

Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 24-0903.03 Pierce Lively x2059

SENATE BILL 24-154

SENATE SPONSORSHIP

Jaquez Lewis,

HOUSE SPONSORSHIP

(None),

Senate Committees
Local Government & Housing

House Committees

A BILL FOR AN ACT

101 CONCERNING INCREASING THE NUMBER OF CONVERTED ACCESSORY
102 DWELLING UNITS.

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 creates a series of requirements related to accessory dwelling units in subject jurisdictions.

As established in the bill, a subject jurisdiction is the unincorporated portion of a county that is not within:

- A unit owners' association; or
- An area identified as having a high fire intensity on the fire

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.

intensity scale published as part of the Colorado state forest service wildfire risk viewer.

The bill requires a subject jurisdiction to allow, on or after January 1, 2025, subject to an administrative approval process, the conversion of an accessory dwelling unit. The bill also prohibits subject jurisdictions from applying a restrictive design or dimension standard to an accessory dwelling unit.

Section 2 grants the Colorado economic development commission the power to contract with the Colorado housing and finance authority for the operation of a program in which the Colorado housing and finance authority offers direct loans for the conversion of accessory dwelling units on owner-occupied land.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** article 35 to title
3 29 as follows:

4 **ARTICLE 35**

5 **State Land Use Criteria For Affordable Housing**

6 **PART 1**

7 **ACCESSORY DWELLING UNITS**

8 **29-35-101. Legislative declaration.** (1) THE GENERAL ASSEMBLY
9 FINDS, DETERMINES, AND DECLARES THAT:

10 (a) MORE PERMISSIVE REGULATION BY LOCAL GOVERNMENTS OF
11 ACCESSORY DWELLING UNITS PROVIDES A REASONABLE CHANCE FOR
12 HOMEOWNERS TO CONSTRUCT OR CONVERT AN ACCESSORY DWELLING
13 UNIT AND THEREBY INCREASE HOUSING SUPPLY, STABILIZE HOUSING
14 COSTS, AND CONTRIBUTE TO AFFORDABLE AND EQUITABLE HOME
15 OWNERSHIP TO ADEQUATELY MEET THE HOUSING NEEDS OF A GROWING
16 COLORADO POPULATION;

17 (b) RELATIVE TO DISPERSED, LOW-DENSITY DEVELOPMENT,
18 ACCESSORY DWELLING UNIT CONVERSION HAS A MINIMAL IMPACT ON
19 WATER USAGE, GREENHOUSE GAS EMISSIONS, INFRASTRUCTURE DEMAND,

1 AND HOUSEHOLD ENERGY AND TRANSPORTATION COSTS. ACCESSORY
2 DWELLING UNITS USE SIGNIFICANTLY LESS ENERGY FOR HEATING AND
3 COOLING.

4 (c) COMPARED TO A SINGLE-UNIT DETACHED DWELLING,
5 ACCESSORY DWELLING UNITS USE TWENTY-TWO PERCENT LESS WATER,
6 SMALL MULTIFAMILY HOMES SIXTY-THREE PERCENT LESS, AND LARGER
7 MULTIFAMILY HOMES EIGHTY-SIX PERCENT LESS BASED ON DATA FROM
8 DENVER AND AURORA WATER USERS ANALYZED FOR THE COLORADO
9 WATER AND GROWTH DIALOGUE FINAL REPORT IN 2018;

10 (d) ACCESSORY DWELLING UNITS PROVIDE FAMILIES WITH OPTIONS
11 FOR INTERGENERATIONAL LIVING ARRANGEMENTS THAT ENABLE CHILD OR
12 ELDER CARE AND AGING IN PLACE;

13 (e) ACCESSORY DWELLING UNITS ARE OFTEN OCCUPIED AT LOW TO
14 NO RENT BY FAMILY MEMBERS, AND IF THEY ARE RENTED PRIVATELY,
15 THEIR RENTS ARE RELATIVELY AFFORDABLE BECAUSE OF THEIR SMALL
16 SIZE;

17 (f) CONVERTING EXISTING BUILDINGS IS MUCH MORE
18 COST-EFFECTIVE THAN NEW CONSTRUCTION; AND

19 (g) THE NUMBER OF CONVERSIONS THAT MIGHT BE ENCOURAGED
20 BY THIS PART 1 ALONE CANNOT SOLVE THE HOUSING CRISIS, BUT CAN
21 OFFER PROFOUND BENEFITS TO MANY FAMILIES ACROSS COLORADO.

22 (2) THEREFORE, THE GENERAL ASSEMBLY DECLARES THAT
23 INCREASING THE HOUSING SUPPLY THROUGH THE CONSTRUCTION OR
24 CONVERSION OF ACCESSORY DWELLING UNITS IS A MATTER OF MIXED
25 STATEWIDE AND LOCAL CONCERN.

26 **29-35-102. Definitions.** AS USED IN THIS PART 1, UNLESS THE
27 CONTEXT OTHERWISE REQUIRES:

1 (1) "ACCESSORY DWELLING UNIT" MEANS AN INTERNAL,
2 ATTACHED, OR DETACHED DWELLING UNIT THAT:

3 (a) PROVIDES COMPLETE INDEPENDENT LIVING FACILITIES FOR ONE
4 OR MORE INDIVIDUALS;

5 (b) IS LOCATED ON THE SAME LOT AS A PROPOSED OR EXISTING
6 OWNER-OCCUPIED RESIDENCE; AND

7 (c) INCLUDES FACILITIES FOR LIVING, SLEEPING, EATING, COOKING,
8 AND SANITATION.

9 (2) (a) (I) "ADMINISTRATIVE APPROVAL PROCESS" MEANS A
10 PROCESS:

11 (A) IN WHICH A DEVELOPMENT APPLICATION IS APPROVED,
12 APPROVED WITH CONDITIONS, OR DENIED BY LOCAL GOVERNMENT
13 ADMINISTRATIVE STAFF BASED SOLELY ON ITS COMPLIANCE WITH
14 OBJECTIVE STANDARDS SET FORTH IN ZONING OR OTHER LOCAL LAWS; AND

15 (B) THAT DOES NOT REQUIRE, AND CANNOT BE ELEVATED TO
16 REQUIRE, A PUBLIC HEARING, A RECOMMENDATION, OR A DECISION BY AN
17 ELECTED OR APPOINTED PUBLIC BODY, OR A HEARING OFFICER.

18 (II) NOTWITHSTANDING ANY LAW TO THE CONTRARY, AN
19 ADMINISTRATIVE APPROVAL PROCESS MAY REQUIRE AN APPOINTED
20 HISTORIC PRESERVATION COMMISSION TO MAKE A DECISION, OR TO MAKE
21 A RECOMMENDATION TO LOCAL GOVERNMENT ADMINISTRATIVE STAFF,
22 REGARDING A DEVELOPMENT APPLICATION INVOLVING A HISTORIC
23 PROPERTY LISTED ON THE NATIONAL REGISTER OF HISTORIC PLACES, THE
24 COLORADO STATE REGISTER OF HISTORIC PROPERTIES, OR DESIGNATED BY
25 THE LOCAL GOVERNMENT, PROVIDED THAT:

26 (A) THE LOCAL GOVERNMENT HAS BEEN DESIGNATED AS A
27 CERTIFIED LOCAL GOVERNMENT BY THE STATE HISTORIC PRESERVATION

1 OFFICE; AND

2 (B) THE DECISION OR RECOMMENDATION IS BASED ON STANDARDS
3 SET FORTH IN LOCAL LAW OR ESTABLISHED BY THE SECRETARY OF THE
4 INTERIOR OF THE UNITED STATES.

5 (b) AS USED IN THIS SUBSECTION (2), "OBJECTIVE STANDARD"
6 MEANS A STANDARD THAT:

7 (I) IS UNIFORMLY VERIFIABLE AND ASCERTAINABLE BY REFERENCE
8 TO AN AVAILABLE EXTERNAL OR UNIFORM BENCHMARK OR CRITERION BY
9 THE DEVELOPMENT APPLICANT OR PROPONENT AND THE PUBLIC BODY OR
10 OFFICIAL PRIOR TO THE DEVELOPMENT APPLICANT'S OR PROPONENT'S
11 FILING OF A DEVELOPMENT PROPOSAL; AND

12 (II) DOES NOT REQUIRE THE DECISION-MAKER TO MAKE ONE OR
13 MORE SUBJECTIVE DETERMINATIONS CONCERNING A DEVELOPMENT
14 APPLICATION, INCLUDING BUT NOT LIMITED TO WHETHER THE
15 APPLICATION:

16 (A) IS CONSISTENT WITH LOCAL DEVELOPMENT PLANS;

17 (B) IS OR CAN BE COMPATIBLE WITH THE LAND USE OR
18 DEVELOPMENT OF THE AREA SURROUNDING THE AREA DESCRIBED IN THE
19 APPLICATION;

20 (C) REQUIRES INDIVIDUALIZED EVALUATIONS RELATING TO
21 MITIGATION OF IMPACTS; OR

22 (D) IS CONSISTENT WITH PUBLIC WELFARE, COMMUNITY, OR
23 NEIGHBORHOOD CHARACTER.

24 (3) "CONVERSION" MEANS CHANGING THE FUNCTION OR USE OF AN
25 EXISTING BUILDING SO THAT THE ENTIRE BUILDING OR A PORTION OF THE
26 BUILDING IS AN ACCESSORY DWELLING UNIT.

27 (4) "COUNTY" MEANS A COUNTY, INCLUDING A HOME RULE

1 COUNTY BUT EXCLUDING A CITY AND COUNTY.

2 (5) "DWELLING UNIT" MEANS A SINGLE UNIT PROVIDING COMPLETE
3 INDEPENDENT LIVING FACILITIES FOR ONE OR MORE INDIVIDUALS,
4 INCLUDING PERMANENT FACILITIES FOR COOKING, EATING, LIVING,
5 SANITATION, AND SLEEPING.

6 (6) "EXEMPT PARCEL" MEANS A PARCEL THAT IS:

7 (a) NOT SERVED AND WILL NOT BE SERVED BY A DOMESTIC WATER
8 AND SEWAGE TREATMENT SYSTEM, AS DEFINED IN SECTION 24-65.1-104
9 (5), OR OTHERWISE NOT ABLE TO SUPPORT THE WATER AND SEWAGE NEEDS
10 OF A CONVERTED ACCESSORY DWELLING UNIT;

11 (b) A HISTORIC PROPERTY THAT IS NOT WITHIN A HISTORIC
12 DISTRICT; OR

13 (c) IN A FLOODWAY OR IN A ONE HUNDRED YEAR FLOODPLAIN, AS
14 IDENTIFIED BY THE FEDERAL EMERGENCY MANAGEMENT AGENCY.

15 (7) "HISTORIC DISTRICT" MEANS A DISTRICT ESTABLISHED BY
16 LOCAL LAW THAT MEETS THE DEFINITION OF "DISTRICT" SET FORTH IN 36
17 CFR 60.3 (d).

18 (8) "HISTORIC PROPERTY" MEANS A PROPERTY LISTED:

19 (a) ON THE NATIONAL REGISTER OF HISTORIC PLACES;

20 (b) ON THE COLORADO STATE REGISTER OF HISTORIC PROPERTIES;

21 OR

22 (c) AS A CONTRIBUTING STRUCTURE OR HISTORIC LANDMARK BY
23 A CERTIFIED LOCAL GOVERNMENT, AS DEFINED IN SECTION 39-22-514.5
24 (2)(b).

25 (9) "LOCAL LAW" MEANS ANY CODE, LAW, ORDINANCE, POLICY,
26 REGULATION, OR RULE ENACTED BY A COUNTY THAT GOVERNS THE
27 DEVELOPMENT AND USE OF LAND, INCLUDING LAND USE CODES, ZONING

1 CODES, AND SUBDIVISION CODES.

2 (10) (a) "OWNER-OCCUPIED RESIDENCE" MEANS A RESIDENCE
3 THAT IS OCCUPIED PRIMARILY FOR THE USE OF THE OWNER AND THE
4 OWNER'S DESIGNEES.

5 (b) "OWNER-OCCUPIED RESIDENCE" INCLUDES, BUT IS NOT LIMITED
6 TO, AN OWNER-OCCUPIED PRIMARY RESIDENCE.

7 (11) "RESTRICTIVE DESIGN OR DIMENSION STANDARD" MEANS A
8 STANDARD IN A LOCAL LAW THAT:

9 (a) REQUIRES AN ARCHITECTURAL STYLE, BUILDING MATERIAL, OR
10 LANDSCAPING THAT IS MORE RESTRICTIVE FOR AN ACCESSORY DWELLING
11 UNIT THAN FOR A SINGLE-UNIT DETACHED DWELLING IN THE SAME ZONING
12 DISTRICT;

13 (b) DOES NOT ALLOW FOR ACCESSORY DWELLING UNIT SIZES
14 BETWEEN FIVE HUNDRED AND EIGHT HUNDRED SQUARE FEET;

15 (c) REQUIRES SIDE OR REAR SETBACKS FOR AN ACCESSORY
16 DWELLING UNIT GREATER THAN THE SETBACKS REQUIRED FOR AN
17 ACCESSORY BUILDING IN THE SAME ZONING DISTRICT, OR IF IT IS NOT
18 CLEARLY ESTABLISHED IN THE SAME ZONING DISTRICT, IN THE CASE OF AN
19 ACCESSORY DWELLING UNIT WITH A SINGLE STORY, REQUIRES SIDE OR
20 REAR SETBACKS GREATER THAN FIVE FEET;

21 (d) IS A MORE RESTRICTIVE MINIMUM LOT SIZE STANDARD FOR AN
22 ACCESSORY DWELLING UNIT THAN FOR A SINGLE-UNIT DETACHED
23 DWELLING IN THE SAME ZONING DISTRICT; OR

24 (e) APPLIES MORE RESTRICTIVE AESTHETIC DESIGN OR
25 DIMENSIONAL STANDARDS TO ACCESSORY DWELLING UNITS THAT ARE
26 FACTORY-BUILT RESIDENTIAL STRUCTURES, AS DEFINED IN SECTION
27 24-32-3302 (10), THAN OTHER ACCESSORY DWELLING UNITS.

1 (12)(a) "SHORT-TERM RENTAL" MEANS THE RENTAL OF A LODGING
2 UNIT FOR LESS THAN THIRTY DAYS. AS USED IN THIS SUBSECTION (12),
3 "LODGING UNIT" MEANS ANY PROPERTY OR PORTION OF A PROPERTY THAT
4 IS AVAILABLE FOR LODGING; EXCEPT THAT THE TERM EXCLUDES A HOTEL
5 OR MOTEL UNIT.

6 (b) NOTWITHSTANDING SUBSECTION (12)(a) OF THIS SECTION, A
7 LOCAL GOVERNMENT MAY APPLY ITS OWN DEFINITION OF "SHORT-TERM
8 RENTAL" FOR PURPOSES OF THIS PART 1.

9 (13) "SINGLE-UNIT DETACHED DWELLING" MEANS A DETACHED
10 BUILDING WITH A SINGLE DWELLING UNIT ON A SINGLE LOT.

11 (14) "SUBJECT JURISDICTION" MEANS THE UNINCORPORATED
12 PORTION OF A COUNTY THAT IS NOT WITHIN:

13 (a) AN ASSOCIATION, AS DEFINED IN SECTION 38-33.3-103 (3); OR

14 (b) AN AREA IDENTIFIED AS HAVING A HIGH FIRE INTENSITY ON THE
15 FIRE INTENSITY SCALE PUBLISHED AS PART OF THE COLORADO STATE
16 FOREST SERVICE WILDFIRE RISK VIEWER.

17 **29-35-103. Accessory dwelling unit requirements for a subject**
18 **jurisdiction.** (1) ON OR AFTER JANUARY 1, 2025, A SUBJECT
19 JURISDICTION SHALL ALLOW, SUBJECT TO AN ADMINISTRATIVE APPROVAL
20 PROCESS, THE CONVERSION OF AN ACCESSORY DWELLING UNIT.

21 (2) A SUBJECT JURISDICTION SHALL NOT APPLY A RESTRICTIVE
22 DESIGN OR DIMENSION STANDARD TO AN ACCESSORY DWELLING UNIT.

23 (3) NOTHING IN THIS SECTION PREVENTS A SUBJECT JURISDICTION
24 OR OTHER LOCAL GOVERNMENT FROM:

25 (a) ALLOWING THE CONSTRUCTION OR CONVERSION OF AN
26 ACCESSORY DWELLING UNIT THAT IS SMALLER THAN FIVE HUNDRED
27 SQUARE FEET OR GREATER THAN EIGHT HUNDRED SQUARE FEET, OR

1 RESTRICTING THE SIZE OF AN ACCESSORY DWELLING UNIT SO THAT IT IS NO
2 LARGER THAN THE SIZE OF THE PRINCIPAL DWELLING UNIT ON THE SAME
3 LOT AS THE ACCESSORY DWELLING UNIT;

4 (b) ALLOWING THE CONSTRUCTION OR CONVERSION OF MULTIPLE
5 ACCESSORY DWELLING UNITS ON THE SAME LOT;

6 (c) APPLYING A DESIGN OR DIMENSION STANDARD TO AN
7 ACCESSORY DWELLING UNIT THAT IS NOT A RESTRICTIVE DESIGN OR
8 DIMENSION STANDARD;

9 (d) ADOPTING OR ENFORCING A GENERALLY APPLICABLE
10 REQUIREMENT FOR:

11 (I) THE PAYMENT OF AN IMPACT FEE OR OTHER SIMILAR
12 DEVELOPMENT CHARGE, PURSUANT TO SECTION 29-20-104.5; OR

13 (II) THE MITIGATION OF IMPACTS IN CONFORMANCE WITH THE
14 REQUIREMENTS OF PART 2 OF ARTICLE 20 OF THIS TITLE 29;

15 (e) ENACTING OR APPLYING A LOCAL LAW CONCERNING THE
16 SHORT-TERM RENTAL OF AN ACCESSORY DWELLING UNIT OR ANY OTHER
17 DWELLING ON THE SAME LOT AS AN ACCESSORY DWELLING UNIT;

18 (f) APPLYING THE DESIGN STANDARDS AND PROCEDURES OF A
19 HISTORIC DISTRICT TO A LOT ON WHICH AN ACCESSORY DWELLING UNIT IS
20 ALLOWED IN THAT HISTORIC DISTRICT, INCLUDING A STANDARD OR
21 PROCEDURE RELATED TO DEMOLITION;

22 (g) APPLYING AND ENFORCING A LOCALLY ADOPTED LIFE SAFETY
23 CODE, INCLUDING BUT NOT LIMITED TO, A BUILDING, FIRE, UTILITY, OR
24 STORMWATER CODE;

25 (h) ALLOWING THE CONSTRUCTION OF, OR ISSUING A PERMIT FOR
26 THE CONSTRUCTION OF, A SINGLE-UNIT DETACHED DWELLING IN AN AREA
27 ZONED FOR SINGLE-UNIT DETACHED DWELLINGS; OR

1 (i) ENCOURAGING THE CONSTRUCTION OF ACCESSORY DWELLING
2 UNITS THAT ARE, THROUGH THE APPLICATION OF LOCAL LAWS OR
3 PROGRAMS, MADE AFFORDABLE TO HOUSEHOLDS UNDER CERTAIN INCOME
4 LIMITS OR USED PRIMARILY TO HOUSE THE LOCAL WORKFORCE.

5 (4) THIS SECTION ONLY APPLIES TO A PARCEL IN A SUBJECT
6 JURISDICTION THAT IS NOT AN EXEMPT PARCEL.

7 **SECTION 2.** In Colorado Revised Statutes, 24-46-104, **amend**
8 (1)(o) and (1)(p); and **add** (1)(q) as follows:

9 **24-46-104. Powers and duties of commission - definitions -**
10 **repeal.** (1) The commission has the following powers and duties:

11 (o) To oversee the Colorado office of film, television, and media
12 loan guarantee program pursuant to section 24-48.5-115 and the
13 performance-based incentive for film production in Colorado pursuant to
14 section 24-48.5-116; ~~and~~

15 (p) To consult with the Colorado office of economic development
16 pursuant to section 24-48.5-117; AND

17 (q) (I) TO CONTRACT WITH THE COLORADO HOUSING AND FINANCE
18 AUTHORITY, CREATED IN PART 7 OF ARTICLE 4 OF TITLE 29, FOR THE
19 OPERATION OF A PROGRAM IN WHICH THE COLORADO HOUSING AND
20 FINANCE AUTHORITY OFFERS DIRECT LOANS FOR THE CONVERSION OF
21 ACCESSORY DWELLING UNITS ON OWNER-OCCUPIED LAND.

22 (II) AS USED IN THIS SUBSECTION (1)(q), UNLESS THE CONTEXT
23 OTHERWISE REQUIRES:

24 (A) "ACCESSORY DWELLING UNIT" MEANS AN INTERNAL,
25 ATTACHED, OR DETACHED DWELLING UNIT THAT PROVIDES COMPLETE
26 INDEPENDENT LIVING FACILITIES FOR ONE OR MORE INDIVIDUALS, IS
27 LOCATED ON THE SAME LOT AS A PROPOSED OR EXISTING PRIMARY

1 RESIDENCE, AND INCLUDES FACILITIES FOR LIVING, SLEEPING, EATING,
2 COOKING, AND SANITATION.

3 (B) "CONVERSION" MEANS CHANGING THE FUNCTION OR USE OF A
4 BUILDING SO THAT THE ENTIRE BUILDING OR A PORTION OF THE BUILDING
5 IS AN ACCESSORY DWELLING UNIT.

6 (C) "OWNER-OCCUPIED LAND" MEANS LAND THAT IS OCCUPIED
7 PRIMARILY FOR THE USE OF THE OWNER AND THE OWNER'S DESIGNEES.

8 **SECTION 3. Act subject to petition - effective date.** This act
9 takes effect at 12:01 a.m. on the day following the expiration of the
10 ninety-day period after final adjournment of the general assembly; except
11 that, if a referendum petition is filed pursuant to section 1 (3) of article V
12 of the state constitution against this act or an item, section, or part of this
13 act within such period, then the act, item, section, or part will not take
14 effect unless approved by the people at the general election to be held in
15 November 2024 and, in such case, will take effect on the date of the
16 official declaration of the vote thereon by the governor.