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STATE OF COLORADO

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 12-0760.01 Gregg Fraser x4325

SENATE BILL 12-158

SENATE SPONSORSHIP

Boyd,

HOUSE SPONSORSHIP

Bradford,

Senate Committees
Local Government

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE CONSOLIDATION OF TWO PUBLIC HOUSING AGENCIES**
102 **WITHIN THE DIVISION OF HOUSING IN THE DEPARTMENT OF**
103 **LOCAL AFFAIRS.**

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://www.leg.state.co.us/billsummaries>.)

The division of housing in the department of local affairs (DOLA) is a public housing agency that provides financial and other assistance to individuals in low- and moderate-income households. The division also administers various state housing programs and the supportive housing

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

program, a public housing agency that provides financial and other assistance to persons with disabilities. The bill provides for consolidation of the 2 public housing agencies in such a manner that the division of housing in DOLA will be the only public housing agency and serve as the sole state agency for the purpose of administering and distributing financial housing assistance to persons in low- and moderate-income households and to persons with disabilities.

The homeless prevention activities program is currently administered by a nongovernmental agency selected by the executive director of the department of human services. The bill would require the division of housing in DOLA to administer the program.

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

2 **SECTION 1.** In Colorado Revised Statutes, 24-32-703, **amend**
3 (8) as follows:

4 **24-32-703. Definitions.** As used in this part 7, unless the context
5 otherwise requires:

6 (8) "State agency" means any board, bureau, commission,
7 department, institution, division, section, OFFICE, or officer of the state,
8 except those in the legislative branch or judicial branch and except state
9 educational institutions administered pursuant to part 3 of article 33.5 of
10 this title and title 23, C.R.S., excluding ~~articles 8 and 9~~ ARTICLE 8, parts
11 2 and 3 of article 21, and parts 2 to 4 of ~~article 30~~ ARTICLE 31 of title 23,
12 C.R.S.

13 **SECTION 2.** In Colorado Revised Statutes, 24-32-705, **amend**
14 (1) (t) as follows:

15 **24-32-705. Functions of division - repeal.** (1) The division has
16 the following functions:

17 (t) To serve as the sole state agency for the purpose of
18 administering ~~any state plans for~~ AND DISTRIBUTING financial housing
19 assistance to persons in low- and moderate-income households ~~for the~~

1 ~~purpose of assisting~~ AND TO PERSONS WITH DISABILITIES AND ASSIST such
2 persons in obtaining housing, including, without limitation, rental
3 assistance. ~~technical assistance, the construction and rehabilitation of~~
4 ~~housing, as well as any other state plan relating to such financial housing~~
5 ~~assistance that requires state action that has not been made the specific~~
6 ~~responsibility of any other state agency in accordance with federal or state~~
7 ~~law. The consolidation of financial housing assistance functions within~~
8 ~~the division shall include the office of homeless youth services created in~~
9 ~~section 24-32-723 (3). The office shall perform its powers, duties, and~~
10 ~~functions under the division and the executive director as if the same~~
11 ~~were transferred to the department by a **type 2** transfer under the~~
12 ~~provisions of the "Administrative Organization Act of 1968", article 1 of~~
13 ~~this title.~~

14 **SECTION 3.** In Colorado Revised Statutes, 24-32-722, **amend**
15 (1), (2) (b), (3) (a) (I), (3) (b), (3) (c), (4), and (7); and **repeal** (5) and (6)
16 as follows:

17 **24-32-722. Consolidation of public housing agencies for low-**
18 **and moderate-income households and persons with disabilities into**
19 **the division - legislative declaration - repeal.** (1) The general assembly
20 hereby finds, determines, and declares that:

21 (a) ~~Both the department of local affairs and the department of~~
22 ~~human services administer programs~~ THE DIVISION IS A STATE PUBLIC
23 HOUSING AGENCY that ~~distribute~~ DISTRIBUTES federal housing moneys to
24 persons in low- and moderate-income households ~~and to persons with~~
25 ~~disabilities~~ to assist such persons in obtaining housing. THE DIVISION
26 ALSO ADMINISTERS THE SUPPORTIVE HOUSING PROGRAM, A PUBLIC
27 HOUSING AGENCY THAT DISTRIBUTES FEDERAL HOUSING MONEYS TO

1 PERSONS WITH DISABILITIES TO ASSIST SUCH PERSONS IN OBTAINING
2 HOUSING. Such moneys largely consist of section 8 housing voucher
3 moneys distributed by the United States department of housing and urban
4 development to the division in accordance with sections 24-32-702 (4)
5 and 24-32-705 (1) (i) and to the ~~department of human services to provide~~
6 ~~housing to persons with disabilities~~ SUPPORTIVE HOUSING PROGRAM. Such
7 moneys are distributed by the ~~departments of local affairs and human~~
8 ~~services~~ DIVISION to housing authorities and other eligible nonprofit
9 entities across the state as provided by law or in accordance with
10 agreements for the receipts of grants or services from the federal
11 government.

12 (b) Consolidating ~~any program~~ THE TWO PUBLIC HOUSING
13 AGENCIES administered by the state that ~~provides~~ PROVIDE financial
14 housing assistance to persons in low- and moderate-income households
15 and persons with disabilities ~~for the purpose of assisting~~ TO ASSIST such
16 persons in obtaining housing ~~within~~ INTO the division will promote
17 economic efficiencies, allow for statewide strategic planning and
18 administration of financial housing assistance, and maximize the amount
19 of federal funding made available to local housing authorities and other
20 local eligible nonprofit agencies.

21 (2) (b) By enacting this section, the general assembly intends to
22 transfer all authority over ~~the programs~~ THE TWO PUBLIC HOUSING
23 AGENCIES that provide financial housing assistance to persons in low- and
24 moderate-income households and persons with disabilities ~~from the~~
25 ~~department of human services~~ to the ~~department of local affairs~~ DIVISION.

26 (3) (a) (I) ~~Except as otherwise provided in subparagraph (H) of~~
27 ~~this paragraph (a), Not later than July 1, 2011, any program~~ 2012, THE

1 TWO PUBLIC HOUSING AGENCIES administered by the state that ~~provides~~
2 PROVIDE financial housing assistance to persons in low- and
3 moderate-income households and persons with disabilities ~~for the purpose~~
4 ~~of assisting~~ TO ASSIST such persons in obtaining housing vouchers and
5 other forms of such assistance shall be consolidated ~~within~~ INTO the
6 division in accordance with the provisions of section 24-32-705 (1) (t).

7 (b) The consolidation required by paragraph (a) of this subsection
8 (3) shall be organized in such manner that ~~one housing authority will be~~
9 ~~maintained within the division to assist persons with disabilities as~~
10 ~~defined by the "Americans with Disabilities Act of 1990", 42 U.S.C. sec.~~
11 ~~12102 (2), and the other authority will be maintained within the division~~
12 ~~to assist persons in communities statewide~~ THE DIVISION IS THE SOLE
13 STATE AGENCY FOR THE PURPOSE OF ADMINISTERING AND DISTRIBUTING
14 FINANCIAL HOUSING ASSISTANCE TO PERSONS IN LOW- AND
15 MODERATE-INCOME HOUSEHOLDS AND TO PERSONS WITH DISABILITIES TO
16 ASSIST SUCH PERSONS IN OBTAINING HOUSING, INCLUDING, WITHOUT
17 LIMITATION, RENTAL ASSISTANCE.

18 (c) Except as may be otherwise required by federal law, for the
19 ~~2011-12~~ 2012-13 state fiscal year and for any subsequent state fiscal year,
20 and notwithstanding any other provision of law and subject to available
21 funding received from the federal government, the number of housing
22 vouchers made available to persons with disabilities, as defined by the
23 "Americans with Disabilities Act of 1990", 42 U.S.C. sec. 12102 (2), by
24 the division in any one state fiscal year shall not be less than the number
25 of vouchers made available to persons with disabilities ~~by means of~~
26 ~~programs administered~~ by both the division and the ~~department of human~~
27 ~~services as of July 1, 2011~~ SUPPORTIVE HOUSING PROGRAM IN THE

1 2011-12 STATE FISCAL YEAR.

2 (4) In carrying out the consolidation required by subsection (3) of
3 this section, the division shall consult with ~~the department of human~~
4 ~~services and~~ representatives of persons with disabilities.

5 (5) ~~Insofar as the transfers of state employees may become~~
6 ~~necessary to implement the requirements of this section, any employee~~
7 ~~transferred shall retain all accrued rights to the state personnel system, if~~
8 ~~any, and retirement and other benefits under the laws of the state,~~
9 ~~including any accrued rights within or across principal departments of the~~
10 ~~executive branch of state government, and his or her service shall be~~
11 ~~deemed to have been continuous.~~

12 (6) ~~In connection with the consolidation required by this section,~~
13 ~~the division and the department of human services shall collaborate to~~
14 ~~achieve an overall reduction of at least twenty-five percent in the number~~
15 ~~of positions allocated to the department of human services whose job~~
16 ~~responsibilities are primarily dedicated to the distribution of financial~~
17 ~~housing assistance to persons in low- and moderate-income households~~
18 ~~and to persons with disabilities.~~

19 (7) This section is repealed, effective July 1, ~~2012~~ 2013.

20 **SECTION 4.** In Colorado Revised Statutes, 26-7.8-102, **amend**
21 (1) and (2); **repeal** (3); and **add** (1.5) as follows:

22 **26-7.8-102. Definitions.** As used in this article, unless the context
23 otherwise requires:

24 (1) ~~"Executive director" means the executive director of the~~
25 ~~department of human services.~~ "DIVISION" MEANS THE DIVISION OF
26 HOUSING WITHIN THE DEPARTMENT OF LOCAL AFFAIRS CREATED IN
27 SECTION 24-32-704, C.R.S.

1 (1.5) "EXECUTIVE DIRECTOR" MEANS THE EXECUTIVE DIRECTOR OF
2 THE DEPARTMENT OF LOCAL AFFAIRS.

3 (2) "Homeless prevention activities program" means a
4 community-based or community-oriented program which is operated by
5 ~~a nongovernmental agency~~ THE DIVISION and established pursuant to the
6 criteria set forth in section 26-7.8-103 to assist in preventing families and
7 other persons from becoming homeless.

8 (3) ~~"Nongovernmental agency" means any private nonprofit
9 agency or nonprofit corporation.~~

10 **SECTION 5.** In Colorado Revised Statutes, 26-7.8-103, **amend**
11 (1.5) and (2.5) as follows:

12 **26-7.8-103. Homeless prevention activities program - criteria.**

13 (1.5) The program established by this article shall be administered by a
14 ~~nongovernmental agency selected by the executive director~~ THE DIVISION
15 with recommendations from an advisory committee which is hereby
16 created. The advisory committee shall be composed of at least three
17 members selected by the executive director. One member shall be a
18 representative of the department of human services, ~~one member shall be~~
19 ~~a representative of the department of local affairs,~~ and ~~one member~~ TWO
20 MEMBERS shall be ~~a representative~~ REPRESENTATIVES from the public at
21 large. The committee shall serve without compensation and shall not be
22 entitled to reimbursement for their expenses while attending meetings of
23 the committee. The ~~nongovernmental agency selected pursuant to the~~
24 ~~provisions of this subsection (1.5)~~ DIVISION shall administer the program
25 under the direction of the advisory committee.

26 (2.5) The ~~nongovernmental agency administering the program~~
27 DIVISION is authorized to spend up to five percent of all voluntary

1 contributions made to the homeless prevention activities program fund,
2 created pursuant to the provisions of section 39-22-1301, C.R.S., or
3 fifteen thousand dollars, whichever is greater, for costs incurred in
4 administering the program established by this article.

5 **SECTION 6.** In Colorado Revised Statutes, 26-7.8-104, **amend**
6 (1) and (3); and **repeal** (2) and (5) as follows:

7 **26-7.8-104. Homeless prevention activities program - contracts**
8 **with nongovernmental agency - program standards.** (1) The
9 nongovernmental agency administering the program at the direction of the
10 advisory committee established in section 26-7.8-103 (1.5) DIVISION shall
11 enter into contracts or agreements for services ~~with any nongovernmental~~
12 ~~agency which has established and which operates a homeless prevention~~
13 ~~activities program or with a unit of local government or nongovernmental~~
14 ~~agency which has subcontracted with a nongovernmental agency for~~
15 ~~homeless prevention activities; services; except that such~~
16 ~~nongovernmental agency~~ THE DIVISION shall not spend more than five
17 percent of all voluntary contributions received by such nongovernmental
18 agency on administrative costs. ~~The nongovernmental agency~~
19 ~~administering the program shall be exempt from liability of any kind to~~
20 ~~third parties with whom such nongovernmental agency may contract or~~
21 ~~with which it may have dealings in connection with the program~~
22 ~~established by this article.~~

23 (2) ~~In directing the nongovernmental agency administering the~~
24 ~~program regarding such contracts or agreements, the advisory committee~~
25 ~~shall give priority to those homeless prevention activities programs which~~
26 ~~provide services to or design their programs for assistance to families~~
27 ~~with children and other persons who, without assistance, are in danger of~~

1 becoming homeless. The advisory committee shall also direct such
2 nongovernmental agency to distribute funds by the use of an allocation
3 formula based on the number of homeless per capita, the number of
4 unemployed persons, and the unemployment rate in a particular
5 community or region.

6 (3) The advisory committee shall direct the nongovernmental
7 agency administering the program DIVISION to establish and enforce
8 standards for all homeless prevention activities programs established
9 pursuant to this article. including the allocation formula specified in
10 subsection (2) of this section, and shall require that each homeless
11 prevention activities program meet the approved minimum standards.

12 (5) On and after July 1, 2011, any moneys received from the
13 federal government for financial housing assistance to persons in low-
14 and moderate-income households and persons with disabilities to assist
15 such persons in obtaining housing under this article shall be administered
16 by the division of housing within the department of local affairs in
17 accordance with the provisions of section 24-32-705 (1) (t), C.R.S.,
18 except as otherwise provided in section 24-32-722 (3) (a) (II), C.R.S. The
19 number of housing vouchers made available to persons with disabilities,
20 as defined by the "Americans with Disabilities Act of 1990", 42 U.S.C.
21 sec. 12012 (2), by the division of housing in any one state fiscal year shall
22 not be less than the number of vouchers that have previously been made
23 available to such persons as of July 1, 2011.

24 **SECTION 7.** In Colorado Revised Statutes, 39-22-1302, **amend**
25 (1) and (5) as follows:

26 **39-22-1302. Contributions credited to homeless prevention**
27 **activities program fund - creation - appropriation.** (1) The department

1 of revenue shall determine annually the total amount designated pursuant
2 to section 39-22-1301 and shall report such amount to the state treasurer.
3 The state treasurer shall credit such amount to the homeless prevention
4 activities program fund, a cash fund hereby established in the state
5 treasury. All moneys in the homeless prevention activities program fund
6 at the end of a fiscal year, after appropriations made pursuant to
7 subsection (3) of this section, are designated for the purposes set forth in
8 article 7.8 of title 26, C.R.S., and shall not revert to the general fund. Any
9 interest earned on moneys in the fund shall remain in the fund to be used
10 for the purposes of article 7.8 of title 26, C.R.S. At the end of each fiscal
11 year, the state treasurer shall transfer all designated moneys in the fund
12 and all interest earned through the investment of fund moneys to the
13 ~~Colorado trust~~ DIVISION OF HOUSING WITHIN THE DEPARTMENT OF LOCAL
14 AFFAIRS CREATED IN SECTION 24-32-704, C.R.S., for distribution as
15 directed by the advisory committee pursuant to article 7.8 of title 26,
16 C.R.S.

17 (5) ~~The nongovernmental agency selected to administer the~~
18 ~~homeless prevention activities program pursuant to the provisions of~~
19 ~~section 26-7.8-103 (1.5), C.R.S.,~~ DIVISION OF HOUSING WITHIN THE
20 DEPARTMENT OF LOCAL AFFAIRS CREATED IN SECTION 24-32-704, C.R.S.,
21 is authorized to spend up to five percent of all voluntary contributions to
22 the homeless prevention activities program fund or fifteen thousand
23 dollars, whichever is greater, for costs incurred in administering such
24 program.

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26 **SECTION 8. Safety clause.** The general assembly hereby finds,

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