

**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. 25-0730.01 Caroline Martin x5902

**SENATE BILL 25-167**

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**SENATE SPONSORSHIP**

**Amabile,**

**HOUSE SPONSORSHIP**

**(None),**

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**Senate Committees**

Finance  
Appropriations

**House Committees**

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**A BILL FOR AN ACT**

101     **CONCERNING THE INVESTMENT OF STATE FUND MONEY TO BENEFIT**  
102             **COLORADO COMMUNITIES, AND, IN CONNECTION THEREWITH,**  
103             **MAKING AN APPROPRIATION.**

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**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 1** of the bill requires at least one member of the public school fund investment board (board) to have expertise in community investments, requires the board to direct the state treasurer to securely invest money deposited in the public school fund in a manner that prioritizes new investment objectives, and authorizes the board to enter

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.*

into contracts with investment advisors or other investment professionals to provide advice on community investments. **Section 2** makes conforming changes in order to expand the types of investments the state treasurer can make using public school fund money and extends the amount of time the treasurer has to offset an aggregate loss of principal to the public school fund from 18 to 24 months.

**Section 3** creates the new community investment portfolio within the permanent school fund, and requires the state treasurer to invest at least 6% of the money in the permanent school fund into the community investment portfolio by July 1, 2027. The state treasurer is required to invest at least 20% of the money in the permanent school fund into the community investment portfolio by July 1, 2032.

Money in the portfolio must be invested in community investments, and allowable community investments include:

- Bonds issued by Colorado school districts and charter schools;
- Certificates of participation issued by Colorado school districts and charter schools;
- Mortgage pass-through securities and collateralized mortgage obligations secured by residential real estate, the majority of which is owned by public school employees;
- Loans to the Colorado middle income housing authority for a revolving loan fund that funds rental housing developments that include preferences for public school employees;
- Bonds issued by the middle income housing authority that fund rental housing developments which include preferences for public school employees;
- Bonds issued by the Colorado housing and finance authority that fund rental housing developments that include preferences for public school employees;
- Mortgage revenue bonds that support public school employee mortgages with interest rates of 3% or less;
- Loans to community development financial institutions that fund:
  - The construction of housing developments that include preferences for public school employees; or
  - Low-interest mortgages secured by residential real estate that is owned by public school employees; and
- Other venture capital, private equity, or public equity funds that support education in Colorado.

The educator first home ownership program (program) is created within the community investment portfolio. The treasurer shall invest the

following amounts in the program by the following dates:

- By July 1, 2027, the greater of 6% of the fund's value or \$100 million; and
- By July 1, 2028, the greater of 12% of the fund's value or \$200 million.

The treasurer shall invest the money in the program as follows:

- 75% of the money in the program shall be administered by the program administrator and used for a shared equity down payment assistance program that:
  - Provides at least 15% of the total cost of a home to public school employees; and
  - Allows appreciation-sharing between the program and the homeowner, with the program's share of appreciation capped at 10%.
- 25% of the money in the program must be invested in allowable community investments with the purpose of increasing the supply of houses for sale and access to home ownership in rural and other underserved communities.

The program administrator shall ensure that mortgages in the shared equity down payment assistance program bear interest rates that are at least as low as prevailing mortgage rates at the time the mortgages in the shared equity down payment assistance program are entered into. The program administrator shall present an annual report to the public school fund investment board on program outcomes.

**Sections 4 and 5** clarify that the state treasurer may invest state money in direct and indirect equity investments and other asset classes including mutual funds, exchange-traded funds, direct and indirect real estate investments, and education-related community investments.

**Section 6** requires the state treasurer to invest at least 20% of the money in the unclaimed property trust fund in direct and indirect equity investments, mutual funds, exchange-traded funds, direct and indirect real estate investments, and other asset classes by July 1, 2032. The state treasurer is also required to make 2 loans of money from the unclaimed property trust fund to the department of local affairs, both of which must be paid back in full by July 1, 2045, including:

- \$100 million on July 1, 2025, that the department of local affairs shall use to create a new zero-interest revolving loan program for affordable housing developers; and
- \$50 million that the department of local affairs shall use to create a new zero-interest revolving loan program to benefit fire protection districts and ambulance districts experiencing cash flow issues.

**Section 7** creates the new Colorado investment portfolio (Colorado portfolio) within the unclaimed property trust fund. The treasurer is

required to invest at least 5% of the money in the unclaimed property trust fund into the Colorado portfolio by July 1, 2027, and at least 20% of the money in the unclaimed property trust fund into the Colorado portfolio by July 1, 2032.

Money in the Colorado portfolio must be invested in:

- The community investment portfolio;
- Bonds issued by Colorado school districts, charter schools, local governments, special districts, state enterprises, Indian tribes, or special purpose authorities;
- Certificates of participation issued by Colorado school districts, charter schools, local governments, special districts, state enterprises, Indian tribes, or special purpose authorities;
- Mortgage pass-through securities and collateralized mortgage obligations secured by Colorado residential real estate that is owned by Coloradans;
- Bonds issued by the middle income housing authority;
- Bonds issued by the Colorado housing and finance authority;
- Loans to community development financial institutions that fund:
  - The construction of housing developments in Colorado; or
  - Mortgages secured by Colorado residential real estate that is owned by Coloradans;
- Bonds issued by businesses headquartered in Colorado;
- Asset-backed securities supported by loans to small businesses in Colorado;
- The venture capital authority within the office of economic development and international trade; or
- Other venture capital, private equity, or public equity funds that support communities in Colorado.

**Section 8** reduces the amount credited to the housing development grant fund from the general fund by \$15 million for state fiscal year 2026-27.

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

2           **SECTION 1.** In Colorado Revised Statutes, 22-41-102.5, **amend**  
3 (1)(a)(III), (3), (4)(a)(II), and (5) as follows:

4           **22-41-102.5. Public school fund investment board - creation**  
5 **- working group - report.** (1) (a) There is hereby created the public

1 school fund investment board, referred to in this section as the "board".

2 The board consists of five members as follows:

3 (III) Three members appointed by the state treasurer ~~Such~~  
4 ~~appointees must have diversity in party affiliation and~~ WITH DIVERSE  
5 PARTY AFFILIATIONS. AT LEAST ONE APPOINTEE REQUIRED BY THIS  
6 SUBSECTION (1)(a)(III) MUST HAVE EXPERTISE IN COMMUNITY  
7 INVESTMENTS, AS DEFINED IN SECTION 22-41-104.7 (1), AND THE OTHER  
8 TWO MUST HAVE professional qualifications regarding the prudent  
9 investment of trust fund money or expertise in institutional investment  
10 management.

11 (3) The board shall direct the state treasurer on how to securely  
12 invest money deposited in the public school fund:

13 (a) For the intergenerational benefit of public schools; ~~and~~

14 (b) In a manner that complies with the "Uniform Prudent Investor  
15 Act", article 1.1 of title 15; ~~C.R.S.~~ AND

16 (c) IN A MANNER THAT TARGETS THE FOLLOWING INVESTMENT  
17 OBJECTIVES:

18 (I) PRESERVING THE PRINCIPAL OF THE PUBLIC SCHOOL FUND; AND

19 (II) PROVIDING SUBSTANTIAL BENEFIT TO THE BENEFICIARIES OF  
20 THE PUBLIC SCHOOL FUND THROUGH COMMUNITY INVESTING AS OUTLINED  
21 IN SECTION 22-41-104.7.

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23 (4) (a) No later than March 31, 2017, the board shall establish  
24 policies that are necessary and proper for the administration of this  
25 section, including but not limited to:

26 (II) A policy establishing allowable investments that comply with  
27 section 22-41-104, SECTION 22-41-104.7, and section 3 of article IX of

1 the state constitution; and

2 (5) The board may enter into contracts with private professional  
3 fund managers, INVESTMENT ADVISORS, OR OTHER INVESTMENT  
4 PROFESSIONALS to provide expertise, technical support, and advice on  
5 investment market conditions AND TO PROVIDE SUPPORT FOR THE  
6 IMPLEMENTATION OF THE COMMUNITY INVESTMENT PORTFOLIO. Such  
7 ~~contract or~~ contracts must be bid by employing standard public bidding  
8 practices including, but not limited to, the use of requests for information,  
9 requests for proposals, or any other standard vendor selection practices  
10 determined by the board to be best suited to selecting an appropriate  
11 private professional fund manager. Payments for these services will be  
12 paid from the interest and income of the public school fund subject to the  
13 requirements set forth in section 22-41-102.

14 **SECTION 2.** In Colorado Revised Statutes, 22-41-104, **amend**  
15 (1) and (2); and **add** (4) as follows:

16 **22-41-104. Lawful investments - legislative declaration.**

17 (1) The state treasurer, as directed by the public school fund investment  
18 board, may invest and reinvest ~~moneys~~ MONEY accrued or accruing to the  
19 public school fund in the types of deposits and investments authorized in  
20 sections 24-36-109, 24-36-112, and 24-36-113, ~~C.R.S.~~, and bonds issued  
21 by school districts. The ~~moneys~~ MONEY may also be invested ~~in stocks~~  
22 ~~and other financial assets~~ as specified in the public school fund  
23 investment board investment policy established as required in section  
24 22-41-102.5 (4)(b); except that investment includes only mutual funds,  
25 index funds, and any other instrument that is not a direct investment in a  
26 corporation.

27 (2) The state treasurer has authority, to be exercised at the state

1 treasurer's discretion, to effect exchanges or sales whenever such  
2 exchanges or sales will not result in an aggregate loss of principal to the  
3 public school fund. An aggregate loss of principal to the public school  
4 fund occurs only when an exchange or sale that resulted in an initial loss  
5 of principal is not offset by a gain on an exchange or sale in the fund  
6 within ~~eighteen~~ TWENTY-FOUR months. The calculation of an aggregate  
7 loss must also include any gains that were realized in the twelve months  
8 prior to the loss of principal.

9 (4) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:

10 (a) THE MISSION OF THE PUBLIC SCHOOL FUND IS TO SUPPORT  
11 COLORADO CHILDREN AND COLORADO SCHOOLS. THE STRATEGIC  
12 INVESTMENT OF CAPITAL CAN ACHIEVE POSITIVE SOCIAL OUTCOMES AND  
13 BENEFICIAL FINANCIAL RETURNS. THE FUND'S INTERGENERATIONAL  
14 MISSION IS BEST SERVED BY INVESTING A PORTION OF THE FUND'S CORPUS  
15 IN A WAY THAT ADVANCES CLEAR, MEANINGFUL, AND MEASURABLE  
16 OUTCOMES THROUGH THE COMMUNITY INVESTMENT PORTFOLIO.  
17 INVESTMENTS SHOULD BE ALIGNED WITH THE FUND'S MISSION AND  
18 SHOULD BENEFIT COLORADO SCHOOLS AND CHILDREN.

19 (b) INVESTMENT IN COMMUNITIES CAN LEAD TO INCREASED  
20 CONSTRUCTION OF HOUSING AND AFFORDABLE HOME OWNERSHIP FOR  
21 TEACHERS AND PUBLIC SCHOOL EMPLOYEES, SCALING OF INNOVATIVE  
22 EDUCATIONAL TOOLS, PROVISION OF CAPITAL FOR EARLY CHILDHOOD  
23 BUSINESSES, AND SUBSIDIZATION OF SCHOOL FACILITIES. THESE  
24 INVESTMENTS CAN IMPROVE THE LIVES OF COLORADO FAMILIES, INCREASE  
25 EDUCATIONAL OPPORTUNITIES, AND ADVANCE THE INTERGENERATIONAL  
26 MISSION OF THE FUND.

27 (c) THE PUBLIC PURPOSE OF THE COMMUNITY INVESTMENT

1 PORTFOLIO WITHIN THE PUBLIC SCHOOL FUND IS TO AMPLIFY THE BENEFIT  
2 PROVIDED TO COLORADO SCHOOLS AND CHILDREN BY INVESTING IN  
3 COLORADO CHILDREN, FAMILIES, AND COMMUNITIES.

4 (d) INVESTING MONEY IN THE PUBLIC SCHOOL FUND INTO THE  
5 COMMUNITY INVESTMENT PORTFOLIO COMPLIES WITH THE "UNIFORM  
6 PRUDENT INVESTOR ACT", ARTICLE 1.1 OF TITLE 15, AND SPECIFICALLY  
7 SECTION 15-1.1-102.5, BECAUSE THE ASSETS \_\_\_\_\_ HAVE A "SPECIAL  
8 RELATIONSHIP OR SPECIAL VALUE" TO THE PURPOSES OF THE TRUST AND  
9 TO ONE OR MORE OF THE BENEFICIARIES. COMMUNITY INVESTMENTS  
10 BENEFIT COLORADO SCHOOL CHILDREN AND ADVANCE "THE  
11 INTERGENERATIONAL BENEFIT OF PUBLIC SCHOOLS" IN ACCORDANCE WITH  
12 SECTION 22-41-102.5 (3).

13 (e) HOUSING DEVELOPMENTS THAT INCLUDE PREFERENCES FOR  
14 PUBLIC SCHOOL EMPLOYEES; PROMOTE A SUBSTANTIAL, LEGITIMATE, AND  
15 NONDISCRIMINATORY STATE INTEREST THAT CANNOT BE SERVED BY  
16 ANOTHER PRACTICE WITH A LESS DISCRIMINATORY EFFECT; DO NOT  
17 CONSTITUTE SOURCE OF INCOME DISCRIMINATION UNDER SECTION  
18 24-34-501 (4.5) OR 24-34-502; AND COMPLY WITH THE FEDERAL "FAIR  
19 HOUSING ACT", 42 U. S.C. SEC. 3601 ET SEQ., PART 5 OF ARTICLE 34 OF  
20 TITLE 24, AND OTHER STATE AND LOCAL LAWS, ORDINANCES, AND  
21 RESOLUTIONS.

22 (f) THE STATE TREASURER MAY INVEST IN \_\_\_\_\_ ASSET CLASSES  
23 INCLUDING MUTUAL FUNDS AND EDUCATION-RELATED COMMUNITY  
24 INVESTMENTS. INVESTMENT IN THESE ASSET CLASSES FURTHERS THE  
25 PUBLIC PURPOSE OF INCREASING THE FUND BALANCE FOR FUND  
26 BENEFICIARIES.

27 **SECTION 3.** In Colorado Revised Statutes, **add** 22-41-104.7 as



1 follows:

2 **22-41-104.7. Community investment portfolio - required**  
3 **investments - creation - legislative declaration - definitions.**

4 (1) **Definitions.** AS USED IN THIS SECTION, UNLESS THE CONTEXT  
5 OTHERWISE REQUIRES:

6 (a) "COMMUNITY INVESTMENT" MEANS AN INVESTMENT THAT IS  
7 INTENDED TO GENERATE POSITIVE, MEASURABLE IMPACT FOR COLORADO  
8 SCHOOL CHILDREN, FAMILIES, OR COMMUNITIES WHILE SIMULTANEOUSLY  
9 GENERATING FINANCIAL RETURNS. COMMUNITY INVESTMENTS MAY HAVE  
10 BELOW-MARKET RATES OF RETURN.

11 (b) "FUND" MEANS THE PUBLIC SCHOOL FUND OF THE STATE  
12 CREATED IN SECTION 3 OF ARTICLE IX OF THE STATE CONSTITUTION.

13 (c) "PORTFOLIO" MEANS THE COMMUNITY INVESTMENT PORTFOLIO  
14 CREATED IN THIS SECTION.

15 (d) "PROGRAM" MEANS THE EDUCATOR FIRST HOME OWNERSHIP  
16 PROGRAM CREATED IN THIS SECTION.

17 (e) "PROGRAM MANAGER" MEANS THE COLORADO HOUSING AND  
18 FINANCE AUTHORITY; EXCEPT THAT, IF THE COLORADO HOUSING AND  
19 FINANCE AUTHORITY ELECTS AT ANY TIME NOT TO SERVE AS PROGRAM  
20 MANAGER, THE PUBLIC SCHOOL FUND INVESTMENT BOARD SHALL SELECT  
21 A REPLACEMENT ENTITY THAT AGREES TO SERVE AS PROGRAM MANAGER.

22 (f) "PUBLIC SCHOOL EMPLOYEE" MEANS ANY EMPLOYEE OF A  
23 COLORADO SCHOOL DISTRICT, CHARTER SCHOOL, INSTITUTE CHARTER  
24 SCHOOL, OR INNOVATION ZONE.

25 (2) **Portfolio created.** THE COMMUNITY INVESTMENT PORTFOLIO  
26 IS CREATED WITHIN THE FUND.                BY JULY 1, 2032, THE TREASURER  
27 SHALL INVEST AT LEAST TWENTY PERCENT OF THE FUND'S VALUE INTO THE

1 PORTFOLIO.

2 (3) **Allowable portfolio investments.** MONEY IN THE PORTFOLIO  
3 MUST BE INVESTED IN COMMUNITY INVESTMENTS. ALLOWABLE  
4 COMMUNITY INVESTMENTS INCLUDE BUT ARE NOT LIMITED TO:

5 (a) BONDS ISSUED BY COLORADO SCHOOL DISTRICTS AND CHARTER  
6 SCHOOLS;

7 (b) CERTIFICATES OF PARTICIPATION ISSUED BY COLORADO  
8 SCHOOL DISTRICTS AND CHARTER SCHOOLS;

9 (c) MORTGAGE PASS-THROUGH SECURITIES AND COLLATERALIZED  
10 MORTGAGE OBLIGATIONS SECURED BY RESIDENTIAL REAL ESTATE, THE  
11 MAJORITY OF WHICH IS OWNED BY PUBLIC SCHOOL EMPLOYEES;

12 (d) LOANS TO THE COLORADO MIDDLE INCOME HOUSING  
13 AUTHORITY FOR A REVOLVING LOAN FUND THAT FUNDS RENTAL HOUSING  
14 DEVELOPMENTS THAT INCLUDE PREFERENCES FOR PUBLIC SCHOOL  
15 EMPLOYEES;

16 (e) BONDS ISSUED BY THE MIDDLE INCOME HOUSING AUTHORITY  
17 THAT FUND RENTAL HOUSING DEVELOPMENTS THAT INCLUDE  
18 PREFERENCES FOR PUBLIC SCHOOL EMPLOYEES;

19 (f) BONDS OR MORTGAGE-BACKED SECURITIES ISSUED BY THE  
20 COLORADO HOUSING AND FINANCE AUTHORITY THAT FUND HOUSING  
21 DEVELOPMENTS THAT INCLUDE PREFERENCES FOR PUBLIC SCHOOL  
22 EMPLOYEES OR MORTGAGES SECURED BY RESIDENTIAL REAL ESTATE, THE  
23 MAJORITY OF WHICH IS OWNED BY PUBLIC SCHOOL EMPLOYEES;

24 (g) MORTGAGE REVENUE BONDS THAT SUPPORT PUBLIC SCHOOL  
25 EMPLOYEE MORTGAGES WITH INTEREST RATES OF THREE PERCENT OR  
26 LESS;

27 (h) LOANS TO COMMUNITY DEVELOPMENT FINANCIAL

1 INSTITUTIONS THAT FUND:

2 (I) HOUSING THAT INCLUDES PREFERENCES FOR PUBLIC SCHOOL  
3 EMPLOYEES; OR

4 (II) LOW-INTEREST MORTGAGES SECURED BY RESIDENTIAL REAL  
5 ESTATE THAT IS OWNED BY PUBLIC SCHOOL EMPLOYEES;

6 (i) DOWN PAYMENT SHARED APPRECIATION PRODUCTS SECURED  
7 BY RESIDENTIAL REAL ESTATE THAT IS OWNED BY PUBLIC SCHOOL  
8 EMPLOYEES; AND

9 (j) OTHER INVESTMENTS THAT SUPPORT THE PUBLIC PURPOSE OF  
10 THE FUND.

11 (4) **Educator first home ownership program.** (a) THE  
12 EDUCATOR FIRST HOME OWNERSHIP PROGRAM IS CREATED WITHIN THE  
13 PORTFOLIO. IN ORDER TO SUPPORT PUBLIC SCHOOL EMPLOYEE HOME  
14 OWNERSHIP, ADDRESS EDUCATOR SHORTAGES, AND SUPPORT THE  
15 RETENTION OF PUBLIC SCHOOL EMPLOYEES, THE TREASURER SHALL INVEST  
16 THE FOLLOWING AMOUNTS INTO THE PROGRAM, EXCEPT THAT THE TOTAL  
17 INVESTMENT AMOUNT SHALL NEVER EXCEED THE SUM OF THE  
18 INVESTMENTS MADE IN ACCORDANCE WITH SUBSECTION (4)(b)(II) OF THIS  
19 SECTION PLUS THE TOTAL AMOUNT OF SHARED EQUITY DOWN PAYMENT  
20 ASSISTANCE THAT HAS BEEN GRANTED BY THE PROGRAM MANAGER  
21 THROUGH THE PROGRAM, BY THE FOLLOWING DATES:

22 (I) BY JULY 1, 2028, THE GREATER OF SIX PERCENT OF THE FUND'S  
23 VALUE OR ONE HUNDRED MILLION DOLLARS;

24 (II) BY JULY 1, 2030, THE GREATER OF TWELVE PERCENT OF THE  
25 FUND'S VALUE OR TWO HUNDRED MILLION DOLLARS.

26 (b) THE TREASURER SHALL AIM TO INVEST A TARGET OF  
27 SEVENTY-FIVE PERCENT OF THE MONEY IN THE PROGRAM INTO A HOME

1 OWNERSHIP PROGRAM FOR PUBLIC SCHOOL EMPLOYEES TO BE MANAGED  
2 BY THE PROGRAM MANAGER. THE HOME OWNERSHIP PROGRAM MUST BE  
3 FULLY ESTABLISHED BY JULY 1, 2026. ONCE THE HOME OWNERSHIP  
4 PROGRAM IS FULLY ESTABLISHED:

5 (I) THE PUBLIC SCHOOL INVESTMENT BOARD SHALL PURCHASE  
6 FROM THE PROGRAM FUND MANAGER THE MORTGAGE PRODUCTS CREATED  
7 THROUGH THE HOME OWNERSHIP PROGRAM IN TRanches OF REASONABLE  
8 AMOUNTS THAT ARE MUTUALLY AGREED UPON BY THE PUBLIC SCHOOL  
9 INVESTMENT BOARD AND THE PROGRAM MANAGER; AND

10 (II) THE PUBLIC SCHOOL INVESTMENT BOARD MAY PROVIDE  
11 NOTICE OF ANY DISCONTINUATION IN FUTURE INVESTMENT THE PROGRAM  
12 MANAGER HAS NOT ALREADY COMMITTED TO THE HOME OWNERSHIP  
13 PROGRAM, WHICH NOTICE MUST BE PROVIDED AT LEAST SIX MONTHS PRIOR  
14 TO DISCONTINUATION.

15 (c) THE TREASURER SHALL AIM TO INVEST A TARGET OF  
16 TWENTY-FIVE PERCENT OF THE MONEY IN THE PROGRAM INTO ALLOWABLE  
17 COMMUNITY INVESTMENTS DESCRIBED IN SUBSECTION (3) OF THIS SECTION  
18 WITH THE PURPOSE OF INCREASING THE SUPPLY OF HOUSES FOR SALE AND  
19 ACCESS TO HOME OWNERSHIP IN RURAL AND OTHER UNDERSERVED  
20 COMMUNITIES.

21 (d) THE PROGRAM MANAGER SHALL ESTABLISH GUIDELINES AND  
22 UNDERWRITING CRITERIA FOR THE HOME OWNERSHIP PROGRAM AND SHALL  
23 ENSURE THAT THE HOME OWNERSHIP PROGRAM:

24 (I) PRIORITIZES FIRST-TIME HOME BUYERS THAT USE THE HOME AS  
25 A PRIMARY RESIDENCE;

26 (II) PROVIDES SHARED EQUITY DOWN PAYMENT ASSISTANCE TO  
27 PUBLIC SCHOOL EMPLOYEES AND AIMS TO HELP AS MANY PUBLIC SCHOOL

1 EMPLOYEES AS POSSIBLE ACHIEVE AFFORDABLE HOME OWNERSHIP;

2 (III) ALLOWS APPRECIATION-SHARING BETWEEN THE HOME  
3 OWNERSHIP PROGRAM AND HOMEOWNER WITH ANY PROFIT OR LOSS IN THE  
4 DOWN PAYMENT ASSISTANCE ACCRUING TO THE PROGRAM AND THE  
5 PROGRAM'S SHARE NEVER EXCEEDING THE PERCENT OF THE PURCHASE  
6 PRICE OF THE HOME THE DOWN PAYMENT REPRESENTS AT PURCHASE; AND

7 (IV) IF THE PROGRAM MANAGER IS THE COLORADO HOUSING AND  
8 FINANCE AUTHORITY, IS PAIRED WITH A FIRST MORTGAGE LOAN PROVIDED  
9 THROUGH THE PROGRAM FUND MANAGER'S PARTICIPATING LENDER  
10 NETWORK THAT BEARS AN INTEREST RATE THAT IS AT OR BELOW THE  
11 PREVAILING MORTGAGE RATES.

12 (e) THE PROGRAM MANAGER IS ENTITLED TO NORMAL AND  
13 CUSTOMARY FEES FOR MANAGING THE FUND, INCLUDING BUT NOT LIMITED  
14 TO ANY CARRYING COSTS REQUIRED TO ACCOMMODATE TRANCHE  
15 PAYMENTS, PAID BY THE FUND OR THE PROGRAM FUND MANAGER'S  
16 PRODUCTS AND SERVICES PAIRED WITH THE HOME OWNERSHIP PROGRAM.

17 (f) THE PROGRAM MANAGER SHALL ANNUALLY PUBLISH AND  
18 PRESENT A REPORT TO THE PUBLIC SCHOOL FUND INVESTMENT BOARD ON  
19 PROGRAM OUTCOMES, INCLUDING:

20 (I) THE NUMBER OF PROGRAM BORROWERS;

21 (II) THE GEOGRAPHIC DISTRIBUTION OF PROGRAM BORROWERS;

22 (III) THE AREA MEDIAN INCOME OF PROGRAM BORROWERS; AND

23 (IV) THE MEDIAN PURCHASE PRICE, MEDIAN LOAN AMOUNT, AND  
24 AVERAGE INTEREST RATE ON FIRST MORTGAGES FOR PUBLIC SCHOOL  
25 EMPLOYEES THAT BENEFIT FROM THE PROGRAM.

26 (g) NOTHING IN THIS SECTION PREVENTS THE USE OF OTHER  
27 SOURCES OF STATE OR LOCAL FUNDING TO BE LEVERAGED WITH THE

1 PROGRAM.

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**SECTION 4. Appropriation.** (1) For the 2025-26 state fiscal year, \$375,900 is appropriated to the department of the treasury for use by administration. This appropriation is from the interest or income earned on the investment of the money in the public school fund pursuant to section 22-41-102 (3)(h)(I), C.R.S. To implement this act, administration may use this appropriation as follows:

(a) \$300,000 for personal services, which amount is based on an assumption that the department will require an additional 2.0 FTE; and

(b) \$75,900 for operating expenses.

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