

Second Regular Session  
Seventy-third General Assembly  
STATE OF COLORADO

**REENGROSSED**

*This Version Includes All Amendments  
Adopted in the House of Introduction*

LLS NO. 22-0809.01 Megan McCall x4215

**HOUSE BILL 22-1282**

---

**HOUSE SPONSORSHIP**

**Mullica and Lynch**, Jodeh, Pico, Roberts, Woodrow, Woog, Amabile, Benavidez, Bennett, Bird, Boesenecker, Cutter, Duran, Esgar, Exum, Froelich, Garnett, Kennedy, Kipp, Lindsay, Lontine, McCluskie, McCormick, Ortiz, Snyder, Tipper, Titone, Valdez A., Valdez D., Weissman

**SENATE SPONSORSHIP**

**Bridges and Woodward**,

---

**House Committees**

Business Affairs & Labor  
Appropriations

**Senate Committees**

---

**A BILL FOR AN ACT**

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

---

**Bill Summary**

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

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

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters or bold & italic numbers indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.*

HOUSE  
3rd Reading Unamended  
April 13, 2022

HOUSE  
Amended 2nd Reading  
April 12, 2022

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

---

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

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

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

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

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

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

1 FORMED TO PROVIDE FUNDING AND POLICY RECOMMENDATIONS TO:  
2 (I) ADDRESS THE ISSUE OF AFFORDABLE HOUSING;  
3 (II) ACHIEVE THE GOALS OUTLINED BY THE COMMITTEE THAT  
4 WERE DEVELOPED IN ACCORDANCE WITH SECTION 24-75-229 (6); AND  
5 (III) SUPPORT COLORADANS AND THEIR HOUSING NEEDS; AND  
6 (d) THE TASK FORCE RECOMMENDED THAT THE GENERAL  
7 ASSEMBLY CREATE A PROGRAM TO PROVIDE DIRECT FUNDING FOR  
8 INNOVATIVE HOUSING BUSINESSES THROUGH GRANTS THAT REIMBURSE  
9 OPERATING EXPENSES, INCENTIVES FOR PER-UNIT DEVELOPMENT, AND  
10 LOANS FOR FACTORY DEVELOPMENT TO FURTHER GROW THE INNOVATIVE  
11 HOUSING INDUSTRY IN THE STATE AND CREATE JOBS IN THE INDUSTRY, TO  
12 INCREASE THE SUPPLY OF AFFORDABLE HOUSING UNITS IN THE STATE, AND  
13 TO LOWER THE COST OF AFFORDABLE HOUSING FOR LOCAL GOVERNMENTS  
14 AND ORGANIZATIONS.

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

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

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

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

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

25 [REDACTED]  
26 (I) MANUFACTURES ONE OR MORE MANUFACTURED HOMES, AS  
27 DEFINED IN SECTION 24-32-3302 (20); OR

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

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

12 (g) (I) "TINY HOME" MEANS A STRUCTURE THAT:

13 (A) IS PERMANENTLY CONSTRUCTED ON A VEHICLE CHASSIS;

14 (B) IS DESIGNED FOR LONG-TERM RESIDENCY;

15 (C) INCLUDES ELECTRICAL, MECHANICAL, OR PLUMBING SERVICES

16 THAT ARE FABRICATED, FORMED, OR ASSEMBLED AT A LOCATION OTHER

17 THAN THE SITE OF THE COMPLETED HOME;

18 (D) IS NOT SELF-PROPELLED; AND

19 (E) HAS A SQUARE FOOTAGE OF NO

20      SQUARE FEET.

21 (II) "T

21 (II) "TINY HOME" DOES NOT INCLUDE:

22 (A) A MANUFACTURED HOME;

23 (B) A RECREATIONAL PARK TRAILER AS DEFINED IN SECTION

∠4 = ∠4-3∠-90∠ (8);

25 (C) A RECREATIONAL VEHICLE AS DEFINED IN SECTION 24-32-902

26 (9);

27 (D) A SEMITRAILER AS DEFINED IN SECTION 42-1-102 (89); OR

1 (E) AN INTERMODAL SHIPPING CONTAINER.

20 (4) (a) THE OFFICE MAY AWARD GRANTS FOR █ OPERATING  
21 EXPENSES ON A BASIS OF NO MORE THAN TWENTY PERCENT OF  
22 DEMONSTRATED OPERATING █ EXPENDITURES AND IN AN AMOUNT NOT  
23 LESS THAN FIFTY THOUSAND DOLLARS; EXCEPT THAT, FOR AN INNOVATIVE  
24 HOUSING BUSINESS LOCATED IN A COAL TRANSITION COMMUNITY THE  
25 AMOUNT SHALL BE NOT LESS THAN SEVENTY-FIVE THOUSAND DOLLARS.  
26 THE OFFICE MAY CONSULT WITH THE DIVISION, INDUSTRY EXPERTS, AND  
27 STAKEHOLDERS TO CONSIDER OTHER AREAS WARRANTING AN AMOUNT

1 NOT LESS THAN SEVENTY-FIVE THOUSAND DOLLARS, INCLUDING BUT NOT  
2 LIMITED TO CONCENTRATED AREAS WITH LIMITED ECONOMIC  
3 OPPORTUNITY AND INADEQUATE OR POOR-QUALITY HOUSING. GRANTS  
4 AWARDED FOR [REDACTED] OPERATING EXPENSES MAY BE USED FOR [REDACTED] OPERATING  
5 EXPENSES INCLUDING, BUT NOT LIMITED TO, PAYROLL, INVENTORY, OR  
6 MATERIALS.

7 (b) (I) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (4)(b)(III)  
8 OF THIS SECTION, THE OFFICE MAY AWARD GRANTS FOR  
9 PERFORMANCE-BASED, PER-UNIT INCENTIVES FOR UNITS MANUFACTURED  
10 BY AN INNOVATIVE HOUSING BUSINESS AND INSTALLED IN COLORADO.  
11 GRANTS FOR PERFORMANCE-BASED, PER-UNIT INCENTIVES MAY BE USED  
12 DIRECTLY BY THE INNOVATIVE HOUSING BUSINESS OR MAY BE PASSED ON  
13 TO ANY SUPPLY CHAIN PARTICIPANT AS A REDUCED COST OR BENEFIT FOR  
14 THAT PARTICIPANT.

15 (II) THE OFFICE SHALL ESTABLISH THE INCENTIVES FOR WHICH A  
16 UNIT MANUFACTURED BY AN INNOVATIVE HOUSING BUSINESS MAY  
17 QUALIFY, WHICH MAY VARY, AND MAY INCLUDE AS CONSIDERATION FOR  
18 A BASE INCENTIVE DIFFERENT LEVELS OF AFFORDABILITY TO THE END  
19 USER, WITH ADDITIONAL CUMULATIVE INCENTIVES FOR INSTALLATION IN  
20 [REDACTED] CERTAIN AREAS OF THE STATE AS IDENTIFIED BY THE OFFICE, RESILIENCY  
21 CRITERIA, COMPLIANCE WITH INTERNATIONAL ENERGY CONSERVATION  
22 CODE REQUIREMENTS, OR ENERGY EFFICIENCY SUCH AS PRE-WIRING FOR  
23 SOLAR IMPROVEMENTS, HOME ENERGY RATING SYSTEM SCORE OF FIFTY OR  
24 LESS, AND NEAR NET-ZERO ENERGY EFFICIENCY. THE OFFICE, IN  
25 CONSULTATION WITH THE DIVISION, INDUSTRY EXPERTS, AND OTHER  
26 STAKEHOLDERS, MAY DETERMINE OTHER OPPORTUNITIES FOR ADDITIONAL  
27 INCENTIVES. IN ORDER TO IDENTIFY CERTAIN AREAS OF THE STATE

1 ELIGIBLE FOR ADDITIONAL CUMULATIVE INCENTIVES PURSUANT TO THIS  
2 SUBSECTION (4)(b)(II), THE OFFICE MAY CONSIDER WHETHER THE AREA  
3 HAS LIMITED ECONOMIC OPPORTUNITY OR INADEQUATE OR POOR-QUALITY  
4 HOUSING, WHETHER THE AREA HAS A LACK OF HOUSING INVENTORY,  
5 ESPECIALLY WORKFORCE HOUSING, DUE TO POPULATION MIGRATION FROM  
6 URBAN AREAS, AND OTHER RELEVANT DATA AS DETERMINED BY THE  
7 OFFICE.

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

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

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

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

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

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

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

1 PRODUCTION FOR PURCHASE BY NONPROFIT OR PUBLIC HOUSING AGENCIES  
2 AT A REDUCED PRICE OR MARGIN OR A PORTION OF ITS PRODUCTION FOR  
3 PURCHASE BY INDIVIDUALS OR ORGANIZATIONS PROVIDING AFFORDABLE  
4 HOME OWNERSHIP OPPORTUNITIES, INCLUDING OPPORTUNITIES THAT  
5 PROMOTE LONG-TERM AFFORDABILITY;

6 (B) AN APPLICANT'S OPERATIONAL CAPABILITY AND FINANCIAL  
7 VIABILITY AND SUSTAINABILITY;

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

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

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

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

18 (IV) THE OFFICE AND THE DIVISION SHALL COLLABORATE ON  
19 REVIEWING LOAN APPLICATIONS AND THE APPROVAL OF LOAN AWARDS. IN  
20 CONNECTION WITH THE REVIEW OF LOAN APPLICATIONS AND AWARDS, THE  
21 OFFICE SHALL SOLICIT INPUT FROM A STAKEHOLDER GROUP THAT  
22 INCLUDES REPRESENTATIVES FROM THE OFFICE, THE DIVISION,  
23 GEOGRAPHICALLY DIVERSE INDUSTRY EXPERTS, AFFORDABLE HOUSING  
24 EXPERTS, AND OTHER RELEVANT STAKEHOLDERS.

25 (V) THE OFFICE MAY CONTRACT WITH A THIRD-PARTY ENTITY,  
26 SUCH AS THE COLORADO HOUSING AND FINANCE AUTHORITY CREATED IN  
27 SECTION 29-4-704 (1), TO ADMINISTER PROGRAM LOANS. IF THE OFFICE

1 CONTRACTS WITH THE COLORADO HOUSING AND FINANCE AUTHORITY, THE  
2 OFFICE MAY DO SO WITHOUT A COMPETITIVE PROCUREMENT PROCESS.  
3 LOAN TERMS AND AGREEMENTS SHALL BE SET BY THE THIRD-PARTY  
4 ENTITY IN ACCORDANCE WITH THE TERMS AGREED TO IN THE LOAN  
5 APPLICATION REVIEW AND NEGOTIATION PROCESS.

6 (5) (a) THE INNOVATIVE HOUSING INCENTIVE PROGRAM FUND IS  
7 HEREBY CREATED IN THE STATE TREASURY. THE FUND CONSISTS OF  
8 MONEY TRANSFERRED TO THE FUND IN ACCORDANCE WITH SUBSECTION  
9 (5)(e) OF THIS SECTION, ANY OTHER MONEY THAT THE GENERAL ASSEMBLY  
10 APPROPRIATES OR TRANSFERS TO THE FUND, AND ANY GIFTS, GRANTS, OR  
11 DONATIONS CREDITED TO THE FUND PURSUANT TO SUBSECTION (5)(b) OF  
12 THIS SECTION.

13 (b) THE OFFICE MAY SEEK, ACCEPT, AND EXPEND GIFTS, GRANTS,  
14 OR DONATIONS FROM PRIVATE OR PUBLIC SOURCES FOR THE PURPOSES OF  
15 THIS SECTION. THE OFFICE SHALL TRANSMIT ALL MONEY RECEIVED  
16 THROUGH GIFTS, GRANTS, OR DONATIONS TO THE STATE TREASURER, WHO  
17 SHALL CREDIT THE MONEY TO THE FUND.

18 (c) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND  
19 INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE  
20 FUND TO THE FUND.

21 (d) MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED TO THE  
22 OFFICE FOR PURPOSES SPECIFIED IN THIS SECTION. THE OFFICE MAY  
23 EXPEND UP TO TWO PERCENT OF THE MONEY TRANSFERRED TO THE FUND  
24 PURSUANT TO SUBSECTION (5)(e) OF THIS SECTION ON AN ANNUAL BASIS  
25 TO PAY FOR ITS DIRECT AND INDIRECT COSTS IN IMPLEMENTING AND  
26 ADMINISTERING THIS SECTION.

27 (e) ON JULY 1, 2022, THE STATE TREASURER SHALL TRANSFER

1 FORTY MILLION DOLLARS OF MONEY FROM THE AFFORDABLE HOUSING AND  
2 HOME OWNERSHIP CASH FUND, CREATED IN SECTION 24-75-229 (3)(a),  
3 THAT ORIGINATES FROM THE GENERAL FUND TO THE FUND.

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

8 (I) THE NUMBER OF UNITS THE INNOVATIVE HOUSING BUSINESS  
9 BUILT IN THE YEAR;

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

12 (III) THE NUMBER OF NET NEW JOBS IN THE STATE CREATED BY THE  
13 INNOVATIVE HOUSING BUSINESS; AND

14 (IV) ANY OTHER INFORMATION REQUIRED OR REQUESTED BY THE  
15 OFFICE.

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

21 (I) THE NUMBER OF INNOVATIVE HOUSING BUSINESSES APPLYING  
22 TO THE PROGRAM;

23 (II) THE PERCENTAGE OF APPLICANTS FUNDED AND AVERAGE RATE  
24 OF FUNDING UNDER THE PROGRAM, INCLUDING DETAIL ON WHAT TYPE OF  
25 HOUSING THE INNOVATIVE HOUSING BUSINESSES THAT RECEIVE FUNDING  
26 MANUFACTURE; AND

27 (III) THE GEOGRAPHIC DISTRIBUTION OF THE APPLICANTS FOR AND

1       RECIPIENTS OF GRANTS AND LOANS.

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

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