

**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. 21-0882.01 Pierce Lively x2059

**SENATE BILL 21-242**

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**SENATE SPONSORSHIP**

**Gonzales and Pettersen,**

**HOUSE SPONSORSHIP**

**Gonzales-Gutierrez and Woodrow,**

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**Senate Committees**

Local Government  
Appropriations

**House Committees**

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**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.**

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**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.

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.

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

2 **SECTION 1.** In Colorado Revised Statutes, 24-32-721, **amend**  
3 (2)(d)(VI) introductory portion; and **add** (2)(d)(VI)(A.5), (2)(d)(VII), and  
4 (2)(g) as follows:

5 **24-32-721. Colorado affordable housing construction grants**  
6 **and loans - housing development grant fund - creation - housing**  
7 **assistance for persons with behavioral, mental health, or substance**  
8 **use disorders - cash fund - appropriation - report to general assembly**  
9 **- rules - definitions - repeal.** (2) (d) In addition to any other use  
10 authorized under this section, money may also be used for the following  
11 purposes, without limitation:

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

14 (A.5) INDIVIDUALS EXPERIENCING HOMELESSNESS;

15 (VII) GRANTS AND LOANS TO LOCAL GOVERNMENTS AND  
16 NONPROFIT ORGANIZATIONS FOR THE RENTAL, ACQUISITION, OR

1 RENOVAION OF UNDERUTILIZED HOTELS, UNDERUTILIZED MOTELS, AND  
2 OTHER UNDERUTILIZED PROPERTIES TO PROVIDE NONCONGREGATE  
3 SHELTERING OR AFFORDABLE HOUSING FOR PEOPLE EXPERIENCING  
4 HOMELESSNESS. THE DIVISION SHALL DEFINE THE TERMS "UNDERUTILIZED  
5 HOTEL", "UNDERUTILIZED MOTEL", AND "UNDERUTILIZED PROPERTY" BY  
6 POLICIES AND PROCEDURES. LOCAL GOVERNMENTS AND NONPROFIT  
7 ORGANIZATIONS THAT ARE AWARDED GRANTS OR LOANS UNDER THIS  
8 SUBSECTION (2)(d)(VII) ARE ENCOURAGED TO RENT, ACQUIRE, OR  
9 RENOVATE UNDERUTILIZED HOTELS, UNDERUTILIZED MOTELS, AND OTHER  
10 UNDERUTILIZED PROPERTIES THAT ARE MINORITY-OWNED OR  
11 WOMEN-OWNED BUSINESSES, THAT HAVE ANNUAL REVENUES UNDER FIVE  
12 MILLION DOLLARS, OR THAT QUALIFY AS DISADVANTAGED BUSINESS  
13 ENTERPRISES AS DEFINED IN PART 23 OF TITLE 49 OF THE CODE OF FEDERAL  
14 REGULATIONS, AS AMENDED.

15 (g) (I) WITHIN THREE BUSINESS DAYS OF THE EFFECTIVE DATE OF  
16 THIS SUBSECTION (2)(g), THE STATE TREASURER SHALL TRANSFER FIFTEEN  
17 MILLION DOLLARS FROM THE GENERAL FUND TO THE HOUSING  
18 DEVELOPMENT GRANT FUND.

19 (II) THE DIVISION SHALL USE MONEY TRANSFERRED FROM THE  
20 GENERAL FUND PURSUANT TO SUBSECTION (2)(g)(I) OF THIS SECTION FOR  
21 THE PURPOSES ALLOWED UNDER SUBSECTION (2)(d)(VI)(A.5) OF THIS  
22 SECTION THAT ARE RELATED TO SUBSECTION (2)(d)(VII) OF THIS SECTION  
23 AND FOR THE PURPOSES ALLOWED BY SUBSECTION (2)(d)(VII) OF THIS  
24 SECTION.

25 (III) DURING THE DEPARTMENT OF LOCAL AFFAIRS' ANNUAL  
26 PRESENTATION IN 2022 AND 2023 TO THE COMMITTEES OF REFERENCE  
27 PURSUANT TO SECTION 2-7-203, THE DEPARTMENT SHALL INCLUDE A

1       SUMMARIZED REPORT OF THE RENTAL AND TENANCY SUPPORT SERVICE  
2       PROGRAMS PROVIDED BY THE DIVISION OF HOUSING PURSUANT TO  
3       SUBSECTION (2)(d)(VI)(A.5) OF THIS SECTION THAT ARE RELATED TO  
4       UNDERUTILIZED HOTELS, UNDERUTILIZED MOTELS, AND OTHER  
5       UNDERUTILIZED PROPERTIES AND THE GRANTS AND LOANS AWARDED BY  
6       THE DIVISION OF HOUSING FOR THE RENTAL, ACQUISITION, OR RENOVATION  
7       OF UNDERUTILIZED HOTELS, UNDERUTILIZED MOTELS, AND OTHER  
8       UNDERUTILIZED PROPERTIES PURSUANT TO SUBSECTION (2)(d)(VII) OF  
9       THIS SECTION.

10               **SECTION 2. Appropriation.** For the 2020-21 state fiscal year,  
11       \$15,000,000 is appropriated to the department of local affairs for use by  
12       the division of housing. This appropriation is from the general fund. To  
13       implement this act, the division of housing may use this appropriation as  
14       specified in section 24-32-721 (2)(g)(II). Any money appropriated in this  
15       section not expended prior to July 1, 2021, is further appropriated to the  
16       department of local affairs for the 2021-22 state fiscal year for the same  
17       purpose.

18               **SECTION 3. Safety clause.** The general assembly hereby finds,  
19       determines, and declares that this act is necessary for the immediate  
20       preservation of the public peace, health, or safety.