

SENATE COMMITTEE OF REFERENCE REPORT

Chair of Committee

April 1, 2025
Date

Committee on Finance.

After consideration on the merits, the Committee recommends the following:

SB25-167 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

- 1 Amend printed bill, page 5, line 18, after "FUND;" insert "AND".
- 2 Page 5, line 21, strike "22-41-104.7;" and substitute "22-41-104.7".
- 3 Page 5, strike lines 22 through 27.
- 4 Page 6, strike line 1.
- 5 Page 7, strike lines 3 through 5 and substitute "22-41-102.5 (4)(b); except
6 that investment includes only mutual funds, index funds, and any other
7 instrument that is not a direct investment in a corporation."
- 8 Page 7, line 24, strike "SCHOOL" and substitute "SCHOOLS AND".
- 9 Page 7, line 26, strike "FOR TEACHERS AND FAMILIES," and substitute
10 "AND".
- 11 Page 8, line 8, strike "SCHOOL" and substitute "SCHOOLS AND".
- 12 Page 8, line 13, strike "IN THE PORTFOLIO".
- 13 Page 8, lines 15 and 16, strike "INVESTMENTS IN THE PORTFOLIO" and
14 substitute "COMMUNITY INVESTMENTS".
- 15 Page 8, after line 18 insert:
16 "(e) HOUSING DEVELOPMENTS THAT INCLUDE PREFERENCES FOR
17 PUBLIC SCHOOL EMPLOYEES: PROMOTE A SUBSTANTIAL, LEGITIMATE, AND

1 NONDISCRIMINATORY STATE INTEREST THAT CANNOT BE SERVED BY
2 ANOTHER PRACTICE WITH A LESS DISCRIMINATORY EFFECT; DO NOT
3 CONSTITUTE SOURCE OF INCOME DISCRIMINATION UNDER SECTION
4 24-34-501 (4.5) OR 24-34-502; AND COMPLY WITH THE FEDERAL "FAIR
5 HOUSING ACT", 42 U. S.C. SEC. 3601 ET SEQ., PART 5 OF ARTICLE 34 OF
6 TITLE 24, AND OTHER STATE AND LOCAL LAWS, ORDINANCES, AND
7 RESOLUTIONS."

8 Reletter succeeding subsection accordingly.

9 Page 8, lines 19 and 20, strike "DIRECT AND INDIRECT EQUITY
10 INVESTMENTS AND OTHER".

11 Page 8, lines 21 and 22, strike "FUNDS, EXCHANGE-TRADED FUNDS,
12 DIRECT AND INDIRECT REAL ESTATE INVESTMENTS," and substitute
13 "FUNDS".

14 Page 9, strike lines 15 through 20 and substitute:

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

21 Page 9, line 25, strike "BY JULY 1, 2027, THE TREASURER SHALL".

22 Page 9, strike lines 26 and 27.

23 Page 10, line 1, strike "ACCORDANCE WITH SUBSECTION (4)(a) OF THIS
24 SECTION."

25 Page 10, line 6, strike "INCLUDE:" and substitute "INCLUDE BUT ARE NOT
26 LIMITED TO:".

27 Page 10, line 21, after "BONDS" insert "OR MORTGAGE-BACKED
28 SECURITIES".

29 Page 10, line 22, strike "RENTAL".

30 Page 10, line 23, strike "EMPLOYEES;" and substitute "EMPLOYEES OR
31 MORTGAGES SECURED BY RESIDENTIAL REAL ESTATE, THE MAJORITY OF

1 WHICH IS OWNED BY PUBLIC SCHOOL EMPLOYEES;"

2 Page 11, strike line 2 and substitute:

3 "(I) HOUSING THAT INCLUDES".

4 Page 11, line 3, strike "INCLUDE".

5 Page 11, strike lines 6 and 7 and substitute:

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 Page 11, line 10, strike "PORTFOLIO. THE" and substitute "PORTFOLIO. IN
12 ORDER TO SUPPORT PUBLIC SCHOOL EMPLOYEE HOME OWNERSHIP,
13 ADDRESS EDUCATOR SHORTAGES, AND SUPPORT THE RETENTION OF PUBLIC
14 SCHOOL EMPLOYEES, THE".

15 Page 11, strike line 11 and substitute "INTO THE PROGRAM, EXCEPT THAT
16 THE TOTAL INVESTMENT AMOUNT SHALL NEVER EXCEED THE SUM OF THE
17 INVESTMENTS MADE IN ACCORDANCE WITH SUBSECTION (4)(b)(II) OF THIS
18 SECTION PLUS THE TOTAL AMOUNT OF SHARED EQUITY DOWN PAYMENT
19 ASSISTANCE THAT HAS BEEN GRANTED BY THE PROGRAM MANAGER
20 THROUGH THE PROGRAM, BY THE FOLLOWING DATES:"

21 Page 11, line 12, strike "2027," and substitute "2028,"

22 Page 11, line 14, strike "2028," and substitute "2030,"

23 Page 11, strike lines 16 through 27 and substitute:

24 "(b) THE TREASURER SHALL AIM TO INVEST A TARGET OF SEVENTY-
25 FIVE PERCENT OF THE MONEY IN THE PROGRAM INTO A HOME OWNERSHIP
26 PROGRAM FOR PUBLIC SCHOOL EMPLOYEES TO BE MANAGED BY THE
27 PROGRAM MANAGER. THE HOME OWNERSHIP PROGRAM MUST BE FULLY
28 ESTABLISHED BY JULY 1, 2026. ONCE THE HOME OWNERSHIP PROGRAM IS
29 FULLY ESTABLISHED:

30 (I) THE PUBLIC SCHOOL INVESTMENT BOARD SHALL PURCHASE
31 FROM THE PROGRAM FUND MANAGER THE MORTGAGE PRODUCTS CREATED
32 THROUGH THE HOME OWNERSHIP PROGRAM IN TRanches OF REASONABLE
33 AMOUNTS THAT ARE MUTUALLY AGREED UPON BY THE PUBLIC SCHOOL
34 INVESTMENT BOARD AND THE PROGRAM MANAGER; AND

35 (II) THE PUBLIC SCHOOL INVESTMENT BOARD MAY PROVIDE

1 NOTICE OF ANY DISCONTINUATION IN FUTURE INVESTMENT THE PROGRAM
2 MANAGER HAS NOT ALREADY COMMITTED TO THE HOME OWNERSHIP
3 PROGRAM, WHICH NOTICE MUST BE PROVIDED AT LEAST SIX MONTHS PRIOR
4 TO DISCONTINUATION.

5 (c) THE TREASURER SHALL AIM TO INVEST A TARGET OF
6 TWENTY-FIVE PERCENT OF THE MONEY IN THE PROGRAM INTO ALLOWABLE
7 COMMUNITY INVESTMENTS DESCRIBED IN".

8 Page 12, strike lines 4 through 20 and substitute:

9 "(d) THE PROGRAM MANAGER SHALL ESTABLISH GUIDELINES AND
10 UNDERWRITING CRITERIA FOR THE HOME OWNERSHIP PROGRAM AND SHALL
11 ENSURE THAT THE HOME OWNERSHIP PROGRAM:

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

14 (II) PROVIDES SHARED EQUITY DOWN PAYMENT ASSISTANCE TO
15 PUBLIC SCHOOL EMPLOYEES AND AIMS TO HELP AS MANY PUBLIC SCHOOL
16 EMPLOYEES AS POSSIBLE ACHIEVE AFFORDABLE HOME OWNERSHIP;

17 (III) ALLOWS APPRECIATION-SHARING BETWEEN THE HOME
18 OWNERSHIP PROGRAM AND HOMEOWNER WITH ANY PROFIT OR LOSS IN THE
19 DOWN PAYMENT ASSISTANCE ACCRUING TO THE PROGRAM AND THE
20 PROGRAM'S SHARE NEVER EXCEEDING THE PERCENT OF THE PURCHASE
21 PRICE OF THE HOME THE DOWN PAYMENT REPRESENTS AT PURCHASE; AND

22 (IV) IF THE PROGRAM MANAGER IS THE COLORADO HOUSING AND
23 FINANCE AUTHORITY, IS PAIRED WITH A FIRST MORTGAGE LOAN PROVIDED
24 THROUGH THE PROGRAM FUND MANAGER'S PARTICIPATING LENDER
25 NETWORK THAT BEARS AN INTEREST RATE THAT IS AT OR BELOW THE
26 PREVAILING MORTGAGE RATES.

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

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

35 (I) THE NUMBER OF PROGRAM BORROWERS;

36 (II) THE GEOGRAPHIC DISTRIBUTION OF PROGRAM BORROWERS;

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

38 (IV) THE MEDIAN PURCHASE PRICE, MEDIAN LOAN AMOUNT, AND
39 AVERAGE INTEREST RATE ON FIRST MORTGAGES FOR PUBLIC SCHOOL
40 EMPLOYEES THAT BENEFIT FROM THE PROGRAM."

41 Reletter succeeding subsection accordingly.

- 1 Page 12, strike lines 24 through 27.
- 2 Strike pages 13 through 17.
- 3 Page 18, strike lines 1 through 24.
- 4 Renumber succeeding section accordingly.

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