

NOTE: This bill has been prepared for the signatures of the appropriate legislative officers and the Governor. To determine whether the Governor has signed the bill or taken other action on it, please consult the legislative status sheet, the legislative history, or the Session Laws.



SENATE BILL 25-006

BY SENATOR(S) Roberts, Amabile, Ball, Bridges, Cutter, Danielson, Daugherty, Exum, Gonzales J., Jodeh, Kipp, Kolker, Marchman, Michaelson Jenet, Mullica, Rodriguez, Snyder, Weissman, Coleman; also REPRESENTATIVE(S) Rutinel and Bradfield, Bacon, Boesenecker, Clifford, Joseph, Mabrey, McCormick, Smith, Valdez.

CONCERNING AUTHORIZATION FOR THE STATE TREASURER TO INVEST STATE MONEY FOR THE CREATION OF AFFORDABLE FOR-SALE HOUSING IN THE STATE.

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

SECTION 1. Legislative declaration. (1) The general assembly finds and declares that:

(a) The creation of affordable homeownership opportunities is essential to ensure the health of Colorado's workforce and the vitality of Colorado's community and thereby serves a public purpose; and

(b) Affordable homeownership opportunities provide housing stability for Colorado's workforce and facilitate intergenerational wealth.

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.

(2) The general assembly further find and declares that there are fewer sources of state-funded public subsidies available for affordable homeownership as opposed to affordable rental housing and there is a need for more for-sale housing, especially for the lowest income borrowers.

(3) It is therefore the intent of the general assembly to create an avenue for the state to invest, and reinvest, state money for the creation of affordable for-sale housing, thereby creating affordable homeownership opportunities within the state.

SECTION 2. In Colorado Revised Statutes, 24-36-113, **add** (8) as follows:

24-36-113. Investment of state money - limitations.

(8)(a) SUBJECT TO THE REQUIREMENTS SET FORTH IN SUBSECTION (8)(b) OF THIS SECTION, THE STATE TREASURER MAY INVEST MONEY IN BONDS THAT ARE ISSUED BY QUASI-GOVERNMENTAL AUTHORITIES FOR THE PURPOSE OF CREATING AFFORDABLE FOR-SALE HOUSING WITHIN THE STATE CONSISTENT WITH THE PUBLIC PURPOSES OF THE QUASI-GOVERNMENTAL AUTHORITY ISSUING THE BONDS. NOTWITHSTANDING SUBSECTION (1)(a) OF THIS SECTION, AN INVESTMENT ALLOWED PURSUANT TO THIS SUBSECTION (8) MAY HAVE A BELOW-MARKET RATE OF INTEREST.

(b) (I) (A) AN INVESTMENT MADE AS AUTHORIZED BY SUBSECTION (8)(a) OF THIS SECTION MUST CREATE OR FINANCE NEW AFFORDABLE, INCOME-RESTRICTED FOR-SALE HOUSING WITHIN THE STATE THAT, WITHOUT SUCH INVESTMENT, WOULD NOT OTHERWISE BE MADE AVAILABLE AT SIMILAR RATES AND TERMS.

(B) THE HOUSING CREATED WITH PROCEEDS OF THE BONDS MUST REMAIN AFFORDABLE LONG-TERM AND BE AVAILABLE TO BORROWERS EARNING NO MORE THAN ONE HUNDRED FORTY PERCENT OF THE STATEWIDE AREA MEDIAN INCOME AS DEFINED ANNUALLY BY THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT WITH CONSIDERATION GIVEN TO ELEVATING OPPORTUNITIES FOR FOR-SALE HOUSING FOR THE LOWEST INCOME BORROWERS AND TAKING INTO CONSIDERATION DEMONSTRATED COMMUNITY NEEDS. THE QUASI-GOVERNMENTAL AUTHORITY ISSUING THE BONDS OR ITS DESIGNEE SHALL REQUIRE THAT INCOME VERIFICATIONS ARE COMPLETED.

(II) THE INITIAL INVESTMENT OF MONEY THAT IS INVESTED IN ACCORDANCE WITH THIS SUBSECTION (8) MUST NOT EXCEED FIFTY MILLION DOLLARS. NOTWITHSTANDING ANY LAW TO THE CONTRARY, THE TERM OF AN INVESTMENT MADE PURSUANT TO THIS SUBSECTION (8) MAY BE UP TO FORTY-FIVE YEARS.

(III) ANY BOND PURCHASED IN ACCORDANCE WITH THIS SUBSECTION (8) MUST HAVE AT LEAST TWO CREDIT RATINGS AT OR ABOVE A- OR A3 OR ITS EQUIVALENT FROM A NATIONALLY RECOGNIZED RATING ORGANIZATION AND MUST OTHERWISE BE ELIGIBLE FOR PURCHASE CONSISTENT WITH THE STATE TREASURER'S INVESTMENT POLICIES. THE ISSUANCE OF THE BONDS MUST BE CONSISTENT WITH THE PUBLIC PURPOSES OF THE QUASI-GOVERNMENTAL AUTHORITY ISSUING THE BONDS.

(IV) THE STATE TREASURER SHALL REINVEST PRINCIPAL PROCEEDS RECEIVED FROM REDEMPTION OF AN INVESTMENT MADE PURSUANT TO THIS SUBSECTION (8) IN ACCORDANCE WITH THIS SUBSECTION (8); EXCEPT THAT ANY REINVESTMENT SHALL ONLY BE MADE AFTER THE STATE TREASURER RECEIVES REPAYMENT OF FIFTY PERCENT OF THE PRINCIPAL AMOUNT INVESTED.

(V) THE QUASI-GOVERNMENTAL AUTHORITY ISSUING THE BONDS SHALL PROVIDE AN ANNUAL REPORT TO THE TREASURER AND THE GENERAL ASSEMBLY THAT INCLUDES THE TOTAL NUMBER OF UNITS CONSTRUCTED IN THE REPORTING YEAR AND AT WHAT LEVELS OF AFFORDABILITY THE UNITS WILL BE OFFERED FOR SALE, A MAP SHOWING EACH LOCATION WHERE PROCEEDS OF THE BONDS HAVE BEEN USED, AND THE AVERAGE SALE PRICE OF AFFORDABLE FOR-SALE HOUSING CREATED WITH BOND PROCEEDS THAT SOLD IN THE REPORTING YEAR CATEGORIZED BY RURAL, URBAN, AND RURAL RESORT REGIONS. THE REPORT MUST ALSO INCLUDE HOUSING MARKET AND DEMOGRAPHIC INFORMATION THAT DEMONSTRATES HOW THE UNITS CREATED ADDRESS THE NEED FOR AFFORDABLE FOR-SALE HOMES IN THE COMMUNITIES THEY ARE INTENDED TO SERVE AND PROVIDE INFORMATION ABOUT ANY REMAINING DISPARITIES CONCERNING HOUSING AFFORDABILITY WITHIN THESE COMMUNITIES.

SECTION 3. Safety clause. The general assembly finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety or for appropriations for

the support and maintenance of the departments of the state and state institutions.

James Rashad Coleman, Sr.
PRESIDENT OF
THE SENATE

Julie McCluskie
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Esther van Mourik
SECRETARY OF
THE SENATE

Vanessa Reilly
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

APPROVED _____
(Date and Time)

Jared S. Polis
GOVERNOR OF THE STATE OF COLORADO