

Proposed Initiative  
2007-2008  
#86  
ORIGINAL

Be it Enacted by the People of the State of Colorado:

**SECTION 1.** The constitution of the state of Colorado is amended BY THE ADDITION OF A NEW ARTICLE to read:

**ARTICLE XXX**  
**COLORADO HOUSING INVESTMENT FUND**

**SECTION 1. PURPOSE AND FINDINGS.** AS SAFE, DECENT, ACCESSIBLE, AND AFFORDABLE HOUSING CREATES THE FOUNDATION FOR FAMILY STABILITY, EDUCATIONAL ACHIEVEMENT, PERSONAL HEALTH, COMMUNITY SUSTAINABILITY, AND ECONOMIC DEVELOPMENT, IT IS THE INTENT OF THE VOTERS OF COLORADO TO ESTABLISH A HOUSING INVESTMENT FUND TO PROVIDE A DEDICATED, STATEWIDE SOURCE OF REVENUE TO SUPPORT THE CREATION AND PRESERVATION OF AFFORDABLE HOUSING OPPORTUNITIES FOR RESIDENTS OF THE STATE FROM VERY LOW-INCOME HOUSEHOLDS, LOW-INCOME HOUSEHOLDS, AND WORKFORCE HOUSEHOLDS, INCLUDING BUT NOT LIMITED TO PERSONS WITH SPECIAL NEEDS AND THE HOMELESS.

**SECTION 2. DEFINITIONS.** AS USED IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

- (1) "AFFORDABLE HOUSING" MEANS HOUSING WHERE TOTAL HOUSING COSTS, COMPRISED OF RENT, RENTER'S INSURANCE, AND UTILITIES, OR MORTGAGE PAYMENTS, HOMEOWNER'S INSURANCE, REAL PROPERTY TAXES, DUES TO A HOME OWNERS ASSOCIATION, LAND LEASE PAYMENTS, AND UTILITIES, REPRESENT NO MORE THAN THIRTY PERCENT OF GROSS HOUSEHOLD INCOME.
- (2) "AFFORDABLE HOUSING STOCK" MEANS SAFE AND SANITARY SHELTERS, TRANSITIONAL HOUSING, PERMANENT SUPPORTIVE HOUSING, AFFORDABLE RENTAL OR AFFORDABLE OWNERSHIP UNITS, AND HOUSING FOR PEOPLE WITH SPECIAL NEEDS.
- (3) "FUND ADMINISTRATOR" MEANS THE STATE DIVISION OF HOUSING OR ANY SUCCESSOR AGENCY.
- (4) "HOUSEHOLD" MEANS ALL THE PERSONS WHO OCCUPY A HOUSING UNIT.
- (5) "LOW-INCOME HOUSEHOLD" MEANS A HOUSEHOLD WHOSE INCOME IS AT OR BELOW EIGHTY PERCENT OF THE AREA MEDIAN INCOME OR SUCH OTHER DEFINITION AS MAY BE PROMULGATED BY THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.
- (6) "VERY LOW-INCOME HOUSEHOLD" MEANS A HOUSEHOLD WHOSE INCOME IS AT OR BELOW FIFTY PERCENT OF THE AREA MEDIAN INCOME OR SUCH OTHER DEFINITION AS MAY BE PROMULGATED BY THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

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ELECTIONS  
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(7) "WORKFORCE HOUSEHOLD" MEANS A HOUSEHOLD WITH AT LEAST ONE PRIMARY WAGE EARNER WORKING IN A COMMUNITY OR REGION WITH A DOCUMENTED SHORTAGE OF HOUSING THAT IS AFFORDABLE TO ITS WORKERS AND WHOSE HOUSEHOLD INCOME IS AT OR BELOW ONE HUNDRED TWENTY PERCENT OF THE AREA MEDIAN INCOME.

**SECTION 3. CREATION OF COLORADO HOUSING INVESTMENT FUND.** (1) TO PROVIDE HOUSING FOR RESIDENTS OF THE STATE FROM VERY LOW-INCOME HOUSEHOLDS, LOW-INCOME HOUSEHOLDS, AND WORKFORCE HOUSEHOLDS, THE COLORADO HOUSING INVESTMENT FUND IS HEREBY CREATED IN THE STATE TREASURY. THE FUND SHALL BE ADMINISTERED BY THE COLORADO DIVISION OF HOUSING OR ANY SUCCESSOR AGENCY. THE FUND SHALL CONSIST OF ALL MONEYS TRANSFERRED INTO THE FUND PURSUANT TO SUBSECTION (5) OF THIS SECTION AND ANY MONEYS RECEIVED FOR THE FUND FROM ANY OTHER PUBLIC OR PRIVATE SOURCE. ANY MONEYS IN THE FUND AT THE END OF ANY FISCAL YEAR SHALL REMAIN IN THE FUND AND SHALL NOT REVERT TO THE GENERAL FUND.

(2) AFTER COSTS OF ADMINISTERING THE FUND ARE DEDUCTED, MONEYS IN THE FUND SHALL BE USED FOR GRANTS AND LOANS TO SUPPORT THE STATEWIDE CREATION AND PRESERVATION OF AFFORDABLE HOUSING STOCK THROUGH:

- (a) NEW CONSTRUCTION;
- (b) ACQUISITION OF REAL PROPERTY;
- (c) PREDEVELOPMENT COSTS;
- (d) DEFRAYING COSTS OF COMPLIANCE WITH LOCAL ORDINANCES;
- (e) BUILDING REHABILITATION;
- (f) ASSISTANCE WITH DOWN PAYMENTS AND CLOSING COSTS;
- (g) ENERGY EFFICIENCY;
- (h) ACCESSIBILITY MODIFICATIONS AND CONSTRUCTION; AND
- (i) FORECLOSURE AND HOMELESSNESS PREVENTION.

(3) THE ADMINISTRATOR SHALL CONDUCT PUBLIC HEARINGS AND NEEDS ASSESSMENTS TO DETERMINE THE ANNUAL FUNDING PRIORITIES FOR THE STATEWIDE COMPETITIVE ALLOCATION OF THE MONEYS IN THE FUND. THE ADMINISTRATOR SHALL BE AUTHORIZED TO AMEND THE ANNUAL FUNDING PRIORITIES WITHOUT PUBLIC HEARING AFTER THE OCCURRENCE OF ONE OR MORE NATURAL DISASTERS THAT CREATE NEW NEEDS FOR AFFORDABLE HOUSING.

(4) (a) IF THE FUND GENERATES TWENTY MILLION DOLLARS OR MORE IN A FISCAL YEAR, FORTY PERCENT OF THE MONEYS IN THE FUND SHALL BE AVAILABLE ON A COMPETITIVE BASIS TO ANY LOCAL HOUSING AUTHORITY, PUBLIC NONPROFIT CORPORATION, PRIVATE FOR-PROFIT OR NONPROFIT CORPORATION, LOCAL GOVERNMENT, OR SPECIAL DISTRICT FORMED BY A LOCAL GOVERNMENT. MONEYS THAT ARE MADE AVAILABLE TO SUCH ENTITIES OR ENTITIES ACTING ON BEHALF OF LOCAL GOVERNMENTS AND ARE NOT ENTIRELY OBLIGATED IN THE FISCAL YEAR RECEIVED MAY BE CARRIED FORWARD AND OBLIGATED IN THE NEXT FISCAL YEAR. MONEYS MADE AVAILABLE THROUGH THE STATEWIDE ALLOCATION SHALL BE OBLIGATED IN ACCORDANCE WITH ANNUAL FUNDING PRIORITIES ESTABLISHED BY THE ADMINISTRATOR.

(b) IF THE FUND GENERATES TWENTY MILLION DOLLARS OR MORE IN A FISCAL YEAR, SIXTY PERCENT OF THE MONEYS COLLECTED ANNUALLY SHALL BE AVAILABLE TO LOCAL GOVERNMENTS FOR DISTRIBUTION TO ANY LOCAL HOUSING AUTHORITY, PUBLIC NONPROFIT CORPORATION, PRIVATE FOR-PROFIT OR NONPROFIT CORPORATION, LOCAL GOVERNMENT, OR SPECIAL DISTRICT FORMED BY A LOCAL GOVERNMENT. MONEYS SHALL BE MADE AVAILABLE BY APPLICATION TO THE ADMINISTRATOR FOR USE IN ACCORDANCE WITH A LOCAL OR REGIONAL HOUSING PLAN BASED ON LOCAL OR REGIONAL NEEDS ASSESSMENTS.

(c) IF THE FUND GENERATES LESS THAN TWENTY MILLION DOLLARS IN A FISCAL YEAR, ALL MONEYS COLLECTED SHALL BE DISTRIBUTED SOLELY TO THE STATEWIDE COMPETITIVE ALLOCATION AS PROVIDED IN PARAGRAPH (a) OF THIS SUBSECTION.

(d) BEGINNING IN THE SECOND FISCAL YEAR AFTER THE FUND IS ESTABLISHED, THE TWENTY MILLION DOLLAR THRESHOLD PROVIDED IN PARAGRAPHS (a), (b), AND (c) OF THIS SUBSECTION SHALL BE ADJUSTED ANNUALLY FOR INFLATION.

(e) REGARDLESS OF THE AMOUNT GENERATED FOR THE FUND IN A FISCAL YEAR, NOT LESS THAN FIFTY PERCENT OF THE MONEYS MADE AVAILABLE FOR LOANS OR GRANTS FROM THE FUND SHALL BENEFIT VERY LOW-INCOME HOUSEHOLDS.

(f) FUNDS DISTRIBUTED PURSUANT TO PARAGRAPH (b) OF THIS SUBSECTION SHALL BE EXPENDED WITHIN THREE YEARS OF THE DATE OF APPROVAL OF SUCH FUNDING. MONEYS OBLIGATED BUT NOT EXPENDED WITHIN THIS THREE-YEAR PERIOD SHALL REVERT TO THE FUND. IN THE YEAR OF A REVERSION, SUCH MONEYS SHALL BE ALLOCATED AS PROVIDED IN PARAGRAPHS (a) AND (b) OF THIS SUBSECTION IF THE RESULTING TOTAL AMOUNT OF THE FUND EQUALS OR EXCEEDS TWENTY MILLION DOLLARS. IF THE RESULTING TOTAL AMOUNT OF THE FUND WILL NOT EQUAL AT LEAST TWENTY MILLION DOLLARS IN THE YEAR OF REVERSION, ALL SUCH MONEYS SHALL BE USED FOR THE STATEWIDE COMPETITIVE ALLOCATION PROVIDED IN PARAGRAPH (a).

(g) PAYMENT OF PRINCIPAL AND INTEREST ON ANY LOAN MADE FROM MONEYS ORIGINATING IN THE FUND SHALL BE DEPOSITED IN THE FUND.

#### **SECTION 5. FEES TO GENERATE REVENUE FOR FUND.**

(1) NOTWITHSTANDING SECTION 20(8)(a) OF ARTICLE X OF THE CONSTITUTION, AND IN ADDITION TO ANY DOCUMENTARY FEE PROVIDED BY LAW, ON AND AFTER JANUARY 1, 2009, WHEN THE TOTAL CONSIDERATION PAID BY THE PURCHASER, INCLUSIVE OF THE AMOUNT OF ANY LIEN OR ENCUMBRANCE AGAINST THE REAL PROPERTY GRANTED OR CONVEYED AND ALL CHARGES AND EXPENSES REQUIRED TO BE PAID FOR THE MAKING OF SUCH GRANT OR CONVEYANCE EXCEEDS FIVE HUNDRED DOLLARS, A REAL ESTATE TRANSFER TAX SHALL BE IMPOSED AT THE RATE OF FOUR CENTS FOR EACH ONE HUNDRED DOLLARS, OR MAJOR FRACTION THEREOF, OF CONSIDERATION PAID FOR THE REAL PROPERTY.

(2) WITH REGARD TO THE STATE AND ANY DISTRICT THAT COLLECTS OR SPENDS THE REVENUE GENERATED PURSUANT TO THIS SECTION, ALL SUCH PROCEEDS SHALL BE COLLECTED AND SPENT AS A VOTER-APPROVED REVENUE CHANGE AND SHALL NOT BE CONSTRAINED BY ANY LIMITATION CONTAINED IN SECTION 20 OF ARTICLE X OF THE CONSTITUTION OR ANY OTHER LIMIT ON REVENUE OR SPENDING UNDER COLORADO LAW.

**SECTION 6. AUTHORITY OF GENERAL ASSEMBLY.** THE GENERAL ASSEMBLY SHALL ENACT LAWS IN 2009 TO FURTHER THE PURPOSE OF THIS AMENDMENT, INCLUDING BUT NOT LIMITED TO A MAXIMUM PERCENTAGE OF THE FUND THAT CAN BE SPENT ON ADMINISTRATION, REQUIRED REPORTS BY LOCAL GOVERNMENTS AND THE ADMINISTRATOR CONCERNING THE USES AND EFFECTS OF MONEYS RECEIVED FROM THE FUND, FORMULAS FOR ALLOCATING MONEYS FROM THE FUND TO DESIGNATED CLASSES OF LOCAL GOVERNMENTS, THE MEANS FOR THE COUNTIES' COLLECTION OF REVENUE AS PROVIDED IN SECTION 5 AND ITS TIMELY TRANSMISSION TO THE FUND, AND THE MEANS FOR CALCULATING ANNUAL INFLATION.