



COLORADO
Department of Local Affairs
Division of Local Government

Annual Report for SB24-174 Sustainable Affordable Housing Assistance

First Annual Report for SB24-174

12/20/2024

Overview of the Law

Generally, SB24-174 requires certain local governments to complete local housing needs assessments, housing action plans, and new elements of comprehensive plans (e.g., a water supply element and a strategic growth element). This law also directs DOLA to complete a Statewide Strategic Growth Report and a Natural and Agricultural Interjurisdictional Opportunities Report.

Reporting Requirements

Per SB24-174 (C.R.S. § 24-32-3709(4)), the Division of Local Government within the Department of Local Affairs must provide a report on:

1. The assistance requested by local governments pursuant to the section of SB24-174 that directs DOLA to provide technical and financial assistance (C.R.S. § 24-32-3709),
2. Whether or not adequate state funding is available to provide the assistance requested, and
3. Any additional resources that DLG or local governments have identified that would assist local governments in identifying and implementing laws and policies that would increase the availability of housing in Colorado.

2024 Report Findings

Assistance Requested

To date, DOLA has received assistance requests that generally fall into four categories: requests to review preexisting HNAs for conformity to DOLA's methodology, whether the state would purchase data sets for HNAs, guidance related to the newly-required comprehensive plan elements, and funding for HNAs and water supply elements in comprehensive plans.

Review of Preexisting Housing Needs Assessments

As of December 20, 2024, DOLA received requests to review 27 local housing needs assessments and 1 regional housing needs assessments completed after January 1, 2022.

Purchase of Data Sets

DOLA received requests to purchase data sets on behalf of local governments. Proponents felt that this would lower overall costs and support the use of best available data in the preparation of housing needs assessments. To allow for the required updates to housing needs assessments every six years, purchase of most data sets would require an ongoing subscription and thus an ongoing appropriation of state funds.

The cost of data would depend on the dataset(s) purchased and savings would depend on pricing for statewide purchases versus smaller geographies and the extent to which local governments purchase the same data.

Guidance for Comprehensive Plans

Several local governments asked for guidance on comprehensive plan requirements. Counties are particularly interested in best practices for engaging water providers and how to account for private wells in the development of water supply elements. While DOLA was not explicitly directed to provide guidance for comprehensive plans as part of SB24-174, DOLA plans to prepare guidance on water supply and strategic growth elements by the beginning of 2026 (to align with input we expect to receive throughout the Statewide Strategic Growth Report process, which has a statutory deadline of October 31, 2025). In addition, DOLA's Land Use and Water Planner provides direct technical assistance to local governments to integrate land use and water planning.

Funding for Water Supply Elements in Comprehensive Plans

At least one local government asked if additional funding will be available under SB24-174 for the development of water supply elements in comprehensive plans.

Adequacy of Available Funding

The Housing Needs Planning Technical Assistance Fund includes \$10,500,000 transferred from Local Government Severance Tax Fund and \$4,500,000 transferred from Local Government Mineral Impact Fund. In addition, \$583,864 was appropriated for OIT to provide information technology services. DOLA plans to launch the grant program in the first quarter of 2025.

DOLA anticipates strong demand on the fund will keep the program focused on prioritizing local and regional housing needs assessments and housing action plans. Staff also anticipates funding will be insufficient to cover the demand, and has started promoting regional housing needs assessments to not only produce better regional outcomes but also more efficient use of funds. Therefore, staff expects the EIAF grant program will see an increase in applications for comprehensive plan updates to ensure compliance with the new laws.

Purchase of Data Sets

SB24-174 included \$10,000 in one-time funding for datasets. To allow for the required updates to housing needs assessments every six years, purchase of most data sets would require an ongoing subscription and thus an ongoing appropriation of state funds. The HNA methodology DOLA developed requires only publicly available data and the Department does not currently have sufficient funds to purchase data sets.

Additional Resources Identified

Support from state agencies

Other state agencies supported DOLA in preparing guidance for local and regional governments and in providing direct technical assistance. This includes CDOT, CEO, and CWCB/DNR. As DOLA completes the hiring necessary to continue this implementation work, there is also recognition that the success of the implementation technical assistance and guidance materials to date is due in part to continued teamwork of staff from these listed agencies because land use is an interdisciplinary subject.

Coordination of Data on People Experiencing Homelessness

Advocates for people experiencing homelessness identified the need for better data on homelessness. One suggestion was for the state to play a larger role in coordination of continuum organizations, including the coordination of data collection. We support the Division of Housings request for improvements to the Homeless Management Information System (HMIS) as improved reporting would also assist our overall housing planning efforts.

Lack of data on accessibility, visitability, habitability

Advocates for people with disabilities and for tenants rights identified the lack of data on accessibility, visitability, and habitability of existing housing units as a barrier to better understanding the quality of housing available to Colorado residents, particularly those with disabilities and those with limited housing options due to income or other circumstance.

Information Technology Services

DOLA is working with OIT to create a system for local governments to submit documents for review and approval, manage workflow processes and allow for compliance reporting.