION IN OVERSEEING THE LOAN PROGRAM. THE DIVISION
8 MAY ADVANCE MONEY TO AN ENTITY UNDER A CONTRACT IN PREPARATION
9 IN THE FORM OF A GRANT OR PAYMENT FOR ISSUING LOANS AND
10 ADMINISTERING THE LOAN PROGRAM. **THE DIVISION SHALL NOT HAVE ANY**
11 **DIRECT LENDING AUTHORITY TO MAKE LOANS TO SMALL BUSINESSES.**

12 *<{Please strike this last sentence if not applicable to these loans.}>*

13 (c) THE DIVISION MAY WORK WITH THE COLORADO HOUSING AND
14 FINANCE AUTHORITY, CREATED IN SECTION 29-4-704 (1), TO ASSIST IN
15 OFFERING LOANS UNDER THE LOAN PROGRAM.

16 (3) **Eligible loan projects.** IN ORDER TO RECEIVE LOAN FUNDING
17 UNDER THE LOAN PROGRAM, THE PROJECT FOR WHICH THE LOAN
18 APPLICANT SEEKS LOAN FUNDING MUST DO ONE OR MORE OF THE
19 FOLLOWING: *<{This list of projects is taken from the bill outline. Please*
20 *modify or amplify as necessary.}>*

21 (a) DEVELOP AND INTEGRATE HOUSING INFRASTRUCTURE TO
22 OFFSET CONSTRUCTION AND PREDEVELOPMENT COSTS;

23 (b) PROVIDE GAP FINANCING FOR HOUSING DEVELOPMENT
24 PROJECTS, INCLUDING TRANSACTIONS UNDER THE FEDERAL LOW-INCOME
25 TAX CREDIT DEFINED IN SECTION 39-22-2101 (7) AND THE AFFORDABLE
26 HOUSING TAX CREDIT CREATED IN SECTION 39-22-2102 (1). FOR PURPOSES
27 OF THIS SUBSECTION (3)(b), GAP FINANCING INCLUDES FINANCING

1 MECHANISMS THAT ALLOW PERSONS SEEKING AFFORDABLE HOUSING TO
2 PURCHASE EXISTING AFFORDABLE HOUSING AND MULTI-FAMILY
3 STRUCTURES, PARTICULARLY IN COMMUNITIES WHERE EFFORTS HAVE
4 BEEN MADE TO ENCOURAGE AFFORDABLE HOUSING DEVELOPMENT.

5 (c) MAINTAIN EXISTING AFFORDABLE HOUSING THROUGH FUNDING
6 FOR THE PRESERVATION AND RESTORATION OF AFFORDABLE HOUSING
7 STOCK THROUGH REHABILITATION, RETROFITTING, RENOVATION, CAPITAL
8 IMPROVEMENTS, AND REPAIR OF CURRENT AFFORDABLE HOUSING STOCK,
9 INCLUDING HOUSING MADE AVAILABLE UNDER 42 U.S.C. SEC. 1437f AND
10 PUBLIC HOUSING FOR POPULATIONS AND HOUSEHOLDS
11 DISPROPORTIONATELY IMPACTED BY THE COVID-19 PANDEMIC WITH
12 COMMITMENTS FOR LONG-TERM AFFORDABILITY. THE USES COVERED BY
13 THIS SUBSECTION (3)(c) MUST INCLUDE INVESTMENTS IN:

14 (I) SENIOR HOUSING;

15 (II) THE REMEDIATION OF LOW-QUALITY OR CONDEMNED
16 PROPERTIES;

17 (III) HOUSING SPECIFICALLY DESIGNED FOR PEOPLE LIVING WITH
18 DISABILITIES;

19 (IV) WEATHERIZATION AND ENERGY IMPROVEMENTS TO
20 MULTI-FAMILY AND SINGLE-FAMILY RESIDENTS TO MAINTAIN AND IMPROVE
21 THE QUALITY OF AFFORDABLE HOMES AND RENTAL UNITS;

22 (V) THE PURCHASE AND TRANSITION OF CURRENT HOUSING STOCK
23 INTO AFFORDABLE HOUSING, INCLUDING PROPERTIES CURRENTLY IN USE
24 ON A SHORT-TERM RENTAL BASIS;

25 (VI) PROGRAMS OR INITIATIVES TO ENSURE THAT EXISTING
26 HOUSING REMAINS AFFORDABLE FOR LOCAL WORKFORCE OR COMMUNITY
27 HOUSEHOLDS;

1 (VII) LAND ACQUISITION FOR AFFORDABLE HOUSING; OR

2 (VIII) PROPERTY CONVERSION AND ADAPTIVE REUSE.

3 (d) FINANCE ENERGY IMPROVEMENTS IN AFFORDABLE HOUSING,
4 WHICH WILL PROVIDE FUNDING FOR INCREMENTAL UP-FRONT COSTS FOR
5 EFFICIENT, ELECTRIC MEASURES, AND RENEWABLE ENERGY SYSTEMS FOR
6 BOTH EXISTING BUILDINGS AND NEW HOUSING CONSTRUCTION.

7 (4) **Loan program goals.** (a) THE LOAN PROGRAM MUST BE
8 ADMINISTERED WITH A GOAL OF GENERATING ENOUGH RETURN ON LOANS
9 MADE UNDER THE LOAN PROGRAM TO REPLENISH THE LOAN PROGRAM FOR
10 FUTURE LOAN ALLOCATIONS.

11 (b) ALL LOANS FINANCED THROUGH THE LOAN PROGRAM MUST
12 OFFER FLEXIBLE TERMS AND LOW-INTEREST AND BELOW-MARKET RATES,
13 AND THE FINANCING TERMS MUST NOT EXCEED THOSE NECESSARY TO
14 MEANINGFULLY FURTHER AFFORDABLE HOUSING DEVELOPMENT IN LOCAL
15 COMMUNITIES ACROSS THE STATE.

16 (5) **Loan program policies.** THE DIVISION OR THE
17 ADMINISTRATOR, AS APPLICABLE, SHALL ESTABLISH AND PUBLICIZE
18 POLICIES FOR THE LOAN PROGRAM. AT A MINIMUM, THE POLICIES MUST
19 ADDRESS:

20 (a) THE PROCESS AND DEADLINES FOR APPLYING FOR AND
21 RECEIVING A LOAN UNDER THE LOAN PROGRAM, INCLUDING THE
22 INFORMATION AND DOCUMENTATION REQUIRED FOR A LOAN APPLICATION;

23 (b) ELIGIBILITY CRITERIA FOR INDIVIDUALS OR ENTITIES APPLYING
24 FOR A LOAN UNDER THE LOAN PROGRAM;

25 (c) THE MAXIMUM ASSISTANCE LEVELS FOR LOANS;

26 (d) LOAN TERMS, INCLUDING INTEREST RATES AND REPAYMENT
27 TERMS;

- 1 (e) REPORTING REQUIREMENTS FOR LOAN RECIPIENTS;
2 (f) LOAN PROGRAM FEES, INCLUDING THE APPLICATION FEE,
3 ORIGINATION FEE, AND CLOSING COST POLICIES;
4 (g) UNDERWRITING AND RISK MANAGEMENT POLICIES;
5 (h) THE AMOUNT OF ANY APPLICATION OR ORIGINATION FEES AND
6 CLOSING COST POLICIES; AND
7 (i) ANY ADDITIONAL REQUIREMENTS THAT THE DIVISION DEEMS
8 NECESSARY TO ADMINISTER THE LOAN PROGRAM.

9 (6) **Eligibility requirements.** (a) IN DETERMINING WHETHER
10 ELIGIBLE RECIPIENTS MAY BE AWARDED FINANCING UNDER THE LOAN
11 PROGRAM AND THE SIZE AND TERMS OF LOANS, THE DIVISION OR THE
12 ADMINISTRATOR, AS APPLICABLE, SHALL CONSIDER:

13 (I) THE FINANCIAL LOSSES OR OTHER IMPACTS RESULTING FROM
14 THE COVID-19 PANDEMIC THAT MAY INHIBIT AN ELIGIBLE RECIPIENT
15 FROM OBTAINING CAPITAL THROUGH TRADITIONAL SOURCES;

16 (II) WHETHER THE ELIGIBLE RECIPIENT OR THE COMMUNITY
17 SERVED BY THE ELIGIBLE RECIPIENT FACES OTHER BARRIERS TO ACCESSING
18 CAPITAL FROM TRADITIONAL SOURCES OR IS OTHERWISE UNDERSERVED;

19 (III) THE ELIGIBLE RECIPIENT'S FINANCIAL NEED AND THE
20 LIKELIHOOD THAT THE ELIGIBLE RECIPIENT WOULD NEED TO BE SUPPORTED
21 BY A NONTRADITIONAL LENDER, INCLUDING WHETHER THE APPLICANT'S
22 CREDIT STANDING WAS NEGATIVELY AFFECTED BY THE COVID-19
23 PANDEMIC, THE APPLICANT'S EXPENSE RATIOS, AND THE APPLICANT'S
24 REPAYMENT ABILITY OVER AN EXTENDED TIME PERIOD OR WITH ADJUSTED
25 RATES AS DEMONSTRATED THROUGH PROJECTIONS AND BUSINESS PLANS;
26 AND

27 (IV) <{Other criteria to be inserted here?}>

1 (b) TO THE EXTENT PRACTICABLE, THE LOAN PROGRAM MUST
2 PRIORITIZE APPLICATIONS FROM ELIGIBLE RECIPIENTS FOR PROJECTS THAT
3 ARE GREEN, HIGH-ENERGY EFFICIENT, AND ELECTRIC. <{I understand
4 what we're saying here but this sounds a bit too casual. Can we be more
5 precise and "statutory-like" in how we describe this requirement?}>
6 INVESTMENTS MADE IN HOUSING UNDER THE LOAN PROGRAM MUST BE IN
7 ALIGNMENT WITH OTHER STATE ECONOMIC DEVELOPMENT EFFORTS. TO
8 THE EXTENT PRACTICABLE, THE DIVISION AND ADMINISTRATOR, AS
9 APPLICABLE, SHALL SUPPORT INNOVATIVE FINANCING MECHANISMS THAT
10 ALLOW FUNDS TO REVOLVE QUICKLY TO ENSURE THE RAPID RE-USE OF
11 FUNDS FOR ONGOING PROJECTS.

12 (c) IF AN ADMINISTRATOR DETERMINES THAT AN APPLICANT
13 WOULD LIKELY BE ELIGIBLE FOR A LOAN FROM A TRADITIONAL FINANCIAL
14 INSTITUTION AND COULD RECEIVE MORE FAVORABLE LOAN TERMS
15 THROUGH A TRADITIONAL FINANCIAL INSTITUTION, THE ADMINISTRATOR
16 SHALL NOTIFY THE APPLICANT IN A TIMELY MANNER AND REFER THE
17 APPLICANT TO A TRADITIONAL COMMERCIAL LENDER SUCH AS A BANK.
18 <{This language may be inapplicable to this situation.}>

19 (7) **Publicizing the loan program.** THE DIVISION SHALL WORK
20 WITH THE MINORITY BUSINESS OFFICE CREATED IN SECTION 24-49.5-102,
21 SMALL BUSINESS DEVELOPMENT CENTERS, COMMUNITY DEVELOPMENT
22 FINANCIAL INSTITUTIONS, AND STAKEHOLDER PARTNERS TO PROMOTE THE
23 PROGRAM TO ELIGIBLE RECIPIENTS WHO PRIMARILY SERVE COMMUNITIES
24 THAT ARE UNDERSERVED OR DISADVANTAGED, INCLUDING ELIGIBLE
25 RECIPIENTS LOCATED IN RURAL COUNTIES. ON OR BEFORE SEPTEMBER 1,
26 2022, THE DIVISION SHALL DEVELOP AND ADMINISTER A MARKETING
27 INITIATIVE FOR THE PROGRAM IN COORDINATION WITH THE MINORITY

1 BUSINESS OFFICE CREATED IN SECTION 24-49.5-102, THE SMALL BUSINESS
2 ASSISTANCE CENTER CREATED IN SECTION 24-48.5-102, LOCAL CHAMBERS
3 OF COMMERCE, AND OTHER LOCAL AND REGIONAL ECONOMIC
4 DEVELOPMENT ENTITIES TO PROMOTE THE PROGRAM TO ELIGIBLE
5 RECIPIENTS AND TARGET COMMUNITIES. THE MARKETING INITIATIVE
6 SHALL BE CONDUCTED IN THE TOP SPOKEN LANGUAGES IN THOSE
7 COMMUNITIES. <{Assuming you want this requirement, is this
8 highlighted date realistic?>

9 (8) **Gifts, grants, and donations - leveraging federal money.**

10 (a) THE DIVISION MAY SEEK, ACCEPT, AND EXPEND GIFTS, GRANTS, OR
11 DONATIONS FROM PRIVATE OR PUBLIC SOURCES FOR THE PURPOSES OF THIS
12 SECTION. THE DIVISION SHALL TRANSMIT ALL MONEY RECEIVED THROUGH
13 GIFTS, GRANTS, OR DONATIONS TO THE STATE TREASURER, WHO SHALL
14 CREDIT THE MONEY TO THE FUND.

15 (b) THE DIVISION MAY EXPEND, DEPLOY, OR LEVERAGE MONEY
16 RECEIVED FROM FEDERAL GOVERNMENT PROGRAMS THAT SUPPORT LOANS
17 AND INVESTMENTS FOR ONE OR MORE OF THE ELIGIBLE PROJECTS SPECIFIED
18 IN SUBSECTION (3) OF THIS SECTION TO MAKE LOANS UNDER THE LOAN
19 PROGRAM OR TO OTHERWISE MARKET, PROMOTE, OR SUPPORT LOANS
20 UNDER THE PROGRAM, IF ALLOWED UNDER FEDERAL LAW.

21 (9) **Transformational affordable housing revolving loan fund**
22 **- transfer of money to fund - payment of administrative costs -**

23 **appropriation.** (a) THE TRANSFORMATIONAL AFFORDABLE HOUSING
24 REVOLVING LOAN FUND IS HEREBY CREATED IN THE STATE TREASURY. THE
25 FUND CONSISTS OF MONEY TRANSFERRED TO THE FUND IN ACCORDANCE
26 WITH SUBSECTION (9)(d) OF THIS SECTION, ANY OTHER MONEY THAT THE
27 GENERAL ASSEMBLY APPROPRIATES OR TRANSFERS TO THE FUND, AND ANY

1 GIFTS, GRANTS, OR DONATIONS CREDITED TO THE FUND PURSUANT TO
2 SUBSECTION (8)(a) OF THIS SECTION.

3 (b) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND
4 INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE
5 FUND TO THE FUND.

6 (c) MONEY TRANSFERRED TO THE FUND PURSUANT TO SUBSECTION
7 (9)(d) OF THIS SECTION IS CONTINUOUSLY APPROPRIATED TO THE DIVISION
8 FOR THE PURPOSES SPECIFIED IN THIS SECTION. THE DIVISION, OR AN
9 ADMINISTRATOR, AS APPLICABLE, MAY EXPEND UP TO **FOUR** *[five? some*
10 *other number?]* PERCENT OF THE MONEY IN OR AWARDED BY THE FUND
11 ON AN ANNUAL BASIS TO PAY FOR THE DIVISION OR ADMINISTRATOR'S
12 DIRECT AND INDIRECT COSTS IN ADMINISTERING THE LOAN PROGRAM.
13 *<{Not sure what is meant by "we can use our XX% admin funds each*
14 *time the loans are repaid and re-lent" from the bill outline. Please*
15 *clarify on this point.}>*

16 (d) ON JULY 1, 2022, THE STATE TREASURER SHALL TRANSFER
17 *[insert dollar amount]* DOLLARS FROM THE **GENERAL FUND** *[Other fund?]*
18 TO THE FUND. THE DIVISION SHALL USE THE MONEY TRANSFERRED
19 PURSUANT TO THIS SUBSECTION (9)(d) ONLY FOR:

20 (I) MAKING LOANS TO ELIGIBLE RECIPIENTS PURSUANT TO THE
21 LOAN PROGRAM; AND

22 (II) THE COSTS OF ADMINISTERING THE LOAN PROGRAM AS MAY BE
23 INCURRED BY THE DIVISION OR THE ADMINISTRATOR, AS APPLICABLE, IN
24 ACCORDANCE WITH SUBSECTION (9)(c) OF THIS SECTION. ALL SUCH
25 ADMINISTRATIVE COSTS MUST BE PAID OUT OF THE MONEY EITHER
26 TRANSFERRED TO THE FUND PURSUANT TO SUBSECTION (9)(c) OF THIS
27 SECTION OR APPROPRIATED TO THE FUND PURSUANT TO SUBSECTION (9)(e)

1 OF THIS SECTION.

2 (e) THE GENERAL ASSEMBLY MAY APPROPRIATE MONEY FROM THE
3 GENERAL FUND [*other fund?*] TO THE FUND. MONEY APPROPRIATED IN
4 ACCORDANCE WITH THIS SUBSECTION (9)(e) IS CONTINUOUSLY
5 APPROPRIATED TO THE DIVISION TO PROVIDE LOANS UNDER THE LOAN
6 PROGRAM IN ACCORDANCE WITH THE REQUIREMENTS OF THIS SECTION.

7 (10) **Reporting.** ON OR BEFORE NOVEMBER 1, 2023, AND ON OR
8 BEFORE NOVEMBER 1 OF EACH YEAR THEREAFTER, THE DIVISION SHALL
9 SUBMIT A REPORT DETAILING THE USES OF MONEY MADE AVAILABLE
10 UNDER THE LOAN PROGRAM TO THE GOVERNOR AND TO THE COMMITTEES
11 OF REFERENCE IN THE HOUSE OF REPRESENTATIVES AND THE SENATE
12 EXERCISING JURISDICTION OVER HOUSING MATTERS. NOTWITHSTANDING
13 THE REQUIREMENT IN SECTION 24-1-136 (11)(a)(I), THE REQUIREMENT IN
14 THIS SUBSECTION (10) TO SUBMIT THE REPORT CONTINUES INDEFINITELY.
15 AT A MINIMUM, THE REPORT MUST INCLUDE INFORMATION FOR THE PAST
16 STATE FISCAL YEAR CONCERNING:

17 (a) THE NUMBER OF PERSONS APPLYING FOR A LOAN UNDER THE
18 LOAN PROGRAM;

19 (b) THE PERCENTAGE OF APPLICANTS FUNDED AND THE AVERAGE
20 AMOUNT OF FUNDING AWARDED UNDER THE LOAN PROGRAM;

21 (c) THE GEOGRAPHIC DISTRIBUTION OF THE APPLICANTS FOR AND
22 RECIPIENTS OF LOANS FUNDED UNDER THE LOAN PROGRAM; AND

23 (d) INFORMATION ON THE TYPE AND SIZE OF COMMUNITY
24 PARTNERS AND LOCAL GOVERNMENTS THAT APPLIED FOR AND RECEIVED
25 FUNDING UNDER THE PROGRAM.

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

1 **24-32-705. Functions of division.** (7) The division shall
2 administer the affordable housing guided toolkit and local officials guide
3 program in accordance with section 24-32-721.5 AND THE REVOLVING
4 LOAN TRANSFORMATIONAL AFFORDABLE HOUSING FUND PROGRAM
5 CREATED IN SECTION 24-32-726, UNLESS THE DIVISION ELECTS TO
6 CONTRACT OUT FULL OR PARTIAL ADMINISTRATION OF THE REVOLVING
7 LOAN TRANSFORMATIONAL AFFORDABLE HOUSING FUND PROGRAM
8 PURSUANT TO SECTION 24-32-726 (2)(b).

9 **SECTION 4. Safety clause.** The general assembly hereby finds,
10 determines, and declares that this act is necessary for the immediate
11 preservation of the public peace, health, or safety.