
Frequently Asked Questions:

- 1. Why address housing challenges?** The majority of Coloradans support state action that would add more housing supply to meet every Coloradans budget. This plan would legalize building the most affordable types of homes, like duplexes and townhomes, while allowing for local flexibility and giving property owners more rights. The plan would incentivize multifamily housing near transit oriented communities and walkable commercial areas, lessening traffic on our roads, reducing pollution, protecting our water and increasing affordability. It would also cut red tape and remove barriers to reduce cost and time delays. Homeowners should have the right to build a variety of homes on their land, including an apartment for an aging parent or a home for an adult child. It would also assess statewide and regional housing needs and identify and implement affordability strategies tailored to local and regional needs. It would provide a framework for state, regional, and local agencies to strategically align investments and policies and track progress.
- 2. Will there be flexibility for municipalities and what does enforcement of this proposal look like?** Our goal of increasing housing supply and affordability is something many municipalities are already working toward – in fact, many of these local policies serve as a model for this proposal. We want to work together with municipalities and support them to achieve more housing that meets the needs of their community. The proposal creates a framework of minimum standards for municipalities, while providing the flexibility for local leaders to fine-tune those standards to best meet their community's needs. Municipalities may keep existing codes if they meet minimum standards. While the state is creating a floor, not a ceiling, a state-developed default model code will apply to municipalities that do not choose the flexible option to incentivize more housing. If the model code is in effect for a particular municipality, the municipality must administratively approve any housing that meets the standards in the model code.
- 3. What is the funding mechanism for this?** \$15 million to provide technical assistance for local and regional governments to achieve the planning requirements and data reporting as require, and for code reform to implement these changes. The funding will also provide staff time for implementation (developing detailed guidance and outreach to local governments), administering technical assistance funds, reviewing updated plans and codes/development and adoption of new land use codes and conducting

enforcement/compliance. This is in addition to funding from HB21-1271, HB22-1304 (Strong Communities), Proposition 123, in addition to historic ARPA investments, align and complement these policies.

4. **What does this mean for local control?** This proposal sets goals, while still empowering communities to have flexibility in how they meet the goals. We want to work together to find ways to meet housing goals more broadly, and avoid regional imbalances in housing production. And, at the same time, we want to enable flexibility to account for unique local circumstances and prior local action to address housing abundance and affordability. We need to cut red tape to allow building of housing of all types and for all incomes while protecting what Coloradans love about our communities and giving property owners more rights. Currently, housing projects are often rejected or delayed by years, simply because of red tape that has historically been used to exclude more affordable housing types such as multi-family housing and homes on smaller lots. These policies do not cover the entire field of land use, but instead create a statewide approach to certain minimums to address our statewide issues of affordable housing, climate policy, transportation, and water conservation.
5. **What is the legal authority for this?** Yes. The Colorado Constitution includes provisions allowing some local governments the ability to create home rule charters. However, a home rule charter does not remove a local government from compliance with state law. The state has the ability to regulate matters that are either of statewide or mixed statewide and local concern, and, in fact, land use regulation has already been regulated by the state on issues such as oil and gas. This proposal addresses issues, like availability of affordable housing, transportation, greenhouse gas pollution, and water conservation, that go beyond the boundaries of any one jurisdiction and need a statewide approach.
6. **What is the timeline for this? When will people see real change?** Municipalities would need to update their codes to meet minimum standards for some policy elements—including ADUs, Middle Housing, and transit-oriented communities (TODs)— by the end of 2024. Other policy elements will be implemented on a slightly longer timeline. Coupled with historic investments in affordable housing from ARPA and the Colorado voters with Proposition 123, we expect this package will begin delivering greater affordability statewide, and that the impact of the package will grow and lead to more housing, reduced pollution and traffic, lower transportation costs for residents, and reduced water consumption over time. This will set Colorado up for a more successful future.
7. **Why does this policy only apply in some places?** The policy is a statewide

response to a statewide issue, with a focus on municipalities most impacted by our housing shortages – the most populous, fastest-growing areas of the state. The policy primarily applies to municipalities within Metropolitan Planning Organization (MPO) boundaries, which are set using federal guidelines to define the urban areas of the state. Rural resort regions are also growing quickly and facing significant housing challenges. The policy also focuses on 'Rural Resort Job Centers' that have the highest jobs to population ratio, and thus the highest need for housing. Additionally, the rural resort job centers and regional goals will include communities that surround that job center – places where people commute to work from. The policy encourages regional collaboration to meet regional housing needs.

8. **How does this policy address anti-displacement concerns and housing affordability? What has the state done to ensure this plan will not make the problem worse?** Coloradans should be able to live where they want to live – near their jobs, their kids' schools, and transit. Because housing supply has not kept up with demand, we have seen prices shoot up in many areas. While Colorado has made historic investments in affordable housing over the last few years, this policy package cuts red tape to streamline processes and enable the creation of more housing for all incomes in more neighborhoods. This proposal will require municipalities to address affordable housing and mitigate displacement, with flexibility to do so in a way that fits their community's needs.
9. **How does this address homelessness?** Research shows a direct correlation between available housing supply and reductions in the number of unhoused people in a community. Nationwide, cities with the highest housing costs and lowest vacancy rates experience the highest rates of homelessness. While other solutions and resources are critical – such as permanent supportive housing – this package can help minimize the number of people experiencing homelessness over time.
10. **How will this address sprawl?** This policy incentivizes building resilient, thriving, and efficient communities in the places where it makes sense and where people want to live– near jobs, transit, and walkable commercial areas. By making it easier to build in smart places, and providing a better understanding of what building smart means and how to do it, this package will reduce pressure to continue growing at the fringes. The package also encourages, but does not mandate, more strategic growth at the edges of communities and sets in place new processes to ensure that municipalities consider avoiding open space, greenspace, and sprawl in their planning process rather than being an afterthought. Further, the package's approach to geographic considerations across the state discourages development in

dangerous, wildfire prone areas.

11. **Will this prohibit the construction of single family homes?** No. Single family homes will still be able to be built wherever they are zoned by municipalities. Just as single-use developments are proposed, approved, and built within mixed-use zones, this package will allow duplexes, triplexes, and other modest, more affordable home types to follow the same process and be built in single family home zoned areas giving property owners more rights.
12. **Will by-right ADU policy preempt local restrictions on ADUs being used for short-term rentals?** Local restrictions on short-term rentals could – and should – still apply to ADUs and the other types of housing included. The policy package will not include additional short-term rental reforms, but does include language to ensure local policies governing short-term rentals remain intact.
13. **Will allowing ADUs and Middle Housing in suburban areas originally intended for single-family homes harm residents' ability to resell homes, impact property values, or change the character of their neighborhoods?** It is not anticipated that the policy would have a large impact on existing single family home values. The advantage of our approach, which relaxes restrictions across a broad regional housing market, is that property values are not impacted in the same way that changes to a smaller area can create a unique entitlement that affects property values. To help solve Colorado's housing crisis we must allow for more and different types of homes to be built that meet the different needs of Coloradans. We understand that each community is unique and important, and we want to help protect that special character. While the proposal allows more housing types, the transformation of ADUs and Middle Housing is expected to be gradual. Local knowledge of how to build these housing types will grow over time. Municipalities have allowed some of these housing types in certain areas for decades, and these home types are already common in many older and well loved neighborhoods. The building of them will depend on local housing markets, likely led by small-scale, local builders and contractors. This package does not affect the ability of cities to apply design standards to development.