

STATE OF COLORADO

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John W. Hickenlooper
Governor

D 2015-001

EXECUTIVE ORDER

Designating the Colorado Division of Housing as the Entity to Receive Grants Available Through the National Housing Trust Fund

Pursuant to the authority vested in the Governor of the State of Colorado and, in particular, pursuant to Article IV, Section 2 of the Colorado Constitution, I, John W. Hickenlooper, Governor of the State of Colorado, hereby issue this Executive Order designating the Colorado Division of Housing to undertake the administration of the National Housing Trust Fund proceeds allocated to Colorado for eligible affordable housing investments.

I. Background and Purpose

The National Housing Trust Fund ("Trust Fund") and an initial dedicated source of money for it were established on July 30, 2008, when the Housing and Economic Recovery Act of 2008 (also known as "HERA", Pub. L. No. 110-289) was signed into law. The Trust Fund is a program for collecting and distributing dedicated funds that are not subject to annual congressional appropriations. The law requires both Fannie Mae (or "FNMA") and Freddie Mac (or "FHLMC") in each fiscal year to set aside an amount equal to 4.2 basis points of each dollar of the unpaid principal balance of their total new business purchases. 12 U.S.C. § 4567. Sixty-five percent of such amounts are transferred to the Trust Fund, and 35% of such amounts are transferred to the Capital Magnet Fund. On November 13, 2008, the Director of the Federal Housing Finance Agency temporarily suspended these payments. He notified FNMA and FHLMC on December 11, 2014, that this suspension was being lifted.

The Trust Fund will provide the states with block grants, of which at least 90% must be used for the preservation, construction, rehabilitation, or operation of rental housing. No less than 75% of the funds for rental housing must benefit extremely low income families with the remaining 25% benefiting families with very low incomes. Up to 10% of the Trust Fund may be used for homeownership for people with very low incomes.

As administrator of the Colorado Housing Development Grant Fund under C.R.S. § 24-32-721, and the Colorado Housing Investment Trust Fund under C.R.S. § 24-32-717, the

Colorado Division of Housing in the Department of Local Affairs is well-equipped to receive, manage, and distribute the funds granted to the State of Colorado from the Trust Fund.

II. Declarations and Directives

- A. I hereby designate the Colorado Division of Housing, established pursuant to C.R.S. § 24-32-701, *et seq.*, as the entity to receive and allocate funds available from the Trust Fund established by HERA.
- B. Further, I hereby direct the Colorado Division of Housing, with the advice of the Colorado State Housing Board, to establish policies for use and management of these funds in accordance with HERA and subsequent federal regulations issued by the U.S. Department of Housing and Urban Development.
- C. The Colorado Division of Housing is directed to work with the Colorado Housing and Finance Authority and local public and private housing organizations to establish priorities for use of these funds to meet the needs of Coloradans within the U.S. Department of Housing and Urban Development program regulations.

III. Duration

This Executive Order shall remain in full force and effect until amended or rescinded by further executive order.



GIVEN under my hand and the
Executive Seal of the State of
Colorado this thirteenth day
of February, 2015.

A handwritten signature in black ink, which appears to read "John W. Hickenlooper". The signature is written in a cursive, flowing style.

John W. Hickenlooper
Governor