

**Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 24-0454.03 Pierce Lively x2059

HOUSE BILL 24-1152

HOUSE SPONSORSHIP

Amabile and Weinberg,

SENATE SPONSORSHIP

Mullica and Exum,

House Committees

Transportation, Housing & Local Government
Appropriations

Senate Committees

A BILL FOR AN ACT

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

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

Section 1 of the bill creates a series of requirements related to accessory dwelling units. The bill establishes unique requirements for subject jurisdictions and for qualifying as an accessory dwelling unit supportive jurisdiction (supportive jurisdiction).

As established in the bill, a subject jurisdiction is either:

- A municipality that has a population of 1,000 or more 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.

that is within the area of a metropolitan planning organization; or

- The portion of a county that is both within a census designated place with a population of ten thousand or more, as reported in the most recent decennial census, and within the area of a metropolitan planning organization.

The bill requires a subject jurisdiction to allow, subject to an administrative approval process, one accessory dwelling unit as an accessory use to a single-unit detached dwelling in any part of the subject jurisdiction where the subject jurisdiction allows single-unit detached dwellings. The bill also prohibits subject jurisdictions from enacting or enforcing certain local laws that would restrict the construction or conversion of an accessory dwelling unit.

In order to qualify as a supportive jurisdiction, a jurisdiction must submit a report to the division of local government in the department of local affairs (the division) demonstrating that the jurisdiction:

- Has complied with the accessory dwelling unit requirements the bill imposes on subject jurisdictions; and
- Has implemented one or more strategies to encourage and facilitate the construction or conversion of accessory dwelling units.

Section 1 also creates the accessory dwelling unit fee reduction and encouragement grant program within the division. The purpose of this grant program is for the division to provide grants to supportive jurisdictions for offsetting costs incurred in connection with developing pre-approved accessory dwelling unit plans, providing technical assistance to persons converting or constructing accessory dwelling units, or waiving or reducing accessory dwelling unit associated fees and other required costs.

Section 2 grants the Colorado economic development commission the power to expend \$8 million to contract with the Colorado housing and finance authority to operate and establish the following programs to benefit the residents of supportive jurisdictions:

- An accessory dwelling unit loss reserve program that offers affordable loans for the construction or conversion of accessory dwelling units;
- A program that allows for the buying down of interest rates on loans made in connection with the construction or conversion of accessory dwelling units;
- A program that offers down payment assistance in connection with accessory dwelling units; and
- A program through which the Colorado housing and finance authority offers direct loans in connection with the construction or conversion of accessory dwelling units.

Section 3 prohibits a planned unit development resolution or

ordinance for a planned unit development from restricting the permitting of an accessory dwelling unit more than the local law that applies to accessory dwelling units outside of the planned unit development.

Section 4 states that any prohibition on accessory dwelling units or the implementation of restrictive design or dimension standards by a unit owners' association in a supportive jurisdiction is void as a matter of public policy.

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

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

4 **ARTICLE 35**

5 **State Land Use Criteria For Strategic Growth**

6 **PART 1**

7 **ACCESSORY DWELLING UNITS**

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

10 (I) ACCESSORY DWELLING UNITS OFFER A WAY TO PROVIDE
11 COMPACT, RELATIVELY AFFORDABLE HOUSING IN ESTABLISHED
12 NEIGHBORHOODS WITH MINIMAL IMPACTS TO INFRASTRUCTURE AND TO
13 SUPPLY NEW HOUSING OPPORTUNITIES WITHOUT ADDED DISPERSED
14 LOW-DENSITY HOUSING;

15 (II) ACCESSORY DWELLING UNITS GENERATE RENTAL INCOME TO
16 HELP HOMEOWNERS COVER MORTGAGE PAYMENTS OR OTHER COSTS,
17 WHICH CAN BE IMPORTANT FOR A VARIETY OF RESIDENTS, SUCH AS OLDER
18 HOMEOWNERS ON FIXED INCOMES AND LOW- AND MODERATE-INCOME
19 HOMEOWNERS;

20 (III) ACCESSORY DWELLING UNITS PROVIDE FAMILIES WITH
21 OPTIONS FOR INTERGENERATIONAL LIVING ARRANGEMENTS THAT ENABLE
22 CHILD OR ELDER CARE AND AGING IN PLACE, AND A 2021 SURVEY BY THE

1 AARP FOUND THAT APPROXIMATELY SEVENTY-FIVE PERCENT OF PEOPLE
2 FIFTY YEARS OF AGE OR OLDER WANT TO STAY IN THEIR HOMES OR
3 COMMUNITIES FOR AS LONG AS THEY CAN. ACCORDING TO A 2018 STUDY
4 BY THE CENTER FOR AMERICAN PROGRESS, FIFTY-ONE PERCENT OF
5 COLORADANS LIVE IN A CHILD CARE DESERT-A COMMUNITY WHERE THERE
6 ARE NO CHILD CARE PROVIDERS OR SO FEW OPTIONS THAT THERE ARE
7 MORE THAN THREE TIMES AS MANY CHILDREN AS THERE ARE LICENSED
8 CHILD CARE SLOTS. THESE CHILD CARE DESERTS ARE SITUATED WITHIN
9 RURAL, SUBURBAN, AND URBAN COMMUNITIES AND ARE A MAJOR REASON
10 FOR WORKING PARENTS TO LEAVE THE WORKFORCE.

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

15 (V) AS COLORADO'S POPULATION AGES AND TYPICAL HOUSEHOLD
16 SIZE CONTINUES TO DECREASE, ACCESSORY DWELLING UNITS OFFER MORE
17 COMPACT HOUSING OPTIONS THAT ALIGN WITH THE STATE'S CHANGING
18 DEMOGRAPHICS, AND COLORADANS OVER SIXTY-FIVE YEARS OF AGE ARE
19 THE FASTEST-GROWING AGE COHORT IN COLORADO ACCORDING TO THE
20 STATE DEMOGRAPHY OFFICE;

21 (VI) ACCESSORY DWELLING UNITS ENABLE SENIORS TO DOWNSIZE,
22 MOVE INTO ACCESSIBLE UNITS, OR LIVE WITH FAMILY OR A CAREGIVER
23 WHILE REMAINING IN THEIR COMMUNITIES. A 2018 AARP SURVEY FOUND
24 THAT SIXTY-SEVEN PERCENT OF ADULTS WOULD CONSIDER LIVING IN AN
25 ACCESSORY DWELLING UNIT TO BE CLOSE TO SOMEONE BUT STILL HAVE A
26 SEPARATE SPACE. MOST SENIORS DO NOT LIVE IN HOMES THAT ARE
27 ACCESSIBLE, EVEN THOUGH DISABILITY IS PREVALENT AMONG THE SENIOR

1 POPULATION AND INCREASES WITH AGE. LESS THAN FOUR PERCENT OF
2 EXISTING HOUSING UNITS IN THE UNITED STATES ARE ESTIMATED TO BE
3 LIVABLE FOR PEOPLE WITH MODERATE MOBILITY DIFFICULTIES,
4 ACCORDING TO "HOUSING FOR AN AGING POPULATION" IN THE JOURNAL
5 HOUSING POLICY DEBATE.

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

11 (VIII) ACCESSORY DWELLING UNITS USE SIGNIFICANTLY LESS
12 ENERGY FOR HEATING AND COOLING THAN SINGLE-UNIT DETACHED
13 DWELLINGS BECAUSE OF THEIR SMALLER SIZE, WHICH REDUCES
14 HOUSEHOLD ENERGY COSTS AND GREENHOUSE GAS EMISSIONS.
15 ACCESSORY DWELLING UNITS CAN REDUCE LIFETIME CARBON DIOXIDE
16 EMISSIONS BY FORTY PERCENT COMPARED TO MEDIUM-SIZED
17 SINGLE-FAMILY HOMES, ACCORDING TO A REPORT FROM THE OREGON
18 DEPARTMENT OF ENVIRONMENTAL QUALITY. REDUCING EMISSIONS FROM
19 THE HOUSING SECTOR IS CRITICAL FOR MEETING THE STATE'S GREENHOUSE
20 GAS EMISSIONS TARGETS ESTABLISHED IN SECTION 25-7-102. ACCORDING
21 TO "THE CARBON FOOTPRINT OF HOUSEHOLD ENERGY USE IN THE UNITED
22 STATES" IN THE PROCEEDINGS OF THE NATIONAL ACADEMY OF SCIENCES,
23 REDUCING FLOOR SPACE PER CAPITA IS A CRITICAL STRATEGY TO
24 REACHING MID-CENTURY CLIMATE GOALS.

25 (IX) COMPACT INFILL DEVELOPMENT REDUCES WATER DEMAND
26 AND INFRASTRUCTURE COSTS BY USING LESS PIPING, WHICH REDUCES
27 WATER LOSS; INCLUDES LESS LANDSCAPED SPACE PER UNIT; AND MAKES

1 BETTER USE OF EXISTING INFRASTRUCTURE.

2 (X) ACCESSORY DWELLING UNITS REDUCE GOVERNMENT CAPITAL
3 AND MAINTENANCE COSTS FOR INFRASTRUCTURE SINCE ACCESSORY
4 DWELLING UNITS ARE BUILT IN EXISTING NEIGHBORHOODS AND HAVE A
5 RELATIVELY SMALL IMPACT ON EXISTING INFRASTRUCTURE. NATIONAL
6 STUDIES SUCH AS "RELATIONSHIPS BETWEEN DENSITY AND PER CAPITA
7 MUNICIPAL SPENDING IN THE UNITED STATES", PUBLISHED IN URBAN
8 SCIENCE, HAVE FOUND THAT LOWER DENSITY COMMUNITIES HAVE HIGHER
9 GOVERNMENT CAPITAL AND MAINTENANCE COSTS FOR WATER, SEWER,
10 AND TRANSPORTATION INFRASTRUCTURE AND LOWER PROPERTY AND
11 SALES TAX REVENUE. THESE INCREASED COSTS ARE OFTEN BORNE BY
12 BOTH STATE AND LOCAL GOVERNMENTS.

13 (XI) A NUMBER OF LOCAL LAND USE LAWS PROHIBIT HOMEOWNERS
14 FROM BUILDING AN ACCESSORY DWELLING UNIT, OR APPLY REGULATIONS
15 TO ACCESSORY DWELLING UNITS THAT SIGNIFICANTLY LIMIT THEIR
16 CONSTRUCTION;

17 (XII) A NUMBER OF MUNICIPALITIES HAVE REMOVED BARRIERS TO
18 ACCESSORY DWELLING UNIT CONSTRUCTION SUCH AS PARKING
19 REQUIREMENTS, OWNER OCCUPANCY REQUIREMENTS, AND RESTRICTIVE
20 SIZE AND DESIGN LIMITATIONS, WHICH HAS RESULTED IN ACCESSORY
21 DWELLING UNIT PERMITS INCREASING TO TEN TO TWENTY PERCENT OF
22 TOTAL NEW HOUSING PERMITS AND AN OVERALL INCREASE IN THE TOTAL
23 HOUSING SUPPLY. SINCE CALIFORNIA IMPLEMENTED VARIOUS REFORMS TO
24 ENCOURAGE ACCESSORY DWELLING UNIT CONSTRUCTION, INCLUDING
25 REQUIRING CITIES TO ALLOW ACCESSORY DWELLING UNITS AS A USE BY
26 RIGHT, PREVENTING THE IMPOSITION OF PARKING REQUIREMENTS, AND
27 PREVENTING OWNER OCCUPANCY REQUIREMENTS, ACCESSORY DWELLING

1 UNIT CONSTRUCTION HAS INCREASED SIGNIFICANTLY IN CALIFORNIA.
2 FOLLOWING REFORMS TO CALIFORNIA'S ACCESSORY DWELLING UNIT LAW
3 IN 2016, ACCESSORY DWELLING UNIT DEVELOPMENT HAS INCREASED
4 RAPIDLY FROM AROUND ONE THOUSAND ACCESSORY DWELLING UNITS
5 PERMITTED IN 2016 TO OVER TWENTY-FOUR THOUSAND IN 2022, OR ABOUT
6 TWENTY PERCENT OF NEW HOUSING PERMITS STATEWIDE, ACCORDING TO
7 DATA FROM THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY
8 DEVELOPMENT AND ANALYSIS BY THE BIPARTISAN POLICY CENTER.

9 (XIII) HOUSING SUPPLY IMPACTS HOUSING AFFORDABILITY, AND
10 HOUSING PRICES ARE TYPICALLY HIGHER WHEN HOUSING SUPPLY IS
11 RESTRICTED BY LOCAL LAND USE REGULATIONS IN A METROPOLITAN
12 REGION, ACCORDING TO THE NATIONAL BUREAU OF ECONOMIC RESEARCH
13 IN WORKING PAPERS SUCH AS "REGULATION AND HOUSING SUPPLY", "THE
14 IMPACT OF ZONING ON HOUSING AFFORDABILITY", AND "THE IMPACT OF
15 LOCAL RESIDENTIAL LAND USE RESTRICTIONS ON LAND VALUES ACROSS
16 AND WITHIN SINGLE FAMILY HOUSING MARKETS";

17 (XIV) INCREASING HOUSING SUPPLY MODERATES PRICE INCREASES
18 AND IMPROVES HOUSING AFFORDABILITY ACROSS ALL INCOMES,
19 ACCORDING TO STUDIES SUCH AS "THE ECONOMIC IMPLICATIONS OF
20 HOUSING SUPPLY" IN THE JOURNAL OF ECONOMIC PERSPECTIVES AND
21 "SUPPLY SKEPTICISM: HOUSING SUPPLY AND AFFORDABILITY" IN THE
22 JOURNAL HOUSING POLICY DEBATE;

23 (XV) ACADEMIC RESEARCH SUCH AS "THE IMPACT OF BUILDING
24 RESTRICTIONS ON HOUSING AFFORDABILITY" IN THE FEDERAL RESERVE
25 BANK OF NEW YORK ECONOMIC POLICY REVIEW HAS IDENTIFIED ZONING
26 AND OTHER LAND USE CONTROLS AS A PRIMARY DRIVER OF RISING
27 HOUSING COSTS IN THE MOST EXPENSIVE HOUSING MARKETS;

1 (XVI) ACCESSORY DWELLING UNITS OFFER AFFORDABLE AND
2 ATTAINABLE OPTIONS TO LIVE IN HIGH-OPPORTUNITY NEIGHBORHOODS,
3 WHICH CAN HELP IMPROVE EQUITY OUTCOMES REGIONALLY AND
4 STATEWIDE. AN ANALYSIS OF ACCESSORY DWELLING UNIT PERMITTING IN
5 CALIFORNIA FOUND THAT ACCESSORY DWELLING UNITS ARE TYPICALLY
6 PERMITTED ON PARCELS WITH RELATIVELY GOOD ACCESS TO JOBS
7 COMPARED TO SURROUNDING AREAS, ACCORDING TO "WHERE WILL
8 ACCESSORY DWELLING UNITS SPROUT UP WHEN A STATE LETS THEM
9 GROW? EVIDENCE FROM CALIFORNIA" IN CITYSCAPE: A JOURNAL OF
10 POLICY DEVELOPMENT AND RESEARCH.

11 (XVII) LOCAL GOVERNMENT REGULATION OF ACCESSORY
12 DWELLING UNITS VARIES SIGNIFICANTLY WITHIN REGIONS AND STATEWIDE
13 IN COLORADO IN TERMS OF WHERE THEY ARE ALLOWED, THE DIMENSIONAL
14 AND DESIGN RESTRICTIONS APPLIED, AND OTHER REQUIREMENTS. THIS
15 INCONSISTENCY INHIBITS THE DEVELOPMENT OF A ROBUST MARKET OF
16 ACCESSORY DWELLING UNIT DEVELOPERS, MODULAR ACCESSORY
17 DWELLING UNIT DESIGNS, AND ASSOCIATED COST REDUCTIONS. COLORADO
18 IS SIMILAR TO MOST STATES IN THIS REGARD, AND, ACCORDING TO
19 "ZONING BY A THOUSAND CUTS" IN THE PEPPERDINE LAW REVIEW,
20 WHICH ANALYZED ACCESSORY DWELLING UNIT REGULATIONS ACROSS
21 CONNECTICUT, "THE HIGH DEGREE OF REGULATORY VARIATION THWARTS
22 THE DEVELOPMENT OF PROTOTYPE DESIGNS OR PREFABRICATED
23 [ACCESSORY DWELLING UNITS] THAT COULD SATISFY DIFFERENT RULES
24 ACROSS JURISDICTIONS".

25 (XVIII) MORE PERMISSIVE REGULATION BY LOCAL GOVERNMENTS
26 OF ACCESSORY DWELLING UNITS PROVIDES A REASONABLE CHANCE FOR
27 HOMEOWNERS TO CONSTRUCT OR CONVERT AN ACCESSORY DWELLING

1 UNIT AND THEREBY INCREASE HOUSING SUPPLY, STABILIZE HOUSING
2 COSTS, AND CONTRIBUTE TO AFFORDABLE AND EQUITABLE HOME
3 OWNERSHIP TO ADEQUATELY MEET THE HOUSING NEEDS OF A GROWING
4 COLORADO POPULATION.

5 (b) THEREFORE, THE GENERAL ASSEMBLY DECLARES THAT
6 INCREASING THE HOUSING SUPPLY THROUGH THE CONSTRUCTION OR
7 CONVERSION OF ACCESSORY DWELLING UNITS IS A MATTER OF MIXED
8 STATEWIDE AND LOCAL CONCERN.

9 **29-35-102. Definitions.** AS USED IN THIS PART 1, UNLESS THE
10 CONTEXT OTHERWISE REQUIRES:

11 (1) "ACCESSIBLE UNIT" MEANS A HOUSING UNIT THAT SATISFIES
12 THE REQUIREMENTS OF THE FEDERAL "FAIR HOUSING ACT", 42 U.S.C. SEC.
13 3601 ET SEQ., AS AMENDED, AND INCORPORATES UNIVERSAL DESIGN.

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

16 (a) PROVIDES COMPLETE INDEPENDENT LIVING FACILITIES FOR ONE
17 OR MORE INDIVIDUALS;

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

20 (c) INCLUDES FACILITIES FOR LIVING, SLEEPING, EATING, COOKING,
21 AND SANITATION.

22 (3) "ACCESSORY DWELLING UNIT SUPPORTIVE JURISDICTION"
23 MEANS A LOCAL GOVERNMENT THAT THE DEPARTMENT HAS CERTIFIED
24 PURSUANT TO SECTION 29-35-104 AS AN ACCESSORY DWELLING UNIT
25 SUPPORTIVE JURISDICTION.

26 (4) "ACCESSORY USE" MEANS A STRUCTURE OR THE USE OF A
27 STRUCTURE ON THE SAME LOT WITH, AND OF A NATURE CUSTOMARILY

1 INCIDENTAL AND SUBORDINATE TO, THE PRINCIPAL STRUCTURE OR USE OF
2 THE STRUCTURE.

3 (5) (a) "ADMINISTRATIVE APPROVAL PROCESS" MEANS A
4 PROCESS IN WHICH:

5 (I) A DEVELOPMENT PROPOSAL FOR A SPECIFIED PROJECT IS
6 APPROVED, APPROVED WITH CONDITIONS, OR DENIED BY LOCAL
7 GOVERNMENT ADMINISTRATIVE STAFF BASED SOLELY ON ITS COMPLIANCE
8 WITH OBJECTIVE STANDARDS SET FORTH IN LOCAL LAWS; AND

9 (II) DOES NOT REQUIRE, AND CANNOT BE ELEVATED TO REQUIRE,
10 A PUBLIC HEARING, A RECOMMENDATION, OR A DECISION BY AN ELECTED
11 OR APPOINTED PUBLIC BODY OR A HEARING OFFICER.

12 (b) NOTWITHSTANDING SUBSECTION (5)(a) OF THIS SECTION, AN
13 ADMINISTRATIVE APPROVAL PROCESS MAY REQUIRE AN APPOINTED
14 HISTORIC PRESERVATION COMMISSION TO MAKE A DECISION, OR TO MAKE
15 A RECOMMENDATION TO LOCAL GOVERNMENT ADMINISTRATIVE STAFF,
16 REGARDING A DEVELOPMENT APPLICATION INVOLVING A PROPERTY THAT
17 THE LOCAL GOVERNMENT HAS DESIGNATED AS A HISTORIC PROPERTY,
18 PROVIDED THAT:

19 (I) THE STATE HISTORIC PRESERVATION OFFICE WITHIN HISTORY
20 COLORADO HAS DESIGNATED THE LOCAL GOVERNMENT AS A CERTIFIED
21 LOCAL GOVERNMENT; AND

22 (II) THE APPOINTED HISTORIC PRESERVATION COMMISSION'S
23 DECISION OR RECOMMENDATION IS BASED ON STANDARDS EITHER SET
24 FORTH IN LOCAL LAW OR ESTABLISHED BY THE SECRETARY OF THE
25 INTERIOR OF THE UNITED STATES.

26 (6) "COUNTY" MEANS A COUNTY, INCLUDING A HOME RULE
27 COUNTY BUT EXCLUDING A CITY AND COUNTY.

1 (7) "DEPARTMENT" MEANS THE DEPARTMENT OF LOCAL AFFAIRS.

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

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

7 (a) NOT SERVED BY A DOMESTIC WATER AND SEWAGE TREATMENT
8 SYSTEM, AS DEFINED IN SECTION 24-65.1-104 (5);

9 (b) A HISTORIC PROPERTY THAT IS NOT WITHIN A HISTORIC
10 DISTRICT; OR

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

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

16 (11) "HISTORIC PROPERTY" MEANS A PROPERTY LISTED:

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

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

19 OR

20 (c) AS A CONTRIBUTING STRUCTURE OR HISTORIC LANDMARK BY
21 A CERTIFIED LOCAL GOVERNMENT, AS DEFINED IN SECTION 39-22-514.5

22 (2)(b).

23 (12) "LOCAL GOVERNMENT" MEANS A MUNICIPALITY, COUNTY, OR
24 TRIBAL NATION WITH JURISDICTION IN COLORADO.

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

1 CODES, ZONING CODES, AND SUBDIVISION CODES.

2 (14) "LOW- AND MODERATE-INCOME HOUSEHOLD" MEANS A
3 HOUSEHOLD THAT IS CONSIDERED LOW-, MODERATE-, OR MEDIUM-INCOME,
4 AS DETERMINED BY THE FEDERAL DEPARTMENT OF HOUSING AND URBAN
5 DEVELOPMENT.

6 (15) "METROPOLITAN PLANNING ORGANIZATION" MEANS A
7 METROPOLITAN PLANNING ORGANIZATION UNDER THE "FEDERAL TRANSIT
8 ACT OF 1998", 49 U.S.C. SEC. 5301 ET SEQ., AS AMENDED.

9 (16) "MUNICIPALITY" MEANS A HOME RULE OR STATUTORY CITY
10 OR TOWN, TERRITORIAL CHARTER CITY OR TOWN, OR CITY AND COUNTY.

11 (17) "OBJECTIVE STANDARD" MEANS A STANDARD THAT:

12 (a) IS A DEFINED BENCHMARK OR CRITERION THAT ALLOWS FOR
13 DETERMINATIONS OF COMPLIANCE TO BE CONSISTENTLY DECIDED
14 REGARDLESS OF THE DECISION MAKER; AND

15 (b) DOES NOT REQUIRE A SUBJECTIVE DETERMINATION
16 CONCERNING A DEVELOPMENT PROPOSAL, INCLUDING BUT NOT LIMITED TO
17 WHETHER THE APPLICATION FOR THE DEVELOPMENT PROPOSAL IS:

18 (I) CONSISTENT WITH MASTER PLANS, OR OTHER DEVELOPMENT
19 PLANS;

20 (II) COMPATIBLE WITH THE LAND USE OR DEVELOPMENT OF THE
21 AREA SURROUNDING THE AREA DESCRIBED IN THE APPLICATION; OR

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

24 (18) "RESTRICTIVE DESIGN OR DIMENSION STANDARD" MEANS A
25 STANDARD IN A LOCAL LAW THAT:

26 (a) REQUIRES AN ARCHITECTURAL STYLE, BUILDING MATERIAL, OR
27 LANDSCAPING THAT IS MORE RESTRICTIVE FOR AN ACCESSORY DWELLING

1 UNIT THAN FOR A SINGLE-UNIT DETACHED DWELLING IN THE SAME ZONING
2 DISTRICT;

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

5 (c) REQUIRES SIDE OR REAR SETBACKS FOR AN ACCESSORY
6 DWELLING UNIT GREATER THAN THE SETBACKS REQUIRED FOR AN
7 ACCESSORY BUILDING IN THE SAME ZONING DISTRICT, OR IF IT IS NOT
8 CLEARLY ESTABLISHED IN THE SAME ZONING DISTRICT, IN THE CASE OF AN
9 ACCESSORY DWELLING UNIT WITH A SINGLE STORY, REQUIRES SIDE OR
10 REAR SETBACKS GREATER THAN FIVE FEET;

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

14 (e) APPLIES MORE RESTRICTIVE AESTHETIC DESIGN OR
15 DIMENSIONAL STANDARDS TO ACCESSORY DWELLING UNITS THAT ARE
16 FACTORY-BUILT RESIDENTIAL STRUCTURES, AS DEFINED IN SECTION
17 24-32-3302 (10), THAN OTHER ACCESSORY DWELLING UNITS.

18 (19)(a) "SHORT-TERM RENTAL" MEANS THE RENTAL OF A LODGING
19 UNIT FOR LESS THAN THIRTY DAYS. AS USED IN THIS SUBSECTION (19),
20 "LODGING UNIT" MEANS ANY PROPERTY OR PORTION OF A PROPERTY THAT
21 IS AVAILABLE FOR LODGING; EXCEPT THAT THE TERM EXCLUDES A HOTEL
22 OR MOTEL UNIT.

23 (b) NOTWITHSTANDING SUBSECTION (19)(a) OF THIS SECTION, A
24 LOCAL GOVERNMENT MAY APPLY ITS OWN DEFINITION OF "SHORT-TERM
25 RENTAL" FOR PURPOSES OF THIS PART 1.

26 (20) "SINGLE-UNIT DETACHED DWELLING" MEANS A DETACHED
27 BUILDING WITH A SINGLE DWELLING UNIT ON A SINGLE LOT.

1 (21) "SUBJECT JURISDICTION" MEANS EITHER:

2 (a) A MUNICIPALITY THAT BOTH HAS A POPULATION OF ONE
3 THOUSAND OR MORE, AS REPORTED BY THE STATE DEMOGRAPHY OFFICE,
4 AND IS WITHIN A METROPOLITAN PLANNING ORGANIZATION; OR

5 (b) THE PORTION OF A COUNTY THAT IS BOTH WITHIN A CENSUS
6 DESIGNATED PLACE WITH A POPULATION OF TEN THOUSAND OR MORE, AS
7 REPORTED IN THE MOST RECENT DECENNIAL CENSUS, AND WITHIN A
8 METROPOLITAN PLANNING ORGANIZATION.

9 (22) "UNIVERSAL DESIGN" MEANS ANY DWELLING UNIT DESIGNED
10 AND CONSTRUCTED TO BE SAFE AND ACCESSIBLE FOR ANY INDIVIDUAL
11 REGARDLESS OF AGE OR ABILITIES.

12 (23) "VISITABLE UNIT" MEANS A DWELLING UNIT THAT A PERSON
13 WITH A DISABILITY CAN ENTER, MOVE AROUND THE PRIMARY ENTRANCE
14 FLOOR OF, AND USE THE BATHROOM IN.

15 **29-35-103. Accessory dwelling unit requirements for a subject**
16 **jurisdiction.** (1) A SUBJECT JURISDICTION SHALL ALLOW, SUBJECT TO AN
17 ADMINISTRATIVE APPROVAL PROCESS, ONE ACCESSORY DWELLING UNIT AS
18 AN ACCESSORY USE TO A SINGLE-UNIT DETACHED DWELLING IN ANY PART
19 OF THE SUBJECT JURISDICTION WHERE THE JURISDICTION ALLOWS
20 SINGLE-UNIT DETACHED DWELLINGS.

21 (2) A SUBJECT JURISDICTION SHALL NOT:

22 (a) REQUIRE NEW PARKING IN CONNECTION WITH THE
23 CONSTRUCTION OR CONVERSION OF AN ACCESSORY DWELLING UNIT;

24 (b) REQUIRE AN ACCESSORY DWELLING UNIT, OR ANY OTHER
25 DWELLING ON THE SAME LOT AS AN ACCESSORY DWELLING UNIT, TO BE
26 OWNER-OCCUPIED; OR

27 (c) APPLY A RESTRICTIVE DESIGN OR DIMENSION STANDARD TO AN

1 ACCESSORY DWELLING UNIT.

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

4 (a) ALLOWING THE CONSTRUCTION OR CONVERSION OF AN
5 ACCESSORY DWELLING UNIT THAT IS SMALLER THAN FIVE HUNDRED
6 SQUARE FEET OR GREATER THAN EIGHT HUNDRED SQUARE FEET, OR
7 RESTRICTING THE SIZE OF AN ACCESSORY DWELLING UNIT SO THAT IT IS NO
8 LARGER THAN THE SIZE OF THE PRINCIPAL DWELLING UNIT ON THE SAME
9 LOT AS THE ACCESSORY DWELLING UNIT;

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

12 (c) APPLYING A DESIGN OR DIMENSION STANDARD TO AN
13 ACCESSORY DWELLING UNIT THAT IS NOT A RESTRICTIVE DESIGN OR
14 DIMENSION STANDARD;

15 (d) ADOPTING OR ENFORCING A GENERALLY APPLICABLE
16 REQUIREMENT FOR:

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

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

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

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

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

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

7 (i) ENCOURAGING THE CONSTRUCTION OF ACCESSORY DWELLING
8 UNITS THAT ARE, THROUGH THE APPLICATION OF LOCAL LAWS OR
9 PROGRAMS INCLUDING THROUGH DEED RESTRICTIONS, MADE AFFORDABLE
10 TO HOUSEHOLDS UNDER CERTAIN INCOME LIMITS OR USED PRIMARILY TO
11 HOUSE THE LOCAL WORKFORCE.

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

14 **29-35-104. Accessory dwelling unit supportive jurisdiction**
15 **report - certification of a jurisdiction as an accessory dwelling unit**
16 **supportive jurisdiction.** (1) (a) IN ORDER TO BE CERTIFIED AS AN
17 ACCESSORY DWELLING UNIT SUPPORTIVE JURISDICTION BY THE
18 DEPARTMENT, A LOCAL GOVERNMENT MUST SUBMIT TO THE DEPARTMENT,
19 IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT, A REPORT
20 DEMONSTRATING EVIDENCE OF THE LOCAL GOVERNMENT:

21 (I) COMPLYING WITH SECTION 29-35-103; AND

22 (II) IMPLEMENTING ONE OR MORE OF THE FOLLOWING STRATEGIES:

23 (A) WAIVING OR REDUCING ACCESSORY DWELLING UNIT-RELATED
24 FEES THAT ARE INCURRED BY LOW- AND MODERATE-INCOME HOUSEHOLDS;

25 (B) ENACTING LOCAL LAWS OR PROGRAMS THAT INCENTIVIZE THE
26 AFFORDABILITY OF CERTAIN ACCESSORY DWELLING UNITS INCLUDING
27 ACCESSORY DWELLING UNITS USED PRIMARILY TO HOUSE THE LOCAL

1 WORKFORCE;

2 (C) PRE-APPROVING PLANS FOR THE CONSTRUCTION OF ACCESSORY
3 DWELLING UNITS;

4 (D) IMPLEMENTING A PROGRAM TO PROVIDE EDUCATION AND
5 TECHNICAL ASSISTANCE TO HOMEOWNERS TO CONSTRUCT OR CONVERT AN
6 ACCESSORY DWELLING UNIT;

7 (E) IMPLEMENTING A PROGRAM TO REGULATE THE USE OF
8 ACCESSORY DWELLING UNITS FOR SHORT-TERM RENTALS;

9 (F) ENACTING LOCAL LAWS THAT INCENTIVIZE THE CONSTRUCTION
10 AND CONVERSION OF ACCESSIBLE AND VISITABLE ACCESSORY DWELLING
11 UNITS;

12 (G) ASSISTING PROPERTY OWNERS WITH ENSURING THAT
13 PRE-EXISTING ACCESSORY DWELLING UNITS COMPLY WITH LOCAL LAWS;

14 (H) ENABLING A PATHWAY FOR THE SEPARATE SALE OF AN
15 ACCESSORY DWELLING UNIT;

16 (I) ENACTING LOCAL LAWS THAT ENCOURAGE THE CONSTRUCTION
17 OF ACCESSORY DWELLING UNITS THAT ARE FACTORY-BUILT RESIDENTIAL
18 STRUCTURES, AS DEFINED IN SECTION 24-32-3302 (10); OR

19 (J) ANY OTHER STRATEGY THAT IS APPROVED BY THE DEPARTMENT
20 AND THAT ENCOURAGES THE CONSTRUCTION, CONVERSION, OR USE OF
21 ACCESSORY DWELLING UNITS.

22 (b) (I) ON OR BEFORE JUNE 30, 2025, DECEMBER 31, 2029, AND
23 DECEMBER 31 OF EVERY THIRD YEAR THEREAFTER, A SUBJECT
24 JURISDICTION SHALL SUBMIT THE REPORT DESCRIBED IN SUBSECTION (1)(a)
25 OF THIS SECTION.

26 (II) NOTWITHSTANDING SUBSECTION (1)(b)(I) OF THIS SECTION,
27 THE DEPARTMENT MAY ALLOW A SUBJECT JURISDICTION TO SUBMIT THE

1 REPORT DESCRIBED IN SUBSECTION (1)(a) OF THIS SECTION NO MORE THAN
2 SIX MONTHS AFTER THE DEADLINES DESCRIBED IN SUBSECTION (1)(b)(I) OF
3 THIS SECTION IF THE SUBJECT JURISDICTION DEMONSTRATES, IN A FORM
4 AND MANNER DETERMINED BY THE DEPARTMENT, THAT THE SUBJECT
5 JURISDICTION HAS:

6 (A) INITIATED A PROCESS TO UPDATE ITS LOCAL LAWS AS
7 NECESSARY TO COMPLY WITH THE REQUIREMENTS OF THE REPORT
8 DESCRIBED IN SUBSECTION (1)(a) OF THIS SECTION;

9 (B) A PLAN AND TIMELINE TO UPDATE ITS LOCAL LAWS AS
10 NECESSARY TO COMPLY WITH THE REQUIREMENTS OF THE REPORT
11 DESCRIBED IN SUBSECTION (1)(a) OF THIS SECTION; AND

12 (C) PROVIDED AN EXPLANATION FOR NOT BEING ABLE TO MEET
13 THE DEADLINES DESCRIBED IN SUBSECTION (1)(b)(I) OF THIS SECTION.

14 (c) IF A LOCAL GOVERNMENT THAT IS NOT A SUBJECT JURISDICTION
15 SUBMITS A REPORT PURSUANT TO SUBSECTION (1)(a) OF THIS SECTION,
16 THAT LOCAL GOVERNMENT SHALL, AS PART OF THE REPORT, SUBMIT
17 EVIDENCE OF COMPLYING WITH THE REQUIREMENTS FOR A SUBJECT
18 JURISDICTION DESCRIBED IN SECTION 29-35-103.

19 (2) (a) WITHIN NINETY DAYS OF RECEIVING A LOCAL
20 GOVERNMENT'S REPORT SUBMITTED PURSUANT TO SUBSECTION (1)(a) OF
21 THIS SECTION, THE DEPARTMENT SHALL REVIEW THE REPORT, EITHER
22 APPROVE OR REJECT THE REPORT, AND PROVIDE FEEDBACK TO THE LOCAL
23 GOVERNMENT ON THE REPORT.

24 (b) IF THE DEPARTMENT APPROVES A LOCAL GOVERNMENT'S
25 REPORT SUBMITTED PURSUANT TO SUBSECTION (1)(a) OF THIS SECTION,
26 THE DEPARTMENT SHALL ISSUE TO THAT LOCAL GOVERNMENT A
27 CERTIFICATE INDICATING THAT THE LOCAL GOVERNMENT QUALIFIES AS AN

1 ACCESSORY DWELLING UNIT SUPPORTIVE JURISDICTION UNTIL THREE
2 YEARS FROM WHEN THE LOCAL GOVERNMENT SUBMITTED THE REPORT.

3 (c) IF THE DEPARTMENT REJECTS A LOCAL GOVERNMENT'S REPORT
4 SUBMITTED PURSUANT TO SUBSECTION (1)(a) OF THIS SECTION, THE
5 DEPARTMENT MAY GRANT THE LOCAL GOVERNMENT AN ADDITIONAL ONE
6 HUNDRED TWENTY DAYS TO CORRECT ANY DEFICIENCIES IDENTIFIED IN
7 THE REPORT AND RESUBMIT AN AMENDED REPORT. WITHIN NINETY DAYS
8 OF RECEIVING AN AMENDED REPORT, THE DEPARTMENT SHALL REVIEW THE
9 AMENDED REPORT, EITHER APPROVE OR REJECT THE AMENDED REPORT,
10 AND PROVIDE FEEDBACK ON THE AMENDED REPORT.

11 (3) THE DEPARTMENT, IN CONSULTATION WITH THE DEPARTMENT
12 OF TRANSPORTATION, THE COLORADO ENERGY OFFICE, AND THE
13 COLORADO OFFICE OF ECONOMIC DEVELOPMENT, MAY DEVELOP POLICIES
14 AND PROCEDURES AS NECESSARY TO IMPLEMENT THIS SECTION.

15 **29-35-105. Accessory dwelling unit fee reduction and**
16 **encouragement grant program - created - application - criteria -**
17 **awards - fund - reporting requirements - rules - definitions - repeal.**

18 (1) THE ACCESSORY DWELLING UNIT FEE REDUCTION AND
19 ENCOURAGEMENT GRANT PROGRAM IS CREATED IN THE DEPARTMENT TO
20 PROVIDE GRANTS TO ACCESSORY DWELLING UNIT SUPPORTIVE
21 JURISDICTIONS FOR ACTIVITIES THAT PROMOTE THE CONSTRUCTION OF
22 ACCESSORY DWELLING UNITS, INCLUDING BUT NOT LIMITED TO,
23 OFFSETTING COSTS INCURRED IN CONNECTION WITH DEVELOPING
24 PRE-APPROVED ACCESSORY DWELLING UNIT PLANS, PROVIDING TECHNICAL
25 ASSISTANCE TO PERSONS CONVERTING OR CONSTRUCTING ACCESSORY
26 DWELLING UNITS, OR WAIVING OR REDUCING ACCESSORY DWELLING UNIT
27 ASSOCIATED FEES AND OTHER REQUIRED COSTS.

1 (2) GRANT RECIPIENTS MAY USE THE MONEY RECEIVED THROUGH
2 THE GRANT PROGRAM TO OFFSET BOTH ELIGIBLE COSTS AND THE COST OF
3 WAIVING OR REDUCING REASONABLE AND NECESSARY ACCESSORY
4 DWELLING UNIT FEES AND OTHER REQUIRED COSTS FOR:

- 5 (a) LOW- AND MODERATE-INCOME HOUSEHOLDS;
- 6 (b) AFFORDABLE ACCESSORY DWELLING UNITS;
- 7 (c) ACCESSIBLE OR VISITABLE ACCESSORY DWELLING UNITS;
- 8 (d) ACCESSORY DWELLING UNITS USED AS LONG-TERM RENTALS
9 FOR MEMBERS OF THE LOCAL WORKFORCE; OR
- 10 (e) ACCESSORY DWELLING UNITS USED TO SUPPORT OTHER
11 DEMONSTRATED HOUSING NEEDS IN THE COMMUNITY.

12 (3) THE DEPARTMENT SHALL ADMINISTER THE GRANT PROGRAM
13 AND, SUBJECT TO AVAILABLE APPROPRIATIONS, PROVIDE TECHNICAL
14 ASSISTANCE, DEVELOP A TOOLKIT TO SUPPORT LOCAL GOVERNMENTS IN
15 ENCOURAGING ACCESSORY DWELLING UNIT CONSTRUCTION, RECEIVE
16 GRANT APPLICATIONS AND AWARD GRANTS AS PROVIDED IN THIS SECTION.

17 (4) TO RECEIVE A GRANT, AN ACCESSORY DWELLING UNIT
18 SUPPORTIVE JURISDICTION MUST SUBMIT AN APPLICATION TO THE
19 DEPARTMENT IN ACCORDANCE WITH THE POLICIES AND PROCEDURES
20 DEVELOPED BY THE DEPARTMENT PURSUANT TO SUBSECTION (9) OF THIS
21 SECTION. AT A MINIMUM, THE APPLICATION MUST INCLUDE THE
22 FOLLOWING:

23 (a) A COPY OF THE CERTIFICATE ISSUED BY THE DEPARTMENT
24 PURSUANT TO SECTION 29-35-104 CERTIFYING THAT THE LOCAL
25 GOVERNMENT IS AN ACCESSORY DWELLING UNIT SUPPORTIVE
26 JURISDICTION;

27 (b) THE NUMBER OF ACCESSORY DWELLING UNITS THAT THE LOCAL

1 GOVERNMENT HAS PERMITTED AND WHEN THE LOCAL GOVERNMENT
2 PERMITTED THOSE ACCESSORY DWELLING UNITS;

3 (c) THE TYPE AND COSTS OF FEES AND OTHER ELIGIBLE COSTS THAT
4 THE LOCAL GOVERNMENT IS PROPOSING TO USE A GRANT AWARD TO PAY
5 FOR;

6 (d) THE NUMBER OF ACCESSORY DWELLING UNITS THAT THE LOCAL
7 GOVERNMENT EXPECTS TO SUPPORT WITH A GRANT AWARD AND THE
8 PERIOD FOR WHICH THE LOCAL GOVERNMENT INTENDS TO SUPPORT THOSE
9 ACCESSORY DWELLING UNITS; AND

10 (e) INFORMATION ABOUT THE TYPES OF HOUSEHOLDS AND
11 ACCESSORY DWELLING UNITS THAT THE LOCAL GOVERNMENT INTENDS TO
12 SUPPORT WITH A GRANT AWARD, SUCH AS WHETHER THE LOCAL
13 GOVERNMENT INTENDS TO SUPPORT LOW- AND MODERATE-INCOME
14 HOUSEHOLDS, AFFORDABLE ACCESSORY DWELLING UNITS, ACCESSIBLE OR
15 VISITABLE ACCESSORY DWELLING UNITS, ACCESSORY DWELLING UNITS FOR
16 HOUSING THE LOCAL WORKFORCE, OR ACCESSORY DWELLING UNITS
17 SUPPORTING OTHER DEMONSTRATED HOUSING NEEDS IN THE COMMUNITY.

18 (5) THE DEPARTMENT SHALL REVIEW THE APPLICATIONS RECEIVED
19 PURSUANT TO SUBSECTION (4) OF THIS SECTION. IN AWARDING GRANTS,
20 THE DEPARTMENT SHALL GIVE PRIORITY TO LOCAL GOVERNMENTS THAT:

21 (a) IMPOSE ACCESSORY DWELLING UNIT FEES AND COSTS THAT ARE
22 REASONABLE AND NECESSARY; ■■■

23 (b) HAVE DEMONSTRATED A SIGNIFICANT COMMITMENT TO
24 FURTHER CONSTRUCTION AND CONVERSION OF ACCESSORY DWELLING
25 UNITS THROUGH THE ADOPTION OF STRATEGIES DESCRIBED IN SECTION
26 29-35-104 (1)(a)(II); AND

27 (c) PROVIDE OFFSETS FOR, OR WAIVE A GREATER NUMBER OF

1 ACCESSORY DWELLING UNIT FEES FOR:

2 (I) LOW- AND MODERATE-INCOME HOUSEHOLDS; OR

3 (II) ACCESSORY DWELLING UNITS THAT ARE RENTED TO LOW- AND
4 MODERATE-INCOME HOUSEHOLDS.

5 (6) IN AWARDING A GRANT, THE DEPARTMENT SHALL AWARD A
6 LOCAL GOVERNMENT AN AMOUNT EQUAL TO NO MORE THAN FIFTEEN
7 THOUSAND DOLLARS PER ACCESSORY DWELLING UNIT PERMITTED BY THE
8 LOCAL GOVERNMENT, TO BE REIMBURSED BASED ON THE NUMBER OF
9 PERMITTED ACCESSORY DWELLING UNITS.

10 (7) (a) THE ACCESSORY DWELLING UNIT FEE REDUCTION AND
11 ENCOURAGEMENT GRANT PROGRAM FUND IS CREATED IN THE STATE
12 TREASURY. THE FUND CONSISTS OF ANY MONEY THAT THE GENERAL
13 ASSEMBLY MAY TRANSFER OR APPROPRIATE TO THE FUND AND GIFTS,
14 GRANTS, OR DONATIONS CREDITED TO THE FUND. THE STATE TREASURER
15 SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT
16 AND INVESTMENT OF MONEY IN THE FUND TO THE FUND.

17 (b) SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL
18 ASSEMBLY, THE DEPARTMENT MAY EXPEND MONEY FROM THE FUND FOR
19 THE PURPOSE OF IMPLEMENTING AND ADMINISTERING THE GRANT
20 PROGRAM.

21 (c) ON OR BEFORE JUNE 30, 2024, THE STATE TREASURER SHALL
22 TRANSFER TEN MILLION DOLLARS FROM THE GENERAL FUND TO THE FUND.

23 (8) IN ACCORDANCE WITH THE POLICIES AND PROCEDURES
24 DEVELOPED BY THE DEPARTMENT PURSUANT TO SUBSECTION (9) OF THIS
25 SECTION, EACH LOCAL GOVERNMENT THAT RECEIVES A GRANT THROUGH
26 THE GRANT PROGRAM SHALL SUBMIT A REPORT TO THE DEPARTMENT. AT
27 A MINIMUM, THE REPORT MUST INCLUDE THE FOLLOWING INFORMATION:

1 (a) THE NUMBER OF ACCESSORY DWELLING UNITS WITH
2 ACCESSORY DWELLING UNIT FEES OR COSTS THAT LOCAL GOVERNMENTS
3 REDUCED OR WAIVED IN THE PAST YEAR IN CONNECTION WITH THE GRANT
4 PROGRAM;

5 (b) THE TOTAL AMOUNT OF ELIGIBLE COSTS THAT LOCAL
6 GOVERNMENTS INCURRED AND WERE REIMBURSED FOR THROUGH THE
7 GRANT PROGRAM IN THE PAST YEAR IN CONNECTION WITH THE GRANT
8 PROGRAM;

9 (c) THE NUMBER OF THE ACCESSORY DWELLING UNITS DESCRIBED
10 IN SUBSECTION (8)(a) OF THIS SECTION THAT WERE BUILT IN THE PAST
11 YEAR THAT WERE BUILT BY LOW- AND MODERATE-INCOME HOUSEHOLDS,
12 THAT ARE AFFORDABLE ACCESSORY DWELLING UNITS, THAT ARE
13 VISITABLE OR ACCESSIBLE ACCESSORY DWELLING UNITS, AND THAT ARE
14 ACCESSORY DWELLING UNITS USED AS LONG-TERM RENTALS FOR MEMBERS
15 OF THE LOCAL WORKFORCE;

16 (d) THE NUMBER OF ACCESSORY DWELLING UNITS THAT ARE
17 FACTORY-BUILT RESIDENTIAL STRUCTURES, AS DEFINED IN SECTION
18 24-32-3302 (10); AND

19 (e) THE NUMBER OF ACCESSORY DWELLING UNIT PERMITS
20 AWARDED, DENIED, OR IN PROGRESS IN THE LOCAL GOVERNMENT'S
21 JURISDICTION.

22 (9) THE DEPARTMENT SHALL IMPLEMENT THE GRANT PROGRAM IN
23 ACCORDANCE WITH THIS SECTION. THE DEPARTMENT SHALL DEVELOP, IN
24 CONSULTATION WITH THE DEPARTMENT OF TRANSPORTATION, THE
25 COLORADO ENERGY OFFICE, AND THE COLORADO OFFICE OF ECONOMIC
26 DEVELOPMENT, POLICIES AND PROCEDURES BOTH AS REQUIRED IN THIS
27 SECTION AND AS MAY BE NECESSARY TO IMPLEMENT THE GRANT

1 PROGRAM.

2 (10) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
3 REQUIRES:

4 (a) "ACCESSORY DWELLING UNIT FEE" MEANS A REASONABLE AND
5 NECESSARY FEE COLLECTED OR REQUIRED BY A LOCAL GOVERNMENT IN
6 CONNECTION WITH THE CONSTRUCTION OR CONVERSION OF AN ACCESSORY
7 DWELLING UNIT. SUCH A FEE MAY INCLUDE IMPACT FEES.

8 (b) (I) "ELIGIBLE COSTS" MEANS COSTS INCURRED BY A LOCAL
9 GOVERNMENT AND DETERMINED BY THE DEPARTMENT TO BE INCURRED IN
10 CONNECTION WITH DEVELOPING PRE-APPROVED ACCESSORY DWELLING
11 UNIT PLANS, PROVIDING TECHNICAL ASSISTANCE TO PERSONS CONVERTING
12 OR CONSTRUCTING ACCESSORY DWELLING UNITS, OR OTHER REASONABLE
13 AND NECESSARY FEES LEVIED BY OR COSTS BORNE BY THE LOCAL
14 GOVERNMENT FOR THE CONSTRUCTION OR CONVERSION OF AN ACCESSORY
15 DWELLING UNIT.

16 (II) NOTWITHSTANDING SUBSECTION (10)(b)(I) OF THIS SECTION,
17 IN ORDER FOR COSTS INCURRED BY A LOCAL GOVERNMENT IN CONNECTION
18 WITH DEVELOPING PRE-APPROVED ACCESSORY DWELLING UNIT PLANS TO
19 QUALIFY AS ELIGIBLE COSTS, AT LEAST ONE SUCH PRE-APPROVED
20 ACCESSORY DWELLING UNIT PLAN MUST BE FOR AN ACCESSIBLE OR
21 VISITABLE ACCESSORY DWELLING UNIT.

22 (c) "FUND" MEANS THE ACCESSORY DWELLING UNIT FEE
23 REDUCTION AND ENCOURAGEMENT GRANT PROGRAM FUND CREATED IN
24 SUBSECTION (7) OF THIS SECTION.

25 (d) "GRANT PROGRAM" MEANS THE ACCESSORY DWELLING UNIT
26 FEE REDUCTION AND ENCOURAGEMENT GRANT PROGRAM CREATED IN THIS
27 SECTION.

1 (11) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2030.

2 **SECTION 2.** In Colorado Revised Statutes, 24-32-3305, **add**

3 (3.3) as follows:

4 **24-32-3305. Rules - advisory committee - enforcement.**

5 (3.3) THE DEPARTMENT SHALL CREATE FOR FACTORY-BUILT STRUCTURES,

6 INCLUDING THOSE THAT WOULD BE CONSIDERED ACCESSORY DWELLING

7 UNITS, MODEL PUBLIC SAFETY CODE REQUIREMENTS RELATED TO

8 GEOGRAPHIC OR CLIMATIC CONDITIONS, SUCH AS WEIGHT RESTRICTIONS

9 FOR ROOF SNOW LOADS, WIND SHEAR FACTORS, OR WILDFIRE RISK, FOR

10 LOCAL GOVERNMENTS TO CONSIDER AND ADOPT PURSUANT TO SECTION

11 24-32-3318 (2)(a).

12 **SECTION 3.** In Colorado Revised Statutes, 24-46-104, **add**

13 (1)(q) as follows:

14 **24-46-104. Powers and duties of commission - repeal.** (1) The
15 commission has the following powers and duties:

16 (q) (I) TO EXPEND EIGHT MILLION DOLLARS TO CONTRACT WITH
17 THE COLORADO HOUSING AND FINANCE AUTHORITY, CREATED IN PART 7
18 OF ARTICLE 4 OF TITLE 29, FOR THE CREATION AND OPERATION OF ONE OR
19 MORE OF THE FOLLOWING PROGRAMS, PRIORITIZING THOSE PROGRAMS
20 THAT BENEFIT LOW- AND MODERATE-INCOME BORROWERS AND TENANTS
21 IN LOCAL GOVERNMENTS THAT HAVE BEEN CERTIFIED AS ACCESSORY
22 DWELLING UNIT SUPPORTIVE JURISDICTIONS BY THE DEPARTMENT OF
23 LOCAL AFFAIRS:

24 (A) AN ACCESSORY DWELLING UNIT CREDIT ENHANCEMENT
25 PROGRAM THAT SUPPORTS LENDERS OFFERING AFFORDABLE LOANS TO
26 ELIGIBLE LOW- AND MODERATE-INCOME BORROWERS FOR THE
27 CONSTRUCTION OR CONVERSION OF ACCESSORY DWELLING UNITS;

1 (B) A PROGRAM THAT ALLOWS FOR THE BUYING DOWN OF
2 INTEREST RATES ON LOANS MADE TO ELIGIBLE LOW- AND
3 MODERATE-INCOME BORROWERS IN CONNECTION WITH THE
4 CONSTRUCTION OR CONVERSION OF ACCESSORY DWELLING UNITS;

5 (C) A PROGRAM THAT OFFERS DOWN PAYMENT ASSISTANCE IN
6 CONNECTION WITH ACCESSORY DWELLING UNITS, PRINCIPAL REDUCTION
7 ON LOANS TO ELIGIBLE LOW- AND MODERATE-INCOME BORROWERS MADE
8 IN CONNECTION WITH ACCESSORY DWELLING UNITS, OR BOTH; OR

9 (D) A PROGRAM IN WHICH THE COLORADO HOUSING AND FINANCE
10 AUTHORITY OFFERS LOANS, REVOLVING LINES OF CREDIT, OR GRANTS TO
11 ELIGIBLE NON-PROFITS, PUBLIC HOUSING AUTHORITIES, AND COMMUNITY
12 DEVELOPMENT FINANCIAL INSTITUTIONS TO MADE DIRECT LOANS OR
13 GRANTS TO SUPPORT THE CONSTRUCTION OR CONVERSION OF ACCESSORY
14 DWELLING UNITS FOR LOW- AND MODERATE-INCOME BORROWERS OR
15 TENANTS.

16 (II) ANY CONTRACT MADE BY THE COMMISSION WITH THE
17 COLORADO HOUSING AND FINANCE AUTHORITY PURSUANT TO THIS
18 SUBSECTION (1)(q) MAY INCLUDE NORMAL AND CUSTOMARY FEES AND
19 EXPENSES FOR ADMINISTRATING THE PROGRAMS DESCRIBED IN THIS
20 SUBSECTION (1)(q).

21 **SECTION 4.** In Colorado Revised Statutes, 24-67-105, **add** (5.5)
22 as follows:

23 **24-67-105. Standards and conditions for planned unit**
24 **development - definitions.** (5.5) (a) IN A SUBJECT JURISDICTION, ANY
25 PLANNED UNIT DEVELOPMENT RESOLUTION OR ORDINANCE THAT IS
26 ADOPTED OR APPROVED ON OR AFTER THE EFFECTIVE DATE OF THIS
27 SUBSECTION (5.5), AND THAT ALLOWS THE CONSTRUCTION OF ONE OR

1 MORE SINGLE-UNIT DETACHED DWELLINGS, MUST NOT RESTRICT THE
2 CREATION OF AN ACCESSORY DWELLING UNIT AS AN ACCESSORY USE TO
3 ANY SINGLE-UNIT DETACHED DWELLING MORE THAN THE LOCAL LAW THAT
4 APPLIES TO ACCESSORY DWELLING UNIT DEVELOPMENT OUTSIDE OF A
5 PLANNED UNIT DEVELOPMENT OR IN ANY WAY THAT IS PROHIBITED BY
6 SECTION 29-35-103.

7 (b) IN A SUBJECT JURISDICTION, ANY PLANNED UNIT DEVELOPMENT
8 RESOLUTION OR ORDINANCE THAT WAS ADOPTED OR APPROVED BEFORE
9 THE EFFECTIVE DATE OF THIS SUBSECTION (5.5), THAT ALLOWS THE
10 CONSTRUCTION OF ONE OR MORE SINGLE-UNIT DETACHED DWELLINGS,
11 AND THAT RESTRICTS THE CONSTRUCTION OF AN ACCESSORY DWELLING
12 UNIT AS AN ACCESSORY USE TO ANY SINGLE-UNIT DETACHED DWELLING
13 MORE THAN THE LOCAL LAW THAT APPLIES TO ACCESSORY DWELLING UNIT
14 DEVELOPMENT OUTSIDE OF A PLANNED UNIT DEVELOPMENT:

15 (I) SHALL NOT BE INTERPRETED OR ENFORCED TO RESTRICT THE
16 CREATION OF AN ACCESSORY DWELLING UNIT AS AN ACCESSORY USE TO
17 ANY SINGLE-UNIT DETACHED DWELLING UNIT IN ANY WAY THAT IS
18 PROHIBITED BY SECTION 29-35-103; AND

19 (II) MAY BE SUPERSEDED BY THE ADOPTION OF A LOCAL LAW
20 PURSUANT TO SECTION 29-35-103.

21 (c) NOTWITHSTANDING SUBSECTION (5.5)(b) OF THIS SECTION, A
22 LOCAL GOVERNMENT MAY ADOPT CONFORMING AMENDMENTS TO ANY
23 SUCH PLANNED UNIT DEVELOPMENT.

24 (d) AS USED IN THIS SUBSECTION (5.5), UNLESS THE CONTEXT
25 OTHERWISE REQUIRES:

26 (I) "ACCESSORY DWELLING UNIT" HAS THE SAME MEANING AS SET
27 FORTH IN SECTION 29-35-102 (2).

1 (II) "LOCAL LAW" HAS THE SAME MEANING AS SET FORTH IN
2 SECTION 29-35-102 (13).

3 (III) "SUBJECT JURISDICTION" HAS THE SAME MEANING AS SET
4 FORTH IN SECTION 29-35-102 (21).

5 **SECTION 5.** In Colorado Revised Statutes, 38-33.3-106.5, **add**
6 (3) as follows:

7 **38-33.3-106.5. Prohibitions contrary to public policy -**
8 **patriotic, political, or religious expression - public rights-of-way - fire**
9 **prevention - renewable energy generation devices - affordable**
10 **housing - drought prevention measures - child care - definitions.**

11 (3) (a) IN A SUBJECT JURISDICTION OR AN ACCESSORY DWELLING UNIT
12 SUPPORTIVE JURISDICTION, NO PROVISION OF A DECLARATION, BYLAW, OR
13 RULE OF AN ASSOCIATION THAT IS ADOPTED ON OR AFTER THE EFFECTIVE
14 DATE OF THIS SUBSECTION (3) MAY RESTRICT THE CREATION OF AN
15 ACCESSORY DWELLING UNIT AS AN ACCESSORY USE TO ANY SINGLE-UNIT
16 DETACHED DWELLING IN ANY WAY THAT IS PROHIBITED BY SECTION
17 29-35-103, AND ANY PROVISION OF A DECLARATION, BYLAW, OR RULE
18 THAT INCLUDES SUCH A RESTRICTION IS VOID AS A MATTER OF PUBLIC
19 POLICY.

20 (b) IN A SUBJECT JURISDICTION OR AN ACCESSORY DWELLING UNIT
21 SUPPORTIVE JURISDICTION, NO PROVISION OF A DECLARATION, BYLAW, OR
22 RULE OF AN ASSOCIATION THAT IS ADOPTED BEFORE THE EFFECTIVE DATE
23 OF THIS SUBSECTION (3) MAY RESTRICT THE CREATION OF AN ACCESSORY
24 DWELLING UNIT AS AN ACCESSORY USE TO ANY SINGLE-UNIT DETACHED
25 DWELLING IN ANY WAY THAT IS PROHIBITED BY SECTION 29-35-103, AND
26 ANY PROVISION OF A DECLARATION, BYLAW, OR RULE THAT INCLUDES
27 SUCH A RESTRICTION IS VOID AS A MATTER OF PUBLIC POLICY.

1 (c) AS USED IN THIS SUBSECTION (3), UNLESS THE CONTEXT
2 OTHERWISE REQUIRES:

3 (I) "ACCESSORY DWELLING UNIT" HAS THE SAME MEANING AS SET
4 FORTH IN SECTION 29-35-102 (2).

5 (II) "ACCESSORY DWELLING UNIT SUPPORTIVE JURISDICTION" HAS
6 THE SAME MEANING AS SET FORTH IN SECTION 29-35-102 (3).

7 (III) "SUBJECT JURISDICTION" HAS THE SAME MEANING AS SET
8 FORTH IN SECTION 29-35-102 (21).

9 **SECTION 6. Safety clause.** The general assembly finds,
10 determines, and declares that this act is necessary for the immediate
11 preservation of the public peace, health, or safety or for appropriations for
12 the support and maintenance of the departments of the state and state
13 institutions.