

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

PREAMENDED

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

LLS NO. 21-1023.02 Bob Lackner x4350

HOUSE BILL 21-1329

HOUSE SPONSORSHIP

Gonzales-Gutierrez and Woodrow,

SENATE SPONSORSHIP

Holbert and Gonzales,

House Committees

Transportation & Local Government
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE USE OF MONEY THE STATE RECEIVES FROM THE**
102 **FEDERAL GOVERNMENT UNDER THE "AMERICAN RESCUE PLAN**
103 **ACT OF 2021" TO MAKE INVESTMENTS IN HOUSING TO ASSIST**
104 **PERSONS DISPROPORTIONATELY IMPACTED BY THE COVID-19**
105 **PUBLIC HEALTH EMERGENCY FACING HOUSING INSECURITY,**
106 **AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

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 federal government enacted the "American Rescue Plan Act

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.

of 2021" (federal act) to provide support to state, local, and tribal governments in responding to the impact of COVID-19 and to assist them in their efforts to contain the effects of COVID-19 on their communities, residents, and businesses. Under the federal act, the state of Colorado receives over \$500 million to address the housing needs of populations, households, or geographic areas disproportionately affected by the COVID-19 public health emergency.

The bill creates the affordable housing and home ownership cash fund (fund) in the state treasury. To respond to the public health emergency with respect to COVID-19 or its negative economic impacts, the bill authorizes the general assembly to appropriate money from the fund to a department for programs or services that benefit populations, households, or geographic areas disproportionately impacted by the COVID-19 public health emergency, focusing on programs or services that address housing insecurity, lack of affordable housing, or homelessness.

Three days after the effective date of the bill, the state treasurer is required to transfer \$550 million from the "American Rescue Plan Act of 2021" cash fund to the fund.

The bill requires the executive committee of the legislative council, by resolution, to create a task force to meet during the 2021 interim and issue a report with recommendations to the general assembly and the governor on policies to create transformative change in the area of housing using money the state receives from the federal act. The task force may include nonlegislative members and have working groups created to assist them.

For the 2021-22 state fiscal year, the bill appropriates \$100 million to the department of local affairs for use by the division of housing (division). This appropriation is from the fund. To implement the bill, the division may use the appropriation for programs and services that provide gap financing for projects financed through the housing investment trust fund or the housing development grant fund to assist populations, households, or geographic areas disproportionately affected by the COVID-19 public health emergency in order to obtain affordable housing by the acquisition, construction, or renovation of affordable housing projects or land acquisition, thus enabling individuals and families to relocate to neighborhoods with high levels of economic opportunity and reducing concentrated areas of low economic opportunity.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 24-75-229 as
3 follows:

1 **24-75-229. Affordable housing and home ownership cash fund**

2 **- creation - allowable uses - task force - legislative declaration -**

3 **definitions - repeal. (1) THE GENERAL ASSEMBLY FINDS, DETERMINES,**

4 AND DECLARES THAT:

5 (a) AS A RESULT OF THE COVID-19 PUBLIC HEALTH EMERGENCY,
6 A SIGNIFICANT SHARE OF HOUSEHOLDS ACROSS THE STATE NOW FACE
7 VARIOUS FORMS OF HOUSING INSECURITY;

8 (b) ALTHOUGH THE IMPACTS OF THE COVID-19 PUBLIC HEALTH
9 EMERGENCY HAVE BEEN WIDESPREAD, BOTH THE PUBLIC HEALTH AND
10 ECONOMIC IMPACT OF THE PANDEMIC HAVE FALLEN MOST SEVERELY ON
11 DISADVANTAGED COMMUNITIES AND POPULATIONS. LOW-INCOME
12 COMMUNITIES, PEOPLE OF COLOR, AND TRIBAL COMMUNITIES HAVE FACED
13 HIGHER RATES OF INFECTION, HOSPITALIZATION, AND DEATH, AS WELL AS
14 HIGHER RATES OF UNEMPLOYMENT AND LACK OF BASIC NECESSITIES SUCH
15 AS FOOD AND HOUSING. PREEXISTING SOCIAL VULNERABILITIES MAGNIFIED
16 THE PANDEMIC IN THESE COMMUNITIES, WHERE A REDUCED ABILITY TO
17 WORK FROM HOME AND DENSER HOUSING AMPLIFIED THE RISK OF
18 INFECTION.

19 (c) THE FEDERAL GOVERNMENT ENACTED THE "AMERICAN RESCUE
20 PLAN ACT OF 2021" TO PROVIDE SUPPORT TO STATE, LOCAL, AND TRIBAL
21 GOVERNMENTS IN RESPONDING TO THE IMPACT OF COVID-19 AND TO
22 ASSIST THEIR EFFORTS TO CONTAIN THE EFFECTS OF COVID-19 ON THEIR
23 COMMUNITIES, RESIDENTS, AND BUSINESSES. UNDER THE FEDERAL ACT,
24 THE STATE OF COLORADO RECEIVES OVER THREE BILLION DOLLARS TO BE
25 USED FOR THE PURPOSES IDENTIFIED IN THE FEDERAL ACT.

26 (d) REGULATIONS CONSTRUING THE FEDERAL ACT PROMULGATED
27 BY THE UNITED STATES TREASURY IDENTIFY A NONEXCLUSIVE LIST OF

1 USES THAT ADDRESS THE DISPROPORTIONATE NEGATIVE ECONOMIC
2 EFFECTS OF THE COVID-19 PUBLIC HEALTH EMERGENCY, INCLUDING
3 BUILDING STRONGER COMMUNITIES THROUGH INVESTMENTS IN HOUSING
4 AND NEIGHBORHOODS. SERVICES IN THIS CATEGORY ALLEVIATE THE
5 IMMEDIATE ECONOMIC IMPACT OF THE COVID-19 PUBLIC HEALTH
6 EMERGENCY ON HOUSING INSECURITY, WHILE ADDRESSING CONDITIONS
7 THAT CONTRIBUTED TO POOR PUBLIC HEALTH AND ECONOMIC OUTCOMES
8 DURING THE PANDEMIC, NAMELY CONCENTRATED AREAS WITH LIMITED
9 ECONOMIC OPPORTUNITY AND INADEQUATE OR POOR QUALITY HOUSING.
10 UNDER THESE REGULATIONS, FUNDS MAY BE USED FOR PROGRAMS OR
11 SERVICES THAT ADDRESS HOUSING INSECURITY, LACK OF AFFORDABLE
12 AND WORKFORCE HOUSING, OR HOMELESSNESS, INCLUDING:

13 (I) SUPPORTIVE HOUSING OR OTHER PROGRAMS OR SERVICES TO
14 IMPROVE ACCESS TO STABLE, AFFORDABLE HOUSING AMONG UNHOUSED
15 INDIVIDUALS;

16 (II) THE DEVELOPMENT OF AFFORDABLE HOUSING TO INCREASE
17 THE SUPPLY OF AFFORDABLE HOUSING UNITS THAT ARE LIVABLE, VIBRANT,
18 AND DRIVEN BY COMMUNITY BENEFITS; AND

19 (III) HOUSING VOUCHERS AND ASSISTANCE TO ALLOW
20 INDIVIDUALS TO RELOCATE IN NEIGHBORHOODS WITH HIGH LEVELS OF
21 ECONOMIC OPPORTUNITY AND TO REDUCE CONCENTRATED AREAS OF LOW
22 ECONOMIC OPPORTUNITY.

23 (e) THE GENERAL ASSEMBLY FURTHER DETERMINES THAT THE
24 PROGRAMS AND SERVICES FUNDED BY THE TRANSFERS IN THIS SECTION
25 ARE APPROPRIATE USES OF THE MONEY TRANSFERRED TO COLORADO
26 UNDER THE FEDERAL ACT. THIS MONEY WILL BE PUT TO EXPEDITIOUS AND
27 EFFICIENT USE IN BUILDING STRONGER COMMUNITIES ACROSS THE STATE

1 BY MAKING INVESTMENTS IN HOUSING FOR POPULATIONS, HOUSEHOLDS,
2 OR GEOGRAPHIC AREAS DISPROPORTIONATELY AFFECTED BY THE
3 COVID-19 PUBLIC HEALTH EMERGENCY.

4 (f) BY THE ENACTMENT OF THIS BILL, THE GENERAL ASSEMBLY
5 INTENDS THAT THE MONEY APPROPRIATED TO THE DEPARTMENT OF LOCAL
6 AFFAIRS FOR USE BY THE DIVISION OF HOUSING FROM THE AFFORDABLE
7 HOUSING AND HOME OWNERSHIP CASH FUND CREATED IN SECTION
8 24-75-229 (3)(a) BE USED TO FINANCE PROGRAMS AND SERVICES THAT
9 PROVIDE GAP FINANCING FOR PROJECTS FINANCED THROUGH THE HOUSING
10 INVESTMENT TRUST FUND CREATED IN SECTION 24-32-717, C.R.S., OR THE
11 HOUSING DEVELOPMENT GRANT FUND CREATED IN SECTION 24-32-721,
12 C.R.S. THE GENERAL ASSEMBLY FURTHER INTENDS THAT THE PROGRAMS
13 AND SERVICES FINANCED BY THIS APPROPRIATION ASSIST POPULATIONS,
14 HOUSEHOLDS, OR GEOGRAPHIC AREAS DISPROPORTIONATELY AFFECTED BY
15 THE COVID-19 PUBLIC HEALTH EMERGENCY IN ORDER TO OBTAIN
16 AFFORDABLE HOUSING BY THE ACQUISITION, CONSTRUCTION, OR
17 RENOVATION OF AFFORDABLE HOUSING PROJECTS OR LAND ACQUISITION,
18 THUS ENABLING INDIVIDUALS AND FAMILIES TO RELOCATE TO
19 NEIGHBORHOODS WITH HIGH LEVELS OF ECONOMIC OPPORTUNITY AND
20 REDUCING CONCENTRATED AREAS OF LOW ECONOMIC OPPORTUNITY.

21 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
22 REQUIRES:

23 (a) "AMERICAN RESCUE PLAN ACT OF 2021" OR "FEDERAL ACT"
24 MEANS THE FEDERAL "AMERICAN RESCUE PLAN ACT OF 2021", PUB.L.
25 117-2, AS THE ACT MAY BE SUBSEQUENTLY AMENDED.

26 (b) "DEPARTMENT" MEANS A PRINCIPAL DEPARTMENT IDENTIFIED
27 IN SECTION 24-1-110, THE JUDICIAL DEPARTMENT, AND THE LEGISLATIVE

1 DEPARTMENT.

2 (c) "FUND" MEANS EITHER THE AFFORDABLE HOUSING AND HOME
3 OWNERSHIP CASH FUND CREATED IN SUBSECTION (3)(a) OF THIS SECTION
4 OR AN IDENTICAL COMPANION FUND CREATED IN SECTION 24-75-226
5 (4)(c).

6 (3) (a) THE AFFORDABLE HOUSING AND HOME OWNERSHIP CASH
7 FUND IS HEREBY CREATED IN THE STATE TREASURY. THE FUND CONSISTS
8 OF MONEY DEPOSITED IN THE FUND IN ACCORDANCE WITH SUBSECTION
9 (3)(b) OF THIS SECTION AND ANY OTHER MONEY THAT THE GENERAL
10 ASSEMBLY MAY APPROPRIATE OR TRANSFER TO THE FUND. TO RESPOND TO
11 THE PUBLIC HEALTH EMERGENCY WITH RESPECT TO COVID-19 OR ITS
12 NEGATIVE ECONOMIC IMPACTS, THE GENERAL ASSEMBLY MAY
13 APPROPRIATE OR TRANSFER MONEY FROM THE FUND TO A DEPARTMENT OR
14 CASH FUND FOR PROGRAMS OR SERVICES THAT BENEFIT POPULATIONS,
15 HOUSEHOLDS, OR GEOGRAPHIC AREAS DISPROPORTIONATELY AFFECTED BY
16 THE COVID-19 PUBLIC HEALTH EMERGENCY TO OBTAIN AFFORDABLE
17 HOUSING, FOCUSING ON PROGRAMS OR SERVICES THAT ADDRESS HOUSING
18 INSECURITY, LACK OF AFFORDABLE AND WORKFORCE HOUSING, OR
19 HOMELESSNESS. MONEY FROM THE FUND MAY BE EXPENDED TO SUPPORT
20 THE TASK FORCE CREATED IN SUBSECTION (5)(a) OF THIS SECTION.
21 PERMISSIBLE USES OF SUCH MONEY INCLUDE COSTS ASSOCIATED WITH THE
22 CREATION AND ADMINISTRATION OF THE TASK FORCE AND RELATED
23 EXPENSES FOR RESEARCH AND EVALUATION UNDERTAKEN BY THE TASK
24 FORCE.

25 (b) (I) THREE DAYS AFTER THE EFFECTIVE DATE OF THIS
26 SUBSECTION (3)(b)(I), THE STATE TREASURER SHALL TRANSFER FIVE
27 HUNDRED FIFTY MILLION DOLLARS FROM THE "AMERICAN RESCUE PLAN

1 ACT OF 2021" CASH FUND CREATED IN SECTION 24-75-226 TO THE FUND;
2 AND

3 (II) 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) THE DIVISION OF HOUSING WITHIN THE DEPARTMENT OF LOCAL
7 AFFAIRS SHALL USE THE APPROPRIATION MADE BY HOUSE BILL 21-1329,
8 ENACTED IN 2021, FOR PROGRAMS OR SERVICES OF THE TYPE AND KIND
9 FINANCED THROUGH THE HOUSING INVESTMENT TRUST FUND CREATED IN
10 SECTION 24-32-717 OR THE HOUSING DEVELOPMENT GRANT FUND
11 CREATED IN SECTION 24-32-721 TO SUPPORT THE PROGRAMS OR SERVICES
12 THAT BENEFIT POPULATIONS, HOUSEHOLDS, OR GEOGRAPHIC AREAS
13 DISPROPORTIONATELY AFFECTED BY THE COVID-19 PUBLIC HEALTH
14 EMERGENCY TO OBTAIN AFFORDABLE HOUSING, FOCUSING ON PROGRAMS
15 OR SERVICES THAT ADDRESS HOUSING INSECURITY, LACK OF AFFORDABLE
16 AND WORKFORCE HOUSING, OR HOMELESSNESS, INCLUDING THE
17 PROGRAMS OR SERVICES DESCRIBED IN SUBSECTION (1)(d) OF THIS
18 SECTION. THE DIVISION MAY USE NOT MORE THAN THREE PERCENT OF ANY
19 MONEY APPROPRIATED OR TRANSFERRED TO IT UNDER HOUSE BILL 1329,
20 ENACTED IN 2021, TO COVER THE TOTAL ADMINISTRATIVE COSTS OF THE
21 DIVISION IN ADMINISTERING THE PROGRAMS OR SERVICES FOR WHICH
22 MONEY IS APPROPRIATED OR TRANSFERRED TO IT UNDER HOUSE BILL
23 1329, ENACTED IN 2021.

24 (4) A DEPARTMENT MAY EXPEND MONEY APPROPRIATED FROM THE
25 FUND FOR PURPOSES PERMITTED UNDER THE "AMERICAN RESCUE PLAN
26 ACT OF 2021" AND SHALL NOT USE THE MONEY FOR ANY PURPOSE
27 PROHIBITED BY THE ACT. A DEPARTMENT, NONPROFIT ORGANIZATION, OR

1 LOCAL GOVERNMENT, INCLUDING A COUNTY, MUNICIPALITY, SPECIAL
2 DISTRICT, OR SCHOOL DISTRICT, OR ANY OTHER PERSON WHO RECEIVES
3 MONEY FROM THE FUND SHALL COMPLY WITH ANY REQUIREMENTS SET
4 FORTH IN SECTION 24-75-226.

5 (5) (a) THE EXECUTIVE COMMITTEE OF THE LEGISLATIVE COUNCIL
6 SHALL, BY RESOLUTION, CREATE A TASK FORCE TO MEET DURING THE 2021
7 INTERIM AND ISSUE A REPORT WITH RECOMMENDATIONS TO THE GENERAL
8 ASSEMBLY AND THE GOVERNOR ON POLICIES TO CREATE TRANSFORMATIVE
9 CHANGE IN THE AREA OF HOUSING USING MONEY THE STATE RECEIVES
10 FROM THE FEDERAL CORONAVIRUS STATE FISCAL RECOVERY FUND UNDER
11 TITLE IX, SUBTITLE M OF THE "AMERICAN RESCUE PLAN ACT OF 2021".
12 THE GENERAL ASSEMBLY SHALL ALSO REVIEW RECOMMENDATIONS FOR
13 SUCH POLICIES SUBMITTED BY THE STRATEGIC HOUSING WORKING GROUP
14 ASSEMBLED BY THE DEPARTMENT AND THE STATE HOUSING BOARD
15 CREATED IN SECTION 24-32-706 (1).

16 (b) THE TASK FORCE MAY INCLUDE NONLEGISLATIVE MEMBERS
17 AND CREATE WORKING GROUPS TO ASSIST THEM. THE EXECUTIVE
18 COMMITTEE OF THE LEGISLATIVE COUNCIL SHALL HIRE A FACILITATOR TO
19 GUIDE THE WORK OF THE TASK FORCE.

20 (c) THE TASK FORCE CREATED IN THIS SECTION IS NOT SUBJECT TO
21 THE REQUIREMENTS SPECIFIED IN SECTION 2-3-303.3 OR RULE 24A OF THE
22 JOINT RULES OF THE SENATE AND THE HOUSE OF REPRESENTATIVES. THE
23 EXECUTIVE COMMITTEE OF THE LEGISLATIVE COUNCIL SHALL SPECIFY
24 REQUIREMENTS GOVERNING MEMBERS' PARTICIPATION IN THE TASK FORCE.
25 THE TASK FORCE SHALL NOT SUBMIT BILL DRAFTS AS PART OF THEIR
26 RECOMMENDATIONS.

27 (d) THE MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED TO

1 THE LEGISLATIVE BRANCH OF STATE GOVERNMENT FOR PAYMENT OF THE
2 REASONABLE EXPENSES INCURRED BY THE TASK FORCE SUBJECT TO THE
3 APPROVAL OF THE EXECUTIVE COMMITTEE OF THE LEGISLATIVE COUNCIL.

4 (6) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2027.

5 **SECTION 2.** In Colorado Revised Statutes, 24-32-721, **add** (5)
6 as follows:

7 **24-32-721. Colorado affordable housing construction grants**
8 **and loans - housing development grant fund - creation - housing**
9 **assistance for persons with behavioral, mental health, or substance**
10 **use disorders - cash fund - appropriation - report to general assembly**
11 **- rules - definitions - repeal.** (5) ANY PRINCIPAL OR INTEREST PAYMENTS
12 RECEIVED BY THE DIVISION FROM A BORROWER PURSUANT TO A LOAN
13 ORIGINATED USING FUNDS APPROPRIATED FROM THE AFFORDABLE
14 HOUSING AND HOME OWNERSHIP CASH FUND CREATED IN SECTION
15 24-75-229 (3)(a) MUST BE DEPOSITED IN THE THE HOUSING INVESTMENT
16 TRUST FUND CREATED IN SECTION 24-32-717 (1).

17 **SECTION 3. Appropriation.** (1) For the 2021-22 state fiscal
18 year, \$100,000,000 is appropriated to the department of local affairs for
19 use by the division of housing. This appropriation is from the affordable
20 housing and home ownership cash fund created in section 24-75-229
21 (3)(a), C.R.S. and of money the state received from the federal
22 coronavirus state fiscal recovery fund. To implement this act, the division
23 may use the appropriation for purposes authorized in section 24-75-229
24 (3), C.R.S. Any money appropriated in this subsection that is not
25 expended or encumbered at the end of the 2021-22 state fiscal year
26 remains available for expenditure in subsequent fiscal years without
27 further appropriation, subject to the requirements for obligating and

1 expending money received under the federal "American Rescue Plan Act
2 of 2021", Pub. L. 117-2, as the act may be subsequently amended as
3 specified in section 24-75-226 (4)(d).

4 (2) For the 2021-22 state fiscal year, \$200,000 is appropriated to
5 the legislative department. This appropriation is from the affordable
6 housing and home ownership cash fund created in Section 24-75-229
7 (3)(a), C.R.S., and originates from the general fund. The department may
8 use this appropriation to implement this act.

9 **SECTION 4. Effective date.** This act takes effect only if Senate
10 Bill 21-288 becomes law, and, in which case, this act takes effect either
11 upon the effective date of this act or one day after the effective date of
12 Senate Bill 21-288, whichever is later.

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