



**Colorado
Legislative
Council
Staff**

SB17-086

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 17-0471
Prime Sponsor(s): Sen. Fenberg

Date: January 31, 2017
Bill Status: Senate SVMA
Fiscal Analyst: Anna Gerstle (303-866-4375)

BILL TOPIC: AUTH LOCAL GOVS INCLUSIONARY HOUSING PROGRAMS

Summary of Legislation

Under current law, local governments are prohibited from enacting any ordinance or resolution that would control rent on any private residential property or housing unit. The bill clarifies that this prohibition does not include ordinances or resolutions that require inclusionary housing or inclusionary zoning as a condition of obtaining approval for a development project.

The bill defines inclusionary housing or inclusionary zoning as a program that requires the provision of residential units affordable to and occupied by owners or tenants whose income does not exceed a limit that is established by the ordinance or resolution. These programs may include:

- requiring property owner or developer to set aside a percentage of units that are affordable to households with certain incomes;
- offering incentives to property owners or developers for setting affordable rents;
- providing alternate options for a property owner or developer, such as cash-in-lieu of affordable units or dedicating land to the local government;
- targeting a specific income range to benefit from inclusionary programs; and
- specifying the time period that housing must stay affordable.

The bill applies to ordinances or resolutions enacted on or after July 1, 2017.

Local Government Impact

The bill does not have a fiscal impact on local governments that currently offer voluntary inclusionary housing or zoning programs, but to the extent that local governments create and implement new inclusionary housing or zoning programs on or after July 1, 2017, revenue and expenditures may increase. These impacts depend on the type of program implemented. For example, a cash-in-lieu of affordable housing program may increase revenue for the local government, while offering incentives to developers may increase expenditures.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature, and applies to any ordinances enacted on or after July 1, 2017.

State and Local Government Contacts

Counties
Local Affairs

Economic Development and International Trade
Municipalities