

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

PREAMENDED

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

LLS NO. 25-0586.01 Megan McCall x4215

SENATE BILL 25-006

SENATE SPONSORSHIP

Roberts,

HOUSE SPONSORSHIP

Rutinel and Bradfield,

Senate Committees

Local Government & Housing

House Committees

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.*

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

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

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

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

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

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

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

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

20 **24-36-113. Investment of state money - limitations.**

21 (8) (a) SUBJECT TO THE REQUIREMENTS SET FORTH IN SUBSECTION (8)(b)
22 OF THIS SECTION, THE STATE TREASURER MAY INVEST MONEY IN BONDS
23 THAT ARE ISSUED BY QUASI-GOVERNMENTAL AUTHORITIES FOR THE
24 PURPOSE OF CREATING AFFORDABLE FOR-SALE HOUSING WITHIN THE STATE
25 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 FOR THE
4 PURPOSES SET FORTH IN SUBSECTION (8)(b)(I)(C) OF THIS SECTION.

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

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

19 (C) PROCEEDS OF THE BONDS MUST BE USED BY RECIPIENTS TO
20 PROVIDE LOANS FOR CONSTRUCTION OF THE AFFORDABLE FOR-SALE
21 HOUSING OR MORTGAGES. RECIPIENTS OF BOND PROCEEDS MUST PASS ON
22 BELOW-MARKET INTEREST RATES TO LOAN BORROWERS THROUGH
23 INTEREST RATE BUY-DOWNS.

24 (II) THE _____ INVESTMENT OF MONEY THAT IS INVESTED IN
25 ACCORDANCE WITH THIS SUBSECTION (8) MUST NOT EXCEED FIFTY MILLION
26 DOLLARS IN ANY STATE FISCAL YEAR. NOTWITHSTANDING ANY LAW TO
27 THE CONTRARY, THE TERM OF AN INVESTMENT MADE PURSUANT TO THIS

1 SUBSECTION (8) MAY BE UP TO FORTY-FIVE YEARS.

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

9 (IV) THE STATE TREASURER SHALL REINVEST PRINCIPAL PROCEEDS
10 RECEIVED FROM REDEMPTION OF AN INVESTMENT MADE PURSUANT TO
11 THIS SUBSECTION (8) IN ACCORDANCE WITH THIS SUBSECTION (8).

12 (V) RECIPIENTS OF BOND PROCEEDS SHALL PROVIDE AN ANNUAL
13 REPORT TO THE TREASURER THAT INCLUDES THE TOTAL NUMBER OF UNITS
14 CONSTRUCTED IN THE REPORTING YEAR AND AT WHAT LEVELS OF
15 AFFORDABILITY THE UNITS WILL BE OFFERED FOR SALE, A MAP SHOWING
16 EACH LOCATION WHERE PROCEEDS OF THE BONDS HAVE BEEN USED, AND
17 THE AVERAGE SALE PRICE OF AFFORDABLE FOR-SALE HOUSING CREATED
18 WITH BOND PROCEEDS THAT SOLD IN THE REPORTING YEAR CATEGORIZED
19 BY RURAL, URBAN, AND RURAL RESORT REGIONS.

20 **SECTION 3. Safety clause.** The general assembly finds,
21 determines, and declares that this act is necessary for the immediate
22 preservation of the public peace, health, or safety or for appropriations for
23 the support and maintenance of the departments of the state and state
24 institutions.