

## SB17-086 Fact Sheet

## Clarifying &amp; Authorizing Inclusionary Housing Programs

**Supporters:**

- Housing Colorado
- Colorado Center on Law & Policy
- 9to5 Colorado
- FRESC

**Why SB17-086:**

Inclusionary housing policies are a common zoning and land use approach that many communities across the country use to promote more affordable housing development. In Colorado, at least a dozen communities have used these types of policies, including:

- Crested Butte
- Denver
- Durango
- Eagle
- Glenwood Springs

These programs have been very successful in incentivizing and promoting the development of owner-occupied affordable housing in the form of condos and single-family homes. However, due to an inadvertent impact from Colorado statute, these programs haven't been able to meet their intended results in the rental market.

SB17-086 does one simple change as it relates to the current statute: it allows a developer to more easily own an affordable rental unit rather than requiring that unit be owned by either the government or a housing authority. *This small change will result in more affordable rental units being built on-site within market-rate development projects rather than being built in segregated housing projects.*

**SB17-086:**

- Clarifies what exactly an inclusionary zoning/housing ordinance is.
- Only applies to communities that voluntarily opt-in to establishing local inclusionary housing ordinances
- Does not add any additional requirements or costs for a developer; in fact, it gives the developer more options to meet local requirements
- Does not implement rent control; it only *broadens* the options available that a developer can choose to meet local zoning requirements for new development projects
- Continues the practice of allowing local control and giving cities and counties discretion on their ordinances and zoning rules
- Removes the requirement that a government must own a rental unit that is being built to meet inclusionary housing requirements, allowing the developer to own the unit

**Typical Elements of an Inclusionary Housing Ordinance in Colorado:**

In Colorado cities that already have inclusionary housing/zoning ordinances, there are typically several options for a developer to choose in order to meet the requirements. These programs already exist across Colorado and generally include these options for a developer to choose from:

1. Build a percentage of units on-site as affordable (but the unit must typically be given to and/or owned by the government housing authority)
2. Build a percentage of units off-site as affordable (typically as it's own separate project and owned by the housing authority)
3. Contribute land to the government for the purposes of being developed for affordable housing projects
4. Pay "cash-in-lieu" to the local government, which will be used to build separate affordable housing projects in the community