A BILL FOR AN ACT

CONCERNING STATE LAND USE REQUIREMENTS, AND, IN CONNECTION THEREWITH, ESTABLISHING A PROCESS TO DIAGNOSE AND ADDRESS HOUSING NEEDS ACROSS THE STATE, ADDRESSING REQUIREMENTS FOR THE REGULATION OF ACCESSORY DWELLING UNITS, MIDDLE HOUSING, TRANSIT-ORIENTED AREAS, KEY CORRIDORS, AND MANUFACTURED AND MODULAR HOMES, PROHIBITING CERTAIN PLANNED UNIT DEVELOPMENT RESOLUTIONS, PROHIBITING A LOCAL GOVERNMENT FROM ENFORCING CERTAIN OCCUPANCY LIMITS, MODIFYING THE CONTENT REQUIREMENTS FOR COUNTY AND MUNICIPAL MASTER PLANS, PROHIBITING CERTAIN MUNICIPALITIES FROM ImPOSING MINIMUM SQUARE FOOTAGE REQUIREMENTS FOR RESIDENTIAL UNITS, REQUIRING ENTITIES TO SUBMIT A COMPLETED AND

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.
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.)

Housing needs planning. The executive director of the department of local affairs (director) shall, no later than December 31, 2024, and every 5 years thereafter, issue methodology for developing statewide, regional, and local housing needs assessments. The statewide housing needs assessment must determine existing statewide housing stock and current and future housing needs. The regional housing needs assessments must allocate the addressing of housing needs identified in the statewide housing needs assessment to regions of the state. Similarly, the local housing needs assessments must allocate the addressing of the housing needs allocated in the regional housing needs assessment to localities in the relevant region.

The director shall, no later than December 31, 2024, issue guidance on creating a housing needs plan for both a rural resort job center municipality and an urban municipality. Following this guidance, no later than December 31, 2026, and every 5 years thereafter, a rural resort job center municipality and an urban municipality shall develop a housing needs plan and submit that plan to the department of local affairs (department). A housing needs plan must include, among other things, descriptions of how the plan was created, how the municipality will address the housing needs it was assigned in the local housing needs assessment, affordability strategies the municipality has selected to address its local housing needs assessment, an assessment of
displacement risk and any strategies selected to address identified risks, and how the locality will comply with other housing requirements in this bill.

The director shall, no later than December 31, 2024, develop and publish a menu of affordability strategies to address housing production, preservation, and affordability. Rural resort job center municipalities and urban municipalities shall identify at least 2 of these strategies that they intend to implement in their housing plan, and urban municipalities with a transit-oriented area must identify at least 3.

The director shall, no later than December 31, 2024, develop and publish a menu of displacement mitigation measures. This menu must, among other things, provide guidance for how to identify areas at the highest risk for displacement and identify displacement mitigation measures that a locality may adopt. An urban municipality must identify which of these measures it intends to implement in its housing plan to address any areas it identifies as at an elevated risk for displacement.

The director shall, no later than March 31, 2024, publish a report that identifies strategic growth objectives that will incentivize growth in transit-oriented areas and infill areas and guide growth at the edges of urban areas. The multi-agency advisory committee shall, no later than March 31, 2024, submit a report to the general assembly concerning the strategic growth objectives.

The bill establishes a multi-agency advisory committee and requires that committee to conduct a public comment and hearing process on and provide recommendations to the director on:

- Methodologies for developing statewide, regional, and local housing needs assessments;
- Guidance for creating housing needs plans;
- Developing a menu of affordability strategies;
- Developing a menu of displacement mitigation measures;
- Identifying strategic growth objectives; and
- Developing reporting guidance and templates.

A county or municipality within a rural resort region shall participate in a regional housing needs planning process. This process must encourage participating counties and municipalities to identify strategies that, either individually or through intergovernmental agreements, address the housing needs assigned to them. A report on this process must be submitted to the department. Further, within 6 months of completing this process, a rural resort job center municipality shall submit a local housing needs plan to the department. Once a year, both rural resort job centers and urban municipalities shall report to the department on certain housing data.

A multi-agency group created in the bill and the division of local government within the department shall provide assistance to localities in complying with the requirements of this bill. This assistance must
include technical assistance and a grant program.

**Accessory dwelling units.** The director shall promulgate an accessory dwelling unit model code that, among other things, requires accessory dwelling units to be allowed as a use by right in any part of a municipality where the municipality allows single-unit detached dwellings as a use by right. The committee shall provide recommendations to the director for promulgating this model code. In developing these recommendations, the committee shall conduct a public comment and hearing process.

Even if a municipality does not adopt the accessory dwelling unit model code, the municipality shall adhere to accessory dwelling unit minimum standards established in the bill and by the department. These minimum standards, among other things, must require a municipality to:

- Allow accessory dwelling units as a use by right in any part of the municipality where the municipality allows single-unit detached dwellings as a use by right;
- Only adopt or enforce local laws concerning accessory dwelling units that use objective standards and procedures;
- Not adopt, enact, or enforce local laws concerning accessory dwelling units that are more restrictive than local laws concerning single-unit detached dwellings; and
- Not apply standards that make the permitting, siting, or construction of accessory dwelling units infeasible.

**Middle housing.** The director shall promulgate a middle housing model code that, among other things, requires middle housing to be allowed as a use by right in any part of a rural resort job center municipality or a tier one urban municipality where the municipality allows single-unit detached dwellings as a use by right. The committee shall provide recommendations to the director for promulgating this model code. In developing these recommendations, the committee shall conduct a public comment and hearing process.

Even if a rural resort job center municipality or a tier one urban municipality does not adopt the middle housing model code, the municipality shall adhere to middle housing minimum standards established in the bill and by the department. These minimum standards, among other things, must require a municipality to:

- Allow middle housing as a use by right in certain areas;
- Only adopt or enforce local laws concerning middle housing that use objective standards and procedures;
- Allow properties on which middle housing is allowed to be split by right using objective standards and procedures;
- Not adopt, enact, or enforce local laws concerning middle housing that are more restrictive than local laws concerning single-unit detached dwellings; and
- Not apply standards that make the permitting, siting, or
construction of middle housing infeasible.

**Transit-oriented areas.** The director shall promulgate a transit-oriented area model code that, among other things, imposes minimum residential density limits for multifamily residential housing and mixed-income multifamily residential housing and allows these developments as a use by right in the transit-oriented areas of tier one urban municipalities. The committee shall provide recommendations to the director for promulgating this model code. In developing these recommendations, the committee shall conduct a public comment and hearing process.

Even if a tier one urban municipality does not adopt the transit-oriented model code, the municipality shall adhere to middle housing minimum standards established in the bill and by the department. These minimum standards, among other things, must require a municipality to:

- Create a zoning district within a transit-oriented area in which multifamily housing meets a minimum residential density limit and is allowed as a use by right; and
- Not apply standards that make the permitting, siting, or construction of multifamily housing in transit-oriented areas infeasible.

**Key corridors.** The director shall promulgate a key corridor model code that applies to key corridors in rural resort job center municipalities and tier one urban municipalities. The model code must, among other things, include requirements for:

- The percentage of units in mixed-income multifamily residential housing that must be reserved for low- and moderate-income households;
- Minimum residential density limits for multifamily residential housing; and
- Mixed-income multifamily residential housing that must be allowed as a use by right in key corridors.

The committee shall provide recommendations to the director for promulgating this model code. In developing these recommendations, the committee shall conduct a public comment and hearing process.

Even if a rural resort job center municipality or a tier one urban municipality does not adopt the key corridor model code, the municipality shall adhere to key corridor minimum standards promulgated by the director and developed by the department. These minimum standards, among other things, must identify a net residential zoning capacity for a municipality and must require a municipality to:

- Allow multifamily residential housing within key corridors that meets the net residential zoning capacity as a use by right;
- Not apply standards that make the permitting, siting, or
construction of multifamily housing in certain areas infeasible; and

- Not adopt, enact, or enforce local laws that make satisfying the required minimum residential density limits infeasible.

The committee shall provide recommendations to the director on promulgating these minimum standards. In developing these recommendations, the committee shall conduct a public comment and hearing process.

Adoption of model codes and minimum standards. A relevant municipality shall adopt either the model code or local laws that satisfy the minimum standards concerning accessory dwelling units, middle housing, transit-oriented areas, and key corridors. Furthermore, a municipality shall submit a report to the department demonstrating that it has done so. If a municipality fails to adopt either the model code or local laws that satisfy the minimum standards by a specified deadline, the relevant model code immediately goes into effect, and municipalities shall then approve any proposed projects that meet the standards in the model code using objective procedures. However, a municipality may apply to the department for a deadline extension for a deficiency in water or wastewater infrastructure or supply.

Additional provisions. The bill also:

- Requires the advisory committee on factory-built structures and tiny homes to produce a report on the opportunities and barriers in state law concerning the building of manufactured homes, mobile homes, and tiny homes;

- Removes the requirements that manufacturers of factory-built structures comply with escrow requirements of down payments and provide a letter of credit, certificate of deposit issued by a licensed financial institution, or surety bond issued by an authorized insurer;

- Prohibits a planned unit development resolution or ordinance for a planned unit with a residential use from restricting accessory dwelling units, middle housing, housing in transit-oriented areas, or housing in key corridors in a way not allowed by this bill;

- Prohibits a local government from enacting or enforcing residential occupancy limits that differ based on the relationships of the occupants of a dwelling;

- Modifies the content requirements for a county and municipal master plan, requires counties and municipalities to adopt or amend master plans as part of an inclusive process, and requires counties and municipalities to submit master plans to the department;

- Allows a municipality to sell and dispose of real property and public buildings for the purpose of providing property...
to be used as affordable housing, without requiring the sale to be submitted to the voters of the municipality;

- Requires the approval process for manufactured and modular homes to be based on objective standards and administrative review equivalent to the approval process for site-built homes;

- Prohibits a municipality from imposing more restrictive standards on manufactured and modular homes than the municipality imposes on site-built homes;

- Prohibits certain municipalities from imposing minimum square footage requirements for residential units in the approval of residential dwelling unit construction permits;

- Requires certain entities to submit to the Colorado water conservation board (board) a completed and validated water loss audit report pursuant to guidelines that the board shall adopt;

- Allows the board to make grants from the water efficiency grant program cash fund to provide water loss audit report validation assistance to covered entities;

- Allows the board and the Colorado water resources and power development authority to consider whether an entity has submitted a required audit report in deciding whether to release financial assistance to the entity for the construction of a water diversion, storage, conveyance, water treatment, or wastewater treatment facility;

- Prohibits a unit owners' association from restricting accessory dwelling units, middle housing, housing in transit-oriented areas, or housing in key corridors;

- Requires the department of transportation to ensure that the prioritization criteria for any grant program administered by the department are consistent with state strategic growth objectives, so long as doing so does not violate federal law;

- Requires any regional transportation plan that is created or updated to address and ensure consistency with state strategic growth objectives;

- Requires that expenditures for local and state multimodal projects from the multimodal transportation options fund are only to be made for multimodal projects that the department determines are consistent with state strategic growth objectives; and

- For state fiscal year 2023-24, appropriates $15,000,000 from the general fund to the housing plans assistance fund and makes the department responsible for the accounting related to the appropriation.
Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. Legislative declaration. (1) (a) (I) The general assembly finds and declares that:

(A) Colorado housing is currently among the most expensive in the nation. In 2021, Colorado had the sixth highest median home values and the fourth highest median gross rent but only the tenth highest median income, according to the state demographer;

(B) Between 2010 and 2021, the percentage of Coloradans making less than seventy-five thousand dollars a year who were housing cost-burdened, meaning they spend more than thirty percent of their income on housing needs, increased from fifty-four percent to sixty-one percent, and, for renters making less than seventy-five thousand dollars a year, that percentage increased from fifty-nine percent to seventy-three percent, according to the American Community Survey;

(C) Colorado's housing supply has not kept pace with population growth. Between 2010 and 2020, the state added one hundred twenty-six thousand fewer housing units than in the prior decade, despite the population increasing by a similar amount in each decade. The state has a current unmet housing need of between sixty-five thousand and ninety thousand units, according to the state demographer;

(D) Many cities restrict the development of more compact affordable home types, such as accessory dwelling units, townhomes, duplexes, and multifamily homes, on most of their residential land;

(E) The ten largest municipalities in the Denver metropolitan area allow single-unit detached dwellings as a use by right on over eighty-five percent of their residential land, compared to allowing as a use by right
an estimated twenty-four percent of their residential land for accessory
dwelling units, thirty-three percent of their residential land for
townhomes, thirty-one percent of their residential land for duplexes up to
quadplexes, and thirty-five percent of their residential land for
multifamily homes, according to publicly available zoning data;
(F) The ten largest municipalities in the Denver metropolitan area
require a minimum lot size of over five thousand square feet on more than
half of their residential land, according to publicly available zoning data;
(G) These types of common zoning practices make it difficult to
build more affordable home types and have historically been used to
exclude low-income residents and renters; and
(H) To stabilize housing prices and ensure development of
housing to meet the state's growing need, the state must increase its
housing supply to address the unmet housing need from the past decade,
and plan for future household growth.
(II) Therefore, the general assembly finds, determines and
declares that the lack of housing is a critical problem that threatens the
economic, environmental, and social quality of life in Colorado.
(b) (I) The general assembly finds and declares that:
(A) The consequences of land use policies that limit housing
supply and diversity include a lack of housing that is affordable to
Coloradans of low and moderate incomes, a lack of housing to support
employment growth, an imbalance in jobs and housing, segregated and
unequal communities, reduced mobility and long commutes, loss of open
space and agricultural land, high water usage, and increased greenhouse
gas and air pollution;
(B) When a local government's policies reduce and limit the
supply of housing, neighboring local governments are also affected by
more people seeking affordable housing; and

(C) People are not able to live near where they work, leading to
longer commutes, putting additional strain on Colorado's roads, and
increasing pollution.

(II) Therefore, the general assembly finds, determines, and
declares that the lack of housing supply and unsustainable development
patterns are partially caused by local government policies that effectively
limit the construction of a diverse range of housing types in areas already
served by infrastructure or in close proximity to jobs and public transit.

(c) (I) The general assembly further finds and declares that the
general assembly and the people of Colorado have made historic
investments in affordable housing, including the following:

(A) In 2021 and 2022, the general assembly approved close to one
billion dollars for affordable housing investments funded primarily by the
general fund; and

(B) In the November 2022 election, Colorado voters approved
Proposition 123, which will dedicate an estimated three hundred million
dollars per year to affordable housing.

(II) Therefore, the general assembly finds, determines, and
declares that, coupled with historic investments in affordable housing,
reforms to local land use regulations can accelerate an increase in housing
supply that is affordable at all income levels.

(A) National studies, such as the article "Relationships between
Density and per Capita Municipal Spending in the United States",
published in Urban Science, have found that lower density communities
have higher government capital and maintenance costs for water, sewer, and transportation infrastructure, and lower property and sales tax revenues. These increased costs are often borne by both state and local governments.

(B) A study for a rural resort municipality in Colorado found that doubling the average residential density for future growth would save thirty-one percent in capital and maintenance costs over twenty years.

(2) The general assembly finds and declares that the availability of affordable housing is a matter of mixed state and local concern. Therefore, it is the intent of the general assembly in enacting this act to:

(a) Create a more consistent ability statewide to develop a variety of housing types, limit the ability of local governments to reduce density or render infeasible housing development projects that can address the state's housing shortage for all parts of the income spectrum, and support more fiscally and environmentally sustainable development patterns;

(b) Improve regional collaboration and outcomes by reducing the ability of individual local governments' land use restrictions to negatively influence regional concerns such as housing affordability, open space, traffic, and air pollution; and

(c) Increase housing supply, allow more compact development, encourage more affordable housing, encourage more environmentally and fiscally sustainable development patterns, encourage housing patterns that conserve water resources, and encourage housing units that are located in close proximity to public transit, places of employment, and everyday needs.

(3) In finding and declaring that land use policies that affect housing supply are matters of mixed statewide and local concern, the
general assembly finds and declares that there is a need for uniformity in policies that affect housing supply because:

(a) The state has an interest in planning for future growth. The state demographer estimates that between 2023 and 2040 the state will add an average of thirty-five thousand households per year, and that between 2030 and 2040 the state will add an additional twenty-nine thousand six hundred households per year.

(b) Housing supply impacts housing affordability. Housing prices are typically higher when housing supply is restricted by local land use regulations in the metropolitan region, according to studies such as the National Bureau of Economic Research's working papers "Regulation and Housing Supply", "The Impact of Zoning on Housing Affordability", and "The Impact of Local Residential Land Use Restrictions on Land Values Across and Within Single Family Housing Markets".

(c) Increasing housing supply moderates price increases and improves housing affordability across all incomes, according to studies such as "The Economic Implications of Housing Supply" in the Journal of Economic Perspectives and "Supply Skepticism: Housing Supply and Affordability" in Housing Policy Debate;

(d) Academic research such as "The Impact of Building Restrictions on Housing Affordability" in the Federal Reserve Bank of New York Economic Policy Review has identified zoning and other land use controls as a primary driver of rising housing costs in the most expensive housing markets;

(e) Local land use regulations influence what types of housing are built throughout the state and can restrict more affordable housing options;
(f) Between 2000 and 2019, over seventy percent of homes built in Colorado were single-unit detached dwellings, while less than three percent of homes were duplexes to quadplexes, and less than twenty-five percent of homes were homes in multifamily buildings with five or more units, according to the American Community Survey;

(g) Middle housing and multifamily housing types are more affordable than detached dwellings, in part because land costs are shared between more households;

(h) In 2019, Colorado duplexes and larger multifamily housing units cost between fourteen to forty-three percent less to own, and between nine to twenty-six percent less to rent, than single-unit detached dwellings depending on the type of housing, according to the American Community Survey;

(i) Proposed market-rate and affordable housing projects are routinely delayed or denied due to discretionary and subjective political processes and land use regulations that limit denser development either directly or indirectly;

(j) According to a 2022 article titled "Does Discretion Delay Development?", in the American Planning Association Journal, residential projects using by-right approval processes are approved twenty-eight percent faster than those using discretionary approval processes, and faster approval times reduce developer costs and therefore housing costs;

(k) Compact housing types such as duplexes, townhomes, and multifamily homes also use significantly less energy for heating, cooling, and electricity than detached dwellings, which saves residents money and results in lower emissions;
(I) In Colorado, household energy savings range from forty percent less for townhomes to seventy percent less for larger multifamily homes compared to single-unit detached dwellings, according to residential housing stock data from the National Renewable Energy Laboratory; and

(m) The state has an interest in ensuring economic mobility by increasing affordable housing opportunities throughout the state:

(I) Researchers have demonstrated that restrictive local land use regulations help explain segregation income within metropolitan areas, which leads to disparate incomes and access to opportunities;

(II) In Colorado, households with the lowest incomes experienced the highest rates of housing cost burden, according to the American Community Survey;

(III) Housing costs can dictate the quality of a child's education, and the highest performing schools are located in areas with the highest housing costs;

(IV) According to a Brookings Institution report entitled "Housing Costs, Zoning, and Access to High Scoring Schools" that analyzed the one hundred largest metropolitan areas in the United States, housing costs an average of two and four-tenths times as much near a high-scoring public school than near a low-scoring one. The same study found that metro areas with the least restrictive zoning have housing cost gaps between high-scoring and low-scoring schools that are sixty-three percent lower than metro areas with the most restrictive zoning.

(V) Researchers have also found that upward mobility is significantly greater in more compact development areas than in low density areas, primarily due to better job accessibility by multiple
transportation modes, according to the study "Does urban sprawl hold down upward mobility?", published in the journal of Landscape and Urban Planning.

(VI) Nationwide, cities with the highest housing costs and lowest vacancy rates experience the highest rates of homelessness, according to a report by the Urban Institute, "Unsheltered Homelessness Trends, Characteristics, and Homeless Histories". These indicators explain a greater portion of the variation in regional rates of homelessness than other commonly assumed factors, such as poverty rate, substance use, or mental illness, according to a study in the European Journal of Housing Policy, "The Economics of Homelessness: The Evidence from North America".

(VII) Through legislation such as House Bill 21-1266 and Senate Bill 21-272, the state has made significant efforts to identify disproportionately impacted communities and to prioritize benefits to these communities;

(VIII) Researchers in the article "Housing Constraints and Spatial Misallocation", in the American Economic Journal, found that restrictions on new housing supply in high productivity places limit the number of workers who have access to jobs in those places, which over the past several decades they estimate has lowered aggregate economic growth in the United States by thirty-six percent;

(IX) Researchers in the study "Unaffordable Housing and Local Employment Growth", published by the Federal Reserve Bank of Boston, found that metropolitan areas in the United States and counties with lower housing affordability experience significantly less employment growth; and
Within regions, national surveys have found that a lack of affordable housing within a reasonable commuting distance impacts businesses' ability to attract and retain workers, according to a literature review conducted by the Center for Housing Policy.

The state has an interest in creating a holistic statewide water management system, and local government decisions that encourage dispersed, low density development negatively affects the state's water supply:

(I) A holistic statewide water management system is essential for creating vibrant communities that balance water supply and demand needs to create a sustainable urban landscape, according to the vision laid out in the Colorado water plan;

(II) Compact infill development reduces water demand and infrastructure costs through shorter pipes that reduce losses, less landscaped space per unit, and better use of existing infrastructure; and

(III) Compared to a single-unit detached dwelling, accessory dwelling units use twenty-two percent less water, small multifamily homes sixty-three percent less, and larger multifamily homes eighty-six percent less, based on data from Denver and Aurora water users analyzed for the Colorado water and growth dialogue Final Report in 2018.

The general assembly finds and declares that there is an extraterritorial impact when local governments enact local ordinances that have impacts that cross jurisdictional lines because:

(I) Local restrictions on housing push people further from their work and increase driving commute times;

(II) Communities with the most restrictive local land use regulations often enable job growth while limiting the ability of housing
growth to keep pace, which affects the pace of housing development in neighboring jurisdictions. This results in regional imbalances between jobs and housing that researchers have found have a significant impact on vehicle miles traveled and commute times, according to studies such as "Which Reduces Vehicle Travel More: Jobs-Housing Balance or Retail-Housing Mixing?", published in the Journal of the American Planning Association.

(III) In the ten rural resort municipalities with the highest jobs to housing ratios in the state, over ninety percent of workers commute from other jurisdictions, according to housing data from the 2020 federal decennial Census and jobs and commuting data from the Longitudinal Employer-Household Dynamics Origin-Destination Employment Dataset from the Census;

(IV) The ten rural resort municipalities with the highest jobs to housing ratios in the state added eighteen percent fewer housing units per capita and their commute times for workers were seventeen percent longer on average than jurisdictions in rural resort counties as a whole, according to data from the 2020 federal decennial Census, American Community Survey, and the Longitudinal Employer-Household Dynamics Origin-Destination Employment Dataset from the Census;

(V) Nationwide, the number of jobs within the typical commute distance for residents in major metropolitan areas has declined over time according to a report by the Brookings Institution titled "The Growing Distance Between People and Jobs in Metropolitan America";

(VI) Coloradans drive more miles per person than they used to, in part due to dispersed, low-density development patterns, putting stress on transportation infrastructure and increasing household costs;
(VII) Since 1981, per capita vehicle miles traveled in Colorado have risen by over twenty percent according to data from the Federal Highway Administration;

(VIII) High transportation costs impact low-income households in particular, with households making less than forty-thousand dollars per year in the western United States spending over twenty-four percent of their income on transportation, when spending more than fifteen percent of income on transportation is considered cost burdened, according to data from the Bureau of Labor Statistics Consumer Expenditure Surveys; and

(IX) In Colorado, households in more dense areas, census tracts with more than four thousand units per square mile or about fifteen units per acre, drive twenty percent less than the state average, and higher density areas, census tracts with more than ten thousand units per square mile or about forty units per acre, drive forty percent less than the state average, according to data from the 2017 National Household Travel Survey; and

(b) The increase in vehicle traffic due to local land use restrictions also has an environmental extraterritorial impact:

(I) Vehicle traffic, which increases when land use patterns are more dispersed, contributes twenty percent of nitrogen oxides emissions, a key ozone precursor, according to the Executive Summary of the Moderate Area Ozone SIP for the 2015 Ozone NAAQS by the Regional Air Quality Council;

(II) The United States environmental protection agency has classified the Denver Metro/North Front Range area as being in severe non-attainment for ozone and ground level ozone, which has serious
impacts on human health, particularly for vulnerable populations;

(III) According to the greenhouse gas pollution reduction roadmap, published by the Colorado energy office and dated January 14, 2021, the transportation sector is the single largest source of greenhouse gas pollution in Colorado;

(IV) Nearly sixty percent of the greenhouse gas emissions from the transportation sector come from light-duty vehicles, the majority of cars and trucks that Coloradans drive every day;

(V) As part of the greenhouse gas pollution reduction roadmap, a strategic action plan to achieve legislatively adopted targets of reducing greenhouse gas pollution economy-wide by fifty percent below 2005 levels by 2030 and ninety percent by 2050, the state committed to reducing emissions from the transportation sector by forty-one percent by 2030 from a 2005 baseline;

(VI) The Greenhouse Gas Transportation Planning Standard adopted by the Transportation Commission in 2021 set a target to reduce transportation greenhouse gas emissions through the transportation planning process by one million five hundred thousand tons by 2030;

(VII) Local government land use decisions that require a minimum amount of parking spaces beyond what is necessary to meet market demand increase vehicle miles traveled and associated greenhouse gas emissions. According to the UCLA Institute of Transportation Studies article titled "What Do Residential Lotteries Show Us About Transportation Choices", higher amounts of free parking provided in residential developments cause higher rates of vehicle ownership, higher rates of vehicle miles traveled, and less frequent transit use.

(VIII) Local government land use decisions that require a
minimum amount of parking spaces increase the cost of new residential projects, which increases housing costs. According to the Regional Transportation District study "Residential Parking in Station Areas: A Study of Metro Denver", structured parking spaces in the Denver metropolitan areas cost twenty-five thousand dollars each to build in 2020, and use space which would otherwise be used for revenue generating residential units, decreasing the profitability of residential development. As a result, parking requirements may discourage developers from building new residential projects, or, if they do move forward with projects, force them to recoup the costs of building excessive parking by increasing housing prices.

(5) (a) Local land use policies that encourage dispersed, low density development have an impact on open space and agricultural land, and exposure to climate hazards outside of their jurisdictional limits:

(I) A study of urbanized areas in the United States, "The Effect of Land-Use Controls on the Spatial Size of U.S. Urbanized Areas", in the Journal of Regional Science, found that the presence of density restrictions such as minimum lot sizes and floor area ratio limits result in larger urbanized areas;

(II) Enabling denser housing near transit and in already developed areas can limit continued loss of agricultural and natural lands;

(III) Between 1982 and 2017, Colorado lost over twenty-five percent of its agricultural cropland, according to data from the National Resources Inventory published by the United States department of agriculture, and, over the same time period, the size of urban and built-up areas grew faster than the population by over one hundred percent compared to eighty-three percent;
(IV) Encouraging growth in infill locations is an important strategy for minimizing wildfire risk by limiting the growth of households in fire-prone areas; and

(V) Between 2012 and 2017, the number of people living in the wildland-urban interface grew from two million to two million nine hundred thousand, according to the Colorado state forest service.

(VI) Therefore, the general assembly finds, determines and declares that local government land use decisions that limit housing and encourage dispersed low-density development impact local and state government fiscal health and the business community.

SECTION 2. In Colorado Revised Statutes, add article 33 to title 29 as follows:

ARTICLE 33

State Land Use Requirements For Affordable Housing

PART 1

HOUSING NEEDS PLANNING

29-33-101. Legislative declaration. (1) (a) The general assembly hereby finds, determines, and declares that:

(I) Colorado lacks a coordinated process to set goals, develop solutions, and track progress towards meeting statewide, regional, and local housing needs;

(II) Consistent information about statewide, regional, and local housing needs is essential in developing equitable and effective housing policies and strategies and improving efforts to increase housing affordability over time;

(III) Housing markets expand beyond the borders of individual local governments, and information is required on a
LOCAL, REGIONAL, AND STATEWIDE SCALE TO MAKE A HOLISTIC PLAN FOR
ADDRESSING HOUSING NEEDS;

(IV) ALTHOUGH SOME LOCAL GOVERNMENTS WORK TO ASSESS
AND ADDRESS HOUSING NEEDS, THESE LOCAL GOVERNMENTS USE
DIFFERENT METHODOLOGIES, DO THIS WORK AT DIFFERENT TIMES, AND
LACK REGIONAL COORDINATION;

(V) LOCAL GOVERNMENTS THAT DO NOT ALLOW HOUSING SUPPLY
TO KEEP PACE WITH HOUSEHOLD AND JOB GROWTH IN THEIR JURISDICTIONS
EXPORT THEIR HOUSING NEEDS TO NEIGHBORING COMMUNITIES, CAUSING
REGIONAL IMBALANCES THAT IMPACT EQUITY, POLLUTION,
INFRASTRUCTURE COSTS, AND QUALITY OF LIFE;

(VI) REQUIRING LOCAL GOVERNMENTS TO PLAN FOR AND
IMPLEMENT STRATEGIES TO MEET AN EQUITABLE AMOUNT OF THEIR
REGION'S HOUSING DEMAND WILL HELP MITIGATE THESE IMBALANCES AND
THEIR NEGATIVE IMPACTS; AND

(VII) THE STATE MANAGES MULTIPLE GRANT-BASED PROGRAMS
DESIGNED TO HELP LOCAL GOVERNMENTS ASSESS AND MEET HOUSING
NEEDS, AND THESE PROGRAMS WILL BE ABLE TO MORE EFFECTIVELY
ADDRESS HOUSING ISSUES WITH MORE COMPREHENSIVE AND CONSISTENT
INFORMATION INFORMED BY REGIONAL AND STATEWIDE DATA.

(b) THEREFORE, THE GENERAL ASSEMBLY DECLARES THAT
ASSESSING AND PLANNING FOR HOUSING NEEDS THROUGHOUT THE STATE
IS A MATTER OF MIXED STATEWIDE AND LOCAL CONCERN.

29-33-102. Definitions. As used in this Article 33, unless the
context otherwise requires:

(1) "ACCESSIBLE UNIT" MEANS A HOUSING UNIT THAT SATISFIES
THE REQUIREMENTS OF THE FEDERAL "FAIR HOUSING ACT", 42 U.S.C. SEC.
3601 ET SEQ., AS AMENDED.

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

(a) PROVIDES COMPLETE INDEPENDENT LIVING FACILITIES FOR ONE OR MORE PERSONS;

(b) IS LOCATED ON THE SAME LOT AS A PROPOSED OR EXISTING PRIMARY RESIDENCE; AND

(c) INCLUDES PROVISIONS FOR LIVING, SLEEPING, EATING, COOKING, AND SANITATION.

(3) "AFFORDABLE HOUSING" MEANS HOUSING FOR WHICH LOW- AND MODERATE-INCOME HOUSEHOLDS DO NOT SPEND MORE THAN THIRTY PERCENT OF THEIR HOUSEHOLD INCOME.

(4) "BUS RAPID TRANSIT" MEANS A BUS-BASED TRANSIT SERVICE THAT:

(a) DELIVERS FAST AND EFFICIENT SERVICE; AND

(b) INCLUDES AT LEAST ONE OF THE FOLLOWING:

(I) DEDICATED LANES;

(II) BUSWAYS;

(III) TRAFFIC SIGNAL PRIORITY;

(IV) OFF-BOARD FARE COLLECTION;

(V) ELEVATED PLATFORMS; OR

(VI) ENHANCED STATIONS.

(5) "COMMUTER BUS RAPID TRANSIT SERVICE" MEANS A BUS RAPID TRANSIT SERVICE THAT OPERATES ON A LIMITED-ACCESS HIGHWAY FOR THE MAJORITY OF ITS ROUTE.

(6) "COTTAGE CLUSTER" MEANS A GROUPING OF NO FEWER THAN FOUR DETACHED HOUSING UNITS, EACH HOUSING UNIT HAVING A
FOOTPRINT OF NO MORE THAN NINE HUNDRED SQUARE FEET, AND THE
GROUPING HAVING A COMMON COURTYARD.

(7) "DESIGN STANDARD" MEANS A STANDARD THAT RELATES TO
THE AESTHETICS OF A PROJECT OR THE QUALITY OF CONSTRUCTION
MATERIALS USED IN A PROJECT.

(8) "DISCRETIONARY APPROVAL PROCESS" MEANS A DEVELOPMENT
APPROVAL PROCESS CONDUCTED PURSUANT TO LOCAL LAW THAT
REQUIRES A PUBLIC BODY OR OFFICIAL TO MAKE SUBJECTIVE
DETERMINATIONS INCLUDING DETERMINATIONS OF CONSISTENCY WITH
LOCAL PLANS, COMPATIBILITY OR HARMONY WITH SURROUNDING LAND
USES OR DEVELOPMENT, OR STRATEGIES FOR MITIGATING PROJECT
IMPACTS.

(9) "DISPLACEMENT" MEANS THE UNWANTED RELOCATION OF
RESIDENTS DUE TO INCREASED REAL ESTATE PRICES, RENTS, OR OTHER
ECONOMIC FACTORS.

(10) "DWELLING UNIT" MEANS A SINGLE UNIT PROVIDING
COMPLETE INDEPENDENT LIVING FACILITIES FOR ONE OR MORE PERSONS,
INCLUDING PERMANENT PROVISIONS FOR COOKING, EATING, LIVING,
SANITATION, AND SLEEPING.

(11) "FIXED-RAIL TRANSIT STATION" MEANS A STATION FOR
PASSENGER RAIL TRANSIT THAT USES AND OCCUPIES A SEPARATE
RIGHT-OF-WAY OR RAIL LINE, INCLUDING COMMUTER RAIL AND LIGHT
RAIL.

(12) "GROSS DENSITY" MEANS THE NUMBER OF RESIDENTIAL UNITS
PER ACRE OF TOTAL RESIDENTIAL LAND AREA, INCLUDING LAND OCCUPIED
BY PUBLIC AND PRIVATE RIGHTS-OF-WAY AND ANY RECREATIONAL, CIVIC,
COMMERCIAL, AND OTHER NONRESIDENTIAL USES.
(13) "HISTORIC DISTRICT" MEANS A DISTRICT ESTABLISHED BY LOCAL LAW THAT MEETS THE DEFINITION OF "DISTRICT" SET FORTH IN 36 CFR 60.3 (d).

(14) "LOCAL GOVERNMENT" MEANS A HOME RULE OR STATUTORY CITY, TOWN, TERRITORIAL CHARTER CITY, OR CITY AND COUNTY.

(15) "LOCAL INCLUSIONARY ZONING ORDINANCE" MEANS A LOCAL LAW ENACTED PURSUANT TO SECTION 29-20-104 (1)(e.5) TO EITHER REQUIRE OR INCENTIVIZE THE CONSTRUCTION OF AFFORDABLE OR REGULATED AFFORDABLE HOUSING UNITS WITHIN MIXED-INCOME DEVELOPMENTS. AS USED IN THIS SUBSECTION (15), "MIXED-INCOME DEVELOPMENT" HAS THE SAME MEANING AS SET FORTH IN SECTION 24-32-130 (1)(f).

(16) "LOCAL LAW" MEANS ANY CODE, LAW, ORDINANCE, POLICY, REGULATION, OR RULE ENACTED BY A LOCAL GOVERNMENT THAT GOVERNS THE DEVELOPMENT AND USE OF LAND, INCLUDING LAND USE CODES, ZONING CODES, AND SUBDIVISION CODES.


(18) "MIDDLE HOUSING" MEANS A TYPE OF HOUSING THAT INCLUDES A:

(a) BUILDING DESIGNED AS A SINGLE STRUCTURE CONTAINING BETWEEN TWO AND SIX SEPARATE DWELLING UNITS;

(b) TOWNHOME; OR

(c) COTTAGE CLUSTER.

(19) "MINIMUM RESIDENTIAL DENSITY LIMIT" MEANS THE LOWEST DENSITY LIMIT A LOCAL GOVERNMENT MAY IMPOSE FOR NEW RESIDENTIAL
OR MIXED-USE DEVELOPMENT. LOCAL GOVERNMENTS MAY ALLOW HIGHER DENSITY DEVELOPMENT THAN THE MINIMUM RESIDENTIAL DENSITY LIMIT.

(20) "Mixed-use development" means a development project that integrates multiple land use types.

(21) "Multi-agency advisory committee" means an advisory group without decision-making authority composed of:

(a) The executive director of the department of local affairs, or the executive director's designee;

(b) The executive director of the Colorado energy office, or the executive director's designee;

(c) The executive director of the department of transportation, or the executive director's designee; and

(d) The executive director of the department of natural resources, or the executive director's designee.

(22) "Multi-agency group" means a group composed of staff from:

(a) The division of local government in the department of local affairs;

(b) The Colorado energy office;

(c) The department of natural resources; and

(d) The department of transportation.

(23) "Multifamily residential housing" means a building or group of buildings on the same lot with separate living units for three or more households.

(24) "Net density" means the number of residential units per acre of total residential land area, excluding land occupied by public rights-of-way and any recreational, civic, commercial,
AND OTHER NONRESIDENTIAL USES.

(25) "OBJECTIVE PROCEDURE" MEANS A DEVELOPMENT REVIEW
PROCEDURE OR PROCESS THAT DOES NOT INVOLVE A DISCRETIONARY
APPROVAL PROCESS.

(26) "OBJECTIVE STANDARD" MEANS A STANDARD THAT BOTH:

(a) DOES NOT REQUIRE A PUBLIC BODY OR OFFICIAL TO MAKE A
PERSONAL OR SUBJECTIVE JUDGMENT; AND

(b) IS UNIFORMLY VERIFIABLE OR ASCERTAINABLE BY REFERENCE
TO AN EXTERNAL OR UNIFORM BENCHMARK OR CRITERION THAT IS
AVAILABLE AND KNOWABLE BY THE DEVELOPMENT APPLICANT OR
PROPOSER AND THE PUBLIC BODY OR OFFICIAL PRIOR TO THE
DEVELOPMENT APPLICANT OR PROPONENT’S FILING OF A DEVELOPMENT
PROPOSAL.

(27) "POPULATION" MEANS POPULATION AS OF THE MOST RECENT
FEDERAL DECENNIAL CENSUS.

(28) "REGULATED AFFORDABLE HOUSING" MEANS AFFORDABLE
HOUSING CREATED OR SUPPORTED BY PUBLIC SUBSIDIES, LOCAL
INCLUSIONARY ZONING ORDINANCES, OR OTHER REGULATIONS THAT
RESTRICT OR LIMIT RESIDENT INCOME LEVELS FOR A SPECIFIED PERIOD.

(29) "RURAL RESORT JOB CENTER MUNICIPALITY" MEANS A
MUNICIPALITY THAT:

(a) IS NOT WITHIN A METROPOLITAN PLANNING ORGANIZATION;

(b) HAS A POPULATION OF ONE THOUSAND OR MORE;

(c) HAS AT LEAST ONE THOUSAND TWO HUNDRED JOBS ACCORDING
TO THE MOST RECENT UNITED STATES CENSUS BUREAU LONGITUDINAL
EMPLOYER-HOUSEHOLD DYNAMICS ORIGIN-DESTINATION EMPLOYMENT
STATISTICS;
(d) has a minimum jobs-to-population ratio of sixty-four hundredths; and

(e) has a transit stop serviced by a transit agency that serves at least two municipalities and with service that includes an average of at least twenty headway trips per day, as of January 1, 2023.

(30) "Short-term rental" means a building or a portion of a building designed for use predominantly as a place of residence by a person or a family that is provided to an individual or business for fewer than thirty consecutive days in exchange for monetary payment.

(31) "Single-unit detached dwelling" means a detached building with a single dwelling unit and on a single lot.

(32) "Standard exempt parcel" means a parcel that:

(a) lies entirely outside of an area that is designated as an urbanized area by the most recent federal decennial census;

(b) is not served by a domestic water and sewage treatment system, as defined in section 24-65.1-104 (5);

(c) is in an agricultural zoning district as of January 1, 2023;

(d) is in an area of the wildland-urban interface identified by the state forest service in its statewide risk assessment map as high risk, high-very high risk, and very high risk for wildfires; or

(e) is in a floodway or in a one hundred year floodplain, as identified by the federal emergency management agency.

(33) "Tier one urban municipality" means either:
(a) A MUNICIPALITY THAT:

(I) IS WITHIN A METROPOLITAN PLANNING ORGANIZATION THAT

HAS A POPULATION OF ONE MILLION OR MORE;

(II) HAS AT LEAST TEN PERCENT OF ITS LAND WITHIN AN AREA

THAT IS DESIGNATED AS AN URBANIZED AREA BY THE MOST RECENT

FEDERAL DECENNIAL CENSUS WITH A POPULATION GREATER THAN

SEVENTY-FIVE THOUSAND; AND

(III) HAS A POPULATION OF AT LEAST ONE THOUSAND; OR

(b) A MUNICIPALITY THAT IS:

(I) WITHIN A METROPOLITAN PLANNING ORGANIZATION THAT HAS

A POPULATION OF LESS THAN ONE MILLION; AND

(II) HAS A POPULATION OF AT LEAST TWENTY-FIVE THOUSAND.

(34) "TIER TWO URBAN MUNICIPALITY" MEANS A MUNICIPALITY

THAT DOES NOT SATISFY THE DEFINITION OF A TIER ONE URBAN

MUNICIPALITY AND:

(a) IS WITHIN A METROPOLITAN PLANNING ORGANIZATION;

(b) HAS A POPULATION OF BETWEEN FIVE THOUSAND AND

TWENTY-FIVE THOUSAND; AND

(c) IS IN A COUNTY WITH A POPULATION OF TWO HUNDRED FIFTY

THOUSAND OR MORE.

(35) "TOWNHOME" MEANS A DWELLING UNIT CONSTRUCTED IN A

ROW OF TWO OR MORE ATTACHED DWELLING UNITS WHERE EACH

DWELLING UNIT IS LOCATED ON AN INDIVIDUAL LOT AND SHARES AT LEAST

ONE COMMON WALL WITH AN ADJACENT DWELLING UNIT.

(36) "TRANSIT-ORIENTED AREA" MEANS AN AREA WHERE ALL

PARCELS HAVE AT LEAST TWENTY-FIVE PERCENT OF THEIR AREA WITHIN

ONE-HALF MILE OF AN EXISTING FIXED-RAIL TRANSIT STATION. FOR THE
PURPOSES OF THIS SUBSECTION (36), A FIXED-RAIL TRANSIT STATION IS A FIXED-RAIL TRANSIT SERVICE BOARDING AND EXITING LOCATION OR STATION FOR THE GENERAL PUBLIC.

(37) "URBAN BUS RAPID TRANSIT SERVICE" MEANS A BUS RAPID TRANSIT SERVICE THAT OPERATES ON A SURFACE STREET FOR THE MAJORITY OF ITS ROUTE.

(38) "URBAN MUNICIPALITY" MEANS BOTH A TIER ONE AND A TIER TWO URBAN MUNICIPALITY.

(39) "USE BY RIGHT" MEANS DEVELOPMENT THAT PROCEEDS UNDER OBJECTIVE STANDARDS SET FORTH IN ZONING OR OTHER LOCAL LAWS AND THAT DOES NOT HAVE A DISCRETIONARY APPROVAL PROCESS.

29-33-103. Housing needs assessments - methodology.

(1) (a) The executive director of the department of local affairs shall issue a methodology for developing statewide, regional, and local housing needs assessments.

(b) The multi-agency advisory committee, in consultation with the state demography office, shall, as part of the public comment and hearing process established in section 29-33-108(2), develop recommendations to provide to the executive director of the department of local affairs concerning the methodology for developing statewide, regional, and local housing needs assessments.

(2) At a minimum, the methodology for developing housing needs assessments must include:

(a) For the statewide housing needs assessment, methods to:

(1) Estimate existing housing stock;
(II) CONDUCT A HOUSING SHORTAGE ANALYSIS; AND

(III) ESTIMATE THE HOUSING NECESSARY BY HOUSEHOLD SIZE, HOUSEHOLD TYPE, AND INCOME LEVEL TO ACCOMMODATE THE DEMOGRAPHIC AND POPULATION TRENDS FORECAST BY THE STATE DEMOGRAPHER;

(b) FOR REGIONAL HOUSING NEEDS ASSESSMENTS, METHODS TO:

(I) ALLOCATE REGIONAL SHARES OF THE STATEWIDE HOUSING NEEDS IDENTIFIED IN THE STATEWIDE HOUSING NEEDS ASSESSMENT TO EACH REGION, BASED ON:

(A) EXISTING AND PROJECTED HOUSING SHORTAGES AND SURPLUSES FOR DIFFERENT HOUSEHOLD TYPES AND INCOME LEVELS;

(B) EXISTING HOUSING DIVERSITY AND STOCK; AND

(C) FUTURE POPULATION AND JOB GROWTH PROJECTIONS; AND

(II) DESIGNATE REGIONS BASED ON THE BOUNDARIES OF METROPOLITAN PLANNING ORGANIZATIONS, RURAL REGIONS, AND RURAL RESORT REGIONS. THE DESIGNATION OF RURAL REGIONS AND RURAL RESORT REGIONS MUST BE BASED ON REGIONAL COMMUTING PATTERNS AMONG OTHER FACTORS.

(c) FOR LOCAL HOUSING NEEDS ASSESSMENTS, METHODS TO ALLOCATE LOCAL SHARES OF THE STATEWIDE HOUSING NEEDS IDENTIFIED IN THE STATEWIDE HOUSING NEEDS ASSESSMENT TO A LOCAL GOVERNMENT, BASED ON:

(I) THE CURRENT PROPORTION OF THE LOCALITY’S POPULATION IN DIFFERENT HOUSEHOLD INCOME LEVELS;

(II) THE LOCALITY’S CURRENT MEDIAN INCOME;

(III) THE LOCALITY’S JOB-HOUSING BALANCE;

(IV) THE LOCALITY’S POPULATION AND DEMOGRAPHICS;
(V) Measures of local resources in the locality;
(VI) Vacancy rates in the locality; and
(VII) Rates of homelessness in the locality.

(3) (a) No later than December 31, 2024, and every five years thereafter, in accordance with the methodologies for developing housing needs assessments, the executive director of the department of local affairs, with input from the multi-agency advisory committee, shall produce statewide, regional, and local housing needs assessments with twenty-year planning forecasts.

(b) Each of the assessments must include for the relevant area, based on state demographic data during the twenty-year planning period, estimates of:

(I) Housing needs in the area sorted by income levels, unit sizes, and unit types including accessible units and supportive housing;

(II) The number of households in the area;

(III) The number of jobs in the area;

(IV) The area's population and demographics; and

(V) The area's existing housing stock;

(c) Local governments that are required to complete housing needs plans must use the local and regional housing needs assessments to inform their housing needs plans.

29-33-104. Housing needs plans - guidance - definition.

(1) (a) No later than December 31, 2024, the executive director of the department of local affairs shall issue guidance for creating a housing needs plan.
(b) The multi-agency advisory committee shall, as part of the public comment and hearing process established in Section 29-33-108 (2), develop recommendations to provide to the executive director of the department of local affairs concerning guidance for creating a housing needs plan.

(2) The guidance for creating a housing needs plan must include guidance specifically for both rural resort job center municipalities and urban municipalities.

(3) (a) No later than December 31, 2026, and every five years thereafter, in accordance with the guidance for creating a housing needs plan, every rural resort job center municipality and urban municipality shall develop, adopt, and submit to the department of local affairs a housing needs plan. The department of local affairs shall post the submitted plans publicly on its website.

(b) Before adopting and submitting a housing needs plan, a rural resort job center municipality or urban municipality shall publish the most recent draft of its housing needs plan and provide notice of a public comment period for the receipt of written comments concerning the plan. The rural resort job center municipality or urban municipality may also choose to hold a public hearing on the plan.

(4) A housing needs plan must include:

(a) A narrative description of the stakeholder engagement conducted during the development of the housing needs plan;

(b) An analysis of how the rural resort job center
MUNICIPALITY OR URBAN MUNICIPALITY WILL PROVIDE A REALISTIC OPPORTUNITY FOR DEVELOPMENT THAT WILL ADDRESS ITS LOCAL HOUSING NEEDS ASSESSMENT, INCLUDING THE DEMONSTRATED HOUSING NEEDS FOR PERSONS OF DIFFERENT INCOME LEVELS, OVER THE NEXT TWENTY YEARS WITH AN EQUITABLE DISTRIBUTION OF HOUSING WITHIN THE JURISDICTION;

(c) A HOUSING NEEDS IMPLEMENTATION PLAN, WHICH MUST DESCRIBE HOW THE RURAL RESORT JOB CENTER MUNICIPALITY OR URBAN MUNICIPALITY HAS COMPLIED WITH THE APPLICABLE HOUSING REQUIREMENTS OF THIS ARTICLE 33 FOR ACCESSORY DWELLING UNITS, MIDDLE HOUSING, TRANSIT-ORIENTED AREAS, AND KEY CORRIDORS, AND THE IMPLEMENTATION STATUS OF ANY RELEVANT ADOPTED LOCAL LAWS THAT SATISFY THE MINIMUM STANDARDS ESTABLISHED IN THIS ARTICLE 33 OR OF ANY MODEL CODES;

(d) A GREENFIELD DEVELOPMENT ANALYSIS, AS DEFINED IN SUBSECTION (6) OF THIS SECTION, WHICH THE RURAL RESORT JOB CENTER MUNICIPALITY OR URBAN MUNICIPALITY SHALL ALSO PROVIDE TO THE DIVISION OF LOCAL GOVERNMENT WITHIN THE DEPARTMENT OF LOCAL AFFAIRS;

(e) (I) A DESCRIPTION OF AT LEAST TWO STRATEGIES THAT THE RURAL RESORT JOB CENTER MUNICIPALITY OR URBAN MUNICIPALITY ADOPTS FROM THE MENU OF AFFORDABILITY STRATEGIES DESCRIBED IN SECTION 29-33-105. THESE STRATEGIES MUST BOTH ADDRESS HOUSING NEEDS AND MAKE PROGRESS TOWARD MEETING DEMONSTRATED HOUSING NEEDS ACROSS ALL HOUSEHOLD INCOMES AND TYPES IDENTIFIED IN THE LOCAL HOUSING NEEDS ASSESSMENT; AND

(II) AN IMPLEMENTATION PLAN AND THE ANTICIPATED OUTCOMES FOR EACH OF THE STRATEGIES ADOPTED PURSUANT TO THIS SUBSECTION
(4)(e); 

(f) In the case of a rural resort job center municipality or urban municipality with a transit-oriented area, at least three strategies adopted pursuant to subsection (4)(e) of this section; and

(g) in the case of an urban municipality, a narrative analysis of any area at elevated risk of residential displacement that the urban municipality has identified and a description of and implementation plan for the strategies from the menu of displacement mitigation measures described in section 29-33-106, that the urban municipality will use to mitigate identified displacement risks in these areas.

(5) When updating its master plan, a rural resort job center municipality or urban municipality shall include its most recent housing needs plan in its master plan.

(6) As used in this section, a "greenfield development analysis" means an analysis in which a local government classifies any area that is located in a metropolitan planning organization but outside of a census urbanized area identified in a master plan or outside of a plan required by section 31-12-105(1)(e) as a conservation area, efficient growth area, or general growth area. In making this identification, a local government shall rely on the criteria and definitions in the strategic growth objectives most recently published by the executive director of the department of local affairs. These designations provide information to state and regional entities for planning processes, project prioritization, and grant funding.
29-33-105. Menu of affordability strategies. (1) (a) No later than December 31, 2024, the Executive Director of the Department of Local Affairs shall develop and publish a menu of affordability strategies that includes strategies to address housing production, preservation, and affordability.

(b) The Multi-Agency Advisory Committee shall, as part of the public comment and hearing process established in section 29-33-108 (2), develop recommendations to provide to the Executive Director of Local Affairs concerning the development of a menu of affordability strategies.

(2) The menu of affordability strategies must identify which strategies may be most effective for rural resort job center municipalities and which strategies may be most effective for urban municipalities.

(3) The menu of affordability strategies may include the following:

(a) Strategies proposed by local governments to the Multi-Agency Advisory Committee;

(b) Sustainable land use best practices identified in section 24-32-133 (2); and

(c) Policy or regulatory tools that local governments may adopt as incentives to promote affordable housing development as identified in section 24-32-130 (3).

29-33-106. Menu of displacement mitigation measures for urban municipalities. (1) (a) No later than December 31, 2024, the Executive Director of the Department of Local Affairs shall
DEVELOP A MENU OF DISPLACEMENT MITIGATION MEASURES FOR URBAN MUNICIPALITIES.

(b) The multi-agency advisory committee shall, as part of the public comment and hearing process established in section 29-33-108 (2), develop recommendations to provide to the executive director of local affairs concerning the development of a menu of displacement mitigation measures.

(2) The menu of displacement mitigation measures must:

(a) provide guidance to identify the highest risks for displacement using objective standards;

(b) provide guidance and recommendations for how a local government shall incorporate anti-displacement measures into a housing needs plan; and

(c) include displacement mitigation measures local governments may choose from in developing a housing needs plan.

29-33-107. Strategic growth objectives - reporting. (1) (a) No later than March 31, 2024, the executive director of the department of local affairs shall publish a report that identifies strategic growth objectives.

(b) The multi-agency advisory committee shall, as part of the public comment and hearing process established in section 29-33-108 (2), develop recommendations to provide to the executive director of the department of local affairs concerning strategic growth objectives.

(2) The executive director of the department of local affairs shall identify strategic growth objectives, the implementation of which will incentivize growth that meets
STATE GOALS, INCLUDING REDUCING THE STATE'S GREENHOUSE GAS
EMISSIONS, IN AREAS NEAR TRANSIT, INFILL AREAS, AND AT THE EDGES OF
URBAN AREAS.

(3) THE STRATEGIC GROWTH OBJECTIVES MUST:

(a) GUIDE STATE, REGIONAL, AND LOCAL PLANNING AGENCIES IN
UPDATING RELEVANT PLANS;

(b) INFORM STATE FUNDING DECISIONS, SO THAT THEY BETTER
ALIGN WITH THE HOUSING POLICIES SET IN THIS ARTICLE 33;

(c) PROVIDE DEFINITIONS OF, AND CRITERIA TO IDENTIFY,
CONSERVATION AREAS, EFFICIENT GROWTH AREAS, GENERAL GROWTH
AREAS, AND ANY OTHER AREA DESIGNATIONS TO BE DETERMINED; AND

(d) RECOMMEND HOW TO STREAMLINE STATE AGENCY PROCESSES
THAT IMPACT DEVELOPMENT.

(4) NO LATER THAN MARCH 31, 2024, THE MULTI-AGENCY GROUP
SHALL SUBMIT A REPORT TO THE GENERAL ASSEMBLY. THE REPORT MUST
ADDRESS HOW TO IMPLEMENT THE STRATEGIC GROWTH OBJECTIVES. THE
REPORT MUST ASSESS THE IMPACT OF DEVELOPMENT PATTERNS AND
INFRASTRUCTURE SYSTEMS ON THE FISCAL HEALTH OF LOCAL, REGIONAL,
AND STATE AGENCIES IN COLORADO, LOCALITIES, AND THE STATE. THE
REPORT MAY IDENTIFY LEGISLATION OR RULEMAKING THAT WOULD
IMPROVE THE FISCAL HEALTH OF INFRASTRUCTURE SYSTEMS.

29-33-108. Public comment and hearing process. (1) IN
DEVELOPING RECOMMENDATIONS CONCERNING GUIDANCE FOR THE
EXECUTIVE DIRECTOR OF THE DEPARTMENT OF LOCAL AFFAIRS, THE
MULTI-AGENCY ADVISORY COMMITTEE SHALL CONDUCT A PUBLIC
COMMENT AND HEARING PROCESS ABOUT:

(a) DEVELOPING METHODOLOGY FOR THE DEVELOPMENT OF
STATEWIDE, REGIONAL, AND LOCAL HOUSING NEEDS ASSESSMENTS
PURSUANT TO SECTION 29-33-103;

(b) CREATING A HOUSING NEEDS PLAN PURSUANT TO SECTION 29-33-104;

(c) DEVELOPING A MENU OF AFFORDABILITY STRATEGIES THAT INCLUDES STRATEGIES TO ADDRESS HOUSING PRODUCTION, PRESERVATION, AND AFFORDABILITY PURSUANT TO SECTION 29-33-105;

(d) DEVELOPING A MENU OF DISPLACEMENT MITIGATION MEASURES FOR URBAN MUNICIPALITIES PURSUANT TO SECTION 29-33-106;

(e) PUBLISHING A REPORT THAT IDENTIFIES STRATEGIC GROWTH OBJECTIVES PURSUANT TO SECTION 29-33-107; AND

(f) DEVELOPING REPORTING GUIDANCE AND TEMPLATES FOR RURAL RESORT JOB CENTER MUNICIPALITIES AND URBAN MUNICIPALITIES PURSUANT TO SECTION 29-33-112.

(2) TO CONDUCT THE PUBLIC COMMENT AND HEARING PROCESS REQUIRED BY SUBSECTION (1) OF THIS SECTION, THE MULTI-AGENCY ADVISORY COMMITTEE SHALL:

(a) PROVIDE PUBLIC NOTICE AND HOLD AT LEAST TWO PUBLIC MEETINGS AT WHICH MEMBERS OF THE PUBLIC HAVE AN OPPORTUNITY TO COMMENT ON THE SUBJECT OF THE HEARING;

(b) ALLOW THE SUBMISSION OF WRITTEN COMMENTS ON THE SUBJECT OF THE HEARING;

(c) CONDUCT OUTREACH TO AND SOLICIT FEEDBACK FROM LOCAL GOVERNMENTS AND REGIONAL PLANNING AGENCIES; AND

(d) CONSULT WITH EXPERTS IN DISABILITY RIGHTS, AFFORDABLE HOUSING, FAIR HOUSING, PLANNING AND ZONING, AND RELATED FIELDS.


(a) CONNECTIVITY TO OPEN SPACE AND NATURAL LANDS; AND

(b) PRESERVATION OF AGRICULTURAL LAND AND OPEN SPACE.

(2) THE DEPARTMENT OF LOCAL AFFAIRS SHALL PUBLISH THE REPORT AND MAKE IT AVAILABLE AS A RESOURCE FOR LOCAL GOVERNMENTS FOR USE IN DEVELOPING MASTER PLANS PURSUANT TO SECTIONS 30-28-106 (6.5)(d) AND 31-23-206 (6.5)(d) AS APPLICABLE.

29-33-110. Regional collaboration - rural resort regional housing needs plan process. (1) (a) NO LATER THAN JUNE 30, 2026, A COUNTY OR MUNICIPALITY WITHIN A REGION DEFINED AS A RURAL RESORT REGION IN THE REGIONAL HOUSING NEEDS ASSESSMENT SHALL PARTICIPATE IN A REGIONAL HOUSING NEEDS PLANNING PROCESS.

(b) A REGIONAL HOUSING NEEDS PLANNING PROCESS MUST ENCOURAGE PARTICIPATING COUNTIES AND MUNICIPALITIES TO IDENTIFY STRATEGIES THAT ADDRESS THE HOUSING NEEDS ASSIGNED TO THOSE COUNTIES AND MUNICIPALITIES IN LOCAL HOUSING NEEDS ASSESSMENTS THROUGH EITHER:

(I) THE ADOPTION OF STRATEGIES BY AN INDIVIDUAL COUNTY OR MUNICIPALITY; OR
(II) THE ADOPTION OF STRATEGIES THROUGH INTERGOVERNMENTAL AGREEMENTS.

(c) A REGIONAL HOUSING NEEDS PLANNING PROCESS MUST INCLUDE:

(I) A MAP IDENTIFYING LOCATIONS WHERE MINIMUM STANDARDS FOR MIDDLE HOUSING, TRANSIT-ORIENTED AREAS, AND KEY CORRIDORS CAN MEET THE HOUSING NEEDS IDENTIFIED IN THE REGIONAL HOUSING NEEDS ASSESSMENT;

(II) PRIORITY STRATEGIES FROM THE MENU OF AFFORDABILITY STRATEGIES DEVELOPED IN SECTION 29-33-105 THAT SUPPORT MEETING THE AFFORDABILITY LEVELS IDENTIFIED IN THE REGIONAL HOUSING NEEDS ASSESSMENT; AND

(III) LOCATIONS WHERE THE REDUCTION OF PARKING MINIMUMS CAN ALLEVIATE HOUSING AFFORDABILITY NEEDS.

(d) (I) AT THE CONCLUSION OF A REGIONAL HOUSING NEEDS PLANNING PROCESS, A REPORT MUST BE SUBMITTED TO THE DEPARTMENT OF LOCAL AFFAIRS THAT DOCUMENTS THE OUTCOMES ACHIEVED BY AND COMMITMENTS MADE BY THE COUNTIES AND MUNICIPALITIES THAT PARTICIPATED IN THE REGIONAL HOUSING NEEDS PROCESS IN MEETING THE REGIONAL HOUSING NEEDS ASSESSMENT BY:

(A) AN ENTITY AGREED UPON BY ALL OF THE COUNTIES AND MUNICIPALITIES WHO PARTICIPATE IN THE REGIONAL HOUSING NEEDS PLANNING PROCESS IF THEY CAN AGREE ON SUCH AN ENTITY; OR

(B) IF THE COUNTIES AND MUNICIPALITIES CANNOT AGREE UPON AN ENTITY PURSUANT TO SUBSECTION (1)(d)(I)(A) OF THIS SECTION, THE MULTI-AGENCY GROUP.

(II) THE DEPARTMENT OF LOCAL AFFAIRS SHALL REVIEW THE
REGIONAL HOUSING NEEDS PLANNING PROCESS REPORT AND ASSESS THE 
APPLICABILITY OF THE STRATEGIES IDENTIFIED IN THE REPORT IN MEETING 
THE HOUSING NEEDS IDENTIFIED IN THE REGIONAL HOUSING NEEDS 
ASSESSMENT. AFTER REVIEWING THE REPORT, THE DEPARTMENT OF LOCAL 
AFFAIRS SHALL APPROVE THE REPORT OR PROVIDE FEEDBACK AS NEEDED. 
(e) ONLY PARTS OF A RURAL RESORT JOB CENTER MUNICIPALITY 
THAT ARE IDENTIFIED IN A REGIONAL HOUSING NEEDS ASSESSMENT 
IDENTIFIED IN THE MAP INCLUDED IN THE HOUSING NEEDS PLANNING 
PROCESS PURSUANT TO SUBSECTION (1)(c)(I) OF THIS SECTION ARE 
SUBJECT TO THE MODEL CODES AND MINIMUM STANDARDS FOR MIDDLE 
HOUSING AND KEY CORRIDORS.

(2) WITHIN SIX MONTHS OF CONCLUDING A REGIONAL HOUSING 
NEEDS PLANNING PROCESS AS DESCRIBED IN SUBSECTION (1) OF THIS 
SECTION, A RURAL RESORT JOB CENTER MUNICIPALITY SHALL SUBMIT A 
LOCAL HOUSING NEEDS PLAN TO THE DEPARTMENT OF LOCAL AFFAIRS 
THAT BOTH COMPLIES WITH SECTION 29-33-104 (4) AND IDENTIFIES THE 
STRATEGIES THAT THE MUNICIPALITY WILL USE TO MEET ITS LOCAL 
HOUSING NEEDS ASSESSMENT. THE MUNICIPALITY MAY INCLUDE 
STRATEGIES THAT IT WILL ADOPT THROUGH INTERGOVERNMENTAL 
AGREEMENTS IN THE LOCAL HOUSING NEEDS PLAN.

29-33-111. Technical assistance - housing plans assistance 
fund - definition. (1) THE DIVISION OF LOCAL GOVERNMENT WITHIN THE 
DEPARTMENT OF LOCAL AFFAIRS SHALL PROVIDE TECHNICAL ASSISTANCE 
MATERIALS, BRIEFINGS, CONSULTING SERVICES, TEMPLATES, TOOLS, 
TRAININGS, WEBINARS, OR OTHER GUIDANCE TO AID LOCAL GOVERNMENTS 
AND METROPOLITAN PLANNING ORGANIZATIONS IN UPDATING LOCAL LAWS 
AND OTHERWISE COMPLYING WITH THIS ARTICLE 33.
(2) To assist local governments in complying with this Article 33, the Division of Local Government within the Department of Local Affairs, with the support of the Multi-Agency Group, shall provide technical assistance funding through either a grant program or the provision of consultant services through subject jurisdictions or both a grant program and provision of consultant services. The Division of Local Government may also provide technical assistance funding through a Metropolitan Planning Organization or other regional entity.

(3) (a) The Housing Plans Assistance Fund is created in the state treasury. The fund consists of any money that the General Assembly may transfer or appropriate to the fund for implementation of the grant program, and gifts, grants, or donations credited to the fund. The State Treasurer shall credit all interest and income derived from the deposit and investment of money in the Housing Plans Assistance Cash Fund to the fund.

(b) Subject to annual appropriation by the General Assembly, the Department of Local Affairs may expend money from the fund for the purposes of providing technical assistance and implementing a grant program pursuant to subsections (1) and (2) of this section.

29-33-112. Reporting requirements. (1) (a) No later than December 31, 2025, the Executive Director of the Department of Local Affairs shall develop reporting guidance and templates for rural resort job center municipalities and urban municipalities.
(b) The multi-agency advisory committee shall, as part of the public comment and hearing process established in Section 29-33-108(2), provide recommendations to the executive director of the department of local affairs concerning the development of reporting guidance and templates for rural resort job centers and urban municipalities.

(2) At a minimum, rural resort job center municipalities and urban municipalities shall report, no later than December 31, 2026, in a form and manner determined by the department of local affairs, the following housing data to the department of local affairs once every year:

(a) The number of permits that the municipality issued for new housing units categorized by the number of units in each structure type;

(b) The number of new housing units categorized by the number of units in each structure type, in the municipality on which construction has begun;

(c) Timeframes to complete residential permit reviews by housing type;

(d) Workforce assigned to development review by position type;

(e) The implementation status of the strategies identified in the municipality’s housing needs plan;

(f) Zoning information that may include geospatial data specifying zoning districts, allowed uses and densities, and other data in a standard format; and

(g) The number of intergovernmental agreements that
THE MUNICIPALITY HAS ENTERED INTO TO ADDRESS ITS LOCAL AND
REGIONAL HOUSING NEEDS ASSESSMENTS AND A DESCRIPTION OF THESE
AGREEMENTS.

(3) UPON RECEIVING THE REPORTS FROM THE RURAL RESORT JOB
CENTER MUNICIPALITIES AND URBAN MUNICIPALITIES PURSUANT TO
SUBSECTION (2) OF THIS SECTION, THE DIVISION OF LOCAL AFFAIRS SHALL
PUBLISH AN ANALYSIS ON A PUBLICLY AVAILABLE DASHBOARD THAT
INCLUDES ALL OF THE INFORMATION IN THE REPORTS.

29-33-113. Compliance. No later than June 30, 2027, the
DEPARTMENT OF LOCAL AFFAIRS SHALL CONDUCT A COMPLIANCE REVIEW
AND APPROVE HOUSING NEEDS PLANS OR PROVIDE FEEDBACK TO RURAL
RESORT JOB CENTER MUNICIPALITIES AND URBAN MUNICIPALITIES AS
NEEDED.

PART 2
ACCESSORY DWELLING UNITS

29-33-201. Legislative declaration. (1) (a) The general
ASSEMBLY HEREBY FINDS, DETERMINES, AND DECLARES THAT:
(I) LOCAL GOVERNMENT LAND USE DECISIONS FREQUENTLY LIMIT
ACCESSORY DWELLING UNIT DEVELOPMENT;
(II) THE TEN LARGEST MUNICIPALITIES IN THE DENVER
METROPOLITAN AREA ALLOW SINGLE-UNIT DETACHED DWELLINGS AS A
USE BY RIGHT ON OVER EIGHTY-FIVE PERCENT OF THEIR RESIDENTIAL
LAND, COMPARED TO TWENTY-FOUR PERCENT FOR ACCESSORY DWELLING
UNITS, ACCORDING TO PUBLICLY AVAILABLE ZONING DATA;
(III) HOUSING SUPPLY IMPACTS HOUSING AFFORDABILITY;
(IV) HOUSING PRICES ARE TYPICALLY HIGHER WHEN HOUSING
SUPPLY IS RESTRICTED BY LOCAL LAND USE REGULATIONS IN A
METROPOLITAN REGION, ACCORDING TO STUDIES SUCH AS THE NATIONAL
BUREAU OF ECONOMIC RESEARCH WORKING PAPERS "REGULATION AND
HOUSING SUPPLY", "THE IMPACT OF ZONING ON HOUSING
AFFORDABILITY", AND "THE IMPACT OF LOCAL RESIDENTIAL LAND USE
RESTRICTIONS ON LAND VALUES ACROSS AND WITHIN SINGLE FAMILY
HOUSING MARKETS". INCREASING HOUSING SUPPLY MODERATES PRICE
INCREASES AND IMPROVES HOUSING AFFORDABILITY ACROSS ALL
INCOMES, ACCORDING TO STUDIES SUCH AS "THE ECONOMIC
IMPLICATIONS OF HOUSING SUPPLY", IN THE JOURNAL OF ECONOMIC
PERSPECTIVES, AND "SUPPLY SKEPTICISM: HOUSING SUPPLY AND
AFFORDABILITY", IN THE JOURNAL OF HOUSING POLICY DEBATE.

(V) MORE PERMISSIVE LOCAL GOVERNMENT ACCESSORY
DWELLING UNIT REGULATIONS CAN HELP INCREASE HOUSING SUPPLY AND
STABILIZE HOUSING COSTS;

(VI) ACCESSORY DWELLING UNITS OFFER A WAY TO PROVIDE
COMPACT, RELATIVELY AFFORDABLE HOUSING IN ESTABLISHED
NEIGHBORHOODS WITH MINIMAL IMPACTS TO INFRASTRUCTURE AND ALSO
SUPPLY NEW HOUSING WITHOUT ADDING NEW DISPERSED LOW-DENSITY
HOUSING;

(VII) RELATIVE TO DISPERSED LOW-DENSITY DEVELOPMENT,
COMPACT INFILL DEVELOPMENT, INCLUDING ACCESSORY DWELLING UNIT
DEVELOPMENT, REDUCES WATER USE, GREENHOUSE GAS EMISSIONS,
INFRASTRUCTURE COSTS, AND HOUSEHOLD ENERGY AND TRANSPORTATION
COSTS;

(VIII) ACCESSORY DWELLING UNITS PROVIDE FINANCIAL BENEFITS
TO HOMEOWNERS;

(IX) ACCESSORY DWELLING UNITS GENERATE RENTAL INCOME TO
HELP HOMEOWNERS COVER MORTGAGE PAYMENTS OR OTHER COSTS, WHICH CAN BE IMPORTANT FOR OLDER HOMEOWNERS ON FIXED INCOMES; (X) ACCESSORY DWELLING UNITS CAN PROVIDE FAMILIES WITH OPTIONS FOR INTERGENERATIONAL LIVING ARRANGEMENTS THAT ENABLE CHILD OR ELDER CARE AND AGING IN PLACE; AND (XI) ACCESSORY DWELLING UNITS USE SIGNIFICANTLY LESS ENERGY FOR HEATING AND COOLING THAN SINGLE-UNIT DETACHED DWELLINGS BECAUSE OF THEIR SMALLER SIZE, WHICH REDUCES HOUSEHOLD ENERGY COSTS AND GREENHOUSE GAS EMISSIONS. (b) THEREFORE, THE GENERAL ASSEMBLY DECLARES THAT THE INCREASED SUPPLY OF HOUSING THROUGH ACCESSORY DWELLING UNITS IS A MATTER OF MIXED STATE AND LOCAL CONCERN.

29-33-202. Definitions. As used in this Part 2, unless the context otherwise requires:

(1) "MINIMUM STANDARDS" MEANS THE MINIMUM STANDARDS ESTABLISHED IN SECTION 29-33-205.

(2) "MODEL CODE" MEANS THE MODEL CODE PROMULGATED BY THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF LOCAL AFFAIRS PURSUANT TO SECTION 29-33-204.

(3) "NON-URBAN MUNICIPALITY" MEANS A MUNICIPALITY THAT IS NEITHER A RURAL RESORT JOB CENTER MUNICIPALITY NOR AN URBAN MUNICIPALITY AND THAT HAS A POPULATION OF FIVE THOUSAND OR MORE.

(4) "SUBJECT JURISDICTION" MEANS A NON-URBAN MUNICIPALITY, RURAL RESORT JOB CENTER MUNICIPALITY, OR URBAN MUNICIPALITY.

29-33-203. applicability - exemptions. (1) the requirements of this Part 2 APPLY ONLY IN A SUBJECT JURISDICTION.

(2) UNLESS A SUBJECT JURISDICTION DECIDES OTHERWISE, LOCAL
LAWS ADOPTED PURSUANT TO THIS PART 2 ONLY APPLY TO PARCELS THAT ARE NOT STANDARD EXEMPT PARCELS.

29-33-204. Model code. (1) (a) No later than June 30, 2024, the Executive Director of the Department of Local Affairs shall promulgate an Accessory Dwelling Unit Model Code.

(b) The Multi-Agency Advisory Committee shall provide recommendations to the Executive Director of the Department of Local Affairs concerning the Model Code.

(2) In developing recommendations concerning the Model Code, the Multi-Agency Advisory Committee shall:

(a) Provide public notice and hold at least two public meetings at which members of the public have an opportunity to comment on the Model Code;

(b) Allow the submission of written comments on the Model Code;

(c) Conduct outreach to and solicit feedback from local governments and regional planning agencies; and

(d) Consult with experts in disability rights, affordable housing, fair housing, planning, zoning, and related fields.

(3) The Model Code must, at a minimum:

(a) Allow accessory dwelling units as a use by right in any part of the subject jurisdiction where the subject jurisdiction allows single-unit detached dwellings as a use by right as of January 1, 2023; and

(b) Establish objective standards for all of the elements addressed in the minimum standards.

(4) The model code must not include a requirement for
NEW OFF-STREET PARKING IN CONNECTION WITH THE CONSTRUCTION OR PERMITTING OF AN ACCESSORY DWELLING UNIT.

29-33-205. Minimum standards. (1) Notwithstanding any local law to the contrary, a subject jurisdiction that does not adopt the model code shall:

(a) Allow accessory dwelling units as a use by right in any part of the subject jurisdiction where the subject jurisdiction allows single-unit detached dwellings as a use by right as of January 1, 2023;

(b) Only adopt or enforce local laws concerning accessory dwelling unit land use that use objective standards and objective procedures;

(c) Allow additions to, or the conversion of, an existing single-unit detached dwelling to create an accessory dwelling unit so long as the addition or conversion does not increase nonconformance with applicable objective standards, unless local laws allow for such an increase in nonconformance;

(d) If the subject jurisdiction applies design standards to accessory dwelling units, only apply the same design standards to an accessory dwelling unit that the subject jurisdiction applies to a single-unit detached dwelling; and

(e) Allow accessory dwelling unit sizes of at least the greater of either eight hundred square feet or fifty percent of the size of the primary residence on the same lot.

(2) Notwithstanding any local law to the contrary, a subject jurisdiction that does not adopt the model code shall not:
(a) Adopt, enact, or enforce local laws concerning accessory dwelling unit land use that are more restrictive than local laws concerning single-unit detached dwelling land use in the same zoning district or other type of district that regulates land use, unless required by the minimum standards or model code;

(b) Adopt, enact, or enforce local laws that individually or cumulatively create unreasonable costs or delays or that make the permitting, siting, or construction of an accessory dwelling unit on an eligible property infeasible;

(c) Impose a requirement on an accessory dwelling unit that is contingent upon the primary residence on the same lot being owner-occupied;

(d) Amend, develop, or interpret a local law applicable to an accessory dwelling unit in a manner that interferes with the intent of this Part 2;

(e) For urban municipalities only, require new off-street parking in connection with the construction or permitting of an accessory dwelling unit; or

(f) Require side or rear setbacks greater than five feet for an accessory dwelling unit, unless such a setback is necessary to comply with public health or safety standards.

(3) The Department of Local Affairs may promulgate rules as it deems necessary to update the minimum standards or model code, utilizing a public hearing and comment process.

29-33-206. Adoption of model codes - satisfaction of minimum standards - reporting. (1) No later than December 31, 2024, a
SUBJECT JURISDICTION SHALL EITHER:

(a) ADOPT LOCAL LAWS CONCERNING ACCESSORY DWELLING UNITS THAT SATISFY THE MINIMUM STANDARDS ESTABLISHED IN SECTION 29-33-205; OR

(b) ADOPT THE MODEL CODE.

(2) IF A SUBJECT JURISDICTION DOES NOT SATISFY THE REQUIREMENTS OF SUBSECTION (1) OF THIS SECTION BEFORE JUNE 30, 2025, THE MODEL CODE GOES INTO EFFECT IMMEDIATELY FOR APPLICABLE PARCELS, AS SPECIFIED IN SECTION 29-33-303, IN THE SUBJECT JURISDICTION UNTIL THE DEPARTMENT OF LOCAL AFFAIRS DETERMINES THAT THE SUBJECT JURISDICTION HAS ADOPTED LAWS THAT COMPLY WITH THE MINIMUM STANDARDS.

(3) IF A SUBJECT JURISDICTION ADOPTS THE MODEL CODE OR THE MODEL CODE IS OTHERWISE IN EFFECT FOR A SUBJECT JURISDICTION PURSUANT TO SUBSECTION (2) OF THIS SECTION, THE SUBJECT JURISDICTION SHALL:

(a) USE OBJECTIVE PROCEDURES TO DETERMINE WHETHER AN ACCESSORY DWELLING PROJECT SATISFIES THE MODEL CODE AND APPROVE SUCH A PROJECT IF IT SATISFIES THE MODEL CODE; AND

(b) NOT ADOPT, ENACT, OR ENFORCE ANY LOCAL LAWS THAT CONTRAVENE THE MODEL CODE.

(4) (a) NO LATER THAN JUNE 30, 2024, A SUBJECT JURISDICTION MAY SUBMIT AN APPLICATION TO THE DEPARTMENT OF LOCAL AFFAIRS, IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT OF LOCAL AFFAIRS, FOR AN EXTENSION OF THE APPLICABLE REQUIREMENTS ADOPTED PURSUANT TO SUBSECTION (1) OF THIS SECTION.

(b) THE APPLICATION MUST INCLUDE A DEMONSTRATION BY THE
SUBJECT JURISDICTION THAT:

(I) THE SUBJECT JURISDICTION'S WATER, SEWER, OR STORMWATER SERVICES ARE CURRENTLY DEFICIENT IN SPECIFIC AREAS, OR ARE EXPECTED TO BECOME DEFICIENT IN THE NEXT FIVE YEARS;

(II) THE SUBJECT JURISDICTION HAS ESTABLISHED A PLAN OF ACTION TO REMEDY THE DEFICIENT WATER, SEWER, OR STORMWATER SERVICES IN THE SPECIFIC AREAS IDENTIFIED IN SUBSECTION (4)(b)(I) OF THIS SECTION ON A SPECIFIC TIMELINE; AND

(III) THE SUBJECT JURISDICTION IS UNABLE TO SERVE LESS WATER EFFICIENT HOUSING TYPES THAN THOSE REQUIRED BY THIS PART 2.

(c) THE DEPARTMENT OF LOCAL AFFAIRS MAY ADOPT RULES OR PROMULGATE GUIDANCE AS NECESSARY TO IMPLEMENT THIS SUBSECTION (4).

(5) (a) NO LATER THAN DECEMBER 31, 2024, A SUBJECT JURISDICTION SHALL SUBMIT TO THE DEPARTMENT OF LOCAL AFFAIRS, IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT OF LOCAL AFFAIRS, A REPORT DEMONSTRATING EVIDENCE OF COMPLIANCE WITH EITHER THE MODEL CODE OR MINIMUM STANDARDS.

(b) WITHIN NINETY DAYS OF RECEIVING A REPORT DESCRIBED IN SUBSECTION (5)(a) OF THIS SECTION, THE DEPARTMENT OF LOCAL AFFAIRS SHALL REVIEW AND APPROVE THE SUBMITTED REPORT OR REJECT THE REPORT AND PROVIDE FEEDBACK TO A SUBJECT JURISDICTION. THE DEPARTMENT OF LOCAL AFFAIRS MAY GRANT A JURISDICTION AN ADDITIONAL ONE HUNDRED TWENTY DAYS TO CORRECT THE RELEVANT LOCAL LAWS AND RE-SUBMIT THEIR REPORT.

(c) IF THE DEPARTMENT OF LOCAL AFFAIRS REJECTS A SUBJECT JURISDICTION'S REPORT, THE MODEL CODE GOES INTO EFFECT
IMMEDIATELY FOR THE SUBJECT JURISDICTION UNTIL THE DEPARTMENT OF LOCAL AFFAIRS DETERMINES THAT THE SUBJECT JURISDICTION HAS ADOPTED LAWS THAT COMPLY WITH THE MINIMUM STANDARDS OR HAS ADOPTED THE MODEL CODE.

29-33-207. Subject jurisdiction restrictions. (1) Nothing in this Part 2 prevents a local government from:

(a) Requiring parking spaces in accordance with the federal "Americans with Disabilities Act of 1990", 42 U.S.C. sec. 12101 et seq., as amended;

(b) Imposing requirements on the short-term rental of an accessory dwelling unit;

(c) Allowing the construction of, or issuing permits for the construction of, a single-unit detached dwelling in an area zoned for single-unit detached dwellings; or

(d) Applying the standards in a historic district to accessory dwelling units in that historic district.

(2) Nothing in this Part 2 requires a subject jurisdiction to permit an accessory dwelling unit project and a middle housing project on the same parcel or lot.

PART 3

MIDDLE HOUSING

29-33-301. Legislative declaration. (1) (a) The general assembly hereby finds, determines, and declares that:

(I) Local government land use decisions often limit middle housing development;

(II) The ten largest municipalities in the Denver metropolitan area allow single-unit detached dwellings as a
USE BY RIGHT ON OVER EIGHTY-FIVE PERCENT OF THEIR RESIDENTIAL
LAND, COMPARED TO ALLOWING TOWNHOMES, DUPLEXES, TRIPLEXES, AND
QUADPLEXES AS A USE BY RIGHT ON LESS THAN THIRTY-FIVE PERCENT OF
THEIR RESIDENTIAL LAND, ACCORDING TO PUBLICLY AVAILABLE ZONING
DATA;

(III) LOCAL LAND USE REGULATIONS INFLUENCE WHAT TYPES OF
HOUSING ARE BUILT;

(IV) BETWEEN 2000 AND 2019, OVER SEVENTY PERCENT OF HOMES
BUILT IN COLORADO WERE SINGLE-UNIT DETACHED DWELLINGS, WHILE
LESS THAN THREE PERCENT OF HOMES BUILT IN COLORADO DURING THAT
time were duplexes to quadplexes, according to the American
Community Survey;

(V) HOUSING SUPPLY IMPACTS HOUSING AFFORDABILITY;

(VI) HOUSING PRICES ARE TYPICALLY HIGHER WHEN HOUSING
SUPPLY IS RESTRICTED BY LOCAL LAND USE REGULATIONS IN A
METROPOLITAN REGION, ACCORDING TO STUDIES SUCH AS THE NATIONAL
BUREAU OF ECONOMIC RESEARCH WORKING PAPERS "REGULATION AND
HOUSING SUPPLY", "THE IMPACT OF ZONING ON HOUSING
AFFORDABILITY", AND "THE IMPACT OF LOCAL RESIDENTIAL LAND USE
RESTRICTIONS ON LAND VALUES ACROSS AND WITHIN SINGLE FAMILY
HOUSING MARKETS". INCREASING HOUSING SUPPLY MODERATES PRICE
INCREASES AND IMPROVES HOUSING AFFORDABILITY ACROSS ALL
INCOMES, ACCORDING TO STUDIES SUCH AS "THE ECONOMIC
IMPLICATIONS OF HOUSING SUPPLY", IN THE JOURNAL OF ECONOMIC
PERSPECTIVES, AND "SUPPLY SKEPTICISM: HOUSING SUPPLY AND
AFFORDABILITY", IN THE JOURNAL HOUSING POLICY DEBATE.

(VII) MIDDLE HOUSING IS TYPICALLY MORE AFFORDABLE THAN
SINGLE-UNIT DETACHED DWELLINGS, IN PART BECAUSE LAND COSTS ARE
SHARED BETWEEN MORE HOUSEHOLDS;

(VIII) In 2019, Colorado duplexes cost on average
FOURTEEN PERCENT LESS TO OWN AND TWENTY-SIX PERCENT LESS TO
RENT THAN SINGLE-UNIT DETACHED DWELLINGS, AND TRIPLEXES AND
QUADPLEXES COST THIRTY-ONE PERCENT LESS TO OWN AND TWENTY-NINE
LESS TO RENT, ACCORDING TO THE AMERICAN COMMUNITY SURVEY;

(IX) Middle housing offers a way to provide compact
RELATIVELY AFFORDABLE HOUSING IN ESTABLISHED NEIGHBORHOODS
WITH MINIMAL INFRASTRUCTURE IMPACT AND SUPPLY NEW HOUSING
WITHOUT ADDING NEW DISPERSED LOW DENSITY HOUSING;

(X) Relative to dispersed low density development,
COMPACT INFILL HOUSING DEVELOPMENT, INCLUDING MIDDLE HOUSING
DEVELOPMENT, REDUCES WATER USE, GREENHOUSE GAS EMISSIONS,
INFRASTRUCTURE COSTS, AND HOUSEHOLD ENERGY AND TRANSPORTATION
COSTS;

(XI) Middle housing uses significantly less energy for
HEATING AND COOLING PER UNIT THAN SINGLE-UNIT DETACHED
DWELLINGS DUE TO MIDDLE HOUSING HAVING ATTACHED WALLS AND
SMALLER UNIT SIZES, WHICH REDUCES HOUSEHOLD ENERGY COSTS AND
GREENHOUSE GAS EMISSIONS; AND

(XII) In Colorado, compared to single-unit detached
dwellings, household energy demand is on average forty
PERCENT LESS FOR TOWNHOMES, FORTY-FIVE PERCENT LESS FOR
duplexes, and fifty-three percent less for triplexes and
quadplexes, according to the National Renewable Energy
Laboratory ResStock Analysis Tool.
(b) Therefore, the General Assembly declares that the increased supply of housing through middle housing is a matter of mixed state and local concern.

29-33-302. Definitions. As used in this Part 3, unless the context otherwise requires:

(1) "Minimum standards" means the middle housing minimum standards established in section 29-33-305.

(2) "Model code" means the middle housing model code promulgated by the Executive Director of the Department of Local Affairs pursuant to section 29-33-304.

(3) "Subject Jurisdiction" means a rural resort job center municipality or a Tier One urban municipality.

29-33-303. Applicability - exemptions. (1) The requirements of this Part 3 only apply in a rural resort job center municipality or a Tier One urban municipality.

(2) Unless a Subject Jurisdiction decides otherwise, local laws adopted pursuant to this Part 3 only apply to parcels that are not standard exempt parcels.

29-33-304. Model code. (1) (a) No later than June 30, 2024, the Executive Director of the Department of Local Affairs shall promulgate a middle housing model code.

(b) The Multi-Agency Advisory Committee shall provide recommendations to the Executive Director of the Department of Local Affairs on the middle housing model code.

(2) In developing recommendations to provide to the Executive Director of the Department of Local Affairs on the middle housing model code, the Multi-Agency Advisory
COMMITTEE SHALL:

(a) PROVIDE PUBLIC NOTICE AND HOLD AT LEAST TWO PUBLIC MEETINGS AT WHICH MEMBERS OF THE PUBLIC HAVE AN OPPORTUNITY TO COMMENT ON THE MODEL CODE;

(b) ALLOW THE SUBMISSION OF WRITTEN COMMENTS ON THE MODEL CODE;

(c) CONDUCT OUTREACH TO AND SOLICIT FEEDBACK FROM LOCAL GOVERNMENTS AND REGIONAL PLANNING AGENCIES; AND

(d) CONSULT WITH EXPERTS IN DISABILITY RIGHTS, AFFORDABLE HOUSING, FAIR HOUSING, PLANNING, ZONING, AND RELATED FIELDS.


(4) THE MODEL CODE MUST NOT INCLUDE A REQUIREMENT FOR NEW OFF-STREET PARKING IN CONNECTION WITH THE CONSTRUCTION OR PERMITTING OF MIDDLE HOUSING.


(b) NOTWITHSTANDING ANY LOCAL LAW TO THE CONTRARY, A RURAL RESORT JOB CENTER THAT DOES NOT ADOPT THE MODEL CODE
SHALL ALLOW MIDDLE HOUSING AS A USE BY RIGHT IN ANY PART OF THE
RURAL RESORT JOB CENTER'S JURISDICTION THAT THE RURAL RESORT
REGION'S HOUSING NEEDS PLANNING PROCESS DESIGNATED FOR MIDDLE
HOUSING.

(c) NOTWITHSTANDING ANY LOCAL LAW TO THE CONTRARY, A
SUBJECT JURISDICTION THAT DOES NOT ADOPT THE MODEL CODE SHALL:

(I) ONLY ADOPT OR ENFORCE LOCAL LAWS CONCERNING MIDDLE
HOUSING THAT USE OBJECTIVE STANDARDS AND PROCEDURES;

(II) ALLOW ADDITIONS TO, OR THE CONVERSION OF, AN EXISTING
SINGLE-UNIT DETACHED DWELLING TO CREATE MIDDLE HOUSING SO LONG
AS THE ADDITION OR CONVERSION DOES NOT INCREASE NONCONFORMANCE
WITH APPLICABLE OBJECTIVE STANDARDS, UNLESS LOCAL LAWS ALLOW
FOR SUCH AN INCREASE IN NONCONFORMANCE;

(III) ALLOW PROPERTIES ON WHICH MIDDLE HOUSING IS ALLOWED
TO BE SUBDIVIDED USING OBJECTIVE STANDARDS AND PROCEDURES; AND

(IV) IF THE SUBJECT JURISDICTION APPLIES DESIGN STANDARDS TO
MIDDLE HOUSING, APPLY THE SAME DESIGN STANDARDS TO MIDDLE
HOUSING THAT THE SUBJECT JURISDICTION APPLIES TO A SINGLE-UNIT
DETACHED DWELLING IN THE SAME ZONING DISTRICT.

(2) NOTWITHSTANDING ANY LOCAL LAW TO THE CONTRARY, A
SUBJECT JURISDICTION THAT DOES NOT ADOPT THE MODEL CODE SHALL
NOT:

(a) ADOPT, ENACT, OR ENFORCE LOCAL LAWS CONCERNING MIDDLE
HOUSING LAND USE THAT ARE MORE RESTRICTIVE THAN LOCAL LAWS
CONCERNING SINGLE-UNIT DETACHED DWELLING LAND USE IN THE SAME
ZONING DISTRICT OR ANY OTHER TYPE OF DISTRICT THAT REGULATES LAND
USE, UNLESS REQUIRED BY THE MINIMUM STANDARDS OR MODEL CODE;
(b) Adopt, enact, or enforce local laws that individually or cumulatively create unreasonable costs or delays, or that make the permitting, siting, or construction of middle housing on an eligible property infeasible;

(c) Apply minimum setback, lot widths, lot depth, or lot size standards to middle housing that are more restrictive than the standards that the subject jurisdiction would apply to single-unit detached dwellings on the same property;

(d) Apply lower maximum height standards to middle housing than the subject jurisdiction would apply to single-unit detached dwellings on the same property;

(e) Apply limits on the scale of middle housing buildings through floor area ratios, lot or building coverage, or other similar standards that individually or collectively would restrict a middle housing project to less than one hundred twenty-five percent of the building area of a single-unit detached dwelling on the same lot;

(f) Impose a restriction on the footprint or size of a middle housing project in a historic district or on a historic property that is more restrictive than a footprint or size restriction that the subject jurisdiction would impose on a single-unit detached dwelling in the same historic district or on the same historic property;

(g) Amend, develop, or interpret a local law applicable to middle housing in a manner that interferes with the intent of this Part 3; or

(h) Require new off-street parking in connection with the
CONSTRUCTION OR PERMITTING OF MIDDLE HOUSING.

(3) The Department of Local Affairs may promulgate rules as it deems necessary to update the minimum standards or model code, utilizing a public hearing and comment process.

29-33-306. Adoption of model codes - satisfaction of minimum standards. (1) (a) No later than December 31, 2024, a tier one urban municipality shall either:

(I) Adopt local laws concerning middle housing that satisfy the minimum standards; or

(II) Adopt the model code.

(b) If a tier one urban municipality does not satisfy the requirements of subsection (1)(a) of this section before June 30, 2025, the model code goes into effect immediately for applicable parcels, as specified in section 29-33-303, in the urban municipality and remains in effect until the Department of Local Affairs determines that the urban municipality has adopted laws that comply with the minimum standards.

(2) (a) No later than December 31, 2026, a rural resort job center municipality shall either:

(I) Adopt local laws concerning middle housing that satisfy the minimum standards; or

(II) Adopt the model code.

(b) If a rural resort job center municipality does not satisfy the requirements of subsection (2)(a) of this section before June 30, 2027, the model code goes into effect immediately for applicable parcels, as specified in section 29-33-303, in the rural resort job center municipality and remains in effect until
THE RURAL RESORT JOB CENTER MUNICIPALITY JURISDICTION HAS ADOPTED LAWS THAT COMPLY WITH THE MINIMUM STANDARDS.

(3) IF A SUBJECT JURISDICTION ADOPTS THE MODEL CODE, OR THE MODEL CODE IS OTHERWISE IN EFFECT, FOR A SUBJECT JURISDICTION PURSUANT TO EITHER SUBSECTION (1)(b) OR (2)(b) OF THIS SECTION, THE SUBJECT JURISDICTION SHALL:

(a) USE OBJECTIVE PROCEDURES TO DETERMINE WHETHER A PROJECT SATISFIES THE MODEL CODE AND, IF THE SUBJECT JURISDICTION DETERMINES THAT THE PROJECT SATISFIES THE MODEL CODE, THE SUBJECT JURISDICTION SHALL APPROVE THE MIDDLE HOUSING PROJECT; AND

(b) NOT ADOPT, ENACT, OR ENFORCE ANY LOCAL LAWS THAT CONTRAVENE THE MODEL CODE.

(4) (a) NO LATER THAN JUNE 30, 2024, A SUBJECT JURISDICTION MAY SUBMIT AN APPLICATION TO THE DEPARTMENT OF LOCAL AFFAIRS, IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT OF LOCAL AFFAIRS, FOR AN EXTENSION OF THE RELEVANT REQUIREMENTS IN SUBSECTION (1) OR (2) OF THIS SECTION.

(b) THE APPLICATION MUST INCLUDE A DEMONSTRATION BY THE SUBJECT JURISDICTION THAT:

(I) THE SUBJECT JURISDICTION'S WATER, SEWER, OR STORMWATER SERVICES ARE CURRENTLY DEFICIENT IN SPECIFIC AREAS, OR ARE EXPECTED TO BECOME DEFICIENT IN THE NEXT FIVE YEARS;

(II) THE SUBJECT JURISDICTION HAS ESTABLISHED A PLAN OF ACTION TO REMEDY THE DEFICIENT WATER, SEWER, OR STORMWATER SERVICES IN THE SPECIFIC AREAS IDENTIFIED IN SUBSECTION (4)(b)(I) OF THIS SECTION ON A SPECIFIC TIMELINE; AND

(III) THE SUBJECT JURISDICTION IS UNABLE TO SERVE LESS WATER
EFFICIENT HOUSING TYPES THAN THOSE REQUIRED BY THIS PART 3.

(c) The Department of Local Affairs may adopt rules or
promulgate guidance as necessary to implement this subsection
(4).

(5) (a) (I) No later than December 31, 2024, a Tier One Urban
Municipality shall submit to the Department of Local Affairs, in
a form and manner determined by the Department of Local
Affairs, a report demonstrating evidence of compliance with
either the Model Code or Minimum Standards.

(II) No later than December 31, 2026, a Rural Resort Job
Center Municipality shall submit to the Department of Local
Affairs, in a form and manner determined by the Department of
Local Affairs, a report demonstrating evidence of compliance
with either the Model Code or Minimum Standards.

(b) Within ninety days of receiving a report described in
subsection (5)(a) of this section, the Department of Local Affairs
shall review and approve the submitted report or reject the
report and provide feedback to the subject jurisdiction. The
Department of Local Affairs may grant a jurisdiction an
additional one hundred twenty days to correct the relevant
local laws and resubmit their report.

(c) If the Department of Local Affairs rejects a subject
jurisdiction’s report, the Model Code goes into effect
immediately for the subject jurisdiction until the Department of
Local Affairs determines that the subject jurisdiction has
adopted laws that comply with the Minimum Standards or has
adopted the Model Code.
29-33-307. Subject jurisdiction restrictions. (1) Nothing in this Part 3 prevents a subject jurisdiction from:

(a) requiring parking spaces in accordance with the Federal "Americans with Disabilities Act of 1990", 42 U.S.C. sec. 12101 et seq., as amended;

(b) applying a local inclusionary zoning ordinance to middle housing so long as the standards of the ordinance do not render the development of middle housing financially infeasible;

(c) imposing requirements on the short-term rental of middle housing;

(d) allowing single-unit detached dwellings in an area zoned for single-unit detached dwellings; or

(e) applying the standards in a historic district to middle housing in that historic district.

(2) Nothing in this Part 3 requires a subject jurisdiction to permit an accessory dwelling unit project and a middle housing project on the same parcel or lot.

PART 4

TRANSIT-ORIENTED AREAS

29-33-401. Legislative declaration. (1) (a) The general assembly hereby finds, determines, and declares that:

(I) local government land use decisions can limit denser multifamily housing development near high capacity transit;

(II) housing supply impacts housing affordability;

(III) housing prices are typically higher when housing supply is restricted by local land use regulations in a
METROPOLITAN REGION, ACCORDING TO STUDIES SUCH AS THE NATIONAL BUREAU OF ECONOMIC RESEARCH WORKING PAPERS "REGULATION AND HOUSING SUPPLY", "THE IMPACT OF ZONING ON HOUSING AFFORDABILITY", AND "THE IMPACT OF LOCAL RESIDENTIAL LAND USE RESTRICTIONS ON LAND VALUES ACROSS AND WITHIN SINGLE FAMILY HOUSING MARKETS". INCREASING HOUSING SUPPLY MODERATES PRICE INCREASES AND IMPROVES HOUSING AFFORDABILITY ACROSS ALL INCOMES, ACCORDING TO STUDIES SUCH AS "THE ECONOMIC IMPLICATIONS OF HOUSING SUPPLY", IN THE JOURNAL OF ECONOMIC PERSPECTIVES, AND "SUPPLY SKEPTICISM: HOUSING SUPPLY AND AFFORDABILITY", IN THE JOURNAL HOUSING POLICY DEBATE.

(IV) MULTIFAMILY HOUSING IS TYPICALLY MORE AFFORDABLE THAN SINGLE-UNIT DETACHED DWELLINGS, AND LIVING NEAR HIGH CAPACITY TRANSIT ENABLES HOUSEHOLDS TO SAVE ON TRANSPORTATION COSTS BY OWNING FEWER VEHICLES;

(V) IN 2019, COLORADO MULTIFAMILY UNITS COST BETWEEN FOURTEEN AND FORTY-THREE PERCENT LESS TO OWN, AND BETWEEN NINE PERCENT AND EIGHTEEN PERCENT LESS TO RENT DEPENDING ON THE SIZE OF THE BUILDING COMPARED TO SINGLE-UNIT DETACHED DWELLINGS, ACCORDING TO THE AMERICAN COMMUNITY SURVEY;

(VI) MEETING HOUSING DEMAND THROUGH COMPACT INFILL DEVELOPMENT DECREASES THE NEED FOR NEW DISPERSED LOW-DENSITY HOUSING;

(VII) RELATIVE TO DISPERSED LOW-DENSITY DEVELOPMENT, COMPACT INFILL HOUSING DEVELOPMENT, INCLUDING MULTIFAMILY HOUSING IN TRANSIT-ORIENTED AREAS DEVELOPMENT, REDUCES WATER USE, GREENHOUSE GAS EMISSIONS, AND HOUSEHOLD ENERGY AND
TRANSPORTATION COSTS;

(VIII) HOUSING WITH ACCESS TO HIGH CAPACITY TRANSIT ALLOWS RESIDENTS TO TRAVEL TO WORK AND SERVICES WITHOUT DRIVING OR WHILE DRIVING LESS, WHICH REDUCES HOUSEHOLD TRANSPORTATION COSTS, GREENHOUSE GAS EMISSIONS, AND AIR POLLUTION;

(IX) ANALYSES OF TRANSIT-ORIENTED DEVELOPMENTS HAVE FOUND THAT RESIDENTS TAKE AN AVERAGE OF FORTY-FOUR PERCENT FEWER VEHICLE TRIPS, ACCORDING TO THE ARTICLE "VEHICLE TRIP REDUCTION IMPACTS OF TRANSIT-ORIENTED HOUSING", IN THE JOURNAL OF PUBLIC TRANSPORTATION;

(X) MULTIFAMILY HOUSING USES SIGNIFICANTLY LESS ENERGY FOR HEATING AND COOLING PER UNIT THAN SINGLE-UNIT DETACHED DWELLINGS DUE TO THE ATTACHED WALLS AND SMALLER SIZE OF MULTIFAMILY HOUSING, WHICH REDUCES HOUSEHOLD ENERGY COSTS AND GREENHOUSE GAS EMISSIONS; AND

(XI) IN COLORADO, HOUSEHOLD ENERGY DEMAND ON AVERAGE IS SEVENTY PERCENT LESS FOR MULTIFAMILY HOUSING COMPARED TO SINGLE-UNIT DETACHED DWELLINGS, ACCORDING TO THE NATIONAL RENEWABLE ENERGY LABORATORY.

(b) THEREFORE, THE GENERAL ASSEMBLY DECLARES THAT THE INCREASED SUPPLY OF HOUSING IN TRANSIT-ORIENTED AREAS IS A MATTER OF MIXED STATEWIDE AND LOCAL CONCERN.

29-33-402. Definitions. As used in this part 4, unless the context otherwise requires:

(1) "MINIMUM STANDARDS" MEANS THE MINIMUM STANDARDS FOR TRANSIT-ORIENTED AREAS ESTABLISHED IN SECTION 29-33-405.

(2) "MIXED-INCOME MULTIFAMILY HOUSING" MEANS MULTIFAMILY
HOUSING IN WHICH AT LEAST TEN PERCENT OF THE HOUSING UNITS ARE SET
ASIDE FOR HOUSEHOLDS THAT EARN NO MORE THAN EIGHTY PERCENT OF
THE AREA MEDIAN INCOME. FOR PURPOSES OF DEFINING "MIXED-INCOME
MULTIFAMILY HOUSING", A SUBJECT JURISDICTION WITH A LOCAL
INCLUSIONARY ZONING ORDINANCE THAT APPLIES IN A TRANSIT-ORIENTED
AREA MAY APPLY A DIFFERENT AREA MEDIAN INCOME THRESHOLD AND A
DIFFERENT REQUIREMENT FOR THE PERCENTAGE OF UNITS THAT MUST BE
SET ASIDE FOR HOUSEHOLDS BELOW THAT AREA MEDIAN INCOME.

(3) "MODEL CODE" MEANS THE MODEL CODE FOR
TRANSIT-ORIENTED AREAS PROMULGATED BY THE DEPARTMENT OF LOCAL
AFFAIRS PURSUANT TO SECTION 29-33-404.

(4) "SUBJECT JURISDICTION" MEANS A TIER ONE URBAN
MUNICIPALITY THAT CONTAINS A TRANSIT-ORIENTED AREA.

29-33-403. Applicability in transit-oriented areas -
exemptions. (1) THE REQUIREMENTS OF THIS PART 4 ONLY APPLY IN A
TRANSIT-ORIENTED AREA WITHIN A TIER ONE URBAN MUNICIPALITY.

(2) UNLESS A SUBJECT JURISDICTION DECIDES OTHERWISE, LOCAL
LAWS ADOPTED PURSUANT TO THIS PART 4 ONLY APPLY TO PARCELS THAT
ARE NOT:

(a) A STANDARD EXEMPT PARCEL;

(b) PART OF A PARCEL THAT INCLUDES LAND THAT IS A PARK AND
OPEN SPACE, AS DEFINED IN SECTION 29-7.5-103 (2); OR

(c) A PARCEL THAT IS SUBJECT TO A CONSERVATION EASEMENT.

29-33-404. Model code. (1) (a) NO LATER THAN JUNE 30, 2024,
THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF LOCAL AFFAIRS SHALL
PROMULGATE A TRANSIT-ORIENTED AREA MODEL CODE.

(b) THE MULTI-AGENCY ADVISORY COMMITTEE SHALL PROVIDE
RECOMMENDATIONS TO THE EXECUTIVE DIRECTOR OF THE DEPARTMENT
OF LOCAL AFFAIRS ON THE TRANSIT-ORIENTED AREA MODEL CODE.

(2) IN DEVELOPING RECOMMENDATIONS TO PROVIDE TO THE
EXECUTIVE DIRECTOR OF THE DEPARTMENT OF LOCAL AFFAIRS ON THE
TRANSIT-ORIENTED AREA MODEL CODE, THE MULTI-AGENCY ADVISORY
COMMITTEE SHALL:

(a) PROVIDE PUBLIC NOTICE AND HOLD AT LEAST TWO PUBLIC
MEETINGS AT WHICH MEMBERS OF THE PUBLIC HAVE AN OPPORTUNITY TO
COMMENT ON THE MODEL CODE;

(b) ALLOW THE SUBMISSION OF WRITTEN COMMENTS ON THE
MODEL CODE;

(c) CONDUCT OUTREACH TO AND SOLICIT FEEDBACK FROM LOCAL
GOVERNMENTS AND REGIONAL PLANNING AGENCIES; AND

(d) CONSULT WITH EXPERTS IN DISABILITY RIGHTS, AFFORDABLE
HOUSING, FAIR HOUSING, PLANNING, ZONING, AND RELATED FIELDS.

(3) AT A MINIMUM, THE MODEL CODE MUST INCLUDE:

(a) A REQUIREMENT THAT SUBJECT JURISDICTIONS MAY NOT
REQUIRE NEW OFF-STREET PARKING WITHIN TRANSIT-ORIENTED AREAS FOR
ANY USES IN CONJUNCTION WITH EITHER A MULTIFAMILY RESIDENTIAL
DEVELOPMENT OR MIXED-INCOME MULTIFAMILY HOUSING DEVELOPMENT
PERMIT;

(b) A MINIMUM RESIDENTIAL DENSITY LIMIT FOR MULTIFAMILY
RESIDENTIAL HOUSING OF AT LEAST FORTY UNITS PER ACRE NET DENSITY
THAT A SUBJECT JURISDICTION SHALL ALLOW AS A USE BY RIGHT IN
TRANSIT-ORIENTED AREAS; AND

(c) A MINIMUM RESIDENTIAL DENSITY LIMIT FOR MIXED-INCOME
MULTIFAMILY HOUSING OF AT LEAST SIXTY UNITS PER ACRE NET DENSITY
THAT A SUBJECT JURISDICTION SHALL ALLOW AS A USE BY RIGHT IN TRANSIT-ORIENTED AREAS. AFFORDABLE UNITS WITHIN MIXED-INCOME MULTIFAMILY RESIDENTIAL HOUSING MUST BE OF A SIMILAR SIZE AS THE OTHER UNITS IN THE DEVELOPMENT.

(4) NOTHING IN THE MODEL CODE SHALL PREVENT A SUBJECT JURISDICTION FROM UTILIZING SET ASIDE PERCENTAGE AND AREA MEDIAN INCOME LEVEL REQUIREMENTS AS SPECIFIED IN THEIR LOCAL LAWS, RATHER THAN AS SPECIFIED IN THE MODEL CODE, SO LONG AS:

(a) THE SUBJECT JURISDICTION HAS ADOPTED AN INCLUSIONARY ZONING ORDINANCE THAT APPLIES WITHIN TRANSIT-ORIENTED AREAS; AND

(b) THE INCLUSIONARY ZONING ORDINANCE DOES NOT RENDER THE DEVELOPMENT OF MULTIFAMILY RESIDENTIAL HOUSING IN TRANSIT-ORIENTED AREAS FINANCIALLY INFEASIBLE.

29-33-405. Minimum standards. (1) (a) NOTWITHSTANDING ANY LOCAL LAW TO THE CONTRARY, A SUBJECT JURISDICTION THAT DOES NOT ADOPT THE MODEL CODE SHALL CREATE A ZONING DISTRICT WITHIN TRANSIT-ORIENTED AREAS IN WHICH MULTIFAMILY HOUSING IS ALLOWED AS A USE BY RIGHT AND A MINIMUM GROSS DENSITY OF FORTY UNITS OF MULTIFAMILY HOUSING PER ACRE IS ALLOWED. SUBJECT JURISDICTIONS MAY ESTABLISH DISTRICTS WITHIN THESE ZONING DISTRICTS THAT ALLOW A DIFFERENT DENSITY OF MULTIFAMILY HOUSING DEVELOPMENT SO LONG AS EACH DISTRICT ALLOWS A GROSS DENSITY OF MULTIFAMILY HOUSING OF AT LEAST FORTY UNITS PER ACRE. THE ZONING DISTRICTS MUST INCLUDE ALL ELIGIBLE PARCELS IN THE SUBJECT JURISDICTION.

(b) NOTWITHSTANDING ANY LOCAL LAW TO THE CONTRARY, A SUBJECT JURISDICTION THAT DOES NOT ADOPT THE MODEL CODE MAY MEET THE GROSS DENSITY ESTABLISHED IN THE MINIMUM STANDARDS BY
ADOPTING LOCAL LAWS APPLICABLE TO A DISTRICT COVERING AREAS OUTSIDE OF TRANSIT-ORIENTED AREAS SO LONG AS THE DISTRICT IS AT LEAST THE SAME SIZE AS THE ELIGIBLE PARCELS IN THE TRANSIT-ORIENTED AREAS, IF EITHER:

(I) SIGNIFICANT DEVELOPMENT CONSTRAINTS EXIST; OR

(II) THE SUBJECT JURISDICTION HAS ESTABLISHED PLANNING AREAS FOR TRANSIT-COMPATIBLE USE IN ADJACENT AREAS.

(2) NOTWITHSTANDING ANY LOCAL LAW TO THE CONTRARY, A SUBJECT JURISDICTION THAT DOES NOT ADOPT THE MODEL CODE SHALL NOT:

(a) APPLY LOCAL LAWS THAT INDIVIDUALLY OR CUMULATIVELY CREATE UNREASONABLE COSTS OR DELAYS, OR THAT MAKE THE PERMITTING, SITING, OR CONSTRUCTION OF MULTIFAMILY HOUSING IN A TRANSIT-ORIENTED AREA INFEASIBLE;

(b) ADOPT LOCAL LAWS THAT INDIVIDUALLY OR CUMULATIVELY MAKE SATISFYING THE MINIMUM RESIDENTIAL DENSITY LIMITS INFEASIBLE; OR

(c) REQUIRE NEW OFF-STREET PARKING WITHIN TRANSIT-ORIENTED AREAS FOR ANY USES IN CONJUNCTION WITH A MULTIFAMILY HOUSING DEVELOPMENT PERMIT.

(3) THE DEPARTMENT OF LOCAL AFFAIRS MAY PROMULGATE RULES AS IT DEEMS NECESSARY TO UPDATE THE MINIMUM STANDARDS OR MODEL CODE, UTILIZING A PUBLIC HEARING AND COMMENT PROCESS.

29-33-406. Adoption of model code - satisfaction of minimum standards. (1) (a) NO LATER THAN DECEMBER 31, 2024, A SUBJECT JURISDICTION SHALL EITHER:

(I) ADOPT LOCAL LAWS CONCERNING TRANSIT-ORIENTED AREAS
THAT SATISFY THE MINIMUM STANDARDS; OR 

(II) ADOPT THE MODEL CODE.

(2) IF A SUBJECT JURISDICTION DOES NOT SATISFY THE REQUIREMENTS OF SUBSECTION (1)(a) OF THIS SECTION BEFORE JUNE 30, 2025, THE MODEL CODE GOES INTO EFFECT IMMEDIATELY FOR THE APPLICABLE PARCELS, AS SPECIFIED IN SECTION 29-33-403, IN THE SUBJECT JURISDICTION, UNTIL THE SUBJECT JURISDICTION SUBMITS LOCAL LAWS THAT COMPLY WITH THE MINIMUM STANDARDS TO THE DEPARTMENT OF LOCAL AFFAIRS.

(3) IF A SUBJECT JURISDICTION ADOPTS THE MODEL CODE, OR THE MODEL CODE IS OTHERWISE IN EFFECT, FOR A SUBJECT JURISDICTION PURSUANT TO SUBSECTION (2) OF THIS SECTION, THE SUBJECT JURISDICTION SHALL:

(a) USE OBJECTIVE PROCEDURES TO DETERMINE WHETHER A PROJECT SATISFIES THE MODEL CODE AND, IF THE SUBJECT JURISDICTION DETERMINES THAT THE PROJECT SATISFIES THE MODEL CODE, THE SUBJECT JURISDICTION SHALL APPROVE THE PROJECT; AND

(b) NOT ADOPT, ENACT, OR ENFORCE ANY LOCAL LAWS THAT CONTRAVENE THE MODEL CODE.

(4) (a) NO LATER THAN JUNE 30, 2024, A SUBJECT JURISDICTION MAY SUBMIT AN APPLICATION TO THE DEPARTMENT OF LOCAL AFFAIRS, IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT OF LOCAL AFFAIRS, FOR AN EXTENSION OF THE RELEVANT REQUIREMENTS IN SUBSECTION (1) OR (2) OF THIS SECTION.

(b) THE APPLICATION MUST INCLUDE A DEMONSTRATION BY THE SUBJECT JURISDICTION THAT:

(I) THE SUBJECT JURISDICTION'S WATER, SEWER, OR STORMWATER
SERVICES ARE CURRENTLY DEFICIENT IN SPECIFIC AREAS OR ARE EXPECTED TO BECOME DEFICIENT IN THE NEXT FIVE YEARS;

(II) THE SUBJECT JURISDICTION HAS ESTABLISHED A PLAN OF ACTION TO REMEDY THE DEFICIENT WATER, SEWER, OR STORMWATER SERVICES IN THE SPECIFIC AREAS IDENTIFIED IN SUBSECTION (4)(b)(I) OF THIS SECTION ON A SPECIFIC TIMELINE; AND

(III) THE SUBJECT JURISDICTION IS UNABLE TO SERVE LESS WATER EFFICIENT HOUSING TYPES THAN THOSE REQUIRED BY THIS PART 4.

(c) THE DEPARTMENT OF LOCAL AFFAIRS MAY ADOPT RULES OR PROMULGATE GUIDANCE AS NECESSARY TO IMPLEMENT THIS SUBSECTION (4).

(5) (a) NO LATER THAN DECEMBER 31, 2024, A SUBJECT JURISDICTION SHALL SUBMIT TO THE DEPARTMENT OF LOCAL AFFAIRS, IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT OF LOCAL AFFAIRS, A REPORT CONCERNING THE IMPLEMENTATION OF THE MODEL CODE OR LOCAL LAWS THAT COMPLY WITH THE MINIMUM STANDARDS.

(b) WITHIN NINETY DAYS OF RECEIVING A REPORT DESCRIBED IN SUBSECTION (5)(a) OF THIS SECTION, THE DEPARTMENT OF LOCAL AFFAIRS SHALL REVIEW AND APPROVE THE SUBMITTED REPORT OR REJECT THE REPORT AND PROVIDE FEEDBACK TO THE SUBJECT JURISDICTION. THE DEPARTMENT OF LOCAL AFFAIRS MAY GRANT A JURISDICTION AN ADDITIONAL ONE HUNDRED TWENTY DAYS TO CORRECT THE RELEVANT LOCAL LAWS AND RESUBMIT ITS REPORT.

(c) IF THE DEPARTMENT OF LOCAL AFFAIRS REJECTS A SUBJECT JURISDICTION'S REPORT, THE MODEL CODE GOES INTO EFFECT IMMEDIATELY FOR THE SUBJECT JURISDICTION UNTIL THE DEPARTMENT OF LOCAL AFFAIRS DETERMINES THAT THE SUBJECT JURISDICTION HAS
ADOPTED LAWS THAT COMPLY WITH THE MINIMUM STANDARDS OR HAS ADOPTED THE MODEL CODE.

**29-33-407. Subject jurisdiction restrictions.** (1) NOTHING IN THIS PART 4, IN THE MODEL CODE, OR IN THE MINIMUM STANDARDS PREVENTS A LOCAL GOVERNMENT FROM:

(a) REQUIRING PARKING SPACES IN ACCORDANCE WITH THE FEDERAL "AMERICANS WITH DISABILITIES ACT OF 1990", 42 U.S.C. SEC. 12101 ET SEQ., AS AMENDED;

(b) APPLYING A LOCAL INCLUSIONARY ZONING ORDINANCE TO MULTIFAMILY HOUSING IN TRANSIT-ORIENTED AREAS SO LONG AS THE STANDARDS OF THE ORDINANCE DO NOT RENDER THE DEVELOPMENT OF MULTIFAMILY HOUSING FINANCIALLY INFEASIBLE;

(c) IMPOSING REQUIREMENTS ON THE SHORT-TERM RENTAL OF HOUSING IN TRANSIT-ORIENTED AREAS;

(d) PERMITTING MIXED-USE DEVELOPMENT IN A TRANSIT-ORIENTED AREA;

(e) ALLOWING COMMERCIAL ONLY DEVELOPMENTS IN A TRANSIT-ORIENTED AREA; OR

(f) APPLYING THE STANDARDS IN A HISTORIC DISTRICT TO HOUSING IN A TRANSIT-ORIENTED AREA IN THAT HISTORIC DISTRICT.

**PART 5**

**KEY CORRIDORS**

**29-33-501. Legislative declaration.** (1) (a) THE GENERAL ASSEMBLY HEREBY FINDS, DETERMINES, AND DECLARES THAT:

(I) LOCAL GOVERNMENT LAND USE DECISIONS CAN LIMIT DENSER MULTIFAMILY HOUSING DEVELOPMENT NEAR FREQUENT TRANSIT AND IN COMMERCIAL AND INSTITUTIONAL AREAS;
(II) Housing supply impacts housing affordability;

(III) Housing prices are typically higher when housing supply is restricted by local land use regulations in a metropolitan region, according to studies such as the National Bureau of Economic Research working papers "Regulation and Housing Supply", "The Impact of Zoning on Housing Affordability", and "The Impact of Local Residential Land Use Restrictions on Land Values Across and Within Single Family Housing Markets". Increasing housing supply moderates price increases and improves housing affordability across all incomes, according to studies such as "The Economic Implications of Housing Supply", in the Journal of Economic Perspectives, and "Supply Skepticism: Housing Supply and Affordability", in the Journal Housing Policy Debate.

(IV) Multifamily housing is typically more affordable than detached single-unit dwellings, and living near transit, jobs, and services enables households to save on transportation costs by owning fewer vehicles. In 2019, Colorado multifamily units cost between fourteen and forty-three percent less to own, and between nine and eighteen percent less to rent, depending on the size of the building, compared to a single-unit detached dwelling, according to the American Community Survey.

(V) The Terner Center for Housing Innovation at the University of California Berkeley found in its report "Residential Redevelopment of Commercially Zoned Land in California" that there is significant potential for residential
DEVELOPMENT IN COMMERCIALLY ZONED AREAS, THAT MANY COMMERCIAL ZONE DISTRICTS DO NOT ALLOW RESIDENTIAL DEVELOPMENT, AND THAT ALLOWING USE BY RIGHT RESIDENTIAL DEVELOPMENT IN COMMERCIAL ZONE DISTRICTS CAN ENCOURAGE ADDITIONAL HOUSING SUPPLY;

(VI) ACCORDING TO THE NATIONAL ASSOCIATION OF REALTORS IN THEIR REPORT "ANALYSIS AND CASE STUDIES ON OFFICE-TO-HOUSING CONVERSIONS", OVER FIVE MILLION SEVEN HUNDRED THOUSAND SQUARE FEET OF OFFICE SPACE BECAME UNOCCUPIED IN THE DENVER METROPOLITAN REAL ESTATE MARKET BETWEEN 2020 AND 2021, THE DENVER MARKET COULD POTENTIALLY ADD OVER TWO THOUSAND NEW RESIDENTIAL UNITS FROM OFFICE TO RESIDENTIAL CONVERSIONS IF IT CONVERTED TWENTY PERCENT OF CURRENTLY VACANT OFFICE SPACE, AND ONE OF THE MAJOR BARRIERS TO CONVERSIONS IS RESTRICTIVE LOCAL LAND USE REGULATIONS THAT REQUIRE DISCRETIONARY APPROVALS;

(VII) ACCORDING TO THE NOTRE DAME LAW SCHOOL IN THEIR ARTICLE "SHELLS OF THE STORES THEY ONCE WERE: RETURNING VACANT RETAIL PROPERTY TO PRODUCTIVE USE IN THE MIDST OF THE RETAIL APOCALYPSE", UNITED STATES RETAILERS HAVE BEEN CLOSING BRICK AND MORTAR LOCATIONS IN LARGE NUMBERS SINCE AT LEAST 2017, LEAVING BEHIND VACANT COMMERCIAL BUILDINGS AND PROPERTIES THAT POSE PROBLEMS FOR PUBLIC HEALTH AND SAFETY, REDUCE LOCAL TAX REVENUE, AND LEAD TO THE FLIGHT OF OTHER RETAIL BUSINESSES. VACANT COMMERCIAL PROPERTIES PROVIDE OPPORTUNITIES FOR RESIDENTIAL AND MIXED USE REDEVELOPMENT, BOTH THROUGH ADAPTIVE REUSE OF EXISTING BUILDINGS, AND THROUGH NEW DEVELOPMENT; AND, ACCORDING TO THE LOCAL GOVERNMENT COMMISSION IN COOPERATION
WITH THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY IN THE
JOINT REPORT "CREATING GREAT NEIGHBORHOODS: DENSITY IN YOUR
COMMUNITY", INCREASED RESIDENTIAL DENSITY IS ASSOCIATED WITH THE
ECONOMIC SUCCESS OF NEARBY BUSINESSES, AND CONTRIBUTES TO THE
REVITALIZATION OF NEIGHBORHOODS.

(VIII) MEETING HOUSING DEMAND THROUGH COMPACT INFILL
DEVELOPMENT CLOSE TO JOBS, SERVICES, AND TRANSIT DECREASES THE
NEED FOR NEW DISPERSED, LOW-DENSITY HOUSING. RELATIVE TO
DISPERSED LOW-DENSITY DEVELOPMENT, COMPACT INFILL HOUSING
DEVELOPMENT, INCLUDING MULTIFAMILY HOUSING DEVELOPMENT,
REDUCES WATER USE, GREENHOUSE GAS EMISSIONS, INFRASTRUCTURE
COSTS, AND HOUSEHOLD ENERGY AND TRANSPORTATION COSTS.

(IX) HOUSING WITH ACCESS TO FREQUENT TRANSIT ALLOWS
RESIDENTS TO TRAVEL TO WORK AND SERVICES WITHOUT DRIVING OR
WHILE DRIVING LESS, WHICH REDUCES HOUSEHOLD TRANSPORTATION
COSTS, GREENHOUSE GAS EMISSIONS, AND AIR POLLUTION. ANALYSES OF
TRANSIT-ORIENTED DEVELOPMENTS HAVE FOUND RESIDENTS TAKE AN
AVERAGE OF FORTY-FOUR PERCENT FEWER VEHICLE TRIPS, ACCORDING TO
THE ARTICLE "VEHICLE TRIP REDUCTION IMPACTS OF TRANSIT-ORIENTED
HOUSING" IN THE JOURNAL OF PUBLIC TRANSPORTATION. AND,
ACCORDING TO THE CALIFORNIA AIR RESOURCES BOARD REPORTS
"IMPACT OF JOBS-HOUSING BALANCE ON PASSENGER VEHICLE USE AND
GREENHOUSE GAS EMISSIONS" AND "IMPACTS OF LAND-USE MIX ON
PASSENGER VEHICLE USE AND GREENHOUSE GAS EMISSIONS",
CO-LOCATING RESIDENCES, JOBS, AND SERVICES ALSO REDUCES
HOUSEHOLD VEHICLE MILES TRAVELED.

(X) MULTIFAMILY HOUSING ALSO USES SIGNIFICANTLY LESS
ENERGY FOR HEATING AND COOLING PER UNIT THAN SINGLE-UNIT DETACHED DEALINGS DUE TO MULTIFAMILY HOUSING HAVING ATTACHED WALLS AND SMALLER SIZE, WHICH REDUCES HOUSEHOLD ENERGY COSTS AND GREENHOUSE GAS EMISSIONS. IN COLORADO, HOUSEHOLD ENERGY DEMAND ON AVERAGE IS SEVENTY PERCENT LESS FOR MULTIFAMILY HOUSING COMPARED TO SINGLE-UNIT DETACHED DWELLINGS, ACCORDING TO THE NATIONAL RENEWABLE ENERGY LABORATORY RESStock ANALYSIS TOOL.

(b) THEREFORE, THE GENERAL ASSEMBLY DECLARES THAT INCREASED HOUSING SUPPLY IN KEY CORRIDORS IS A MATTER OF MIXED STATEWIDE AND LOCAL CONCERN.

29-33-502. Definitions. As used in this Part 5, unless the context otherwise requires:

(1) "FREQUENT TRANSIT SERVICE AREA" MEANS AN AREA DESIGNATED AS A "FREQUENT TRANSIT SERVICE AREA" IN THE FREQUENT TRANSIT SERVICE AREAS MAP PUBLISHED BY THE DEPARTMENT OF LOCAL AFFAIRS PURSUANT TO SECTION 29-33-503.

(2) "INDUSTRIAL USE" MEANS A BUSINESS USE OR ACTIVITY AT A SCALE GREATER THAN HOME INDUSTRY INVOLVING MANUFACTURING, FABRICATION, ASSEMBLY, WAREHOUSING, OR STORAGE.

(3) "KEY CORRIDORS" MEANS PARCELS THAT ARE WITHIN THE AREAS DESCRIBED IN SECTION 29-33-504 (1)(a).

(4) "MINIMUM STANDARDS" MEANS THE KEY CORRIDORS MINIMUM STANDARDS ESTABLISHED IN SECTION 29-33-506.

(5) "MODEL CODE" MEANS THE KEY CORRIDORS MODEL CODE PROMULGATED BY THE DEPARTMENT OF LOCAL AFFAIRS PURSUANT TO SECTION 29-33-505.
(6) "Net Residential Zoning Capacity" means the total housing unit capacity estimated to be allowed as a use by right in a given area, minus existing housing units.

(7) "Subject Jurisdiction" means a rural resort job center municipality or a tier one urban municipality.

29-33-503. Frequent transit service areas. (1) (a) No later than June 30, 2025, the Executive Director of the Department of Local Affairs shall create a Frequent Transit Service Areas Map that designates frequent transit service areas.

(b) The Multi-Agency Advisory Committee shall, as part of the process used by the Multi-Agency Advisory Committee to develop recommendations for the Key Corridor Model Code pursuant to Section 29-33-506 (2), provide recommendations to the Executive Director of the Department of Local Affairs concerning the creation of a Frequent Transit Service Areas Map.

(2) The Executive Director of the Department of Local Affairs shall include in the Frequent Transit Service Areas Map, areas that are within one quarter-mile of:

(a) A roadway within a Census Urbanized Area served by a bus route that is both scheduled to run every fifteen minutes or less and at least one mile long;

(b) A bus stop along a bus route that is scheduled to run every fifteen minutes or less and runs, at least in part, on a limited access highway or outside of an area that is designated as an Urbanized Area by the most Recent Federal Decennial Census; and

(c) An existing or planned urban bus or commuter bus.
RAPID TRANSIT SERVICE.

(3) The executive director of the department of local affairs shall designate an area as a frequent transit service area based on:

(a) Transit service levels as of January 1, 2023;

(b) Transit service levels planned and approved by a transit agency’s board as of January 1, 2023, for implementation before January 1, 2028; or

(c) Future transit service levels, planned as of January 1, 2023, as described in federally required transportation plans.

(4) In designating frequent transit service areas, the department of local affairs shall not rely on planning documents adopted after January 1, 2023.

29-33-504. Key corridor applicability - exemptions. (1) (a) If a subject jurisdiction adopts the model code, or the model code is otherwise in effect, the model code shall apply to parcels that are within:

(I) A zoning district that permits, as of January 1, 2023:

(A) Commercial uses compatible with residential uses such as office, retail, personal services, or parking commercial uses; or

(B) Public or institutional uses;

(II) An area zoned for a mix of uses including commercial, institutional, public, or residential uses; or

(III) A frequent transit service area, as of January 1, 2023.

(b) If a subject jurisdiction adopts local laws that meet the minimum standards rather than the model code, the subject
JURISDICTION MAY CHOOSE TO IDENTIFY AREAS DESCRIBED IN
SUBSECTIONS (1)(a)(I), (1)(a)(II), AND (1)(a)(III) OF THIS SECTION AS KEY
CORRIDORS AS LONG AS THE AREAS THAT THE SUBJECT JURISDICTION
SELECTS, AND THE LOCAL LAWS THAT THE SUBJECT JURISDICTION APPLIES
TO THOSE AREAS, MEET THE MINIMUM STANDARDS ESTABLISHED IN
SECTION 29-33-506.

(2) THE REQUIREMENTS OF THIS PART 5 APPLY ONLY TO A KEY
CORRIDOR IN A RURAL RESORT JOB CENTER MUNICIPALITY OR A TIER ONE
URBAN MUNICIPALITY.

(3) UNLESS A SUBJECT JURISDICTION DECIDES OTHERWISE, LOCAL
LAWS ADOPTED PURSUANT TO THIS PART 5 ONLY APPLY TO PARCELS THAT
ARE NOT:

(a) A STANDARD EXEMPT PARCEL; OR

(b) ON A SITE OR ADJOINING A SITE THAT IS:

(I) USED FOR AN INDUSTRIAL USE;

(II) CURRENTLY PERMITTED FOR AN INDUSTRIAL USE; OR

(III) DESIGNATED FOR HEAVY INDUSTRIAL USE IN THE LATEST
VERSION OF A SUBJECT JURISDICTION'S MASTER PLAN ADOPTED BEFORE
JANUARY 1, 2023.

29-33-505. Model code. (1) (a) NO LATER THAN JUNE 30, 2025,
THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF LOCAL AFFAIRS SHALL
PROMULGATE A KEY CORRIDOR MODEL CODE.

(b) THE MULTI-AGENCY ADVISORY COMMITTEE SHALL PROVIDE
RECOMMENDATIONS TO THE EXECUTIVE DIRECTOR OF THE DEPARTMENT
OF LOCAL AFFAIRS ON THE MODEL CODE.

(2) IN DEVELOPING RECOMMENDATIONS TO PROVIDE TO THE
EXECUTIVE DIRECTOR OF THE DEPARTMENT OF LOCAL AFFAIRS ON THE
MODEL CODE, THE MULTI-AGENCY ADVISORY COMMITTEE SHALL:

(a) PROVIDE PUBLIC NOTICE AND HOLD AT LEAST TWO PUBLIC
MEETINGS AT WHICH MEMBERS OF THE PUBLIC HAVE AN OPPORTUNITY TO
COMMENT ON THE MODEL CODE;

(b) ALLOW THE SUBMISSION OF WRITTEN COMMENTS ON THE
MODEL CODE;

(c) CONDUCT OUTREACH TO AND SOLICIT FEEDBACK FROM LOCAL
GOVERNMENTS AND REGIONAL PLANNING AGENCIES; AND

(d) CONSULT WITH EXPERTS IN DISABILITY RIGHTS, AFFORDABLE
HOUSING, FAIR HOUSING, PLANNING, ZONING, AND RELATED FIELDS.

(3) AT A MINIMUM, THE MODEL CODE MUST INCLUDE:

(a) A MINIMUM RESIDENTIAL DENSITY LIMIT FOR MULTIFAMILY
RESIDENTIAL HOUSING THAT MUST BE ALLOWED AS A USE BY RIGHT IN KEY
CORRIDORS;

(b) AN ALLOWABLE MINIMUM RESIDENTIAL DENSITY LIMIT FOR
MIXED-INCOME MULTIFAMILY RESIDENTIAL HOUSING THAT MUST BE
ALLOWED AS A USE BY RIGHT IN KEY CORRIDORS AND MUST BE AT LEAST
FIFTY PERCENT GREATER THAN THE MINIMUM RESIDENTIAL DENSITY LIMIT
IN SUBSECTION (3)(a) OF THIS SECTION;

(c) REQUIREMENTS FOR THE PERCENT OF UNITS IN MIXED-INCOME
MULTIFAMILY RESIDENTIAL DEVELOPMENTS THAT MUST BE RESERVED FOR
LOW- AND MODERATE-INCOME HOUSEHOLDS; AND

(d) AREA MEDIAN INCOME REQUIREMENTS FOR REGULATED
AFFORDABLE HOUSING UNITS THAT ARE INFORMED BY THE NEED FOR
AFFORDABLE HOUSING IDENTIFIED IN THE LOCAL HOUSING NEEDS
ASSESSMENT.

29-33-506. Minimum standards. (1) (a) NO LATER THAN JUNE
30, 2025, THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF LOCAL
AFFAIRS SHALL PROMULGATE KEY CORRIDOR MINIMUM STANDARDS.

(b) The multi-agency advisory committee shall provide
recommendations to the executive director of the department
of local affairs on the minimum standards.

(2) In developing recommendations to provide to the
executive director of the department of local affairs on the
model code, the multi-agency advisory committee shall follow
the same process as in section 29-33-505 (2).

(3) The minimum standards must:

(a) Include guidance to encourage regional strategies for
key corridors;

(b) Identify a net residential zoning capacity for each
subject jurisdiction, which must be informed by the local
housing needs assessment; and

(c) Identify any additional standards deemed necessary,
such as a minimum residential density limit and minimum district
size.

(4) (a) Notwithstanding any local law to the contrary, a
tier one urban municipality that does not adopt the model code
shall establish a district within key corridors that allows, as
a use by right, multifamily residential housing that satisfies the
net residential zoning capacity established by the minimum
standards and meets other minimum standards established.

(b) Notwithstanding any local law to the contrary, a
rural resort job center municipality that does not adopt the
model code shall allow multifamily housing as a use by right in
THE PARTS OF THE MUNICIPALITY THAT THE RURAL RESORT REGION
HOUSING NEEDS PLANNING PROCESS IDENTIFIED AS KEY CORRIDORS.
(c) NOTWITHSTANDING ANY LOCAL LAW TO THE CONTRARY, A
SUBJECT JURISDICTION MAY ALLOW DIFFERENT LEVELS OF DENSITY WITHIN
A KEY CORRIDOR SO LONG AS THE MINIMUM STANDARDS ARE SATISFIED.
(5) NOTWITHSTANDING ANY LOCAL LAW TO THE CONTRARY, A
SUBJECT JURISDICTION THAT DOES NOT ADOPT THE MODEL CODE SHALL
NOT, IN THE DISTRICTS IT ESTABLISHES PURSUANT TO SUBSECTION (4)(a)
OF THIS SECTION:
(a) APPLY STANDARDS THAT INDIVIDUALLY OR CUMULATIVELY
CREATE UNREASONABLE COSTS OR DELAYS FOR MULTIFAMILY HOUSING
DEVELOPMENTS IN KEY CORRIDORS OR MAKE THE PERMITTING, SITING, OR
CONSTRUCTION OF MULTIFAMILY HOUSING IN KEY CORRIDORS INFEASIBLE;
(b) ADOPT, ENACT, OR ENFORCE LOCAL LAWS THAT MAKE THE
MINIMUM RESIDENTIAL DENSITY LIMITS INFEASIBLE; OR
(c) REQUIRE NEW OFF-STREET PARKING WITHIN KEY CORRIDORS
FOR ANY USE IN CONJUNCTION WITH THE ISSUANCE OF A DEVELOPMENT
PERMIT.
(6) THE DEPARTMENT OF LOCAL AFFAIRS MAY PROMULGATE RULES
AS IT DEEMS NECESSARY TO UPDATE THE MINIMUM STANDARDS OR MODEL
CODE, UTILIZING A PUBLIC HEARING AND COMMENT PROCESS.
29-33-507. Adoption of model codes - satisfaction of minimum
standards. (1) NO LATER THAN DECEMBER 31, 2026, A SUBJECT
JURISDICTION SHALL EITHER:
(a) ADOPT LOCAL LAWS CONCERNING KEY CORRIDORS THAT
SATISFY THE MINIMUM STANDARDS; OR
(b) ADOPT THE MODEL CODE.
(2) If a subject jurisdiction does not satisfy the requirements of subsection (1) of this section before June 30, 2027, the model code goes into effect immediately for the applicable parcels in key corridors, as specified in section 29-33-504, in the subject jurisdiction until the department of local affairs determines that the subject jurisdiction has adopted laws that comply with the minimum standards.

(3) If a subject jurisdiction adopts the model code or the model code is otherwise in effect for a subject jurisdiction pursuant to subsection (2) of this section, the subject jurisdiction shall:

(a) use objective procedures to determine whether a project satisfies the model code and, if the subject jurisdiction determines that the project satisfies the model code, the subject jurisdiction shall approve the accessory dwelling project; and

(b) not adopt, enact, or enforce any local laws that contravene the model code.

(4) (a) No later than June 30, 2026, a subject jurisdiction may submit an application to the department of local affairs in a form and manner determined by the department of local affairs for an extension of the relevant requirements in subsection (1) of this section.

(b) The application must include a demonstration by the subject jurisdiction that:

(I) the subject jurisdiction's water, sewer, or stormwater services are currently deficient in specific areas, or are expected to become deficient in the next five years;
(II) The subject jurisdiction has established a plan of action to remedy the deficient water, sewer, or stormwater services in the specific areas identified in subsection (4)(b)(I) of this section on a specific timeline; and

(III) The subject jurisdiction is unable to serve less water efficient housing types than those required by this part 5.

(c) The department of local affairs may adopt rules or promulgate guidance as necessary to implement this subsection (4).

(5) (a) No later than December 31, 2026, a rural resort job center municipality or a tier one urban municipality shall submit to the department of local affairs in a form and manner determined by the department a report demonstrating evidence of compliance with either the model code or minimum standards.

(b) Within ninety days of receiving a report described in subsection (5)(a) of this section, the department of local affairs shall review and approve the submitted report or reject the report and provide feedback to the subject jurisdiction. The department of local affairs may grant a jurisdiction an additional one hundred twenty days to correct the relevant local laws and resubmit its report.

(c) If the department of local affairs rejects a subject jurisdiction’s report, the model code goes into effect immediately for the subject jurisdiction, until the department of local affairs determines that the subject jurisdiction has adopted laws that comply with the minimum standards or has adopted the model code.
29-33-508. Subject jurisdiction restrictions. (1) Nothing in this Part 5 prevents a subject jurisdiction from:
   (a) requiring parking spaces in accordance with the Federal "Americans with Disabilities Act of 1990", 42 U.S.C. sec. 12101 et seq., as amended;
   (b) applying a local inclusionary zoning ordinance to multifamily housing in key corridors so long as the standards of the ordinance do not render the development of multifamily housing financially infeasible;
   (c) permitting mixed-use development in a key corridor;
   (d) allowing commercial only developments in a key corridor; or
   (e) applying the standards in a historic district to housing in key corridors in that historic district.

Section 3. In Colorado Revised Statutes, 24-32-705, add (8) as follows:

24-32-705. Functions of division. (8) The division shall consult with the advisory committee on factory-built structures and tiny homes created in section 24-32-3305 (3) to produce a report no later than June 30, 2024, on the opportunities and barriers in current state laws and regulations concerning the building of manufactured homes, modular homes, and tiny homes.

Section 4. In Colorado Revised Statutes, 24-32-3301, amend (1)(c)(II) as follows:

24-32-3301. Legislative declaration. (1) The general assembly hereby finds, determines, and declares that mobile homes, manufactured
housing, and factory-built structures are important and effective ways to meet Colorado's affordable housing needs. The general assembly further finds and declares that, because of the housing crisis in Colorado, there is a need to promote the affordability and accessibility of new manufactured homes and factory-built structures. The general assembly encourages local governments to enact ordinances and rules that effectively treat factory-built structures certified through the state program and manufactured housing certified through the federal program the same as site-built homes. The general assembly further finds, determines, and declares that:

(c) The protection of Colorado consumers who purchase manufactured homes or tiny homes from fraud and other unfair business practices is a matter of statewide concern and consumers can best be protected by:

(II) Imposing escrow and bonding requirements upon persons engaged in the business of manufacturing or selling manufactured homes or tiny homes; and

SECTION 5. In Colorado Revised Statutes, 24-32-3303, amend (1)(c) as follows:

24-32-3303. Division of housing - powers and duties - rules.
(1) The division has the following powers and duties pursuant to this part 33:

(c) To review and approve quality assurance representatives that intend to perform FINAL CONSTRUCTION PLAN REVIEWS, inspections, and issue insignia of approval pursuant to this part 33;

SECTION 6. In Colorado Revised Statutes, 24-32-3311, amend (1)(a.3) as follows:

(1) (a.3) Manufacturers of factory-built structures to be installed in the state shall register with the division as provided in board rules and are subject to enforcement action, including suspension or revocation of their registration for failing to comply with requirements contained in this part 33 and board rules. A manufacturer shall:

(I) Comply with escrow requirements of down payments as established by the board by rule; and

(II) Provide a letter of credit, certificate of deposit issued by a licensed financial institution, or surety bond issued by an authorized insurer in an amount and process established by the board by rule. A financial institution or authorized insurer shall pay the division the letter of credit, certificate of deposit, or surety bond if a court of competent jurisdiction has rendered a final judgment in favor of the division based on a finding that:

(A) The manufacturer failed to deliver the factory-built structure;

(B) The manufacturer failed to refund a down payment made toward the purchase of the factory-built structure; or

(C) The manufacturer ceased doing business operations or filed for bankruptcy.

SECTION 7. In Colorado Revised Statutes, 24-67-105, add (5.5) as follows:

24-67-105. Standards and conditions for planned unit development - definitions. (5.5) (a) A PLANNED UNIT DEVELOPMENT RESOLUTION OR ORDINANCE ADOPTED PURSUANT TO THIS ARTICLE 67, IF THE PLANNED UNIT DEVELOPMENT HAS A RESIDENTIAL USE, MUST NOT RESTRICT THE PERMITTING OF ACCESSORY DWELLING UNITS, MIDDLE
HOUSING, HOUSING IN TRANSIT-ORIENTED AREAS, OR HOUSING IN KEY
CORRIDORS IN ANY WAY THAT IS PROHIBITED BY ARTICLE 33 OF TITLE 29.

(b) As used in this subsection (5.5), unless the context
otherwise requires:

(I) "ACCESSORY DWELLING UNIT" has the same meaning as set
forth in section 29-33-102 (2).

(II) "KEY CORRIDOR" has the same meaning as set forth in
section 29-33-502 (3).

(III) "MIDDLE HOUSING" has the same meaning as set forth in
section 29-33-102 (18).

(IV) "TRANSIT-ORIENTED AREA" has the same meaning as set
forth in section 29-33-102 (36).

SECTION 8. In Colorado Revised Statutes, add 29-20-110 as
follows:

29-20-110. Local government residential occupancy limits -
definitions. (1) Notwithstanding any other provision to the
contrary, a local government shall not enact or enforce
residential occupancy limits that differ based on the
relationships of the occupants of a dwelling.

(2) Nothing in this section prevents a local government
from establishing residential occupancy limits for dwelling
units for short-term rentals, as defined in section 29-33-102 (30).

(3) As used in this section, unless the context otherwise
requires:

(a) "DWELLING" means any improved real property, or
portion thereof, that is used or intended to be used as a
residence.
(b) "LOCAL GOVERNMENT" MEANS A COUNTY, HOME RULE
COUNTY, HOME RULE OR STATUTORY CITY, TOWN, TERRITORIAL CHARTER
CITY, OR CITY AND COUNTY.

SECTION 9. In Colorado Revised Statutes, 30-28-106, amend
(3)(a)(IV)(D) and (3)(a)(IV)(E); and add (6.5), (8), and (9) as follows:

30-28-106. Adoption of master plan - contents. (3) (a) The
master plan of a county or region, with the accompanying maps, plats,
charts, and descriptive and explanatory matter, must show the county or
regional planning commission's recommendations for the development of
the territory covered by the plan. The master plan of a county or region is
an advisory document to guide land development decisions; however, the
plan or any part thereof may be made binding by inclusion in the county's
or region's adopted subdivision, zoning, platting, planned unit
development, or other similar land development regulations after
satisfying notice, due process, and hearing requirements for legislative or
quasi-judicial processes as appropriate. After consideration of each of the
following, where applicable or appropriate, the master plan may include:

(IV) (D) The department of local affairs created in section
24-1-125 may hire and employ one full-time employee to provide
educational resources and assistance to counties that include water
conservation policies in their master plans as described in subsection
(3)(a)(IV)(C) OR IN SUBSECTION (6.5)(b) of this section.

(E) Nothing in this subsection (3)(a)(IV) OR IN SUBSECTION
(6.5)(b) OF THIS SECTION shall be construed to supersede, abrogate, or
otherwise impair the allocation of water pursuant to the state constitution
or laws, the right to beneficially use water pursuant to decrees, contracts,
or other water use agreements, or the operation, maintenance, repair,
replacement, or use of any water facility.

(6.5) A MASTER PLAN OF ANY COUNTY ADOPTED OR AMENDED IN
ACCORDANCE WITH THE REQUIREMENTS OF THIS SECTION ON AND AFTER
JUNE 30, 2024, MUST INCLUDE:

(a) The general location and extent of an adequate and
suitable supply of water as described in subsection (3)(a)(IV)(A)
of this section;

(b) A water supply element that satisfies the
requirements of subsections (3)(a)(IV)(B) and (3)(a)(IV)(C) of this
section;

(c) Natural and agricultural land priorities in
accordance with the natural and agricultural land priorities
report created in section 29-33-109; and

(d) For counties with a population greater than two
hundred fifty thousand, a greenfield development analysis that
is conducted in the same manner and on the same timeline as the
greenfield development analysis required in section 29-33-104
(4)(d).

(8) In adopting or amending a master plan, the commission
shall identify, provide notice to, and consult with certain
entities within the following categories to ensure that the
adopter or amending of the master plan is an inclusive process:

(a) Housing authorities;

(b) Local governments; and

(c) Nongovernmental organizations.

(9) (a) At least sixty days before the final public hearing
required by subsection (1) of this section, the commission shall
SUBMIT THE MOST RECENT DRAFT OF THE MASTER PLAN TO THE DIVISION OF LOCAL GOVERNMENT IN THE DEPARTMENT OF LOCAL AFFAIRS.

(b) No more than thirty days after adopting or amending the master plan, the commission shall submit the master plan to the division of local government in the department of local affairs. The division of local government shall review these reports to ensure they comply with the requirements of this section.

SECTION 10. In Colorado Revised Statutes, 31-15-713, add (1)(d) as follows:

31-15-713. Power to sell public works - real property. (1) The governing body of each municipality has the power:

(d) Notwithstanding subsections (1)(a) and (1)(b) of this section, to sell and dispose of, by ordinance, any public building or real property owned by a municipality that is held for government purposes other than park purposes, if the sale and disposition of the public building or real property is for the purpose of providing property to be used for the development of affordable housing, as the term is defined in section 29-33-102 (3). The governing body shall determine the terms and conditions of the sale and disposition at a regular or special meeting and shall make these terms and conditions publicly available.

SECTION 11. In Colorado Revised Statutes, 31-23-301, amend (5)(b)(I)(C); add (5)(a)(III), (5)(a)(IV), (5)(a)(V), and (5)(b)(I.5); and repeal (5)(b)(II) as follows:

31-23-301. Grant of power. (5) (a) As used in this subsection (5), unless the context otherwise requires:
(III) "MANUFACTURED HOME" MEANS ANY PRECONSTRUCTED BUILDING UNIT OR COMBINATION OF PRECONSTRUCTED BUILDING UNITS OR CLOSED PANEL SYSTEMS THAT:

(A) INCLUDES ELECTRICAL, MECHANICAL, OR PLUMBING SERVICES THAT ARE FABRICATED, FORMED, OR ASSEMBLED AT A LOCATION OTHER THAN THE SITE OF THE COMPLETED HOME;

(B) IS DESIGNED FOR RESIDENTIAL OCCUPANCY IN EITHER TEMPORARY OR PERMANENT LOCATIONS;

(C) IS CONSTRUCTED IN COMPLIANCE WITH THE FEDERAL ACT, FACTORY-BUILT RESIDENTIAL REQUIREMENTS, INCLUDING THOSE FOR MULTIFAMILY STRUCTURES, OR MOBILE HOME STANDARDS;

(D) IS NOT SELF-PROPELLED; AND

(E) IS NOT LICENSED AS A RECREATIONAL VEHICLE.

(IV) "MODULAR HOME" MEANS A FACTORY-BUILT RESIDENTIAL STRUCTURE.

(V) "OBJECTIVE STANDARD" MEANS A STANDARD THAT BOTH:

(A) DOES NOT REQUIRE A PUBLIC BODY OR OFFICIAL TO MAKE A PERSONAL OR SUBJECTIVE JUDGMENT; AND

(B) IS UNIFORMLY VERIFIABLE OR ASCERTAINABLE BY REFERENCE TO AN EXTERNAL OR UNIFORM BENCHMARK OR CRITERION THAT IS AVAILABLE AND KNOWABLE BY THE DEVELOPMENT APPLICANT OR PROPOSENT AND THE PUBLIC BODY OR OFFICIAL PRIOR TO THE DEVELOPMENT APPLICANT OR PROPOSENT'S FILING OF A DEVELOPMENT PROPOSAL.

(b) (I) No municipality may have or enact zoning regulations, subdivision regulations, or any other regulation affecting development that exclude or have the effect of excluding homes from the municipality
that are:

(C) Homes that meet or exceed, on an equivalent performance engineering basis, standards established by the municipal building code.

THE APPROVAL PROCESSES OF MANUFACTURED AND MODULAR HOMES SHALL BE BASED ON OBJECTIVE STANDARDS AND ADMINISTRATIVE REVIEW THAT ARE EQUIVALENT TO THAT REQUIRED FOR SITE-BUILT HOMES, UNLESS A MUNICIPALITY REGULATES SITE-BUILT HOMES THROUGH A SUBJECTIVE REVIEW PROCESS, IN WHICH CASE A MUNICIPALITY MAY USE AN EQUIVALENT REVIEW PROCESS FOR A MANUFACTURED OR MODULAR HOME AND A SITE-BUILT HOME.

(I.5) A MUNICIPALITY SHALL NOT IMPOSE MORE RESTRICTIVE STANDARDS ON MANUFACTURED AND MODULAR HOMES THAN THOSE THE MUNICIPALITY APPLIES TO SITE BUILT HOMES IN THE SAME RESIDENTIAL ZONES. RESTRICTIVE STANDARDS INCLUDE ZONING REGULATIONS, SUBDIVISION REGULATIONS, AND ANY OTHER REGULATION AFFECTING DEVELOPMENT SUCH AS REQUIREMENTS RELATING TO:

(A) PERMANENT FOUNDATIONS;
(B) MINIMUM FLOOR SPACE;
(C) HOME SIZE OR SECTIONAL REQUIREMENTS;
(D) IMPROVEMENT LOCATION STANDARDS;
(E) SIDE YARD STANDARDS; AND
(F) SETBACK STANDARDS.

(II) Nothing in this subsection (5) shall prevent a municipality from enacting any zoning, developmental, use, aesthetic, or historical standard, including, but not limited to, requirements relating to permanent foundations, minimum floor space, unit size or sectional requirements; and improvement location, side yard, and setback standards to the extent
that such standards or requirements are applicable to existing or new
housing within the specific use district of the municipality.

SECTION 12. In Colorado Revised Statutes, 31-23-206, amend
(1)(d)(IV) and (1)(d)(V); and add (6.5), (8), and (9) as follows:

31-23-206. Master plan. (1) It is the duty of the commission to
make and adopt a master plan for the physical development of the
municipality, including any areas outside its boundaries, subject to the
approval of the governmental body having jurisdiction thereof, that in the
commission's judgment bear relation to the planning of the municipality.
The master plan of a municipality is an advisory document to guide land
development decisions; however, the plan or any part thereof may be
made binding by inclusion in the municipality's adopted subdivision,
zoning, platting, planned unit development, or other similar land
development regulations after satisfying notice, due process, and hearing
requirements for legislative or quasi-judicial processes as appropriate.
When a commission decides to adopt a master plan, the commission shall
conduct public hearings, after notice of such public hearings has been
published in a newspaper of general circulation in the municipality in a
manner sufficient to notify the public of the time, place, and nature of the
public hearing, prior to final adoption of a master plan in order to
courage public participation in and awareness of the development of
such plan and shall accept and consider oral and written public comments
throughout the process of developing the plan. The plan, with the
accompanying maps, plats, charts, and descriptive matter, must, after
consideration of each of the following, where applicable or appropriate,
show the commission's recommendations for the development of the
municipality and outlying areas, including:
(d) (IV) The department of local affairs created in section 24-1-125 may hire and employ one full-time employee to provide educational resources and assistance to municipalities that include water conservation policies in their master plans as described in subsection (1)(d)(III) OR IN SUBSECTION (6.5)(b) of this section.

(V) Nothing in this subsection (1)(d) OR IN SUBSECTION (6.5)(b) OF THIS SECTION shall be construed to supersede, abrogate, or otherwise impair the allocation of water pursuant to the state constitution or laws, the right to beneficially use water pursuant to decrees, contracts, or other water use agreements, or the operation, maintenance, repair, replacement, or use of any water facility.

(6.5) A MASTER PLAN ADOPTED OR AMENDED IN ACCORDANCE WITH THE REQUIREMENTS OF THIS SECTION ON AND AFTER JUNE 30, 2024, MUST INCLUDE:

(a) THE GENERAL LOCATION AND EXTENT OF AN ADEQUATE AND SUITABLE SUPPLY OF WATER AS DESCRIBED IN SUBSECTION (1)(d)(I) OF THIS SECTION;

(b) A WATER SUPPLY ELEMENT THAT SATISFIES THE REQUIREMENTS OF SUBSECTIONS (1)(d)(II) AND (1)(d)(III) OF THIS SECTION;

(c) THE MOST RECENT LOCAL HOUSING NEEDS PLAN CREATED PURSUANT TO SECTION 29-33-104;

(d) NATURAL AND AGRICULTURAL LAND PRIORITIES IN ACCORDANCE WITH THE NATURAL AND AGRICULTURAL LAND PRIORITIES REPORT CREATED IN SECTION 29-33-109;

(e) A GREENFIELD DEVELOPMENT ANALYSIS THAT IS CONDUCTED IN THE SAME MANNER AS THE GREENFIELD DEVELOPMENT ANALYSIS
REQUIRED IN SECTION 29-33-104 (4)(d); AND

(f) THE MOST RECENT VERSION OF THE PLAN REQUIRED BY SECTION
31-12-105 (1)(e).

(8) IN ADOPTING OR AMENDING A MASTER PLAN, THE COMMISSION
SHALL IDENTIFY, PROVIDE NOTICE TO, AND CONSULT WITH CERTAIN
ENTITIES WITHIN THE FOLLOWING CATEGORIES TO ENSURE THAT THE
ADOPTING OR AMENDING OF THE MASTER PLAN IS AN INCLUSIVE PROCESS:

(a) HOUSING AUTHORITIES;
(b) NONGOVERNMENTAL ORGANIZATIONS; AND
(c) LOCAL GOVERNMENTS.

(9) (a) AT LEAST SIXTY DAYS BEFORE THE FINAL PUBLIC HEARING
REQUIRED BY SUBSECTION (1) OF THIS SECTION, THE COMMISSION SHALL
SUBMIT THE MOST RECENT DRAFT OF THE MASTER PLAN TO THE DIVISION
OF LOCAL GOVERNMENT CREATED IN THE DEPARTMENT OF LOCAL AFFAIRS.

(b) NO MORE THAN THIRTY DAYS AFTER ADOPTING OR AMENDING
THE MASTER PLAN, THE COMMISSION SHALL SUBMIT THE MASTER PLAN TO
THE DIVISION OF LOCAL GOVERNMENT CREATED IN THE DEPARTMENT OF
LOCAL AFFAIRS. THE DIVISION OF LOCAL GOVERNMENT SHALL REVIEW
THOSE REPORTS TO ENSURE THEY COMPLY WITH THE REQUIREMENTS OF
THIS SECTION.

SECTION 13. In Colorado Revised Statutes, 31-23-301, add (6)
as follows:

31-23-301. Grant of power. (6) NEITHER A TIER ONE URBAN
MUNICIPALITY AS DEFINED IN SECTION 29-33-102 (33) NOR A TIER TWO
URBAN MUNICIPALITY AS DEFINED IN SECTION 29-33-102 (34) SHALL
IMPOSE MINIMUM SQUARE FOOTAGE REQUIREMENTS FOR RESIDENTIAL
UNITS IN THE APPROVAL OF RESIDENTIAL DWELLING UNIT CONSTRUCTION
PERMITS UNLESS DOING SO IS NECESSARY FOR HEALTH AND SAFETY IN THE URBAN MUNICIPALITY.

SECTION 14. In Colorado Revised Statutes, 37-60-126, amend (9)(b); and add (13) as follows:

37-60-126. Water conservation and drought mitigation planning - programs - relationship to state assistance for water facilities - guidelines - water efficiency grant program - definitions - repeal. (9) (b) The board and the Colorado water resources and power development authority, to which any covered entity has applied for financial assistance for the construction of a water diversion, storage, conveyance, water treatment, or wastewater treatment facility, shall consider any water conservation plan filed pursuant to this section AND ANY VALIDATED WATER LOSS AUDIT REPORT REQUIRED BY SUBSECTION (13)(d) OF THIS SECTION in determining whether to render financial assistance to such entity. Such consideration shall be carried out within the discretion accorded the board and the Colorado water resources and power development authority pursuant to which such board and authority render such financial assistance to such covered entity.

(13) (a) **Short title.** The short title of this subsection (13) is the "Water Loss Accounting Act of 2023".

(b) **Legislative declaration.** The general assembly finds that:

(I) SAFE AND AFFORDABLE DRINKING WATER IS ESSENTIAL TO PUBLIC HEALTH, AFFORDABLE HOUSING, AND ECONOMIC DEVELOPMENT THROUGHOUT THE STATE;

(II) THE COST OF PROVIDING RELIABLE DRINKING WATER IS INCREASING DUE TO FACTORS SUCH AS AGING INFRASTRUCTURE, LOW
DENSITY LAND USE DEVELOPMENT THAT IS COSTLY TO SERVE, INCREASED
ENERGY COSTS, AND MORE COMPLEX AND COSTLY CHANGES TO THE
REGULATORY REQUIREMENTS FOR SAFE DRINKING WATER;

(III) Compact infill development reduces water demand
and infrastructure costs through the use of shorter pipes that
reduce losses, less landscaped space per unit, and by better
utilizing existing infrastructure;

(IV) Water main breaks are visible and disruptive
manifestations of the more widespread phenomenon of leakage
from water systems;

(V) Leakage of drinking water from water distribution
systems adds to the cost of service to customers and may lead
to increased raw water demands that negatively impact the
natural environment;

(VI) The failure to recover revenue from water delivered
to users due to metering and billing inaccuracies and theft also
increases the cost per unit of water that is billed to customers;

(VII) The American Water Works Association, a national
association of drinking water utilities and professionals, has
recommended that drinking water suppliers conduct an audit of
water losses on an annual basis;

(VIII) The American Water Works Association has
published software for use in categorizing and reporting water
losses and has made this software available without charge;

(IX) Several states now recommend or require that public
water suppliers under their jurisdictions conduct an audit of
water losses each year using the standardized terms and

-98-   SB23-213
METHODS PUBLISHED BY THE AMERICAN WATER WORKS ASSOCIATION;

AND

(X) REGULAR AUDITING OF WATER LOSSES IS A NECESSARY FOUNDATION FOR THE ADOPTION OF COST-EFFECTIVE STRATEGIES TO REDUCE THE AMOUNTS OF LOST WATER AND REVENUE TO ECONOMICALLY REASONABLE LEVELS.

(c) Definitions. As used in this subsection (13), unless the context otherwise requires:

(I) "VALIDATION" MEANS THE PROCESS WHEREBY A COVERED ENTITY USES A TECHNICAL EXPERT TO CONFIRM THE BASIS OF ALL DATA ENTRIES IN THE COVERED ENTITY'S WATER LOSS AUDIT REPORT AND TO APPROPRIATELY CHARACTERIZE THE QUALITY OF THE REPORTED DATA. THE VALIDATION PROCESS MUST FOLLOW THE PRINCIPLES AND TERMINOLOGY LAID OUT BY THE AMERICAN WATER WORKS ASSOCIATION IN THE LATEST EDITION OF "WATER AUDITS AND LOSS CONTROL PROGRAMS", MANUAL M36, AND IN THE AMERICAN WATER WORKS ASSOCIATION'S FREE WATER AUDIT SOFTWARE. A VALIDATED WATER LOSS AUDIT REPORT MUST INCLUDE THE NAME AND TECHNICAL QUALIFICATIONS OF THE PERSON ENGAGED FOR VALIDATION.

(II) "WATER LOSS" MEANS THE DIFFERENCE BETWEEN THE ANNUAL VOLUME OF WATER ENTERING A WATER DISTRIBUTION SYSTEM AND THE ANNUAL VOLUME OF METERED AND UNMETERED WATER TAKEN BY REGISTERED CUSTOMERS, THE WATER SUPPLIER, AND OTHERS WHO ARE IMPLICITLY OR EXPLICITLY AUTHORIZED TO DO SO. "WATER LOSS" INCLUDES THE ANNUAL VOLUMES LOST THROUGH ALL TYPES OF LEAKS, BREAKS, AND OVERFLOWS ON MAINS, SERVICE RESERVOIRS, AND SERVICE CONNECTIONS UP TO THE POINT OF CUSTOMER METERING IN ADDITION TO...
Unauthorized consumption, all types of metering inaccuracies, and systemic data-handling errors.

(d) **Water loss program requirements.** (I) No later than January 1, 2025, the board shall adopt guidelines for the following:

(A) The conduct of standardized water loss audits by covered entities in accordance with the method adopted by the American Water Works Association in the most current edition of "Water Audits and Loss Control Programs", manual M36 and in the American Water Works Association's free water audit software;

(B) The process for water loss audit report validation prior to submitting the report to the board;

(C) The technical qualifications required for a person to engage in validation;

(D) The certification requirements for a person selected by a covered entity to provide validation of its own water loss audit report;

(E) The method of submitting a water loss audit report to the board; and

(F) Procedures for the acceptance of water loss audit reports voluntarily submitted by water suppliers that are not covered entities.

(II) The board shall update the guidelines adopted pursuant to subsection (13)(d)(I) of this section no later than six months after the release of any subsequent editions of the American Water Works Association's "Water Audits and Loss
CONTROL PROGRAMS", MANUAL M36.

(III) NO LATER THAN JUNE 30, 2025, EACH COVERED ENTITY SHALL
SUBMIT A COMPLETED AND VALIDATED WATER LOSS AUDIT REPORT FOR
THE PREVIOUS CALENDAR YEAR AS PRESCRIBED BY THE BOARD PURSUANT
TO SUBSECTION (13)(d)(I) OF THIS SECTION. FOR REPORTS SUBMITTED IN
SUBSEQUENT YEARS, EACH COVERED ENTITY SHALL SUBMIT A COMPLETED
AND VALIDATED WATER LOSS AUDIT REPORT COVERING THE PREVIOUS
CALENDAR YEAR NO LATER THAN JUNE 30.

(IV) EACH WATER LOSS AUDIT REPORT SUBMITTED TO THE BOARD
MUST BE ACCOMPANIED BY INFORMATION, IN A FORM SPECIFIED BY THE
BOARD, IDENTIFYING STEPS TAKEN IN THE PRECEDING YEAR TO REDUCE
THE VOLUME OF WATER LOSSES.

(V) AT LEAST ONE OF THE FOLLOWING EMPLOYEES OF A COVERED
ENTITY SHALL ATTEST TO EACH WATER LOSS AUDIT SUBMITTED TO THE
BOARD:

(A) THE CHIEF FINANCIAL OFFICER;
(B) THE CHIEF ENGINEER; OR
(C) THE GENERAL MANAGER.

(VI) THE BOARD SHALL DEEM INCOMPLETE AND RETURN TO THE
COVERED ENTITY ANY FINAL WATER LOSS AUDIT REPORT FOUND BY THE
BOARD TO BE INCOMPLETE, NOT VALIDATED, UNATTESTED, OR
INCONGRUENT WITH KNOWN CHARACTERISTICS OF WATER SYSTEM
OPERATIONS. A COVERED ENTITY SHALL RESUBMIT A COMPLETED WATER
LOSS AUDIT REPORT WITHIN NINETY DAYS AFTER THE BOARD RETURNS A
SUBMISSION UNDER THIS SUBSECTION (13)(d)(VI).

(VII) VALIDATED WATER LOSS AUDIT REPORTS ARE PUBLIC
RECORDS AS DEFINED IN SECTION 24-72-202 (6).
(VIII) No sooner than January 1, 2027, and no later than July 1, 2028, the Board, having taken validated water loss reports into consideration, shall adopt guidelines that establish a score that a covered entity’s validated audit report should attain.

(e) Technical and financial assistance. Using money available in the water efficiency grant program cash fund created in subsection (12) of this section, the Board may:

(I) Award grants to covered entities in fiscal years 2023-24 and 2025-26 for the purpose of procuring water loss audit report validation assistance; and

(II) Contribute towards procuring water loss audit validation assistance for covered entities and provide technical training and assistance to guide covered entities’ water loss detection programs, including metering techniques, pressure management techniques, condition-based assessment techniques for transmission and distribution pipelines, and utilization of portable and permanent water loss detection devices.

SECTION 15. In Colorado Revised Statutes, 38-33.3-106.5, add (3) as follows:


(3) (a) Notwithstanding any provision in the declaration, bylaws, or rules and regulations of the association to the contrary, an association shall not prohibit accessory dwelling...
UNITs, middle hoUsing, hoUsing in transit-oriented areas, and hoUsing in key corridors. any such prohibition on the permitting of accessory dwelling units or middle housing is void as a matter of public policy in any way that is prohibited by article 33 of title 29.

(b) As used in this subsection (3), unless the context otherwise requires:

(I) "accessory dwelling unit" has the same meaning as set forth in section 29-33-102 (2).

(II) "key corridors" has the same meaning as set forth in section 29-33-502 (3).

(III) "middle housing" has the same meaning as set forth in section 29-33-102 (18).

(IV) "transit-oriented area" has the same meaning as set forth in section 29-33-102 (36).

SECTION 16. In Colorado Revised Statutes, 43-1-106, amend (15)(d) as follows:

43-1-106. Transportation commission - powers and duties - rules - definitions - efficiency and accountability committee. (15) In addition to any other duties required by law, the commission shall have the following charges:

(d) To study and make recommendations for existing and future transportation systems in Colorado with a focus of such study and recommendations being a ten-year plan for each mode of transportation. The ten-year plan shall be based on what can be reasonably expected to be implemented with the estimated revenues which are likely to be available and must include prioritization criteria that are
CONSISTENT WITH STATE STRATEGIC GROWTH OBJECTIVES FOR REGIONALLY SIGNIFICANT TRANSPORTATION PROJECTS.

SECTION 17. In Colorado Revised Statutes, 43-1-113, add (20) as follows:

43-1-113. Funds - budgets - fiscal year - reports and publications. (20) BEFORE DECEMBER 31, 2024, THE DEPARTMENT SHALL ENSURE THAT THE PRIORITIZATION CRITERIA FOR ANY GRANT PROGRAM ADMINISTERED BY THE DEPARTMENT ARE CONSISTENT WITH STATE STRATEGIC GROWTH OBJECTIVES, SO LONG AS DOING SO DOES NOT VIOLATE FEDERAL LAW.

SECTION 18. In Colorado Revised Statutes, 43-1-1103, amend (5)(i) and (5)(j); and add (2.5) and (5)(k) as follows:

43-1-1103. Transportation planning. (2.5) BEGINNING DECEMBER 31, 2024, ANY REGIONAL TRANSPORTATION PLAN THAT IS CREATED OR UPDATED MUST ADDRESS AND ENSURE CONSISTENCY WITH STATE STRATEGIC GROWTH OBJECTIVES AS DETERMINED IN SECTION 29-33-107.

(5) The department shall integrate and consolidate the regional transportation plans for the transportation planning regions into a comprehensive statewide transportation plan. The formation of the state plan shall be accomplished through a statewide planning process set by rules and regulations promulgated by the commission. The state plan shall address but shall not be limited to the following factors:

(i) Effective, efficient, and safe freight transport; and

(j) Reduction of greenhouse gas emissions; AND

(k) BEGINNING DECEMBER 31, 2024, ADDRESS AND ENSURE CONSISTENCY WITH STATE STRATEGIC GROWTH OBJECTIVES.
SECTION 19. In Colorado Revised Statutes, 43-4-1103, add (2)(e) as follows:

43-4-1103. Multimodal transportation options fund - creation - revenue sources for fund - use of fund. (2) (e) On and after December 31, 2024, expenditures for local and state multimodal projects from the multimodal transportation options fund shall only be made for multimodal projects that the department determines are consistent with state strategic growth objectives.

SECTION 20. Appropriation. For the 2023-24 state fiscal year, $15,000,000 is appropriated to the housing plans assistance fund created in section 29-33-111 (3), C.R.S. This appropriation is from the general fund. The department of local affairs is responsible for the accounting related to this appropriation.

SECTION 21. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety.