

CHAPTER 346

GOVERNMENT - STATE

SENATE BILL 21-242

BY SENATOR(S) Gonzales and Pettersen, Bridges, Buckner, Danielson, Donovan, Fenberg, Fields, Jaquez Lewis, Lee, Moreno, Story, Winter, Zenzinger;
also REPRESENTATIVE(S) Gonzales-Gutierrez and Woodrow, Benavidez, Burnett, Bird, Boesenecker, Caraveo, Daugherty, Duran, Esgar, Exum, Froelich, Herod, Hooton, Jackson, Jodeh, Kipp, Lontine, McCluskie, Michaelson Jenet, Mullica, Ortiz, Sirota, Sullivan, Titone, Valdez D., Weissman, Garnett.

AN ACT**CONCERNING THE EXPANSION OF THE ALLOWABLE USES OF THE HOUSING DEVELOPMENT GRANT FUND, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

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

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

(a) On March 11, 2021, the federal government enacted the "American Rescue Plan Act of 2021", Pub.L. 117-2, pursuant to which Colorado will receive \$3,828,761,790 from the federal coronavirus state fiscal recovery fund to be used for certain specified purposes;

(b) These specified purposes include providing programs, services, or other assistance for populations disproportionately impacted by the COVID-19 public health emergency such as the homeless population;

(c) More specifically, these specified purposes include programs, services, or other assistance that improve access to stable affordable housing among individuals who are experiencing homelessness, develop or increase the supply of affordable housing, address housing insecurity, or address a lack of affordable housing;

(d) Rental assistance and tenancy support service programs that target individuals experiencing homelessness address housing insecurity and are programs, services, or other assistance of the kind for which Colorado will receive funds from the federal coronavirus state fiscal recovery fund; and

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

(e) Likewise, the issuance of grants and loans to local governments and nonprofit organizations for the rental, acquisition, or renovation of underutilized hotels, underutilized motels, and other underutilized properties to provide noncongregate sheltering or affordable housing for people experiencing homelessness improve access to stable affordable housing among individuals who are experiencing homelessness, develop and increase the supply of affordable housing, address housing insecurity, address a lack of affordable housing, and are programs, services, or other assistance of the kind for which Colorado will receive funds from the federal coronavirus state fiscal recovery fund.

(2) Therefore, the general assembly determines that the rental assistance and tenancy support services programs for individuals experiencing homelessness and the grants and loans to local governments and nonprofit organizations funded by the transfer in this act to the homeless development grant fund are appropriate uses of the funds transferred to Colorado under the "American Rescue Plan Act of 2021".

SECTION 2. In Colorado Revised Statutes, 24-32-721, **amend** (2)(d)(VI) introductory portion; and **add** (2)(d)(VI)(A.5), (2)(d)(VII), (2)(g), and (2)(h) as follows:

24-32-721. Colorado affordable housing construction grants and loans - housing development grant fund - creation - housing assistance for persons with behavioral, mental health, or substance use disorders - cash fund - appropriation - report to general assembly - rules - definitions - repeal.
 (2) (d) In addition to any other use authorized under this section, money may also be used for the following purposes, without limitation:

(VI) Rental assistance AND TENANCY SUPPORT SERVICE programs that target one or more of the following persons or uses:

(A.5) INDIVIDUALS EXPERIENCING HOMELESSNESS;

(VII) GRANTS AND LOANS TO LOCAL GOVERNMENTS AND NONPROFIT ORGANIZATIONS FOR THE RENTAL, ACQUISITION, OR RENOVATION OF UNDERUTILIZED HOTELS, UNDERUTILIZED MOTELS, AND OTHER UNDERUTILIZED PROPERTIES TO PROVIDE NONCONGREGATE SHELTERING OR AFFORDABLE HOUSING FOR PEOPLE EXPERIENCING HOMELESSNESS. THE DIVISION SHALL DEFINE THE TERMS "UNDERUTILIZED HOTEL", "UNDERUTILIZED MOTEL", AND "UNDERUTILIZED PROPERTY" BY POLICIES AND PROCEDURES. LOCAL GOVERNMENTS AND NONPROFIT ORGANIZATIONS THAT ARE AWARDED GRANTS OR LOANS UNDER THIS SUBSECTION (2)(d)(VII) SHALL PRIORITIZE THE RENTAL, ACQUISITION, OR RENOVATION OF UNDERUTILIZED HOTELS, UNDERUTILIZED MOTELS, AND OTHER UNDERUTILIZED PROPERTIES THAT ARE MINORITY-OWNED OR WOMEN-OWNED BUSINESSES, THAT HAVE ANNUAL REVENUES UNDER FIVE MILLION DOLLARS, THAT QUALIFY AS DISADVANTAGED BUSINESS ENTERPRISES AS DEFINED IN PART 26 OF TITLE 49 OF THE CODE OF FEDERAL REGULATIONS, AS AMENDED, OR THAT COMPLY WITH THE FEDERAL "AMERICANS WITH DISABILITIES ACT OF 1990", 42 U.S.C. SEC. 12101 ET SEQ., AS AMENDED.

(g) (I) WITHIN THREE BUSINESS DAYS OF THE EFFECTIVE DATE OF THIS

SUBSECTION (2)(g), THE STATE TREASURER SHALL TRANSFER THIRTY MILLION DOLLARS FROM THE AFFORDABLE HOUSING AND HOME OWNERSHIP CASH FUND CREATED IN SECTION 24-75-229, THAT ORIGINATES FROM MONEY THE STATE RECEIVED FROM THE FEDERAL CORONAVIRUS STATE FISCAL RECOVERY FUND, TO THE HOUSING DEVELOPMENT GRANT FUND AND TRANSFER FIFTEEN MILLION DOLLARS FROM THE GENERAL FUND TO THE AFFORDABLE HOUSING AND HOME OWNERSHIP CASH FUND CREATED IN SECTION 24-75-229.

(II) THE DIVISION SHALL USE MONEY TRANSFERRED FROM THE AFFORDABLE HOUSING AND HOME OWNERSHIP CASH FUND CREATED IN SECTION 24-75-229, THAT ORIGINATES FROM MONEY THE STATE RECEIVED FROM THE FEDERAL CORONAVIRUS STATE FISCAL RECOVERY FUND, PURSUANT TO SUBSECTION (2)(g)(I) OF THIS SECTION FOR THE PURPOSES ALLOWED UNDER SUBSECTION (2)(d)(VI)(A.5) OF THIS SECTION THAT ARE RELATED TO SUBSECTION (2)(d)(VII) OF THIS SECTION AND FOR THE PURPOSES ALLOWED BY SUBSECTION (2)(d)(VII) OF THIS SECTION.

(III) DURING THE DEPARTMENT OF LOCAL AFFAIRS' ANNUAL PRESENTATION IN 2022 AND 2023 TO THE COMMITTEES OF REFERENCE PURSUANT TO SECTION 2-7-203, THE DEPARTMENT SHALL INCLUDE A SUMMARIZED REPORT OF THE RENTAL AND TENANCY SUPPORT SERVICE PROGRAMS PROVIDED BY THE DIVISION OF HOUSING PURSUANT TO SUBSECTION (2)(d)(VI)(A.5) OF THIS SECTION THAT ARE RELATED TO UNDERUTILIZED HOTELS, UNDERUTILIZED MOTELS, AND OTHER UNDERUTILIZED PROPERTIES AND THE GRANTS AND LOANS AWARDED BY THE DIVISION OF HOUSING FOR THE RENTAL, ACQUISITION, OR RENOVATION OF UNDERUTILIZED HOTELS, UNDERUTILIZED MOTELS, AND OTHER UNDERUTILIZED PROPERTIES PURSUANT TO SUBSECTION (2)(d)(VII) OF THIS SECTION.

(h) (I) WITHIN THREE BUSINESS DAYS OF THE EFFECTIVE DATE OF THIS SUBSECTION (2)(h), THE STATE TREASURER SHALL TRANSFER FIFTEEN MILLION DOLLARS FROM THE GENERAL FUND TO THE HOUSING DEVELOPMENT GRANT FUND. MONEY TRANSFERRED PURSUANT TO THIS SUBSECTION (2)(h)(I) SHALL BE MAINTAINED IN A SEPARATE ACCOUNT. THE DIVISION MAY USE UP TO THREE PERCENT OF THE MONEY TRANSFERRED PURSUANT TO THIS SUBSECTION (2)(h)(I) FOR THE COSTS OF ADMINISTERING THIS SUBSECTION (2)(h).

(II) THE DIVISION SHALL USE THE MONEY TRANSFERRED FROM THE GENERAL FUND PURSUANT TO SUBSECTION (2)(h)(I) OF THIS SECTION FOR THE PURPOSE OF AWARDED GRANTS TO NONPROFIT ORGANIZATIONS FOR THE ISSUANCE OF DIRECT ASSISTANCE TO INDIVIDUALS WHO ARE CURRENTLY EXPERIENCING FINANCIAL NEED AND ARE NOT ELIGIBLE FOR CERTAIN OTHER TYPES OF ASSISTANCE, SUCH AS:

(A) UNEMPLOYMENT INSURANCE PURSUANT TO THE "COLORADO EMPLOYMENT SECURITY ACT", ARTICLES 70 TO 82 OF TITLE 8;

(B) THE FEDERAL SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM; OR

(C) FEDERAL STIMULUS PAYMENTS PURSUANT TO THE FEDERAL "CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT," ALSO KNOWN AS THE "CARES ACT", PUB.L. 116-36, AS AMENDED.

(III) THE DIVISION MAY DEVELOP SUCH POLICIES AND PROCEDURES AS ARE

NECESSARY FOR THE AWARDING OF GRANTS PURSUANT TO THIS SUBSECTION (2)(h).

(IV) THE STATE TREASURER SHALL TRANSFER ALL UNEXPENDED AND UNENCUMBERED MONEY IN THE FUND, THAT WAS TRANSFERRED PURSUANT TO THIS SUBSECTION (2)(h), ON JUNE 30, 2022, TO THE GENERAL FUND.

(V) THIS SUBSECTION (2)(h) IS REPEALED EFFECTIVE DECEMBER 31, 2023.

SECTION 3. Effective date. This act takes effect only if House Bill 21-1329 becomes law, and, in which case, this act takes effect either upon the effective date of this act or one day after the passage of House Bill 21-1329, whichever is later.

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

Approved: June 25, 2021