HOUSE BILL 24-1313

A BILL FOR AN ACT

CONCERNING MEASURES TO INCREASE THE AFFORDABILITY OF HOUSING IN TRANSIT-ORIENTED COMMUNITIES, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

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 establishes a category of local government: A transit-oriented community. As defined in the bill, a transit-oriented community is either a local government that:

- Is entirely within a metropolitan planning organization;
- Has a population of 4,000 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.
• Contains at least 75 acres of certain transit-related areas; or
  If the local government is a county, contains either a part of:
• A transit station area that is both in an unincorporated part of the county and within one-half mile of a station that serves a commuter rail service or light rail service; or
• A transit corridor area that both is in an unincorporated part of the county and is fully encompassed by one or more municipalities.

The bill requires a transit-oriented community to meet its housing opportunity goal and relatedly requires the department to:
• On or before July 31, 2024, publish a map that designates transit areas that transit-oriented communities shall use in calculating their housing opportunity goal; and
• On or before December 31, 2024, publish models and guidance to assist a transit-oriented community in meeting its housing opportunity goal.

A housing opportunity goal is a zoning capacity goal determined based on an average zoned housing density and the amount of transit-related areas within a transit-oriented community. The bill requires a transit-oriented community to meet its housing opportunity goal by ensuring that enough areas in the transit-oriented community qualify as transit centers. In order to qualify as a transit center, an area must:
• Be composed of zoning districts that uniformly allow a net housing density of at least 15 units per acre;
• Identify the net housing density allowed by law;
• Meet a housing density established by the transit-oriented community;
• Not include any area where local law exclusively restricts housing occupancy based on age or other factors;
• Have an administrative approval process for multifamily residential property development on parcels that are 5 acres or less in size;
• Be composed of contiguous parcels, if located partially outside of a transit area; and
• Be located wholly within a transit area and not extend more than one-quarter mile from the edge of a transit area, unless the department allows otherwise.

A transit-oriented community is required to demonstrate that it has met its housing opportunity goal by submitting a housing opportunity goal report to the department of local affairs (department). A housing opportunity goal report must include:
• The housing opportunity goal calculation that the transit-oriented community used in determining its housing opportunity goal;
• Evidence that the transit-oriented community has met its
housing opportunity goal;

• A map that identifies the boundaries of any transit centers within the transit-oriented community;

• If relevant, a plan to address potential insufficient water supplies for meeting the transit-oriented community's housing opportunity goal;

• Affordability strategies that the transit-oriented community will implement in meeting its housing opportunity goal. The transit-oriented community shall select some of these strategies from the standard and long-term affordability strategies menus in the bill, and the transit-oriented community shall include an implementation plan describing how it will implement these strategies.

• Any displacement mitigation strategies that the transit-oriented community has or will adopt from the displacement mitigation strategies menu in the bill and an implementation plan describing how it will implement these strategies.

Additionally, the bill requires a transit-oriented community to submit a progress report to the department every 3 years.

After receiving a transit-oriented community's housing opportunity goal report, the department shall either approve the report or provide direction to the transit-oriented community for amending and resubmitting the report and require the transit-oriented community to resubmit the report. If a transit-oriented community does not submit a housing opportunity goal report to the department on or before December 31, 2026, or if the department does not approve a transit-oriented community's housing opportunity goal report, the department will designate the transit-oriented community as a nonqualified transit-oriented community. Similarly, if a transit-oriented community does not submit a progress report to the department every 3 years, or if the department does not approve a transit-oriented community's progress report, the department will designate the transit-oriented community as a nonqualified transit-oriented community.

The state treasurer shall transfer any money that a nonqualified transit-oriented community would have otherwise been allocated from the highway users tax fund instead to the transit-oriented communities highway users tax account (account). The department shall not use any money in the account that is attributable to a specific nonqualified transit-oriented community until 180 days after the transit-oriented community became a nonqualified transit-oriented community. If a nonqualified transit-oriented community no longer qualifies as a nonqualified transit-oriented community during that 180-day period, the treasurer shall issue a warrant to the transit-oriented community for the amount of money that was diverted from the transit-oriented community
to the account.

If the department does not approve a transit-oriented community's housing opportunity goal report on or before December 31, 2027, the department may seek an injunction requiring the transit-oriented community to comply with the requirements of the bill.

In addition to designating an area as a transit center for purposes of meeting a housing opportunity goal, the bill allows local governments to designate an area as a neighborhood center so long as the local government ensures that the area:

- Has an average zoned housing density sufficient to increase public transit ridership;
- Has an administrative approval process for multifamily residential property development on parcels that are no larger than a size determined by the department;
- Has a mixed-use walkable neighborhood; and
- Satisfies any other criteria required by the department.

The bill also creates the transit-oriented communities infrastructure fund grant program (grant program) within the department. The purpose of the grant program is to assist local governments in upgrading infrastructure within transit centers and neighborhood centers. In administering the grant program, the department shall prioritize grant applicants based on the information in the reports described in the bill. Grants from the grant program are awarded from money in the transit-oriented communities infrastructure fund (fund). The fund consists of gifts, grants, and donations along with money that the general assembly may appropriate or transfer to the fund and money in the account described in the bill. The fund is continuously appropriated. On July 1, 2024, the state treasurer shall transfer $35 million from the general fund to the fund.

**Section 2** prohibits a planned unit development resolution or ordinance for a planned unit development that is adopted on or after the effective date of the bill and that applies within a transit-oriented center or neighborhood center from restricting the development of housing more than the local law that applies to that transit-oriented center or neighborhood center.

**Section 3** states that any restriction by a unit owners' association within a transit-oriented center or neighborhood center on the development of housing that is adopted on or after the effective date of the bill and is beyond the local law that applies to that transit-oriented center or neighborhood center is void as a matter of public policy.

**Sections 4 and 5** require the Colorado housing and financing authority to allocate tax credits under the state affordable housing tax credit to qualified housing developments within transit centers.
Be it enacted by the General Assembly of the State of Colorado:

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

ARTICLE 35

State Land Use Criteria For Strategic Growth

PART 1

DEFINITIONS

29-35-101. Short title. The short title of this article 35 is THE "STATE LAND USE CRITERIA FOR STRATEGIC GROWTH ACT".

29-35-102. Legislative declaration. (1) The general assembly hereby finds, determines, and declares that:

(a) Since the "LOCAL GOVERNMENT LAND USE CONTROL ENABLING ACT OF 1974", article 20 of title 29, was adopted, Colorado's population has more than doubled, with the state growing at twice the national rate between 2010 and 2020;

(b) The Colorado State Demography Office estimates that Colorado will add one million seven hundred thousand two hundred people by 2050, bringing Colorado's population to nearly seven million five hundred thousand. The need for housing for the growing population is an issue that affects all Colorado communities regardless of region or size. In a bipartisan poll conducted by the Colorado Polling Institute in November 2023, Colorado voters listed housing affordability as one of their top five issues for the Colorado state government to address. Therefore, it is critical to address the cost and availability of housing across the state to address historic population growth.

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In experiencing significant population growth at a time of increased vehicle ownership and commute times, the supply and affordability of housing in one community affects the resources of neighboring communities. Colorado's need for housing impacts the state's transit, transportation, employment, economy, energy, water, and infrastructure and requires innovative, collaborative solutions.

Colorado's housing supply has not kept pace with population growth in the state. Between 2010 and 2020, Colorado added one hundred twenty-six thousand fewer housing units than in the prior decade, despite Colorado's population increasing by a similar amount in each decade. The state demographer estimates that between approximately sixty-five thousand and ninety thousand housing units are needed to keep pace with Colorado's current population growth.

Across the state, Colorado needs more housing urgently to support our growing workforce, and housing opportunities are needed across all income levels. Addressing the critical issue of cost and availability of housing requires maintaining and expanding access to affordable and attainable housing by removing barriers to and expediting new housing opportunities for every community, especially near transit. As housing rents and prices have increased faster than wages across the state, individual households are experiencing displacement from homes they could once afford and having to live farther from work with increased commute times. As state and local governments seek to increase housing options and
ADDRESS AFFORDABILITY FOR RESIDENTS, IT IS ESSENTIAL TO PROVIDE
SOLUTIONS THAT INCORPORATE TRANSIT NEEDS AS WELL.

(f) 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;

(g) NATIONALLY, 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".

(h) 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" AND "THE IMPACT OF ZONING ON HOUSING
AFFORDABILITY". 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.

(i) RESEARCHERS HAVE FOUND SUBSTANTIAL EVIDENCE THAT NEW HOUSING CONSTRUCTION ENABLES HOUSEHOLDS TO MOVE WITHIN A REGION, OPENS UP HOUSING OPTIONS FOR MORE DIVERSE INCOME LEVELS, AND PROMOTES COMPETITION THAT LIMITS HOUSING COST INCREASES, ACCORDING TO THE NEW YORK UNIVERSITY LAW AND ECONOMICS RESEARCH PAPER "SUPPLY SKEPTICISM REVISITED". WHILE NEW HOUSING SUPPLY CAN RARELY MEET THE NEEDS OF THE LOWEST INCOME HOUSEHOLDS, ENABLING NEW HOUSING SUPPLY CAN MODERATE PRICE INCREASES AND REDUCE THE NUMBER OF HOUSEHOLDS THAT NEED SUBSIDIES TO AFFORD HOUSING. RESIDENT OPPOSITION FREQUENTLY LIMITS NEW HOUSING DEVELOPMENT IN EXISTING COMMUNITIES AND EITHER LEADS TO LESS HOUSING PRODUCTION AND INCREASED HOUSING COSTS OR PUSHES HOUSING DEVELOPMENT TO GREENFIELD AREAS WHERE THERE ARE FEWER NEIGHBORS BUT GREATER ENVIRONMENTAL AND FISCAL COSTS.

29-35-103. Definitions. As used in this Article 35, unless the context otherwise requires:

(1) "Accessible unit" means a housing unit that:

(a) satisfies the requirements of the federal "Fair Housing Act", 42 U.S.C. sec. 3601 et seq., as amended;

(b) incorporates universal design; or

(c) is a type A dwelling unit, as defined in section 9-5-101 (10); or type A multistory dwelling unit, as defined in section...
9-5-101 (11); a Type B dwelling unit, as defined in section 9-5-101 (12); or a Type B multistory dwelling unit, as defined in section 9-5-101 (13).

(2)(a) "Administrative approval process" means a process in which:

(I) a development proposal for a specified project is approved, approved with conditions, or denied by local government administrative staff based solely on its compliance with objective standards set forth in local laws; and

(II) does not require, and cannot be elevated to require, a public hearing, a recommendation, or a decision by an elected or appointed public body or a hearing officer.

(b) notwithstanding subsection (2)(a) of this section, an administrative approval process may require an appointed historic preservation commission to make a decision, or to make a recommendation to local government administrative staff, regarding a development application involving a property that the local government has designated as a historic property, provided that:

(I) the state historic preservation office within history Colorado has designated the local government as a certified local government; and

(II) the appointed historic preservation commission's decision or recommendation is based on standards either set forth in local law or established by the secretary of the interior of the United States.

(3) "Bus rapid transit service" means a bus rapid transit
SERVICE:

(a) As identified in a metropolitan planning organization's fiscally constrained long range transportation plan or a transit agency's master plan; and

(b) That typically includes any number of the following:

(I) Service that is scheduled to run every fifteen minutes or less during the highest frequency service hours;

(II) Dedicated lanes or busways;

(III) Traffic signal priority;

(IV) Off-board fare collection;

(V) Elevated platforms; or

(VI) Enhanced stations.

(4) "Commuter bus rapid transit service" means a bus rapid transit service that operates for a majority of its route on a freeway with access that is limited to grade-separated interchanges.

(5) "Commuter rail" means a passenger rail transit service between and within metropolitan and suburban areas.

(6) "County" means a county including a home rule county, but excluding a city and county.

(7) "Department" means the department of local affairs.

(8) "Displacement" means:

(a) The involuntary relocation, due to increased real estate prices, rents, property rehabilitation, redevelopment, demolition, or other economic factors, of low-income residents or locally-owned community-service businesses and institutions in low-income areas; and
(b) INDIRECT DISPLACEMENT RESULTING FROM CHANGES IN NEIGHBORHOOD POPULATION, IF, WHEN LOW-INCOME HOUSEHOLDS MOVE OUT OF HOUSING UNITS, THOSE SAME HOUSING UNITS DO NOT REMAIN AFFORDABLE TO OTHER LOW-INCOME HOUSEHOLDS.

(9) "LIGHT RAIL" MEANS A PASSENGER RAIL TRANSIT SERVICE THAT USES ELECTRICALLY POWERED RAIL-BORNE CARS.

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

(11) "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 BUT NOT LIMITED TO LAND USE CODES, ZONING CODES, AND SUBDIVISION CODES.


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

(14) "OBJECTIVE STANDARD" MEANS A STANDARD THAT:

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

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

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

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

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

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

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

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

PART 2

TRANSIT-ORIENTED COMMUNITIES

29-35-201. Legislative declaration. (1) The general assembly
hereby finds, determines, and declares that:

(a) Multifamily housing is typically more affordable than
single-unit dwellings. According to the American Community
Survey, Colorado multifamily units cost between fourteen and
forty-three percent less to rent in 2019, depending on the size of
the building, compared to single-unit detached dwellings.

(b) Allowing higher density residential development is
important for the cost effectiveness and availability of
affordable housing. An analysis of over sixty affordable
housing projects funded by the U.S. Department of Housing and
Urban Development in transit-oriented areas in Colorado since
2010 found that half were developed at over fifty units per acre,
AND TWENTY PERCENT WERE OVER ONE HUNDRED UNITS PER ACRE.

(c) THROUGHOUT COLORADO, LESS THAN HALF OF AVAILABLE ZONING CAPACITY IS TYPICALLY UTILIZED, AND GREATER UTILIZATION OF ZONING CAPACITY IS NECESSARY TO MEET ANTICIPATED HOUSING NEEDS. NUMEROUS FACTORS CURRENTLY PREVENT DEVELOPMENT FROM FULLY UTILIZING AVAILABLE ZONING CAPACITY AND ALLOWED DENSITIES, INCLUDING SITE LEVEL CONSTRAINTS, FINANCIAL FEASIBILITY AND DEMAND, AND LANDOWNERS' WILLINGNESS TO SELL OR REDEVELOP.

(d) COLORADO HAS INVESTED SIGNIFICANTLY IN PUBLIC TRANSIT IN THE LAST SEVERAL DECADES, FUNDING OVER SIX BILLION DOLLARS ACROSS EIGHTY-FIVE MILES OF NEW RAIL LINES. THE INVESTMENTS WILL CONTINUE IN THE COMING YEARS WITH NEW BUS RAPID TRANSIT AND RAIL SYSTEMS ALONG THE FRONT RANGE. DESPITE THESE INVESTMENTS, TRANSIT RIDERSHIP LAGS BEHIND PEER AGENCIES AROUND THE COUNTRY, DUE AT LEAST IN PART TO A LACK OF DENSITY NEAR THESE TRANSIT LINES. BEFORE THE COVID-19 PANDEMIC, THE REGIONAL TRANSPORTATION DISTRICT HAD TWO AND THREE-TENTHS RIDES PER VEHICLE REVENUE MILE ON THEIR RAIL SYSTEM, COMPARED TO OVER FOUR RIDES PER VEHICLE REVENUE MILE FOR AGENCIES IN MINNEAPOLIS AND PORTLAND AND OVER EIGHT RIDES PER VEHICLE REVENUE MILE IN SEATTLE, ACCORDING TO DATA FROM THE FEDERAL TRANSIT ADMINISTRATION'S NATIONAL TRANSIT DATABASE.

(e) ALLOWING HIGHER DENSITY RESIDENTIAL DEVELOPMENT NEAR TRANSIT IS IMPORTANT FOR INCREASING TRANSIT RIDERSHIP AND IMPROVING THE COST EFFECTIVENESS OF TRANSIT SERVICES. RESEARCHERS HAVE FOUND THAT HIGHER BUILT GROSS DENSITIES CITYWIDE INCREASE COST-EFFECTIVENESS FOR LIGHT RAIL AND BUS RAPID
TRANSIT SERVICES, AS DESCRIBED IN THE ARTICLE, "COST OF A RIDE: THE EFFECTS OF DENSITIES ON FIXED-GUIDEWAY TRANSIT RIDERSHIP AND COSTS" BY ERICK GUERRA AND ROBERT CERVERO.

(f) MOST LIGHT AND COMMUTER RAIL STATIONS AND FREQUENT BUS CORRIDORS IN COLORADO HAVE LOWER HOUSING UNIT DENSITY THAN IS NECESSARY TO SUPPORT FREQUENT TRANSIT. BASED ON 2020 CENSUS BLOCK HOUSING UNIT DATA, OVER NINETY PERCENT OF RAIL STATIONS AND EIGHTY-FOUR PERCENT OF BUS RAPID TRANSIT AND FREQUENT BUS CORRIDORS IN COLORADO HAVE LESS THAN FIFTEEN HOUSING UNITS PER ACRE ON AVERAGE WITHIN WALKING DISTANCE. RESEARCHERS HAVE GENERALLY FOUND A MINIMUM OF FIFTEEN HOUSING UNITS PER ACRE OF BUILT DENSITY IS NEEDED TO SUPPORT FREQUENT TRANSIT.

(g) LIVING NEAR TRANSIT, JOBS, AND SERVICES ENABLES HOUSEHOLDS TO ALSO SAVE ON TRANSPORTATION COSTS BY OWNING FEWER VEHICLES AND REDUCING FUEL CONSUMPTION. COLORADANS COMMUTE OVER FIFTY MINUTES TO AND FROM WORK ON AVERAGE, ACCORDING TO THE LATEST AMERICAN COMMUNITY SURVEY'S FIVE YEAR ESTIMATES. ANALYSES OF TRANSIT-ORIENTED COMMUNITIES 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.

(h) IN COLORADO, HOUSEHOLDS IN MORE DENSE AREAS, WHICH ARE DEFINED AS 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;

(i) HIGH TRANSPORTATION COSTS IMPACT LOW-INCOME
HOUSEHOLDS IN PARTICULAR. HOUSEHOLDS MAKING LESS THAN FORTY
THOUSAND DOLLARS PER YEAR IN THE WESTERN UNITED STATES ARE
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.

(j) IN ADDITION TO SAVING ON TRANSPORTATION COSTS BY LIVING
NEAR TRANSIT, OWNING FEWER VEHICLES AND TRAVELING TO WORK AND
ACCESSING SERVICES WITHOUT DRIVING OR DRIVING LESS REDUCES
GREENHOUSE GAS EMISSIONS AND AIR POLLUTION, WHICH IMPACTS AIR
QUALITY NOT JUST IN TRANSIT-ORIENTED COMMUNITIES BUT IN GREATER
REGIONS ACROSS THE STATE;

(k) 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 RESTOCK ANALYSIS TOOL;

(l) SCENARIOS ANALYZED FOR THE "COLORADO WATER AND
GROWTH DIALOGUE FINAL REPORT" WITH HIGHER PERCENTAGE OF
FUTURE HOUSING SHIFTING TO HIGHER DENSITIES WERE ESTIMATED TO
ACHIEVE A TOTAL DECREASE IN WATER DEMAND BETWEEN FOUR AND
EIGHT TENTHS PERCENT AND NINETEEN AND FOUR TENTHS PERCENT;

(m) 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 REVENUE. THESE INCREASED COSTS ARE OFTEN BORNE BY BOTH STATE AND LOCAL GOVERNMENTS.

(n) A STUDY FOR A 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;

(o) ACCORDING TO A 2022 ARTICLE TITLED "DOES DISCRETION DELAY DEVELOPMENT?" IN THE JOURNAL OF THE AMERICAN PLANNING ASSOCIATION, RESIDENTIAL PROJECTS USING ADMINISTRATIVE 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. STUDIES HAVE SHOWN THAT HOMEBUILDERS, INCLUDING AFFORDABLE HOUSING DEVELOPERS, WILL AVOID PARCELS THAT NEED TO GO THROUGH A DISCRETIONARY PROCESS.

(p) COMMUNITY OPPOSITION TO SPECIFIC AFFORDABLE HOUSING DEVELOPMENTS FREQUENTLY CAUSES DELAYS, INCREASES COSTS, REDUCES THE NUMBER OF HOUSING UNITS DELIVERED, PUSHES SITING OF AFFORDABLE HOUSING TO LESS OPPORTUNITY-RICH AREAS, AND PREVENTS DEVELOPMENTS FROM OCCURRING ALTOGETHER, ACCORDING TO STUDIES SUCH AS "DEMOCRACY IN ACTION? NIMBY AS IMPEDIMENT TO EQUITABLE AFFORDABLE HOUSING SITING" IN THE JOURNAL HOUSING...
STUDIES;

(q) Researchers have 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;

(r) Transit-oriented development, including connecting housing opportunities and services with safe multimodal infrastructure and public transit, improves the accessibility of cities for people with disabilities and those with limited mobility. People with disabilities are more likely to live in households with zero cars, are less likely to drive, and are more likely to rely on public transit or paratransit, according to the 2017 "National Household Travel Survey";

(s) According to the greenhouse gas pollution reduction roadmap published by the Colorado Energy Office, dated January 14, 2021, the transportation sector is the single largest source of greenhouse gas pollution in Colorado. Nearly sixty percent of the greenhouse gas emissions from the transportation sector come from light-duty vehicles, which are the majority of cars and trucks that Coloradans drive every day.

(t) Motor vehicle pollution, including greenhouse gas emissions, does not stay within the geographic boundaries of the local government where it is emitted;

(u) The greenhouse gas transportation planning standard
ADOPTED BY THE TRANSPORTATION COMMISSION OF COLORADO IN 2021
SET A STATEWIDE TARGET TO REDUCE TRANSPORTATION GREENHOUSE GAS
EMISSIONS THROUGH THE TRANSPORTATION PLANNING PROCESS BY ONE
MILLION FIVE HUNDRED THOUSAND TONS BY 2030; AND

(v) THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
HAS CLASSIFIED THE DENVER METRO AND 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.

(2) THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT:

(a) THE CONSEQUENCES OF COMMUNITY OPPOSITION AND LOCAL
LAND USE POLICIES THAT LIMIT HOUSING SUPPLY IN TRANSIT-ORIENTED
COMMUNITIES IMPACT HOUSING OPTIONS FOR COLORADANS OF LOW AND
MODERATE INCOMES AND WORKFORCE HOUSING TO SUPPORT
EMPLOYMENT GROWTH. INCREASING HIGHER-DENSITY HOUSING IN
TRANSIT-ORIENTED COMMUNITIES ENSURES STABLE QUANTITY AND
QUALITY OF HOUSING FOR EVERYONE AND CORRECTS POLICIES THAT
PERPETUATE SEGREGATED AND UNEQUAL COMMUNITIES, REDUCED
MOBILITY AND LONG COMMUTES, REDUCED OPTIONS FOR OLDER ADULTS
TO AGE IN THEIR COMMUNITY OF CHOICE, LOSS OF OPEN SPACE AND
AGRICULTURAL LAND, HIGH WATER USAGE, AND INCREASED GREENHOUSE
GAS AND AIR POLLUTION.

(b) THERE IS AN EXTRATERRITORIAL IMPACT WHEN LOCAL
GOVERNMENTS RESTRICT HOUSING DEVELOPMENT WITHIN THEIR
JURISDICTIONS. THE CALL FOR JOB GROWTH IN ONE COMMUNITY THAT
DOES NOT ALSO ADDRESS THE NEED FOR ADDITIONAL HOUSING AFFECTS
THE DEMAND OF HOUSING DEVELOPMENT IN NEIGHBORING JURISDICTIONS.
IN COLORADO, THE NUMBER OF JOBS WITHIN LARGE MUNICIPALITIES IS
GENERALLY CORRELATED TO THE MUNICIPALITY’S TRANSIT SERVICE, AND
RESEARCH HAS SHOWN THAT REGIONAL IMBALANCES BETWEEN JOBS AND
HOUSING HAVE A SIGNIFICANT IMPACT ON VEHICLE MILES TRAVELED AND
COMMUTE TIMES ACROSS JURISDICTIONS, 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. WHEN PEOPLE ARE UNABLE TO LIVE
NEAR WHERE THEY WORK, WORKERS HAVE NO OPTIONS BUT TO SPEND
MORE HOURS ON THE ROAD COMMUTING TO AND FROM WORK. THE
LONGER COMMUTE INCREASES VEHICLE TRAFFIC AND PUTS ADDITIONAL
STRAIN ON COLORADO'S ROADS AND INCREASES POLLUTION.

(c) THE AVAILABILITY OF AFFORDABLE HOUSING IS A MATTER OF
MIXED STATEWIDE AND LOCAL CONCERN. THEREFORE, IT IS THE INTENT OF
THE GENERAL ASSEMBLY IN ENACTING THIS PART 2 TO:

(I) PROVIDE FUNDING FOR INFRASTRUCTURE AND AFFORDABLE
HOUSING TO SUPPORT LOCAL GOVERNMENTS WHOSE ZONING DOES MEET
THE GOALS OF THIS PART 2, AND TO ENCOURAGE MORE DENSE
MULTIFAMILY 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;

(II) 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

(III) COLORADO HAS A LEGITIMATE STATE INTEREST IN MANAGING
POPULATION AND DEVELOPMENT GROWTH AND ENSURING STABLE QUALITY AND QUANTITY OF HOUSING FOR COLORADANS; AND

(d) COLORADO HAS A LEGITIMATE STATE INTEREST IN MANAGING POPULATION AND DEVELOPMENT GROWTH AND ENSURING STABLE QUALITY AND QUANTITY OF HOUSING FOR COLORADANS AS THIS IS AMONG THE MOST PRESSING PROBLEMS CURRENTLY FACING COMMUNITIES THROUGHOUT COLORADO.

(3) THEREFORE, THE GENERAL ASSEMBLY FINDS, DETERMINES, AND DECLARES THAT THE LACK OF HOUSING SUPPLY AND UNSUSTAINABLE DEVELOPMENT PATTERNS REQUIRE A STATEWIDE SOLUTION THAT ADDRESSES 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, ALONG WITH A LACK OF FUNDING FOR INFRASTRUCTURE AND AFFORDABLE HOUSING NEAR TRANSIT-ORIENTED COMMUNITIES.

(4) THEREFORE, THE GENERAL ASSEMBLY DECLARES THAT INCREASING HOUSING IN TRANSIT-ORIENTED COMMUNITIES IS A MATTER OF MIXED STATEWIDE AND LOCAL CONCERN.

29-35-202. Definitions. As used in this Part 2, unless the context otherwise requires:

(1) "Exempt parcel" means:

(a) A parcel that, as of January 1, 2024, is not served by a domestic water and sewage treatment system, as defined in section 24-65.1-104 (5), and not served by a well with a permit that can supply an additional dwelling unit;
(b) A parcel that, as of January 1, 2024, is in an agricultural, forestry, natural resource preservation, or open space zoning district;

(c) A parcel that, as of January 1, 2024, is zoned or used primarily for industrial use, which, for purposes of this subsection (1)(c), means a business use or activity at a scale greater than home industry involving manufacturing, fabrication, assembly, warehousing, or storage;

(d) Any part of a parcel that, as of January 1, 2024, is in a floodway or in a one hundred-year floodplain, as identified by the Federal Emergency Management Agency;

(e) A parcel that, as of January 1, 2024, is used as a cemetery, as defined in section 31-25-701 (2);

(f) Any part of a parcel that, as of January 1, 2024, is subject to a conservation easement;

(g) A parcel or easement that, as of January 1, 2024, is owned by, used as, or operated by an airport;

(h) A public or railroad right-of-way that exists as of January 1, 2024;

(i) A parcel that, as of January 1, 2024, is used as a mobile home park, as defined in section 38-12-201.5 (6);

(j) A parcel that, as of January 1, 2024, is federal or state owned property; or

(k) Any part of a parcel that, as of January 1, 2024, includes land that is park and open space, as defined in section 29-7.5-103 (2).

(2) "Housing opportunity goal" means a goal for the
ZONING CAPACITY FOR RESIDENTIAL UNITS IN A TRANSIT-ORIENTED COMMUNITY. A LOCAL GOVERNMENT SHALL CALCULATE ITS HOUSING OPPORTUNITY GOAL PURSUANT TO SECTION 29-35-204 (2).

(3) "MIXED-USE PEDESTRIAN-ORIENTED NEIGHBORHOOD" MEANS AN AREA THAT INTEGRATES LAND USE TYPES THAT INCLUDE RESIDENTIAL AND NONRESIDENTIAL USES WITHIN A WALKABLE NEIGHBORHOOD.

(4) "NEIGHBORHOOD CENTER" MEANS AN AREA THAT BOTH MEETS THE REQUIREMENTS OF SECTION 29-35-207 AND IS DESIGNATED AS A NEIGHBORHOOD CENTER BY A LOCAL GOVERNMENT IN A METROPOLITAN PLANNING ORGANIZATION.

(5) "NET HOUSING DENSITY" MEANS THE NUMBER OF RESIDENTIAL UNITS ALLOWED PER ACRE OF LAND ON PARCELS THAT ALLOW FOR RESIDENTIAL DEVELOPMENT. IN CALCULATING NET HOUSING DENSITY FOR AN AREA, A LOCAL GOVERNMENT SHALL INCORPORATE ANY DIMENSIONAL OR OTHER RESTRICTIONS IN LOCAL LAWS USED TO REGULATE ALLOWED DENSITY IN THE AREA, INCLUDING BUT NOT LIMITED TO RESTRICTIONS RELATED TO UNITS PER ACRE, LOT AREA PER UNIT, LOT COVERAGE, SITE LEVEL OPEN SPACE REQUIREMENTS, FLOOR AREA RATIOS, SETBACKS, MINIMUM PARKING REQUIREMENTS, AND MAXIMUM HEIGHT.

(6) (a) "NONQUALIFIED TRANSIT-ORIENTED COMMUNITY" MEANS A TRANSIT-ORIENTED COMMUNITY THAT HAS NOT, AS OF DECEMBER 31, 2026, MET ITS HOUSING OPPORTUNITY GOAL PURSUANT TO SECTION 29-35-204 (4).

(b) WHEN A TRANSIT-ORIENTED COMMUNITY MEETS ITS HOUSING OPPORTUNITY GOAL PURSUANT TO SECTION 29-35-204 (4), A TRANSIT-ORIENTED COMMUNITY IS A "QUALIFIED TRANSIT-ORIENTED COMMUNITY".
"QUALIFIED TRANSIT-ORIENTED COMMUNITY" means a transit-oriented community that has both met its housing opportunity goal and had the department approve either the transit-oriented community's housing opportunity goal pursuant to section 29-35-204 (8), or the transit-oriented community's progress report pursuant to section 29-35-204 (9).

"REGULATED AFFORDABLE HOUSING" means affordable housing that:

(a) has received loans, grants, equity, bonds, or tax credits from any source to support the creation, preservation, or rehabilitation of affordable housing that, as a condition of funding, encumbers the property with a restricted use covenant or similar recorded agreement to ensure affordability, or has been income-restricted under a local inclusionary zoning ordinance or other regulation or program;

(b) restricts or limits maximum rental or sale price for households of a given size at a given area median income, as established annually by the United States Department of Housing and Urban Development; and

(c) ensures occupancy by low- to moderate-income households for a specified period detailed in a restrictive use covenant or similar recorded agreement.

"TRANSIT AREA" means both a transit station area, as defined in subsection (13) of this section, or a transit corridor area, as defined in subsection (11) of this section.

"TRANSIT CENTER" means an area that both meets the requirements of section 29-35-206 and is designated as a transit
CENTER BY A TRANSIT-ORIENTED COMMUNITY.

(11) "TRANSIT CORRIDOR AREA" MEANS THE TOTAL AREA, MEASURED IN ACRES, WITHIN A TRANSIT-ORIENTED COMMUNITY THAT IS WITHIN ONE-QUARTER MILE OF A PUBLIC BUS ROUTE AND THAT EITHER:

(a) Has a scheduled frequency of fifteen minutes or less during the highest frequency service hours; OR

(b) Is an urban bus rapid transit service.

(12) "TRANSIT-ORIENTED COMMUNITY" MEANS A LOCAL GOVERNMENT THAT:

(a) Is either entirely or partially within a metropolitan planning organization;

(b) Has a population of four thousand or more according to the most recent data from the state demography office;

(c) Contains at least seventy-five acres of transit area; AND

(d) If the local government is a county, contains either:

(I) A part of a transit station area that is both in an unincorporated part of the county and within one-half mile of a transit station that serves one or both of a commuter rail or a light rail service; OR

(II) A part of a transit corridor area that is both in an unincorporated part of the county and fully surrounded by one or more municipalities.

(13) "TRANSIT STATION AREA" MEANS THE TOTAL AREA, MEASURED IN ACRES, WITHIN A TRANSIT-ORIENTED COMMUNITY THAT IS WITHIN ONE-HALF MILE OF A STATION THAT SERVES ONE OR MORE OF THE FOLLOWING:
(a) COMMUTER BUS RAPID TRANSIT SERVICE;
(b) COMMUTER RAIL;
(c) LIGHT RAIL; OR
(d) A PUBLIC BUS ROUTE THAT HAS A SCHEDULED FREQUENCY OF
FIFTEEN MINUTES OR LESS DURING THE HIGHEST FREQUENCY SERVICE
HOURS AND OPERATES PRIMARILY ON AN INTERSTATE HIGHWAY.

(14) "ZONING CAPACITY" MEANS THE TOTAL NUMBER OF HOUSING
UNITS ALLOWED IN AN AREA, AS LIMITED BY THE RESTRICTIONS IN LOCAL
LAW THAT REGULATE DENSITY IN THAT AREA, INCLUDING BUT NOT
LIMITED TO RESTRICTIONS RELATED TO UNITS PER ACRE, LOT AREA PER
UNIT, LOT COVERAGE, SITE LEVEL OPEN SPACE REQUIREMENTS, FLOOR
AREA RATIOS, SETBACKS, MINIMUM PARKING REQUIREMENTS, AND
MAXIMUM HEIGHT.

29-35-203. Department of local affairs collaboration. As
determined to be appropriate by the executive director of the
department, the department shall collaborate with the
department of transportation and the Colorado energy office
in fulfilling the requirements of this part 2.

29-35-204. Transit-oriented community housing opportunity
goal calculation - preliminary transit-oriented community assessment
report - housing opportunity goal compliance - insufficient water
supplies for meeting a housing opportunity goal - affordability and
displacement mitigation strategies - housing opportunity goal report
- legislative declaration. (1) Legislative declaration. The general
assembly hereby finds and declares that:
(a) TRANSIT RIDERSHIP, LAND USE DEVELOPMENT PATTERNS,
AFFORDABILITY AND AVAILABILITY OF HOUSING, ROADS, AND
GREENHOUSE GAS EMISSIONS FROM THE TRANSPORTATION SECTOR ARE INTERCONNECTED ISSUES THAT HAVE IMPACTS AND CONCERNS WELL BEYOND THE BORDERS OF A SINGLE LOCAL COMMUNITY;

(b) COLORADO HAS AN INTEREST IN ENSURING A STABLE QUANTITY AND QUALITY OF HOUSING IN ALIGNMENT WITH POPULATION GROWTH AND ENSURING THAT SHARED RESOURCES, INVESTMENTS, AND GOALS SUCH AS ROADS, INFRASTRUCTURE, TRANSIT, AIR QUALITY, WATER, AND GREENHOUSE GAS MITIGATION, ARE PROTECTED IN THE PROCESS; AND

(c) INCREASING HOUSING DENSITY IN TRANSIT-ORIENTED COMMUNITIES IS A MATTER OF MIXED STATEWIDE AND LOCAL CONCERN THAT REQUIRES STATEWIDE COOPERATION.

(2) Housing opportunity goal calculation. A TRANSIT-ORIENTED COMMUNITY SHALL CALCULATE ITS HOUSING OPPORTUNITY GOAL BY MULTIPLYING THE TOTAL AREA OF THE TRANSIT AREAS WITHIN THE LOCAL GOVERNMENT'S JURISDICTION, EXCLUSIVE OF THE EXEMPT PARCELS IN THOSE TRANSIT AREAS, BY FORTY UNITS PER ACRE.

(3) Preliminary transit-oriented community assessment report. (a) ON OR BEFORE APRIL 30, 2025, A TRANSIT-ORIENTED COMMUNITY SHALL, IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT, SUBMIT A PRELIMINARY TRANSIT-ORIENTED COMMUNITY ASSESSMENT REPORT THAT INCLUDES:

(I) THE TRANSIT-ORIENTED COMMUNITY'S HOUSING OPPORTUNITY GOAL AND THE DATA AND METHOD THE TRANSIT-ORIENTED COMMUNITY USED TO CALCULATE ITS HOUSING OPPORTUNITY GOAL; AND

(II) A MAP OF EXISTING ZONING DISTRICTS WITHIN THE TRANSIT-ORIENTED COMMUNITY THAT MAY QUALIFY AS TRANSIT CENTERS
AND PRELIMINARY EVIDENCE FOR THIS QUALIFICATION INCLUDING THE
STANDARDS APPLICABLE TO THESE ZONING DISTRICTS.

(b) If applicable, a transit-oriented community may
include in the report described in subsection (3)(a) of this section
any affordability or displacement strategies that the
transit-oriented community has implemented.

(c) The department shall review a preliminary
transit-oriented community assessment report submitted by a
transit-oriented community pursuant to this subsection (3) and
either provide written notice approving the report or provide
direction for amending and resubmitting the report.

(4) **Housing opportunity goal compliance.** (a) If a
transit-oriented community does not meet its housing
opportunity goal on or before December 31, 2026, the
department shall designate the transit-oriented community as
a nonqualified transit-oriented community.

(b) On or before December 31, 2027, a transit-oriented
community shall meet its housing opportunity goal.

(c) To ensure that a transit-oriented community meets its
housing opportunity goal, a transit-oriented community shall:

(I) Designate areas within the transit-oriented community
as transit centers and ensure that those areas satisfy the
requirements in section 29-35-206;

(II) Ensure that the total zoning capacity for all transit
centers within the transit-oriented community is greater than
or equal to the transit-oriented community’s housing
opportunity goal; and
(III) Submit a housing opportunity goal report and have the report approved by the department pursuant to subsection (8) of this section.

(5) **Insufficient water supplies for meeting a housing opportunity goal.** (a) On or before December 31, 2026, and every three years thereafter, a transit-oriented community may notify the department, in a form and manner determined by the department, that a water supply entity, as defined in section 29-20-302 (2), that supplies water to an area within the transit-oriented community has determined that the water supply entity does not have sufficient available water supplies during the most recent three-year period to provide the domestic water service necessary to meet the transit-oriented community’s housing opportunity goal in that area. The water supply entity shall provide information and assistance as necessary to complete the notice allowed by this subsection (5).

The notice allowed by this subsection (5) must include, but is not limited to:

(I) An analysis of projected housing and population growth from the state demography office or relevant metropolitan planning organization in the area within the transit-oriented community that the water supply entity provides domestic water services to;

(II) any data, professional opinions, or other information used to create the analysis in this subsection (5)(a)(I);
(III) Documentation demonstrating both an up-to-date water supply plan that complies with section 29-20-304(3) and an up-to-date water efficiency plan that complies with section 37-60-126(1) through (5); and

(IV) A proposal that may include:

(A) A request for an amount of additional time for the transit-oriented community to meet its housing opportunity goal in a manner that will allow the water supply entity to provide the necessary domestic water services; and

(B) An action plan based on the analyses in subsections (5)(a)(I) through (5)(a)(II) of this section.

(b) Upon receiving the notice described in subsection (5)(a) of this section, the department shall review the notice and determine whether to accept, provide comment on, or deny the proposal described in subsection (5)(a)(II) of this section.

(6) Affordability strategies. (a) On or before December 31, 2026, a transit-oriented community shall identify affordability strategies that it will implement or has already implemented while meeting its housing opportunity goal. In so doing, the transit-oriented community shall identify affordability strategies based on the demonstrated housing needs within the transit-oriented community including for-sale and rental housing needs and the housing needs of low-, moderate-, and medium-income households, as designated by the United States Department of Housing and Urban Development.

(b)(I) On or before December 31, 2026, a transit-oriented community shall include the following in its housing
OPPORTUNITY GOAL REPORT SUBMITTED PURSUANT TO SUBSECTION (8)(a)(IV) OF THIS SECTION:

(A) At least two strategies included in the standard affordability strategies menu described in Section 29-35-209 (1) that the transit-oriented community identified pursuant to subsection (6)(a) of this section and intends to implement;

(B) At least one strategy included in the long-term affordability strategies menu described in Section 29-35-209 (2) that the transit-oriented community identified pursuant to subsection (6)(a) of this section and intends to implement; and

(C) An implementation plan describing how the transit-oriented community has or will implement the affordability strategies identified pursuant to subsections (6)(b)(I)(A) and (6)(b)(I)(B) of this section.

(II) For purposes of satisfying the requirements of this subsection (6)(b), a transit-oriented community shall not:

(A) Count one or both of the strategies described in sections 29-35-209 (1)(e) and 29-35-209 (2)(c) towards satisfying the requirements of both subsections (6)(b)(I)(A) and (6)(b)(I)(B) of this section; or

(B) Count any strategy described in Section 29-35-209 that is otherwise required by state law.

(7) Displacement mitigation strategies. On or before December 31, 2026, a transit-oriented community shall include the following in its housing opportunity goal report, pursuant to subsection (8)(a)(V) of this section:

(a) Any displacement mitigation strategies that the
TRANSIT-ORIENTED COMMUNITY HAS ADOPTED OR WILL ADOPT FROM THE
DISPLACEMENT MITIGATION STRATEGIES MENU DEVELOPED BY THE
DEPARTMENT PURSUANT TO SECTION 29-35-210 (3) TO MITIGATE
DISPLACEMENT RISKS WHILE MEETING ITS HOUSING OPPORTUNITY GOAL;
AND

(b) AN IMPLEMENTATION PLAN DESCRIBING HOW THE
TRANSIT-ORIENTED COMMUNITY WILL IMPLEMENT THE DISPLACEMENT
MITIGATION STRATEGIES IT IDENTIFIES PURSUANT TO SUBSECTION (7)(a)
OF THIS SECTION.

(8) Housing opportunity goal report. (a) ON OR BEFORE
DECEMBER 31, 2026, A TRANSIT-ORIENTED COMMUNITY SHALL SUBMIT A
HOUSING OPPORTUNITY GOAL REPORT TO THE DEPARTMENT IN A FORM
AND MANNER DETERMINED BY THE DEPARTMENT. PURSUANT TO SECTION
29-35-211 (5), UPON THE SUBMISSION AND APPROVAL BY THE
DEPARTMENT OF THE REPORT, A TRANSIT-ORIENTED COMMUNITY BECOMES
ELIGIBLE FOR THE AWARD OF A TRANSIT-ORIENTED COMMUNITIES
INFRASTRUCTURE GRANT PROGRAM GRANT. THE REPORT MUST INCLUDE
THE FOLLOWING, ALONG WITH ANY OTHER ELEMENTS IDENTIFIED BY THE
DEPARTMENT:

(I) THE TRANSIT-ORIENTED COMMUNITY’S HOUSING OPPORTUNITY
GOAL;

(II) EVIDENCE THAT THE TRANSIT-ORIENTED COMMUNITY HAS MET
ITS HOUSING OPPORTUNITY GOAL PURSUANT TO SUBSECTION (4)(c) OF THIS
SECTION;

(III) A MAP THAT IDENTIFIES THE BOUNDARIES OF ANY TRANSIT
CENTERS WITHIN THE TRANSIT-ORIENTED COMMUNITY AND EVIDENCE
THAT THOSE AREAS SATISFY THE REQUIREMENTS IN SECTION 29-35-206;
(IV) Affordability strategies identified pursuant to subsection (6)(b)(I)(A) and (6)(b)(I)(B) of this section and the implementation plan described pursuant to subsection (6)(b)(I)(C) of this section;

(V) Displacement mitigation strategies identified pursuant to subsection (7)(a) of this section and the implementation plan described pursuant to subsection (7)(b) of this section;

(VI) A description of community engagement that the transit-oriented community conducted in the process of meeting its housing opportunity goal, identifying affordability strategies pursuant to subsection (6)(b)(I)(A) and (6)(b)(I)(B) of this section and identifying displacement mitigation strategies pursuant to subsection (7)(a) of this section; and

(VII) If applicable, and if the transit-oriented community so chooses, evidence that the transit-oriented community has satisfied the requirements of subsection (5) of this section.

(b) The department shall review a housing opportunity goal report submitted by a transit-oriented community pursuant to subsection (8)(a) of this section and provide written notice that either:

(I) Approves the report and affirms that the transit-oriented community has satisfied the relevant requirements of this section and is therefore considered a qualified transit-oriented community; or

(II) Provides direction for amending and resubmitting the report and requires that the transit-oriented community
RESUBMIT THE REPORT WITHIN NINETY DAYS OF RECEIVING THE WRITTEN
NOTICE.

(c) (I) IF A TRANSIT-ORIENTED COMMUNITY FAILS TO SUBMIT A
HOUSING OPPORTUNITY GOAL REPORT TO THE DEPARTMENT PURSUANT TO
SUBSECTION (8)(a) OF THIS SECTION OR FAILS TO SUBMIT AN AMENDED
HOUSING OPPORTUNITY GOAL REPORT PURSUANT TO SUBSECTION (8)(b)(II)
OF THIS SECTION, THE DEPARTMENT SHALL PROVIDE THE
TRANSIT-ORIENTED COMMUNITY WRITTEN NOTICE STATING THAT THE
TRANSIT-ORIENTED COMMUNITY WILL BE DEEMED A NONQUALIFIED
TRANSIT-ORIENTED COMMUNITY UNLESS THE TRANSIT-ORIENTED
COMMUNITY SUBMITS A HOUSING OPPORTUNITY GOAL REPORT OR AN
AMENDED HOUSING OPPORTUNITY GOAL REPORT TO THE DEPARTMENT
WITHIN NINETY DAYS OF RECEIVING THE NOTICE.

(II) IF A TRANSIT-ORIENTED COMMUNITY DOES NOT SUBMIT A
HOUSING OPPORTUNITY GOAL REPORT OR AN AMENDED HOUSING
OPPORTUNITY GOAL REPORT WITHIN NINETY DAYS OF RECEIVING THE
WRITTEN NOTICE DESCRIBED IN SUBSECTION (8)(c)(I) OF THIS SECTION,
THE DEPARTMENT SHALL PROVIDE THE TRANSIT-ORIENTED COMMUNITY
WRITTEN NOTICE THAT IT IS A NONQUALIFIED TRANSIT-ORIENTED
COMMUNITY.

(III) IF THE DEPARTMENT HAS NOT APPROVED A
TRANSIT-ORIENTED COMMUNITY’S HOUSING OPPORTUNITY GOAL REPORT
ON OR BEFORE DECEMBER 31, 2027, THE TRANSIT-ORIENTED COMMUNITY
IS IN NON-COMPLIANCE WITH THIS PART 2, AND THE DEPARTMENT MAY
SEEK AN INJUNCTION FROM A DISTRICT COURT REQUIRING THE
TRANSIT-ORIENTED COMMUNITY TO COMPLY WITH THE REQUIREMENTS OF
THIS PART 2.
(9) Progress report. (a) Every three years after submitting a housing opportunity goal report pursuant to subsection (8)(a) of this section, a transit-oriented community shall submit a progress report to the department in a form and manner determined by the department that confirms that the transit-oriented community is still meeting the required elements of the transit-oriented community’s housing opportunity goal report required pursuant to subsections (8)(a)(II) through (8)(a)(VI) of this section.

(b) The department shall review a progress report submitted by a transit-oriented community pursuant to subsection (9)(a) of this section and provide written notice that either:

(I) approves the report and affirms that the transit-oriented community has satisfied the relevant requirements of this section and is therefore considered a qualified transit-oriented community; or

(II) provides direction for amending and resubmitting the report and requires that the transit-oriented community resubmit the report within ninety days of receiving the written notice.

(c) (I) If a transit-oriented community fails to submit a progress report to the department pursuant to subsection (9)(a) of this section or fails to submit an amended progress report pursuant to subsection (9)(b)(II) of this section, the department shall provide the transit-oriented community written notice stating that the transit-oriented community will be deemed a
NONQUALIFIED TRANSIT-ORIENTED COMMUNITY UNLESS THE TRANSIT-ORIENTED COMMUNITY SUBMITS A PROGRESS REPORT OR AN AMENDED PROGRESS REPORT TO THE DEPARTMENT WITHIN NINETY DAYS OF RECEIVING THE NOTICE.

(II) IF A TRANSIT-ORIENTED COMMUNITY DOES NOT SUBMIT A PROGRESS REPORT OR AN AMENDED PROGRESS REPORT WITHIN NINETY DAYS OF RECEIVING THE WRITTEN NOTICE DESCRIBED IN SUBSECTION (9)(c)(I) OF THIS SECTION, THE DEPARTMENT SHALL PROVIDE THE TRANSIT-ORIENTED COMMUNITY WRITTEN NOTICE THAT IT IS A NONQUALIFIED TRANSIT-ORIENTED COMMUNITY.


(2) NOTWITHSTANDING ANY LAW TO THE CONTRARY, BEGINNING DECEMBER 31, 2026, AND EVERY MONTH THEREAFTER, THE STATE TREASURER SHALL TRANSFER TO THE TRANSIT-ORIENTED COMMUNITIES HIGHWAY USERS TAX ACCOUNT CREATED IN SECTION 29-35-211 (8)(b), INSTEAD OF TO THE LOCAL GOVERNMENT ANY MONEY THAT A LOCAL GOVERNMENT THAT IS ON THE MOST RECENT LIST PROVIDED TO THE STATE TREASURER, PURSUANT TO SUBSECTION (1) OF THIS SECTION, WOULD OTHERWISE HAVE BEEN ALLOCATED FROM THE HIGHWAY USERS TAX FUND PURSUANT TO SECTIONS 43-4-205 AND 43-4-207 OR SECTIONS 43-4-205
AND 43-4-208.

(3) (a) NOTWITHSTANDING SUBSECTION (2) OF THIS SECTION, THE DEPARTMENT MAY NOT EXPEND MONEY FROM THE TRANSIT-ORIENTED COMMUNITIES HIGHWAY USERS TAX ACCOUNT CREATED IN SECTION 29-35-211 (8)(b) THAT IS ATTRIBUTABLE TO A SPECIFIC NONQUALIFIED TRANSIT-ORIENTED COMMUNITY'S INCLUSION IN THE LIST DESCRIBED IN SUBSECTION (1) OF THIS SECTION UNTIL ONE HUNDRED EIGHTY DAYS AFTER THE NONQUALIFIED TRANSIT-ORIENTED COMMUNITY HAS FIRST APPEARED ON THE LIST DESCRIBED IN SUBSECTION (1) OF THIS SECTION.

(b) IF A LOCAL GOVERNMENT IS NO LONGER A NONQUALIFIED TRANSIT-ORIENTED COMMUNITY WITHIN ONE HUNDRED EIGHTY DAYS AFTER THE NONQUALIFIED LOCAL GOVERNMENT FIRST APPEARS ON THE LIST DESCRIBED IN SUBSECTION (1) OF THIS SECTION, THE STATE TREASURER SHALL ISSUE A WARRANT TO THAT LOCAL GOVERNMENT EQUAL TO THE AMOUNT OF MONEY IN THE TRANSIT-ORIENTED COMMUNITIES HIGHWAY USERS TAX ACCOUNT CREATED IN SECTION 29-35-211 (8)(b) THAT IS ATTRIBUTABLE TO THE LOCAL GOVERNMENT'S INCLUSION ON THE LIST DESCRIBED IN SUBSECTION (1) OF THIS SECTION.

29-35-206. Criteria for qualification as a transit center - criteria for qualification as a transit center outside of a transit area.

(1) TO DESIGNATE AN AREA AS A TRANSIT CENTER, A TRANSIT-ORIENTED COMMUNITY SHALL:

(a) ENSURE THAT THE AREA IS COMPOSED SOLELY OF ZONING DISTRICTS THAT UNIFORMLY ALLOW A NET HOUSING DENSITY OF AT LEAST FIFTEEN UNITS PER ACRE WITH NO PARCEL OR ZONING DISTRICT BEING COUNTED AS ALLOWING A NET HOUSING DENSITY OF MORE THAN FIVE HUNDRED UNITS PER ACRE;
(b) Identify a net housing density allowed for the area or for subdistricts within the area. The identified net housing density must:

   (I) Incorporate any dimensional or other restrictions in local laws used to regulate density in the area, including but not limited to restrictions related to units per acre, lot area per unit, lot coverage, site level open space requirements, floor area ratios, setbacks, minimum parking requirements, and maximum height;

   (II) Assume minimum parking requirements are met with surface parking; except that seven-tenths of parking spaces per dwelling unit may be counted as structured parking within the building footprint; and

   (III) Assume an average housing unit size, as determined based on either the typical size of a multifamily housing unit that was recently built in Colorado as established in the census's American Housing Survey or the typical size of a multifamily housing unit in the transit-oriented community according to local data;

(c) Exclude any area where local law exclusively restricts housing occupancy based on age or other factors;

(d) Establish an administrative approval process for multifamily residential development on parcels in the area that are no more than five acres in size. For multifamily residential development applications on parcels greater than five acres in size, a transit-oriented community shall identify a target net housing density for the parcels to count the parcels as part of
THE TRANSIT CENTER THAT COVERS THE AREA. THIS SUBSECTION (1)(d) DOES NOT PREVENT THE ESTABLISHMENT OF DEVELOPER AGREEMENTS BETWEEN THE LOCAL GOVERNMENT AND DEVELOPERS.

(e) Ensure that the area is located wholly or partially within a transit area, and that the designated transit center is comprised of parcels that are contiguous and does not extend more than one-quarter mile from the edge of the transit area.

(2) Notwithstanding subsection (1)(e) of this section, a transit-oriented community may designate an area as a transit center in a location other than what is allowed pursuant to subsection (1)(e) of this section, by filing a request for locational flexibility with the department, in a form and manner determined by the department, demonstrating that:

(a) Within the transit areas in the transit-oriented community, the transit-oriented community has:

(I) Adopted a plan to encourage and support future investment and expansion of infrastructure to serve multifamily housing and established zoning capacity that is as high as practicable to provide opportunities for multifamily housing; and

(II) Removed dimensional and other restrictions in local laws in order to maximize future housing production that is reasonably expected to occur in the area; and

(b) The area that the transit-oriented community is requesting locational flexibility to designate as a transit center:

(I) Has a reasonable opportunity for new multifamily
HOUSING, INCLUDING PLANNED OR EXISTING INFRASTRUCTURE AND
PLANNED OR EXISTING MULTIMODAL ACCESS TO A TRANSIT STATION; AND

(II) IF DESIGNATED AS A TRANSIT CENTER BY THE
TRANSIT-ORIENTED COMMUNITY, WOULD PROVIDE BENEFITS CONSISTENT
WITH THE PURPOSES OF THIS PART 2 THAT MAY INCLUDE REGULATED
AFFORDABLE HOUSING, MULTIMODAL MOBILITY, TRANSIT-SUPPORTIVE
DENSITY TO INCREASE OR EXPAND TRANSIT SERVICE, EXPANDED HOUSING
ACCESS IN HIGH-OPPORTUNITY AREAS, IMPROVED BALANCE OF HOUSING
AND JOBS IN THE AREA OR REGION, ACCESSIBLE HOUSING, AND ACCESS TO
DAILY NEEDS WITHIN A MIXED-USE PEDESTRIAN-ORIENTED
NEIGHBORHOOD.

(c) THE DEPARTMENT MAY REVIEW A TRANSIT-ORIENTED
COMMUNITY’S REQUEST TO DESIGNATE AN AREA AS A TRANSIT CENTER
PURSUANT TO THIS SUBSECTION (2) AND APPROVE OR DENY THE REQUEST
BASED ON CONSISTENCY WITH THE GOALS IN SUBSECTION (2)(b)(II) OF
THIS SECTION.


(1) (a) TO DESIGNATE AN AREA AS A NEIGHBORHOOD CENTER, A LOCAL
GOVERNMENT IN A METROPOLITAN PLANNING ORGANIZATION SHALL, IN
ACCORDANCE WITH POLICIES AND PROCEDURES ADOPTED BY THE
DEPARTMENT:

(1) ENSURE THAT THE AREA ALLOWS NET HOUSING DENSITY TO
BE ESTABLISHED BY THE DEPARTMENT THAT SUPPORTS
PEDESTRIAN-ORIENTED MIXED-USE NEIGHBORHOODS, THE DEVELOPMENT
OF REGULATED AFFORDABLE HOUSING, AND INCREASED PUBLIC TRANSIT
RIDERSHIP;

(II) ESTABLISH AN ADMINISTRATIVE APPROVAL PROCESS FOR
MULTIFAMILY RESIDENTIAL DEVELOPMENT ON PARCELS IN THE AREA THAT
ARE NO LARGER THAN A SIZE DETERMINED BY THE DEPARTMENT;

(III) ENSURE THAT THE AREA HAS A MIXED-USE
PEDESTRIAN-ORIENTED NEIGHBORHOOD, AS DETERMINED BY CRITERIA
ESTABLISHED BY THE DEPARTMENT; AND

(IV) SATISFY ANY OTHER CRITERIA, AS DETERMINED BY THE
DEPARTMENT, AND AS MAY VARY BY REGIONAL CONTEXT, FOR THE
QUALIFICATION OF AN AREA AS A NEIGHBORHOOD CENTER.

(b) NOTWITHSTANDING THE REQUIREMENTS FOR A LOCAL
GOVERNMENT DESIGNATING AN AREA AS A NEIGHBORHOOD CENTER
PURSUANT TO SUBSECTION (1)(a) OF THIS SECTION, THE DEPARTMENT
SHALL ESTABLISH SEPARATE REQUIREMENTS FOR LOCAL GOVERNMENTS
DESIGNATING AREAS WITHIN OPTIONAL TRANSIT AREAS IDENTIFIED BY THE
DEPARTMENT PURSUANT TO SECTION 29-35-208 (1)(c).

(2) IF A LOCAL GOVERNMENT DESIGNATES AN AREA AS A
NEIGHBORHOOD CENTER PURSUANT TO SUBSECTION (1) OF THIS SECTION,
THE LOCAL GOVERNMENT SHALL SUBMIT A NEIGHBORHOOD CENTER
REPORT TO THE DEPARTMENT IN A FORM AND MANNER DETERMINED BY
THE DEPARTMENT.

29-35-208. Transit areas map - housing opportunity goals,
models, and guidance. (1) Transit areas map. (a) ON OR BEFORE JULY
31, 2024, THE DEPARTMENT, IN CONSULTATION WITH METROPOLITAN
PLANNING ORGANIZATIONS, AND TRANSIT AGENCIES THAT OPERATE
WITHIN METROPOLITAN PLANNING ORGANIZATIONS, SHALL PUBLISH A MAP
THAT DESIGNATES TRANSIT AREAS TO BE USED BY TRANSIT-ORIENTED
COMMUNITIES IN CALCULATING HOUSING OPPORTUNITY GOALS.

(b) IN PUBLISHING THE MAP DESCRIBED IN SUBSECTION (1)(a) OF
THIS SECTION, THE DEPARTMENT SHALL DESIGNATE TRANSIT AREAS BASED
ON:

(I) AN URBAN BUS RAPID TRANSIT SERVICE OR COMMUTER BUS
RAPID TRANSIT SERVICE THAT IS IDENTIFIED WITHIN:

(A) A METROPOLITAN PLANNING ORGANIZATION'S
FISCALLY-CONSTRAINED LONG RANGE TRANSPORTATION PLAN ADOPTED
PRIOR TO JANUARY 1, 2024, AND PLANNED FOR IMPLEMENTATION,
ACCORDING TO THAT PLAN, PRIOR TO JANUARY 1, 2030; OR

(B) THE TRANSIT MASTER PLAN OF A TRANSIT AGENCY PLANNED
FOR SHORT-TERM IMPLEMENTATION, ACCORDING TO THAT PLAN;

(II) A PLAN FOR TRANSIT SERVICE THAT:

(A) HAS BEEN APPROVED BY THE GOVERNING BODY OF A TRANSIT
AGENCY AFTER JANUARY 1, 2019, AND ON OR BEFORE JANUARY 1, 2024;

(B) IDENTIFIES THE FREQUENCY OF TRANSIT SERVICE ON SPECIFIC
TRANSIT ROUTES; AND

(C) IDENTIFIES ROUTES IN SUBSECTION (1)(b)(II)(B) OF THIS
SECTION FOR SHORT-TERM IMPLEMENTATION OR IMPLEMENTATION BEFORE
JANUARY 1, 2030; OR

(III) IF THE INFORMATION IN SUBSECTIONS (1)(b)(I) AND (1)(b)(II)
OF THIS SECTION IS NOT AVAILABLE TO THE DEPARTMENT, EXISTING
TRANSIT SERVICE LEVELS AS OF JANUARY 1, 2024.

(c) IN PUBLISHING THE MAP DESCRIBED IN SUBSECTION (1)(a) OF
THIS SECTION, THE DEPARTMENT SHALL DESIGNATE THE FOLLOWING
OPTIONAL TRANSIT AREAS FOR PLANNING OF FUTURE TRANSIT SERVICE:

(I) TRANSIT AREAS BASED ON BUS RAPID TRANSIT SERVICES THAT
ARE IDENTIFIED WITHIN A METROPOLITAN PLANNING ORGANIZATION'S
FISCALLY-CONSTRAINED LONG-RANGE TRANSPORTATION PLAN ADOPTED
PRIOR TO JANUARY 1, 2024, AND INTENDED FOR IMPLEMENTATION AFTER JANUARY 1, 2030, AND BEFORE DECEMBER 31, 2050;

(II) TRANSIT AREAS BASED ON BUS RAPID TRANSIT SERVICES THAT ARE IDENTIFIED WITHIN A METROPOLITAN PLANNING ORGANIZATION'S LONG-RANGE TRANSPORTATION PLAN ADOPTED PRIOR TO JANUARY 1, 2024, THAT ARE INTENDED FOR IMPLEMENTATION BEFORE JANUARY 1, 2030, AND THAT ARE WITHIN A TRANSIT-ORIENTED COMMUNITY THAT HAS DESIGNATED TWENTY PERCENT OR MORE OF ITS AREA AS MANUFACTURED HOME ZONING DISTRICTS AS OF JANUARY 1, 2024; AND

(III) OTHER AREAS AS DETERMINED BY THE DEPARTMENT THROUGH REGULAR UPDATES.

(d) IN IDENTIFYING THE BOUNDARIES OF TRANSIT AREAS AND OPTIONAL TRANSIT AREAS, THE DEPARTMENT SHALL USE:

(I) GEOSPATIAL DATA FROM RELEVANT TRANSIT AGENCIES AND METROPOLITAN PLANNING ORGANIZATIONS; AND

(II) ROADWAY LOCATIONS BASED UPON THE CENTERLINE OF THE ROADWAY.

(2) Housing opportunity goals, models, and guidance. On or before December 1, 2024, the department shall publish models and guidance to assist local governments in meeting their housing opportunity goals and in calculating the density and dimensional standards established in section 29-35-206 (1)(b), including models and guidance for local governments with form-based codes.

BEFORE JUNE 30, 2025, THE DEPARTMENT SHALL DEVELOP A STANDARD
AFFORDABILITY STRATEGIES MENU FOR TRANSIT-ORIENTED COMMUNITIES
AND SHALL UPDATE THIS MENU AS NECESSARY. THE MENU MUST INCLUDE:
THE FOLLOWING STRATEGIES:

(a) IMPLEMENTING A LOCAL INCLUSIONARY ZONING ORDINANCE
THAT ACCOUNTS FOR LOCAL HOUSING MARKET CONDITIONS, IS CRAFTED
TO MAXIMIZE REGULATED AFFORDABLE HOUSING PRODUCTION BY
LEVERAGING PUBLIC RESOURCES, AND COMPLIES WITH THE REQUIREMENTS
OF SECTION 29-20-104 (1)(e.5) AND (1)(e.7);

(b) ADOPTING A LOCAL LAW OR PLAN TO LEVERAGE PUBLICLY
OWNED, SOLD, OR MANAGED LAND FOR REGULATED AFFORDABLE HOUSING
DEVELOPMENT;

(c) CREATING OR SIGNIFICANTLY EXPANDING A PROGRAM TO
SUBSIDIZE OR OTHERWISE REDUCE IMPACT FEES OR OTHER SIMILAR
DEVELOPMENT CHARGES FOR REGULATED AFFORDABLE HOUSING
DEVELOPMENT;

(d) ESTABLISHING A DENSITY BONUS PROGRAM FOR TRANSIT
CENTERS THAT GRANTS INCREASED FLOOR AREA RATIO, DENSITY, OR
HEIGHT FOR REGULATED AFFORDABLE HOUSING UNITS;

(e) CREATING A PROGRAM TO PRIORITIZE AND EXPEDITE
DEVELOPMENT APPROVALS FOR REGULATED AFFORDABLE HOUSING
DEVELOPMENT;

(f) REDUCING LOCAL PARKING REQUIREMENTS FOR REGULATED
AFFORDABLE HOUSING TO ONE-HALF SPACE PER UNIT OF REGULATED
AFFORDABLE HOUSING, WITHOUT LOWERING THE PROTECTIONS PROVIDED
FOR INDIVIDUALS WITH DISABILITIES, INCLUDING THE NUMBER OF PARKING
SPACES FOR INDIVIDUALS WHO ARE MOBILITY IMPAIRED, UNDER THE

(g) ENACTING LOCAL LAWS THAT INCENTIVIZE THE CONSTRUCTION OF ACCESSIBLE AND VISITABLE REGULATED AFFORDABLE HOUSING UNITS;

AND

(h) ANY OTHER STRATEGY DESIGNATED BY THE DEPARTMENT THAT OFFERS A COMPARABLE IMPACT ON LOCAL HOUSING AFFORDABILITY.

(2) Long-term affordability strategies menu. ON OR BEFORE JUNE 30, 2025, THE DEPARTMENT SHALL DEVELOP A LONG-TERM AFFORDABILITY STRATEGIES MENU AND SHALL UPDATE THIS MENU AS NECESSARY. THE MENU MUST INCLUDE THE FOLLOWING STRATEGIES:

(a) ESTABLISHING A DEDICATED LOCAL REVENUE SOURCE FOR REGULATED AFFORDABLE HOUSING DEVELOPMENT, SUCH AS INSTITUTING A LINKAGE FEE ON MARKET RATE HOUSING DEVELOPMENT TO SUPPORT NEW REGULATED AFFORDABLE HOUSING DEVELOPMENTS;

(b) REGULATING SHORT-TERM RENTALS, SECOND HOMES, OR OTHER UNDERUTILIZED OR VACANT UNITS IN A WAY, SUCH AS VACANCY FEES FOR UNDERUTILIZED UNITS, THAT PROMOTES MAXIMIZING THE USE OF LOCAL HOUSING STOCK FOR LOCAL HOUSING NEEDS;

(c) MAKING A COMMITMENT TO AND REMAINING ELIGIBLE TO RECEIVE FUNDING PURSUANT TO ARTICLE 32 OF THIS TITLE 29;

(d) INCENTIVIZING OR CREATING A DEDICATED LOCAL PROGRAM THAT FACILITATES INVESTMENT IN LAND BANKING OR COMMUNITY LAND
TRUSTS;

(e) ESTABLISHING AN AFFORDABLE HOMEOWNERSHIP STRATEGY SUCH AS:

(I) ACQUIRING OR PRESERVING DEED RESTRICTIONS ON CURRENT HOUSING UNITS;

(II) ESTABLISHING AN INCENTIVE PROGRAM TO ENCOURAGE REALTORS TO WORK WITH LOW-INCOME AND MINORITY PROSPECTIVE HOME BUYERS;

(III) ESTABLISHING AN AFFORDABLE RENT-TO-OWN PROGRAM; OR

(IV) INCENTIVIZING AFFORDABLE CONDOMINIUM DEVELOPMENTS;

AND

(f) ANY OTHER STRATEGY DESIGNATED BY THE DEPARTMENT THAT OFFERS A COMPARABLE IMPACT ON LOCAL HOUSING AFFORDABILITY.

(3) Alternative affordability strategies. A TRANSIT-ORIENTED COMMUNITY MAY SUBMIT AN EXISTING OR PROPOSED LOCAL LAW OR PROGRAM, IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT, TO THE DEPARTMENT, AND THE DEPARTMENT MAY DETERMINE THAT THE ADOPTION OF THAT LOCAL LAW OR PROGRAM QUALIFIES AS AN AFFORDABILITY STRATEGY FOR PURPOSES OF SECTION 29-35-204 (6)(a) AND (6)(b), SO LONG AS THE LOCAL LAW OR PROGRAM SUPPORTS EQUAL OR GREATER OPPORTUNITY FOR REGULATED AFFORDABLE HOUSING AND ACCESSIBLE UNITS THAN THE STRATEGIES DESCRIBED IN SUBSECTIONS (1) AND (2) OF THIS SECTION.

(4) Impact fees. NOTHING IN THIS SECTION INTERFERES WITH A LOCAL GOVERNMENT'S AUTHORITY TO SET AND COLLECT IMPACT FEES.

goals - alternative displacement mitigation strategies. (1) On or before June 30, 2025, the department shall conduct an assessment that includes recommendations identifying the resources necessary to implement the displacement mitigation strategies in the displacement risk mitigation strategies menu described in subsection (3) of this section. The assessment must identify:

(a) Appropriate local, regional, or nonprofit entities to assist residents at elevated risk of displacement, with a focus on residents in local governments that have a smaller population and fewer financial resources than other local governments within the same metropolitan planning organization; and

(b) Appropriate sources of financial and other resources to implement the displacement mitigation strategies in the displacement risk mitigation strategies menu described in subsection (3) of this section, while taking into account regional disparities in resources.

(2) (a) No later than June 30, 2025, the department shall develop guidance for transit-oriented communities in conducting a displacement risk assessment and implementing displacement mitigation strategies. The department shall update this guidance as necessary.

(b) In creating guidance for the displacement risk assessment described in subsection (2)(a) of this section, the department shall develop a methodology, with variations for different local contexts including the size and resource levels of local governments, for transit-oriented communities within...
METROPOLITAN PLANNING ORGANIZATION BOUNDARIES TO USE TO:

(I) GATHER FEEDBACK THROUGH COMMUNITY ENGAGEMENT; AND

(II) IDENTIFY INFORMATION FROM NEIGHBORHOOD-LEVEL EARLY
DISPLACEMENT WARNING AND RESPONSE SYSTEMS, OR IF THOSE SYSTEMS
ARE UNAVAILABLE, IDENTIFY THE BEST AVAILABLE LOCAL, REGIONAL,
STATE, OR FEDERAL DATA THAT CAN BE ANALYZED TO IDENTIFY
RESIDENTS AT ELEVATED DISPLACEMENT RISK, WHICH MAY INCLUDE:

(A) THE PERCENTAGE OF HOUSEHOLDS THAT ARE EXTREMELY
LOW-INCOME, VERY LOW-INCOME, AND LOW-INCOME, AS DESIGNATED BY
THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT;

(B) THE PERCENTAGE OF RESIDENTS WHO ARE HOUSEHOLDS;

(C) THE PERCENTAGE OF COST-BURDENED HOUSEHOLDS, DEFINED
AS HOUSEHOLDS THAT SPEND MORE THAN THIRTY PERCENT OF THE
HOUSEHOLD'S INCOME ON HOUSING NEEDS;

(D) THE NUMBER OF ADULTS WHO ARE TWENTY-FIVE YEARS OF
AGE OR OLDER AND HAVE NOT EARNED AT LEAST A HIGH SCHOOL
DIPLOMA;

(E) THE PERCENTAGE OF HOUSEHOLDS IN WHICH ENGLISH IS NOT
THE PRIMARY SPOKEN LANGUAGE;

(F) THE PERCENTAGE OF HOUSING STOCK BUILT PRIOR TO 1970;

(G) THE LOCATION OF MANUFACTURED HOME PARKS;

(H) AREAS THAT QUALIFY AS DISADVANTAGED AS DETERMINED
WITH THE CLIMATE AND ECONOMIC JUSTICE SCREENING TOOL DEVELOPED
BY THE COUNCIL ON ENVIRONMENTAL QUALITY IN THE OFFICE OF THE
PRESIDENT OF THE UNITED STATES; AND

(I) THE TRANSIT-ORIENTED COMMUNITIES WHERE INCREASES IN
ZONING CAPACITY WILL OCCUR AS A RESULT OF THE REQUIREMENTS OF THIS PART 2.

(3) On or before June 30, 2025, the department shall develop a displacement risk mitigation strategies menu and shall update this menu as necessary. The menu must include the following strategies:

(a) Designating transit centers that include high income census tracts in the transit-oriented community;

(b) Creating a locally funded and administered rental and mortgage assistance program;

(c) Creating an eviction and foreclosure no-cost legal representation program;

(d) Establishing a housing counseling and navigation program;

(e) Creating a property tax and down payment assistance program;

(f) Developing a program to offer technical assistance and financial support for community organizations to develop independent community land trusts;

(g) Prioritizing local money toward regulated affordable housing unit preservation or implementing or continuing deed restrictions for affordable housing units;

(h) Identifying partnerships with regional and non-profit entities to implement strategies; and

(i) Other strategies identified by the department that provide displacement mitigation equivalent to the other strategies described in this subsection (3).
IN DEVELOPING THE DISPLACEMENT RISK MITIGATION STRATEGIES MENU DESCRIBED IN SUBSECTION (3) OF THIS SECTION, THE DEPARTMENT'S GOALS MUST BE TO SUPPORT:

(a) RESOURCES, SERVICES, AND INVESTMENTS THAT SERVE VULNERABLE HOMEOWNERS AND RENTERS WITH ELEVATED RISK OF DISPLACEMENT;

(b) THE PRESERVATION OF REGULATED AFFORDABLE HOUSING STOCK;

(c) LOCAL GOVERNMENT PLANNING AND LAND USE DECISIONS THAT INCORPORATE INCLUSIVE AND EQUITABLE DISPLACEMENT MITIGATION STRATEGIES, AND THE EMPOWERMENT OF LOW-INCOME PERSONS AND COMMUNITIES OF COLOR TO PARTICIPATE IN THOSE DECISIONS; AND

(d) THE ABILITY OF VULNERABLE RESIDENTS TO REMAIN IN OR RETURN TO THEIR NEIGHBORHOODS OR COMMUNITIES BY ACCESSING NEW AFFORDABLE HOUSING OPPORTUNITIES IN THEIR NEIGHBORHOODS OR COMMUNITIES.


(1) Grant program created. The TRANSIT-ORIENTED COMMUNITIES INFRASTRUCTURE GRANT PROGRAM IS CREATED IN THE DEPARTMENT. THE PURPOSE OF THE GRANT PROGRAM IS TO ASSIST LOCAL GOVERNMENTS IN UPGRADING INFRASTRUCTURE AND SUPPORTING REGULATED AFFORDABLE HOUSING IN TRANSIT CENTERS AND NEIGHBORHOOD CENTERS.

(2) Allowable purposes. Grant recipients may use money received through the grant program to fund:
(a) **On-site infrastructure** for affordable housing, including regulated affordable housing, within a transit center or neighborhood center;

(b) Public infrastructure projects that are within, or that primarily benefit, a transit center or neighborhood center;

(c) Public infrastructure projects that benefit affordable housing, including regulated affordable housing, in a transit center or neighborhood center;

(d) Activities related to determining where and how best to improve infrastructure to support a transit center or neighborhood center; and

(e) Infrastructure project delivery, planning, and community engagement.

(3) **Grant program administration.** The department shall administer the grant program and, subject to available appropriations, award grants as provided in subsection (7) of this section and provide technical assistance to local governments in complying with the requirements of this part 2. Subject to section 18 of article X of the state constitution, which requires the proceeds of motor fuel taxes and motor vehicle licensing and registration fees and other charges to be used exclusively for the construction, maintenance, and supervision of public highways, grants awarded by the department for the purposes described in subsections (2)(c), (2)(d), and (2)(e) of this section may be paid out of the fund, including out of the account. Grants awarded by the department for the purposes described in subsections (2)(a) and (2)(b) of this section may be paid out of
MONEY IN THE FUND AND NOT IN THE ACCOUNT AND SHALL NOT BE PAID
OUT OF THE ACCOUNT.

(4) **Grant program policies and procedures.** The department
shall implement the grant program in accordance with this
section. The department shall develop policies and procedures
as necessary to implement the grant program.

(5) **Grant application.** To receive a grant, a local
government must submit an application to the department in
accordance with policies and procedures developed by the
department. A transit-oriented community may only submit an
application to the department after the department has
approved the transit-oriented community's housing opportunity
goal report pursuant to section 29-35-204 (8).

(6) **Grant program criteria.** The department shall review
the applications received pursuant to this section. In awarding
grants, the department shall consider the following criteria:

(a) The potential impact of a project that a local
government would fund with a grant award on the development
of regulated affordable housing, mixed-use development,
accessible or visitable housing units, or the creation or
enhancement of home ownership opportunities within a transit
center or neighborhood center;

(b) In response to demonstrated needs, the extent to
which the local government has:

(I) Integrated mixed-use development by allowing
neighborhood commercial uses that have the main purpose of
meeting consumer demands for goods and services with an
EMPHASIS ON SERVING THE SURROUNDING RESIDENTIAL NEIGHBORHOOD WITHIN ONE-QUARTER MILE OF A TRANSIT CENTER OR NEIGHBORHOOD CENTER;

(II) ADOPTED AFFORDABILITY STRATEGIES FROM THE AFFORDABILITY STRATEGIES MENUS IN SECTION 29-35-209 BASED ON THE LOCAL GOVERNMENT’S DEMONSTRATED HOUSING NEEDS, INCLUDING HOUSING NEEDS FOR RENTAL AND FOR-SALE HOUSING AND FOR LOW-, MODERATE-, AND MEDIUM-INCOME HOUSEHOLDS, AS DESIGNATED BY THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, AND PERMANENT SUPPORTIVE HOUSING;

(III) ADOPTED DISPLACEMENT MITIGATION STRATEGIES FROM THE DISPLACEMENT MITIGATION STRATEGIES MENU IN SECTION 29-35-210; AND

(IV) DESIGNATED NEIGHBORHOOD CENTERS WITHIN OPTIONAL TRANSIT AREAS; AND

(c) INFORMATION CONTAINED IN THE REPORTS SUBMITTED BY A LOCAL GOVERNMENT PURSUANT TO SECTION 29-35-204 THAT PROVIDES EVIDENCE THAT THE LOCAL GOVERNMENT HAS MET THE REQUIREMENTS OF SECTION 29-35-204.

(7) Grant awards. SUBJECT TO AVAILABLE APPROPRIATIONS, THE DEPARTMENT SHALL AWARD GRANTS USING MONEY IN THE ACCOUNT AS PROVIDED IN THIS SECTION.

(8) Transit-oriented communities infrastructure fund.

(a) (I) THE TRANSIT-ORIENTED COMMUNITIES INFRASTRUCTURE FUND IS CREATED IN THE STATE TREASURY. THE FUND CONSISTS OF MONEY TRANSFERRED TO THE FUND PURSUANT TO SUBSECTION (8)(a)(III) OF THIS SECTION, GIFTS, GRANTS, AND DONATIONS, AND ANY OTHER MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER TO THE FUND.
THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED
FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE FUND TO THE
FUND.

(II) MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED TO THE
DEPARTMENT FOR THE PURPOSE OF IMPLEMENTING THE GRANT PROGRAM,
AND THE DEPARTMENT MAY EXPEND UP TO SIX PERCENT OF ANY MONEY
IN THE FUND, EXCLUSIVE OF MONEY IN THE ACCOUNT, FOR COSTS
INCURRED BY THE DEPARTMENT IN ADMINISTERING THE GRANT PROGRAM.

(III) ON JULY 1, 2024, THE STATE TREASURER SHALL TRANSFER
THIRTY-FIVE MILLION DOLLARS FROM THE GENERAL FUND TO THE FUND.

(b)(I) THE TRANSIT-ORIENTED COMMUNITIES HIGHWAY USERS TAX
ACCOUNT IS CREATED IN THE FUND. THE ACCOUNT CONSISTS OF GIFTS,
GRANTS, AND DONATIONS, MONEY THAT THE STATE TREASURER
TRANSFERS TO THE FUND PURSUANT TO SECTION 29-35-205 (2), AND ANY
OTHER MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE OR
TRANSFER TO THE ACCOUNT. THE STATE TREASURER SHALL CREDIT ALL
INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF
MONEY IN THE TRANSIT-ORIENTED COMMUNITIES HIGHWAY USERS TAX
ACCOUNT TO THE TRANSIT-ORIENTED COMMUNITIES HIGHWAY USERS TAX
ACCOUNT.

(II) MONEY IN THE ACCOUNT IS CONTINUOUSLY APPROPRIATED TO
THE DEPARTMENT FOR AWARDING GRANTS FOR PURPOSES DESCRIBED IN
SUBSECTIONS (2)(c), (2)(d), AND (2)(e) OF THIS SECTION, AND THE
DEPARTMENT MAY EXPEND UP TO SIX PERCENT OF ANY MONEY
APPROPRIATED OR TRANSFERRED BY THE GENERAL ASSEMBLY TO THE
ACCOUNT PURSUANT TO THIS SUBSECTION (8)(b) FOR THE
ADMINISTRATIVE COSTS INCURRED BY THE DEPARTMENT IN AWARDING
GRANTS FOR SUCH PURPOSES.

(III) NOTWITHSTANDING SUBSECTION (8)(b)(II) OF THIS SECTION, THE DEPARTMENT SHALL COMPLY WITH THE REQUIREMENTS OF SECTION 29-35-205 (3) IN EXPENDING MONEY IN THE ACCOUNT.

(9) Reporting. (a) On or before January 1, 2025, and each January 1 thereafter for the duration of the grant program, the department shall submit a summarized report to the house of representatives transportation, housing, and local government committee and the senate local government and housing committee, or their successor committees, on relevant information regarding the grant program.

(b) Notwithstanding section 24-1-136 (11)(a)(I), the reporting requirements set forth in this section continue until all grant program money is fully expended.

(10) Definitions. As used in this section, unless the context otherwise requires:

(a) "Account" means the transit-oriented communities highway users tax account created within the fund in subsection (8)(b) of this section.

(b) "Fund" means the transit-oriented communities infrastructure fund created in subsection (8)(a) of this section.

(c) "Grant program" means the transit-oriented communities infrastructure grant program created in this section.

SECTION 2. 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) ANY PLANNED UNIT DEVELOPMENT RESOLUTION OR ORDINANCE THAT APPLIES WITHIN A TRANSIT CENTER OR NEIGHBORHOOD CENTER THAT IS ADOPTED OR APPROVED BY A LOCAL GOVERNMENT ON OR AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (5.5) MUST NOT RESTRICT THE DEVELOPMENT OF HOUSING IN ANY MANNER THAT IS INCONSISTENT WITH THE REQUIREMENTS FOR DESIGNATING AN AREA AS A TRANSIT CENTER PURSUANT TO SECTION 29-35-206, OR AS A NEIGHBORHOOD CENTER PURSUANT TO SECTION 29-35-207.

(b) ANY PLANNED UNIT DEVELOPMENT RESOLUTION OR ORDINANCE THAT APPLIES WITHIN A TRANSIT CENTER OR NEIGHBORHOOD CENTER THAT IS ADOPTED OR APPROVED BY A LOCAL GOVERNMENT BEFORE THE EFFECTIVE DATE OF THIS SUBSECTION (5.5) AND THAT RESTRICTS THE DEVELOPMENT OF HOUSING IN ANY MANNER THAT IS INCONSISTENT WITH THE REQUIREMENTS FOR DESIGNATING AN AREA AS A TRANSIT CENTER PURSUANT TO SECTION 29-35-206, OR AS A NEIGHBORHOOD CENTER PURSUANT TO SECTION 29-35-207:

(I) MUST NOT BE INTERPRETED OR ENFORCED TO RESTRICT THE DEVELOPMENT OF MULTIFAMILY RESIDENTIAL DWELLING UNITS SO THAT A TRANSIT-ORIENTED COMMUNITY COULD NOT DESIGNATE AN AREA AS A TRANSIT CENTER OR NEIGHBORHOOD CENTER THAT WOULD OTHERWISE QUALIFY AS SUCH; AND

(II) MAY BE SUPERSEDED BY THE ADOPTION OF A LOCAL LAW ADOPTED IN ACCORDANCE WITH THE REQUIREMENTS FOR DESIGNATION OF A TRANSIT CENTER PURSUANT TO SECTION 29-35-206, OR AS A NEIGHBORHOOD CENTER PURSUANT TO SECTION 29-35-207.

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

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

(I) "LOCAL LAW" has the same meaning as set forth in section 29-35-102 (11).

(II) "NEIGHBORHOOD CENTER" has the same meaning as set forth in section 29-35-202 (4).

(III) "TRANSIT CENTER" has the same meaning as set forth in section 29-35-202 (10).

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


(3) (a) In a transit center or neighborhood center, an association shall not adopt a provision of a declaration, bylaw, or rule on or after the effective date of this subsection (3) that restricts the development of housing more than the local law that applies within the transit center or neighborhood center, and any provision of a declaration, bylaw, or rule that includes such a restriction is void as a matter of public policy.

(b) In a transit center or neighborhood center, no provision of a declaration, bylaw, or rule of an association that is adopted before the effective date of this subsection (3) may restrict the development of housing more than the local law that applies within the transit center or neighborhood center,
AND ANY PROVISION OF A DECLARATION, BYLAW, OR RULE THAT INCLUDES
SUCH A RESTRICTION IS VOID AS A MATTER OF PUBLIC POLICY.

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

(I) "LOCAL LAW" HAS THE SAME MEANING AS SET FORTH IN
SECTION 29-35-102 (11).

(II) "NEIGHBORHOOD CENTER" HAS THE SAME MEANING AS SET
FORTH IN SECTION 29-35-202 (4)

(III) "TRANSIT CENTER" HAS THE SAME MEANING AS SET FORTH IN
SECTION 29-35-202 (10)

SECTION 4. In Colorado Revised Statutes, 39-22-2102, add
(7)(a.7) and (7.5) as follows:

39-22-2102. Credit against tax - affordable housing
developments - legislative declaration. (7) During each calendar year
of the period beginning January 1, 2015, and ending December 31, 2031,
the authority may allocate a credit, the full amount of which may be
claimed against the taxes imposed by this article 22 for each taxable year
of the six-year credit period. The aggregate amount of all credits allocated
by the authority in each calendar year of the period beginning January 1,
2015, and ending December 31, 2031, shall not exceed the amount of:

(a.7) IN ADDITION TO THE AMOUNT DESCRIBED IN SUBSECTION
(7)(a.5) OF THIS SECTION:

(I) EIGHT MILLION THREE HUNDRED THOUSAND DOLLARS FOR
CREDITS ALLOCATED IN CALENDAR YEAR 2024, PURSUANT TO SUBSECTION
(1) OF THIS SECTION AND SECTION 39-22-2105 COMBINED;

(II) SIX MILLION THREE HUNDRED THOUSAND DOLLARS FOR
CREDITS ALLOCATED IN CALENDAR YEAR 2025, PURSUANT TO SUBSECTION
(1) of this section and section 39-22-2105 combined;

(III) six million three hundred thousand dollars for credits allocated in calendar year 2026, pursuant to subsection (1) of this section and section 39-22-2105 combined;

(IV) five million seven hundred thousand dollars for credits allocated in calendar year 2027, pursuant to subsection (1) of this section and section 39-22-2105 combined;

(V) five million dollars for credits allocated in calendar year 2028, pursuant to subsection (1) of this section and section 39-22-2105 combined;

(VI) five million dollars for credits allocated in calendar year 2029, pursuant to subsection (1) of this section and section 39-22-2105 combined;

(VII) five million dollars for credits allocated in calendar year 2030, pursuant to subsection (1) of this section and section 39-22-2105 combined; and

(VIII) five million dollars for credits allocated in calendar year 2031, pursuant to subsection (1) of this section and section 39-22-2105 combined;

(7.5) the taxpayer shall not claim a credit allocated as part of the credits available pursuant to subsection (7)(a.7) of this section ratably over the credit period. Instead, such a credit must be accelerated and the full amount must be claimed against the taxes imposed by this article 22 over the credit period according to the following schedule:

(a) the amount of the credit allocated as part of the credits available pursuant to subsection (7)(a.7) of this section
THAT A TAXPAYER CLAIMS IN THE FIRST YEAR OF THE CREDIT PERIOD MUST
EQUAL SEVENTY PERCENT OF THE TOTAL AMOUNT OF THAT CREDIT THAT
THE AUTHORITY ALLOCATES TO THE TAXPAYER; AND

(b) THE AMOUNT OF THE CREDIT ALLOCATED AS PART OF THE
CREDITS AVAILABLE PURSUANT TO SUBSECTION (7)(a.7) OF THIS SECTION
THAT A TAXPAYER CLAIMS IN THE SECOND YEAR THROUGH SIXTH YEAR OF
THE CREDIT PERIOD MUST EACH YEAR EQUAL SIX PERCENT OF THE TOTAL
AMOUNT OF THAT CREDIT THAT THE AUTHORITY ALLOCATES TO THE
TAXPAYER;

SECTION 5. In Colorado Revised Statutes, add part 54 to article
22 in title 39 as follows:

PART 54
COLORADO AFFORDABLE HOUSING IN
TRANSIT-ORIENTED COMMUNITIES INCOME TAX CREDIT

39-22-5401. Tax preference performance statement. (1) In
 ACCORDANCE WITH SECTION 39-21-304 (1), WHICH REQUIRES EACH BILL
 THAT CREATES A NEW TAX EXPENDITURE TO INCLUDE A TAX PREFERENCE
 PERFORMANCE STATEMENT AS PART OF A STATUTORY LEGISLATIVE
 DECLARATION, THE GENERAL ASSEMBLY FINDS AND DECLARES THAT THE
 PURPOSE OF THE TAX CREDIT PROVIDED IN THIS SECTION IS TO INDUCE
 CERTAIN DESIGNATED BEHAVIOR BY TAXPAYERS BY SUPPORTING THE
 DEVELOPMENT OF AFFORDABLE HOUSING WITHIN TRANSIT-ORIENTED
 COMMUNITIES.

(2) THE GENERAL ASSEMBLY AND THE STATE AUDITOR SHALL
MEASURE THE EFFECTIVENESS OF THE CREDIT IN ACHIEVING THE PURPOSE
SPECIFIED IN SUBSECTION (1) OF THIS SECTION BASED ON THE NUMBER AND
VALUE OF CREDITS ISSUED AND HOUSING UNITS BUILT.
39-22-5402. Definitions. As used in this part 54, unless the context otherwise requires:

(1) "Allocation certificate" means a statement issued by the authority certifying that a given development qualifies for the credit and specifying the amount of the credit allowed.

(2) "Allocation plan" means an allocation plan adopted by the authority that governs the selection criteria and preferences for allocating the tax credit allowed pursuant to this part 54.

(3) "Authority" means the Colorado housing and finance authority created pursuant to section 29-4-704.

(4) "Compliance period" means the period of fifteen years beginning with the first taxable year of a credit period.

(5) "Credit" means the Colorado transit-oriented community housing income tax credit allowed pursuant to this part 54.

(6) "Credit period" means the period of five income tax years beginning with the income tax year in which a qualified development is placed in service. If a qualified development is comprised of more than one building, the development is deemed to be placed in service in the income tax year during which the last building of the qualified development is placed in service.

(7) "Department" means the department of revenue.

(8) "Division" means the division of local government of the department of local affairs created in section 24-32-103.

(9) "Federal tax credit" means the federal low-income housing tax credit provided by section 42 of the internal
REVENUE CODE.

(10) "Metropolitan planning organization" has the same meaning as set forth in section 29-35-103 (12).

(11) "Neighborhood center" has the same meaning as set forth in section 29-35-202 (5).

(12) "Qualified basis" means the qualified basis of the development as determined pursuant to section 42 of the internal revenue code.

(13) "Qualified development" means a "qualified low-income housing project", as that term is defined in section 42 of the internal revenue code, that is:
   (a) located in Colorado;
   (b) determined by the authority to be eligible for a federal tax credit whether or not a federal tax credit is allocated with respect to said development; and
   (c) located in a transit-oriented center within a qualified transit-oriented community or in a neighborhood center within a metropolitan planning organization.

(14) "Qualified taxpayer" means an individual, a person, firm, corporation, or other entity that owns an interest, direct or indirect, in a qualified development and is subject to the taxes imposed by this article 22.

(15) "Qualified transit-oriented community" means:
   (a) in calendar years 2024, 2025, and 2026, a transit-oriented community as defined in section 29-35-202 (13); and
   (b) in calendar year 2027 and each subsequent calendar year.
YEAR, A TRANSIT-ORIENTED COMMUNITY, AS DEFINED IN SECTION 29-35-202(13), THAT HAS BOTH SUBMITTED THE HOUSING OPPORTUNITY GOAL REPORT DESCRIBED IN SECTION 29-35-204 (10) TO THE DIVISION AND HAD THE DIVISION CONFIRM THAT THE TRANSIT-ORIENTED COMMUNITY HAS MET ITS HOUSING OPPORTUNITY GOAL.

(16) "TRANSIT CENTER" HAS THE SAME MEANING AS SET FORTH IN SECTION 29-35-202 (11).

39-22-5403. Credit against tax - affordable housing located in a transit-oriented community. (1) For income tax years during the credit period, there is allowed to any qualified taxpayer a credit with respect to the income taxes imposed by this article in the amount determined by the authority pursuant to this part 54.

(2) The aggregate amount of credits allocated by the authority in each of the 2025 through 2029 calendar years, must not exceed the aggregate amount of:

(a) Credits authorized as follows:

(I) For the 2025 calendar year, eight million six hundred thousand dollars;

(II) For the 2026 calendar year, seven million two hundred thousand dollars;

(III) For the 2027 calendar year, five million six hundred thousand dollars;

(IV) For the 2028 calendar year, five million dollars; and

(V) For the 2029 calendar year, three million six hundred thousand dollars; plus

(b) Unallocated credits, if any, for the immediately
PRECEDING CALENDAR YEAR; AND

(c) Any credit recaptured or otherwise returned to the
authority in the calendar year.

(3) The authority may allocate a credit to an owner of a
qualified development by issuing to the owner an allocation
certificate. The authority may determine the time at which such
allocation certificate is issued. The credit must be in an amount
determined by the authority, subject to the following
guidelines:

(a) The credit must be necessary for the financial
feasibility of such development;

(b) All allocations must be made pursuant to the
allocation plan; and

(c) The aggregate sum of credits allocated annually
must not exceed the limits set forth in subsection (2) of this
section.

(4) (a) On or after January 1, 2025, but prior to December
31, 2029, the authority may allocate a total amount of thirty
million dollars in credits.

(b) The taxpayer shall not claim the credit ratably over
the credit period. Instead, the credit must be accelerated and
the full amount must be claimed against the taxes imposed by
this article over the credit period according to the following
schedule:

(I) The amount of the credit that a taxpayer claims in the
first year of the credit period must equal seventy percent of the
total amount of the credit the authority allocates to the
TAXPAYER;

(II) The amount of the credit that a taxpayer claims in the second year of the credit period must equal eight percent of the total amount of the credit the authority allocates to the taxpayer;

(III) The amount of the credit that a taxpayer claims in the third year of the credit period must equal eight percent of the total amount of the credit the authority allocates to the taxpayer;

(IV) The amount of the credit that a taxpayer claims in the fourth year of the credit period must equal seven percent of the total amount of the credit the authority allocates to the taxpayer; and

(V) The amount of the credit that a taxpayer claims in the fifth year of the credit period must equal seven percent of the total amount of the credit the authority allocates to the taxpayer.

(5) If an owner of a qualified development receiving an allocation of a credit is a partnership, limited liability company, S corporation, or similar pass-through entity, the owner may allocate the credit among its partners, shareholders, members, or other qualified taxpayers in any manner agreed to by such persons regardless of whether any such persons are deemed a partner for federal income tax purposes. The owner shall certify to the department the amount of credit allocated to each partner, shareholder, member, or other qualified taxpayer.
ADMITTED AS A PARTNER, SHAREHOLDER, MEMBER, OR OTHER QUALIFIED TAXPAYER OF THE OWNER PRIOR TO THE FILING OF A TAX RETURN CLAIMING THE CREDIT IS ALLOWED TO CLAIM SUCH AMOUNT SUBJECT TO ANY RESTRICTIONS SET FORTH IN THIS PART 54.

(6) No credit shall be allocated pursuant to this Part 54 unless the qualified development is the subject of a recorded restrictive covenant requiring the development to be maintained and operated as a qualified development, and is in accordance with the accessibility and adaptability requirements of the federal tax credits and Title VIII of the "Civil Rights Act of 1968", as amended by the "Fair Housing Amendments Act of 1988", for a period of fifteen income tax years, or such longer period as may be agreed to between the authority and the owner, beginning with the first taxable year of the credit period unless corrected within the time that is applicable to developments receiving federal tax credits pursuant to Section 42(h)(6)(J) of the Internal Revenue Code as applicable to the covenant described in this subsection (6).

(7) The allocated credit amount may be taken against the taxes imposed by this Article 22 for each income tax year of the credit period as set forth in subsection (4) of this section. Any amount of credit that exceeds the tax due for an income tax year may be carried forward as a tax credit against the income tax liability for the three subsequent tax years and must be applied first to the earliest years possible. Any amount of the credit that is not used must not be refunded to the taxpayer.

(8) Unless otherwise provided in this Part 54 or the
CONTEXT CLEARLY REQUIRES OTHERWISE, THE AUTHORITY SHALL DETERMINE ELIGIBILITY FOR A CREDIT AND ALLOCATE CREDITS IN ACCORDANCE WITH THE STANDARDS AND REQUIREMENTS SET FORTH IN THE ALLOCATION PLAN; HOWEVER, THE AUTHORITY SHALL ADMINISTER THE CREDIT ALLOWED PURSUANT TO THIS PART 54 CONSISTENTLY WITH THE CREDIT PURSUANT TO PART 21 OF THIS ARTICLE 22 EXCEPT TO THE EXTENT THE ALLOCATION PLAN IS INCONSISTENT WITH PART 21 OF THIS ARTICLE 22, IN WHICH CASE THE ALLOCATION PLAN CONTROLS. NOTWITHSTANDING THE FOREGOING, ANY COMBINATION OF FEDERAL AND STATE CREDITS, OR STANDALONE AMOUNT OF STATE CREDITS, ALLOWED MUST BE THE LEAST AMOUNT NECESSARY TO ENSURE THE FINANCIAL FEASIBILITY OF A QUALIFIED DEVELOPMENT.


(2) FOR PURPOSES OF SUBSECTION (1) OF THIS SECTION, THE CREDIT RECAPTURE AMOUNT IS AN AMOUNT EQUAL TO THE AGGREGATE DECREASE IN THE CREDIT ALLOWED TO THE TAXPAYER PURSUANT TO THIS PART 54 FOR ALL PRIOR TAXABLE YEARS THAT WOULD HAVE RESULTED IF THE ACCELERATED PORTION OF THE CREDIT ALLOWABLE BY REASON OF THIS PART 54 WERE NOT ALLOWED FOR ALL PRIOR TAXABLE YEARS WITH RESPECT TO THE REDUCED AMOUNT OF QUALIFIED BASIS DESCRIBED IN SUBSECTION (1) OF THIS SECTION.
(3) For purposes of subsection (2) of this section, the accelerated portion of the credit for the prior taxable years with respect to any amount of qualified basis is the difference between:

(a) The aggregate amount of the credit allowed pursuant to this part 54, notwithstanding this subsection (3), for the years with respect to such qualified basis; and

(b) The aggregate amount of the credit that would be allowed pursuant to this part 54 for such years with respect to the qualified basis if the aggregate credit that would have been allowable, but for this subsection (3), for the entire compliance period were allowable ratably over fifteen years.

(4) In the event that recapture of any credit is required in any tax year, the return submitted for that tax year to the department shall include the proportion of credit required to be recaptured, the identity of each taxpayer subject to the recapture, and the amount of credit previously allocated to such taxpayer.

(5) Notwithstanding subsection (1) of this section, credits issued pursuant to this part 54 must not be recaptured if a qualified development, after the initial award of credits, ceases being located in a transit-oriented center within a qualified transit-oriented community or in a neighborhood center within a metropolitan planning organization.

39-22-5405. Filing requirements. An owner of a qualified development to which a credit has been allocated and each qualified taxpayer to which such owner has allocated a portion
OF SAID CREDIT, IF ANY, SHALL FILE WITH THEIR STATE INCOME TAX
RETURN A COPY OF THE ALLOCATION CERTIFICATE ISSUED BY THE
AUTHORITY WITH RESPECT TO SUCH DEVELOPMENT AND A COPY OF THE
OWNER’S CERTIFICATION TO THE DEPARTMENT AS TO THE ALLOCATION OF
THE CREDIT AMONG THE QUALIFIED TAXPAYERS HAVING OWNERSHIP
INTERESTS IN THE DEVELOPMENT,

39-22-5406. Parallel credits - insurance premium taxes.
(1) Any taxpayer who is subject to the tax on insurance
premiums established by sections 10-3-209, 10-5-111, and 10-6-128
and therefore exempt from the payment of income tax and who
is otherwise eligible to claim a credit pursuant to this part 54
may claim such credit and carry such credit forward against
such insurance premium tax on its calendar quarter estimated
tax payments made in accordance with section 10-3-209 to the
same extent as the taxpayer would have been able to claim or
carry forward such credit or refund against income tax. All
other provisions of this part 54 with respect to the credit,
including the amount, allocation, and recapture of the credit
and the years for which the credit may be claimed, apply to a
credit claimed pursuant to this section.

(2) For purposes of administering this section, any
reference in this article 22 to “income tax year” means calendar
year.

39-22-5407. Compliance monitoring. The authority, in
consultation with the department, shall monitor and oversee
compliance with this part 54 and shall report specific
occurrences of noncompliance to the department.
39-22-5408. Repeal. This part 54 is repealed, effective December 31, 2049.

SECTION 6. In Colorado Revised Statutes, 39-26-123, amend (3)(b)(II)(B) and (3)(b)(II)(C); and add (3)(b)(II)(D) as follows:

39-26-123. Receipts - disposition - transfers of general fund surplus - sales tax holding fund - creation - definitions. (3) For any state fiscal year commencing on or after July 1, 2013, the state treasurer shall credit eighty-five percent of all net revenue collected under this article 26 to the old age pension fund created in section 1 of article XXIV of the state constitution. The state treasurer shall credit to the general fund the remaining fifteen percent of the net revenue, less:

(b) (II) The amount credited to the housing development grant fund created in section 24-32-721 (1) under subsection (3)(b)(I) of this section is reduced by the following amounts:

(B) Forty million three hundred twenty-three thousand one hundred fifty-eight dollars for the state fiscal year 2020-21; and

(C) Nine hundred eighty-five thousand three hundred thirty-five dollars for the state fiscal years 2021-22, and each state fiscal year thereafter 2022-23, and 2023-24; AND

(D) THIRTY-FIVE MILLION NINE HUNDRED EIGHTY-FIVE THOUSAND THREE HUNDRED THIRTY-FIVE DOLLARS FOR THE STATE FISCAL YEAR 2024-25 AND EACH STATE FISCAL YEAR THEREAFTER.

SECTION 7. Appropriation. (1) For the 2024-25 state fiscal year, $183,138 is appropriated to the office of the governor for use by the Colorado energy office. This appropriation is from the general fund and is based on the assumption that the office will require an additional 0.8 FTE. To implement this act, the office may use this appropriation for
program administration.

(2) For the 2024-25 state fiscal year, $70,000 is appropriated to the office of the governor for use by the office of information technology. This appropriation is from reappropriated funds received from the department of local affairs from the transit-oriented communities infrastructure fund created in section 29-35-211 (8)(a)(I), C.R.S. To implement this act, the office may use this appropriation to provide information technology services for the department of local affairs.

SECTION 8. Safety clause. The general assembly finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety or for appropriations for the support and maintenance of the departments of the state and state institutions.