

Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

BILLPAPER

INTRODUCED

LLS NO. 26-0320.02 Pierce Lively x2059

SENATE BILL 26-139

SENATE SPONSORSHIP

Bridges and Roberts,

HOUSE SPONSORSHIP

Stewart K. and Lukens,

Senate Committees
Education

House Committees

A BILL FOR AN ACT

101 **CONCERNING FUNDING FOR THE CREATION OF LOCAL EDUCATION**
102 **PROVIDER WORKFORCE HOUSING BY LOCAL EDUCATION**
103 **PROVIDERS.**

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>.)

Section 4 of the bill creates the "Building Excellent Teacher and Employee Residences Act" (BETER). BETER creates a new school district financing opportunity for the development of housing for teachers and other school district and public school staff (workforce housing).

The bill creates an application process by which a school district

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.

(applicant) may apply to the workforce housing assistance board (board) for financial assistance in connection with developing a workforce housing project. The division of public school capital construction assistance within the department of education (division of public school capital construction assistance) and the division of housing within the department of local affairs (division of housing) shall assist applicants in identifying workforce housing needs and in submitting applications to the board. No later than June 1, the board, with the support of the division of housing and division of public school capital construction assistance, shall review these applications according to guidelines that the board establishes and creates an initial prioritized list of workforce housing projects to award financial assistance. The board shall submit this initial prioritized list to the state board of education and the state housing board for comment. No later than July 15, the board shall determine a final prioritized list of projects for which the board will provide financial assistance.

The board may only award financial assistance to an applicant for a workforce housing project if:

- The board determines that the project complies with affordability, tenancy, and environmental and building requirements established by the board; and
- Unless the board grants an exemption, the applicant provides matching money in an amount at least equal to the portion of the total development cost of the workforce housing project that can be financed with and supported by net operating income generated from the project.

The board may only provide an amount of financial assistance to an applicant for a workforce housing project that is equal to or less than the portion of the amount of the workforce housing project's total development cost that exceeds the amount that the applicant can finance and support with the workforce housing project's net operating income.

The board may provide financial assistance to an applicant for a workforce housing project by awarding matching grants that are paid out of the workforce housing assistance fund (fund) or by instructing the state treasurer to enter into a financed purchase of an asset or certificate of participation agreement. In this context, the financed purchase of an asset or certificate of participation agreement means a lease-purchase agreement between the state treasurer and a trustee pursuant to which:

- The state makes rental payments that include principal and interest components; and
- The trustee, pursuant to an indenture of trust, creates certificates of participation evidencing undivided interests in the payments made by the state under the lease-purchase agreement.

Any payment obligation of the state as part of a financed purchase of an

asset or certificate of participation agreement is subject to annual appropriation and does not create an indebtedness or multiple fiscal year financial obligation of the state within the meaning of any provision of the state constitution or state statute.

If the state treasurer enters into a financed purchase of an asset or certificate of participation agreement, the board shall enter into a sub-financed purchase of an asset or certificate of participation agreement for the workforce housing project with the applicant that will use the workforce housing. The sub-financed purchase of an asset or certificate of participation agreement must:

- Require the applicant to perform for the state all duties of the state to maintain and operate the workforce housing project and to make periodic rental payments to the state or otherwise make a payment to the state in the amount of the matching money required for the award of financial assistance; and
- Provide for the transfer of ownership of the workforce housing from the state to the applicant upon the fulfillment of both the state's obligations under the financed purchase of an asset or certificate of participation agreement and the applicant's obligations under the sub-financed purchase of an asset or certificate of participation agreement.

The board is required to present an annual written report to the education and finance committees of the house of representatives and the senate regarding the provision of financial assistance to applicants. The board is also required to post a similar report on the department of education's website.

Sections 5, 6, 7, and 8 establish the funding mechanism for the fund. The state constitution restricts the use of the principal of the public school fund and only allows for the use of public school fund interest and income. **Sections 6 and 7** clarify that public school fund interest and income includes realized and unrealized gains and directs the transfer of the lesser of an amount of interest and income equal to 2.5% of the total value of the public school fund after making currently required interest and income distributions from the public school fund or \$40 million to the state public school fund. **Section 5** creates the public school fund income stabilization account within the public school fund and directs the treasurer to credit the difference between the amount transferred from the public school fund to the state public school fund as described in **section 6** and \$40 million to the account. The uses of the account are limited to supplementing payment from or the principal of the public school fund. **Section 8** directs the state treasurer to annually transfer an amount equal to the amount transferred from the public school fund to the state public school fund pursuant to **section 6** from the state education fund to the fund.

Section 1 expands school district powers concerning the development and financing of workforce housing. Specifically, **section 1** allows for school districts to:

- Acquire, construct, improve, own, operate, lease, and lease-purchase workforce housing;
- Issue bonds to finance workforce housing;
- Enter into contracts with public entities and private parties to finance workforce housing; and
- Create enterprises for the acquisition, construction, improvement, ownership, operation, leasing, and lease-purchasing of workforce housing.

Section 1 also describes the characteristics of bonds issued by school district-created enterprises for the purpose of financing workforce housing.

Section 2 adds certain school district and school district enterprise lease agreements, lease-purchase agreements, and revenue bonds entered into or issued in connection with financing workforce housing to the state intercept program.

Sections 3, 9, and 10 grant the division of public school capital construction assistance, the state treasurer, and the division of housing the powers necessary to implement the bill.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 22-32-124.7 as
3 follows:

4 **22-32-124.7. Workforce housing - school district powers and**
5 **duties - definitions.**

6 (1) IN ADDITION TO ANY OTHER POWERS AND DUTIES, THE BOARD
7 OF EDUCATION MAY:

8 (a) ACQUIRE, CONSTRUCT, IMPROVE, OWN, OPERATE, LEASE, AND
9 LEASE-PURCHASE WORKFORCE HOUSING;

10 (b) ISSUE GENERAL OBLIGATION BONDS OR NON-ENTERPRISE
11 REVENUE BONDS TO PAY THE COSTS OF ACQUIRING, CONSTRUCTING,
12 IMPROVING, OWNING, OPERATING, LEASING, AND LEASE-PURCHASING
13 WORKFORCE HOUSING;

1 (c) ENTER INTO CONTRACTS WITH PUBLIC ENTITIES AND PRIVATE
2 PARTIES, INCLUDING PUBLIC-PUBLIC AND PUBLIC-PRIVATE PARTNERSHIPS,
3 FOR THE ACQUISITION, CONSTRUCTION, IMPROVEMENT, OWNERSHIP,
4 OPERATION, LEASING, AND LEASE-PURCHASING OF WORKFORCE HOUSING;
5 AND

6 (d) CREATE AN ENTERPRISE FOR THE ACQUISITION, CONSTRUCTION,
7 IMPROVEMENT, OWNERSHIP, OPERATION, LEASING, AND
8 LEASE-PURCHASING OF WORKFORCE HOUSING.

9 (2) (a) AN ENTERPRISE CREATED BY A BOARD OF EDUCATION
10 PURSUANT TO THIS SECTION HAS THE POWERS AND DUTIES DESCRIBED IN
11 SUBSECTIONS (1)(a) AND (1)(c) OF THIS SECTION.

12 (b) (I) (A) AN ENTERPRISE CREATED PURSUANT TO THIS
13 SUBSECTION (2) MAY ISSUE BONDS TO ACCOMPLISH OR FURTHER ANY OF
14 ITS POWERS OR DUTIES RELATING TO WORKFORCE HOUSING.

15 (B) BONDS ISSUED BY AN ENTERPRISE PURSUANT TO THIS
16 SUBSECTION (2)(b) MUST BE ISSUED PURSUANT TO RESOLUTION OF THE
17 ENTERPRISE'S BOARD, ARE PAYABLE SOLELY FROM ALL OR A SPECIFIED
18 PORTION OF THE REVENUES OR ASSETS OF THE ENTERPRISE OR THE
19 REVENUES AND ASSETS OF THE WORKFORCE HOUSING COMPONENT OF A
20 PUBLIC-PRIVATE PARTNERSHIP, AND MAY BE SECURED BY A MORTGAGE,
21 DEED OF TRUST, PLEDGE, OTHER SECURITY INTEREST IN OR ENCUMBRANCE
22 ON ANY OF THE REVENUE, PROPERTY, OR ASSETS OF THE ENTERPRISE OR
23 THE REVENUE, PROPERTY, OR ASSETS OF THE WORKFORCE HOUSING
24 COMPONENT OF A PUBLIC-PRIVATE PARTNERSHIP.

25 (C) AS PROVIDED IN THE RESOLUTION OF THE ENTERPRISE UNDER
26 WHICH BONDS ARE AUTHORIZED TO BE ISSUED OR AS PROVIDED IN A TRUST
27 INDENTURE BETWEEN THE ENTERPRISE AND ANY COMMERCIAL BANK OR

1 TRUST COMPANY HAVING FULL TRUST POWERS; BONDS MAY BE EXECUTED
2 AND DELIVERED BY AN ENTERPRISE CREATED PURSUANT TO THIS
3 SUBSECTION (2) AT THE TIMES; MAY BE IN THE FORM AND DENOMINATIONS
4 AND INCLUDE THE TERMS AND MATURITIES; MAY BE SUBJECT TO OPTIONAL
5 OR MANDATORY REDEMPTION PRIOR TO MATURITY WITH OR WITHOUT A
6 PREMIUM; MAY BE IN FULLY REGISTERED FORM OR BEARER FORM
7 REGISTRABLE AS TO PRINCIPAL OR INTEREST OR BOTH; MAY BE PAYABLE
8 IN SUCH INSTALLMENTS AND AT THE TIMES NOT EXCEEDING FORTY-FIVE
9 YEARS FROM THE DATE THEREOF; MAY BE PAYABLE AT THE PLACE
10 WHETHER WITHIN OR WITHOUT THE STATE OR ELECTRONICALLY; MAY
11 BEAR FIXED OR VARIABLE INTEREST; MAY BE SUBJECT TO PURCHASE AT
12 THE OPTION OF THE HOLDER OR THE ENTERPRISE; MAY BE EVIDENCED IN
13 SUCH MANNER; MAY BE EXECUTED BY THE OFFICERS OF THE ENTERPRISE,
14 INCLUDING THE USE OF ONE OR MORE FACSIMILE SIGNATURES, WHICH MAY
15 BE EITHER OF AN OFFICER OF THE ENTERPRISE OR OF AN AGENT
16 AUTHENTICATING THE SAME; MAY BE IN THE FORM OF COUPON BONDS
17 THAT HAVE ATTACHED INTEREST COUPONS BEARING A MANUAL OR
18 FACSIMILE SIGNATURE OF AN OFFICER OF THE ENTERPRISE; AND MAY
19 CONTAIN THE PROVISIONS NOT INCONSISTENT WITH THIS SUBSECTION
20 (2)(b).

21 (D) BONDS ISSUED BY AN ENTERPRISE PURSUANT TO THIS
22 SUBSECTION (2)(b) MAY BE SOLD AT PUBLIC OR PRIVATE SALE AT THE
23 PRICE OR PRICES, IN THE MANNER, AND AT THE TIMES DETERMINED BY THE
24 BOARD, AND THE ENTERPRISE SHALL PAY FEES, EXPENSES, AND
25 COMMISSIONS THAT IT DEEMS NECESSARY OR ADVANTAGEOUS IN
26 CONNECTION WITH THE SALE OF THE BONDS. THE POWER TO FIX THE DATE
27 OF SALE OF THE BONDS, TO RECEIVE BIDS OR PROPOSALS, TO AWARD AND

1 SELL BONDS, TO FIX INTEREST RATES, AND TO TAKE ALL OTHER ACTION
2 NECESSARY TO SELL AND DELIVER THE BONDS MAY BE DELEGATED TO AN
3 OFFICER OR AGENT OF THE ENTERPRISE.

4 (E) ANY OUTSTANDING BONDS ISSUED BY AN ENTERPRISE
5 PURSUANT TO THIS SUBSECTION (2)(b) MAY BE REFUNDED BY THE
6 ENTERPRISE PURSUANT TO ARTICLE 56 OF TITLE 11.

7 (F) ALL BONDS ISSUED BY AN ENTERPRISE PURSUANT TO THIS
8 SUBSECTION (2)(b) AND ANY INTEREST COUPONS APPLICABLE TO THE
9 BONDS ARE DECLARED TO BE NEGOTIABLE INSTRUMENTS.

10 (G) THE RESOLUTION OR TRUST INDENTURE AUTHORIZING THE
11 ISSUANCE OF BONDS ISSUED BY AN ENTERPRISE PURSUANT TO THIS
12 SUBSECTION (2)(b) MAY PLEDGE ALL OR A PORTION OF THE REVENUES AND
13 ASSETS OF THE ENTERPRISE; MAY GRANT OR PROVIDE FOR A MORTGAGE,
14 DEED OF TRUST, PLEDGE, OTHER SECURITY INTEREST IN OR ENCUMBRANCE
15 ON ANY OF THE REVENUES, PROPERTY, OR ASSETS OF THE ENTERPRISE;
16 MAY PLEDGE ALL OR A PORTION OF THE RIGHTS OF THE ENTERPRISE TO
17 IMPOSE AND RECEIVE RENT OR OTHER CHARGES IN ACCORDANCE WITH THE
18 PROVISIONS OF THIS PART 1; MAY CONTAIN THE PROVISIONS FOR
19 PROTECTING AND ENFORCING THE RIGHTS AND REMEDIES OF HOLDERS OF
20 ANY OF THE BONDS THAT THE ENTERPRISE DEEMS APPROPRIATE; MAY SET
21 FORTH THE RIGHTS AND REMEDIES OF THE HOLDERS OF ANY OF THE BONDS;
22 AND MAY CONTAIN PROVISIONS THAT THE ENTERPRISE DEEMS
23 APPROPRIATE FOR THE SECURITY OF THE HOLDERS OF THE BONDS,
24 INCLUDING PROVISIONS FOR LETTERS OF CREDIT, INSURANCE, STANDBY
25 CREDIT AGREEMENTS, OR OTHER FORMS OF CREDIT ENSURING TIMELY
26 PAYMENT OF THE BONDS, INCLUDING THE REDEMPTION PRICE OR THE
27 PURCHASE PRICE.

1 (H) ANY PLEDGE OF REVENUE, ASSETS, OR OTHER PROPERTY MADE
2 BY AN ENTERPRISE CREATED PURSUANT TO THIS SUBSECTION (2) OR BY
3 ANY PERSON OR GOVERNMENTAL UNIT WITH WHICH SUCH AN ENTERPRISE
4 CONTRACTS IS VALID AND BINDING FROM THE TIME THE PLEDGE IS MADE.
5 THE PLEDGED REVENUES, ASSETS, OR PROPERTY ARE IMMEDIATELY
6 SUBJECT TO THE LIEN OF THE PLEDGE WITHOUT ANY PHYSICAL DELIVERY
7 OR FURTHER ACT, AND THE LIEN OF THE PLEDGE IS VALID AND BINDING
8 AGAINST ALL PARTIES HAVING CLAIMS OF ANY KIND IN TORT, CONTRACT,
9 OR OTHERWISE AGAINST THE PLEDGING PARTY. THE LIEN OF THE PLEDGE
10 IS SUPERIOR TO ANY OTHER LIEN ON THE SAME REVENUE, ASSETS, OR
11 PROPERTY THAT IS FILED LATER IN TIME OTHER THAN A LIEN FOR
12 PROPERTY TAXES.

13 (I) NEITHER THE MEMBERS OF THE BOARD OF AN ENTERPRISE
14 CREATED PURSUANT TO THIS SUBSECTION (2), EMPLOYEES OF THE
15 ENTERPRISE, IF ANY, NOR ANY PERSON EXECUTING BONDS PURSUANT TO
16 THIS SUBSECTION (2)(b) ARE LIABLE PERSONALLY ON THE BONDS OR
17 SUBJECT TO ANY PERSONAL LIABILITY BY REASON OF THE ISSUANCE OF THE
18 BONDS.

19 (J) AN ENTERPRISE CREATED PURSUANT TO THIS SUBSECTION (2)
20 MAY PURCHASE BONDS THAT IT ISSUES PURSUANT TO THIS SUBSECTION
21 (2)(b) OUT OF ANY AVAILABLE MONEY AND MAY HOLD, PLEDGE, CANCEL,
22 OR RESELL THE BONDS SUBJECT TO AND IN ACCORDANCE WITH
23 AGREEMENTS WITH THE HOLDERS OF THE BONDS.

24 (II) AN ENTERPRISE CREATED PURSUANT TO THIS SUBSECTION (2)
25 MAY INVEST OR DEPOSIT ANY PROCEEDS AND ANY INTEREST FROM THE
26 SALE OF BONDS PURSUANT TO THIS SUBSECTION (2)(b) IN THE MANNER
27 PROVIDED BY PART 6 OF ARTICLE 75 OF TITLE 24. IN ADDITION, AN

1 ENTERPRISE MAY DIRECT A CORPORATE TRUSTEE THAT HOLDS THE
2 PROCEEDS AND ANY INTEREST TO INVEST OR DEPOSIT THE PROCEEDS AND
3 ANY INTEREST IN INVESTMENTS OR DEPOSITS OTHER THAN THOSE
4 SPECIFIED BY SAID PART 6 IF THE ENTERPRISE DETERMINES, BY
5 RESOLUTION, THAT THE INVESTMENT OR DEPOSIT MEETS THE STANDARD
6 ESTABLISHED IN SECTION 15-1-304, THE INCOME IS AT LEAST COMPARABLE
7 TO INCOME AVAILABLE ON INVESTMENTS OR DEPOSITS SPECIFIED BY PART
8 6 OF ARTICLE 75 OF TITLE 24, AND THE INVESTMENT WILL ASSIST THE
9 ENTERPRISE IN THE COMPLETION OF WORKFORCE HOUSING OR ACTIVITIES
10 TO BE FINANCED FROM PROCEEDS OF THE BONDS.

11 (III) ALL BANKS, TRUST COMPANIES, SAVINGS AND LOAN
12 ASSOCIATIONS, INSURANCE COMPANIES, EXECUTORS, ADMINISTRATORS,
13 GUARDIANS, TRUSTEES, AND OTHER FIDUCIARIES MAY LEGALLY INVEST
14 ANY MONEY WITHIN THEIR CONTROL IN BONDS ISSUED BY AN ENTERPRISE
15 PURSUANT TO THIS SUBSECTION (2)(b). PUBLIC ENTITIES, AS DEFINED IN
16 SECTION 24-75-601 (1), MAY INVEST PUBLIC MONEY IN SUCH BONDS ONLY
17 IF THE BONDS SATISFY THE INVESTMENT REQUIREMENTS ESTABLISHED IN
18 PART 6 OF ARTICLE 75 OF TITLE 24.

19 (IV) BONDS ISSUED BY AN ENTERPRISE PURSUANT TO THIS
20 SUBSECTION (2)(b) ARE EXEMPT FROM THE PROVISIONS OF ARTICLE 51 OF
21 TITLE 11.

22 (V) BONDS ISSUED BY AN ENTERPRISE PURSUANT TO THIS
23 SUBSECTION (2)(b) ARE EXEMPT FROM TAXATION BY THE STATE AND ANY
24 COUNTY, CITY AND COUNTY, MUNICIPALITY, OR OTHER POLITICAL
25 SUBDIVISION OF THE STATE.

26 (VI) THE ISSUANCE OF BONDS BY AN ENTERPRISE PURSUANT TO
27 THIS SUBSECTION (2)(b) NEED ONLY COMPLY WITH THE REQUIREMENTS OF

1 THIS SUBSECTION (2)(b).

2 (3) (a) A SCHOOL DISTRICT MAY ISSUE NON-ENTERPRISE REVENUE
3 BONDS TO ACCOMPLISH OR FURTHER ANY OF ITS POWERS OR DUTIES
4 RELATING TO WORKFORCE HOUSING.

5 (b) AS USED IN THIS SUBSECTION (3), "NON-ENTERPRISE REVENUE
6 BONDS" MEANS BONDS THAT ARE ISSUED BY A SCHOOL DISTRICT FOR THE
7 PURPOSE OF FINANCING WORKFORCE HOUSING. NON-ENTERPRISE REVENUE
8 BONDS:

9 (I) MUST BE PAYABLE FROM REVENUES DERIVED FROM THE
10 OWNERSHIP AND OPERATION OF WORKFORCE HOUSING AND MAY BE
11 SECURED BY A PLEDGE OF OR LIEN ON THOSE REVENUES AND A MORTGAGE
12 OF SUCH WORKFORCE HOUSING FACILITIES;

13 (II) MUST BE AUTHORIZED BY THE VOTERS OF THE SCHOOL
14 DISTRICT, IF REQUIRED BY SECTION 20 OF ARTICLE X OF THE STATE
15 CONSTITUTION OR ANY OTHER PROVISION OF THE STATE CONSTITUTION;

16 (III) ARE NOT SUBJECT TO THE LIMITATIONS ON SCHOOL DISTRICT
17 BONDS ESTABLISHED IN SECTION 22-42-104; AND

18 (IV) MUST BE ISSUED IN THE SAME MANNER, ARE ENTITLED TO THE
19 SAME EXEMPTIONS FROM STATE TAXES AND OTHER STATE LAWS
20 APPLICABLE TO THE ISSUANCE OF SCHOOL DISTRICT GENERAL OBLIGATION
21 BONDS, AND, EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION (3),
22 SHALL BE TREATED THE SAME, AS THE SCHOOL DISTRICT'S GENERAL
23 OBLIGATION BONDS.

24 (4) A SCHOOL DISTRICT SHALL NOT ISSUE EXEMPT FACILITY BONDS,
25 AS DEFINED IN SECTION 142 (a) OF THE INTERNAL REVENUE CODE; USE
26 PRIVATE ACTIVITY BONDS VOLUME CAP ALLOCATION IN THE ISSUANCE OF
27 BONDS; OR RECEIVE A DIRECT ALLOCATION, STATEWIDE BALANCE AWARD,

1 OR ASSIGNMENT OF ALLOCATION OF STATE CEILING PURSUANT TO PART 17
2 OF ARTICLE 32 OF TITLE 24.

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

5 (a) "ENTERPRISE" HAS THE SAME MEANING AS IN SECTION
6 24-77-102 (3).

7 (b) "WORKFORCE HOUSING" HAS THE SAME MEANING AS IN
8 SECTION 22-43.8-103 (15).

9 **SECTION 2.** In Colorado Revised Statutes, 22-41-110, **amend**
10 (1)(b)(II) and (1)(b)(III); and **add** (1)(b)(II.5) as follows:

11 **22-41-110. Timely payment of school district obligations.**

12 (1) (b) This section applies to:

13 (II) Obligations of a school district in connection with a lease
14 agreement or installment purchase agreement entered into by a school
15 district under section 22-32-127 or 22-45-103 (1)(c) on or after July 1,
16 1991, OR A LEASE OR LEASE-PURCHASE AGREEMENT BETWEEN THE
17 SCHOOL DISTRICT AND THE STATE ENTERED INTO IN CONNECTION WITH A
18 FINANCED PURCHASE OF AN ASSET AGREEMENT ENTERED INTO BY THE
19 STATE PURSUANT TO SECTION 22-43.8-108; **and**

20 (II.5) REVENUE BONDS ISSUED BY A SCHOOL DISTRICT ENTERPRISE
21 PURSUANT TO SECTION 22-32-124.7 (2) OR NON-ENTERPRISE REVENUE
22 BONDS ISSUED BY A SCHOOL DISTRICT PURSUANT TO SECTION 22-32-124.7
23 (3) FOR THE PURPOSE OF FINANCING WORKFORCE HOUSING; AND

24 (III) Refunding bonds issued by a school district pursuant to
25 article 56 of title 11 OR BY A SCHOOL DISTRICT ENTERPRISE PURSUANT TO
26 SECTION 22-32-124.7 (2).

27 **SECTION 3.** In Colorado Revised Statutes, 22-43.7-105, **add** (4)

1 as follows:

2 **22-43.7-105. Division of public school capital construction**
3 **assistance - creation - director - function - powers and duties.**

4 (4) IN ADDITION TO THE FUNCTIONS OF THE DIVISION SPECIFIED IN
5 SUBSECTIONS (2) AND (3) OF THIS SECTION, THE DIVISION SHALL PROVIDE
6 PROFESSIONAL AND TECHNICAL SUPPORT AS DESCRIBED IN ARTICLE 43.8
7 OF THIS TITLE 22 OR AS OTHERWISE REQUIRED TO THE WORKFORCE
8 HOUSING ASSISTANCE BOARD CREATED IN SECTION 22-43.8-105, IN
9 PARTNERSHIP WITH THE DIVISION OF HOUSING WITHIN THE DEPARTMENT
10 OF LOCAL AFFAIRS.

11 **SECTION 4.** In Colorado Revised Statutes, **add** article 43.8 to
12 title 22 as follows:

13 **ARTICLE 43.8**

14 **Building Excellent Teacher and Employee Residences**

15 **22-43.8-101. Short title.**

16 THE SHORT TITLE OF THIS ARTICLE 43.8 IS THE "BUILDING
17 EXCELLENT TEACHER AND EMPLOYEE RESIDENCES ACT".

18 **22-43.8-102. Legislative findings and declarations.**

19 (1) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT:

20 (a) COLORADO IS EXPERIENCING A SEVERE AND PERVASIVE
21 HOUSING AFFORDABILITY CRISIS, WITH RENTS AND HOME PRICES IN MANY
22 COMMUNITIES RISING FAR FASTER THAN EDUCATOR SALARIES. IN
23 NUMEROUS COMMUNITIES, THE SHORTAGE OF AFFORDABLE HOUSING HAS
24 MADE IT DIFFICULT OR IMPOSSIBLE FOR TEACHERS AND OTHER SCHOOL
25 DISTRICT AND PUBLIC SCHOOL STAFF TO LIVE IN THE COMMUNITIES THEY
26 SERVE. THIS HOUSING SHORTAGE DIRECTLY CONTRIBUTES TO CHRONIC
27 STAFFING VACANCIES, HIGH TURNOVER, AND DISRUPTIONS TO STUDENT

1 LEARNING.

2 (b) SCHOOL DISTRICTS POSSESS VARYING LEVELS OF FINANCIAL
3 CAPACITY TO DEVELOP WORKFORCE HOUSING FOR TEACHERS AND OTHER
4 SCHOOL DISTRICT AND PUBLIC SCHOOL STAFF, AND MANY ARE UNABLE TO
5 FINANCE SUCH PROJECTS BECAUSE RENTAL INCOME CANNOT SUPPORT THE
6 FULL COSTS OF DEVELOPMENT IN THE CURRENT INTEREST RATE AND
7 CONSTRUCTION COST ENVIRONMENT;

8 (c) THE ESTABLISHMENT OF A PROGRAM TO PROVIDE STATE
9 FINANCIAL ASSISTANCE FOR WORKFORCE HOUSING IS NECESSARY TO
10 ENSURE THAT TEACHERS AND OTHER SCHOOL DISTRICT AND PUBLIC
11 SCHOOL STAFF HAVE ACCESS TO SAFE AND ATTAINABLE HOUSING THAT
12 ALLOWS THEM TO LIVE IN THE COMMUNITIES THEY SERVE, THEREBY
13 SUPPORTING THE EDUCATIONAL SUCCESS AND WELL-BEING OF
14 COLORADO'S CHILDREN AND FAMILIES AND THE EFFECTIVE OPERATION OF
15 PUBLIC SCHOOLS; AND

16 (d) THE PROVISION OF FINANCIAL ASSISTANCE FOR THE
17 DEVELOPMENT OF WORKFORCE HOUSING FOR TEACHERS AND OTHER
18 SCHOOL DISTRICT AND PUBLIC SCHOOL STAFF PURSUANT TO THIS ARTICLE
19 43.8 SUPPLEMENTS, AND DOES NOT SUPPLANT, OTHER STATE FUNDING FOR
20 EDUCATION, AND DOES NOT REDUCE ANY STATE OBLIGATIONS UNDER
21 EXISTING STATUTORY OR COURT-ORDERED EDUCATION FUNDING
22 REQUIREMENTS.

23 (2) THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT:

24 (a) THE PROVISION OF FINANCIAL ASSISTANCE FOR THE
25 DEVELOPMENT OF WORKFORCE HOUSING FOR TEACHERS AND OTHER
26 SCHOOL DISTRICT AND PUBLIC SCHOOL STAFF PURSUANT TO THIS ARTICLE
27 43.8 SUPPLEMENTS, AND DOES NOT SUPPLANT, OTHER STATE FUNDING FOR

1 EDUCATION, AND DOES NOT REDUCE ANY STATE OBLIGATIONS UNDER
2 EXISTING STATUTORY OR COURT-ORDERED EDUCATION FUNDING
3 REQUIREMENTS; AND

4 (b) HOUSING PROJECTS THAT SELECT TENANTS USING A TENANT
5 SELECTION PROCESS THAT CREATES PREFERENCES FOR TEACHERS AND
6 OTHER SCHOOL DISTRICT AND PUBLIC SCHOOL STAFF AND OTHER PERSONS
7 IN ACCORDANCE WITH SECTION 22-47.8-107 (3)(a):

8 (I) PROMOTE A SUBSTANTIAL, LEGITIMATE, AND
9 NONDISCRIMINATORY STATE INTEREST THAT CANNOT BE SERVED BY
10 ANOTHER PRACTICE WITH A LESS DISCRIMINATORY EFFECT;

11 (II) COMPLY WITH THE FEDERAL "FAIR HOUSING ACT", 42 U.S.C.
12 SEC. 3601 ET SEQ., PART 5 OF ARTICLE 34 OF TITLE 24, AND OTHER STATE
13 AND LOCAL LAWS, ORDINANCES, AND RESOLUTIONS.

14 (3) THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT:

15 (a) IN ACCORDANCE WITH THE DECISION OF THE COLORADO COURT
16 OF APPEALS IN THE CASE DENOMINATED *COLORADO CRIMINAL JUSTICE*
17 *REFORM COALITION V. ORTIZ*, CASE No. 04 CA 0879 (APRIL 7, 2005), THE
18 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
19 AGREEMENTS ENTERED INTO PURSUANT TO THIS ARTICLE 43.8 DO NOT
20 CONSTITUTE A MULTIPLE-FISCAL YEAR DIRECT OR INDIRECT DISTRICT DEBT
21 OR OTHER FINANCIAL OBLIGATION WHATSOEVER FOR PURPOSES OF
22 SECTION 20 (4)(a) OF ARTICLE X OF THE STATE CONSTITUTION;

23 (b) A PUBLIC-PRIVATE PARTNERSHIP ENTERED INTO BY A SCHOOL
24 DISTRICT, THE STATE, OR OTHER GOVERNMENTAL ENTITY IN CONNECTION
25 WITH WORKFORCE HOUSING FOR TEACHERS AND OTHER SCHOOL DISTRICT
26 AND PUBLIC SCHOOL STAFF SERVES A PUBLIC PURPOSE AND DOES NOT,
27 THEREFORE, VIOLATE SECTION 2 OF ARTICLE XI OF THE STATE

1 CONSTITUTION; AND

2 (c) THE PROVISION OF FINANCIAL ASSISTANCE FOR WORKFORCE
3 HOUSING FOR TEACHERS AND OTHER SCHOOL DISTRICT AND PUBLIC
4 SCHOOL STAFF PURSUANT TO THIS ARTICLE 43.8 MEETS THE
5 REQUIREMENTS OF SECTION 3 OF ARTICLE IX OF THE STATE CONSTITUTION.

6 **22-43.8-103. Definitions.**

7 AS USED IN THIS ARTICLE 43.8, UNLESS THE CONTEXT OTHERWISE
8 REQUIRES:

9 (1) "APPLICANT" MEANS A SCHOOL DISTRICT THAT DIRECTLY OR
10 INDIRECTLY SUBMITS AN APPLICATION FOR FINANCIAL ASSISTANCE TO THE
11 BOARD.

12 (2) "BOARD" MEANS THE WORKFORCE HOUSING ASSISTANCE
13 BOARD CREATED IN SECTION 22-43.8-105.

14 (3) "DEPARTMENT" MEANS THE DEPARTMENT OF EDUCATION
15 CREATED IN SECTION 24-1-115.

16 (4) "DIVISION OF HOUSING" MEANS THE DIVISION OF HOUSING
17 WITHIN THE DEPARTMENT OF LOCAL AFFAIRS CREATED IN SECTION
18 24-32-704.

19 (5) "DIVISION OF PUBLIC SCHOOL CAPITAL CONSTRUCTION
20 ASSISTANCE" MEANS THE DIVISION OF PUBLIC SCHOOL CAPITAL
21 CONSTRUCTION ASSISTANCE WITHIN THE DEPARTMENT CREATED IN
22 SECTION 22-43.7-105.

23 (6) "FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
24 PARTICIPATION AGREEMENT" MEANS A LEASE-PURCHASE AGREEMENT
25 BETWEEN THE STATE TREASURER AND A TRUSTEE ENTERED INTO
26 PURSUANT TO SECTION 22-43.8-108 PURSUANT TO WHICH:

27 (a) THE STATE MAKES RENTAL PAYMENTS THAT INCLUDE

1 PRINCIPAL AND INTEREST COMPONENTS; AND

2 (b) THE TRUSTEE, PURSUANT TO AN INDENTURE OF TRUST,
3 CREATES CERTIFICATES OF PARTICIPATION EVIDENCING UNDIVIDED
4 INTERESTS IN THE PAYMENTS MADE BY THE STATE UNDER THE
5 LEASE-PURCHASE AGREEMENT.

6 (7) "FINANCIAL ASSISTANCE" MEANS MATCHING GRANTS MADE BY
7 THE BOARD FROM THE ASSISTANCE FUND TO APPLICANTS OR ANY OTHER
8 EXPENDITURES MADE FROM THE ASSISTANCE FUND FOR THE PURPOSE OF
9 FINANCING WORKFORCE HOUSING AS AUTHORIZED BY THIS ARTICLE 43.8.

10 (8) "FUND" MEANS THE WORKFORCE HOUSING ASSISTANCE FUND
11 CREATED IN SECTION 22-43.8-104.

12 (9) "MATCHING MONEY" MEANS ANY INSTRUMENT OR MONEY AN
13 APPLICANT IS REQUIRED TO PAY TO THE STATE OR USE DIRECTLY TO PAY
14 A PORTION OF THE COSTS OF AN APPLICANT'S WORKFORCE HOUSING
15 PROJECT AS A CONDITION OF AN AWARD OF FINANCIAL ASSISTANCE TO THE
16 APPLICANT PURSUANT TO SECTION 24-43.8-107 (12). MATCHING MONEY
17 MAY INCLUDE REVENUE OR PROCEEDS GENERATED FROM A LEASE, A
18 LEASE-PURCHASE AGREEMENT, A PRIVATE FINANCING, A GENERAL
19 OBLIGATION BOND, A REVENUE BOND ISSUED BY A SCHOOL DISTRICT
20 ENTERPRISE PURSUANT TO SECTION 22-32-124.7 (2), OR A
21 NON-ENTERPRISE BOND ISSUED BY A SCHOOL DISTRICT PURSUANT TO
22 SECTION 22-32-124.7 (3) FOR THE PURPOSE OF FINANCING WORKFORCE
23 HOUSING, OR ANY OTHER MONEY OBTAINED BY AN APPLICANT.

24 (10) "SCHOOL DISTRICT" MEANS A SCHOOL DISTRICT, OTHER THAN
25 A JUNIOR OR COMMUNITY COLLEGE DISTRICT, ORGANIZED AND EXISTING
26 PURSUANT TO LAW AND INCLUDES ANY WORKFORCE HOUSING ENTERPRISE
27 CREATED BY A SCHOOL DISTRICT.

1 (11) "SUB-FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
2 PARTICIPATION AGREEMENT" MEANS A LEASE-PURCHASE AGREEMENT
3 BETWEEN THE STATE TREASURER AND A SCHOOL DISTRICT PURSUANT TO
4 WHICH A SCHOOL DISTRICT SUB-LEASE PURCHASES FROM THE STATE A
5 WORKFORCE HOUSING PROJECT THAT IS THE SUBJECT OF A FINANCED
6 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION AGREEMENT.

7 (12) "STATE BOARD" MEANS THE STATE BOARD OF EDUCATION
8 CREATED AND EXISTING PURSUANT TO SECTION 1 OF ARTICLE IX OF THE
9 STATE CONSTITUTION.

10 (13) "STATE HOUSING BOARD" MEANS THE STATE HOUSING BOARD
11 CREATED IN SECTION 24-32-706 (1).

12 (14) "TEACHERS AND OTHER SCHOOL DISTRICT AND PUBLIC
13 SCHOOL STAFF" MEANS TEACHERS AND OTHER STAFF EMPLOYED BY A
14 SCHOOL DISTRICT OR BY A CHARTER SCHOOL THAT SERVES STUDENTS
15 WITHIN A SCHOOL DISTRICT'S BOUNDARIES.

16 (15) "WORKFORCE HOUSING" MEANS HOUSING OR RESIDENTIAL
17 FACILITIES INTENDED TO PRIMARILY HOUSE TEACHERS AND OTHER SCHOOL
18 DISTRICT AND PUBLIC SCHOOL STAFF.

19 (16) "WORKFORCE HOUSING GUIDELINES" MEANS THE WORKFORCE
20 HOUSING GUIDELINES ESTABLISHED BY THE BOARD PURSUANT TO SECTION
21 22-43.8-106.

22 (17) "WORKFORCE HOUSING PROJECT" OR "PROJECT" MEANS AN
23 UNDERTAKING TO PROVIDE WORKFORCE HOUSING THROUGH THE
24 "BUILDING EXCELLENT TEACHER AND EMPLOYEE RESIDENCES ACT".

25 **22-43.8-104. Workforce housing assistance fund - creation -**
26 **crediting of money to fund - use of fund.**

27 (1) THE WORKFORCE HOUSING ASSISTANCE FUND IS CREATED IN

1 THE STATE TREASURY. THE FUND CONSISTS OF MONEY CREDITED OR
2 TRANSFERRED TO THE FUND PURSUANT TO THIS SECTION, MONEY
3 TRANSFERRED BY THE STATE TREASURER FROM THE STATE EDUCATION
4 FUND PURSUANT TO SECTION 22-55-103 (7), AND ANY OTHER MONEY THAT
5 THE GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER TO THE FUND.
6 THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME EARNED
7 ON THE DEPOSIT AND INVESTMENT OF MONEY IN THE WORKFORCE HOUSING
8 ASSISTANCE FUND TO THE FUND.

9 (2) ON JULY 1, 2026, AND EACH JULY 1 THEREAFTER, THE
10 TREASURER SHALL CREDIT THE FOLLOWING MONEY TO THE FUND:

11 (a) THE NET PROCEEDS MADE AVAILABLE TO THE STATE FROM THE
12 SALE OF INSTRUMENTS EVIDENCING RIGHTS TO RECEIVE PAYMENTS MADE
13 AND TO BE MADE UNDER THE TERMS OF A FINANCED PURCHASE OF AN
14 ASSET OR CERTIFICATE OF PARTICIPATION AGREEMENT, UNLESS
15 OTHERWISE REQUIRED BY THE DOCUMENTS PURSUANT TO WHICH THE
16 INSTRUMENTS ARE ISSUED; AND

17 (b) MATCHING MONEY THAT AN APPLICANT PAYS TO THE STATE
18 FOR USE BY THE STATE IN MAKING SCHEDULED PAYMENTS UNDER THE
19 TERMS OF A FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
20 PARTICIPATION AGREEMENT.

21 (3) IF THE AMOUNT OF MONEY IN THE FUND THAT IS AVAILABLE TO
22 MAKE PAYMENTS UNDER A FINANCED PURCHASE OF AN ASSET OR
23 CERTIFICATE OF PARTICIPATION AGREEMENT WILL BE INSUFFICIENT TO
24 COVER THE FULL AMOUNT OF THE PAYMENTS REQUIRED BY THE FINANCED
25 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION AGREEMENT,
26 THE GENERAL ASSEMBLY MAY APPROPRIATE OR DIRECT THE STATE
27 TREASURER TO TRANSFER FROM ANY LEGALLY AVAILABLE SOURCE TO THE

1 FUND SUFFICIENT MONEY TO MAKE THE PAYMENTS.

2 (4) MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED TO THE
3 DEPARTMENT AND THE DEPARTMENT OF LOCAL AFFAIRS, AS APPLICABLE,
4 FOR THE PURPOSES OF PAYING THE DIRECT AND INDIRECT ADMINISTRATIVE
5 COSTS INCURRED BY THE DIVISION OF HOUSING AND DIVISION OF PUBLIC
6 SCHOOL CAPITAL CONSTRUCTION ASSISTANCE, THE BOARD, AND THE
7 DEPARTMENTS IN EXERCISING THEIR POWERS AND DUTIES PURSUANT TO
8 THIS ARTICLE 43.8; PROVIDING FINANCIAL ASSISTANCE DIRECTLY TO
9 SCHOOL DISTRICTS IN THE FORM OF GRANTS THAT MAY EITHER BE FUNDED
10 FROM CASH OR FROM THE PROCEEDS OF THE MULTIPLE FINANCED
11 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION AGREEMENTS
12 ENTERED INTO PURSUANT TO THIS ARTICLE 43.8 AND PAYING ANY
13 TRANSACTION COSTS NECESSARILY INCURRED IN CONNECTION WITH THE
14 PROVISION OF FINANCIAL ASSISTANCE; ENTERING INTO A FINANCED
15 PURCHASE OF AN ASSET OR CERTIFICATE PURCHASE AGREEMENT, A
16 SUB-FINANCED PURCHASE OF AN ASSET OR CERTIFICATE PURCHASE
17 AGREEMENT, AND AGREEMENTS REGARDING MATCHING MONEY; ISSUING
18 CERTIFICATES OF PARTICIPATION, AND OTHER ACTIVITIES, AS AUTHORIZED
19 BY THIS ARTICLE 43.8.

20 (5) IN DETERMINING THE AMOUNT OF FINANCIAL ASSISTANCE THAT
21 IT PROVIDES, AND AS A CONDITION OF ENTERING INTO A FINANCED
22 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION AGREEMENT
23 PURSUANT TO THIS ARTICLE 43.8, THE BOARD SHALL ENSURE THAT THE
24 BALANCE OF THE FUND IS AT LEAST EQUAL TO TWICE THE AMOUNT OF
25 PAYMENTS MADE BY THE STATE DURING THE NEXT STATE FISCAL YEAR
26 UNDER THE TERMS OF SUCH AN AGREEMENT, LESS THE AMOUNT OF ANY
27 SCHOOL DISTRICT MATCHING MONEY AND ANY FEDERAL MONEY TO BE

1 RECEIVED FOR THE PURPOSE OF MAKING THE PAYMENTS. UPON
2 IDENTIFYING THE BALANCE OF THE FUND PURSUANT TO THIS SUBSECTION
3 (5), THE BOARD SHALL DESIGNATE AN AMOUNT IN THE FUND EQUAL TO
4 THAT BALANCE THAT SHALL SERVE AS A RESTRICTED RESERVE THAT MAY
5 ONLY BE USED TO MAKE PAYMENTS REQUIRED OF THE STATE BY THE
6 TERMS OF THE RELEVANT FINANCED PURCHASE OF AN ASSET OR
7 CERTIFICATE OF PARTICIPATION AGREEMENT.

8 **22-43.8-105. Workforce housing assistance board - creation -**
9 **general powers and duties - rules.**

10 (1) (a) THERE IS CREATED IN THE DEPARTMENT THE WORKFORCE
11 HOUSING ASSISTANCE BOARD. THE BOARD IS A **TYPE 1** ENTITY, AS DEFINED
12 IN SECTION 24-1-105, AND EXERCISES ITS POWERS AND PERFORMS ITS
13 DUTIES AND FUNCTIONS UNDER THE DEPARTMENT. THE BOARD CONSISTS
14 OF NINE APPOINTED MEMBERS, NONE OF WHOM SHALL HOLD ANY STATE
15 ELECTIVE OFFICE. FIVE VOTING MEMBERS OF THE BOARD CONSTITUTE A
16 QUORUM. BOARD MEMBERS ARE APPOINTED AS FOLLOWS:

17 (I) THE STATE BOARD SHALL APPOINT THREE MEMBERS FROM
18 DIFFERENT AREAS OF THE STATE AND FROM URBAN, SUBURBAN, AND
19 RURAL SCHOOL DISTRICTS. THE MEMBERS APPOINTED BY THE STATE
20 BOARD SHALL INCLUDE:

21 (A) ONE MEMBER WHO IS A SCHOOL DISTRICT BOARD MEMBER AT
22 THE TIME OF APPOINTMENT;

23 (B) ONE MEMBER WHO IS A PUBLIC SCHOOL SUPERINTENDENT OR
24 ADMINISTRATOR IN CHARGE OF OPERATIONS AT THE TIME OF
25 APPOINTMENT; AND

26 (C) ONE MEMBER WHO IS A PUBLIC SCHOOL TEACHER OR TENANT
27 OF SCHOOL DISTRICT-OWNED RENTAL HOUSING AT THE TIME OF

1 APPOINTMENT.

2 (II) THE GOVERNOR SHALL APPOINT THREE MEMBERS. THE
3 MEMBERS APPOINTED BY THE GOVERNOR MUST HAVE SUBSTANTIAL
4 EXPERIENCE IN AFFORDABLE OR WORKFORCE HOUSING, INCLUDING
5 EXPERIENCE IN ONE OR MORE OF THE FOLLOWING: HOUSING
6 DEVELOPMENT, CONSTRUCTION, ASSET MANAGEMENT, OR MULTIFAMILY
7 FINANCE.

8 (III) THE GENERAL ASSEMBLY SHALL APPOINT TWO MEMBERS, ONE
9 OF WHOM SHALL BE APPOINTED BY THE SPEAKER OF THE HOUSE OF
10 REPRESENTATIVES AND ONE OF WHOM SHALL BE APPOINTED BY THE
11 PRESIDENT OF THE SENATE. THE MEMBERS APPOINTED BY THE SPEAKER OF
12 THE HOUSE OF REPRESENTATIVES AND THE PRESIDENT OF THE SENATE
13 MUST HAVE SUBSTANTIAL EXPERIENCE IN AFFORDABLE OR WORKFORCE
14 HOUSING, INCLUDING EXPERIENCE IN ONE OR MORE OF THE FOLLOWING:
15 HOUSING DEVELOPMENT, CONSTRUCTION, ASSET MANAGEMENT, OR
16 MULTIFAMILY FINANCE.

17 (IV) THE STATE TREASURER SHALL APPOINT ONE MEMBER WITH
18 EXPERIENCE IN PUBLIC FINANCE INCLUDING THE ISSUANCE OF STATE
19 CERTIFICATES OF PARTICIPATION, SCHOOL DISTRICT BONDS, AND HOUSING
20 PUBLIC FINANCE.

21 (b) (I) MEMBERS OF THE BOARD SHALL SERVE FOR TERMS OF TWO
22 YEARS AND MAY SERVE UP TO THREE CONSECUTIVE TERMS; EXCEPT THAT
23 THE TERM OF EACH MEMBER INITIALLY APPOINTED UNDER SUBSECTIONS
24 (1)(a)(I) AND (1)(a)(III) OF THIS SECTION IS ONE YEAR.

25 (II) THE APPOINTING AUTHORITY FOR A MEMBER MAY REMOVE THE
26 MEMBER FOR ANY CAUSE THAT RENDERS THE MEMBER INCAPABLE OF
27 DISCHARGING OR UNFIT TO DISCHARGE THE MEMBER'S DUTIES.

1 (III) THE APPROPRIATE APPOINTING AUTHORITY SHALL FILL ANY
2 VACANCY IN THE MEMBERSHIP OF THE BOARD BY APPOINTMENT, AND A
3 MEMBER APPOINTED TO FILL A VACANCY SHALL SERVE UNTIL THE
4 EXPIRATION OF THE TERM FOR WHICH THE VACANCY WAS FILLED.

5 (IV) MEMBERS OF THE BOARD SERVE WITHOUT COMPENSATION
6 BUT ARE ENTITLED TO REIMBURSEMENT FOR TRAVEL AND OTHER
7 NECESSARY EXPENSES ACTUALLY INCURRED IN THE PERFORMANCE OF
8 THEIR DUTIES.

9 (V) THE BOARD SHALL ELECT A CHAIR FROM AMONG ITS MEMBERS.

10 (2) THE FUNCTION OF THE BOARD IS TO ASSIST IN THE PROVISION
11 OF WORKFORCE HOUSING ASSISTANCE FOR TEACHERS AND OTHER SCHOOL
12 DISTRICT AND PUBLIC SCHOOL STAFF BY ENSURING THAT APPLICANTS CAN
13 LEVERAGE FUNDS TO PROVIDE AFFORDABLE WORKFORCE HOUSING
14 ASSISTANCE. IN PERFORMING ITS FUNCTION, THE BOARD SHALL ENSURE
15 THE MOST EQUITABLE, EFFICIENT, AND EFFECTIVE USE OF STATE REVENUES
16 DEDICATED TO PROVIDE FINANCIAL ASSISTANCE FOR WORKFORCE HOUSING
17 PURSUANT TO THE PROVISIONS OF THIS ARTICLE 43.8 AND BASED ON
18 OBJECTIVE CRITERIA REGARDING THE APPROPRIATE PRIORITIZATION AND
19 ALLOCATION OF FINANCIAL ASSISTANCE FOR WORKFORCE HOUSING. TO
20 FURTHER THE PERFORMANCE OF ITS FUNCTION, THE BOARD, IN ADDITION
21 TO ANY OTHER POWERS AND DUTIES SPECIFIED IN THIS ARTICLE 43.8, HAS
22 THE FOLLOWING POWERS AND DUTIES:

23 (a) TO ESTABLISH WORKFORCE HOUSING GUIDELINES;

24 (b) TO REVIEW FINANCIAL ASSISTANCE APPLICATIONS AND
25 DETERMINE A PRIORITIZED LIST OF PROJECTS TO RECEIVE FINANCIAL
26 ASSISTANCE AND THE AMOUNT AND TYPE OF FINANCIAL ASSISTANCE THAT
27 SHOULD BE PROVIDED FOR EACH PROJECT;

1 (c) TO ESTABLISH GUIDELINES FOR THE DIVISION OF HOUSING AND
2 DIVISION OF PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE TO
3 FOLLOW WHEN ASSISTING POTENTIAL APPLICANTS IN IDENTIFYING
4 WORKFORCE HOUSING NEEDS AND PREPARING FINANCIAL ASSISTANCE
5 APPLICATIONS;

6 (d) WITH THE SUPPORT OF THE DIVISION OF HOUSING AND DIVISION
7 OF PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE, TO ASSIST
8 APPLICANTS THAT CANNOT FEASIBLY MAINTAIN THEIR OWN
9 CONSTRUCTION MANAGEMENT STAFF IN IMPLEMENTING THE PROJECTS FOR
10 WHICH FINANCIAL ASSISTANCE IS PROVIDED, INCLUDING PROVIDING
11 ASSISTANCE WITH THE PREPARATION OF REQUESTS FOR BIDS OR
12 PROPOSALS, CONTRACT NEGOTIATIONS, CONTRACT IMPLEMENTATION, AND
13 PROJECT AND CONSTRUCTION MANAGEMENT;

14 (e) WITH THE SUPPORT OF THE DIVISION OF HOUSING AND DIVISION
15 OF PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE, TO ASSIST
16 APPLICANTS IN IMPLEMENTING ENERGY-EFFICIENT HOUSING OR
17 RESIDENTIAL FACILITY DESIGN AND CONSTRUCTION PRACTICES;

18 (f) TO AUTHORIZE THE STATE TREASURER TO ENTER INTO
19 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
20 AGREEMENTS PURSUANT TO SECTION 22-43.8-108 IN ORDER TO FINANCE
21 WORKFORCE HOUSING CONSTRUCTION;

22 (g) TO ENTER INTO SUB-FINANCED PURCHASE OF AN ASSET OR
23 CERTIFICATE OF PARTICIPATION AGREEMENTS BETWEEN THE STATE AND
24 APPLICANTS;

25 (h) ENTER INTO CONTRACTS WITH PUBLIC ENTITIES AND PRIVATE
26 PARTIES, INCLUDING PUBLIC-PUBLIC AND PUBLIC-PRIVATE PARTNERSHIPS,
27 FOR THE ACQUISITION, CONSTRUCTION, IMPROVEMENT, OWNERSHIP,

1 OPERATION, LEASING, AND LEASE-PURCHASING OF WORKFORCE HOUSING;
2 AND

3 (i) (I) TO ESTABLISH RULES, IN ACCORDANCE WITH ARTICLE 4 OF
4 TITLE 24, AS ARE NECESSARY AND PROPER FOR THE ADMINISTRATION OF
5 THIS ARTICLE 43.8, INCLUDING:

6 (A) CONFLICT OF INTEREST RULES FOR BOARD MEMBERS;

7 (B) RULES ESTABLISHING EVALUATION CRITERIA FOR MATCHING
8 MONEY REQUIREMENT REDUCTION APPLICATIONS SUBMITTED TO THE
9 BOARD PURSUANT TO SECTION 22-43.8-107; AND

10 (C) RULES ESTABLISHING THE MEANS BY WHICH WORKFORCE
11 HOUSING FINANCED IN WHOLE OR IN PART WITH FINANCIAL ASSISTANCE
12 PROVIDED PURSUANT THIS ARTICLE 43.8 IS TO BE PUBLICLY IDENTIFIED AS
13 HAVING BEEN SO FINANCED.

14 (II) THE BOARD SHALL PROVIDE A COPY OF ANY PROPOSED BOARD
15 RULE TO THE STATE BOARD ON OR BEFORE THE DATE ON WHICH THE
16 BOARD ISSUES A NOTICE OF PROPOSED RULE-MAKING FOR THE RULE
17 PURSUANT TO SECTION 24-4-103 (3).

18 **22-43.8-106. Workforce housing guidelines - establishment by**
19 **board - use - definition.**

20 (1) (a) THE BOARD SHALL ESTABLISH WORKFORCE HOUSING
21 GUIDELINES FOR USE BY THE BOARD IN REVIEWING APPLICATIONS FOR
22 FINANCIAL ASSISTANCE, AND MAKING RECOMMENDATIONS TO THE STATE
23 BOARD REGARDING APPROPRIATE ALLOCATION OF AWARDS OF FINANCIAL
24 ASSISTANCE FROM THE FUND ONLY TO APPLICANTS. IN ESTABLISHING THE
25 GUIDELINES, THE BOARD SHALL CONSULT WITH THE DIVISION OF HOUSING
26 REGARDING HOUSING DEVELOPMENT, INCLUDING UNDERWRITING
27 STANDARDS, FINANCIAL FEASIBILITY CRITERIA, AND COMPLIANCE

1 REQUIREMENTS, AND SHALL CONSIDER STANDARDS AND PRACTICES USED
2 BY THE DIVISION OF HOUSING IN ADMINISTERING STATE HOUSING
3 PROGRAMS. THE BOARD SHALL ESTABLISH THE GUIDELINES IN RULES
4 PROMULGATED IN ACCORDANCE WITH ARTICLE 4 OF TITLE 24.

5 (b) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THE
6 WORKFORCE HOUSING GUIDELINES BE USED ONLY FOR THE PURPOSES
7 SPECIFIED IN SUBSECTION (1)(a) OF THIS SECTION.

8 (2)(a) THE WORKFORCE HOUSING GUIDELINES MUST IDENTIFY AND
9 DESCRIBE HOUSING NEEDS FOR TEACHERS AND OTHER SCHOOL DISTRICT
10 AND PUBLIC SCHOOL STAFF AND THE MEANS OF ADDRESSING THOSE NEEDS
11 AT A REASONABLE COST AND IN A MANNER THAT WILL RESULT IN
12 AFFORDABLE HOUSING. THE BOARD SHALL ENSURE THAT THE WORKFORCE
13 HOUSING GUIDELINES INCLUDE GUIDELINES THAT ADDRESS THE
14 FOLLOWING:

15 (I) BUILDING PERFORMANCE STANDARDS AND GUIDELINES, FOR
16 THE PURPOSES OF UTILITY COST REDUCTION, INCLUDING GREEN BUILDING
17 AND ENERGY EFFICIENCY CRITERIA AS SPECIFIED IN EXECUTIVE ORDER
18 D0012 07, "GREENING OF STATE GOVERNMENT: DETAILED
19 IMPLEMENTATION", ISSUED BY THE GOVERNOR ON APRIL 16, 2007, OR ANY
20 SUBSEQUENT EXECUTIVE ORDERS OR OTHER POLICY DIRECTIVES
21 CONCERNING GREEN BUILDING AND ENERGY EFFICIENCY CRITERIA ISSUED
22 BY THE GOVERNOR OR THE COLORADO ENERGY OFFICE;

23 (II) REQUIRING A REVIEW WITH THE INCUMBENT ELECTRIC UTILITY
24 REGARDING ENERGY EFFICIENCY; BENEFICIAL ELECTRIFICATION, AS
25 DEFINED IN SECTION 40-1-102 (1.2); AND RENEWABLE DISTRIBUTED
26 GENERATION OPPORTUNITIES;

27 (III) THE CURRENT CAPACITY OF EXISTING AND PLANNED

1 WORKFORCE HOUSING AND DIFFERENT METHODS OF EVALUATING THAT
2 CAPACITY, TAKING INTO CONSIDERATION POTENTIAL EXPANSION OF
3 STUDENT POPULATIONS AND SERVICES FOR THE BENEFIT OF STUDENTS
4 SUCH AS FULL-DAY KINDERGARTEN AND PRESCHOOL- AND SCHOOL-BASED
5 HEALTH SERVICES;

6 (IV) WORKFORCE HOUSING ACCESSIBILITY;

7 (V) THE ABILITY OF AN APPLICANT TO PARTNER WITH LOCAL OR
8 STATE GOVERNMENT, LOCAL OR STATE HOUSING AUTHORITIES, OR OTHER
9 EMPLOYERS, SPECIFICALLY FOR THE PURPOSE OF LEVERAGING LAND AND
10 IMPROVING PROJECT ECONOMICS;

11 (VI) LONG-TERM FINANCIAL SUSTAINABILITY STANDARDS THAT
12 REQUIRE AN APPLICANT TO DEMONSTRATE:

13 (A) POSITIVE CASH FLOW AFTER PAYING MATCHING MONEY TO THE
14 FUND;

15 (B) AN OPERATIONS EXPENSE ESCALATION RATE THAT IS NO LESS
16 THAN THE INCOME ESCALATION RATE; AND

17 (C) CAPITAL REPLACEMENT RESERVES FUNDED ANNUALLY AT A
18 LEVEL SUFFICIENT TO COVER THE PROJECTED COST OF MAJOR SYSTEM
19 REPLACEMENTS OVER THE THIRTY-YEAR OPERATING PLAN REQUIRED
20 PURSUANT TO SECTION 22-43.8-107 (7)(g) IN CONSULTATION WITH THE
21 STATE TREASURER;

22 (VII) REQUIRING APPLICANTS TO IMPLEMENT SAFEGUARDS TO
23 PROTECT TEACHERS AND OTHER SCHOOL DISTRICT AND PUBLIC SCHOOL
24 STAFF RESIDING IN WORKFORCE HOUSING FROM UNDUE INFLUENCE OR
25 COERCION ARISING FROM THE DISTRICT'S ROLE AS BOTH EMPLOYER AND
26 HOUSING PROVIDER. AT A MINIMUM, SUCH GUIDELINES MUST INCLUDE A
27 REQUIREMENT THAT THE APPLICANT RETAIN A QUALIFIED THIRD-PARTY

1 PROPERTY MANAGER TO EXERCISE INDEPENDENT AUTHORITY OVER
2 DAY-TO-DAY LANDLORD FUNCTIONS, INCLUDING LEASING, RENT
3 COLLECTION, MAINTENANCE, AND ENFORCEMENT OF LEASE TERMS, WITH
4 A PREFERENCE FOR NONPROFIT HOUSING ORGANIZATIONS OR PUBLIC
5 HOUSING AUTHORITIES WHERE AVAILABLE AND A REQUIREMENT THAT
6 GOVERNANCE AND ADMINISTRATION OF WORKFORCE HOUSING BE
7 STRUCTURALLY AND OPERATIONALLY SEPARATE FROM THE APPLICANT'S
8 HUMAN RESOURCES FUNCTIONS.

9 (VIII) DEFINING "NONPROFIT HOUSING ORGANIZATION" AND
10 "PUBLIC HOUSING AUTHORITY" FOR PURPOSES OF THE GUIDELINES
11 DESCRIBED IN SUBSECTION (2)(a)(VII) OF THIS SECTION, IN A MANNER
12 THAT REQUIRES SUCH AN ORGANIZATION OR AUTHORITY TO:

13 (A) HAVE A PRIMARY MISSION OF PROVIDING AFFORDABLE OR
14 WORKFORCE HOUSING;

15 (B) HAVE EXPERIENCE IN MANAGING MULTIFAMILY RENTAL
16 HOUSING; AND

17 (C) OPERATE INDEPENDENTLY FROM THE SCHOOL DISTRICT.

18 (IX) REQUIRING THAT TENANT ELIGIBILITY AND PRIORITIZATION
19 POLICIES FOR WORKFORCE HOUSING DEVELOPED WITH FINANCIAL
20 ASSISTANCE UNDER THIS ARTICLE 43.8 DO NOT EXCLUDE OR
21 DISADVANTAGE OTHERWISE ELIGIBLE APPLICANTS SOLELY ON THE BASIS
22 THAT THE APPLICANT IS EMPLOYED BY A CHARTER SCHOOL AUTHORIZED
23 BY OR OPERATING WITHIN THE GEOGRAPHIC BOUNDARIES OF THE
24 APPLICANT'S SCHOOL DISTRICT; AND

25 (X) A STRUCTURE OF BONUS FUNDS TO INCENTIVIZE DEVELOPMENT
26 IN RURAL DISTRICTS AND TO INCENTIVIZE MULTI JURISDICTIONAL
27 PROJECTS, ESPECIALLY IN RURAL DISTRICTS.

1 (b) THE BOARD MAY WAIVE ONE OR MORE OF THE GUIDELINES
2 REQUIRED BY SUBSECTIONS (2)(a)(I), (2)(a)(II), AND (2)(a)(VII) OF THIS
3 SECTION.

4 **22-43.8-107. Financial assistance for workforce housing -**
5 **application requirements - evaluation criteria - local match**
6 **requirements - affordability requirements - use requirements - rules.**

7 (1) THE BOARD, WITH THE SUPPORT OF THE DIVISION OF HOUSING
8 AND THE DIVISION OF PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE
9 SHALL PROVIDE FINANCIAL ASSISTANCE TO AN APPLICANT FOR A
10 WORKFORCE HOUSING PROJECT AS SPECIFIED IN THIS SECTION ONLY SO
11 LONG AS:

12 (a) THE APPLICANT OWNS OR WILL HAVE THE RIGHT TO OWN THE
13 WORKFORCE HOUSING PROJECT OR A LEASEHOLD INTEREST IN THE
14 WORKFORCE HOUSING PROJECT;

15 (b) THE WORKFORCE HOUSING PROJECT WILL SATISFY THE
16 AFFORDABILITY REQUIREMENTS ESTABLISHED BY THE BOARD IN
17 SUBSECTION (2) OF THIS SECTION;

18 (c) THE APPLICANT HAS SAFEGUARDS TO PROHIBIT CONSIDERING
19 WORKFORCE HOUSING OCCUPANCY, TENANCY, STATUS, OR LEASE
20 COMPLIANCE AS A FACTOR IN HIRING, TERMINATION, PROMOTION,
21 PERFORMANCE EVALUATION, DISCIPLINARY ACTION, OR ANY OTHER
22 EMPLOYMENT-RELATED DECISION;

23 (d) THE WORKFORCE HOUSING PROJECT WILL SATISFY THE
24 TENANCY REQUIREMENTS ESTABLISHED BY THE BOARD PURSUANT TO
25 SUBSECTION (3) OF THIS SECTION; AND

26 (e) THE WORKFORCE HOUSING PROJECT WILL SATISFY THE
27 ENVIRONMENTAL AND BUILDING REQUIREMENTS ESTABLISHED BY THE

1 BOARD PURSUANT TO SUBSECTION (4) OF THIS SECTION.

2 (2) (a) THE BOARD SHALL ESTABLISH AFFORDABILITY
3 REQUIREMENTS FOR ANY WORKFORCE HOUSING PROJECT TO ENSURE THAT
4 THE APPLICANTS COMPLY WITH AFFORDABILITY PROTECTIONS IN RELATION
5 TO THE PROJECT INCLUDING:

6 (I) AFFORDABILITY STANDARDS CONSISTENT WITH THE UNITED
7 STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
8 GUIDELINES, SPECIFICALLY ENSURING THAT TOTAL MONTHLY HOUSING
9 COSTS, INCLUDING RENT AND A REASONABLE UTILITY ALLOWANCE, DO
10 NOT EXCEED THIRTY PERCENT OF THE GROSS MONTHLY HOUSEHOLD
11 INCOME FOR THE TARGETED WORKFORCE UTILIZING THE HOUSING OR
12 RESIDENTIAL FACILITIES IN THE PROJECT; AND

13 (II) REQUIRING THAT THE PROJECT IS SUBJECT TO A RECORDED
14 RESTRICTED COVENANT WITH AFFORDABILITY REQUIREMENTS FOR THE
15 DURATION OF ANY FINANCIAL ASSISTANCE PROVIDED PURSUANT TO THIS
16 ARTICLE 43.8 FOR THE WORKFORCE HOUSING PROJECT.

17 (b) REQUIREMENTS ESTABLISHED BY THE BOARD PURSUANT TO
18 THIS SUBSECTION (2) SHALL NOT PRECLUDE APPLICANTS FROM INCLUDING
19 COMPONENTS OF TENANT EQUITY OR OTHER INSTRUMENTS THAT
20 ALLOCATE A PORTION OF RENTAL PAYMENTS TO FUTURE HOUSING NEEDS
21 OF THE TENANT.

22 (c) UPON THE EXPIRATION OF A RECORDED RESTRICTED COVENANT
23 WITH AFFORDABILITY REQUIREMENTS FOR A WORKFORCE HOUSING
24 PROJECT, THE WORKFORCE HOUSING PROJECT SHALL EITHER:

25 (I) BE MAINTAINED FOR ITS ORIGINAL PURPOSE WITH EQUAL OR
26 GREATER LEVELS OF AFFORDABILITY FOR THIRTY YEARS OR MORE; OR

27 (II) BE SUBJECT TO THE LOCAL GOVERNMENT'S RIGHT OF FIRST

1 REFUSAL TO PURCHASE MULTIFAMILY HOUSING ESTABLISHED PURSUANT
2 TO PART 12 OF ARTICLE 4 OF TITLE 29.

3 (3) (a) THE BOARD SHALL ESTABLISH TENANCY REQUIREMENTS
4 FOR ANY WORKFORCE HOUSING PROJECT TO ENSURE THAT:

5 (I) NO LESS THAN EIGHTY PERCENT OF THE HOUSING OR
6 RESIDENTIAL FACILITIES IN THE PROJECT MUST BE RENTED USING A
7 TENANT SELECTION PROCESS THAT PRIORITIZES TEACHERS AND OTHER
8 SCHOOL DISTRICT AND PUBLIC SCHOOL STAFF THAT ARE EMPLOYED BY THE
9 APPLICANT OR PUBLIC SCHOOLS WITHIN THE APPLICANT'S BOUNDARIES;
10 AND

11 (II) AFTER ACCOUNTING FOR THE REQUIREMENTS OF SUBSECTION
12 (3)(a)(I) OF THIS SECTION, THE REMAINING HOUSING OR RESIDENTIAL
13 FACILITIES MUST BE RENTED USING A TENANT SELECTION PROCESS THAT
14 PRIORITIZES EMPLOYEES OF LOCAL GOVERNMENTS OR NONPROFIT
15 CHILDCARE PROVIDERS;

16 (b) A SCHOOL DISTRICT CAN APPLY TO THE BOARD FOR A WAIVER
17 FROM THE TENANT SELECTION PROCESS DESCRIBED IN SUBSECTION (3)(a)
18 OF THIS SECTION, TO MAINTAIN THE SOLVENCY OF A WORKFORCE HOUSING
19 PROJECT.

20 (c) THE PREFERENCE FOR TEACHERS AND OTHER SCHOOL DISTRICT
21 AND PUBLIC SCHOOL STAFF DESCRIBED IN SUBSECTION (3)(a) OF THIS
22 SECTION DOES NOT CONSTITUTE SOURCE OF INCOME DISCRIMINATION FOR
23 PURPOSES OF SECTION 24-34-502.

24 (d) THE BOARD SHALL ESTABLISH LEASE TERMINATION AND
25 TRANSITION GUIDELINES THAT INCLUDE:

26 (I) REQUIREMENTS RELATED TO MAINTAINING QUALIFIED
27 EMPLOYMENT;

1 (II) NOTICE PERIODS TO VACATE THE UNIT, UNLESS EVICTION FOR
2 CAUSE IS WARRANTED UNRELATED TO EMPLOYMENT STATUS; AND

3 (III) CIRCUMSTANCES WHEN A TENANT CANNOT BE REQUIRED TO
4 VACATE A UNIT, SUCH AS QUALIFYING TENANT LIFE EVENTS, INCLUDING
5 RETIREMENT AFTER A SPECIFIED SERVICE PERIOD, DISABILITY, OR DEATH
6 OF THE PRIMARY LEASEHOLDER.

7 (4) (a) THE BOARD SHALL ESTABLISH ENVIRONMENTAL AND
8 BUILDING REQUIREMENTS INCLUDING REQUIRING:

9 (I) WATERWISE LANDSCAPING;

10 (II) APPLICANTS TO DESIGN WORKFORCE HOUSING PROJECTS FOR
11 FULL ELECTRIFICATION OR, IF FULL ELECTRIFICATION IS NOT FEASIBLE,
12 APPLICANTS TO DEMONSTRATE WHY FULL ELECTRIFICATION IS NOT
13 FEASIBLE AND TO PROVIDE ADEQUATE PANEL CAPACITY, DEDICATED
14 ELECTRIC PANEL SPACE, ELECTRICAL WIRE, ELECTRICAL RECEPTACLES,
15 AND ADEQUATE PHYSICAL SPACE AS NECESSARY TO ACCOMMODATE
16 FUTURE INSTALLATION OF HIGH-EFFICIENCY ELECTRIC APPLIANCES
17 INCLUDING HEATING, WATER HEATING, COOKING, DRYING, AND ELECTRIC
18 VEHICLES;

19 (III) COMPLIANCE WITH THE REQUIREMENTS OF THE LATEST
20 INTERNATIONAL ENERGY CONSERVATION CODE; AND

21 (IV) COMPLETION OF AN ENERGY LIFE CYCLE COST ANALYSIS
22 ALIGNED WITH STATE METHODOLOGIES.

23 (b) A SCHOOL DISTRICT MAY APPLY TO THE BOARD FOR A WAIVER
24 FROM THE ENVIRONMENTAL AND BUILDING REQUIREMENTS DESCRIBED IN
25 SUBSECTION (4)(a) OF THIS SECTION TO MAINTAIN THE SOLVENCY OF A
26 WORKFORCE HOUSING PROJECT.

27 (5) THE BOARD SHALL REQUIRE THAT APPLICANTS OBTAIN

1 NECESSARY PROJECT BUILDING PERMITS WITHIN ONE YEAR OF NOTICE OF
2 AWARD AND THAT CONSTRUCTION SHALL COMMENCE ON THE RELEVANT
3 WORKFORCE HOUSING PROJECT WITHIN TWO YEARS OF NOTICE OF AWARD;
4 EXCEPT THAT THE BOARD MAY EXTEND THE DEADLINES DESCRIBED IN THIS
5 SUBSECTION (5) IF THE BOARD DETERMINES THAT THE PROJECT HAS BEEN
6 UNREASONABLY DELAYED DUE TO CIRCUMSTANCES OUTSIDE OF THE
7 APPLICANT'S CONTROL.

8 (6) (a) THE BOARD SHALL ESTABLISH AN ANNUAL FINANCIAL
9 ASSISTANCE TIMELINE FOR USE BY APPLICANTS IN APPLYING FOR
10 FINANCIAL ASSISTANCE AND OTHERWISE MEETING FINANCIAL ASSISTANCE
11 REQUIREMENTS AND FOR USE BY THE BOARD IN REVIEWING FINANCIAL
12 ASSISTANCE APPLICATIONS AND MAKING FINANCIAL ASSISTANCE AWARDS.

13 THE TIMELINE MUST SPECIFY:

14 (I) A DEADLINE FOR APPLICANTS TO SUBMIT FINANCIAL
15 ASSISTANCE APPLICATIONS TO THE BOARD THAT ALLOWS SUFFICIENT TIME
16 FOR SUBMISSION OF THE APPLICATIONS;

17 (II) THE PERIOD IN WHICH THE BOARD, WITH THE SUPPORT OF THE
18 DIVISION OF HOUSING AND DIVISION OF PUBLIC SCHOOL CAPITAL
19 CONSTRUCTION ASSISTANCE, SHALL REVIEW FINANCIAL ASSISTANCE
20 APPLICATIONS AT LEAST BIANNUALLY;

21 (III) A DEADLINE, NO LATER THAN JUNE 1, 2027, AND NO LATER
22 THAN JUNE 1 OF EACH YEAR THEREAFTER, FOR THE BOARD TO CREATE AN
23 INITIAL PRIORITIZED LIST OF PROJECTS FOR THE PROVISION OF FINANCIAL
24 ASSISTANCE IN THE NEXT STATE FISCAL YEAR; AND

25 (IV) ANY ADDITIONAL DEADLINES OR DEADLINE EXTENSION
26 PERIODS NEEDED TO ENSURE THAT APPLICANTS SEEKING VOTER APPROVAL
27 TO OBTAIN MATCHING MONEY REQUIRED PURSUANT TO SUBSECTION (12)

1 OF THIS SECTION HAVE SUFFICIENT OPPORTUNITY TO OBTAIN SUCH VOTER
2 APPROVAL OR OTHERWISE NEEDED TO ENSURE THE EFFICIENT AND
3 EFFECTIVE ADMINISTRATION OF THIS ARTICLE 43.8.

4 (7) AN APPLICANT MUST SUBMIT AN APPLICATION FOR FINANCIAL
5 ASSISTANCE TO THE BOARD IN A FORM AND MANNER PRESCRIBED BY THE
6 BOARD AND MUST INCLUDE THE FOLLOWING IN THE APPLICATION:

7 (a) A DESCRIPTION OF THE SCOPE AND NATURE OF THE WORKFORCE
8 HOUSING PROJECT FOR WHICH THE APPLICANT IS SEEKING FINANCIAL
9 ASSISTANCE;

10 (b) A DESCRIPTION OF THE ARCHITECTURAL, FUNCTIONAL, AND
11 CONSTRUCTION STANDARDS THAT THE APPLICANT WILL APPLY TO THE
12 WORKFORCE HOUSING PROJECT, WHETHER THOSE STANDARDS ARE
13 CONSISTENT WITH THE WORKFORCE HOUSING GUIDELINES, AND AN
14 EXPLANATION FOR THE USE OF ANY STANDARD THAT THE APPLICANT WILL
15 APPLY TO THE WORKFORCE HOUSING PROJECT THAT IS NOT CONSISTENT
16 WITH THE WORKFORCE HOUSING GUIDELINES;

17 (c) THE ESTIMATED AMOUNT OF FINANCIAL ASSISTANCE THAT THE
18 APPLICANT NEEDS FOR THE WORKFORCE HOUSING PROJECT AND THE FORM
19 AND AMOUNT OF MATCHING MONEY THAT THE APPLICANT WILL PROVIDE
20 FOR THE PROJECT;

21 (d) A PLAN BY THE APPLICANT TO MAINTAIN THE PROJECT OVER
22 TIME THAT INCLUDES, AT A MINIMUM, THE ESTABLISHMENT OF A CAPITAL
23 RENEWAL BUDGET AND A COMMITMENT TO MAKE ANNUAL CONTRIBUTIONS
24 TO A CAPITAL RENEWAL RESERVE WITHIN A SCHOOL DISTRICT'S CAPITAL
25 RESERVE FUND OR ANY FUNCTIONALLY SIMILAR RESERVE FUND
26 SEPARATELY MAINTAINED BY AN APPLICANT THAT IS NOT A SCHOOL
27 DISTRICT;

1 (e) A STATEMENT REGARDING THE MEANS BY WHICH THE
2 APPLICANT INTENDS TO PROVIDE MATCHING MONEY REQUIRED FOR THE
3 PROJECTS, INCLUDING MEANS SUCH AS VOTER-APPROVED GENERAL
4 OBLIGATION BONDS OR OTHER MULTIPLE-FISCAL YEAR DEBT OR OTHER
5 FINANCIAL OBLIGATIONS; SCHOOL DISTRICT ENTERPRISE REVENUE BONDS
6 AS DESCRIBED IN SECTION 22-32-124.7 (2); REVENUE BONDS AS DESCRIBED
7 IN SECTION 22-32-124.7 (3); LEASE OR LEASE-PURCHASE FINANCING,
8 GIFTS, GRANTS, DONATIONS; OR ANY OTHER MEANS OF FINANCING
9 PERMITTED BY LAW; OR THE INTENT OF THE APPLICANT TO SEEK A
10 REDUCTION OF THE MATCHING MONEY REQUIREMENT PURSUANT TO
11 SUBSECTION (13) OF THIS SECTION. IF AN APPLICANT INTENDS TO RAISE
12 MATCHING MONEY BY OBTAINING VOTER APPROVAL TO ISSUE BONDS OR
13 TO ENTER INTO A SUB-FINANCED PURCHASE OF AN ASSET OR CERTIFICATE
14 OF PARTICIPATION AGREEMENT THAT CONSTITUTES AN INDEBTEDNESS OR
15 MULTIPLE FISCAL YEAR FINANCIAL OBLIGATION OF THE DISTRICT AS
16 AUTHORIZED BY SECTION 22-32-127, IT SHALL INDICATE WHETHER IT HAS
17 RECEIVED THE REQUIRED VOTER APPROVAL OR, IF THE ELECTION HAS NOT
18 ALREADY BEEN HELD, THE ANTICIPATED DATE OF THE ELECTION.

19 (f) A DESCRIPTION OF ANY EFFORTS BY THE APPLICANT TO
20 COORDINATE WORKFORCE HOUSING PROJECTS WITH LOCAL
21 GOVERNMENTAL ENTITIES OR COMMUNITY-BASED OR OTHER
22 ORGANIZATIONS THAT PROVIDE AFFORDABLE HOUSING IN ORDER TO MORE
23 EFFICIENTLY OR EFFECTIVELY PROVIDE SUCH FACILITIES OR SERVICES,
24 INCLUDING A DESCRIPTION OF ANY FINANCIAL COMMITMENT RECEIVED
25 FROM ANY SUCH ENTITY OR ORGANIZATION THAT WILL ALLOW BETTER
26 LEVERAGING OF ANY FINANCIAL ASSISTANCE AWARDED;

27 (g) A THIRTY-YEAR OPERATING PLAN THAT DEMONSTRATES THE

1 PROJECT'S FINANCIAL VIABILITY, INCLUDING PROJECTED RENTAL INCOME,
2 VACANCY RATES, OPERATING EXPENSES, DEBT SERVICE COVERAGE RATIO,
3 AND CAPITAL REPLACEMENT RESERVES;

4 (h) A MARKET STUDY VERIFYING THE DEMAND FOR THE
5 WORKFORCE HOUSING INCLUDING THE PROPOSED DWELLING UNIT MIX AND
6 RENT LEVELS, THROUGH METHODS INCLUDING A SURVEY OF CURRENT
7 TEACHERS AND OTHER SCHOOL DISTRICT AND PUBLIC SCHOOL STAFF AND
8 AN ANALYSIS OF THE LOCAL RENTAL MARKET;

9 (i) A CERTIFICATION BY THE APPLICANT THAT ITS TENANT
10 ELIGIBILITY AND PRIORITIZATION POLICIES FOR A WORKFORCE HOUSING
11 PROJECT FINANCED UNDER THIS ARTICLE 43.8, WHILE ESTABLISHED IN THE
12 APPLICANT'S DISCRETION, DO NOT EXCLUDE OR DISADVANTAGE
13 OTHERWISE ELIGIBLE APPLICANTS SOLELY ON THE BASIS THAT THE
14 APPLICANT IS EMPLOYED BY A CHARTER SCHOOL AUTHORIZED BY OR
15 OPERATING WITHIN THE APPLICANT'S SCHOOL DISTRICT. NOTHING IN THIS
16 SUBSECTION (7)(i) REQUIRES AN APPLICANT TO GUARANTEE PLACEMENT,
17 ESTABLISH QUOTAS, OR LIMIT THE APPLICANT'S AUTHORITY TO ADOPT
18 NEUTRAL, OBJECTIVE ELIGIBILITY OR PRIORITIZATION CRITERIA
19 CONSISTENT WITH STATE AND FEDERAL LAW.

20 (j) ANY OTHER INFORMATION THAT THE BOARD MAY REQUIRE FOR
21 THE EVALUATION OF THE PROJECT.

22 (8) THE BOARD SHALL PRIORITIZE, IN DESCENDING ORDER OF
23 IMPORTANCE, APPLICATIONS THAT DESCRIBE WORKFORCE HOUSING
24 PROJECTS DEEMED ELIGIBLE FOR FINANCIAL ASSISTANCE THAT:

25 (a) ARE LOCATED IN JURISDICTIONS WITH DOCUMENTED HOUSING
26 SHORTAGES RESULTING IN CHALLENGES RETAINING AND ATTRACTING
27 SUFFICIENT TEACHERS AND OTHER SCHOOL DISTRICT AND PUBLIC SCHOOL

1 STAFF TO PROVIDE CURRENT AND PLANNED SERVICES;

2 (b) WILL REDUCE THE HOUSING COST BURDEN ON CURRENT
3 TEACHERS AND OTHER SCHOOL DISTRICT AND PUBLIC SCHOOL STAFF;

4 (c) HAVE HIGH FINANCIAL FEASIBILITY AND THE ABILITY TO
5 MAINTAIN POSITIVE CASH FLOW WITHOUT ONGOING SUBSIDIES OR
6 SUPPORT;

7 (d) ARE PROPOSED BY APPLICANTS THAT DEMONSTRATE
8 SIGNIFICANT APPLICANT EFFORTS TO ADDRESS PROJECT COSTS BEYOND
9 OPERATING INCOME, SUCH AS LAND OR PARTNERSHIP CONTRIBUTIONS AND
10 MULTIJURISTICTIONAL PARTICIPATION;

11 (e) HAVE A PROPERTY MANAGEMENT PLAN SUPPORTING THE
12 ASSUMPTIONS IN THE THIRTY-YEAR OPERATION PLAN REQUIRED PURSUANT
13 TO SUBSECTION (7)(g) OF THIS SECTION; AND

14 (f) ARE THE MOST ADVANCED IN THE DEVELOPMENT PROCESS.

15 (9) THE BOARD MAY REQUEST THAT THE DIVISION OF HOUSING AND
16 DIVISION OF PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE
17 UNDERTAKE A PRELIMINARY REVIEW OF ANY OR ALL APPLICATIONS FOR
18 FINANCIAL ASSISTANCE, AND THE BOARD MAY ALSO REQUEST THAT ANY
19 DEPARTMENT, AGENCY, OR INSTITUTION OF STATE GOVERNMENT WITH
20 EXPERTISE OR EXPERIENCE IN HOUSING AFFORDABILITY OR CONSTRUCTION
21 PROVIDE ASSISTANCE TO THE BOARD WITH REGARD TO THE EVALUATION
22 OF THE APPLICATIONS FOR FINANCIAL ASSISTANCE.

23 (10) (a) AFTER COMPLETING THE INITIAL PRIORITIZED LIST OF
24 PROJECTS FOR THE PROVISION OF FINANCIAL ASSISTANCE PURSUANT TO
25 SUBSECTION (6) OF THIS SECTION, THE BOARD SHALL SUBMIT THAT LIST TO
26 THE STATE BOARD AND THE STATE HOUSING BOARD. THE PRIORITIZED LIST
27 MUST INCLUDE:

1 (I) THE BOARD'S DECISION AS TO THE AMOUNT AND TYPE OF
2 FINANCIAL ASSISTANCE TO BE PROVIDED; AND

3 (II) A STATEMENT OF THE SOURCE AND AMOUNT OF APPLICANT
4 MATCHING MONEY FOR EACH RECOMMENDED PROJECT BASED UPON
5 INFORMATION PROVIDED BY THE APPLICANT.

6 (b) UPON RECEIVING THE BOARD'S INITIAL PRIORITIZED LIST OF
7 PROJECTS FOR THE PROVISION OF FINANCIAL ASSISTANCE PURSUANT TO
8 SUBSECTION (10)(a) OF THIS SECTION, AND BEFORE THE BOARD
9 DETERMINES A FINAL PRIORITIZED LIST OF PROJECTS FOR WHICH THE
10 BOARD WILL PROVIDE FINANCIAL ASSISTANCE PURSUANT TO SUBSECTION
11 (11)(a) OF THIS SECTION, THE STATE BOARD AND THE STATE HOUSING
12 BOARD MAY PROVIDE COMMENTS TO THE BOARD ON THE LIST OF PROJECTS.

13 (11) (a) NO LATER THAN JULY 15, 2027, AND EACH JULY 15
14 THEREAFTER, THE BOARD SHALL DETERMINE A FINAL PRIORITIZED LIST OF
15 PROJECTS FOR WHICH THE BOARD WILL PROVIDE FINANCIAL ASSISTANCE.

16 (b) (I) IN DETERMINING THE AMOUNT OF EACH RECOMMENDED
17 AWARD OF FINANCIAL ASSISTANCE, THE BOARD SHALL SEEK TO BE AS
18 EQUITABLE AS PRACTICABLE BY CONSIDERING THE TOTAL FINANCIAL
19 CAPACITY OF EACH APPLICANT.

20 (II) IN DETERMINING THE AMOUNT OF EACH AWARD OF FINANCIAL
21 ASSISTANCE, THE BOARD SHALL SEEK TO ADDRESS THE MOST CRITICAL
22 EDUCATION WORKFORCE HOUSING NEEDS, OPTIMIZE THE USE OF LIMITED
23 STATE GRANT FUNDING, AND PROVIDE THE MAXIMUM NUMBER OF NEW
24 HOUSING UNITS.

25 (c) THE BOARD MAY DECIDE THAT A SPECIFIC PROJECT SHALL ONLY
26 RECEIVE FINANCIAL ASSISTANCE IF A HIGHER PRIORITY PROJECT OR GROUP
27 OF PROJECTS BECOMES INELIGIBLE FOR FINANCIAL ASSISTANCE DUE TO THE

1 INABILITY OF AN APPLICANT TO RAISE THE REQUIRED MATCHING MONEY
2 BY A DEADLINE PRESCRIBED BY THE BOARD AS A CONDITION OF A
3 FINANCIAL ASSISTANCE AWARD FOR THE HIGHER PRIORITY PROJECT OR
4 GROUP OF PROJECTS.

5 (12) (a) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (13) OF
6 THIS SECTION, THE BOARD MAY APPROVE OF FINANCIAL ASSISTANCE FOR
7 A WORKFORCE HOUSING PROJECT ONLY IF THE APPLICANT PROVIDES
8 MATCHING MONEY IN AN AMOUNT AT LEAST EQUAL TO THE PORTION OF
9 THE TOTAL DEVELOPMENT COST OF THE WORKFORCE HOUSING PROJECT
10 THAT CAN BE FINANCED WITH AND SUPPORTED BY NET OPERATING INCOME
11 GENERATED FROM THE PROJECT.

12 (b) STATE FINANCIAL ASSISTANCE FOR A WORKFORCE HOUSING
13 PROJECT SHALL NOT EXCEED, BUT MAY BE LESS THAN, THE PORTION OF
14 THE AMOUNT OF THE WORKFORCE HOUSING PROJECT'S TOTAL
15 DEVELOPMENT COST THAT EXCEEDS THE AMOUNT THAT THE APPLICANT
16 CAN FINANCE AND SUPPORT WITH THE WORKFORCE HOUSING PROJECT'S
17 NET OPERATING INCOME.

18 (c) AS USED IN THIS SUBSECTION (12), UNLESS THE CONTEXT
19 OTHERWISE REQUIRES:

20 (I) "NET OPERATING INCOME" MEANS GROSS RENTAL REVENUES
21 LESS ALL NECESSARY AND CUSTOMARY OPERATING EXPENSES, INCLUDING
22 PROPERTY MANAGEMENT, MAINTENANCE, INSURANCE, AND REQUIRED
23 OPERATING AND REPLACEMENT RESERVES, AND MUST BE CALCULATED
24 AFTER APPLICATION OF ANY REQUIRED DEBT SERVICE COVERAGE RATIO
25 AND THE FUNDING OF ALL REQUIRED BOND OR LEASE-PURCHASE DEBT
26 SERVICE RESERVES.

27 (II) "TOTAL DEVELOPMENT COSTS" MEANS THE COSTS

1 DETERMINED BY THE BOARD TO BE NECESSARY FOR AN APPLICANT TO
2 PLAN, FINANCE, ACQUIRE, CONSTRUCT, AND PLACE INTO OPERATION A
3 WORKFORCE HOUSING PROJECT.

4 (13) (a) AN APPLICANT MAY APPLY TO THE BOARD FOR A
5 REDUCTION OF THE MATCHING MONEY REQUIREMENT SPECIFIED IN
6 SUBSECTION (12) OF THIS SECTION.

7 (b) THE BOARD MAY GRANT A REDUCTION IF IT DETERMINES THAT
8 COMPLYING WITH THE MATCHING MONEY REQUIREMENT WOULD
9 SIGNIFICANTLY IMPAIR THE FINANCIAL FEASIBILITY OF THE PROJECT OR
10 IMPOSE AN UNDUE BURDEN ON THE APPLICANT, CONSIDERING LOCAL
11 HOUSING CONDITIONS, FINANCIAL CAPACITY, AND DEMONSTRATED
12 WORKFORCE HOUSING NEED.

13 (14) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE
14 43.8, IF A FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
15 PARTICIPATION AGREEMENT TERMINATES BEFORE ALL CERTIFICATES OF
16 PARTICIPATION EVIDENCING UNDIVIDED INTERESTS IN PAYMENTS UNDER
17 THAT AGREEMENT ARE PAID IN FULL AND TITLE TO A WORKFORCE HOUSING
18 PROJECT IS TRANSFERRED TO THE STATE, ANY AFFORDABILITY COVENANT,
19 ANY OTHER COVENANT, AND ANY OTHER RESTRICTION ON THE USE OF
20 THAT WORKFORCE HOUSING PROJECT THAT IS IMPOSED BY OR IS ENTERED
21 INTO OR IMPOSED IN ORDER TO COMPLY WITH THIS ARTICLE 43.8,
22 AUTOMATICALLY TERMINATES UPON TERMINATION OF THAT FINANCED
23 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION AGREEMENT.

24 **22-43.8-108. Financial assistance - grants - financed purchase**
25 **of an asset agreements.**

26 (1) THE BOARD MAY PROVIDE FINANCIAL ASSISTANCE FOR THOSE
27 WORKFORCE HOUSING PROJECTS FOR WHICH THE BOARD HAS AUTHORIZED

1 THE PROVISION OF FINANCIAL ASSISTANCE PURSUANT TO SECTION
2 22-43.8-107 BY PROVIDING MATCHING GRANTS FROM THE FUND.

3 (2) SUBJECT TO THE FOLLOWING REQUIREMENTS AND LIMITATIONS,
4 THE BOARD MAY ALSO INSTRUCT THE STATE TREASURER TO ENTER INTO A
5 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
6 AGREEMENT TO PROVIDE FINANCIAL ASSISTANCE TO APPLICANTS BY
7 FINANCING WORKFORCE HOUSING PROJECTS:

8 (a) THE MAXIMUM TOTAL AMOUNT OF ANNUAL PAYMENTS
9 PAYABLE BY THE STATE MINUS ANY MATCHING MONEY DURING ANY
10 FISCAL YEAR UNDER THE TERMS OF ALL OUTSTANDING FINANCED
11 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION AGREEMENTS
12 AS INSTRUCTED BY THE BOARD PURSUANT TO THIS SUBSECTION (2) IS:

13 (I) TWELVE MILLION DOLLARS FOR THE 2027-28 STATE FISCAL
14 YEAR;

15 (II) TWENTY-FOUR MILLION DOLLARS FOR THE 2028-29 STATE
16 FISCAL YEAR; AND

17 (III) THIRTY-SIX MILLION DOLLARS FOR THE 2029-30 STATE FISCAL
18 YEAR AND EACH STATE FISCAL YEAR THEREAFTER.

19 (b) WHENEVER THE STATE TREASURER ENTERS INTO A FINANCED
20 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION AGREEMENT
21 PURSUANT TO THIS SUBSECTION (2) TO FINANCE WORKFORCE HOUSING,
22 THE BOARD SHALL, UPON RECEIVING APPROVAL OF THE STATE TREASURER
23 PURSUANT TO SUBSECTION (2)(e) OF THIS SECTION, ENTER INTO A
24 SUB-FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
25 AGREEMENT FOR THE WORKFORCE HOUSING PROJECT WITH THE APPLICANT
26 THAT WILL USE THE WORKFORCE HOUSING. THE SUB-FINANCED PURCHASE
27 OF AN ASSET OR CERTIFICATE OF PARTICIPATION AGREEMENT:

1 (I) MUST REQUIRE THE APPLICANT TO PERFORM FOR THE STATE
2 ALL DUTIES OF THE STATE TO MAINTAIN AND OPERATE THE WORKFORCE
3 HOUSING PROJECT THAT ARE REQUIRED BY THE FINANCED PURCHASE OF AN
4 ASSET OR CERTIFICATE OF PARTICIPATION AGREEMENT AND TO MAKE
5 PERIODIC RENTAL PAYMENTS TO THE STATE, UNLESS THE APPLICANT
6 MAKES A PAYMENT IN AN AMOUNT EQUAL TO THE AMOUNT OF REQUIRED
7 MATCHING MONEY IN ANOTHER FASHION, WHICH PAYMENTS SHALL BE
8 CREDITED TO THE FUND AS MATCHING MONEY OF THE APPLICANT;

9 (II) MUST PROVIDE FOR THE TRANSFER OF OWNERSHIP OF THE
10 WORKFORCE HOUSING FROM THE STATE TO THE APPLICANT UPON THE
11 FULFILLMENT OF BOTH THE STATE'S OBLIGATIONS UNDER THE FINANCED
12 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION AGREEMENT
13 AND THE APPLICANT'S OBLIGATIONS UNDER THE SUB-FINANCED PURCHASE
14 OF AN ASSET OR CERTIFICATE OF PARTICIPATION AGREEMENT; AND

15 (III) MAY PROVIDE THAT THE LEGAL OBLIGATION OF AN APPLICANT
16 TO MAKE PERIODIC RENTAL PAYMENTS IS SUBJECT TO THE ANNUAL
17 APPROPRIATION OF MONEY FOR THAT PURPOSE BY THE APPLICANT IF THE
18 ABSENCE OF SUCH A PROVISION WOULD CREATE A DISTRICT
19 MULTIPLE-YEAR FISCAL OBLIGATION WITHOUT VOTER APPROVAL IN
20 ADVANCE IN VIOLATION OF SECTION 20 (4)(b) OF ARTICLE X OF THE STATE
21 CONSTITUTION.

22 (c) A FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
23 PARTICIPATION AGREEMENT ENTERED INTO PURSUANT TO THIS
24 SUBSECTION (2) MUST PROVIDE THAT ALL PAYMENT OBLIGATIONS OF THE
25 STATE UNDER THE AGREEMENT ARE SUBJECT TO ANNUAL APPROPRIATION
26 BY THE GENERAL ASSEMBLY AND THAT OBLIGATIONS SHALL NOT BE
27 DEEMED OR CONSTRUED AS CREATING AN INDEBTEDNESS OR MULTIPLE

1 FISCAL YEAR FINANCIAL OBLIGATION OF THE STATE WITHIN THE MEANING
2 OF ANY PROVISION OF THE STATE CONSTITUTION OR THE LAWS OF THE
3 STATE CONCERNING OR LIMITING THE CREATION OF INDEBTEDNESS OR
4 MULTIPLE FISCAL YEAR FINANCIAL OBLIGATION BY THE STATE.

5 (d) (I) (A) A FINANCED PURCHASE OF AN ASSET OR CERTIFICATE
6 OF PARTICIPATION AGREEMENT ENTERED INTO BY THE STATE TREASURER
7 ON BEHALF OF THE STATE PURSUANT TO THIS SUBSECTION (2) MAY
8 CONTAIN TERMS, PROVISIONS, AND CONDITIONS THE STATE TREASURER
9 DEEMS APPROPRIATE AND MAY FURTHER PROVIDE FOR THE ISSUANCE,
10 DISTRIBUTION, AND SALE OF INSTRUMENTS EVIDENCING RIGHTS TO
11 RECEIVE RENTALS AND OTHER PAYMENTS MADE AND TO BE MADE UNDER
12 THE AGREEMENT.

13 (B) THIS SUBSECTION (2)(d) ALLOWS THE STATE TO RECEIVE TITLE
14 TO THE REAL AND PERSONAL PROPERTY THAT IS THE SUBJECT OF A
15 FINANCIAL PURCHASE OF AN ASSET OR CERTIFICATION OF PARTICIPATION
16 AGREEMENT ON OR PRIOR TO THE EXPIRATION OF THE ENTIRE TERM OF THE
17 AGREEMENT, INCLUDING ALL OPTIONAL RENEWAL TERMS.

18 (II) A FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
19 PARTICIPATION AGREEMENT ENTERED INTO PURSUANT TO THIS
20 SUBSECTION (2) SHALL NOT BE NOTES, BONDS, OR ANY OTHER EVIDENCE
21 OF INDEBTEDNESS OR MULTIPLE FISCAL YEAR FINANCIAL OBLIGATION OF
22 THE STATE WITHIN THE MEANING OF ANY PROVISION OF THE STATE
23 CONSTITUTION OR THE LAWS OF THE STATE CONCERNING OR LIMITING THE
24 CREATION OF INDEBTEDNESS OR MULTIPLE FISCAL YEAR OBLIGATION BY
25 THE STATE.

26 (III) INTEREST PAID UNDER A FINANCED PURCHASE OF AN ASSET OR
27 CERTIFICATE OF PARTICIPATION AGREEMENT ON BEHALF OF THE STATE

1 PURSUANT TO THIS SUBSECTION (2), INCLUDING INTEREST REPRESENTED
2 BY SUCH INSTRUMENTS, SHALL BE EXEMPT FROM COLORADO INCOME TAX
3 AND ALL OTHER TAXATION AND ASSESSMENTS BY THE STATE OR ANY
4 POLITICAL SUBDIVISION OF THE STATE.

5 (e) THE BOARD MAY ONLY ENTER INTO A SUB-FINANCED PURCHASE
6 OF AN ASSET OR CERTIFICATE OF PARTICIPATION AGREEMENT ON BEHALF
7 OF THE STATE PURSUANT TO THIS SUBSECTION (2) IF THE STATE
8 TREASURER HAS REVIEWED THE AGREEMENT AND PROVIDED WRITTEN
9 AUTHORIZATION TO THE BOARD TO ENTER INTO THE AGREEMENT.

10 (f) IF THE STATE TREASURER DEEMS IT NECESSARY OR ADVISABLE,
11 THE STATE TREASURER MAY ENTER INTO A FINANCED PURCHASE OF AN
12 ASSET OR CERTIFICATE OF PARTICIPATION AGREEMENT PURSUANT TO THIS
13 SUBSECTION (2) FOR ONLY A PORTION OF A WORKFORCE HOUSING PROJECT
14 FOR ALL OR A PORTION OF A DIFFERENT WORKFORCE HOUSING PROJECT OR
15 FOR OTHER PROPERTY OF A SCHOOL DISTRICT.

16 (g) NOTWITHSTANDING THE AUTHORITY OF THE BOARD TO
17 INSTRUCT THE STATE TREASURER TO ENTER INTO A FINANCED PURCHASE
18 OF AN ASSET OR CERTIFICATE OF PARTICIPATION AGREEMENT PURSUANT
19 TO THIS SUBSECTION (2), IN ORDER TO ENSURE THAT THE FINANCED
20 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION AGREEMENT
21 IS ENTERED INTO UNDER FAVORABLE FINANCIAL MARKET CONDITIONS, THE
22 STATE TREASURER SHALL HAVE SOLE DISCRETION TO DETERMINE THE
23 TIMING OF THE STATE TREASURER'S ENTRY INTO ANY FINANCED PURCHASE
24 OF AN ASSET OR CERTIFICATE OF PARTICIPATION AGREEMENT PURSUANT
25 TO THIS SUBSECTION (2).

26 (3) AN APPLICANT SHALL NOT USE ANY MONEY RECEIVED
27 THROUGH FINANCIAL ASSISTANCE PROVIDED PURSUANT TO THIS ARTICLE

1 43.8 FOR A WORKFORCE HOUSING PROJECT THAT RECEIVES PUBLIC
2 SUBSIDIES THROUGH A LOCAL, STATE, OR FEDERAL GOVERNMENT
3 PROGRAM THAT IS PRIMARILY INTENDED TO SUPPORT THE DEVELOPMENT
4 OF INCOME-RESTRICTED RENTAL HOUSING FOR HOUSEHOLDS WITH
5 INCOMES AT OR BELOW SIXTY PERCENT OF THE AREA MEDIAN INCOME.

6 (4) (a) AS SOON AS PRACTICABLE, UPON DETERMINING THAT IT
7 WILL TERMINATE A FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
8 PARTICIPATION AGREEMENT ENTERED INTO PURSUANT TO SUBSECTION (2)
9 OF THIS SECTION, THE STATE TREASURER SHALL PROVIDE WRITTEN NOTICE
10 OF THAT DETERMINATION TO:

- 11 (I) THE BOARD;
- 12 (II) THE COLORADO HOUSING AND FINANCE AUTHORITY CREATED
13 IN PART 7 OF ARTICLE 4 OF TITLE 29;
- 14 (III) THE COLORADO OFFICE OF ECONOMIC DEVELOPMENT
15 CREATED IN SECTION 24-48.5-101;
- 16 (IV) THE DEPARTMENT OF EDUCATION CREATED IN SECTION
17 24-1-115;
- 18 (V) THE DIVISION OF HOUSING; AND
- 19 (VI) ANY PARTIES TO A SUBLEASE AGREEMENT RELATED TO THE
20 LEASE.

21 (b) NOTWITHSTANDING SUBSECTION (4)(a) OF THIS SECTION,
22 FAILURE OF THE STATE TREASURER TO PROVIDE NOTICE PURSUANT TO
23 SUBSECTION (4)(a) OF THIS SECTION DOES NOT PREVENT THE STATE
24 TREASURER FROM TERMINATING A FINANCED PURCHASE OF AN ASSET OR
25 CERTIFICATE OF PARTICIPATION AGREEMENT ENTERED INTO PURSUANT TO
26 SUBSECTION (2) OF THIS SECTION AND DOES NOT CREATE STATE LIABILITY
27 OR OBLIGATION.

1 **22-43.8-109. Reporting requirements - auditing by state**
2 **auditor.**

3 (1) NOTWITHSTANDING SECTION 24-1-136 (11)(a)(I), NO LATER
4 THAN FEBRUARY 15, 2028, AND NO LATER THAN EACH FEBRUARY 15
5 THEREAFTER, THE BOARD SHALL PRESENT A WRITTEN REPORT TO THE
6 EDUCATION AND FINANCE COMMITTEES OF THE HOUSE OF
7 REPRESENTATIVES AND THE SENATE, OR ANY SUCCESSOR COMMITTEES,
8 REGARDING THE PROVISION OF FINANCIAL ASSISTANCE TO APPLICANTS
9 PURSUANT TO THIS ARTICLE 43.8. THE REPORT MUST INCLUDE, AT A
10 MINIMUM:

11 (a) AN ACCOUNTING OF THE FINANCIAL ASSISTANCE PROVIDED
12 THROUGH THE PRIOR FISCAL YEAR THAT INCLUDES:

13 (I) A STATEMENT OF THE AGGREGATE AMOUNT OF FINANCIAL
14 ASSISTANCE AWARDED THROUGH THE PRIOR FISCAL YEAR, INCLUDING
15 STATEMENTS OF THE AMOUNT OF GRANTS PROVIDED, AND THE AMOUNT OF
16 PAYMENTS MADE AND PAYMENTS COMMITTED TO BE MADE BUT NOT YET
17 MADE IN CONNECTION WITH A FINANCED PURCHASE OF AN ASSET OR
18 CERTIFICATE OF PARTICIPATION AGREEMENT;

19 (II) A STATEMENT OF THE AGGREGATE AMOUNT OF FINANCIAL
20 ASSISTANCE PROVIDED AS GRANTS AND THE AGGREGATE AMOUNT OF
21 PAYMENTS MADE IN CONNECTION WITH A FINANCED PURCHASE OF AN
22 ASSET OR CERTIFICATE OF PARTICIPATION AGREEMENT DURING THE PRIOR
23 FISCAL YEAR;

24 (III) A LIST OF THE WORKFORCE HOUSING PROJECTS FOR WHICH
25 FINANCIAL ASSISTANCE HAS BEEN PROVIDED IN ANY FISCAL YEAR, WHICH
26 MUST INCLUDE:

27 (A) A BRIEF DESCRIPTION OF EACH PROJECT;

1 (B) A STATEMENT OF THE AMOUNT AND TYPE OF FINANCIAL
2 ASSISTANCE PROVIDED FOR EACH PROJECT AND, WHERE APPLICABLE, THE
3 AMOUNT OF FINANCIAL ASSISTANCE COMMITTED TO BE PROVIDED FOR BUT
4 NOT YET PROVIDED FOR EACH PROJECT;

5 (C) A STATEMENT OF THE AMOUNT OF MATCHING MONEY
6 PROVIDED BY THE APPLICANT FOR EACH PROJECT AND, WHERE
7 APPLICABLE, THE AMOUNT OF MATCHING MONEY COMMITTED TO BE
8 PROVIDED BY THE APPLICANT BUT NOT YET PROVIDED FOR EACH PROJECT;
9 AND

10 (D) A SUMMARY OF THE REASONS OF THE BOARD FOR PROVIDING
11 FINANCIAL ASSISTANCE FOR THE PROJECT; AND

12 (IV) A LIST OF THE WORKFORCE HOUSING PROJECTS FOR WHICH
13 FINANCIAL ASSISTANCE HAS BEEN PROVIDED DURING THE PRIOR FISCAL
14 YEAR, WHICH MUST INCLUDE:

15 (A) A BRIEF DESCRIPTION OF EACH PROJECT;

16 (B) A STATEMENT OF THE AMOUNT AND TYPE OF FINANCIAL
17 ASSISTANCE PROVIDED FOR EACH PROJECT; AND

18 (C) A STATEMENT OF THE AMOUNT OF MATCHING MONEY
19 PROVIDED BY THE APPLICANT FOR EACH PROJECT.

20 (b) A LIST OF THE FINANCIAL ASSISTANCE APPLICATIONS FOR
21 WORKFORCE HOUSING PROJECTS THAT WERE DENIED FINANCIAL
22 ASSISTANCE DURING THE PRIOR FISCAL YEAR AND THAT INCLUDES FOR
23 EACH PROJECT:

24 (I) A BRIEF PROJECT DESCRIPTION;

25 (II) A STATEMENT OF THE AMOUNT AND TYPE OF FINANCIAL
26 ASSISTANCE REQUESTED FOR THE PROJECT; AND

27 (III) A SUMMARY OF THE REASONS WHY THE BOARD DENIED

1 FINANCIAL ASSISTANCE FOR THE PROJECT; AND

2 (c) AN ESTIMATE, TO THE EXTENT FEASIBLE, OF THE TOTAL
3 AMOUNTS OF REVENUES TO BE CREDITED TO THE FUND DURING THE
4 CURRENT FISCAL YEAR AND THE NEXT FISCAL YEAR AND FINANCIAL
5 ASSISTANCE TO BE AWARDED DURING THE NEXT FISCAL YEAR, INCLUDING
6 SEPARATE ESTIMATES OF THE TOTAL AMOUNTS OF FINANCIAL ASSISTANCE
7 TO BE AWARDED AS CASH GRANTS AND UNDER THE TERMS OF A FINANCED
8 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION AGREEMENT
9 ENTERED INTO PURSUANT TO SECTION 22-43.8-108 (2).

10 (2) THE BOARD SHALL PREPARE AND MAKE AVAILABLE
11 ELECTRONICALLY ON THE WEBSITE OF THE DEPARTMENT A REPORT TO THE
12 TAXPAYERS OF THE STATE REGARDING THE PROVISION OF FINANCIAL
13 ASSISTANCE TO APPLICANTS PURSUANT TO THIS ARTICLE 43.8 DURING THE
14 FIVE PRIOR FISCAL YEARS. THE REPORT SHALL INCLUDE, AT A MINIMUM,
15 THE INFORMATION SPECIFIED IN SUBSECTION (1) OF THIS SECTION FOR
16 EACH OF THE FIVE PRIOR FISCAL YEARS AND AN AGGREGATION OF ANY OF
17 SUCH INFORMATION THAT CAN FEASIBLY BE AGGREGATED FOR THE FULL
18 FIVE-YEAR PERIOD.

19 **22-43.8-110. Attorney general as legal advisor.**

20 THE ATTORNEY GENERAL SHALL ACT AS LEGAL ADVISOR FOR THE
21 BOARD, AND WITH THE CONSENT OF THE ATTORNEY GENERAL, THE BOARD
22 MAY EMPLOY ADDITIONAL LEGAL COUNSEL.

23 **22-43.8-111. Tax increases not required.**

24 NOTHING IN THIS ARTICLE 43.8 SHALL BE DEEMED TO REQUIRE A
25 SCHOOL DISTRICT TO INCREASE TAXES.

26 **22-43.8-112. Open records and open meetings.**

27 IN EXERCISING THEIR POWERS AND DUTIES PURSUANT TO THIS

1 ARTICLE 43.8, THE BOARD AND THE DIVISION OF HOUSING AND DIVISION OF
2 PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE ARE SUBJECT TO THE
3 OPEN MEETINGS PROVISIONS OF THE "COLORADO SUNSHINE ACT OF 1972",
4 PART 4 OF ARTICLE 6 OF TITLE 24, AND THE "COLORADO OPEN RECORDS
5 ACT", PART 2 OF ARTICLE 72 OF TITLE 24.

6 **22-43.8-113. Prioritization and selections of tenants.**

7 APPLICANTS SHALL ESTABLISH THEIR OWN POLICIES CONCERNING
8 THE PRIORITIZATION AND SELECTION OF TENANTS IN WORKFORCE
9 HOUSING, THE FINANCING OF WHICH IS APPROVED PURSUANT TO THIS
10 ARTICLE 43.8 AND SHALL ENSURE THAT THOSE POLICIES COMPLY WITH
11 COLORADO AND FEDERAL FAIR HOUSING LAWS.

12 **22-43.8-114. Workforce housing rental income.**

13 AN APPLICANT THAT OBTAINS FINANCING FOR WORKFORCE
14 HOUSING PURSUANT TO THIS ARTICLE 43.8 IS ENTITLED TO ALL RENTAL
15 INCOME GENERATED BY THE WORKFORCE HOUSING.

16 **22-43.8-115. Relationship of applicants and other**
17 **jurisdictions.**

18 (1) THE PROVISION OF WORKFORCE HOUSING BY AN APPLICANT IS
19 A MATTER OF STATEWIDE CONCERN AND THEREFORE EACH COUNTY,
20 MUNICIPALITY, OR SPECIAL DISTRICT IN WHICH A WORKFORCE HOUSING
21 PROJECT IS LOCATED, IN CONNECTION WITH THE PROJECT, SHALL PROVIDE
22 GOVERNMENTAL SERVICES OF THE SAME CHARACTER AND TO THE SAME
23 EXTENT AS SERVICES PROVIDED FOR OTHER RESIDENTS OF THE COUNTY,
24 MUNICIPALITY, OR SPECIAL DISTRICT.

25 (2) NOTWITHSTANDING THE PROVISIONS SET FORTH IN SUBSECTION
26 (1) OF THIS SECTION, AN APPLICANT MAY ENTER INTO CONTRACTUAL OR
27 INTERGOVERNMENTAL AGREEMENTS WITH ANY COUNTY, MUNICIPALITY,

1 OR SPECIAL DISTRICT FOR THE PROVISION OF ANY ADDITIONAL
2 COMMUNITY, MUNICIPAL, OR PUBLIC FACILITIES OR SERVICES NECESSARY
3 OR DESIRABLE FOR ANY WORKFORCE HOUSING PROJECT.

4 (3) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE
5 STATE, ANY STATE AGENCY, ANY COUNTY, AND ANY MUNICIPALITY IN
6 WHICH A WORKFORCE HOUSING PROJECT IS OR IS TO BE LOCATED, AND ANY
7 BOARD, AUTHORITY, AGENCY, DEPARTMENT, COMMISSION, PUBLIC
8 CORPORATION, OR INSTRUMENTALITY OF SUCH COUNTY OR MUNICIPALITY,
9 HAS THE POWER TO LEND OR GRANT MONEY OR ANY OTHER FORM OF
10 PROPERTY, REAL, PERSONAL, OR MIXED, TO THE APPLICANT AND TO ENTER
11 INTO CONTRACTS TO MAKE SUCH LOANS AND GRANTS, ALL UPON WHICH
12 SUCH TERMS AND CONDITIONS AS THE APPLICANT AND THE STATE, STATE
13 AGENCY, COUNTY, OR MUNICIPALITY MAY AGREE.

14 **22-43.8-116. Agreement of the state not to limit or alter rights**
15 **of obligees.**

16 THE STATE PLEDGES AND AGREES WITH THE HOLDERS OF ANY
17 CERTIFICATES OF PARTICIPATION, BOND, OR OTHER FINANCIAL OBLIGATION
18 ISSUED OR ENTERED INTO BY THE STATE TREASURER, THE BOARD, A
19 TRUSTEE, AN APPLICANT, OR AN ENTERPRISE OF AN APPLICANT AND ANY
20 PERSON WHO ENTERS INTO A CONTRACT WITH ANY OF THOSE PERSONS OR
21 ENTITIES IN RELATION TO WORKFORCE HOUSING THAT THE STATE WILL NOT
22 IMPAIR THE RIGHTS OF ANY SUCH PERSON WITH RESPECT TO ANY SUCH
23 CERTIFICATES OF PARTICIPATION, BOND, OTHER FINANCIAL OBLIGATION,
24 OR CONTRACT. THE STATE FURTHER PLEDGES AND AGREES THAT IT WILL
25 NOT IMPAIR THE RIGHTS OR REMEDIES OF THE HOLDERS OF ANY
26 CERTIFICATE OF PARTICIPATION, BOND, OR OTHER FINANCIAL OBLIGATION
27 ENTERED INTO BY THE STATE TREASURER, THE BOARD, A TRUSTEE, AN

1 APPLICANT, OR AN ENTERPRISE OF AN APPLICANT IN CONNECTION WITH
2 WORKFORCE HOUSING OR IMPAIR THE RIGHTS AND REMEDIES OF ANY
3 PERSON WHO ENTERS INTO A CONTRACT WITH ANY OF THOSE PERSONS OR
4 ENTITIES IN RELATION TO WORKFORCE HOUSING UNLESS AND UNTIL THE
5 CERTIFICATES OF PARTICIPATION, BONDS, OTHER FINANCIAL OBLIGATIONS,
6 AND OBLIGATIONS UNDER SUCH CONTRACTS HAVE BEEN PAID OR UNTIL
7 ADEQUATE PROVISIONS FOR PAYMENT HAVE BEEN MADE. THE STATE
8 TREASURER, A TRUSTEE, AN APPLICANT, AND AN ENTERPRISE OF AN
9 APPLICANT MAY INCLUDE THIS PROVISION AND UNDERTAKING FOR THE
10 STATE IN ALL SUCH CERTIFICATES OF PARTICIPATION, BONDS, FINANCIAL
11 OBLIGATIONS, OR CONTRACTS ISSUED OR ENTERED INTO IN RELATION TO
12 WORKFORCE HOUSING.

13 **22-43.8-117. Authority of applicants and other local**
14 **governments.**

15 (1) NOTHING IN THIS ARTICLE 43.8 SHALL BE CONSTRUED TO ALTER
16 THE AUTHORITY OF A LOCAL GOVERNMENT IN APPLYING AND ENFORCING
17 APPLICABLE INCLUSIONARY ZONING ORDINANCES, DEED RESTRICTIONS,
18 COMMUNITY BENEFIT AGREEMENTS, DEVELOPMENT AGREEMENTS, OR
19 OTHER AFFORDABLE HOUSING POLICIES AND STANDARDS.

20 (2) NOTHING IN THIS ARTICLE 43.8 LIMITS THE AUTHORITY OF AN
21 APPLICANT TO PARTICIPATE IN AFFORDABLE HOUSING PROGRAMS OR
22 FINANCING MECHANISMS, INCLUDING THE LOW-INCOME HOUSING TAX
23 CREDIT PROGRAM OR PRIVATE ACTIVITY BOND FINANCING, IN CONNECTION
24 WITH WORKFORCE HOUSING PROJECTS THAT DO NOT RECEIVE FINANCIAL
25 ASSISTANCE PURSUANT TO THIS ARTICLE 43.8.

26 **22-43.8-118. No action maintainable.**

27 ANY LEGAL OR ADMINISTRATIVE PROCEEDING TO REVIEW ANY ACTS

1 OR PROCEEDINGS BY THE STATE TREASURER, THE BOARD, A TRUSTEE, AN
2 APPLICANT, AN ENTERPRISE OF AN APPLICANT, OR ANY OTHER PERSON IN
3 RELATION TO WORKFORCE HOUSING, WHETHER BASED UPON
4 IRREGULARITIES OR JURISDICTIONAL DEFECTS, SHALL NOT BE MAINTAINED
5 UNLESS COMMENCED WITHIN THIRTY DAYS AFTER THE PERFORMANCE OF
6 THE ACT OR PROCEEDINGS OR THE EFFECTIVE DATE OF THE ACTS OR
7 PROCEEDINGS, WHICHEVER OCCURS FIRST, AND IS THEREAFTER
8 PERPETUALLY BARRED.

9 **22-43.8-119. Judicial examination of powers, acts,**
10 **proceedings, or contracts of an applicant.**

11 IN ITS DISCRETION, THE STATE TREASURER, THE BOARD, A TRUSTEE,
12 AN APPLICANT OR AN ENTERPRISE OF AN APPLICANT MAY FILE A PETITION
13 AT ANY TIME IN A DISTRICT COURT IN THE STATE SEEKING A JUDICIAL
14 EXAMINATION AND DETERMINATION OF ANY POWER CONFERRED TO ANY
15 OF THOSE PERSONS OR ENTITIES BY THIS SENATE BILL _____, ANY POWER
16 EXERCISED OR THAT MAY BE EXERCISED BY ANY OF THOSE PERSONS OR
17 ENTITIES, OR ANY ACT, PROCEEDING OBLIGATION, OR CONTRACT OF ANY
18 OF THOSE PERSONS OR ENTITIES, WHETHER OR NOT THE ACT OR
19 PROCEEDING HAS OCCURRED OR THE CONTRACT HAS BEEN EXECUTED. THE
20 JUDICIAL EXAMINATION AND DETERMINATION MUST BE CONDUCTED IN
21 SUBSTANTIALLY THE MANNER SET FORTH IN SECTION 32-4-540; EXCEPT
22 THAT THE NOTICE REQUIRED MUST BE PUBLISHED ONCE A WEEK FOR THREE
23 CONSECUTIVE WEEKS AND THE HEARING MUST BE HELD NOT LESS THAN
24 THIRTY DAYS NOR MORE THAN FORTY DAYS AFTER THE FILING OF THE
25 PETITION.

26 **SECTION 5.** In Colorado Revised Statutes, **add** 22-41-101.5 as
27 follows:

1 **22-41-101.5. Public school fund income stabilization account**
2 **- definitions.**

3 (1) THERE IS CREATED WITHIN THE PUBLIC SCHOOL FUND THE
4 PUBLIC SCHOOL FUND INCOME STABILIZATION ACCOUNT. THE ACCOUNT
5 CONSISTS OF MONEY CREDITED TO THE ACCOUNT PURSUANT TO
6 SUBSECTION (3) OF THIS SECTION AND ANY OTHER MONEY THAT THE
7 GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER TO THE ACCOUNT.

8 (2) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND
9 INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE
10 ACCOUNT TO THE PORTION OF THE PUBLIC SCHOOL FUND THAT IS NOT THE
11 ACCOUNT.

12 (3) FOR ANY STATE FISCAL YEAR IN WHICH, AFTER CREDITING
13 MONEY FROM THE PUBLIC SCHOOL FUND PURSUANT TO SECTION 22-41-102
14 (3) FOR THAT STATE FISCAL YEAR, THE AMOUNT OF INTEREST AND INCOME
15 REMAINING IN THE FUND, CALCULATED PURSUANT TO SECTION 22-41-102
16 (3)(I)(II), EXCEEDS FORTY MILLION DOLLARS, THE STATE TREASURER
17 SHALL CREDIT FROM THE PORTION OF THE PUBLIC SCHOOL FUND THAT IS
18 NOT THE ACCOUNT TO THE ACCOUNT AN AMOUNT EQUAL TO THAT EXCESS.

19 (4) MONEY IN THE ACCOUNT SHALL ONLY BE APPROPRIATED OR
20 TRANSFERRED:

21 (a) IN THE MANNER AND FOR THE PURPOSES DESCRIBED IN SECTION
22 22-41-102 (3)(k), IN A FISCAL YEAR IN WHICH THERE IS NOT OTHERWISE
23 SUFFICIENT MONEY IN THE PORTION OF THE PUBLIC SCHOOL FUND THAT IS
24 NOT THE ACCOUNT TO APPROPRIATE OR CREDIT THE AMOUNT REQUIRED
25 PURSUANT TO SECTION 22-41-102 (3)(k)(I) AND AT LEAST FORTY-ONE
26 MILLION DOLLARS PURSUANT TO SECTION 22-41-102 (3)(k)(II), AND IN AN
27 AMOUNT NECESSARY TO APPROPRIATE OR CREDIT THE AMOUNT REQUIRED

1 PURSUANT TO SECTION 22-41-102 (3)(k)(I) AND AT LEAST FORTY-ONE
2 MILLION DOLLARS PURSUANT TO SECTION 22-41-102 (3)(k)(II);

3 (b) IN THE MANNER AND FOR THE PURPOSE DESCRIBED IN SECTION
4 22-41-102 (3)(l), IN A FISCAL YEAR IN WHICH THERE IS NOT OTHERWISE
5 SUFFICIENT MONEY IN THE PORTION OF THE PUBLIC SCHOOL FUND THAT IS
6 NOT THE ACCOUNT TO CREDIT FORTY MILLION DOLLARS TO THE STATE
7 PUBLIC SCHOOL FUND CREATED IN SECTION 22-54-114 PURSUANT TO
8 SECTION 22-41-102 (3)(l), AND IN AN AMOUNT NECESSARY TO ENSURE
9 THAT FORTY MILLIONS DOLLARS IS CREDITED TO THE STATE PUBLIC
10 SCHOOL FUND CREATED IN SECTION 22-54-114 PURSUANT TO SECTION
11 22-41-102 (3)(l) FROM THE PUBLIC SCHOOL FUND; OR

12 (c) TO RESTORE ANY LOSS TO THE PRINCIPAL OF THE PORTION OF
13 THE PUBLIC SCHOOL FUND THAT IS NOT THE ACCOUNT RESULTING FROM AN
14 AGGREGATE LOSS OF PRINCIPAL AS DEFINED IN SECTION 22-41-104 (2).

15 (5) (a) MONEY IN THE ACCOUNT IS NOT THE PRINCIPAL OF THE
16 PORTION OF THE PUBLIC SCHOOL FUND THAT IS NOT THE ACCOUNT AND
17 THE USE OF THE MONEY IN THE ACCOUNT NEED NOT COMPLY WITH THE
18 REQUIREMENTS OF SECTION 22-41-102, BUT IS OTHERWISE CONSIDERED TO
19 BE A PART OF THE PORTION OF THE PUBLIC SCHOOL FUND THAT IS NOT THE
20 ACCOUNT FOR PURPOSES OF THE REQUIREMENTS OF THIS ARTICLE 41.

21 (b) MONEY IN THE ACCOUNT MUST BE INVESTED IN THE SAME
22 MANNER AS THE PORTION OF THE PUBLIC SCHOOL FUND THAT IS NOT THE
23 ACCOUNT.

24 (c) MONEY IN THE ACCOUNT IS CONSIDERED TO BE IN THE PORTION
25 OF THE PUBLIC SCHOOL FUND THAT IS NOT THE ACCOUNT FOR PURPOSES OF
26 DETERMINING THE AMOUNTS TO BE CREDITED OR APPROPRIATED FROM THE
27 PUBLIC SCHOOL FUND PURSUANT TO SECTION 22-41-102 (3).

1 (6) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
2 REQUIRES, "ACCOUNT" MEANS THE PUBLIC SCHOOL FUND INCOME
3 STABILIZATION ACCOUNT CREATED IN SUBSECTION (1) OF THIS SECTION.

4 **SECTION 6.** In Colorado Revised Statutes, 22-41-102, **add** (3)(l)
5 as follows:

6 **22-41-102. Fund inviolate - definition.**

7 (3) (I) (I) ON NOVEMBER 1, 2026, AND EACH NOVEMBER 1
8 THEREAFTER, AFTER MONEY IN THE PUBLIC SCHOOL FUND HAS BEEN
9 APPROPRIATED AND CREDITED PURSUANT TO SUBSECTION (3)(k) OF THIS
10 SECTION FOR THE IMMEDIATELY PRECEDING STATE FISCAL YEAR, THE
11 LESSER OF INTEREST AND INCOME REMAINING IN THE FUND UP TO A TOTAL
12 OF TWO AND ONE-HALF PERCENT OF TOTAL FUND VALUE AS MEASURED
13 BEFORE ANY MONEY WAS CREDITED OR APPROPRIATED PURSUANT TO THIS
14 SUBSECTION (3) FOR THE IMMEDIATELY PRECEDING STATE FISCAL YEAR OR
15 FORTY MILLION DOLLARS IS CREDITED TO THE STATE PUBLIC SCHOOL FUND
16 CREATED IN SECTION 22-54-114; AND

17 (II) AS USED IN THIS SUBSECTION (3)(I), THE AMOUNT OF INTEREST
18 AND INCOME REMAINING IN THE FUND IS THE DIFFERENCE BETWEEN:

19 (A) INTEREST AND INCOME THAT INCLUDES REVENUE EARNED, IN
20 ACCORDANCE WITH THE ACCOUNTING AND FINANCIAL REPORTING
21 STANDARDS OF THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD
22 FOR INVESTMENTS HELD BY GOVERNMENTAL ENTITIES, FROM EXTERNAL
23 INVESTMENT POOLS, INTEREST, DIVIDENDS, AND NET CHANGES IN THE FAIR
24 MARKET VALUE OF INVESTMENTS ATTRIBUTABLE TO THE INVESTMENT OF
25 THE PUBLIC SCHOOL FUND PRINCIPAL, WHETHER THOSE NET CHANGES ARE
26 RECEIVED IN CASH; AND

27 (B) INTEREST AND INCOME THAT DOES NOT INCLUDE REVENUE

1 EARNED FROM EXTERNAL INVESTMENT POOLS, INTEREST, DIVIDENDS, AND
2 NET CHANGES IN THE FAIR MARKET VALUE OF INVESTMENTS
3 ATTRIBUTABLE TO THE INVESTMENT OF THE PUBLIC SCHOOL FUND
4 PRINCIPAL, WHETHER THOSE NET CHANGES ARE RECEIVED IN CASH.

5 **SECTION 7.** In Colorado Revised Statutes, 22-41-105, **add** (3)
6 as follows:

7 **22-41-105. Income distinguished from principal.**

8 (3) IN ACCORDANCE WITH THE ACCOUNTING AND FINANCIAL
9 REPORTING STANDARDS OF THE GOVERNMENTAL ACCOUNTING STANDARDS
10 BOARD FOR INVESTMENTS HELD BY GOVERNMENTAL EXTERNAL
11 INVESTMENT POOLS, INTEREST, DIVIDENDS, AND NET CHANGES IN THE FAIR
12 MARKET VALUE OF INVESTMENTS ATTRIBUTABLE TO THE INVESTMENT OF
13 THE PUBLIC SCHOOL FUND PRINCIPAL, WHETHER OR NOT THOSE NET
14 CHANGES ARE RECEIVED IN CASH ARE INCOME AND ARE NOT PART OF THE
15 PRINCIPAL OF THE PUBLIC SCHOOL FUND.

16 **SECTION 8.** In Colorado Revised Statutes, 22-55-103, **amend**
17 **with relocated provisions** (7) as follows:

18 **22-55-103. State education fund - creation - transfers to fund**
19 **- use of money in fund - permitted investments - exempt from**
20 **spending limitations - kids matter account - definition - legislative**
21 **declaration - repeal.**

22 (7) (a) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT, FOR
23 THE PURPOSES OF SECTION 17 OF ARTICLE IX OF THE STATE CONSTITUTION,
24 THE FUNDING AND PROVIDING OF WORKFORCE HOUSING IS A PROGRAM FOR
25 ACCOUNTABLE PROGRAMS TO MEET STATE ACADEMIC STANDARDS, FOR
26 CLASS SIZE REDUCTION, AND FOR EXPANDING THE AVAILABILITY OF
27 PRESCHOOL AND KINDERGARTEN PROGRAMS AND MAY THEREFORE

1 RECEIVE MONEY FROM THE STATE EDUCATION FUND CREATED IN SECTION
2 17 (4) OF ARTICLE IX OF THE STATE CONSTITUTION.

3 (b) ON NOVEMBER 1, 2026, AND EACH NOVEMBER 1 THEREAFTER,
4 THE STATE TREASURER SHALL TRANSFER FROM THE STATE EDUCATION
5 FUND TO THE WORKFORCE HOUSING ASSISTANCE FUND CREATED IN
6 SECTION 22-43.8-104 AN AMOUNT EQUAL TO THE AMOUNT CREDITED
7 PURSUANT TO SECTION 22-41-102 (3)(1) FOR THE IMMEDIATELY
8 PRECEDING STATE FISCAL YEAR.

9 **SECTION 9.** In Colorado Revised Statutes, 24-22-107, **add** (8)
10 as follows:

11 **24-22-107. Duties and powers of state treasurer.**

12 (8) THE STATE TREASURER SHALL HAVE THE POWER TO ENTER INTO
13 CONTRACTS WITH PUBLIC ENTITIES AND PRIVATE PARTIES, INCLUDING
14 PUBLIC-PUBLIC AND PUBLIC-PRIVATE PARTNERSHIPS, FOR THE
15 ACQUISITION, CONSTRUCTION, IMPROVEMENT, OWNERSHIP, OPERATION,
16 LEASING, AND LEASE-PURCHASING OF WORKFORCE HOUSING, AS DEFINED
17 SECTION 22-43.8-103 (15).

18 **SECTION 10.** In Colorado Revised Statutes, 24-32-705, **add**
19 (1)(y) as follows:

20 **24-32-705. Functions of division.**

21 (1) The division has the following functions:

22 (y) TO PROVIDE PROFESSIONAL AND TECHNICAL SUPPORT AS
23 DESCRIBED IN ARTICLE 43.8 OF TITLE 22 OR AS OTHERWISE REQUIRED TO
24 THE WORKFORCE HOUSING ASSISTANCE BOARD CREATED IN SECTION
25 22-43.8-105, IN PARTNERSHIP WITH THE DIVISION OF PUBLIC SCHOOL
26 CAPITAL CONSTRUCTION ASSISTANCE WITHIN THE DEPARTMENT OF
27 EDUCATION.

1 **SECTION 11. Safety clause.** The general assembly finds,
2 determines, and declares that this act is necessary for the immediate
3 preservation of the public peace, health, or safety or for appropriations for
4 the support and maintenance of the departments of the state and state
5 institutions.