

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

INTRODUCED

LLS NO. 21-0881.01 Bob Lackner x4350

SENATE BILL 21-252

SENATE SPONSORSHIP

Fenberg and Holbert,

HOUSE SPONSORSHIP

Titone and Lontine,

Senate Committees

Local Government

House Committees

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.**

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 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

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 **24-48.5-316. 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 (2) (a) THE COMMUNITY REVITALIZATION GRANT PROGRAM IS
20 HEREBY ESTABLISHED IN THE DIVISION. THE PURPOSE OF THE GRANT
21 PROGRAM IS TO PROVIDE STATE ASSISTANCE IN THE FORM OF GRANT
22 AWARDS TO FINANCE VARIOUS PROJECTS ACROSS THE STATE THAT ARE
23 INTENDED TO CREATE OR REVITALIZE MIXED-USE COMMERCIAL CENTERS.
24 THE GRANT PROGRAM IS INTENDED TO SUPPORT CREATIVE PROJECTS IN
25 THESE COMMERCIAL CENTERS THAT WOULD COMBINE REVITALIZED OR

1 NEWLY CONSTRUCTED COMMERCIAL SPACES WITH PUBLIC OR COMMUNITY
2 SPACES INCLUDING BUT NOT LIMITED TO SUCH PROJECTS AS:

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

6 (II) PERFORMANCE SPACES;

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

8 (IV) MEETING SPACES FOR COMMUNITY EVENTS;

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

12 (VI) CHILD CARE CENTERS.

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

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

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

1 INCLUDES REPRESENTATION FROM THE DIVISION, THE DEPARTMENT OF
2 LOCAL AFFAIRS, THE COLORADO HOUSING AND FINANCE AUTHORITY
3 CREATED IN SECTION 29-4-704 (1), A COMMUNITY DEVELOPMENT
4 FINANCIAL INSTITUTION, THE COLORADO EDUCATIONAL AND CULTURAL
5 FACILITIES AUTHORITY CREATED IN SECTION 23-15-104 (1)(a), HISTORY
6 COLORADO, AND OTHER RELEVANT STAKEHOLDERS, INDUSTRY PARTNERS,
7 HOUSING ADVOCATES, AND INTERESTED PARTIES.

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

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

15 (b) CRITERIA FOR DETERMINING GRANT ELIGIBILITY AND GRANT
16 AMOUNTS; AND

17 (c) REPORTING REQUIREMENTS FOR GRANT RECIPIENTS.

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

20 (I) ARE LOCATED IN CREATIVE DISTRICTS AND IN HISTORIC
21 DISTRICTS;

22 (II) ARE LOCATED IN COMMUNITIES EXPERIENCING ECONOMIC
23 HARDSHIP;

24 (III) WILL STIMULATE COMMUNITY AND ECONOMIC DEVELOPMENT
25 IN PART THROUGH CREATIVE INDUSTRIES;

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

1 (V) DEMONSTRATE BROAD SUPPORT FROM LOCAL GOVERNMENTS
2 AND SURROUNDING COMMUNITIES OR NEIGHBORHOODS;

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

5 (VII) INCORPORATE SUSTAINABLE AFFORDABLE HOUSING
6 ELEMENTS; AND

7 (VIII) DEMONSTRATE A PUBLIC BENEFIT.

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

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

20 (b) EXCEPT AS OTHERWISE REQUIRED BY THIS SUBSECTION (6)(b),
21 ALL MONEY NOT EXPENDED OR ENCUMBERED, AND ALL INTEREST EARNED
22 ON THE INVESTMENT OR DEPOSIT OF MONEY IN THE FUND, MUST REMAIN
23 IN THE FUND AND SHALL NOT REVERT TO THE GENERAL FUND OR ANY
24 OTHER FUND AT THE END OF ANY FISCAL YEAR. THE MONEY IN THE FUND
25 IS CONTINUALLY APPROPRIATED TO THE DIVISION FOR THE PURPOSES OF
26 THIS SECTION. ANY MONEY IN THE FUND NOT EXPENDED OR ENCUMBERED
27 BY DECEMBER 31, 2022, MUST REVERT TO THE GENERAL FUND.

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

6 (a) MAKING GRANTS TO ELIGIBLE RECIPIENTS PURSUANT TO THE
7 GRANT PROGRAM; AND

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

18 (8) (a) ON OR BEFORE NOVEMBER 1, 2022, AND ON OR BEFORE
19 NOVEMBER 1, 2023, THE DIVISION SHALL PUBLISH A REPORT SUMMARIZING
20 THE USE OF ALL OF THE MONEY THAT WAS AWARDED AS GRANTS UNDER
21 THE GRANT PROGRAM IN THE PRECEDING FISCAL YEAR. AT A MINIMUM,
22 THE REPORT SHALL SPECIFY THE AMOUNT OF GRANT MONEY DISTRIBUTED
23 TO EACH GRANT RECIPIENT AND A DESCRIPTION OF EACH GRANT
24 RECIPIENT'S USE OF THE GRANT MONEY. THE REPORT MUST BE POSTED ON
25 THE WEBSITE OF THE OFFICE OF ECONOMIC DEVELOPMENT CREATED IN
26 SECTION 24-48.5-101.

27 (b) IN ITS PRESENTATION TO THE JOINT COMMITTEES OF REFERENCE

1 PURSUANT TO SECTION 2-7-203, THE OFFICE OF ECONOMIC DEVELOPMENT,
2 CREATED IN SECTION 24-48.5-101, SHALL SUMMARIZE THE INFORMATION
3 CONTAINED IN THE REPORT PUBLISHED BY THE DIVISION PURSUANT TO
4 SUBSECTION (8)(a) OF THIS SECTION.

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

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

8 **24-32-104. Functions of the division - definition.** (4) THE
9 DIVISION SHALL CONSULT WITH THE CREATIVE INDUSTRIES DIVISION
10 WITHIN THE COLORADO OFFICE OF ECONOMIC DEVELOPMENT CREATED IN
11 SECTION 24-48.5-301 IN CONNECTION WITH THE ADMINISTRATION OF THE
12 COMMUNITY REVITALIZATION GRANT PROGRAM IN ACCORDANCE WITH
13 SECTION 24-48.5-316.

14 **SECTION 3. Appropriation.** For the 2021-22 state fiscal year,
15 \$65,000,000 is appropriated to the office of economic development for
16 use by the division of creative industries. This appropriation is from the
17 community revitalization fund and is based on an assumption that the
18 division will require up to an additional 2.0 FTEs to administer said
19 money. To implement this act, the division shall use this appropriation for
20 the community revitalization grant program established in section
21 24-48.5-316, C.R.S.

22 **SECTION 4. Safety clause.** The general assembly hereby finds,
23 determines, and declares that this act is necessary for the immediate
24 preservation of the public peace, health, or safety.