

Second Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO

DRAFT
10.15.13

BILL 7

Temporary storage location: S:\LLS\2014A\Bills\Pre-Draft\14-0158.wpd

LLS NO. 14-0158.01 Bob Lackner x4350

INTERIM COMMITTEE BILL

Economic Opportunity Poverty Reduction Task Force

SHORT TITLE: "Colorado Housing Investment Fund 2"

A BILL FOR AN ACT

101 **CONCERNING THE CREATION OF THE COLORADO HOUSING**
102 **INVESTMENT FUND 2 TO PROMOTE AFFORDABLE HOUSING**
103 **THROUGHOUT 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://www.leg.state.co.us/billsummaries>.)

Economic Opportunity Poverty Reduction Task Force. In February 2012, the state of Colorado along with 48 other states reached a settlement with the nation's 5 largest mortgage servicing companies pursuant to which the state received over \$50 million. A portion of these

*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

moneys from custodial funds managed by the attorney general were used to create the Colorado housing investment fund, otherwise known as "CHIF", to address the state's needs for affordable housing.

The bill creates the Colorado housing investment fund 2 (fund) in the state treasury. The fund consists of all settlement funds currently held by the department of law for the benefit of CHIF, any additional moneys made available by the state or federal government for the fund, and any moneys received for the fund from any other public or private source.

The fund is administered by a certified community development financial institution, the Colorado housing and finance authority, or any combination of one or more such entities (fund administrator). The fund administrator is selected by competitive sealed bidding. The bill specifies the powers of the fund administrator. The bill authorizes moneys to be paid from the fund in the form of grants and loans and specifies requirements pertaining to the awarding of grants and loans. The bill also specifies that moneys paid out in grants or that are loaned from the fund shall be used to support the creation and maintenance of affordable housing statewide by means of, or for, the following purposes:

- New construction and the related infrastructure costs of shelter, transitional housing, permanent supportive housing, affordable rental, and affordable ownership housing stock in whole or as part of mixed-income or mixed-use projects;
- The acquisition of existing real estate for intended conversion to shelter, transitional, or affordable rental or for affordable ownership purposes;
- The acquisition of real property or the banking of the property in anticipation of new construction and predevelopment costs;
- Defraying the cost of affordable housing in conformity with local inclusionary zoning or inclusionary housing ordinances;
- The rehabilitation of a substandard shelter, transitional housing, or an affordable rental and ownership unit;
- Assistance with down payment or closing costs;
- Energy efficiency and improvements;
- The preservation of manufactured housing communities;
- The purchase, refinance, or rehabilitation of manufactured housing units owned or occupied by low-income or very low-income households;
- The development of special needs housing that conforms to any of the purposes or uses specified in the act; or
- Foreclosure prevention.

The fund administrator may consider specified factors in reviewing an application for a grant or loan from the fund. The bill permits moneys from the fund to be used to finance projects that incorporate mixed-use

1 OPPORTUNITIES.

2 (c) THE PRODUCTION OF HOUSING CREATES POSITIVE ECONOMIC
3 BENEFITS SUCH AS THE CREATION OF JOBS AND THE GENERATION OF TAX
4 REVENUES, IN ADDITION TO THE DIRECT SOCIAL AND ECONOMIC BENEFITS
5 TO CHILDREN AND FAMILIES.

6 (d) IT IS IN THE STATE'S INTERESTS TO ASSIST IN PROVIDING THE
7 KIND OF SAFE, DECENT, AND AFFORDABLE HOUSING THAT IS
8 FUNDAMENTAL TO THE HEALTH AND WELL-BEING OF PEOPLE, FAMILIES,
9 AND COMMUNITIES.

10 (e) AS OF 2013, THIRTY-EIGHT OTHER STATES HAVE INVESTED IN
11 HOUSING FUNDS TO ACCOMPLISH THE PURPOSES SPECIFIED IN THIS ARTICLE
12 AND THE FUNDS ESTABLISHED IN THOSE STATES HAVE PROVEN TO BE AN
13 EFFICIENT, FLEXIBLE, AND USER-FRIENDLY MEANS OF MITIGATING THE
14 SOCIAL AND ECONOMIC IMPACTS OF A LACK OF AFFORDABLE HOUSING.

15 (f) IN FEBRUARY 2012, THE STATE OF COLORADO ALONG WITH
16 FORTY-EIGHT OTHER STATES REACHED A NATIONWIDE SETTLEMENT WITH
17 THE NATION'S FIVE LARGEST MORTGAGE SERVICING COMPANIES PURSUANT
18 TO WHICH THE STATE RECEIVED OVER FIFTY MILLION DOLLARS. TO
19 ADDRESS THE STATE'S NEEDS FOR AFFORDABLE HOUSING, A PORTION OF
20 THESE MONEYS FROM CUSTODIAL FUNDS MANAGED BY THE ATTORNEY
21 GENERAL WERE USED TO CREATE THE COLORADO HOUSING INVESTMENT
22 FUND, OTHERWISE KNOWN AS "CHIF". CHIF WAS ESTABLISHED PURSUANT
23 TO A MEMORANDUM OF UNDERSTANDING ENTERED INTO BY THE
24 DEPARTMENTS OF LAW AND LOCAL AFFAIRS AND IS CURRENTLY SET UP AS
25 AN ACCOUNT MANAGED BY THE DIVISION OF HOUSING WITHIN THE
26 DEPARTMENT OF LOCAL AFFAIRS.

27 (2) (a) NOW, THEREFORE, BY ENACTING THIS ARTICLE, THE

1 GENERAL ASSEMBLY INTENDS TO PLACE LEGISLATIVE GUARDRAILS ON
2 THOSE SETTLEMENT FUNDS BEING HELD UNDER THE AUTHORITY OF THE
3 DEPARTMENT OF LAW AS OF THE EFFECTIVE DATE OF THIS ARTICLE, THE
4 BALANCE OF WHICH ARE SCHEDULED TO BE TRANSFERRED TO THE DIVISION
5 ON OR ABOUT AUGUST 15, 2015, IN CONNECTION WITH THE ADDITIONAL
6 PROVISION TO CHIF OF ITS AVAILABLE CAPITAL. THE FUNDS TO BE
7 TRANSFERRED AS DESCRIBED IN THIS PARAGRAPH (a) WILL BE REFERRED
8 TO IN THIS ARTICLE AS "CHIF 2 FUNDS".

9 (b) THIS ARTICLE WILL ENSURE THAT CHIF 2 FUNDS PROVIDE A
10 STATEWIDE, DEDICATED, AND DEPENDABLE SOURCE OF REVENUE FOR THE
11 PROVISION OF SAFE, DECENT, AND AFFORDABLE HOUSING ALTERNATIVES
12 FOR RESIDENTS OF THE STATE FROM LOW-INCOME HOUSEHOLDS OR VERY
13 LOW-INCOME HOUSEHOLDS IN THE STATE AND THAT THE FUND WILL BE
14 ADMINISTERED IN SUCH MANNER AS TO MAXIMIZE THE AVAILABILITY OF
15 SUCH HOUSING.

16 **24-69-103. Definitions.** AS USED IN THIS ARTICLE, UNLESS THE
17 CONTEXT OTHERWISE REQUIRES:

18 (1) "ADVISORY BOARD" MEANS THE ADVISORY BOARD TO THE
19 FUND ADMINISTRATOR. AS SPECIFIED IN SECTION 24-69-105 (2), THE
20 STATE HOUSING BOARD CREATED IN SECTION 24-32-706 (1) CONSTITUTES
21 AND SHALL SERVE AS THE ADVISORY BOARD.

22 (2) "AFFORDABLE HOUSING" MEANS A HOUSEHOLD WHERE TOTAL
23 HOUSING COSTS, COMPRISED OF RENT AND ALLOWANCE FOR UTILITY
24 EXPENSES, MORTGAGE PRINCIPAL, INTEREST, PROPERTY TAX, AND
25 INSURANCE, REPRESENT APPROXIMATELY THIRTY PERCENT OR LESS OF
26 GROSS HOUSEHOLD INCOME.

27 (3) "AREA MEDIAN INCOME" MEANS THE FEDERAL STANDARD,

1 PUBLISHED BY THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN
2 DEVELOPMENT AND ADJUSTED FOR GEOGRAPHIC REGION AND FAMILY SIZE.

3 (4) "CHIF 2 FUNDS" MEANS THE FUNDS DESCRIBED IN SECTION
4 24-69-102 (2) (a) THAT CONSTITUTE THE INITIAL CORPUS OF THE FUND.

5 (5) "DIVISION" MEANS THE DIVISION OF HOUSING WITHIN THE
6 DEPARTMENT OF LOCAL AFFAIRS CREATED IN SECTION 24-32-704 (1).

7 (6) "FUND" MEANS THE COLORADO HOUSING INVESTMENT FUND
8 2 CREATED IN SECTION 24-69-104 (1).

9 (7) "FUND ADMINISTRATOR" MEANS THE ENTITY CHARGED WITH
10 ADMINISTERING THE FUND THAT MEETS THE REQUIREMENTS SPECIFIED IN
11 SECTION 24-69-104 (1) (a) (I).

12 (8) "HIGH-COST AREAS" MEANS LOCATIONS WHERE HOUSEHOLDS
13 EARNING MORE THAN EIGHTY PERCENT OF THE AREA MEDIAN INCOME ARE
14 NOT ABLE TO AFFORD AFFORDABLE HOUSING. THE FUND ADMINISTRATOR
15 SHALL BE RESPONSIBLE FOR DETERMINING WHICH LOCATIONS IN THE
16 STATE QUALIFY AS HIGH-COST AREAS.

17 (9) "HOUSEHOLD" MEANS ONE OR MORE PERSONS, NOT
18 NECESSARILY RELATED BY BLOOD OR MARRIAGE, OCCUPYING THE SAME
19 HOUSING UNIT CONSISTENT WITH FEDERAL DEFINITIONS.

20 (10) "LOW-INCOME HOUSEHOLD" MEANS A HOUSEHOLD IN WHICH
21 THE INCOME IS LESS THAN EIGHTY PERCENT OF THE AREA MEDIAN INCOME
22 OR SUCH OTHER DEFINITION AS MAY BE PROMULGATED BY THE UNITED
23 STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

24 (11) "MIXED-INCOME" MEANS A LAND DEVELOPMENT OFFERING
25 DIVERSE TYPES OF HOUSING UNITS FOR PERSONS WITH A RANGE OF
26 HOUSEHOLD INCOME LEVELS, FROM HIGH TO VERY LOW.

27 (12) "MIXED-USE" MEANS A LAND DEVELOPMENT THAT BLENDS A

1 COMBINATION OF RESIDENTIAL OR COMMERCIAL USES.

2 (13) "SETTLEMENT FUNDS" MEANS MONEYS OBTAINED BY THE
3 STATE IN SETTLEMENT IN FEBRUARY 2012 OF NATIONWIDE LITIGATION
4 WITH THE NATION'S FIVE LARGEST MORTGAGE SERVICING COMPANIES.

5 (14) "VERY LOW-INCOME HOUSEHOLD" MEANS A HOUSEHOLD IN
6 WHICH THE INCOME IS LESS THAN FIFTY PERCENT OF THE AREA MEDIAN
7 INCOME OR SUCH OTHER DEFINITION AS MAY BE PROMULGATED BY THE
8 UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

9 **24-69-104. Colorado housing investment fund 2 - creation -**
10 **administration - grants - loans.** (1) (a) (I) FOR THE PURPOSE OF
11 PROVIDING HOUSING FOR RESIDENTS OF THE STATE FROM LOW-INCOME
12 HOUSEHOLDS OR VERY LOW-INCOME HOUSEHOLDS, THE COLORADO
13 HOUSING INVESTMENT FUND 2 IS HEREBY CREATED IN THE STATE
14 TREASURY. THE FUND IS TO BE ADMINISTERED BY A FUND
15 ADMINISTRATOR, WHICH IS A CERTIFIED COMMUNITY DEVELOPMENT
16 FINANCIAL INSTITUTION, THE COLORADO HOUSING AND FINANCE
17 AUTHORITY CREATED IN SECTION 29-4-704 (1), C.R.S., OR ANY
18 COMBINATION OF ONE OR MORE SUCH ENTITIES. THE FUND
19 ADMINISTRATOR IS TO BE SELECTED BY MEANS OF COMPETITIVE SEALED
20 BIDDING IN ACCORDANCE WITH THE REQUIREMENTS OF PART 2 OF ARTICLE
21 103 OF THIS TITLE.

22 (II) IN ADDITION TO ANY OTHER DUTIES AND RESPONSIBILITIES
23 PLACED UPON IT PURSUANT TO THIS ARTICLE, THE FUND ADMINISTRATOR:

24 (A) MAY PURCHASE AND THEN TEMPORARILY HOLD REAL
25 PROPERTY FOR THE PURPOSE OF PRESERVING THE PROPERTY AS
26 AFFORDABLE AND TRANSFER TITLE TO THE PROPERTY TO A LOCAL
27 HOUSING AUTHORITY OR A PRIVATE NONPROFIT CORPORATION; AND

1 (B) NOT LATER THAN FORTY-FIVE DAYS AFTER THE CLOSE OF EACH
2 CALENDAR QUARTER, SHALL PROVIDE TO THE ADVISORY BOARD A COPY OF
3 ANY REPORTS TO BE PRESENTED TO THE ADVISORY BOARD PURSUANT TO
4 SECTION 24-69-107, AS WELL AS FINANCIAL ACCOUNTING RECORDS OF
5 ACTIVITY WITHIN THE FUND AND FINANCIAL RECORDS OF THE FUND
6 ADMINISTRATOR.

7 (b) THE FUND CONSISTS OF ALL SETTLEMENT FUNDS CURRENTLY
8 HELD BY THE DEPARTMENT OF LAW FOR THE BENEFIT OF CHIF, ANY
9 ADDITIONAL MONEYS MADE AVAILABLE BY THE STATE OR FEDERAL
10 GOVERNMENT FOR THE FUND, AND ANY MONEYS RECEIVED FOR THE FUND
11 FROM ANY OTHER PUBLIC OR PRIVATE SOURCE. ANY MONEYS IN THE FUND
12 AT THE END OF ANY FISCAL YEAR SHALL REMAIN IN THE FUND AND MAY
13 NOT REVERT TO THE GENERAL FUND.

14 (2) MONEYS SHALL BE PAID FROM THE FUND FOR THE PURPOSE OF
15 MAKING GRANTS AND LOANS IN ACCORDANCE WITH AN ANNUAL
16 ALLOCATION PLAN THAT SHALL BE PREPARED BY THE ADVISORY BOARD
17 PURSUANT TO SECTION 24-69-106 (1) AFTER IT HAS CONDUCTED ANY
18 PUBLIC HEARINGS AND ASSESSED AFFORDABLE HOUSING NEEDS.

19 (3)(a) UPON THE APPROVAL OF THE ADVISORY BOARD FOLLOWING
20 THE PREPARATION BY THE BOARD OF AN ANNUAL ALLOCATION PLAN IN
21 ACCORDANCE WITH THE REQUIREMENTS OF SUBSECTION (2) OF THIS
22 SECTION, THE FUND ADMINISTRATOR MAY MAKE GRANTS OR LOANS FROM
23 MONEYS IN THE FUND TO ANY LOCAL HOUSING AUTHORITY, PUBLIC
24 NONPROFIT CORPORATION, PRIVATE NONPROFIT CORPORATION,
25 INDIVIDUAL, LOCAL GOVERNMENT, OR A SPECIAL DISTRICT FORMED BY A
26 LOCAL GOVERNMENT FOR THE ACQUISITION, CONSTRUCTION,
27 PREDEVELOPMENT, DEVELOPMENT, OR REDEVELOPMENT COSTS INCURRED

1 PRIOR TO THE COMPLETION OR OCCUPANCY OF HOUSING FOR PERSONS
2 FROM LOW-INCOME HOUSEHOLDS OR VERY LOW-INCOME HOUSEHOLDS OR
3 FOR THE REHABILITATION OF SUCH HOUSING. ANY INDIVIDUAL, PRIVATE
4 FOR-PROFIT, OR NONPROFIT CORPORATION MAY APPLY FOR A GRANT OR
5 LOAN FROM THE FUND. NOTWITHSTANDING ANY OTHER PROVISION OF THIS
6 ARTICLE, THE FUND MAY BE USED TO FINANCE PROJECTS THAT
7 INCORPORATE MIXED-USE OR MIXED-INCOME ELEMENTS AS LONG AS THE
8 PROJECT RESERVES AT LEAST TWENTY-FIVE PERCENT OF ALL RESIDENTIAL
9 UNITS FOR LOW-INCOME OR VERY LOW-INCOME HOUSEHOLDS.

10 (b) (I) IN THE CASE OF A LOAN OF MONEYS IN THE FUND, THE
11 INTEREST RATE ON SUCH LOANS SHALL BE DETERMINED BY THE FUND
12 ADMINISTRATOR IN ACCORDANCE WITH GUIDELINES ADOPTED BY THE
13 ADVISORY BOARD AND SET FORTH IN ANY LOAN AGREEMENT SIGNED BY
14 THE APPLICANT. IN CONJUNCTION WITH THE MAKING OF THE LOAN, THE
15 FUND SHALL REQUIRE THE BORROWER TO FURNISH COLLATERAL SECURITY
16 IN SUCH AMOUNTS AND IN SUCH FORM AS THE FUND ADMINISTRATOR
17 SHALL DETERMINE TO BE NECESSARY TO ASSURE THE PAYMENT OF SUCH
18 LOAN AND THE INTEREST THEREON AS THEY BECOME DUE. THE LOAN
19 SHALL BE SUBJECT TO THE TERMS AND CONDITIONS IMPOSED BY THE FUND
20 ADMINISTRATOR AND SHALL BE REPAYED WITHIN THE TIME AND IN THE
21 MANNER SPECIFIED BY THE FUND ADMINISTRATOR IN THE LOAN
22 AGREEMENT. A LOCAL HOUSING AUTHORITY MAY CONTRACT WITH A
23 PRIVATE FOR-PROFIT OR NONPROFIT CORPORATION TO UNDERTAKE ANY
24 ACTIVITY THAT THE AUTHORITY IS AUTHORIZED TO UNDERTAKE IN
25 ACCORDANCE WITH THE REQUIREMENTS OF THIS PARAGRAPH (b).

26 (II) AS PRINCIPAL PAYMENTS ARE RECEIVED BY THE FUND FROM
27 THE BORROWER, SUCH MONEYS SHALL BE DEPOSITED IN THE FUND. ALL

1 LOAN FEES AND A PORTION OF ANY INTEREST RECEIVED FROM FUND
2 BORROWERS MAY BE RETAINED BY THE FUND ADMINISTRATOR TO OFFSET
3 OPERATIONAL COSTS ASSOCIATED WITH ADMINISTRATION OF THE FUND
4 SUBJECT TO LIMITATIONS ADOPTED BY THE ADVISORY BOARD.

5 (4) MONEYS PAID OUT IN GRANTS OR LOANED FROM THE FUND
6 SHALL BE USED TO SUPPORT THE CREATION AND MAINTENANCE OF
7 AFFORDABLE HOUSING STATEWIDE BY MEANS OF, OR FOR, THE FOLLOWING
8 USES OR PURPOSES, WITHOUT LIMITATION:

9 (a) NEW CONSTRUCTION AND THE RELATED INFRASTRUCTURE
10 COSTS OF SHELTER, TRANSITIONAL HOUSING, PERMANENT SUPPORTIVE
11 HOUSING, AFFORDABLE RENTAL, AND AFFORDABLE OWNERSHIP HOUSING
12 STOCK IN WHOLE OR AS PART OF MIXED-USE OR MIXED-INCOME PROJECTS;

13 (b) THE ACQUISITION OF EXISTING REAL ESTATE FOR INTENDED
14 CONVERSION TO SHELTER, TRANSITIONAL, OR AFFORDABLE RENTAL OR FOR
15 AFFORDABLE OWNERSHIP PURPOSES;

16 (c) THE ACQUISITION OF REAL PROPERTY OR THE BANKING OF THE
17 PROPERTY IN ANTICIPATION OF NEW CONSTRUCTION AND
18 PREDEVELOPMENT COSTS;

19 (d) DEFRAYING THE COST OF AFFORDABLE HOUSING IN
20 CONFORMITY WITH LOCAL INCLUSIONARY ZONING OR INCLUSIONARY
21 HOUSING ORDINANCES;

22 (e) THE REHABILITATION OF A SUBSTANDARD SHELTER,
23 TRANSITIONAL HOUSING, OR AN AFFORDABLE RENTAL AND OWNERSHIP
24 UNIT;

25 (f) ASSISTANCE WITH DOWN PAYMENT OR CLOSING COSTS;

26 (g) ENERGY EFFICIENCY AND IMPROVEMENTS;

27 (h) THE PRESERVATION OF MANUFACTURED HOME COMMUNITIES;

1 (i) THE PURCHASE, REFINANCE, OR REHABILITATION OF
2 MANUFACTURED HOUSING UNITS OWNED OR OCCUPIED BY LOW- OR VERY
3 LOW-INCOME HOUSEHOLDS;

4 (j) THE DEVELOPMENT OF SPECIAL NEEDS HOUSING THAT
5 CONFORMS TO ANY OF THE PURPOSES OR USES SPECIFIED IN PARAGRAPHS
6 (a) TO (i) OF THIS SUBSECTION (4); OR

7 (k) FORECLOSURE PREVENTION.

8 (5) (a) IN CONNECTION WITH THE CONSIDERATION OF AN
9 APPLICATION FOR A GRANT FROM THE FUND PURSUANT TO PARAGRAPH (a)
10 OF SUBSECTION (3) OF THIS SECTION OR AN APPLICATION FOR A LOAN FROM
11 THE FUND PURSUANT TO PARAGRAPH (b) OF SUBSECTION (3) OF THIS
12 SECTION, THE FOLLOWING FACTORS SHALL BE CONSIDERED:

13 (I) THE FEASIBILITY OF THE PROJECT THAT IS THE SUBJECT OF THE
14 APPLICATION;

15 (II) THE LONG-TERM ECONOMIC VIABILITY OF THE PROJECT THAT
16 IS THE SUBJECT OF THE APPLICATION;

17 (III) THE ANTICIPATED CONTRIBUTION THAT THE PROJECT WILL
18 MAKE TO THE CREATION OF STRONGER COMMUNITIES AS MEASURED BY
19 SUCH FACTORS, WITHOUT LIMITATION, AS THE PRESERVATION OF OLDER
20 HOUSING STOCK; UNIVERSAL DESIGN STANDARDS; COMMUNITY
21 REINVESTMENT; IMPROVEMENT IN THE RATIOS OF HOME OWNERSHIP;
22 ASSISTANCE WITH THE HOUSING OF KEY WORKERS; ENSURING THE
23 AFFORDABILITY OF LONG-TERM HOUSING; CREATING ENVIRONMENTALLY
24 RESPONSIBLE HOUSING STOCK; TARGETING THE NEEDIEST POPULATIONS;
25 OR REDUCING NEGATIVE IMPACTS ON TRANSPORTATION INFRASTRUCTURE;

26 (IV) THE ABILITY OF THE PROJECT TO MEET A LOCALLY IDENTIFIED
27 NEED OR WHETHER THE PROJECT HAS LOCAL SUPPORT;

1 (V) THE ABILITY OF THE PROJECT TO MEET OR FULFILL A PURPOSE
2 OR USE SPECIFIED IN SUBSECTION (4) OF THIS SECTION;

3 (VI) THE ABILITY OF THE PROJECT TO DEMONSTRATE
4 OPPORTUNITIES FOR LEVERAGING MONEYS FROM THE FUND; AND

5 (VII) THE ABILITY OF THE RECIPIENT OF THE GRANT OR LOAN
6 MONEYS TO COMPLETE THE PROJECT IN A TIMELY AND HIGH-QUALITY
7 FASHION.

8 (b) PRIORITY IN THE CONSIDERATION OF A GRANT OR LOAN
9 APPLICATION MAY BE GIVEN TO PROJECTS THAT PROPOSE TO SERVE
10 UNDERSERVED OR HARD-TO-SERVE POPULATIONS OR GEOGRAPHIC AREAS
11 INCLUDING, WITHOUT LIMITATION, PERSONS WITH SPECIAL HOUSING
12 NEEDS, THE HOMELESS, HIGH-COST HOUSING AREAS, PERSONS OF LOW-
13 INCOME HOUSEHOLDS OR VERY LOW-INCOME HOUSEHOLDS, KEY
14 EMPLOYMENT SECTORS, AND ANY OTHER DOCUMENTED NEEDS SEGMENT
15 OF THE STATE'S POPULATION OR GROUP OF PERSONS LOCATED WITHIN A
16 PARTICULAR GEOGRAPHIC AREA OF THE STATE WITH SPECIAL HOUSING
17 NEEDS. MONEYS USED TO ADMINISTER THE FUND MAY BE USED TO
18 CONDUCT STATEWIDE AND REGIONAL NEEDS ASSESSMENTS TO ADJUST
19 PRIORITIES ON A BIENNIAL OR ON A MORE FREQUENT BASIS AS DETERMINED
20 BY THE FUND ADMINISTRATOR.

21 (6) THE FUND ADMINISTRATOR SHALL UNDERTAKE A REASONABLE
22 EFFORT TO ENSURE THAT MONEYS FROM THE FUND ARE USED TO FINANCE
23 PROJECTS THAT ARE LOCATED IN ALL OF THE STATE'S COUNTIES. ALL OF
24 THE MONEYS MADE AVAILABLE FROM THE FUND ON AN ANNUAL BASIS
25 SHALL BE AVAILABLE ON A CONTINUOUS BASIS TO ALL ELIGIBLE FUND
26 APPLICANTS.

27 **24-69-105. Advisory board.** (1) TO ASSIST THE FUND

1 ADMINISTRATOR IN ADMINISTERING THE FUND, THERE IS HEREBY CREATED
2 AN ADVISORY BOARD TO THE FUND ADMINISTRATOR. IN ADDITION TO ANY
3 OTHER SPECIFIC POWERS OR DUTIES IT MAY BE GRANTED PURSUANT TO
4 THIS ARTICLE, THE ADVISORY BOARD SHALL PROVIDE ADVICE AND
5 COUNSEL TO THE FUND ADMINISTRATOR IN ACCORDANCE WITH THE
6 REQUIREMENTS OF THIS ARTICLE.

7 (2) THE STATE HOUSING BOARD CREATED IN SECTION 24-32-706
8 (1) CONSTITUTES AND SHALL SERVE AS THE ADVISORY BOARD.

9 **24-69-106. Powers or duties of the advisory board.** (1) IN
10 ADDITION TO ANY OTHER POWERS OR DUTIES SPECIFIED IN THIS ARTICLE,
11 THE ADVISORY BOARD SHALL:

12 (a) CONDUCT PUBLIC HEARINGS AND ASSESS AFFORDABLE
13 HOUSING NEEDS IN ORDER TO PREPARE AN ANNUAL ALLOCATION PLAN FOR
14 MONEYS MADE AVAILABLE FROM THE FUND; AND

15 (b) PROVIDE ADVICE, COUNSEL, AND RECOMMENDATIONS TO THE
16 FUND ADMINISTRATOR ON MATTERS CONCERNING THE ADMINISTRATION
17 OF THE FUND.

18 **24-69-107. Reporting.** NOT LATER THAN FORTY-FIVE DAYS AFTER
19 THE COMPLETION OF EACH CALENDAR QUARTER, THE FUND
20 ADMINISTRATOR SHALL REPORT TO THE ADVISORY BOARD ON THE
21 DISTRIBUTION OF MONEYS FROM THE FUND DURING THE PRIOR CALENDAR
22 QUARTER. EACH SUCH REPORT MUST ALSO PROVIDE INFORMATION
23 PERTAINING TO CUMULATIVE DISTRIBUTIONS FOR THE CALENDAR YEAR
24 TO-DATE THROUGH THE MOST RECENT CALENDAR QUARTER THAT IS THE
25 SUBJECT OF THE REPORT.

26 **24-69-108. Compliance monitor.** THE DIVISION SHALL SERVE AS
27 COMPLIANCE MONITOR TO THE FUND ADMINISTRATOR.

1 **SECTION 2.** In Colorado Revised Statutes, 24-32-705, **add** (1)
2 (u) as follows:

3 **24-32-705. Functions of division.** (1) The division has the
4 following functions:

5 (u) TO SERVE AS COMPLIANCE MONITOR TO THE FUND
6 ADMINISTRATOR OF THE COLORADO HOUSING INVESTMENT FUND 2
7 CREATED IN SECTION 24-69-104 (1). IN CONNECTION WITH SUCH DUTIES
8 AND RESPONSIBILITIES, AN INDIVIDUAL REPRESENTING THE DIVISION MAY
9 SERVE ON THE GOVERNING BODY OF THE FUND ADMINISTRATOR.

10 **SECTION 3.** In Colorado Revised Statutes, 24-32-707, **add** (4)
11 as follows:

12 **24-32-707. Powers of board.** (4) THE BOARD SHALL SERVE AS
13 THE ADVISORY BOARD TO THE FUND ADMINISTRATOR OF THE COLORADO
14 HOUSING INVESTMENT FUND 2 PURSUANT TO SECTION 24-69-105 (1). IN
15 CONNECTION WITH SERVING AS THE ADVISORY BOARD, THE BOARD SHALL
16 UNDERTAKE ANY SPECIFIC POWERS DELEGATED TO IT UNDER ARTICLE 69
17 OF THIS TITLE, INCLUDING WITHOUT LIMITATION THE POWERS AND DUTIES
18 SPECIFIED IN SECTION 24-69-106 (1) AND SHALL ALSO PROVIDE ADVICE
19 AND COUNSEL TO THE FUND ADMINISTRATOR IN ACCORDANCE WITH THE
20 PROVISIONS OF SECTION 24-69-105 (1).

21 **SECTION 4. Act subject to petition - effective date.** This act
22 takes effect at 12:01 a.m. on the day following the expiration of the
23 ninety-day period after final adjournment of the general assembly (August
24 6, 2014, if adjournment sine die is on May 4, 2014); except that, if a
25 referendum petition is filed pursuant to section 1 (3) of article V of the
26 state constitution against this act or an item, section, or part of this act
27 within such period, then the act, item, section, or part will not take effect

1 unless approved by the people at the general election to be held in
2 November 2014 and, in such case, will take effect on the date of the
3 official declaration of the vote thereon by the governor.