

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

REREVISED

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

LLS NO. 21-0881.01 Bob Lackner x4350

SENATE BILL 21-252

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Senate Committees

Local Government
Appropriations

House Committees

Transportation & Local Government
Appropriations

HOUSE
3rd Reading Unamended
June 3, 2021

A BILL FOR AN ACT

101 **CONCERNING THE ESTABLISHMENT OF A STATE GRANT PROGRAM TO**
102 **PROMOTE PROJECTS IN COMMERCIAL CENTERS THROUGHOUT**
103 **THE STATE THAT WILL REVITALIZE COMMUNITY SPACES AND, IN**
104 **CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

HOUSE
Amended 2nd Reading
June 1, 2021

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>.)

SENATE
3rd Reading Unamended
May 21, 2021

The bill establishes the community revitalization grant program (grant program) in the division of creative industries (division) in the office of economic development (office). The grant program is

SENATE
Amended 2nd Reading
May 20, 2021

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.

established to provide money awards to finance various projects across the state that are intended to create or revitalize mixed-use commercial centers. The grant program is intended to support creative projects in these commercial centers that would combine revitalized or newly constructed commercial spaces with public or community spaces including but not limited to certain projects specified in the bill. In allocating grant money under the grant program, preference will be given to certain projects based on prioritization factors enumerated in the bill. All grants awarded under this section must be encumbered no later than December 31, 2022.

The division will administer the grant program in consultation with the division of local government (DLG) in the department of local affairs. The division may contract out part of its administrative duties under the grant program to a third-party administrative entity.

In connection with the administration of the grant program, the division and DLG are required to collaborate in creating a process that ensures that grants are only considered and awarded after a fair and rigorous open competition among eligible grant recipients. The division and DLG are also required to collaborate on the review of grant applications and the approval of grant awards. In connection with the review of grant applications and awards, the division must solicit input from a stakeholder group that includes representation from various groups and entities as specified in the bill.

On or before September 1, 2021, the director of the division, in consultation with the director of the DLG or their designees, are required to adopt policies, procedures, and guidelines for the grant program that include without limitation:

- Procedures and timelines by which an eligible recipient may apply for a grant;
- Criteria for determining grant eligibility and grant amounts; and
- Reporting requirements for grant recipients.

The bill specifies the types of projects meriting preference in the awarding of grants.

The bill creates the community revitalization fund (fund) in the state treasury. On the effective date of the bill, or as soon as practicable thereafter, the state treasurer is required to transfer \$65 million from the general fund to the fund. All money transferred is to be used for either grant awards or the costs of administering the grant program.

On or before November 1, 2022, and on or before November 1, 2023, the division is required to publish a report summarizing the use of all of the money that was awarded as grants under the grant program in the preceding fiscal year. The bill specifies additional required components of the report. The report must be posted on the website of the office. The bill requires the office to summarize the information

contained in the report in its "State Measurement for Accountable, Responsive, and Transparent (SMART) Government Act" hearings.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 24-48.5-316 as
3 follows:

4 **24-48.5-317. Community revitalization grants - fund -**
5 **reporting - definitions - repeal.** (1) AS USED IN THIS SECTION:

6 (a) "CREATIVE DISTRICTS" HAS THE SAME MEANING AS IS SPECIFIED
7 IN SECTION 24-48.5-314 (2)(b).

8 (b) "DIVISION OF LOCAL GOVERNMENT" MEANS THE DIVISION OF
9 LOCAL GOVERNMENT WITHIN THE DEPARTMENT OF LOCAL AFFAIRS
10 CREATED IN SECTION 24-32-103.

11 (c) "ELIGIBLE RECIPIENT" MEANS AN ENTITY THAT IS ELIGIBLE TO
12 RECEIVE A GRANT THROUGH THE GRANT PROGRAM AND INCLUDES LOCAL
13 GOVERNMENTS AND FOR-PROFIT AND NONPROFIT ENTITIES AND
14 ORGANIZATIONS.

15 (d) "FUND" MEANS THE COMMUNITY REVITALIZATION FUND
16 CREATED IN SUBSECTION (6)(a) OF THIS SECTION.

17 (e) "GRANT PROGRAM" MEANS THE COMMUNITY REVITALIZATION
18 GRANT PROGRAM ESTABLISHED IN SUBSECTION (2) OF THIS SECTION.

19 **(f) "LOCAL GOVERNMENT" MEANS A COUNTY, MUNICIPALITY, CITY**
20 **AND COUNTY, SPECIAL DISTRICT, OR SCHOOL DISTRICT.**

21 (2) (a) THE COMMUNITY REVITALIZATION GRANT PROGRAM IS
22 HEREBY ESTABLISHED IN THE DIVISION. THE PURPOSE OF THE GRANT
23 PROGRAM IS TO PROVIDE STATE ASSISTANCE IN THE FORM OF GRANT
24 AWARDS TO FINANCE VARIOUS PROJECTS ACROSS THE STATE THAT ARE
25 INTENDED TO CREATE OR REVITALIZE MIXED-USE COMMERCIAL CENTERS.

1 THE GRANT PROGRAM IS INTENDED TO SUPPORT CREATIVE PROJECTS IN
2 THESE COMMERCIAL CENTERS THAT WOULD COMBINE REVITALIZED OR
3 NEWLY CONSTRUCTED COMMERCIAL SPACES WITH PUBLIC OR COMMUNITY
4 SPACES INCLUDING BUT NOT LIMITED TO SUCH PROJECTS AS:

5 (I) FLEXIBLE LIVE-WORK OR VENDOR SPACES FOR ENTREPRENEURS,
6 ARTISTS, PERSONS EMPLOYED IN CREATIVE INDUSTRIES, AND ARTISAN
7 MANUFACTURERS;

8 (II) PERFORMANCE SPACES;

9 (III) MIXED-USE RETAIL AND WORKFORCE HOUSING PARTNERSHIPS;

10 (IV) MEETING SPACES FOR COMMUNITY EVENTS;

11 (V) THE RENOVATION OR REFURBISHMENT OF VACANT OR
12 BLIGHTED PROPERTY FOR CREATIVE INDUSTRIES, ECONOMIC
13 DEVELOPMENT, OR HISTORIC PRESERVATION PURPOSES; AND

14 (VI) CHILD CARE CENTERS.

15 (b) ALL GRANTS AWARDED UNDER THIS SECTION MUST BE
16 ENCUMBERED NOT LATER THAN DECEMBER 31, 2022.

17 (3) (a) THE DIVISION SHALL ADMINISTER THE GRANT PROGRAM IN
18 CONSULTATION WITH THE DIVISION OF LOCAL GOVERNMENT. THE DIVISION
19 MAY CONTRACT OUT PART OF ITS ADMINISTRATIVE DUTIES UNDER THIS
20 SECTION TO A THIRD-PARTY ADMINISTRATIVE ENTITY.

21 (b) IN CONNECTION WITH THE ADMINISTRATION OF THE GRANT
22 PROGRAM, THE DIVISION AND THE DIVISION OF LOCAL GOVERNMENT SHALL
23 COLLABORATE IN CREATING A PROCESS THAT ENSURES THAT GRANTS ARE
24 ONLY CONSIDERED AND AWARDED AFTER A FAIR AND RIGOROUS OPEN
25 COMPETITION AMONG ELIGIBLE GRANT RECIPIENTS. THE DIVISION AND THE
26 DIVISION OF LOCAL GOVERNMENT SHALL ALSO COLLABORATE ON THE
27 REVIEW OF GRANT APPLICATIONS AND THE APPROVAL OF GRANT AWARDS.

1 IN CONNECTION WITH THE REVIEW OF GRANT APPLICATIONS AND AWARDS,
2 THE DIVISION SHALL SOLICIT INPUT FROM A STAKEHOLDER GROUP THAT
3 INCLUDES REPRESENTATION FROM THE DIVISION, THE DEPARTMENT OF
4 LOCAL AFFAIRS, THE COLORADO HOUSING AND FINANCE AUTHORITY
5 CREATED IN SECTION 29-4-704 (1), A COMMUNITY DEVELOPMENT
6 FINANCIAL INSTITUTION, THE COLORADO EDUCATIONAL AND CULTURAL
7 FACILITIES AUTHORITY CREATED IN SECTION 23-15-104 (1)(a), HISTORY
8 COLORADO, AND OTHER RELEVANT STAKEHOLDERS, INDUSTRY PARTNERS,
9 HOUSING ADVOCATES, AND INTERESTED PARTIES.

10 (4) ON OR BEFORE SEPTEMBER 1, 2021, THE DIRECTOR OF THE
11 DIVISION, IN CONSULTATION WITH THE DIRECTOR OF THE DIVISION OF
12 LOCAL GOVERNMENT, OR THEIR DESIGNEES, SHALL ADOPT POLICES,
13 PROCEDURES, AND GUIDELINES FOR THE GRANT PROGRAM THAT INCLUDE
14 WITHOUT LIMITATION:

15 (a) PROCEDURES AND TIMELINES BY WHICH AN ELIGIBLE RECIPIENT
16 MAY APPLY FOR A GRANT;

17 (b) CRITERIA FOR DETERMINING GRANT ELIGIBILITY AND GRANT
18 AMOUNTS; AND

19 (c) REPORTING REQUIREMENTS FOR GRANT RECIPIENTS.

20 (5) (a) IN AWARDING GRANTS, THE DIVISION SHALL GIVE
21 PREFERENCE TO PROJECTS THAT:

22 (I) ARE LOCATED IN CREATIVE DISTRICTS OR IN HISTORIC
23 DISTRICTS;

24 (II) ARE LOCATED IN COMMUNITIES EXPERIENCING ECONOMIC
25 HARDSHIP;

26 (III) WILL STIMULATE COMMUNITY AND ECONOMIC DEVELOPMENT
27 IN PART THROUGH CREATIVE INDUSTRIES;

1 (IV) HAVE DEMONSTRATED AN ABILITY TO COMMENCE WORK
2 WITHIN A REASONABLE AMOUNT OF TIME;

3 (V) DEMONSTRATE BROAD SUPPORT FROM LOCAL GOVERNMENTS
4 AND SURROUNDING COMMUNITIES OR NEIGHBORHOODS;

5 (VI) DEMONSTRATE STRONG EVIDENCE OF BEING ABLE TO
6 ATTRACT ADDITIONAL SOURCES OF FUNDING FOR THE PROJECT;

7 (VII) INCORPORATE SUSTAINABLE AFFORDABLE HOUSING
8 ELEMENTS; AND

9 (VIII) DEMONSTRATE A PUBLIC BENEFIT.

10 (b) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION,
11 IN THE CASE OF ANY APPLICATION FOR A GRANT FROM THE FUND THAT
12 REQUESTS AN AMOUNT IN EXCESS OF ONE HUNDRED THOUSAND DOLLARS,
13 TO THE EXTENT PRACTICABLE, THE GRANT AWARD SHALL NOT EXCEED
14 MORE THAN FIFTY PERCENT OF THE TOTAL COSTS OF THE PROJECT TO BE
15 FUNDED BY THE GRANT.

16 (6) (a) THE COMMUNITY REVITALIZATION FUND IS HEREBY
17 CREATED IN THE STATE TREASURY. THE FUND CONSISTS OF MONEY
18 TRANSFERRED TO THE FUND PURSUANT TO SUBSECTION (7) OF THIS
19 SECTION; MONEY APPROPRIATED TO THE FUND BY THE GENERAL
20 ASSEMBLY; AND ANY GIFTS, GRANTS, OR DONATIONS FROM ANY PUBLIC OR
21 PRIVATE SOURCES, INCLUDING GOVERNMENTAL ENTITIES, THAT THE
22 DIVISION IS HEREBY AUTHORIZED TO SEEK AND ACCEPT.

23 (b) EXCEPT AS OTHERWISE REQUIRED BY THIS SUBSECTION (6)(b),
24 ALL MONEY NOT EXPENDED OR ENCUMBERED, AND ALL INTEREST EARNED
25 ON THE INVESTMENT OR DEPOSIT OF MONEY IN THE FUND, MUST REMAIN
26 IN THE FUND AND SHALL NOT REVERT TO THE GENERAL FUND OR ANY
27 OTHER FUND AT THE END OF ANY FISCAL YEAR. THE MONEY IN THE FUND

1 IS CONTINUOUSLY APPROPRIATED TO THE DIVISION FOR THE PURPOSES OF
2 THIS SECTION. ANY MONEY IN THE FUND NOT EXPENDED OR ENCUMBERED
3 BY DECEMBER 31, 2022, MUST REVERT TO THE GENERAL FUND.

4 (7) ON THE EFFECTIVE DATE OF THIS SECTION, OR AS SOON AS
5 PRACTICABLE THEREAFTER, THE STATE TREASURER SHALL TRANSFER
6 SIXTY-FIVE MILLION DOLLARS FROM THE GENERAL FUND TO THE FUND.
7 THE DIVISION SHALL USE THE MONEY TRANSFERRED PURSUANT TO THIS
8 SUBSECTION (7) ONLY FOR:

9 (a) MAKING GRANTS TO ELIGIBLE RECIPIENTS PURSUANT TO THE
10 GRANT PROGRAM; AND

11 (b) THE COSTS OF ADMINISTERING THE GRANT PROGRAM AS MAY
12 BE INCURRED BY THE DIVISION, THE DIVISION OF LOCAL GOVERNMENT, OR
13 ANY THIRD-PARTY ENTITY IN ADMINISTERING THE SAME. NOT MORE THAN
14 FOUR PERCENT OF THE MONEY APPROPRIATED TO THE DIVISION FOR
15 PURPOSES OF THIS SECTION MAY BE USED TO COVER THE TOTAL
16 ADMINISTRATIVE COSTS THE DIVISION, THE DIVISION OF LOCAL
17 GOVERNMENT, AND ANY THIRD-PARTY ENTITY MAY INCUR IN
18 ADMINISTERING THE GRANT PROGRAM. ALL SUCH ADMINISTRATIVE COSTS
19 MUST BE PAID OUT OF THE MONEY TRANSFERRED TO THE FUND PURSUANT
20 TO THIS SUBSECTION (7).

21 (8) (a) ON OR BEFORE NOVEMBER 1, 2022, AND ON OR BEFORE
22 NOVEMBER 1, 2023, THE DIVISION SHALL PUBLISH A REPORT SUMMARIZING
23 THE USE OF ALL OF THE MONEY THAT WAS AWARDED AS GRANTS UNDER
24 THE GRANT PROGRAM IN THE PRECEDING FISCAL YEAR. AT A MINIMUM,
25 THE REPORT SHALL SPECIFY THE AMOUNT OF GRANT MONEY DISTRIBUTED
26 TO EACH GRANT RECIPIENT AND A DESCRIPTION OF EACH GRANT
27 RECIPIENT'S USE OF THE GRANT MONEY. THE REPORT MUST BE POSTED ON

1 THE WEBSITE OF THE OFFICE OF ECONOMIC DEVELOPMENT CREATED IN
2 SECTION 24-48.5-101.

3 (b) IN ITS PRESENTATION TO THE JOINT COMMITTEES OF REFERENCE
4 PURSUANT TO SECTION 2-7-203, THE OFFICE OF ECONOMIC DEVELOPMENT,
5 CREATED IN SECTION 24-48.5-101, SHALL SUMMARIZE THE INFORMATION
6 CONTAINED IN THE REPORT PUBLISHED BY THE DIVISION PURSUANT TO
7 SUBSECTION (8)(a) OF THIS SECTION.

8 (9) THIS SECTION IS REPEALED, EFFECTIVE JANUARY 1, 2025.

9 **SECTION 2.** In Colorado Revised Statutes, 24-32-104, **add** (4)
10 as follows:

11 **24-32-104. Functions of the division - definition.** (4) THE
12 DIVISION SHALL CONSULT WITH THE CREATIVE INDUSTRIES DIVISION
13 WITHIN THE COLORADO OFFICE OF ECONOMIC DEVELOPMENT CREATED IN
14 SECTION 24-48.5-301 IN CONNECTION WITH THE ADMINISTRATION OF THE
15 COMMUNITY REVITALIZATION GRANT PROGRAM IN ACCORDANCE WITH
16 SECTION 24-48.5-317.

17 **SECTION 3.** In Colorado Revised Statutes, 24-32-129, **amend** (3)
18 as follows:

19 **24-32-129. Small business relief program - address negative**
20 **effects of capacity limits due to COVID-19 pandemic - distribution**
21 **through local governments - definitions - report - repeal.**

22 (3) **Funding.** (a) For the 2020-21 state fiscal year, the general assembly
23 shall appropriate thirty-seven million dollars from the general fund to the
24 department of local affairs for use by the division in accordance with this
25 section.

26 (b) THE DEPARTMENT OF LOCAL AFFAIRS SHALL NOTIFY THE STATE
27 TREASURER IF, ON JUNE 30, 2021, THERE IS UNEXPENDED AND

1 UNENCUMBERED MONEY REMAINING FROM THE AMOUNT APPROPRIATED
2 TO THE DEPARTMENT PURSUANT TO THIS SUBSECTION (3). IF THE STATE
3 TREASURER IS SO NOTIFIED, THE STATE TREASURER SHALL TRANSFER
4 SEVEN MILLION DOLLARS OF THE UNEXPENDED AND UNENCUMBERED
5 AMOUNT TO THE DEPARTMENT FOR USE BY THE DIVISION OF LOCAL
6 GOVERNMENT IN ADMINISTERING THE COLORADO MAIN STREET PROGRAM.
7 NOT MORE THAN FOUR PERCENT OF THE MONEY APPROPRIATED TO THE
8 DIVISION FOR PURPOSES OF THIS SECTION MAY BE USED TO COVER THE
9 TOTAL ADMINISTRATIVE COSTS OF THE DIVISION IN ADMINISTERING THE
10 PROGRAM.

11 **SECTION 4.** In Session Laws of Colorado 2020, First
12 Extraordinary Session of the Seventy-Second General Assembly, section
13 10 of chapter 2, **amend** (1) as follows:

14 Section 10. **Appropriation.** (1) For the 2020-21 state fiscal year,
15 ~~\$37,000,000~~ **\$30,000,000** is appropriated to the department of local
16 affairs for use by the division of local government. This appropriation is
17 from the general fund and is based on an assumption that the department
18 will require an additional 2.1 FTE. To implement this act, the division
19 may use this appropriation for relief to small businesses.

20 **SECTION 5. Appropriation.** For the 2021-22 state fiscal year,
21 \$7,000,000 is appropriated to the department of local affairs for use by
22 the division of local government. This appropriation is from the general
23 fund. To implement this act, the division may use the appropriation for
24 Colorado main street program.

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26 **SECTION 6. Safety clause.** The general assembly hereby finds,

- 1 determines, and declares that this act is necessary for the immediate
- 2 preservation of the public peace, health, or safety.