

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

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 21-0882.01 Pierce Lively x2059

SENATE BILL 21-242

SENATE SPONSORSHIP

Gonzales and Pettersen, Bridges, Buckner, Danielson, Donovan, Fenberg, Fields, Jaquez
Lewis, Lee, Moreno, Story, Winter, Zenzinger

HOUSE SPONSORSHIP

Gonzales-Gutierrez and Woodrow,

Senate Committees

Local Government
Appropriations

House Committees

Transportation & Local Government
Appropriations

A BILL FOR AN ACT

101 **CONCERNING THE EXPANSION OF THE ALLOWABLE USES OF THE**
102 **HOUSING DEVELOPMENT GRANT FUND, AND, IN CONNECTION**
103 **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 bill allows the division of housing within the department of local affairs to use the housing development grant fund for rental assistance, tenancy support service programs, and awarding grants and loans for the purchase of underutilized hotels, underutilized motels, and other underutilized properties. The bill expands those who are eligible to

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
Amended 2nd Reading
June 3, 2021

SENATE
3rd Reading Unamended
May 21, 2021

SENATE
Amended 2nd Reading
May 20, 2021

benefit from the rental assistance and tenancy support programs to include individuals experiencing homelessness.

The bill also transfers \$15 million from the general fund to the housing development grant fund for the funding of rental assistance and tenancy support programs for individuals experiencing homelessness related to underutilized hotels, underutilized motels, and other underutilized properties, and the awarding of grants and loans for the purchase of underutilized hotels, underutilized motels, and other underutilized properties.

Finally, the bill requires the department of local affairs, during its annual report to the assigned committee of reference, to report on the rental and tenancy support service programs provided by the division of housing for individuals experiencing homelessness related to underutilized hotels, underutilized motels, and other underutilized properties and the grants and loans awarded by the division in relation to the rental, acquisition, or renovation of underutilized hotels, underutilized motels, and other underutilized properties.

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

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

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

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

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

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

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

25 **24-32-721. Colorado affordable housing construction grants**
26 **and loans - housing development grant fund - creation - housing**
27 **assistance for persons with behavioral, mental health, or substance**

1 **use disorders - cash fund - appropriation - report to general assembly**

2 **- rules - definitions - repeal.** (2) (d) In addition to any other use
3 authorized under this section, money may also be used for the following
4 purposes, without limitation:

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

7 (A.5) INDIVIDUALS EXPERIENCING HOMELESSNESS;

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

26 (g) (I) WITHIN THREE BUSINESS DAYS OF THE EFFECTIVE DATE OF
27 THIS SUBSECTION (2)(g), THE STATE TREASURER SHALL TRANSFER THIRTY

1 MILLION DOLLARS FROM THE AFFORDABLE HOUSING AND HOME
2 OWNERSHIP CASH FUND CREATED IN SECTION 24-75-229 TO THE HOUSING
3 DEVELOPMENT GRANT FUND AND TRANSFER FIFTEEN MILLION DOLLARS
4 FROM THE GENERAL FUND TO THE AFFORDABLE HOUSING AND HOME
5 OWNERSHIP CASH FUND CREATED IN SECTION 24-75-229.

6 (II) THE DIVISION SHALL USE MONEY TRANSFERRED FROM THE
7 AFFORDABLE HOUSING AND HOME OWNERSHIP CASH FUND CREATED IN
8 SECTION 24-75-229 PURSUANT TO SUBSECTION (2)(g)(I) OF THIS SECTION
9 FOR THE PURPOSES ALLOWED UNDER SUBSECTION (2)(d)(VI)(A.5) OF THIS
10 SECTION THAT ARE RELATED TO SUBSECTION (2)(d)(VII) OF THIS SECTION
11 AND FOR THE PURPOSES ALLOWED BY SUBSECTION (2)(d)(VII) OF THIS
12 SECTION.

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

25 (h) (I) WITHIN THREE BUSINESS DAYS OF THE EFFECTIVE DATE OF
26 THIS SUBSECTION (2)(h), THE STATE TREASURER SHALL TRANSFER FIFTEEN
27 MILLION DOLLARS FROM THE GENERAL FUND TO THE HOUSING

1 DEVELOPMENT GRANT FUND. MONEY TRANSFERRED PURSUANT TO THIS
2 SUBSECTION (2)(h)(I) SHALL BE MAINTAINED IN A SEPARATE ACCOUNT.
3 THE DIVISION MAY USE UP TO THREE PERCENT OF THE MONEY
4 TRANSFERRED PURSUANT TO THIS SUBSECTION (2)(h)(I) FOR THE COSTS OF
5 ADMINISTERING THIS SUBSECTION (2)(h).

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

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

14 (B) THE FEDERAL SUPPLEMENTAL NUTRITION ASSISTANCE
15 PROGRAM; OR

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

19 (III) THE DIVISION MAY DEVELOP SUCH POLICIES AND PROCEDURES
20 AS ARE NECESSARY FOR THE AWARDING OF GRANTS PURSUANT TO THIS
21 SUBSECTION (2)(h).

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

26 (V) THIS SECTION IS REPEALED EFFECTIVE DECEMBER 31, 2023.

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1 **SECTION 3. Effective date.** This act takes effect upon passage
2 only if House Bill 21-1329 becomes law, in which case this act takes
3 effect on the effective date of this act or House Bill 21-1329, whichever
4 is later.

5 **SECTION 4. 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.