

**First Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO**

REREVISED

*This Version Includes All Amendments
Adopted in the Second House*

LLS NO. 25-0586.01 Megan McCall x4215

SENATE BILL 25-006

SENATE SPONSORSHIP

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House Committees

Transportation, Housing & Local Government
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A BILL FOR AN ACT

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

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 authorizes the state treasurer to invest up to \$50 million of state money in bonds that may have below-market interest rates that are issued by a quasi-governmental entity if the proceeds of the bonds are used for the creation of affordable for-sale housing that otherwise would not be created without the state's investment. Money from redemption of

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

HOUSE
3rd Reading Unamended
April 11, 2025

HOUSE
Amended 2nd Reading
April 3, 2025

SENATE
3rd Reading Unamended
February 5, 2025

SENATE
Amended 2nd Reading
February 4, 2025

such bonds may be reinvested by the state treasurer for the same purpose.

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.

(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

1 AUTHORITY ISSUING THE BONDS. NOTWITHSTANDING SUBSECTION (1)(a)
2 OF THIS SECTION, AN INVESTMENT ALLOWED PURSUANT TO THIS
3 SUBSECTION (8) MAY HAVE A BELOW-MARKET RATE OF INTEREST.

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

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

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

24 (III) ANY BOND PURCHASED IN ACCORDANCE WITH THIS
25 SUBSECTION (8) MUST HAVE AT LEAST TWO CREDIT RATINGS AT OR ABOVE
26 A- OR A3 OR ITS EQUIVALENT FROM A NATIONALLY RECOGNIZED RATING
27 ORGANIZATION AND MUST OTHERWISE BE ELIGIBLE FOR PURCHASE

1 CONSISTENT WITH THE STATE TREASURER'S INVESTMENT POLICIES. THE
2 ISSUANCE OF THE BONDS MUST BE CONSISTENT WITH THE PUBLIC PURPOSES
3 OF THE QUASI-GOVERNMENTAL AUTHORITY ISSUING THE BONDS.

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

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

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

- 1 the support and maintenance of the departments of the state and state
- 2 institutions.