

CHAPTER 242

GOVERNMENT - STATE

SENATE BILL 21-252

BY SENATOR(S) Fenberg and Holbert, Bridges, Cooke, Danielson, Donovan, Ginal, Gonzales, Hansen, Jaquez Lewis, Lee, Liston, Lundeen, Moreno, Pettersen, Priola, Rodriguez, Sonnenberg, Story, Winter, Zenzinger;
also REPRESENTATIVE(S) Titone and Lontine, Amabile, Bacon, Bennett, Bird, Boesenecker, Caraveo, Cutter, Esgar, Exum, Froelich, Gonzales-Gutierrez, Gray, Hooton, Jackson, Jodeh, Kipp, McCluskie, McCormick, Michaelson Jenet, Ortiz, Ricks, Snyder, Tipper, Valdez A., Valdez D., Garnett.

AN ACT

CONCERNING THE ESTABLISHMENT OF A STATE GRANT PROGRAM TO PROMOTE PROJECTS IN COMMERCIAL CENTERS THROUGHOUT THE STATE THAT WILL REVITALIZE COMMUNITY SPACES 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** 24-48.5-317 as follows:

24-48.5-317. Community revitalization grants - fund - reporting - definitions - repeal. (1) AS USED IN THIS SECTION:

(a) "CREATIVE DISTRICTS" HAS THE SAME MEANING AS IS SPECIFIED IN SECTION 24-48.5-314 (2)(b).

(b) "DIVISION OF LOCAL GOVERNMENT" MEANS THE DIVISION OF LOCAL GOVERNMENT WITHIN THE DEPARTMENT OF LOCAL AFFAIRS CREATED IN SECTION 24-32-103.

(c) "ELIGIBLE RECIPIENT" MEANS AN ENTITY THAT IS ELIGIBLE TO RECEIVE A GRANT THROUGH THE GRANT PROGRAM AND INCLUDES LOCAL GOVERNMENTS AND FOR-PROFIT AND NONPROFIT ENTITIES AND ORGANIZATIONS.

(d) "FUND" MEANS THE COMMUNITY REVITALIZATION FUND CREATED IN SUBSECTION (6)(a) OF THIS SECTION.

(e) "GRANT PROGRAM" MEANS THE COMMUNITY REVITALIZATION GRANT

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.

PROGRAM ESTABLISHED IN SUBSECTION (2) OF THIS SECTION.

(f) "LOCAL GOVERNMENT" MEANS A COUNTY, MUNICIPALITY, CITY AND COUNTY, SPECIAL DISTRICT, OR SCHOOL DISTRICT.

(2) (a) THE COMMUNITY REVITALIZATION GRANT PROGRAM IS HEREBY ESTABLISHED IN THE DIVISION. THE PURPOSE OF THE GRANT PROGRAM IS TO PROVIDE STATE ASSISTANCE IN THE FORM OF GRANT 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 SUCH PROJECTS AS:

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

(II) PERFORMANCE SPACES;

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

(IV) MEETING SPACES FOR COMMUNITY EVENTS;

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

(VI) CHILD CARE CENTERS.

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

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

(b) IN CONNECTION WITH THE ADMINISTRATION OF THE GRANT PROGRAM, THE DIVISION AND THE DIVISION OF LOCAL GOVERNMENT SHALL 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 THE DIVISION OF LOCAL GOVERNMENT SHALL ALSO 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 SHALL SOLICIT INPUT FROM A STAKEHOLDER GROUP THAT INCLUDES REPRESENTATION FROM THE DIVISION, THE DEPARTMENT OF LOCAL AFFAIRS, THE COLORADO HOUSING AND FINANCE AUTHORITY CREATED IN SECTION 29-4-704(1), A COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION, THE COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY CREATED IN SECTION 23-15-104 (1)(a), HISTORY COLORADO, AND OTHER RELEVANT STAKEHOLDERS, INDUSTRY PARTNERS, HOUSING ADVOCATES, AND INTERESTED PARTIES.

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

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

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

(c) REPORTING REQUIREMENTS FOR GRANT RECIPIENTS.

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

(I) ARE LOCATED IN CREATIVE DISTRICTS OR IN HISTORIC DISTRICTS;

(II) ARE LOCATED IN COMMUNITIES EXPERIENCING ECONOMIC HARDSHIP;

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

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

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

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

(VII) INCORPORATE SUSTAINABLE AFFORDABLE HOUSING ELEMENTS; AND

(VIII) DEMONSTRATE A PUBLIC BENEFIT.

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

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

(b) EXCEPT AS OTHERWISE REQUIRED BY THIS SUBSECTION (6)(b), ALL MONEY NOT EXPENDED OR ENCUMBERED, AND ALL INTEREST EARNED ON THE INVESTMENT OR DEPOSIT OF MONEY IN THE FUND, MUST REMAIN IN THE FUND AND SHALL NOT

REVERT TO THE GENERAL FUND OR ANY OTHER FUND AT THE END OF ANY FISCAL YEAR. THE MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED TO THE DIVISION FOR THE PURPOSES OF THIS SECTION. ANY MONEY IN THE FUND NOT EXPENDED OR ENCUMBERED BY DECEMBER 31, 2022, MUST REVERT TO THE GENERAL FUND.

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

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

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

(8) (a) ON OR BEFORE NOVEMBER 1, 2022, AND ON OR BEFORE NOVEMBER 1, 2023, THE DIVISION SHALL 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. AT A MINIMUM, THE REPORT SHALL SPECIFY THE AMOUNT OF GRANT MONEY DISTRIBUTED TO EACH GRANT RECIPIENT AND A DESCRIPTION OF EACH GRANT RECIPIENT'S USE OF THE GRANT MONEY. THE REPORT MUST BE POSTED ON THE WEBSITE OF THE OFFICE OF ECONOMIC DEVELOPMENT CREATED IN SECTION 24-48.5-101.

(b) IN ITS PRESENTATION TO THE JOINT COMMITTEES OF REFERENCE PURSUANT TO SECTION 2-7-203, THE OFFICE OF ECONOMIC DEVELOPMENT, CREATED IN SECTION 24-48.5-101, SHALL SUMMARIZE THE INFORMATION CONTAINED IN THE REPORT PUBLISHED BY THE DIVISION PURSUANT TO SUBSECTION (8)(a) OF THIS SECTION.

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

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

24-32-104. Functions of the division - definition. (6) THE DIVISION SHALL CONSULT WITH THE CREATIVE INDUSTRIES DIVISION WITHIN THE COLORADO OFFICE OF ECONOMIC DEVELOPMENT CREATED IN SECTION 24-48.5-301 IN CONNECTION WITH THE ADMINISTRATION OF THE COMMUNITY REVITALIZATION GRANT PROGRAM IN ACCORDANCE WITH SECTION 24-48.5-317.

SECTION 3. In Colorado Revised Statutes, 24-32-129, **amend** (3) as follows:

24-32-129. Small business relief program - address negative effects of capacity limits due to COVID-19 pandemic - distribution through local governments - definitions - report - repeal. (3) **Funding.** (a) For the 2020-21

state fiscal year, the general assembly shall appropriate thirty-seven million dollars from the general fund to the department of local affairs for use by the division in accordance with this section.

(b) THE DEPARTMENT OF LOCAL AFFAIRS SHALL NOTIFY THE STATE TREASURER IF, ON JUNE 30, 2021, THERE IS UNEXPENDED AND UNENCUMBERED MONEY REMAINING FROM THE AMOUNT APPROPRIATED TO THE DEPARTMENT PURSUANT TO THIS SUBSECTION (3). IF THE STATE TREASURER IS SO NOTIFIED, THE STATE TREASURER SHALL TRANSFER SEVEN MILLION DOLLARS OF THE UNEXPENDED AND UNENCUMBERED AMOUNT TO THE DEPARTMENT FOR USE BY THE DIVISION OF LOCAL GOVERNMENT IN ADMINISTERING THE COLORADO MAIN STREET PROGRAM. NOT MORE THAN FOUR PERCENT OF THE MONEY APPROPRIATED TO THE DIVISION FOR PURPOSES OF THIS SECTION MAY BE USED TO COVER THE TOTAL ADMINISTRATIVE COSTS OF THE DIVISION IN ADMINISTERING THE PROGRAM.

SECTION 4. In Session Laws of Colorado 2020, First Extraordinary Session of the Seventy-Second General Assembly, section 10 of chapter 2, **amend** (1) as follows:

Section 10. **Appropriation.** (1) For the 2020-21 state fiscal year, ~~\$37,000,000~~ **\$30,000,000** is appropriated to the department of local affairs for use by the division of local government. This appropriation is from the general fund and is based on an assumption that the department will require an additional 2.1 FTE. To implement this act, the division may use this appropriation for relief to small businesses.

SECTION 5. Appropriation. For the 2021-22 state fiscal year, \$7,000,000 is appropriated to the department of local affairs for use by the division of local government. This appropriation is from the general fund. To implement this act, the division may use the appropriation for Colorado main street program.

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 16, 2021