# First Regular Session Seventy-fifth General Assembly STATE OF COLORADO

# PREAMENDED

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

LLS NO. 25-0029.01 Caroline Martin x5902

HOUSE BILL 25-1169

### **HOUSE SPONSORSHIP**

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## SENATE SPONSORSHIP

Gonzales J. and Exum, Cutter, Jodeh, Kipp, Winter F.

House Committees Transportation, Housing & Local Government **Senate Committees** 

# A BILL FOR AN ACT

## 101 CONCERNING THE PROMOTION OF RESIDENTIAL DEVELOPMENT ON

102 **QUALIFYING PROPERTIES.** 

### **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 <u>http://leg.colorado.gov.</u>)

The bill requires a subject jurisdiction, on or after December 31, 2026, to allow a residential development to be constructed on a qualifying property that does not contain an exempt parcel, subject to an administrative approval process.

The bill specifies that a subject jurisdiction shall not:

• Disallow construction of a residential development on the

basis of height if the tallest structure in the residential development is no more than 3 stories or 45 feet tall;

- Disallow construction of a residential development on the basis of height if the tallest structure in the residential development complies with the height-related standards for the zoning district in which the residential development will be built or any zoning district that is contiguous to the qualifying property on which the residential development will be built;
- Disallow construction of a residential development based on the number of dwelling units that the residential development will contain, except in accordance with standards listed in the bill; or
- Apply standards to a residential development on a qualifying property that are more restrictive than the standards the subject jurisdiction applies to similar housing constructed within the subject jurisdiction, including standards related to structure setbacks from property lines; lot coverage or open space; on-site parking requirements; numbers of bedrooms in a multifamily residential development; or on-site landscaping, screening, and buffering requirements.

A subject jurisdiction shall allow the following uses in a residential development on a qualifying property:

- Childcare; and
- The provision of recreational, social, or educational services provided by community organizations for use by the residents of the residential development and the surrounding community.

A subject jurisdiction may condition additional uses in a residential development on the uses being allowed only on the ground floor of the residential development and the uses occupying no more than 15% of the ground floor area of the residential development.

The bill requires a faith-based organization, school district, or state college or university to notify the county assessor that a subject jurisdiction has allowed the construction of a residential development on a qualifying property within the county.

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SECTION 1. In Colorado Revised Statutes, add part 5 to article

3 35 of title 29 as follows:

<sup>1</sup> Be it enacted by the General Assembly of the State of Colorado:

1 **RESIDENTIAL DEVELOPMENT ON** 2 **OUALIFYING PROPERTIES** 3 **29-35-501.** Legislative declaration. (1) THE GENERAL ASSEMBLY 4 FINDS AND DECLARES THAT: 5 (a) COLORADANS ARE OVERWHELMINGLY BURDENED WITH THE 6 COST OF HOUSING. IN 2022, FORTY-FIVE PERCENT OF COLORADO RENTERS 7 SPENT OVER THIRTY PERCENT OF THEIR INCOME ON RENT. IN ORDER TO 8 AFFORD THE MEDIAN RENT OF ONE THOUSAND SEVEN HUNDRED 9 SEVENTY-ONE DOLLARS WITHOUT BEING COST-BURDENED, A COLORADO 10 RENTER MUST EARN AN ANNUAL INCOME THAT EXCEEDS SEVENTY 11 THOUSAND DOLLARS. FURTHER, TO PURCHASE A MEDIAN-PRICED HOME IN 12 COLORADO WITH A TWENTY PERCENT DOWN PAYMENT WITHOUT BEING 13 COST-BURDENED, A COLORADAN MUST EARN AN ANNUAL INCOME THAT 14 EXCEEDS ONE HUNDRED TWENTY-NINE THOUSAND DOLLARS. 15 (b) AS OF NOVEMBER 2024, THE AVERAGE COST OF CONSTRUCTION 16 IN COLORADO WAS APPROXIMATELY FOUR HUNDRED EIGHTY-THREE 17 THOUSAND DOLLARS PER UNIT, REPRESENTING AN INCREASE OF OVER

18 SIXTY THOUSAND DOLLARS FROM THE PREVIOUS YEAR;

19 (c) As COLORADO GROWS, SO DOES THE CHALLENGE OF PROVIDING
20 AFFORDABLE HOUSING TO ITS RESIDENTS. WHILE LAND THAT IS AVAILABLE
21 FOR NEW HOUSING IN ESTABLISHED COMMUNITIES IS IN SHORT SUPPLY,
22 MANY QUALIFYING ORGANIZATIONS OWN UNDERUTILIZED PROPERTIES
23 UPON WHICH HOUSING COULD BE BUILT.

(d) IN DENVER, JEFFERSON, ARAPAHOE, AND DOUGLAS COUNTIES
ALONE, FAITH-BASED ORGANIZATIONS OWN MORE THAN FIVE THOUSAND
ACRES OF UNDEVELOPED LAND, SOME OF WHICH HAS NEVER BEEN
DEVELOPED AND SOME OF WHICH HAS BEEN VACANT FOR OVER SEVENTY

-3-

YEARS. IN MANY CASES, FAITH-BASED ORGANIZATIONS ARE MOWING OR
 MAINTAINING THESE LOTS AT SIGNIFICANT COST WITH NO REAL BENEFIT TO
 THE COMMUNITY.

4 (e) LOCAL ZONING REGULATIONS CAN PREVENT HOUSING FROM
5 BEING DEVELOPED ON VACANT PROPERTIES BY PROHIBITING RESIDENTIAL
6 DEVELOPMENT IN ASSOCIATION WITH PLACES OF ASSEMBLY, OR BY
7 REQUIRING EXTENSIVE REZONING PROCESSES THAT ADD COST AND
8 UNCERTAINTY TO AFFORDABLE HOUSING PROJECTS; AND

9 (f) THIS HOUSE BILL 25-\_\_\_\_, ENACTED IN 2025, STREAMLINES 10 THE BUILDING PROCESS FOR QUALIFYING PROPERTIES, INCLUDING 11 PROPERTIES OWNED BY FAITH-BASED ORGANIZATIONS, BY PROVIDING A 12 PROCESS THAT ALLOWS RESIDENTIAL DEVELOPMENTS TO BE CONSTRUCTED 13 ON QUALIFYING PROPERTIES AS LONG AS CERTAIN REQUIREMENTS ARE 14 SATISFIED.

(2) THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT
IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT EVERY PERSON
INVOLVED IN THE CONSTRUCTION, MANAGEMENT, AND OPERATION OF A
QUALIFYING PROPERTY IN CONNECTION WITH THIS PART 5 COMPLIES WITH
THE FEDERAL "FAIR HOUSING ACT", 42 U.S.C. SEC. 3601 ET SEQ., THE
FEDERAL "AMERICANS WITH DISABILITIES ACT OF 1990", 42 U.S.C. SEC.
12101 ET SEO., AND ALL OTHER STATE AND FEDERAL LAWS.

22 29-35-502. Definitions. As used in this part 5, unless the
23 CONTEXT OTHERWISE REQUIRES:

24 (1) "DWELLING UNIT" HAS THE SAME MEANING AS SET FORTH IN
25 SECTION 29-35-402 (8).

26 (2) "EXEMPT PARCEL" MEANS:

27 (a) A PARCEL THAT IS NOT SERVED BY A DOMESTIC WATER AND

-4-

1169

SEWAGE TREATMENT SYSTEM, AS DEFINED IN SECTION 24-65.1-104 (5); IS 1 2 SERVED BY A WELL THAT IS NOT CONNECTED TO A WATER DISTRIBUTION 3 SYSTEM, AS DEFINED IN SECTION 25-9-102 (6); OR IS SERVED BY A SEPTIC 4 TANK, AS DEFINED IN SECTION 25-10-103 (18); 5 (b) A PARCEL WHERE RESIDENTIAL USE IS PREVENTED OR LIMITED 6 BY STATE REGULATION, FEDERAL REGULATION, OR DEED RESTRICTION 7 PURSUANT TO: 8 (I) FEDERAL AVIATION ADMINISTRATION RESTRICTIONS PURSUANT 9 то 14 CFR 77; 10 (II) AN ENVIRONMENTAL COVENANT PURSUANT TO SECTION 11 25-15-318 TO SECTION 25-15-323; OR 12 (III) FLAMMABLE GAS OVERLAY ZONING DISTRICT RESTRICTIONS; 13 (c) A PARCEL THAT IS USED AS A CEMETERY, AS DEFINED IN 14 SECTION 10-15-102 (2); OR 15 (d) A PARCEL THAT IS SUBJECT TO A CONSERVATION EASEMENT. 16 (3) "FAITH-BASED ORGANIZATION" MEANS ANY ORGANIZATION, 17 CHURCH, BODY OF COMMUNICANTS, OR GROUP THAT IS: 18 (a) GATHERED IN COMMON MEMBERSHIP FOR THE PURPOSE OF 19 PROPAGATING ITS FAITH OR CARRYING ON HUMANITARIAN WORK RELATED 20 TO THAT FAITH; 21 (b)LOCATED ON PROPERTY OWNED BY A NONPROFIT 22 ORGANIZATION WITH A RELIGIOUS MISSION; 23 (c) LOCATED ON PROPERTY THAT IS USED FOR RELIGIOUS 24 PURPOSES; AND 25 (d) NOT ORGANIZED FOR PRIVATE GAIN OR CORPORATE PROFIT. 26 "QUALIFYING PROPERTY" MEANS REAL PROPERTY THAT (4) 27 CONTAINS NO MORE THAN FIVE ACRES OF LAND AND THAT HAS BEEN

-5-

1169

OWNED BY A FAITH-BASED ORGANIZATION, A SCHOOL DISTRICT, AS
 DEFINED IN SECTION 22-30-103 (13), OR A STATE COLLEGE OR UNIVERSITY,
 AS DEFINED IN SECTION 23-2-102 (15), FOR AT LEAST FIVE YEARS.

4 (5) "RESIDENTIAL DEVELOPMENT" MEANS A DEVELOPMENT WITH
5 ONE OR MORE STRUCTURES THAT CONTAINS PERMANENT DWELLING UNITS
6 AND DOES NOT CONTAIN ANY TEMPORARY HOUSING OR SHELTER SPACE.

7 (6) "SIMILAR HOUSING" MEANS HOUSING THAT IS SIMILAR IN FORM8 AND NUMBER OF DWELLING UNITS.

9 (7) "SUBJECT JURISDICTION" MEANS A LOCAL GOVERNMENT THAT
10 HAD A POPULATION GREATER THAN TWO THOUSAND PEOPLE AS OF THE
11 LAST UNITED STATES CENSUS.

29-35-503. Residential developments on qualifying properties.
(1) Residential developments on qualifying properties. ON OR AFTER
DECEMBER 31, 2026, A SUBJECT JURISDICTION SHALL ALLOW A
RESIDENTIAL DEVELOPMENT TO BE CONSTRUCTED ON A QUALIFYING
PROPERTY THAT DOES NOT CONTAIN AN EXEMPT PARCEL, SUBJECT TO AN
ADMINISTRATIVE APPROVAL PROCESS AND IN ACCORDANCE WITH SECTION
29-35-504.

19 (2) Subject jurisdiction administrative practices. NOTHING IN
 20 THIS SECTION PREVENTS A SUBJECT JURISDICTION FROM:

(a) ENFORCING INFRASTRUCTURE STANDARDS IN LOCAL LAW
DURING THE ADMINISTRATIVE APPROVAL PROCESS, INCLUDING STANDARDS
RELATED TO UTILITIES, TRANSPORTATION, OR PUBLIC WORKS CODES;

(b) APPLYING AND ENFORCING A LOCALLY ADOPTED LIFE SAFETY
code, INCLUDING A BUILDING, FIRE, UTILITY, OR STORMWATER CODE;

26 (c) ADOPTING GENERALLY APPLICABLE REQUIREMENTS FOR THE
 27 PAYMENT OF IMPACT FEES OR OTHER SIMILAR DEVELOPMENT CHARGES IN

ACCORDANCE WITH SECTION 29-20-104.5, OR THE MITIGATION OF IMPACTS
 IN ACCORDANCE WITH PART 2 OF ARTICLE 20 OF THIS TITLE 29;

3 (d) REQUIRING A STATEMENT BY A WATER OR WASTEWATER
4 SERVICE PROVIDER REGARDING ITS CAPACITY TO SERVICE THE PROPERTY
5 AS A CONDITION OF ALLOWING A RESIDENTIAL DEVELOPMENT;

6 (e) ENFORCING OR ADOPTING INCLUSIONARY ZONING ORDINANCES,
7 DEED RESTRICTIONS, COMMUNITY BENEFIT AGREEMENTS, OR OTHER
8 HOUSING POLICIES OR STANDARDS;

9 (f) APPLYING STANDARDS TO ALLOW A RESIDENTIAL 10 DEVELOPMENT TO BE CONSTRUCTED ON A QUALIFYING PROPERTY WHEN 11 SUCH RESIDENTIAL DEVELOPMENT WOULD OTHERWISE BE DISALLOWED 12 BASED ON THE STANDARDS DESCRIBED IN SECTION 29-35-504 (1), OR 13 OTHERWISE OFFERING AFFORDABLE HOUSING INCENTIVES TO DEVELOPERS; 14 OR

(g) ENACTING OR APPLYING A LOCAL LAW CONCERNING A
SHORT-TERM RENTAL, AS THAT TERM IS DEFINED IN SECTION 29-35-402
(19), OF A DWELLING UNIT ON A QUALIFYING PROPERTY.

(3) School district administrative practices. NOTHING IN THIS
SECTION PREVENTS A SCHOOL DISTRICT FROM CONSTRUCTING,
PURCHASING, OR REMODELING A TEACHERAGE PURSUANT TO SECTION
22-32-110 (1)(d), OR FROM USING ANY OF THE PROCESSES DESCRIBED IN
SECTION 22-32-124 REGARDING BUILDINGS AND STRUCTURES.

(4) Prohibition on discrimination. A RESIDENTIAL DEVELOPMENT
CONSTRUCTED PURSUANT TO THIS SECTION IS CONSIDERED HOUSING FOR
A COMMERCIAL PURPOSE PURSUANT TO 42 U.S.C. SEC. 3607 ET SEQ. ANY
PERSON INVOLVED IN THE CONSTRUCTION OR MAINTENANCE OF A
RESIDENTIAL DEVELOPMENT PURSUANT TO THIS SECTION:

(a) MUST COMPLY WITH ALL FEDERAL AND STATE LAWS
 REGARDING NONDISCRIMINATORY ACCESS TO HOUSING, INCLUDING THE
 FEDERAL "FAIR HOUSING ACT", 42 U.S.C. SEC. 3601 ET SEQ.; THE
 "AMERICANS WITH DISABILITIES ACT OF 1990", 42 U.S.C. SEC. 12101 ET
 SEQ.; AND THE COLORADO ANTI-DISCRIMINATION ACT, PARTS 3 THROUGH
 8 OF ARTICLE 34 OF TITLE 24; AND
 (b) MAY BE SUBJECT TO A DISCRIMINATION COMPLAINT FILED WITH

8 THE COLORADO CIVIL RIGHTS DIVISION OR OTHER COURT.

9 29-35-504. Qualifying property requirements for a subject
 10 jurisdiction - allowable uses. (1) A SUBJECT JURISDICTION SHALL NOT:

(a) DISALLOW CONSTRUCTION OF A RESIDENTIAL DEVELOPMENT
ON A QUALIFYING PROPERTY ON THE BASIS OF HEIGHT IF THE TALLEST
STRUCTURE IN THE RESIDENTIAL DEVELOPMENT IS NO MORE THAN THREE
STORIES OR FORTY-FIVE FEET TALL;

(b) DISALLOW CONSTRUCTION OF A RESIDENTIAL DEVELOPMENT
ON A QUALIFYING PROPERTY ON THE BASIS OF HEIGHT IF THE TALLEST
STRUCTURE IN THE RESIDENTIAL DEVELOPMENT COMPLIES WITH THE
HEIGHT-RELATED STANDARDS FOR:

19 (I) THE ZONING DISTRICT IN WHICH THE RESIDENTIAL20 DEVELOPMENT WILL BE BUILT; OR

(II) ANY ZONING DISTRICT THAT IS CONTIGUOUS TO THE
QUALIFYING PROPERTY ON WHICH THE RESIDENTIAL DEVELOPMENT WILL
BE BUILT;

(c) DISALLOW CONSTRUCTION OF A RESIDENTIAL DEVELOPMENT
ON A QUALIFYING PROPERTY BASED ON THE NUMBER OF DWELLING UNITS
THE RESIDENTIAL DEVELOPMENT WILL CONTAIN, EXCEPT IN ACCORDANCE
WITH ONE OF THE STANDARDS LISTED IN SUBSECTION (1)(d) OF THIS

1 SECTION; OR

2 (d) APPLY STANDARDS TO A RESIDENTIAL DEVELOPMENT ON A 3 QUALIFYING PROPERTY THAT ARE MORE RESTRICTIVE THAN THE 4 STANDARDS THAT THE SUBJECT JURISDICTION APPLIES TO SIMILAR 5 HOUSING CONSTRUCTED WITHIN THE SUBJECT JURISDICTION, INCLUDING 6 STANDARDS RELATED TO: 7 (I) STRUCTURE SETBACKS FROM PROPERTY LINES; 8 (II) LOT COVERAGE OR OPEN SPACE; 9 (III) ON-SITE PARKING REQUIREMENTS; 10 (IV) NUMBERS OF BEDROOMS IN A MULTIFAMILY RESIDENTIAL 11 DEVELOPMENT; OR 12  $(\mathbf{V})$ ON-SITE LANDSCAPING, SCREENING, AND BUFFERING 13 **REOUIREMENTS.** 14 (2) PROVIDED THAT THE USES ARE ALLOWED CONDITIONALLY OR 15 BY RIGHT WITHIN THE ZONING DISTRICT IN WHICH A QUALIFYING PROPERTY 16 IS LOCATED, A SUBJECT JURISDICTION SHALL ALLOW THE FOLLOWING USES 17 IN A RESIDENTIAL DEVELOPMENT ON A QUALIFYING PROPERTY: 18 (a) CHILDCARE: AND 19 (b) THE PROVISION OF RECREATIONAL, SOCIAL, OR EDUCATIONAL 20 SERVICES PROVIDED BY COMMUNITY ORGANIZATIONS FOR USE BY THE 21 RESIDENTS OF THE RESIDENTIAL DEVELOPMENT AND THE SURROUNDING 22 COMMUNITY. 23 (3) A SUBJECT JURISDICTION MAY CONDITION ALLOWANCE OF THE 24 USES DESCRIBED IN SUBSECTION (2) OF THIS SECTION ON: 25 (a) THE USES BEING ALLOWED ONLY ON THE GROUND FLOOR OF 26 THE STRUCTURES IN THE RESIDENTIAL DEVELOPMENT; AND 27 (b) THE USES OCCUPYING NO MORE THAN FIFTEEN PERCENT OF THE

1169

1 STRUCTURES IN THE RESIDENTIAL DEVELOPMENT.

2 **29-35-505.** Notification to county assessor. WITHIN TWO WEEKS 3 OF A SUBJECT JURISDICTION ALLOWING THE CONSTRUCTION OF A 4 RESIDENTIAL DEVELOPMENT ON A QUALIFYING PROPERTY PURSUANT TO 5 SECTION 29-35-503 (1), THE FAITH-BASED ORGANIZATION, SCHOOL 6 DISTRICT, OR STATE COLLEGE OR UNIVERSITY THAT OWNS THE QUALIFYING 7 PROPERTY SHALL PROVIDE NOTICE OF THE ALLOWANCE OF THE 8 CONSTRUCTION OF THE RESIDENTIAL DEVELOPMENT TO THE COUNTY 9 ASSESSOR IN THE COUNTY IN WHICH THE QUALIFYING PROPERTY IS 10 LOCATED. THE NOTICE MUST INCLUDE THE PROPERTY ADDRESS, THE 11 ASSESSOR'S PARCEL IDENTIFICATION NUMBER FOR THE PROPERTY, AND THE 12 DATE ON WHICH THE RESIDENTIAL DEVELOPMENT WAS ALLOWED BY THE 13 SUBJECT JURISDICTION.

14 SECTION 2. Safety clause. The general assembly finds, 15 determines, and declares that this act is necessary for the immediate 16 preservation of the public peace, health, or safety or for appropriations for 17 the support and maintenance of the departments of the state and state 18 institutions.