HB 22-1304 Infrastructure and Strong Communities Grant Program Annual Report

Section 24-32-133(7)(a) of the Colorado Revised Statutes (C.R.S.) requires the Department of Local Affairs to provide the Senate Local Government Committee and House of Representatives Local Government Committee an annual report on the results and impacts of the Infrastructure and Strong Communities Grant Program. At a minimum, the report must specify the number of affordable housing units projected to be created; an estimation of the reduction of greenhouse gas emissions; an estimation of the reduction in vehicle miles traveled and household transportation savings; and the number and type of best practices adopted by local government grantees. This document serves as a response to this reporting requirement.

Program Funding

The statute provides $40 million in funding for the Strong Communities Grant Program. The program has allocated $37.6 million for grants to Colorado governments to support planning grants ($2.2 million) to promote the adoption of these land use best practices, and infrastructure grants ($35.4 million) to fund infrastructure development for infill affordable housing projects. The remaining funds ($2.4 million) support administering the program, including program staff.

In June 2024, just under $30 million (73%) of the funds were swapped with State of Colorado general funds. Approximately $10 million in funding remains SLFRF funding. Per the SLFRF guidelines, all program funding was fully obligated by December 31, 2024, supporting 31 grants as well as administrative expenses. Per the grant agreements, grantees must spend all funds and conclude program activities by September 30, 2026.

Grant Spending

Table 1. Strong Communities Grant Funding and Spending (below) shows the allocation of SLFRF and State General Funds for the Infrastructure and Planning Grants, and how much has been expended to date. Spending is currently on track with staff projections.

Table 1. Strong Communities Grant Funding and Spending

	Infrastructure Grants	Planning Grants	Totals
Total Grant Funds	$35,391,300	$2,208,700	$37,600,000
Total Grant Spending	$6,997,255	$1,378,132	$8,375,387
% of Spending	20%	62%	22%
SLFRF Grant Funds	$9,443,360	$724,486	$10,167,846
SLFRF Funds Spent	$1,548,831	$486,664	$2,035,495
% SLFRF Funds Spent	16%	67%	20%
State Grant Funds	$25,947,940	$1,484,214	$27,432,154
State Funds Spent	$5,448,424	$891,468	$6,339,892
% State Funds Spent	21%	60%	23%

With the infrastructure projects now under way, spending has steadily increased by 40% on average each quarter. While we are confident that the majority of federal funds will be spent prior to the December 2026 deadline, we will continue to monitor. Spending of state dollars can be credited to federal spending if there are any unanticipated delays in specific projects.

Program Outcomes

Program metrics, as directed by the statute, include the number of affordable housing units projected to be created; an estimation of the reduction of greenhouse gas emissions; an estimation of the reduction in vehicle miles travel; household transportation savings; and number and type of best practices adopted by grantees.

The projected number of new housing units for the infrastructure grant projects is shown below in Table 2, below. The unit counts are only estimates at this time, with the exception of Gunnison County, which is the only infrastructure project to be completed to date.

Table 2. Housing Units Created by the Strong Communities Infrastructure Grant Program.

Jurisdiction	Number of Units	Rental	Own	Average AMI
Gunnison County	32	32	0	95%
Summit County	162	162	0	105%
Saguache County	32	32	0	45%
Douglas County	28	28	0	60%
Trinidad, City of	43	43	0	129%
Rifle, City of	60	60	0	55%
Grand Junction, City of	95	95	0	140%
Frisco, Town of	100	100	0	90%
Golden, City of	40	0	40	80%
Denver, City & County	62	0	62	80%
Salida, City of	400	200	200	143%
Alamosa, City of	48	48	0	52%
Fraser, Town of	175	160	15	Rent: 140% Own: 160%
Grand Lake, Town of	18	18	0	80%
Aurora, City of	430	430	0	80%
Totals	**1,725**	**1,408**	**317**	**92%**

At this point in the program, only the estimated number of housing units to be created by the infrastructure grant projects are reported because projects are in progress. Work is underway to calculate the projected growth in housing units as well as the impact of land use policies on greenhouse gas emissions, vehicle miles

traveled, and household transportation savings. The development of the land use impact calculator, referenced below, will provide program staff with the means to provide this data in the next annual report.

Program Activities

Land Use Best Practices

The program created a list of land use best practices (Appendix A) that support the creation of affordable and attainable housing as well as sustainable development patterns. This list was completed in 2023 and posted on the program website. Educational webinars were created to share the best practices with local governments and were adapted to fit urban, rural, and rural resort communities. Additional videos and fact sheets were also created and posted online on the Strong Communities' Land Use Best Practices page.

Land Use Impact Calculator

HB22-1304 requires program staff to report on estimated reductions in greenhouse gas emissions, vehicle miles traveled, and household travel costs, in addition to the number of affordable housing units projected to be created. The Strong Communities program hired Lotus Engineering and Economic & Planning Systems (EPS) to develop a methodology for calculating the impacts of the different land use best practices in their communities.

The land use impact calculator will provide quantitative data for communities participating in the Strong Communities Planning grant program. The long term goal for the land use impact calculator is to make it available to all Colorado jurisdictions to provide data to support decisions when considering the adoption of land use best practices.

The first phase of the project involved developing the methodologies for calculating the impacts of the different land use strategies. In addition to the required reported metrics, EPS is working on estimates for economic costs and benefits, such as increased sales tax revenue.

The consultant team has created the platform for the calculator, which utilizes data from the Colorado Department of Transportation, the Colorado Energy Office, and the Colorado State Demography Office, among others. Lotus and EPS are now ready to work with a subset of the planning grantees to test how easy the calculator is to use and the utility of the data provided. The consultant team will then create final reports for all the planning grantees based on the land use best practices they are adopting.

Planning Grant Program

In total, $2,208,700 was awarded to 16 grantees, with 102 strategies to be explored for adoption. To date, $1,378,132 has been spent.

The Strong Communities Planning Grant Program incentivizes local governments to adopt land use best practices, programs, and policies that support sustainable development patterns and affordable housing into the future. This program helps communities align policies and regulations to focus on locating affordable housing in infill locations near jobs, transit, and everyday services; ensure new neighborhoods have housing of all types, sizes, and price points; and are connected by multimodal transportation options.

Project Highlights

Grantees have been making steady progress on their projects, with approximately half of the grant monies spent. Projects include housing needs assessments, accessory dwelling unit (ADU) policies, intergovernmental agreements, housing action plans, and utility plans in addition to updating land use codes. In fact, Larimer County updated its ADU regulations in their code, making it the first Planning grantee to have officially adopted a strategy. Program staff offer courtesy reviews before adoption and, where applicable to the grant-funded work, encourage grantees to take advantage of the additional resources on the new land use and housing laws that DOLA has made available to communities.

Highlights from the Planning Grantees include:

- The **City of Gunnison** is in the final stage of their land use code update. Public hearings and official adoption are expected in the fall of 2025.
- Phase I of the **Town of Yampa**'s planning code was adopted in December 2024, and they are now working on Phase II. They anticipate final adoption of their updated land use code this fall.
- The **Town of Crested Butte** adopted the Community Plan on July 7, 2025. Currently the Town staff are preparing to implement the zoning code update after review by the town attorney.
- The **City of Rifle** is in the final review stages of their housing needs assessment and housing action plan with review by the Planning Commission and City Council. It is anticipated to be adopted after final edits.
- The housing needs assessment for **Archuleta County and the Town of Pagosa Springs** has been adopted by the Town and County governing bodies and was approved by DOLA in May 2025.
- The **City of Colorado Springs** has a substantially complete draft of the Housing Needs Assessment which included an analysis for outlying communities. They are preparing to present the plan to both the Colorado Springs City Council and the El Paso County Board of County Commissioners for comments.
- **El Paso County** has a draft of the updated land use code and has been holding public engagement events throughout the summer to gather community feedback.

Infrastructure Grant Program

In total, $35,391,300 was awarded to 15 grantees to support 1,684 affordable housing units. To date, $6,997,255 has been spent.

The Strong Communities Infrastructure Grant Program provides grants to local governments for infrastructure to develop benefit-driven infill affordable housing that

meets critical housing needs as identified by the local government. Grants fund affordable and workforce housing projects up to 140% AMI for rental and ownership units statewide, and up to 160% AMI for ownership units in rural resort counties.

Sixteen grants were initially awarded funding. Unfortunately, Eagle County had to withdraw their acceptance of the award, and funding was redistributed to six of the fifteen remaining grantees to supplement their projects.

Project Highlights

Gunnison County, Sawtooth Phase II

Gunnison County received $800,000 to support the Sawtooth Phase II Apartments project. This project provides 32 units of affordable workforce housing (AMIs less than 120%) located in close proximity to downtown Gunnison. The project used modular construction from Fading West and incorporates several energy efficient features including rooftop solar and geothermal ground source heat pumps. Strong Communities grant funds were used for water and sewer systems, tap fees, roads, sidewalks, stormwater systems, snow storage, and community outdoor space. The community celebrated completion at a ribbon cutting ceremony held in April 2025.





Photo Credits: Groundbreaking (left) by Lisa Loranger, DOLA. Ribbon cutting (right) by Joe Roode, Fading West

City of Rifle, Rifle Apartments

The City of Rifle held a groundbreaking ceremony in September 2024. This project, funded in part by a $4 million Strong Communities grant, will provide 60 units of

rental housing across the street from a new regional Park n Ride. Strong Communities funding is supporting the extension of Park Avenue with a bridge, a waterline replacement, an extension of the Rifle Creek biking and walking trail, and impact fee waivers. To date, they have completed the Park Avenue extension and are moving forward with the trail work.

Town of Fraser, St. Louis Landing

The Town of Fraser received $3 million to support St. Louis Landing (formerly Victoria Village). This project, to be completed in several stages, will ultimately provide 160 units of rental (averaging at 140% AMI) and 15 units for sale (averaging at 160% AMI). Strong Communities grant funding is supporting development fees, roads, sidewalks, and sewer.

In addition to the Strong Communities grant, Fraser also secured a $2 million Division of Local Government (DLG) Energy and Mineral Impact Assistance - More Housing Now grant and $1.5 million in Colorado's new Middle Income Housing Tax Credit (MIHTC) funds.





Groundbreaking ceremony for St. Louis Landing in the Town of Frisco (November 2024).

Saguache County, Range View Apartments

Saguache County received just under $640,000 for the Range View Apartments. In addition to Strong Communities grant funds, the project also received $1.3 million in low income housing tax credits (LIHTC). Range View Apartments will provide 32 rental units for those earning at or below 60% AMI. Strong Communities grant funds are supporting upgrading infrastructure to support higher density, such as increasing the

water line size to provide adequate support for fire response and upgraded electric transformers to allow higher efficiency energy systems.

Saguache County's application stood out not only for its proximity to downtown and commitment to providing low-income housing, but also for the community-driven engagement and resulting overwhelming support for this project from the community. Strong Communities funding contributed to Saguache County's project to compete effectively for LIHTC financing. The County was also a recipient of an Innovative Affordable Housing Planning Grant (also from DOLA's Division of Local Government). Funding supported amending the land use code to allow higher density multifamily housing to be constructed by right (i.e., administrative review/approval with no requirement for public hearing) demonstrating a commitment to affordable housing.

Saguache County held a groundbreaking ceremony in July that was attended by program staff, the Division of Housing, the Colorado Housing Finance Authority, the Colorado Health Foundation, as well as many county and town officials.





Groundbreaking Ceremony for Gunnison County's Range View Apartments.

Town of Frisco, Galena Apartments

The Town of Frisco received a $4 million grant from Strong Communities to support the Galena Apartments and a second project at 101 West Main Street. Each project will provide 50 units—100 units total—of affordable rental units for those earning 120% and below, and are located in downtown Frisco, steps away from Main Street, bus

service, and childcare. These housing projects will provide critically needed workforce housing to support the economic vitality of Frisco.

In addition to the Strong Communities grant, Frisco also received $1.4 million in funding through the DLG Energy and Mineral Impact Assistance - More Housing Now grant. These programs are splitting the cost of water and sewer upgrades, streets, sidewalks, lighting, and electric vehicle charging stations.

A groundbreaking ceremony was held in July 2025 and was attended by program staff and the Regional Manager, as well as representatives from DOH and OEDIT.





Looking Ahead

Year 1 of the Strong Communities Program was the building year, during which program staff developed the program guidelines and finalized the list of land use best practices.

Year 2 was a program implementation year, in which the land use best practices were promoted and grant funding was awarded.

Year 3 (current year) has been focused on project implementation as grantees started work on projects. Initial estimates for program spending are on track, with approximately 25% of funds spent by June 2025. As noted in the Infrastructure Grant Project Highlights section above, several projects have broken ground and begun construction, while others are finalizing design and engineering. The planning grantees are making excellent progress, with several working to finalize the adoption of their land use best practices this fall.

Year 4 (final year) will be focused on project close outs and outcome metrics. Program staff will work with infrastructure grantees as they complete their projects. Planning grantees will be completing and adopting land use best practices, programs, and policies that support sustainable development patterns and affordable housing into the future. All projects must complete their grant-related work by September of 2026 to allow sufficient time for the program to close out the grants.

Appendix A. Infrastructure & Strong Communities Grant Awards

Table 3. Strong Communities Planning Round 1 Grant Recipients

Jurisdiction	Project Name	Award Amount
Archuleta County	Archuleta County Joint Regional Housing Needs Assessment	$ 59,200
Aspen, City of	City of Aspen Community Land Trust	$ 135,000
Colorado Springs, City of	Land Use Planning and Program Development	$ 200,000
Crested Butte, Town of	Crested Butte Strategic Infill Plan and Zoning Code Update	$ 200,000
EL Paso County	El Paso County Land Development Code Update	$ 250,000
Gilpin County	Gilpin County Housing, Land Use, & Infrastructure Policy Update	$ 200,000
Gunnison, City of	Gunnison Land Development Code Update	$ 40,000
Hudson, Town of	Town of Hudson Land Use & Subdivision Code Update	$ 100,000
Larimer County	Larimer Cooperative Approaches to Growth Management	$ 225,000
Rifle, City of	Rifle Housing Needs Assessment and Code Update	$ 67,500

Table 4. Strong Communities Planning Round 2 Grant Recipients

Jurisdiction	Project Name	Award Amount
Adams County	Adams County Housing Needs Assessment & Balanced Housing Plan	$ 157,500
Akron, Town of	Akron Fast Track Implementation	$ 30,000
Cripple Creek, City of	Cripple Creek Land Use Code Revisions and Project Staffing	$ 99,000
Huerfano County	Huerfano County IHOP Strategy Adoption	$ 126,000
Wray, City of	City of Wray Comprehensive Plan & Three Mile Plan	$ 198,000

Table 5. Strong Communities Infrastructure Grant Recipients

Jurisdiction	Project Name	Award Amount
Alamosa	Alamosa - Boyd School Adaptive Reuse	$ 2,143,000
Aurora	Aurora - 13th Avenue Light Rail Transit Oriented Development	$ 2,000,000
City and County of Denver	Denver - The Denverado at Welton	$ 2,825,000
Douglas County	Douglas County - Tall Tales Ranch	$ 1,110,000
Fraser	Fraser - Victoria Village/St. Louis Landing Community Workforce Housing	$ 3,000,000
Frisco	Frisco - Downtown Workforce Housing	$ 4,000,000
Golden	Golden - Calvary Flats Development	$ 2,866,617
Grand Junction	Grand Junction - The Terminal Project	$ 1,625,000
Grand Lake	Grand Lake - Space to Create	$ 4,000,000
Gunnison County	Gunnison County - Sawtooth Community Housing	$ 800,000
Rifle	Rifle - Rifle Apartments Affordable Housing Project	$ 4,000,000
Saguache County	Saguache County - Range View Apartments	$ 639,616
Salida	Salida - South Ark Neighborhood Infrastructure	$ 2,000,000
Summit County	Summit County - State Highway 6 Roundabout	$ 2,000,000
Trinidad	Trinidad - Holy Trinity Apartments	$ 2,382,067

Appendix B. Land Use Best Practices

Compact Development

- **Higher density mixed use development in core areas**
- **Rural Adaptation: Higher density near service areas**
- **Density bonus program**
- **Minimum lot size requirements**
  Rural Adaptation: Minimum lot size

Affordable Housing

- **Use by right affordable housing**
- **Inclusionary Zoning Ordinance (IZ)**
- **Land donation, acquisition, banking program, or land trust program**
- **Reduced affordable housing development fees**

Housing Diversity

- **Multi-family housing options**
- **Accessory Dwelling Units (ADUs)**
- **Alternative building options**

Growth Management

- **Annexation policies**
- **Rural Adaptation: Intergovernmental Agreements (IGAs)**
- **Urban Growth Areas & Boundaries**
- **Rural Adaptation: Transfer of Development Rights (TDRs) and Purchase of Development Rights (PDRs)**

Districts & Subdivisions

- **Planned Unit Developments (PUDs)**
- **Infill incentive districts**
- **Rural Adaptation: Mixed-use zoning districts**
- **Rural Adaptation: Cluster & Conservation subdivisions**

Mobility

- **Minimum parking standards**
- **Multi-modal road standards**

Resource Conservation

- **Water conservation**
- **Water rate structure reduction**
- **Energy efficiency codes**
- **High risk and environmentally sensitive areas**