

First Regular Session
Seventy-third General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 21-1023.02 Bob Lackner x4350

HOUSE BILL 21-1329

HOUSE SPONSORSHIP

Gonzales-Gutierrez and Woodrow,

SENATE SPONSORSHIP

Holbert and Gonzales,

House Committees

Transportation & Local Government

Senate Committees

A BILL FOR AN ACT

101 CONCERNING THE USE OF MONEY THE STATE RECEIVES FROM THE
102 FEDERAL GOVERNMENT UNDER THE "AMERICAN RESCUE PLAN
103 ACT OF 2021" TO MAKE INVESTMENTS IN HOUSING TO ASSIST
104 PERSONS DISPROPORTIONATELY IMPACTED BY THE COVID-19
105 PUBLIC HEALTH EMERGENCY FACING HOUSING INSECURITY.

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 federal government enacted the "American Rescue Plan Act of 2021" (federal act) to provide support to state, local, and tribal

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.

governments in responding to the impact of COVID-19 and to assist them in 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 \$500 million to address the housing needs of populations, households, or geographic areas disproportionately affected by the COVID-19 public health emergency.

The bill creates the affordable housing and home ownership cash fund (fund) in the state treasury. To respond to the public health emergency with respect to COVID-19 or its negative economic impacts, the bill authorizes the general assembly to appropriate money from the fund to a department for programs or services that benefit populations, households, or geographic areas disproportionately impacted by the COVID-19 public health emergency, focusing on programs or services that address housing insecurity, lack of affordable housing, or homelessness.

Three days after the effective date of the bill, the state treasurer is required to transfer \$550 million from the "American Rescue Plan Act of 2021" cash fund to the fund.

The bill requires the executive committee of the legislative council, by resolution, to 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 act. The task force may include nonlegislative members and have working groups created to assist them.

For the 2021-22 state fiscal year, the bill appropriates \$100 million to the department of local affairs for use by the division of housing (division). This appropriation is from the fund. To implement the bill, the division may use the appropriation for programs and services that provide gap financing for projects financed through the housing investment trust fund or the housing development grant fund to 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.

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

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

4 **24-75-229. Affordable housing and home ownership cash fund**

1 - creation - allowable uses - task force - legislative declaration -
2 definitions - repeal. (1) THE GENERAL ASSEMBLY FINDS, DETERMINES,
3 AND DECLARES THAT:

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

7 (b) ALTHOUGH THE IMPACTS OF THE COVID-19 PUBLIC HEALTH
8 EMERGENCY HAVE BEEN WIDESPREAD, BOTH THE PUBLIC HEALTH AND
9 ECONOMIC IMPACT OF THE PANDEMIC HAVE FALLEN MOST SEVERELY ON
10 DISADVANTAGED COMMUNITIES AND POPULATIONS. LOW-INCOME
11 COMMUNITIES, PEOPLE OF COLOR, AND TRIBAL COMMUNITIES HAVE FACED
12 HIGHER RATES OF INFECTION, HOSPITALIZATION, AND DEATH, AS WELL AS
13 HIGHER RATES OF UNEMPLOYMENT AND LACK OF BASIC NECESSITIES SUCH
14 AS FOOD AND HOUSING. PREEXISTING SOCIAL VULNERABILITIES MAGNIFIED
15 THE PANDEMIC IN THESE COMMUNITIES, WHERE A REDUCED ABILITY TO
16 WORK FROM HOME AND DENSER HOUSING AMPLIFIED THE RISK OF
17 INFECTION.

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

25 (d) REGULATIONS CONSTRUING THE FEDERAL ACT PROMULGATED
26 BY THE UNITED STATES TREASURY IDENTIFY A NONEXCLUSIVE LIST OF
27 USES THAT ADDRESS THE DISPROPORTIONATE NEGATIVE ECONOMIC

1 EFFECTS OF THE COVID-19 PUBLIC HEALTH EMERGENCY, INCLUDING
2 BUILDING STRONGER COMMUNITIES THROUGH INVESTMENTS IN HOUSING
3 AND NEIGHBORHOODS. SERVICES IN THIS CATEGORY ALLEVIATE THE
4 IMMEDIATE ECONOMIC IMPACT OF THE COVID-19 PUBLIC HEALTH
5 EMERGENCY ON HOUSING INSECURITY, WHILE ADDRESSING CONDITIONS
6 THAT CONTRIBUTED TO POOR PUBLIC HEALTH AND ECONOMIC OUTCOMES
7 DURING THE PANDEMIC, NAMELY CONCENTRATED AREAS WITH LIMITED
8 ECONOMIC OPPORTUNITY AND INADEQUATE OR POOR QUALITY HOUSING.
9 UNDER THESE REGULATIONS, FUNDS MAY BE USED FOR PROGRAMS OR
10 SERVICES THAT ADDRESS HOUSING INSECURITY, LACK OF AFFORDABLE
11 AND WORKFORCE HOUSING, OR HOMELESSNESS, INCLUDING:

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

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

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

22 (e) THE GENERAL ASSEMBLY FURTHER DETERMINES THAT THE
23 PROGRAMS AND SERVICES FUNDED BY THE TRANSFERS IN THIS SECTION
24 ARE APPROPRIATE USES OF THE MONEY TRANSFERRED TO COLORADO
25 UNDER THE FEDERAL ACT. THIS MONEY WILL BE PUT TO EXPEDITIOUS AND
26 EFFICIENT USE IN BUILDING STRONGER COMMUNITIES ACROSS THE STATE
27 BY MAKING INVESTMENTS IN HOUSING FOR POPULATIONS, HOUSEHOLDS,

1 OR GEOGRAPHIC AREAS DISPROPORTIONATELY AFFECTED BY THE
2 COVID-19 PUBLIC HEALTH EMERGENCY.

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

5 (a) "AMERICAN RESCUE PLAN ACT OF 2021" OR "FEDERAL ACT"
6 MEANS THE FEDERAL "AMERICAN RESCUE PLAN ACT OF 2021", PUB.L.
7 117-2, AS THE ACT MAY BE SUBSEQUENTLY AMENDED.

8 (b) "DEPARTMENT" MEANS THE DEPARTMENT OF LOCAL AFFAIRS.

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

13 (3) (a) THE AFFORDABLE HOUSING AND HOME OWNERSHIP CASH
14 FUND IS HEREBY CREATED IN THE STATE TREASURY. THE FUND CONSISTS
15 OF MONEY DEPOSITED IN THE FUND IN ACCORDANCE WITH SUBSECTION
16 (3)(b) OF THIS SECTION AND ANY OTHER MONEY THAT THE GENERAL
17 ASSEMBLY MAY APPROPRIATE OR TRANSFER TO THE FUND. TO RESPOND TO
18 THE PUBLIC HEALTH EMERGENCY WITH RESPECT TO COVID-19 OR ITS
19 NEGATIVE ECONOMIC IMPACTS, THE GENERAL ASSEMBLY MAY
20 APPROPRIATE MONEY FROM THE FUND TO A DEPARTMENT FOR PROGRAMS
21 OR SERVICES THAT BENEFIT POPULATIONS, HOUSEHOLDS, OR GEOGRAPHIC
22 AREAS DISPROPORTIONATELY AFFECTED BY THE COVID-19 PUBLIC
23 HEALTH EMERGENCY TO OBTAIN AFFORDABLE HOUSING, FOCUSING ON
24 PROGRAMS OR SERVICES THAT ADDRESS HOUSING INSECURITY, LACK OF
25 AFFORDABLE AND WORKFORCE HOUSING, OR HOMELESSNESS.

26 (b) (I) THREE DAYS AFTER THE EFFECTIVE DATE OF THIS
27 SUBSECTION (3)(b)(I), THE STATE TREASURER SHALL TRANSFER FIVE

1 HUNDRED FIFTY MILLION DOLLARS FROM THE "AMERICAN RESCUE PLAN
2 ACT OF 2021" CASH FUND CREATED IN SECTION 24-75-226 TO THE FUND;
3 AND

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

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

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

26 (b) THE TASK FORCE MAY INCLUDE NONLEGISLATIVE MEMBERS
27 AND CREATE WORKING GROUPS TO ASSIST THEM. THE EXECUTIVE

1 COMMITTEE OF THE LEGISLATIVE COUNCIL SHALL HIRE A FACILITATOR TO
2 GUIDE THE WORK OF THE TASK FORCE.

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

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

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

15 **SECTION 2.** In Colorado Revised Statutes, 24-32-721, **add** (5)
16 as follows:

17 **24-32-721. Colorado affordable housing construction grants**
18 **and loans - housing development grant fund - creation - housing**
19 **assistance for persons with behavioral, mental health, or substance**
20 **use disorders - cash fund - appropriation - report to general assembly**
21 **- rules - definitions - repeal. (5) ANY PRINCIPAL OR INTEREST PAYMENTS**
22 **RECEIVED BY THE DIVISION FROM A BORROWER PURSUANT TO A LOAN**
23 **ORIGINATED USING FUNDS APPROPRIATED FROM THE AFFORDABLE**
24 **HOUSING AND HOME OWNERSHIP CASH FUND CREATED IN SECTION**
25 **24-75-229 (3)(a) MUST BE DEPOSITED IN THE FUND.**

26 **SECTION 3. Appropriation.** For the 2021-22 state fiscal year,
27 \$100,000,000 is appropriated to the department of local affairs for use by

1 the division of housing. This appropriation is from the affordable housing
2 and home ownership cash fund created in section 24-75-229 (3)(a),
3 C.R.S. To implement this act, the division may use the appropriation for
4 programs and services that provide gap financing for projects financed
5 through the housing investment trust fund created in section 24-32-717,
6 C.R.S., or the housing development grant fund created in section
7 24-32-721, C.R.S., to assist populations, households, or geographic areas
8 disproportionately affected by the COVID-19 public health emergency in
9 order to obtain affordable housing by the acquisition, construction, or
10 renovation of affordable housing projects or land acquisition, thus
11 enabling individuals and families to relocate to neighborhoods with high
12 levels of economic opportunity and reducing concentrated areas of low
13 economic opportunity. The division may use not more than three percent
14 of any money appropriated or transferred to it under this act to cover the
15 total administrative costs of the division in administering the programs or
16 services for which money is appropriated under this act.

17 **SECTION 4. Effective date.** This act takes effect only if Senate
18 Bill 21-288 becomes law, and, in which case, this act takes effect either
19 upon the effective date of this act or one day after the effective date of
20 Senate Bill 21-288, whichever is later.

21 **SECTION 5. Safety clause.** The general assembly hereby finds,
22 determines, and declares that this act is necessary for the immediate
23 preservation of the public peace, health, or safety.