

## CHAPTER 347

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**GOVERNMENT - STATE**

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**HOUSE BILL 21-1329**

BY REPRESENTATIVE(S) Gonzales-Gutierrez and Woodrow, Amabile, Bacon, Benavidez, Bernett, Bird, Boesenecker, Cutter, Duran, Froelich, Gray, Hooton, Jackson, Jodeh, Kennedy, Kipp, McCluskie, McCormick, McLachlan, Michaelson Jenet, Mullica, Ortiz, Ricks, Roberts, Sirota, Sullivan, Tipper, Titone, Valdez A., Weissman, Young, Garnett, Daugherty, Herod, Lontine, Snyder, Valdez D.;

also SENATOR(S) Holbert and Gonzales, Bridges, Buckner, Danielson, Donovan, Fenberg, Ginal, Jaquez Lewis, Kolker, Lee, Moreno, Pettersen, Priola, Rodriguez, Story, Zenzinger, Garcia.

**AN ACT**

**CONCERNING THE USE OF MONEY THE STATE RECEIVES FROM THE FEDERAL GOVERNMENT UNDER THE "AMERICAN RESCUE PLAN ACT OF 2021" TO MAKE INVESTMENTS IN HOUSING TO ASSIST PERSONS DISPROPORTIONATELY IMPACTED BY THE COVID-19 PUBLIC HEALTH EMERGENCY FACING HOUSING INSECURITY, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

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

**SECTION 1.** In Colorado Revised Statutes, **add 24-75-229** as follows:

**24-75-229. Affordable housing and home ownership cash fund - creation - allowable uses - task force - legislative declaration - definitions - repeal.**

(1) THE GENERAL ASSEMBLY FINDS, DETERMINES, AND DECLARES THAT:

(a) AS A RESULT OF THE COVID-19 PUBLIC HEALTH EMERGENCY, A SIGNIFICANT SHARE OF HOUSEHOLDS ACROSS THE STATE NOW FACE VARIOUS FORMS OF HOUSING INSECURITY;

(b) ALTHOUGH THE IMPACTS OF THE COVID-19 PUBLIC HEALTH EMERGENCY HAVE BEEN WIDESPREAD, BOTH THE PUBLIC HEALTH AND ECONOMIC IMPACT OF THE PANDEMIC HAVE FALLEN MOST SEVERELY ON DISADVANTAGED COMMUNITIES AND POPULATIONS. LOW-INCOME COMMUNITIES, PEOPLE OF COLOR, AND TRIBAL COMMUNITIES HAVE FACED HIGHER RATES OF INFECTION, HOSPITALIZATION, AND DEATH, AS WELL AS HIGHER RATES OF UNEMPLOYMENT AND LACK OF BASIC NECESSITIES SUCH AS FOOD AND HOUSING. PREEXISTING SOCIAL VULNERABILITIES MAGNIFIED THE PANDEMIC IN THESE COMMUNITIES, WHERE A REDUCED ABILITY TO

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*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.*

WORK FROM HOME AND DENSER HOUSING AMPLIFIED THE RISK OF INFECTION.

(c) THE FEDERAL GOVERNMENT ENACTED THE "AMERICAN RESCUE PLAN ACT OF 2021" TO PROVIDE SUPPORT TO STATE, LOCAL, AND TRIBAL GOVERNMENTS IN RESPONDING TO THE IMPACT OF COVID-19 AND TO ASSIST THEIR EFFORTS TO CONTAIN THE EFFECTS OF COVID-19 ON THEIR COMMUNITIES, RESIDENTS, AND BUSINESSES. UNDER THE FEDERAL ACT, THE STATE OF COLORADO RECEIVES OVER THREE BILLION DOLLARS TO BE USED FOR THE PURPOSES IDENTIFIED IN THE FEDERAL ACT.

(d) REGULATIONS CONSTRUING THE FEDERAL ACT PROMULGATED BY THE UNITED STATES TREASURY IDENTIFY A NONEXCLUSIVE LIST OF USES THAT ADDRESS THE DISPROPORTIONATE NEGATIVE ECONOMIC EFFECTS OF THE COVID-19 PUBLIC HEALTH EMERGENCY, INCLUDING BUILDING STRONGER COMMUNITIES THROUGH INVESTMENTS IN HOUSING AND NEIGHBORHOODS. SERVICES IN THIS CATEGORY ALLEVIATE THE IMMEDIATE ECONOMIC IMPACT OF THE COVID-19 PUBLIC HEALTH EMERGENCY ON HOUSING INSECURITY, WHILE ADDRESSING CONDITIONS THAT CONTRIBUTED TO POOR PUBLIC HEALTH AND ECONOMIC OUTCOMES DURING THE PANDEMIC, NAMELY CONCENTRATED AREAS WITH LIMITED ECONOMIC OPPORTUNITY AND INADEQUATE OR POOR QUALITY HOUSING. UNDER THESE REGULATIONS, FUNDS MAY BE USED FOR PROGRAMS OR SERVICES THAT ADDRESS HOUSING INSECURITY, LACK OF AFFORDABLE AND WORKFORCE HOUSING, OR HOMELESSNESS, INCLUDING:

(I) SUPPORTIVE HOUSING OR OTHER PROGRAMS OR SERVICES TO IMPROVE ACCESS TO STABLE, AFFORDABLE HOUSING AMONG UNHOUSED INDIVIDUALS;

(II) THE DEVELOPMENT OF AFFORDABLE HOUSING TO INCREASE THE SUPPLY OF AFFORDABLE HOUSING UNITS THAT ARE LIVABLE, VIBRANT, AND DRIVEN BY COMMUNITY BENEFITS; AND

(III) HOUSING VOUCHERS AND ASSISTANCE TO ALLOW INDIVIDUALS TO RELOCATE IN NEIGHBORHOODS WITH HIGH LEVELS OF ECONOMIC OPPORTUNITY AND TO REDUCE CONCENTRATED AREAS OF LOW ECONOMIC OPPORTUNITY.

(e) THE GENERAL ASSEMBLY FURTHER DETERMINES THAT THE PROGRAMS AND SERVICES FUNDED BY THE TRANSFERS IN THIS SECTION ARE APPROPRIATE USES OF THE MONEY TRANSFERRED TO COLORADO UNDER THE FEDERAL ACT. THIS MONEY WILL BE PUT TO EXPEDITIOUS AND EFFICIENT USE IN BUILDING STRONGER COMMUNITIES ACROSS THE STATE BY MAKING INVESTMENTS IN HOUSING FOR POPULATIONS, HOUSEHOLDS, OR GEOGRAPHIC AREAS DISPROPORTIONATELY AFFECTED BY THE COVID-19 PUBLIC HEALTH EMERGENCY.

(f) BY THE ENACTMENT OF THIS SECTION, THE GENERAL ASSEMBLY INTENDS THAT THE MONEY APPROPRIATED TO THE DEPARTMENT OF LOCAL AFFAIRS FOR USE BY THE DIVISION OF HOUSING FROM THE AFFORDABLE HOUSING AND HOME OWNERSHIP CASH FUND CREATED IN SECTION 24-75-229 (3)(a) BE USED TO FINANCE PROGRAMS AND SERVICES THAT PROVIDE GAP FINANCING FOR PROJECTS FINANCED THROUGH THE HOUSING INVESTMENT TRUST FUND CREATED IN SECTION 24-32-717 OR THE HOUSING DEVELOPMENT GRANT FUND CREATED IN SECTION 24-32-721. THE GENERAL ASSEMBLY FURTHER INTENDS THAT THE PROGRAMS AND SERVICES FINANCED BY THIS APPROPRIATION ASSIST POPULATIONS, HOUSEHOLDS, OR GEOGRAPHIC AREAS

DISPROPORTIONATELY AFFECTED BY THE COVID-19 PUBLIC HEALTH EMERGENCY IN ORDER TO OBTAIN AFFORDABLE HOUSING BY THE ACQUISITION, CONSTRUCTION, OR RENOVATION OF AFFORDABLE HOUSING PROJECTS OR LAND ACQUISITION, THUS ENABLING INDIVIDUALS AND FAMILIES TO RELOCATE TO NEIGHBORHOODS WITH HIGH LEVELS OF ECONOMIC OPPORTUNITY AND REDUCING CONCENTRATED AREAS OF LOW ECONOMIC OPPORTUNITY.

(g) PURSUANT TO 31 C.F.R. 35.6 (b)(6), THE TRANSFER TO THE EVICTION LEGAL DEFENSE FUND REQUIRED BY SUBSECTION (3.5) OF THIS SECTION FOR THE PURPOSE OF PROVIDING LEGAL REPRESENTATION TO INDIGENT TENANTS TO RESOLVE CIVIL LEGAL MATTERS ARISING ON AND AFTER MARCH 1, 2020, FOR AN EVICTION OR IMPENDING EVICTION RELATED TO THE PUBLIC HEALTH EMERGENCY CAUSED BY THE COVID-19 PUBLIC HEALTH EMERGENCY, IS INTENDED TO ADDRESS HOUSING INSECURITY, LACK OF AFFORDABLE HOUSING, OR HOMELESSNESS TO ASSIST PERSONS DISPROPORTIONATELY AFFECTED BY THE PUBLIC HEALTH EMERGENCY IN OBTAINING AFFORDABLE HOUSING. ACCORDINGLY, THE GENERAL ASSEMBLY FURTHER FINDS, DETERMINES, AND DECLARES THAT THE TRANSFER REQUIRED BY SUBSECTION (3.5) OF THIS SECTION IS AN ELIGIBLE USE OF MONEY RECEIVED BY THE STATE UNDER THE "AMERICAN RESCUE PLAN ACT OF 2021", PUB. L. 117-2.

(2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "AMERICAN RESCUE PLAN ACT OF 2021" OR "FEDERAL ACT" MEANS THE FEDERAL "AMERICAN RESCUE PLAN ACT OF 2021", PUB.L. 117-2, AS THE ACT MAY BE SUBSEQUENTLY AMENDED.

(b) "DEPARTMENT" MEANS A PRINCIPAL DEPARTMENT IDENTIFIED IN SECTION 24-1-110, THE JUDICIAL DEPARTMENT, AND THE LEGISLATIVE DEPARTMENT.

(c) "FUND" MEANS EITHER THE AFFORDABLE HOUSING AND HOME OWNERSHIP CASH FUND CREATED IN SUBSECTION (3)(a) OF THIS SECTION OR AN IDENTICAL COMPANION FUND CREATED IN SECTION 24-75-226 (4)(c).

(3) (a) THE AFFORDABLE HOUSING AND HOME OWNERSHIP CASH FUND IS HEREBY CREATED IN THE STATE TREASURY. THE FUND CONSISTS OF MONEY DEPOSITED IN THE FUND IN ACCORDANCE WITH SUBSECTION (3)(b) OF THIS SECTION AND ANY OTHER MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER TO THE FUND. TO RESPOND TO THE PUBLIC HEALTH EMERGENCY WITH RESPECT TO COVID-19 OR ITS NEGATIVE ECONOMIC IMPACTS, THE GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER MONEY FROM THE FUND TO A DEPARTMENT OR CASH FUND FOR PROGRAMS OR SERVICES THAT BENEFIT POPULATIONS, HOUSEHOLDS, OR GEOGRAPHIC AREAS DISPROPORTIONATELY AFFECTED BY THE COVID-19 PUBLIC HEALTH EMERGENCY TO OBTAIN AFFORDABLE HOUSING, FOCUSING ON PROGRAMS OR SERVICES THAT ADDRESS HOUSING INSECURITY, LACK OF AFFORDABLE AND WORKFORCE HOUSING, OR HOMELESSNESS. MONEY FROM THE FUND MAY BE EXPENDED TO SUPPORT THE TASK FORCE CREATED IN SUBSECTION (5)(a) OF THIS SECTION. PERMISSIBLE USES OF SUCH MONEY INCLUDE COSTS ASSOCIATED WITH THE CREATION AND ADMINISTRATION OF THE TASK FORCE AND RELATED EXPENSES FOR RESEARCH AND EVALUATION UNDERTAKEN BY THE TASK FORCE.

(b) (I) THREE DAYS AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (3)(b)(I),

THE STATE TREASURER SHALL TRANSFER FIVE HUNDRED FIFTY MILLION DOLLARS FROM THE "AMERICAN RESCUE PLAN ACT OF 2021" CASH FUND CREATED IN SECTION 24-75-226 TO THE FUND; AND

(II) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE FUND TO THE FUND.

(c) THE DIVISION OF HOUSING WITHIN THE DEPARTMENT OF LOCAL AFFAIRS SHALL USE THE APPROPRIATION MADE BY HOUSE BILL 21-1329, ENACTED IN 2021, FOR PROGRAMS OR SERVICES OF THE TYPE AND KIND FINANCED THROUGH THE HOUSING INVESTMENT TRUST FUND CREATED IN SECTION 24-32-717 OR THE HOUSING DEVELOPMENT GRANT FUND CREATED IN SECTION 24-32-721 TO SUPPORT THE PROGRAMS OR SERVICES THAT BENEFIT POPULATIONS, HOUSEHOLDS, OR GEOGRAPHIC AREAS DISPROPORTIONATELY AFFECTED BY THE COVID-19 PUBLIC HEALTH EMERGENCY TO OBTAIN AFFORDABLE HOUSING, FOCUSING ON PROGRAMS OR SERVICES THAT ADDRESS HOUSING INSECURITY, LACK OF AFFORDABLE AND WORKFORCE HOUSING, OR HOMELESSNESS, INCLUDING THE PROGRAMS OR SERVICES DESCRIBED IN SUBSECTION (1)(d) OF THIS SECTION. THE DIVISION MAY USE NOT MORE THAN THREE PERCENT OF ANY MONEY APPROPRIATED OR TRANSFERRED TO IT UNDER HOUSE BILL 21-1329, ENACTED IN 2021, TO COVER THE TOTAL ADMINISTRATIVE COSTS OF THE DIVISION IN ADMINISTERING THE PROGRAMS OR SERVICES FOR WHICH MONEY IS APPROPRIATED OR TRANSFERRED TO IT UNDER HOUSE BILL 21-1329, ENACTED IN 2021.

(4) THREE DAYS AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (4), THE STATE TREASURER SHALL TRANSFER ONE MILLION FIVE HUNDRED THOUSAND DOLLARS FROM THE FUND TO THE EVICTION LEGAL DEFENSE FUND CREATED IN SECTION 13-40-127 (2).

(5) A DEPARTMENT MAY EXPEND MONEY APPROPRIATED FROM THE FUND FOR PURPOSES PERMITTED UNDER THE "AMERICAN RESCUE PLAN ACT OF 2021" AND SHALL NOT USE THE MONEY FOR ANY PURPOSE PROHIBITED BY THE ACT. A DEPARTMENT, NONPROFIT ORGANIZATION, OR LOCAL GOVERNMENT, INCLUDING A COUNTY, MUNICIPALITY, SPECIAL DISTRICT, OR SCHOOL DISTRICT, OR ANY OTHER PERSON WHO RECEIVES MONEY FROM THE FUND SHALL COMPLY WITH ANY REQUIREMENTS SET FORTH IN SECTION 24-75-226.

(6) (a) THE EXECUTIVE COMMITTEE OF THE LEGISLATIVE COUNCIL SHALL, BY RESOLUTION, CREATE A TASK FORCE TO MEET DURING THE 2021 INTERIM AND ISSUE A REPORT WITH RECOMMENDATIONS TO THE GENERAL ASSEMBLY AND THE GOVERNOR ON POLICIES TO CREATE TRANSFORMATIVE CHANGE IN THE AREA OF HOUSING USING MONEY THE STATE RECEIVES FROM THE FEDERAL CORONAVIRUS STATE FISCAL RECOVERY FUND UNDER TITLE IX, SUBTITLE M OF THE "AMERICAN RESCUE PLAN ACT OF 2021". THE GENERAL ASSEMBLY SHALL ALSO REVIEW RECOMMENDATIONS FOR SUCH POLICIES SUBMITTED BY THE STRATEGIC HOUSING WORKING GROUP ASSEMBLED BY THE DEPARTMENT AND THE STATE HOUSING BOARD CREATED IN SECTION 24-32-706 (1).

(b) THE TASK FORCE MAY INCLUDE NONLEGISLATIVE MEMBERS AND CREATE WORKING GROUPS TO ASSIST THEM. THE EXECUTIVE COMMITTEE OF THE LEGISLATIVE COUNCIL SHALL HIRE A FACILITATOR TO GUIDE THE WORK OF THE TASK FORCE.

(c) THE TASK FORCE CREATED IN THIS SECTION IS NOT SUBJECT TO THE REQUIREMENTS SPECIFIED IN SECTION 2-3-303.3 OR RULE 24A OF THE JOINT RULES OF THE SENATE AND THE HOUSE OF REPRESENTATIVES. THE EXECUTIVE COMMITTEE OF THE LEGISLATIVE COUNCIL SHALL SPECIFY REQUIREMENTS GOVERNING MEMBERS' PARTICIPATION IN THE TASK FORCE. THE TASK FORCE SHALL NOT SUBMIT BILL DRAFTS AS PART OF THEIR RECOMMENDATIONS.

(d) THE MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED TO THE LEGISLATIVE BRANCH OF STATE GOVERNMENT FOR PAYMENT OF THE REASONABLE EXPENSES INCURRED BY THE TASK FORCE SUBJECT TO THE APPROVAL OF THE EXECUTIVE COMMITTEE OF THE LEGISLATIVE COUNCIL.

(7) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2027.

**SECTION 2.** In Colorado Revised Statutes, 24-32-721, **add** (5) 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.**

(5) ANY PRINCIPAL OR INTEREST PAYMENTS RECEIVED BY THE DIVISION FROM A BORROWER PURSUANT TO A LOAN ORIGINATED USING FUNDS APPROPRIATED FROM THE AFFORDABLE HOUSING AND HOME OWNERSHIP CASH FUND CREATED IN SECTION 24-75-229 (3)(a) MUST BE DEPOSITED IN THE HOUSING INVESTMENT TRUST FUND CREATED IN SECTION 24-32-717 (1).

**SECTION 3.** In Colorado Revised Statutes, 13-40-127, **add** (9) as follows:

**13-40-127. Eviction legal assistance - fund - rules - report - definitions - repeal.** (9) (a) IN ACCORDANCE WITH SECTION 24-75-229 (4), THREE DAYS AFTER THE EFFECTIVE DATE OF SECTION 24-75-229 (4), THE STATE TREASURER SHALL TRANSFER ONE MILLION FIVE HUNDRED THOUSAND DOLLARS FROM THE AFFORDABLE HOUSING AND HOME OWNERSHIP CASH FUND CREATED IN SECTION 24-75-229 (3)(a) TO THE FUND FOR THE PURPOSE OF PROVIDING LEGAL REPRESENTATION TO INDIGENT TENANTS TO RESOLVE CIVIL LEGAL MATTERS ARISING ON AND AFTER MARCH 1, 2020, FOR AN EVICTION OR IMPENDING EVICTION RELATED TO THE PUBLIC HEALTH EMERGENCY CAUSED BY THE COVID-19 PUBLIC HEALTH EMERGENCY. THE MONEY TRANSFERRED TO THE FUND PURSUANT TO THIS SUBSECTION (9)(a) MUST BE MAINTAINED IN A SEPARATE ACCOUNT AND MUST BE USED ONLY FOR THE PURPOSES SPECIFIED IN THIS SUBSECTION (9)(a). THE GENERAL ASSEMBLY SHALL APPROPRIATE THE MONEY TRANSFERRED TO THE FUND PURSUANT TO THIS SUBSECTION (9)(a) TO THE ADMINISTRATOR FOR USE IN ACCORDANCE WITH THIS SUBSECTION (9)(a). THE ADMINISTRATOR SHALL USE THE MONEY BY DECEMBER 31, 2024, FOR THE PURPOSES SPECIFIED IN THIS SUBSECTION (9)(a).

(b) NOT LATER THAN SEPTEMBER 1, 2021, THE ADMINISTRATOR SHALL USE THE MONEY TRANSFERRED TO THE FUND UNDER SUBSECTION (9)(a) OF THIS SECTION TO MAKE GRANT AWARDS FOR THE USES SPECIFIED IN (9)(a) OF THIS SECTION TO:

(1) QUALIFYING ORGANIZATIONS THAT HAVE PREVIOUSLY BEEN AWARDED A GRANT FROM THE FUND IN THE 2020-21 STATE FISCAL YEAR; AND

(II) NEWLY QUALIFYING ORGANIZATIONS.

(c) ANY MONEY TRANSFERRED TO THE FUND IN ACCORDANCE WITH SUBSECTION (9)(a) OF THIS SECTION THAT HAS NOT BEEN EXPENDED OR ENCUMBERED AS OF JUNE 30, 2022, MUST REVERT TO THE AFFORDABLE HOUSING AND HOME OWNERSHIP CASH FUND CREATED IN SECTION 24-75-229 (3)(a).

(d) THIS SUBSECTION (9) IS REPEALED, EFFECTIVE JULY 1, 2025.

**SECTION 4. Appropriation.** (1) For the 2021-22 state fiscal year, \$98,500,000 is appropriated to the department of local affairs for use by the division of housing. This appropriation is from the affordable housing and home ownership cash fund created in section 24-75-229 (3)(a), C.R.S. and of money the state received from the federal coronavirus state fiscal recovery fund. To implement this act, the division may use the appropriation for purposes authorized in section 24-75-229 (3), C.R.S. Any money appropriated in this subsection that is not expended or encumbered at the end of the 2021-22 state fiscal year remains available for expenditure in subsequent fiscal years without further appropriation, subject to the requirements for obligating and expending money received under the federal "American Rescue Plan Act of 2021", Pub. L. 117-2, as the act may be subsequently amended as specified in section 24-75-226 (4)(d), C.R.S.

(2) For the 2021-22 state fiscal year, \$200,000 is appropriated to the legislative department. This appropriation is from the affordable housing and home ownership cash fund created in section 24-75-229 (3)(a), C.R.S., and originates from the general fund. The department may use this appropriation to implement this act.

(3) For the 2021-22 state fiscal year, \$1,500,000 is appropriated to the judicial department for use by the eviction legal defense fund grant program. This appropriation is from the eviction legal defense fund created in section 13-40-127 (2), C.R.S., and of money the state received from the federal coronavirus state fiscal recovery fund. To implement this act, the department may use this appropriation for the purpose of providing legal representation to indigent tenants as specified in section 13-40-127 (3) and (9), C.R.S. Any money appropriated in this section not expended or encumbered as of June 30, 2022, must revert to the affordable housing and home ownership cash fund created in section 24-75-229 (3)(a), C.R.S.

**SECTION 5. Effective date.** This act takes effect only if Senate Bill 21-288 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 Senate Bill 21-288, whichever is later.

**SECTION 6. 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