

Infrastructure and Strong Communities Grant Program Annual Report

October 1, 2024

HB22-1304 Infrastructure and Strong Communities Grant Program Report Per Colorado Revised Statutes Sec. 24-32-133(7)(a)

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Section 24-32-133(7)(a) of the Colorado Revised Statutes (C.R.S.) requires the Department of Local Affairs to provide the Senate Local Government Committee and House of Representatives Local Government Committee an annual report on the results and impacts of the Infrastructure and Strong Communities Grant Program. At a minimum, the report must specify the number of affordable housing units projected to be created; an estimation of the reduction of greenhouse gas emissions; an estimation of the reduction in vehicle miles traveled and household transportation savings; and the number and type of best practices adopted by local government grantees. This document serves as a response to this reporting requirement.

Infrastructure and Strong Communities Grant Program

Program Background

The Strong Communities Grant Program was created through Colorado House Bill 22-1304. It is collaboratively managed by the Department of Local Affairs' Division of Local Government, Colorado Energy Office (CEO), and Colorado Department of Transportation (CDOT). Funding for Strong Communities is appropriated from the Affordable Housing and Home Ownership Cash Fund (created in section 24-75-229(3)(a)), which originated from the Federal Coronavirus State Fiscal Recovery Fund (also referred to as State and Local Fiscal Recovery Funds).

The Strong Communities Grant Program is modeled after the successful Innovative Affordable Housing Strategies program in DOLA's Division of Local Government (created by HB21-1271).

There are three components to the Strong Communities Grant Program: land use best practices, planning grants, and infrastructure grants.

Land Use Best Practices

As required by statute (Section 24-32-133(5)), the program created a list of land use best practices (Appendix A) that support the creation of affordable and attainable housing as well

as sustainable development patterns. Starting with the list of best practices included in statute, staff then reviewed land use practices from a number of communities and resources to identify strategies that best aligned with the goals of directing new development to infill locations and creating more opportunities for affordable housing development.

The multi-agency team worked closely with a steering committee representing various local governments and land use experts to refine the list of land use strategies representing best practices to create sustainable development patterns. The 25 strategies were grouped into 6 categories with like items to make it easier for users to compare strategies around a specific goal. As noted below, several strategies were specifically identified or modified for rural governments.

Program staff worked with Ayres Associates to develop training materials. Instructional webinars were held with a focus on urban, rural, and rural resort communities to present the land use strategies and promote the Strong Communities program. Additional videos and fact sheets were also created and posted online on the Strong Communities' <u>Land Use Best</u>

Practices page.

Planning Grant Program

The Strong Communities Planning Grant Program incentivizes local governments to adopt land use best practices, programs, and policies that support sustainable development patterns and affordable housing into the future. This program helps communities align policies and regulations to focus on locating affordable housing in infill locations near jobs, transit, and everyday services; ensure new neighborhoods have housing of all types, sizes, and price points; and are connected by multimodal transportation options. Projects were selected based on the following criteria: readiness and capacity; broad, sustained support from the community; impact on housing needs; impact on development patterns; and equity, diversity, and inclusion in community engagement.

Infrastructure Grant Program

The Strong Communities Infrastructure Grant Program provides grants to local governments for infrastructure to develop benefit-driven infill affordable housing that meets critical housing needs as identified by the local government. Projects were based on the following criteria:

- project timeline and capacity;
- broad support within the community;
- ability to address the community's housing needs;
- inclusivity of their engagement process; benefits to the community;
- project location (in or adjacent to a downtown or core business district, transitoriented development, or included on-site early childhood education);
- proximity to amenities and services; and
- sustainable land use practices.

The local governments' adoption of land use best practices also factored into their competitiveness.

Program Awards

At this time, all grant funding has been awarded and is fully obligated.

Planning Grant Program

In total, \$2,208,700 was awarded to 16 grantees, with 102 strategies to be explored for adoption.

Two rounds of applications were held for the Strong Communities Planning Grant Program. The first was held in the fall of 2023 and received twelve applications, of which ten were funded (one project was not funded due to ineligibility and one was provided technical assistance and funded in the second round). The second round opened in January 2024 and received six applications, all of which were funded. After the second round of funding, it was decided to use the remaining funds to supplement the significantly oversubscribed Infrastructure Grant Program rather than holding a third round of applications for the Planning Grant.

Table 1. Strong Communities Planning Grant Recipients, Round 1

| Jurisdiction | Project Name | Award Amount |
|---------------------------|--|---------------|
| Archuleta County | Archuleta County Joint Regional Housing Needs Assessment | \$ 59,200.00 |
| Aspen, City of | City of Aspen Community Land Trust | \$ 135,000.00 |
| Colorado Springs, City of | Land Use Planning and Program Development | \$ 200,000.00 |
| Crested Butte, Town of | Crested Butte Strategic Infill Plan and Zoning Code Update | \$ 200,000.00 |
| El Paso County | El Paso County Land Development Code Update | \$ 250,000.00 |
| Gilpin County | Gilpin County Housing, Land Use, & Infrastructure Policy | |
| | Update | \$ 200,000.00 |
| Gunnison, City of | Gunnison Land Development Code Update | \$ 40,000.00 |
| Hudson, Town of | Town of Hudson Land Use & Subdivision Code Update | \$ 100,000.00 |
| Larimer County | Larimer Cooperative Approaches to Growth Management | \$ 225,000.00 |
| Rifle, City of | Rifle Housing Needs Assessment and Code Update | \$ 67,500.00 |

Table 2. Strong Communities Planning Grant Recipients, Round 2

| Jurisdiction | Project Name | Award Amount |
|------------------------|---|---------------|
| Adams County | Adams County Housing Needs Assessment & Balanced Housing Plan | \$ 157,500.00 |
| Akron, Town of | Akron Fast Track Implementation | \$ 30,000.00 |
| Cripple Creek, City of | Cripple Creek Land Use Code Revisions and Project Staffing | \$ 99,000.00 |
| Huerfano County | Huerfano County IHOP Strategy Adoption | \$ 126,000.00 |
| Wray, City of | City of Wray Comprehensive Plan & Three Mile Plan | \$ 198,000.00 |
| Yampa, Town of | Yampa Zoning & Subdivision (Land Development) Code Update | \$ 121,500.00 |

Infrastructure Grant Program

In total, \$35,391,300 was awarded to 16 grantees, to support 2,329 affordable housing units.

DOLA received overwhelming interest from local governments for the program's infrastructure funding. In total, 58 local governments submitted a letter of intent (LOI) to apply for the Strong Communities Infrastructure Grant, requesting \$155,482,339, representing nearly 5 times the available funds. LOIs were submitted by 12 counties and 46 cities and towns spanning across every DOLA region, and represented a range of community types (22 urban, 17 rural, and 19 rural resort).

After extensive review by DOLA staff and the multi-agency group, 19 jurisdictions were invited to apply for a Strong Communities Infrastructure Grant. Of these, 18 applied, requesting \$59.3M. In the end, 16 projects received a total of \$35.4M, which included nearly \$1.8M of unobligated funds that was transferred from the Planning Grant Program.

Strong Interest in Strong Communities

- ❖ \$155.5 million requested
- ❖ Almost 5 times available funds
- ❖ 9,436 units of housing
- ❖ 58 LOIs received
- ❖ 46 cities and towns, 12 counties
- ❖ 22 urban, 19 rural resort, 17 rural

Table 3. Strong Communities Infrastructure Grant Recipients

| Jurisdiction | Project Name | Award Amount |
|-------------------------|---|--------------|
| Alamosa, City of | Boyd School Adaptive Reuse | \$1,143,000 |
| Aurora, City of | 13th Avenue Light Rail Transit Oriented Development | \$2,000,000 |
| Denver, City & County | The Denverado at Welton | \$2,500,000 |
| Douglas County | Tall Tales Ranch | \$1,110,000 |
| Eagle County | West Eagle Housing | \$4,000,000 |
| Fraser, Town of | Victoria Village Workforce Community Housing | \$2,000,000 |
| Frisco, Town of | Downtown Workforce Housing | \$4,000,000 |
| Golden, City of | Calvary Flats Development | \$2,366,617 |
| Grand Junction, City of | The Terminal Project | \$1,300,000 |
| Grand Lake, Town of | Grand Lake Space to Create | \$4,000,000 |
| Gunnison County | Sawtooth Community Housing | \$800,000 |
| Rifle, City of | Rifle Apartments Affordable Housing Project | \$4,000,000 |
| Saguache County | Range View | \$639,616 |
| Salida, City of | South Ark Neighborhood Infrastructure | \$2,000,000 |
| Summit County | State Highway 6 Roundabout | \$2,000,000 |
| Trinidad, City of | Holy Trinity Apartments | \$1,532,067 |

The selected projects showcase a variety of the characteristics the program wanted to promote. Most are located in the jurisdiction's downtown core and promote density and walkability. Three of the projects are located next to light rail stations and support urban mobility. The Rifle Apartments project is located adjacent to a regional park and ride and

provides an excellent example of rural transit-oriented development. In addition, there are two projects that are adapting old school buildings into affordable housing.

There are seven communities whose projects needed more funding than DOLA's Strong Communities program could award, so they also applied and received funding from DOLA's More Housing Now program (Energy and Mineral Impact Assistance Fund). The Strong Communities staff are working with DOLA's regional managers to coordinate support for these grantees.

The table below highlights the characteristics of these projects.

Table 4. Infrastructure Grant Project Characteristics

| Jurisdiction | Downtown Infill | Transit Oriented Development | Early Childhood Education | Adaptive Reuse |
|-------------------------|-----------------|------------------------------|------------------------------|----------------|
| Alamosa, City of | | | Х | X |
| Aurora, City of | | Х | | |
| Denver, City & County | Х | Х | | |
| Douglas County | | Х | | |
| Eagle County | | | Х | |
| Fraser, Town of | Х | | | |
| Frisco, Town of | Х | | | |
| Golden, City of | Х | | | |
| Grand Junction, City of | Х | | | |
| Grand Lake, Town of | Х | | | |
| Gunnison County | Х | | | |
| Rifle, City of | Х | Х | | |
| Saguache County | Х | | | |
| Salida, City of | | | X | |
| Summit County* | | | | |
| Trinidad, City of | X | | | X |

^{*}Read more about Summit County's innovative project in the Project Highlights section below.

Program Updates

Grants

Planning Grants

Sixteen planning grants have been awarded. The 10 planning grantees from the first cohort have all begun work on their various projects and are making progress. The 6 grantees from the second cohort have just completed executing their grant agreements and will begin work on their projects starting this fall.

Infrastructure Grants

Sixteen infrastructure grants have been awarded. As of September 27, 2024, 14 of the 16 infrastructure projects have executed contracts, with the remaining 2 on track to be executed by September 30.

Program Measures

In accordance with the statute, the Division is required to report to the Senate Local Government Committee and House of Representatives Local Government Committee with regards to affordable housing units, reduction in greenhouse gasses, reduction of vehicle miles traveled and household transportation savings, and the number and type of best practices adopted. Preliminary information on the estimated number of housing units created and land use strategies adopted has been collected from the project applications and noted below.

In addition, the program has hired a consulting team to quantify the impacts of the land use strategies on greenhouse gas reductions, vehicle miles traveled and the correlating transportation savings.

Program Adoption of Land Use Best Practices

Grant recipients adopted 297 land use best practices prior to receiving the grant. Planning grant recipients report that they plan to adopt an estimated 102 strategies through the program.

In the past year, the Strong Communities program has held several educational webinars and provided additional information and guidance on the program's land use best practices page.

In addition, Strong Communities staff, in coordination with other staff in the Community Development Office, have begun a monthly webinar series: the Housing Strategies Peer Exchange. The speaker series features a different topic each month and provides a forum for local governments to share ideas and learn from one another. More information can be found on the <u>Division of Local Government Planning & Training page</u>.

The 31 local governments that have received Strong Communities grants report that they have cumulatively adopted 297 land use best practices prior to receiving their grants. On average, the number of strategies is approximately 9 per local government but ranges from 0 to 21.

The 16 communities that received a Strong Communities Planning grant report that they plan to adopt an estimated 102 strategies through the program, ranging from 1 to 16, or approximately 7 strategies per community on average.

Affordable Housing Units

The 16 recipients of the Infrastructure grant will construct an estimated 2,329 units of affordable housing.

Program guidelines allowed for projects supporting units priced at an Area Median Income (AMI) of up to 140% in most areas for both rental and ownership units and up to 160% AMI for ownership units in rural resort communities. On average, rental projects funded average about 110% AMI and ownership projects funded average at 120% AMI—in both cases lower than that allowed in the program. This is due in part to projects that were also pursuing other funding sources, such as the Low Income Housing Tax Credit (LIHTC) that requires a much lower AMI. The higher AMIs allowed in the Strong Communities program did provide more flexibility for some projects, especially those in rural resort areas. Because of the high cost of land and construction in those areas, the added flexibility made these projects more viable.

Table 5. Estimated Number of Housing Units Created through Infrastructure Grant

| Jurisdiction | Number of Units | Rent or Own | Community Type | AMI Served |
|-------------------------|-----------------|-------------|-------------------|------------|
| Alamosa, City of | 48 | rent | Rural | <=80% |
| Aurora, City of | 430 | rent | Urban | <=90% |
| Denver, City & County | 62 | own | Urban | <=80% |
| Douglas County | 28 | rent | Urban | <=60% |
| Eagle County | 113 | own | Rural Resort | <=160% |
| Fraser, Town of | 182 | rent | Rural Resort | avg 140% |
| Frisco, Town of | 100 | rent | Rural Resort | <=120% |
| Golden, City of | 40 | own | Urban | avg 80% |
| Grand Junction, City of | 95 | rent | Urban | avg 140% |
| Grand Lake, Town of | 18 | rent | Rural Resort | 80% |
| Gunnison County | 32 | rent | Rural Resort | <=120% |
| Rifle, City of | 60 | rent | Rural | <=80% |
| Saguache County | 32 | rent | Rural | <=60% |
| Salida, City of | 400 | mix | Rural Resort | <=160% |
| Summit County | 162 | rent | Rural Resort | <=120% |
| Trinidad, City of | 43 | rent | Rural | <=140% |

Greenhouse Gas Reductions, Vehicle Miles Traveled, and Household Transportation Savings

Lotus Engineering has been hired to work with the multi-agency group to develop a methodology to quantify the impact of the land use policies being adopted by the recipients of the planning grant. They will primarily be looking at the impact on greenhouse gas emissions, household travel costs, and vehicle miles traveled as required by the legislation. They will also be looking at how the strategies can impact the number of housing units being developed and the economic impacts on communities. Other measures may also be included based on their research.

This project will conclude in 2026 and will result in reports for each grantee as well as a tool based on their methodology that can be used to measure the impacts of land use practices in other jurisdictions.

Project Highlights

Gunnison County, Sawtooth Community Housing: \$800,000

To date, Gunnison County has broken ground on their project, Sawtooth Development Phase II. Their Strong Communities Grant will cover water and sewer systems, tap fees, roads, sidewalks, stormwater systems, snow storage, and community outdoor space. Gunnison County is developing the full site (inclusive of Phase I) with 50 units that will all be available as rentals for local workforce with an AMI of 80%-120% (avg 95%). The project is using modular units from Fading West of Buena Vista that will create a significant time savings. They held a groundbreaking ceremony in early June and anticipate that they will have completed work by the end of 2024.

City of Rifle, Rifle Apartments Affordable Housing Project: \$4,000,000

The City of Rifle has the distinction of receiving both a planning grant and an infrastructure grant. Their Strong Communities Infrastructure Grant is supporting Rifle Apartments, a new, 60-unit affordable housing complex located adjacent to Rifle's downtown core. All units are reserved for households earning between 30% and 80% of AMI. Strong Communities funding will support an extension of Park Avenue with a bridge, a waterline replacement, an extension of the Rifle Creek biking and walking trail, and impact fee waivers. The project site is across the street from a regional park 'n ride making this an excellent example of a rural transit-oriented community. The project will break ground in September 2024, with completion expected in late 2025.

Summit County, State Highway 6 Roundabout: \$2,000,000

Summit County provides an example of how the program allowed for some flexibility for rural and rural resort counties. While not located in a downtown, the project site is just outside of Dillon's boundaries and less than a mile from the town center. When complete, the project will add more than 160 units of affordable housing to the area. What is unique about this project is that it is one of the first in the nation to take advantage of a provision in the 2018 Farm Bill that allows the Forest Service to lease land to local governments for affordable housing projects. The Forest Service currently uses the land as headquarters for administering the White River National Forest, the nation's busiest national forest. The

partnership with Summit County will allow the Forest Service to keep the property for this purpose with the addition of the new housing. A portion of the units will be reserved for Forest Service staff who are being priced out of housing in the area. The Strong Communities grant is supporting the construction of a roundabout located on U.S. Highway 6 that will serve as the primary access point to the project.

Looking Ahead

Year 1 of the Strong Communities Program was the building year, during which we developed the program guidelines and finalized our list of land use best practices.

Year 2 has been our program implementation year, in which we have promoted the land use best practices and fully awarded all of our grant funding.

Years 3 and 4 will be focused on project implementation. Program staff will work with communities as they launch their programs. Planning grantees will be completing the preliminary assessments prior to adopting their land use strategies. Due to the limitations of seasonal construction, most infrastructure grantees will be finalizing engineering, design, and permitting over the winter. The spring and summer of 2025 should see most projects breaking ground.

All the projects must complete their grant-related work by September of 2026 to allow sufficient time for the program to close out the grants.

Appendix A. Land Use Best Practices

The Strong Communities Program has developed a list of land use best practices to help communities create more opportunities for attainable and affordable housing options by adopting sustainable growth and development patterns.

Strategies address compact development, affordable and diverse housing, growth management, the use of districts and subdivisions, mobility, and resource conservation. The list of best practices in land use policy is intended as a guide as every community has different needs. Suggestions for rural areas are noted, but any policy can be adapted for an individual community.

Compact Development

Compact development encourages sustainable growth by using existing utility and transportation infrastructure and concentrating development in smaller, more accessible areas. Compact development can help revitalize communities and improve amenities, housing options, and economic opportunities while protecting exurban uses such as wilderness, agricultural land, and open spaces.

- Higher density mixed use development in core areas
 - Establish higher minimum density mixed use development (by-right) in downtown areas, workforce centers, and around multimodal transportation nodes (or other walkable areas).
- Rural Adaptation: Higher density near service areas
 Establish higher densities in areas close to jobs and services that are served by public water and sewer. In areas served by well and/or septic systems, reduce allowed densities.
- Density bonus program
 - Establish a density bonus program to increase construction of units that meet affordable housing needs within the local community.
- Minimum lot size requirements
 Reduce or eliminate minimum lot size requirements and permit development of small

residential unit sizes (e.g., 500-1000 square feet of living space) to increase options for affordable housing development.

• Rural Adaptation: Minimum lot size

Increase minimum lot size to avoid and mitigate impacts from development in prime agricultural lands, critical habitat corridors or spaces, and hazard areas in counties (e.g., 70 or 120 acres).

Affordable Housing

Affordable housing development is a cornerstone of Strong Communities. As the state's population continues to grow, there is not enough supply of affordable housing units to meet the demand, which further drives up prices and excludes large segments of the population from the housing market. These strategies can make it easier to develop affordable housing by removing some of the barriers.

• Use by right affordable housing

Classify affordable housing developments as a use by right in all residential zones to speed up review and approval procedures.

• Inclusionary Zoning Ordinance (IZ)

IZ programs vary in structure; they can be mandatory or voluntary and have different set- aside requirements, affordability levels, and control periods. Most offer developers incentives such as density bonuses, expedited approval, and fee waivers to offset some of the costs with providing the affordable units. Many programs also include developer opt-outs or alternatives, such as allowing developers to pay fees or donate land in lieu of building affordable units. (C.R.S. 29-20-104(1))

- Land donation, acquisition, banking program, or land trust program
 Create a land donation, land acquisition, land banking or land trust program for developing affordable housing or create incentives (e.g., reduced property tax) to support such programs.
- Rural Adaptation: Affordable housing subsidies and/or incentives
 Create subsidy and/or incentive tools to support affordable housing development
 (served by public water and sewer) near jobs and services (e.g., fee waivers or

reductions, funding source to buy down costs, use of vacant publicly owned land, reduced parking, etc.).

Reduced affordable housing development fees

Codify development policies to reduce or remove local development fee/deposit schedules, including but not limited to, building permit fees, planning fees, and water/sewer tap fees for affordable housing developments.

Housing Diversity

Modifying zoning processes to increase the supply of affordable and missing middle housing types is a foundation of Strong Communities. Allowing duplexes, triplexes, and ADUs as a use-by-right can reduce development risks associated with neighborhood opposition, increase the housing stock in high-opportunity neighborhoods, can lower costs for homeowners and renters, and stimulate residential density and walkability. Allowing alternative options such as modular, manufactured, and prefabricated housing can provide naturally occurring housing designed to match local housing market conditions and community preferences.

Multi-family housing options

Permit duplexes, triplexes, or other appropriate multi-family housing options as a use by right in single-family residential zoning districts.

Accessory Dwelling Units (ADUs)

Permit ADUs as a use by right in all residential zoning districts.

Alternative building options

Remove barriers and/or update zoning to permit alternative housing options, including but not limited to, modular, manufactured, and prefabricated homes.

Growth Management

Growth management policies can help communities control and balance development on the edges of their communities and implement the goals of their comprehensive plans.

Amending these policies and agreements can help to advance the community's vision and planning goals, while ensuring the public costs of development (infrastructure capital, public services, etc.) are balanced with potential tax and income revenue.

Annexation policies

Update annexation policies to require or incentivize mixed use development that includes affordable housing and ensures connectivity with roads, transit, trails, parks and schools.

• Rural Adaptation: Intergovernmental Agreements (IGAs)

Use IGAs with municipalities that designate tiers/growth areas where urban and suburban-level growth will be built only if annexed by the municipality and low level 3 density will occur only in the unincorporated county. These IGAs may require development in areas of municipal interest (i.e., likely to be annexed in the future) to develop to the municipality's infrastructure standards in order to reduce future costs.

• Urban Growth Areas & Boundaries

Establish Urban Growth area/boundary agreements between neighboring municipalities and/or counties to coordinate future development by directing development toward existing communities. Jurisdictions determine together where it is cost effective to grow, guiding growth where most needed (e.g., infill areas) and away from areas where it can create problems (e.g., high hazard areas, wildlife habitat, prime agricultural land).

Rural Adaptation: Transfer of Development Rights (TDRs) and Purchase of Development Rights (PDRs)

Use TDRs and PDRs to incentivize housing development in municipalities while allowing some cost recapture/return on investment for agricultural or other large lot land owners.

Districts & Subdivisions

Strategic zoning and subdivisions policies can encourage development of affordable housing and prioritize compact, infill development. These practices discourage sprawling development and instead encourage more sustainable land use patterns by focusing density and growth inside existing towns and cities. This can lead to a decrease in infrastructure development and maintenance costs, a decrease in greenhouse gas emissions, and allows for a variety of housing types. In rural regions, restricting greenfield development can protect natural and agricultural lands.

Planned Unit Developments (PUDs)

Require PUDs to include and/or increase the percentage of integrated affordable housing units.

Infill incentive districts

Designate an infill incentive district or districts that allow a mix of uses and prioritize inclusion of affordable housing units in infill locations, including the possible use of property tax abatement, development fee reductions, or other incentives.

• Rural Adaptation: Mixed-use zoning districts

Establish flexible, by-right, mixed-use zone districts adjacent to towns and in town influence/growth areas to accommodate large developments that are in accord with town and/or county comprehensive plans.

• Rural Adaptation: Cluster & Conservation subdivisions

Require cluster subdivisions at a community's edge to transition to rural areas. Require conservation subdivisions in rural areas (residential subdivision that devotes at least half of its potentially buildable land area to undivided, permanently protected open space).

Mobility

Minimum parking standards address the issue of unneeded and/or underutilized parking. Many current parking standards raise the infrastructure cost of serving spread-out homes and businesses, create runoff and flooding problems and may make communities less walkable by requiring walkers to traverse large parking lots. Multimodal road standards comprise the planning, construction, and operations of streets that enable safe access for pedestrians, cyclists, motorists and transit riders. Similar to the Complete Streets concept, this encompasses access for users of all ages and abilities and promotes transportation efficiency including reduced vehicle miles traveled.

Minimum parking standards

Reduce minimum parking requirements and/or create parking maximums, principally focused near active transportation nodes and areas in, or adjacent to, job centers and services.

Multi-modal road standards

Adopt pedestrian and multi-modal road standards that allow for minimum width roads/streets to reduce construction and maintenance costs, increasing connectivity, 4 multi-modality and walkability (e.g., complete streets, ADA access, bike lanes, sidewalks, etc.).

Resource Conservation

Resource conservation strategies reduce residential energy and water use, saving residents money on utility bills and conserving natural resources. Strategies that limit development in high risk and environmentally sensitive areas reduce the risk of impacts from natural disasters and conserve natural ecosystems.

Water conservation

Adopt water conservation standards, such as permitting recycled water irrigation systems or providing stormwater management credits to protect agricultural land and greenspaces.

Water rate structure reduction

Codify water rate structures with cost percentage reductions for affordable and denser housing.

Energy efficiency codes

Adopt energy efficient building codes and design standards that substantially exceed the standards required by HB 22-1362 to ensure lower household utility costs long term.

• High risk and environmentally sensitive areas

Restrict development in high risk, hazard, and environmentally sensitive areas (e.g., floodplains, wildfire, protected wildlife habitat areas, etc.), using overlays and other tools that require mitigation measures.

The list of <u>land use best practices</u> is posted online and includes a brief explanation for each of the strategies. DOLA provided three educational webinars for local governments on these best practices (tailored for rural, rural resort, and urban communities, including providing for rural flexibility, as the statute directed), which have been recorded and posted <u>on the</u>

| Strong Communities web page. | Additional resources | , such as short videos | s and case studies, |
|------------------------------|----------------------|------------------------|---------------------|
| are also posted online. | | | |
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