



Housing

During the 2021 legislative session, the General Assembly focused on continued impacts from the COVID-19 pandemic, landlord-tenant relations, and affordable housing.

COVID-19 Pandemic

Under the federal American Rescue Plan Act of 2021, Colorado received over \$500 million to address the housing needs of populations disproportionately affected by COVID-19. *House Bill 21-1329* outlines spending for a portion of the funds and creates a task force to make policy and guideline recommendations on spending the bulk of remaining funds to make important changes to affordable housing. The bill requires the Department of Local Affairs (DOLA) to use \$98.5 million for affordable housing and services that address housing insecurity, lack of affordable and workforce housing, or homelessness. \$1.5 million is available for legal assistance to tenants through the Legal Defense Fund for evictions.

Landlord-Tenant Relations

Two bills make changes to the eviction process, *House Bill 21-1121* and *Senate Bill 21-173*. The bills require that the eviction summons and complaint paperwork include:

- how persons answer the eviction complaint;
- a blank answer form and answer fees;
- consequences if an answer is not submitted;

- direction to notify the court if a tenant did not receive the paperwork as required;
- information about legal assistance; and
- a form for the tenant and landlord to request documents about the eviction from each other.

Trials must be scheduled no sooner than seven, or no later than 10 days, after the court receives an answer. The court may not enter a judgment before the close of business on the day that an answer to the complaint is due. The timeline for the sheriff to remove a person from a property changes from 48 hours to 10 days, once a judge issues an order.

If the landlord was notified of the habitability issue, tenants responding to a lawsuit for rent may claim that rent was withheld because the unit was uninhabitable. A tenant can file a civil lawsuit for damages, costs, and reasonable attorney fees if unlawfully removed from their residence.

In addition to changes to evictions, House Bill 21-1121 directs that landlords may raise rent once in a 12-month period with a 60-day notice to tenants. Landlords cannot evict tenants to raise rent without notice.

Senate Bill 21-173 also makes changes to the fees included in rental agreements. Landlords may charge late fees 10 days after rent is due. However, landlords may not evict tenants for failing to pay late fees. Fees for eviction or violation of the lease and court costs and attorney fees must not be included in the rental agreement. A tenant may file a civil lawsuit related to violations of fees charged.

Housing (cont'd)

House Bill 21-1134 creates the Rent Reporting for Credit Pilot Program for renters to build credit to purchase a home by reporting rent paid to credit agencies from 2021 through 2024. The pilot focuses on populations that typically do not own homes or populations that own a small number of homes.

Affordable Housing

House Bill 21-1274 requires the Department of Personnel and Administration to maintain an inventory of unused state-owned property. The department must evaluate the suitability of properties for affordable housing, among other uses. Approval from the Capital Development Committee is required before accepting proposals and entering into contracts with developers to build these projects.

House Bill 21-1009 requires the Division of Housing within DOLA to collaborate with state agencies. Collaborations must develop incentives that support: development near transit; increased housing density within employment, education, and town centers; and energy performance standards that minimize total building operational costs. The division must determine if state assets should be used for low- and moderate-income housing.

House Bill 21-1271 creates three programs within DOLA to increase affordable housing. The department must create an annual report about the programs.

- The Local Government Affordable Housing Development Incentives Program provides \$39.3 million for grants to local governments that adopt at least three policy and regulatory tools that create incentives to promote the development of affordable housing.
- The Local Government Planning Grant Program provides \$7.1 million in funding to local governments that lack policy and regulatory tools to offer affordable housing

incentives. Funds may be used for community housing assessments; changes to housing policies, such as development review; and actions that prepare for an affordable housing development incentives grant.

- The Affordable Housing Guided Toolkit and Local Officials Guide Program provides \$1.6 million in funding to local governments and tribes who commit to the adoption of best land use practices that include successful affordable housing development and community involvement.

House Bill 21-1117 clarifies the existing authority of cities and counties to plan and regulate the development or redevelopment of new affordable housing units. The rent control statutes do not apply to restrictions on rent of new or redeveloped units when landowners or developers have several options for developing a site and local governments have attempted to increase the number and density of units or promoted or created incentives to construct affordable housing.

Starting in 2021 with the passage of *House Bill 21-1028*, DOLA is required to annually report the total amount of money provided to the Division of Housing or State Housing Board and awarded by the division for the preservation or creation of emergency or affordable housing. The report includes amounts spent on administration and number of full-time employees supported by each funding source.

Senate Bill 21-242 expands the Housing Development Grant Fund to include rental assistance; tenancy support; and grants and loans for the rental, acquisition, or renovation of underutilized hotels, motels, and other properties for those experiencing homelessness. DOLA must annually report about the use of funds. \$45 million is available for services through June 30, 2022.