

**First Extraordinary Session
Seventy-fourth General Assembly
STATE OF COLORADO**

PREAMENDED

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

LLS NO. 23B-0015.01 Richard Sweetman x4333

HOUSE BILL 23B-1001

HOUSE SPONSORSHIP

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House Committees

Transportation, Housing & Local Government
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A BILL FOR AN ACT

101 **CONCERNING THE CREATION OF THE EMERGENCY RENTAL ASSISTANCE**
102 **GRANT PROGRAM WITHIN THE DEPARTMENT OF LOCAL AFFAIRS**
103 **FOR THE PURPOSE OF PROVIDING EMERGENCY RENTAL**
104 **ASSISTANCE DURING THE 2023-2024 STATE FISCAL YEAR.**

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 creates the emergency rental assistance grant program (grant program) in the division of housing (division) within the department of local affairs (department) to provide grants to residential

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

tenants who have an annual household income of 80% or less than the area median income and are at risk of eviction or displacement. The division administers the grant program and contracts with nonprofit organizations to award grants. Grants are paid from money in the housing development grant fund (fund).

To receive a grant, an individual must apply to the division's statewide application portal. Grant money may be expended only by a nonprofit organization that contracts with the division. Permissible uses of grant money include only the following:

- Paying rent in arrears, rent presently owed, and rent up to 2 months in advance on behalf of a grant recipient;
- Paying utility bills, late fees, court costs, attorney fees, and any other costs associated with preventing a tenant's eviction;
- Paying costs associated with relocation, including deposits and other move-in expenses, on behalf of a grant recipient;
- Paying for efforts to generate awareness of the grant program among tenants who are at risk of eviction or displacement;
- Paying for project delivery costs associated with application review as determined by the division; and
- Paying costs of administering the grant program.

Contracted nonprofit organizations must report to the executive director of the department (executive director) regarding grant amounts and uses of grant money. During the next regular session of the general assembly, the executive director must report to the joint budget committee and the legislative committees with oversight of local government matters concerning the grant program.

Within 3 days after the effective date of the bill, the state treasurer must transfer \$30 million from the general fund to the fund for the purposes of the grant program. The division must use the money in the fund by June 30, 2024.

Any portion of the money transferred to the fund that is not expended by the division for the purposes of the grant program by June 30, 2024, reverts to the general fund. The grant program is repealed, effective June 30, 2025.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 finds that:

4 (a) Home values are rising at historic rates across Colorado, and

1 with the failure of Proposition HH, Coloradans now face an
2 unprecedented and immediate crisis with an anticipated forty-percent
3 average increase in property tax bills unless the legislature enacts a
4 solution to reduce pending increases in property tax bills;

5 (b) Increased property taxes impact not only homeowners but also
6 renters, who invariably bear the burden of increased costs on landlords in
7 the form of increased rent; in fact, renters are most vulnerable to
8 increased property taxes, because unlike landlords they do not benefit
9 from the corresponding gain in equity, making it harder for hardworking
10 Colorado renters to thrive and achieve economic freedom;

11 (c) Skyrocketing home values reduce renters' opportunities to
12 purchase homes and escape the cycle of renting; and

13 (d) An inflationary economy with higher interest rates makes it
14 even more difficult for low-income tenants, including fixed-income
15 seniors, to stay in homes that were once affordable.

16 (2) Therefore, the general assembly declares that it is in the best
17 interests of the state for the state to immediately provide assistance to
18 tenants who are at risk of eviction or displacement in order to reduce the
19 number of such tenants who will be evicted or displaced and to reduce the
20 costs associated with any displacement that occurs as a result of the
21 impact of seemingly inevitable and substantial property tax increases in
22 the near future.

23 **SECTION 2.** In Colorado Revised Statutes, 24-32-721, **amend**
24 **(1); and add (7) 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.** (1) There is hereby created in the state
3 treasury the housing development grant fund, which fund is administered
4 by the division and is referred to in this section as the "fund". The fund
5 consists of money credited to the fund in accordance with section
6 39-26-123 (3)(b); money transferred to the fund in accordance with
7 section 24-22-118 (2); money appropriated to the fund by the general
8 assembly; all money transferred to the fund from the marijuana tax cash
9 fund created in section 39-28.8-501 (1) and any other cash fund
10 maintained by the state; all money transferred to the fund from the general
11 fund pursuant to ~~subsection (6)~~ SUBSECTIONS (6) AND (7) of this section;
12 all money collected by the division for purposes of this section from
13 federal grants, from other contributions, gifts, grants, and donations
14 received from any other organization, entity, or individual, public or
15 private; and from any fees or interest earned on such money. The division
16 is hereby authorized and directed to solicit, accept, expend, and disburse
17 all money collected for the fund from the sources specified in this
18 subsection (1) for the purpose of making grants, loans, or other forms of
19 assistance that may be awarded under section 24-32-721.7 and for
20 program administration as provided in this section. All such money must
21 be transmitted to the state treasurer to be credited to the fund. The money
22 in the fund is continuously appropriated to the division for the purposes
23 of this section.

24 (7) (a) AS USED IN THIS SUBSECTION (7), UNLESS THE CONTEXT
25 OTHERWISE REQUIRES:

26 (I) "AT RISK OF EVICTION OR DISPLACEMENT" MEANS THAT A
27 TENANT HAS RECEIVED FROM A LANDLORD A NOTICE OF LATE PAYMENT OF

1 RENT OR A DEMAND FOR PAYMENT OF RENT. [REDACTED]

2 (II) "EXECUTIVE DIRECTOR" MEANS THE EXECUTIVE DIRECTOR OF
3 THE DEPARTMENT OF LOCAL AFFAIRS.

4 (III) "GRANT PROGRAM" MEANS THE EMERGENCY RENTAL
5 ASSISTANCE GRANT PROGRAM CREATED IN SUBSECTION (7)(b) OF THIS
6 SECTION.

7 (IV) "RESIDENTIAL PREMISES" MEANS:

8 (A) A RESIDENTIAL PREMISES, AS DEFINED IN SECTION 38-12-502
9 (8); OR

10 (B) A MOBILE HOME, AS DEFINED IN SECTION 38-12-201.5 (5),
11 THAT IS SUBJECT TO A TENANCY IN A MOBILE HOME PARK UNDER A RENTAL
12 AGREEMENT.

13 (V) "STATEWIDE APPLICATION PORTAL" MEANS THE STATEWIDE
14 APPLICATION PORTAL THAT THE DIVISION MAINTAINS ON ITS PUBLIC
15 WEBSITE FOR THE PURPOSE OF ADMINISTERING THE GRANT PROGRAM.

16 (VI) "TENANT" MEANS:

17 (A) A TENANT, AS DEFINED IN SECTION 38-12-502 (9); OR

18 (B) A HOME OWNER, AS DEFINED IN SECTION 38-12-201.5 (2).

19 (b) THE EMERGENCY RENTAL ASSISTANCE GRANT PROGRAM IS
20 CREATED IN THE DIVISION TO PROVIDE GRANTS TO TENANTS WHO HAVE A
21 HOUSEHOLD INCOME OF EIGHTY PERCENT OR LESS THAN THE AREA MEDIAN
22 INCOME AND WHO ARE AT RISK OF EVICTION OR DISPLACEMENT.

23 (c) THE DIVISION SHALL ADMINISTER THE GRANT PROGRAM AND,
24 SUBJECT TO AVAILABLE FUNDING, SHALL CONTRACT WITH
25 COLORADO-BASED NONPROFIT ORGANIZATIONS TO AWARD GRANTS AS
26 PROVIDED IN THIS SUBSECTION (7). SUBJECT TO AVAILABLE FUNDING,
27 GRANTS SHALL BE PAID OUT OF THE FUND.

1 (d) THE DIVISION SHALL ESTABLISH FORMS AND PROCEDURES TO
2 IMPLEMENT THE GRANT PROGRAM, INCLUDING THE TIME FRAMES FOR
3 APPLYING FOR GRANTS, THE FORM OF THE GRANT PROGRAM APPLICATION,
4 AND THE TIME FRAMES FOR DISTRIBUTING GRANT MONEY. THE DIVISION
5 SHALL MAKE THE FORMS AVAILABLE IN ENGLISH AND SPANISH.

6 (e) IN ORDER TO BE ELIGIBLE TO RECEIVE A GRANT FROM THE
7 GRANT PROGRAM, AN APPLICANT MUST:

8 (I) BE A TENANT OF A RESIDENTIAL PREMISES IN COLORADO THAT
9 IS THE APPLICANT'S PRIMARY RESIDENCE;

10 (II) HAVE AN ANNUAL HOUSEHOLD INCOME OF EIGHTY PERCENT OR
11 LESS THAN THE AREA MEDIAN INCOME; AND

12 (III) BE AT RISK OF EVICTION OR DISPLACEMENT.

13 (f) GRANT MONEY SHALL BE EXPENDED ONLY BY A NONPROFIT
14 ORGANIZATION THAT CONTRACTS WITH THE DIVISION PURSUANT TO
15 SUBSECTION (7)(c) OF THIS SECTION. PERMISSIBLE USES OF GRANT MONEY
16 INCLUDE ONLY THE FOLLOWING:

17 (I) PAYING RENT IN ARREARS, RENT PRESENTLY OWED, AND RENT
18 UP TO TWO MONTHS IN ADVANCE ON BEHALF OF A GRANT RECIPIENT;
19 EXCEPT THAT GRANT MONEY SHALL NOT BE EXPENDED TO PAY RENT FOR
20 ANY PERIOD OF TIME AFTER JUNE 30, 2024;

21 (II) PAYING UTILITY BILLS, LATE FEES, COURT COSTS, REASONABLE
22 ATTORNEY FEES, AND ANY OTHER COSTS ASSOCIATED WITH PREVENTING
23 A TENANT'S EVICTION;

24 (III) PAYING COSTS ASSOCIATED WITH RELOCATION, INCLUDING
25 DEPOSITS AND OTHER MOVE-IN EXPENSES, ON BEHALF OF A GRANT
26 RECIPIENT;

27 (IV) PAYING FOR EFFORTS TO GENERATE AWARENESS OF THE

1 GRANT PROGRAM AMONG TENANTS WHO ARE AT RISK OF EVICTION OR
2 DISPLACEMENT;

3 (V) PAYING FOR PROJECT DELIVERY COSTS ASSOCIATED WITH
4 APPLICATION REVIEW AS DETERMINED BY THE DIVISION; [REDACTED]

5 (VI) PAYING FOR HOUSING STABILITY SERVICES, AS DEFINED
6 WITHIN THE IMPLEMENTATION GUIDELINES OF THE EMERGENCY RENTAL
7 ASSISTANCE PROGRAM OF THE FEDERAL DEPARTMENT OF THE TREASURY;

8 AND

9 (VII) PAYING COSTS OF ADMINISTERING THE GRANT PROGRAM.

10 (g) THE DIVISION IS ENCOURAGED TO ESTABLISH CRITERIA AND
11 PROCEDURES BY WHICH A NONPROFIT ORGANIZATION THAT CONTRACTS
12 WITH THE DIVISION TO PROVIDE GRANTS PURSUANT TO SUBSECTION (7)(b)
13 OF THIS SECTION MAY NEGOTIATE WITH LANDLORDS TO SETTLE DEBTS
14 OWED BY TENANTS AS UNPAID RENT.

15 (h) TO RECEIVE A GRANT, A TENANT MUST APPLY THROUGH THE
16 STATEWIDE APPLICATION PORTAL. THE DIVISION SHALL ESTABLISH
17 PROCEDURES FOR THE ASSIGNMENT OF EACH APPLICATION TO A NONPROFIT
18 ORGANIZATION WITH WHICH THE DIVISION HAS CONTRACTED PURSUANT
19 TO SUBSECTION (7)(c) OF THIS SECTION.

20 (i) (I) EACH NONPROFIT ORGANIZATION THAT CONTRACTS WITH
21 THE DIVISION PURSUANT TO SUBSECTION (7)(c) OF THIS SECTION SHALL
22 REPORT TO THE EXECUTIVE DIRECTOR CONCERNING ANY GRANT THAT IS
23 FACILITATED BY THE NONPROFIT ORGANIZATION. THE REPORT MUST BE
24 SUBMITTED TO THE EXECUTIVE DIRECTOR OR TO THE EXECUTIVE
25 DIRECTOR'S DESIGNEE WITHIN A TIME FRAME DETERMINED IN THE
26 CONTRACT BETWEEN THE NONPROFIT ORGANIZATION AND THE DIVISION.

27 (II) DURING THE SECOND REGULAR SESSION OF THE

1 SEVENTY-FOURTH GENERAL ASSEMBLY, THE EXECUTIVE DIRECTOR SHALL
2 REPORT TO THE SENATE LOCAL GOVERNMENT AND HOUSING COMMITTEE
3 AND THE HOUSE OF REPRESENTATIVES TRANSPORTATION, HOUSING, AND
4 LOCAL GOVERNMENT COMMITTEE, OR ANY SUCCESSOR COMMITTEES,
5 UNDER THE "STATE MEASUREMENT FOR ACCOUNTABLE, RESPONSIVE,
6 AND TRANSPARENT (SMART) GOVERNMENT ACT", PART 2 OF ARTICLE 7
7 OF TITLE 2, CONCERNING THE ADMINISTRATION OF THE GRANT PROGRAM.
8 THE REPORT MUST INCLUDE A SUMMARY OF ANY INFORMATION REPORTED
9 TO THE EXECUTIVE DIRECTOR PURSUANT TO SUBSECTION (7)(i)(I) OF THIS
10 SECTION.

11 (III) NOT LATER THAN APRIL 5, 2024, THE EXECUTIVE DIRECTOR
12 SHALL SUBMIT A WRITTEN REPORT TO THE JOINT BUDGET COMMITTEE, THE
13 SENATE LOCAL GOVERNMENT AND HOUSING COMMITTEE, AND THE HOUSE
14 OF REPRESENTATIVES TRANSPORTATION, HOUSING, AND LOCAL
15 GOVERNMENT COMMITTEE, OR ANY SUCCESSOR COMMITTEES,
16 CONCERNING THE ADMINISTRATION OF THE GRANT PROGRAM. THE REPORT
17 MUST INCLUDE A SUMMARY OF ANY INFORMATION REPORTED TO THE
18 EXECUTIVE DIRECTOR PURSUANT TO SUBSECTION (7)(i)(I) OF THIS
19 SECTION.

20 (j) WITHIN THREE DAYS AFTER THE EFFECTIVE DATE OF THIS
21 SUBSECTION (7), THE STATE TREASURER SHALL TRANSFER THIRTY MILLION
22 DOLLARS FROM THE GENERAL FUND TO THE FUND. THE DIVISION MUST USE
23 THE MONEY BY JUNE 30, 2024, FOR THE PURPOSES DESCRIBED IN THIS
24 SUBSECTION (7). ANY UNEXPENDED AND UNENCUMBERED PORTION OF THE
25 MONEY TRANSFERRED TO THE FUND PURSUANT TO THIS SUBSECTION (7)(j)
26 THAT REMAINS IN THE FUND ON JUNE 30, 2024, SHALL BE TRANSFERRED TO
27 THE GENERAL FUND BY THE STATE TREASURER.

1 (k) A LANDLORD THAT ISSUES TO A TENANT A NOTICE OF LATE
2 RENT OR A DEMAND FOR PAYMENT OF RENT IS ENCOURAGED TO INCLUDE
3 WITH THE NOTICE OR DEMAND FOR PAYMENT A NOTIFICATION TO THE
4 TENANT CONCERNING THE GRANT PROGRAM AND THE POSSIBILITY THAT
5 THE TENANT MAY BE ELIGIBLE TO RECEIVE A GRANT FROM THE GRANT
6 PROGRAM.

7 (l) THIS SUBSECTION (7) IS REPEALED, EFFECTIVE JUNE 30, 2025.

8 **SECTION 3. Safety clause.** The general assembly finds,
9 determines, and declares that this act is necessary for the immediate
10 preservation of the public peace, health, or safety or for appropriations for
11 the support and maintenance of the departments of the state and state
12 institutions.