

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

REENGROSSED

*This Version Includes All Amendments
Adopted in the House of Introduction*

LLS NO. 21-0882.01 Pierce Lively x2059

SENATE BILL 21-242

SENATE SPONSORSHIP

Gonzales and Pettersen, Bridges, Buckner, Danielson, Donovan, Fenberg, Fields, Jaquez
Lewis, Lee, Moreno, Story, Winter, Zenzinger

HOUSE SPONSORSHIP

Gonzales-Gutierrez and Woodrow,

Senate Committees

Local Government
Appropriations

House Committees

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.**

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.*

SENATE
3rd Reading Unamended
May 21, 2021

SENATE
Amended 2nd Reading
May 20, 2021

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.

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 RENOVATION 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 26 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.

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11 **SECTION 2. Safety clause.** The general assembly hereby finds,
12 determines, and declares that this act is necessary for the immediate
13 preservation of the public peace, health, or safety.