Second Regular Session Seventy-third General Assembly STATE OF COLORADO

REVISED

This Version Includes All Amendments Adopted on Second Reading in the Second House

LLS NO. 22-1001.01 Chelsea Princell x4335

HOUSE BILL 22-1377

HOUSE SPONSORSHIP

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House Committees

Transportation & Local Government Appropriations

Senate Committees

Finance Appropriations

A BILL FOR AN ACT

101	CONCERNING THE CREATION OF THE CONNECTING COLORADANS
102	EXPERIENCING HOMELESSNESS WITH SERVICES, RECOVERY
103	CARE, AND HOUSING SUPPORTS GRANT PROGRAM, 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 creates the connecting Coloradans experiencing homelessness with services, treatment, and housing supports grant program (grant program), administered by the division of housing

SENATE nd Reading Unamended May 6, 2022

> HOUSE rd Reading Unamended May 2, 2022

HOUSE Amended 2nd Reading April 29, 2022

Shading denotes HOUSE amendment. <u>Double underlining denotes SENATE amendment.</u>

Capital letters or bold & italic numbers indicate new material to be added to existing statute.

Dashes through the words indicate deletions from existing statute.

(division) in the department of local affairs (department).

The grant program provides grants to local governments and nonprofit organizations to enable those entities to make investments and improvements in their communities or regions of the state to address and respond to the needs of people experiencing homelessness.

The bill requires the division to develop policies, procedures, and guidelines governing the administration of the grant program. The bill specifies how grant funding is to be awarded and the eligible uses of grant money awarded under the grant program. The bill specifies requirements for grant recipients.

The bill creates the connecting Coloradans experiencing homelessness with services, treatment, and housing supports fund (fund) in the department. The bill specifies requirements pertaining to the administration of the fund. The bill requires a transfer of \$105 million from the economic recovery and relief cash fund to the fund to administer the grant program.

The bill sets forth specified reporting requirements pertaining to the grant program.

The bill requires the department, in conjunction with the department of health care policy and financing, to report to the house of representatives public and behavioral health and human services committee and the senate health and human services committee, and to its committee of reference during its "State Measurement for Accountable, Responsive, and Transparent (SMART) Government Act" hearing, any results, recommendations, and federal implications concerning any supportive housing pilot program currently being administered by the department in conjunction with the department of health care policy and financing.

The bill requires the division to report on the activities of the grant program as part of the regular annual public report prepared by the division on affordable and emergency housing spending.

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

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2 **SECTION 1. Legislative declaration.** (1) The general assembly finds, determines, and declares that:

(a) The state of Colorado is focused on supporting communities to create proven responses to homelessness that are designed to connect people without stable housing to services, care, and housing to help ensure that when homelessness occurs, it is rare and brief, and that no one

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1	gets left behind;
2	(b) The COVID-19 pandemic has exacerbated Colorado's
3	homelessness and behavioral health crisis. Many communities do not
4	have sufficient responses to address housing and behavioral health needs
5	for their community members.
6	(c) People experiencing homelessness with chronic behavioral
7	health issues face many challenges in accessing long-term treatment and
8	are far more likely to receive care in hospital emergency departments.
9	Without trained and dedicated providers or advocates, people
10	experiencing homelessness often end up in a cycle of expensive treatment
11	with little or no follow-up.
12	(d) Housing and support services are crucial for the safety, health,
13	and well-being of Coloradans. Extensive research shows that housing is
14	an essential social determinant of health. Stable housing improves health
15	outcomes and decreases health-care costs.
16	(2) Therefore, it is the intent of the general assembly to facilitate
17	investments in local communities across the state of Colorado to quickly
18	connect people experiencing homelessness with services, treatment, and
19	temporary and permanent housing to put them on a path to economic
20	self-sufficiency.
21	(3) The general assembly further finds and declares that the grant
22	program described in this act is an important government service.
23	SECTION 2. In Colorado Revised Statutes, add 24-32-726 as
24	follows:
25	24-32-726. Connecting Coloradans experiencing homelessness

with services, recovery care, and housing supports grant program -

funding - report - definitions - repeal. (1) **Definitions.** AS USED IN THIS

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1	SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:
2	(a) "COMMUNITY PARTNER" MEANS A NONPROFIT ORGANIZATION
3	THAT UNDERTAKES ANY OF THE ACTIVITIES OR SERVICES DESCRIBED IN
4	SUBSECTION (2)(c) OF THIS SECTION.
5	(b) "DEPARTMENT" MEANS THE DEPARTMENT OF LOCAL AFFAIRS.
6	(c) "Eligible recipient" means a local government or a
7	COMMUNITY PARTNER THAT APPLIES FOR A GRANT THROUGH THE GRANT
8	PROGRAM.
9	(d) "FUND" MEANS THE CONNECTING COLORADANS EXPERIENCING
10	HOMELESSNESS WITH SERVICES, RECOVERY CARE, AND HOUSING SUPPORTS
11	FUND CREATED IN SUBSECTION (5)(a) OF THIS SECTION.
12	(e) "GRANT PROGRAM" MEANS THE CONNECTING COLORADANS
13	EXPERIENCING HOMELESSNESS WITH SERVICES, RECOVERY CARE, AND
14	HOUSING SUPPORTS GRANT PROGRAM CREATED IN SUBSECTION (2)(a) OF
15	THIS SECTION.
16	(f) "LOCAL GOVERNMENT" MEANS A COUNTY, MUNICIPALITY, CITY
17	AND COUNTY, TRIBAL GOVERNMENT, SPECIAL DISTRICT ORGANIZED
18	PURSUANT TO TITLE 32, SCHOOL DISTRICT, DISTRICT, HOUSING AUTHORITY,
19	COUNCIL OF GOVERNMENTS, REGIONAL PLANNING COMMISSION
20	ORGANIZED PURSUANT TO TITLE 30, OR ANY OTHER POLITICAL
21	SUBDIVISION OF THE STATE.
22	(g) "MATCH" MEANS MONETARY AND NONMONETARY
23	CONTRIBUTIONS TO A PROJECT.
24	(2) Creation of the grant program - projects or programs
25	eligible for funding. (a) There is created in the division the
26	CONNECTING COLORADANS EXPERIENCING HOMELESSNESS WITH
27	SERVICES, RECOVERY CARE, AND HOUSING SUPPORTS GRANT PROGRAM TO

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1	PROVIDE GRANTS TO ELIGIBLE RECIPIENTS TO ENABLE THEM TO MAKE
2	INVESTMENTS OR IMPROVEMENTS IN THEIR COMMUNITIES OR REGIONS OF
3	THE STATE TO:
4	(I) QUICKLY CONNECT PEOPLE EXPERIENCING HOMELESSNESS TO
5	SERVICES, VOCATIONAL OPPORTUNITIES, RECOVERY CARE, AND
6	TEMPORARY AND PERMANENT HOUSING IN ACCORDANCE WITH THE
7	REQUIREMENTS OF THIS SECTION; AND
8	(II) ENSURE COLORADO HAS A COMMUNITY-BASED CONTINUUM OF
9	RESPONSES FOR PEOPLE EXPERIENCING HOMELESSNESS, INCLUDING
10	OUTREACH SUPPORT, EMERGENCY SHELTERS, TRANSITIONAL HOUSING,
11	RECOVERY CARE AND RELATED RESIDENTIAL PROGRAMS, TRAINING AND
12	EMPLOYMENT SERVICE PROGRAMS, AND PERMANENT HOUSING WITH
13	WRAPAROUND SUPPORTIVE SERVICES.
14	(b) THE DIVISION SHALL ADMINISTER THE GRANT PROGRAM.
15	(c) THE DIVISION MAY AWARD GRANTS UNDER THE GRANT
16	PROGRAM TO SUPPORT ELIGIBLE RECIPIENTS IN PROJECTS OR PROGRAMS
17	THAT:
18	(I) PROVIDE GAP FINANCING FOR THE PURCHASE OR CONVERSION
19	OF UNDERUTILIZED PROPERTIES IN COMMUNITIES WHERE EFFORTS HAVE
20	BEEN MADE TO ENCOURAGE CONVERSION OF UNDERUTILIZED PROPERTIES
21	INTO TRANSITIONAL OR SUPPORTIVE HOUSING THAT PROVIDES
22	WRAPAROUND SERVICES;
23	(II) PROVIDE SUPPORTIVE SERVICES SO LONG AS THE SUPPORTIVE
24	SERVICES MEET THE GRANT PROGRAM GOALS OUTLINED IN SUBSECTION (4)
25	OF THIS SECTION. SUCH SUPPORTIVE SERVICES INCLUDE THOSE DESCRIBED
26	IN 42 CFR 578.53, OR ANY SUCCESSOR REGULATION, AND THOSE
27	DETERMINED BY THE DIVISION. FUNDS MAY BE USED TO PROVIDE

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1	SUPPORTIVE SERVICES IN CONJUNCTION WITH CAPITAL IMPROVEMENTS
2	AND HOUSING DEVELOPMENT PROJECTS OR AS STANDALONE SERVICES
3	THAT ARE PROVIDED TO AN INDIVIDUAL THROUGH A SERVICE PROVIDER.
4	(III) INVEST IN DATA COLLECTION, MANAGEMENT, AND ANALYSIS
5	PROCESSES TO UNDERSTAND THE SCALE OF THE NEED THROUGHOUT
6	THE STATE AND WHETHER THE ACTIVITIES AND INVESTMENTS THROUGH
7	THIS GRANT AND OTHER STATEWIDE PROGRAMS COULD BE EFFECTIVE AT
8	REDUCING THE NUMBER OF PEOPLE EXPERIENCING HOMELESSNESS;
9	(IV) SUPPORT THE COORDINATION AND INTEGRATION OF SYSTEMS
10	TO HELP CONNECT PEOPLE EXPERIENCING HOMELESSNESS WITH SERVICES
11	AND PROGRAMS THAT BEST FIT THEIR INDIVIDUAL NEEDS; AND
12	(V) Fund housing development projects and homeless
13	RESPONSE PROGRAMS THAT INCLUDE BUT ARE NOT LIMITED TO:
14	(A) EMERGENCY HOMELESS SHELTERS;
15	(B) TRANSITIONAL AND BRIDGE HOUSING;
16	(C) LONG-TERM HOUSING;
17	(D) PERMANENT SUPPORTIVE HOUSING WITH SUPPORTIVE
18	SERVICES;
19	(E) RECOVERY CARE AND RELATED RESIDENTIAL PROGRAMS;
20	(F) AFFORDABLE HOME OWNERSHIP ASSISTANCE;
21	(G) AFFORDABLE RENTAL HOUSING, INCLUDING SECURITY DEPOSIT
22	ASSISTANCE;
23	(H) EDUCATIONAL AND VOCATIONAL OPPORTUNITIES; AND
24	(I) WORK-BASED LEARNING OPPORTUNITIES.
25	(d) IN ORDER TO RECEIVE A GRANT, AN ELIGIBLE RECIPIENT MUST
26	PROVIDE A MATCH IN RESOURCES, AS DETERMINED BY THE DIVISION.
27	(3) Policies, procedures, and guidelines. (a) THE DIVISION

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1	SHALL DEVELOP POLICIES, PROCEDURES, AND GUIDELINES FOR THE GRANT
2	PROGRAM THAT, WITHOUT LIMITATION:
3	(I) DETERMINE HOW GRANTS FUNDED BY THE GRANT PROGRAM
4	MUST BE USED;
5	(II) ESTABLISH CRITERIA THAT THE DIVISION MUST CONSIDER IN
6	AWARDING GRANTS PURSUANT TO THIS SECTION. AT A MINIMUM, THE
7	CRITERIA MUST INCLUDE THE CONSIDERATION OF:
8	(A) THE POTENTIAL IMPACT OF A PROJECT THAT AN ELIGIBLE
9	RECIPIENT FUNDS WITH A GRANT AWARD AND HOW THE PROJECT MEETS
10	THE GOALS OF THE GRANT PROGRAM; AND
11	(B) BEST PRACTICES, DATA, AND REGIONAL AND LOCAL
12	COLLABORATION.
13	(III) ESTABLISH THE PROCEDURES AND TIMELINES BY WHICH AN
14	ELIGIBLE RECIPIENT MAY APPLY FOR A GRANT;
15	(IV) REQUIRE GRANT RECIPIENTS TO OFFER A MATCH;
16	(V) REQUIRE ELIGIBLE RECIPIENTS TO DEMONSTRATE HOW THE
17	GRANT FUNDS WILL BE USED TO INCREASE HOUSING AND ECONOMIC
18	SECURITY FOR INDIVIDUALS BEING SERVED THROUGH THE GRANT
19	PROGRAM ACTIVITIES AND EFFORTS;
20	(VI) ESTABLISH REPORTING REQUIREMENTS FOR GRANT
21	RECIPIENTS;
22	(VII) ESTABLISH PERFORMANCE CRITERIA FOR GRANT RECIPIENTS'
23	PROJECTS;
24	(VIII) PROVIDE ANY ADDITIONAL REQUIREMENTS THAT THE
25	DIVISION DEEMS NECESSARY TO ADMINISTER THE GRANT PROGRAM; AND
26	(IX) DEMONSTRATE THE ABILITY TO LEVERAGE PRIVATE CAPITAL,
27	WHEN POSSIBLE.

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(b) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION,
THE AMOUNT OF ANY GRANT AWARDED UNDER THE GRANT PROGRAM AND
ANY RESTRICTIONS OR CONDITIONS PLACED UPON THE USE OF GRANT
MONEY AWARDED IS WITHIN THE DISCRETION OF THE DIVISION IN
ACCORDANCE WITH THE REQUIREMENTS OF THIS SECTION.

- (4) **Grant program goals.** The Grant program must be administered with the goal of reducing the rate and experience of homelessness by supporting communities to develop and implement adequate support systems to effectively respond to the barriers people experiencing homelessness face.
- (5) Connecting Coloradans experiencing homelessness with services, recovery care, and housing supports fund transfer of money to the fund appropriation. (a) The connecting Coloradans experiencing homelessness with services, recovery care, and housing supports fund is created in the department. The fund consists of money transferred to the fund in accordance with subsection (5)(d) 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 authorized to seek and accept.
- (b) The department shall credit all interest and income derived from the deposit and investment of money in the fund to the fund. All money not expended or encumbered, and all interest earned on the investment or deposit of money in the fund, remains in the fund and does 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 department for

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1	THE PURPOSES SPECIFIED IN THIS SECTION.
2	(c) THE DIVISION MAY SEEK, ACCEPT, AND EXPEND GIFTS, GRANTS,
3	OR DONATIONS FROM ANY PUBLIC OR PRIVATE RESOURCE FOR THE
4	PURPOSES OF THIS SECTION. THE DIVISION SHALL TRANSMIT ALL MONEY
5	RECEIVED FROM GIFTS, GRANTS, OR DONATIONS TO THE DEPARTMENT, AND
6	THE DEPARTMENT SHALL CREDIT THE MONEY TO THE FUND.
7	(d) WITHIN THREE BUSINESS DAYS OF THE EFFECTIVE DATE OF THIS
8	SECTION, THE STATE TREASURER SHALL TRANSFER ONE HUNDRED FIVE
9	MILLION DOLLARS FROM THE ECONOMIC RECOVERY AND RELIEF CASH
10	FUND CREATED IN SECTION 24-75-228 THAT ORIGINATES FROM THE MONEY
11	THE STATE RECEIVED FROM THE FEDERAL CORONAVIRUS STATE FISCAL
12	RECOVERY FUND TO THE FUND FOR THE PURPOSE OF IMPLEMENTING THIS
13	SECTION. THE DEPARTMENT SHALL ONLY USE THE MONEY TRANSFERRED
14	PURSUANT TO THIS SUBSECTION $(5)(d)$ FOR:
15	(I) MAKING GRANTS TO ELIGIBLE RECIPIENTS PURSUANT TO THE
16	GRANT PROGRAM; AND
17	(II) THE COSTS OF ADMINISTERING THE GRANT PROGRAM AS MAY
18	BE INCURRED BY THE DIVISION. THE DIVISION MAY EXPEND UP TO SEVEN
19	PERCENT OF THE MONEY APPROPRIATED OR TRANSFERRED TO THE FUND TO
20	PAY FOR THE DIRECT AND INDIRECT COSTS IN ADMINISTERING THE GRANT
21	PROGRAM. ALL ADMINISTRATIVE COSTS MUST BE PAID OUT OF THE MONEY
22	TRANSFERRED TO THE FUND PURSUANT TO THIS SUBSECTION $(5)(d)(II)$.
23	(e) THE DIVISION MAY EXPEND UP TO FIVE MILLION DOLLARS OF
24	THE MONEY APPROPRIATED TO THE FUND FOR DATA COLLECTION AND
25	OUTREACH EFFORTS DETAILED IN SUBSECTION (2)(c)(III) OF THIS SECTION
26	(f) Money spent pursuant to this subsection (5)(f) must
27	CONFORM WITH THE ALLOWABLE PURPOSES SET FORTH IN THE FEDERAL

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1	"American Rescue Plan Act of 2021", Pub.L. 117-2, as amended.
2	THE DIVISION SHALL SPEND OR OBLIGATE SUCH APPROPRIATION PRIOR TO
3	DECEMBER 30, 2024, AND EXPEND THE APPROPRIATION ON OR BEFORE
4	DECEMBER 31, 2026.
5	(g) The expenditures made pursuant to this section
6	CONSTITUTE GOVERNMENT SERVICES.
7	(h) This subsection (5) is repealed, effective December 31,
8	2026.
9	(6) Reporting. (a) The division shall include in the public
10	REPORT THE DIVISION PREPARES IN ACCORDANCE WITH SECTION
11	24-32-705.5(1)information summarizing the use of all the money
12	THAT WAS AWARDED AS GRANTS FROM THE GRANT PROGRAM IN THE
13	PRECEDING STATE FISCAL YEAR. AT A MINIMUM, THE INFORMATION MUST
14	SPECIFY:
15	(I) THE NUMBER OF LOCAL GOVERNMENTS OR COMMUNITY
16	PARTNERS THAT APPLIED FOR A GRANT, INCLUDING THE NUMBER OF LOCAL
17	GOVERNMENTS OR COMMUNITY PARTNERS THAT WERE NOT AWARDED A
18	GRANT;
19	(II) THE AMOUNT OF THE GRANT MONEY DISTRIBUTED TO EACH
20	GRANT RECIPIENT;
21	(III) A DESCRIPTION OF EACH GRANT RECIPIENT'S USE OF THE
22	GRANT MONEY;
23	(IV) How the use of the grant awarded furthered the
24	GOALS OF THE GRANT PROGRAM DESCRIBED IN SUBSECTION (4) OF THIS
25	SECTION; AND
26	(V) RECOMMENDATIONS CONCERNING FURTHER ADMINISTRATION
27	OF THE GRANT PROGRAM.

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1	(b) THE DIVISION AND ANY ENTITY THAT RECEIVES MONEY FROM
2	THE DIVISION SHALL COMPLY WITH THE COMPLIANCE, REPORTING,
3	RECORD-KEEPING, AND PROGRAM EVALUATION REQUIREMENTS
4	ESTABLISHED BY THE OFFICE OF STATE PLANNING AND BUDGETING AND
5	THE STATE CONTROLLER IN ACCORDANCE WITH SECTION 24-75-226 (5).
6	(c) In the 2023 legislative session, the department, in
7	CONJUNCTION WITH THE DEPARTMENT OF HEALTH CARE POLICY AND
8	FINANCING, SHALL SHARE ANY RESULTS, RECOMMENDATIONS, AND
9	FEDERAL IMPLICATIONS CONCERNING ANY CURRENT SUPPORTIVE HOUSING
10	PILOT PROGRAMS BEING ADMINISTERED BY THE DEPARTMENT AND
11	DIVISION AND THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING
12	AS PART OF ITS "STATE MEASUREMENT FOR ACCOUNTABLE, RESPONSIVE,
13	AND TRANSPARENT (SMART) GOVERNMENT ACT" HEARING PURSUANT
14	to section 2-7-203. In the 2023 legislative session, the department
15	AND THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING SHALL
16	SUBMIT A REPORT DETAILING ANY SUCH RESULTS, RECOMMENDATIONS,
17	AND FEDERAL IMPLICATIONS CONCERNING ANY CURRENT SUPPORTIVE
18	HOUSING PILOT PROGRAMS BEING OPERATED BY THE DEPARTMENT AND
19	DIVISION AND THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING
20	TO THE HOUSE OF REPRESENTATIVES PUBLIC AND BEHAVIORAL HEALTH
21	AND HUMAN SERVICES COMMITTEE AND THE SENATE HEALTH AND HUMAN
22	SERVICES COMMITTEE, OR ANY SUCCESSOR COMMITTEES.
23	(7) Repeal. This section is repealed, effective July 1, 2027.
24	SECTION 3. In Colorado Revised Statutes, 24-32-705, amend
25	(7) as follows:
26	24-32-705. Functions of division. (7) The division shall
27	administer:

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1	(a) The affordable housing guided toolkit and local officials guide
2	program in accordance with section 24-32-721.5 SECTION 24-32-721.7;
3	AND
4	(b) THE CONNECTING COLORADANS EXPERIENCING HOMELESSNESS
5	WITH SERVICES, RECOVERY CARE, AND HOUSING SUPPORTS GRANT
6	PROGRAM CREATED IN SECTION 24-32-726.
7	SECTION 4. In Colorado Revised Statutes, 24-32-705.5, add
8	(3.5) as follows:
9	24-32-705.5. Annual public report on funding of affordable
10	housing preservation and production - definition. (3.5) FOR THE
11	PUBLIC REPORT REQUIRED BY SUBSECTION (1) OF THIS SECTION, THE
12	DIVISION SHALL INCLUDE IN THE REPORT FOR EACH YEAR OF THE
13	CONNECTING COLORADANS EXPERIENCING HOMELESSNESS WITH
14	SERVICES, RECOVERY CARE, AND HOUSING SUPPORTS GRANT PROGRAM'S
15	OPERATION, THE INFORMATION REQUIRED PURSUANT TO SECTION
16	24-32-726.
17	SECTION 5. Appropriation. For the 2022-23 state fiscal year,
18	\$9,218 is appropriated to the office of the governor for use by the office
19	of information technology. This appropriation is from reappropriated
20	funds received from the department of local affairs from the connecting
21	Coloradans experiencing homelessness with services, recovery care, and
22	housing supports fund created in section 24-32-726 (5)(a), C.R.S., that
23	originate from money the state received from the federal coronavirus state
24	fiscal recovery fund. To implement this act, the office may use this
25	appropriation to provide information technology services for the
26	department of local affairs.
27	SECTION 6. Safety clause. The general assembly hereby finds,

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- determines, and declares that this act is necessary for the immediate
- 2 preservation of the public peace, health, or safety.

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