

Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 24-0454.03 Pierce Lively x2059

HOUSE BILL 24-1152

HOUSE SPONSORSHIP

Amabile and Weinberg,

SENATE SPONSORSHIP

Mullica and Exum,

House Committees

Transportation, Housing & Local Government

Senate Committees

A BILL FOR AN ACT

101 CONCERNING INCREASING THE NUMBER OF ACCESSORY DWELLING
102 UNITS.

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 creates a series of requirements related to accessory dwelling units. The bill establishes unique requirements for subject jurisdictions and for qualifying as an accessory dwelling unit supportive jurisdiction (supportive jurisdiction).

As established in the bill, a subject jurisdiction is either:

- A municipality that has a population of 1,000 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.

that is within the area of a metropolitan planning organization; or

- The portion of a county that is both within a census designated place with a population of ten thousand or more, as reported in the most recent decennial census, and within the area of a metropolitan planning organization.

The bill requires a subject jurisdiction to allow, subject to an administrative approval process, one accessory dwelling unit as an accessory use to a single-unit detached dwelling in any part of the subject jurisdiction where the subject jurisdiction allows single-unit detached dwellings. The bill also prohibits subject jurisdictions from enacting or enforcing certain local laws that would restrict the construction or conversion of an accessory dwelling unit.

In order to qualify as a supportive jurisdiction, a jurisdiction must submit a report to the division of local government in the department of local affairs (the division) demonstrating that the jurisdiction:

- Has complied with the accessory dwelling unit requirements the bill imposes on subject jurisdictions; and
- Has implemented one or more strategies to encourage and facilitate the construction or conversion of accessory dwelling units.

Section 1 also creates the accessory dwelling unit fee reduction and encouragement grant program within the division. The purpose of this grant program is for the division to provide grants to supportive jurisdictions for offsetting costs incurred in connection with developing pre-approved accessory dwelling unit plans, providing technical assistance to persons converting or constructing accessory dwelling units, or waiving or reducing accessory dwelling unit associated fees and other required costs.

Section 2 grants the Colorado economic development commission the power to expend \$8 million to contract with the Colorado housing and finance authority to operate and establish the following programs to benefit the residents of supportive jurisdictions:

- An accessory dwelling unit loss reserve program that offers affordable loans for the construction or conversion of accessory dwelling units;
- A program that allows for the buying down of interest rates on loans made in connection with the construction or conversion of accessory dwelling units;
- A program that offers down payment assistance in connection with accessory dwelling units; and
- A program through which the Colorado housing and finance authority offers direct loans in connection with the construction or conversion of accessory dwelling units.

Section 3 prohibits a planned unit development resolution or

ordinance for a planned unit development from restricting the permitting of an accessory dwelling unit more than the local law that applies to accessory dwelling units outside of the planned unit development.

Section 4 states that any prohibition on accessory dwelling units or the implementation of restrictive design or dimension standards by a unit owners' association in a supportive jurisdiction is void as a matter of public policy.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **add** article 35 to title
3 29 as follows:

4 **ARTICLE 35**

5 **State Land Use Criteria For Affordable Housing**

6 PART 1

7 ACCESSORY DWELLING UNITS

8 **29-35-101. Legislative declaration.** (1) (a) THE GENERAL
9 ASSEMBLY HEREBY FINDS, DETERMINES, AND DECLARES THAT:

10 (I) ACCESSORY DWELLING UNITS OFFER A WAY TO PROVIDE
11 COMPACT, RELATIVELY AFFORDABLE HOUSING IN ESTABLISHED
12 NEIGHBORHOODS WITH MINIMAL IMPACTS TO INFRASTRUCTURE AND TO
13 SUPPLY NEW HOUSING OPPORTUNITIES WITHOUT ADDED DISPERSED
14 LOW-DENSITY HOUSING;

15 (II) ACCESSORY DWELLING UNITS GENERATE RENTAL INCOME TO
16 HELP HOMEOWNERS COVER MORTGAGE PAYMENTS OR OTHER COSTS,
17 WHICH CAN BE IMPORTANT FOR A VARIETY OF RESIDENTS, SUCH AS OLDER
18 HOMEOWNERS ON FIXED INCOMES AND LOW- AND MODERATE-INCOME
19 HOMEOWNERS;

20 (III) ACCESSORY DWELLING UNITS PROVIDE FAMILIES WITH
21 OPTIONS FOR INTERGENERATIONAL LIVING ARRANGEMENTS THAT ENABLE
22 CHILD OR ELDER CARE AND AGING IN PLACE, AND A 2021 SURVEY BY THE

1 AARP FOUND THAT APPROXIMATELY SEVENTY-FIVE PERCENT OF PEOPLE
2 FIFTY YEARS OF AGE OR OLDER WANT TO STAY IN THEIR HOMES OR
3 COMMUNITIES FOR AS LONG AS THEY CAN. ACCORDING TO A 2018 STUDY
4 BY THE CENTER FOR AMERICAN PROGRESS, FIFTY-ONE PERCENT OF
5 COLORADANS LIVE IN A CHILD CARE DESERT-A COMMUNITY WHERE THERE
6 ARE NO CHILD CARE PROVIDERS OR SO FEW OPTIONS THAT THERE ARE
7 MORE THAN THREE TIMES AS MANY CHILDREN AS THERE ARE LICENSED
8 CHILD CARE SLOTS. THESE CHILD CARE DESERTS ARE SITUATED WITHIN
9 RURAL, SUBURBAN, AND URBAN COMMUNITIES AND ARE A MAJOR REASON
10 FOR WORKING PARENTS TO LEAVE THE WORKFORCE.

11 (IV) ACCESSORY DWELLING UNITS ARE OFTEN OCCUPIED AT LOW
12 TO NO RENT BY FAMILY MEMBERS, AND IF THEY ARE RENTED PRIVATELY,
13 THEIR RENTS ARE RELATIVELY AFFORDABLE BECAUSE OF THEIR SMALL
14 SIZE;

15 (V) AS COLORADO'S POPULATION AGES AND TYPICAL HOUSEHOLD
16 SIZE CONTINUES TO DECREASE, ACCESSORY DWELLING UNITS OFFER MORE
17 COMPACT HOUSING OPTIONS THAT ALIGN WITH THE STATE'S CHANGING
18 DEMOGRAPHICS, AND COLORADANS OVER SIXTY-FIVE YEARS OF AGE ARE
19 THE FASTEST-GROWING AGE COHORT IN COLORADO ACCORDING TO THE
20 STATE DEMOGRAPHY OFFICE;

21 (VI) ACCESSORY DWELLING UNITS ENABLE SENIORS TO DOWNSIZE,
22 MOVE INTO ACCESSIBLE UNITS, OR LIVE WITH FAMILY OR A CAREGIVER
23 WHILE REMAINING IN THEIR COMMUNITIES. A 2018 AARP SURVEY FOUND
24 THAT SIXTY-SEVEN PERCENT OF ADULTS WOULD CONSIDER LIVING IN AN
25 ACCESSORY DWELLING UNIT TO BE CLOSE TO SOMEONE BUT STILL HAVE A
26 SEPARATE SPACE. MOST SENIORS DO NOT LIVE IN HOMES THAT ARE
27 ACCESSIBLE, EVEN THOUGH DISABILITY IS PREVALENT AMONG THE SENIOR

1 POPULATION AND INCREASES WITH AGE. LESS THAN FOUR PERCENT OF
2 EXISTING HOUSING UNITS IN THE UNITED STATES ARE ESTIMATED TO BE
3 LIVABLE FOR PEOPLE WITH MODERATE MOBILITY DIFFICULTIES,
4 ACCORDING TO "HOUSING FOR AN AGING POPULATION" IN THE JOURNAL
5 HOUSING POLICY DEBATE.

6 (VII) RELATIVE TO DISPERSED, LOW-DENSITY DEVELOPMENT,
7 COMPACT INFILL DEVELOPMENT, INCLUDING ACCESSORY DWELLING UNIT
8 DEVELOPMENT, REDUCES WATER USE, GREENHOUSE GAS EMISSIONS,
9 INFRASTRUCTURE COSTS, AND HOUSEHOLD ENERGY AND TRANSPORTATION
10 COSTS;

11 (VIII) ACCESSORY DWELLING UNITS USE SIGNIFICANTLY LESS
12 ENERGY FOR HEATING AND COOLING THAN SINGLE-UNIT DETACHED
13 DWELLINGS BECAUSE OF THEIR SMALLER SIZE, WHICH REDUCES
14 HOUSEHOLD ENERGY COSTS AND GREENHOUSE GAS EMISSIONS.
15 ACCESSORY DWELLING UNITS CAN REDUCE LIFETIME CARBON DIOXIDE
16 EMISSIONS BY FORTY PERCENT COMPARED TO MEDIUM-SIZED
17 SINGLE-FAMILY HOMES, ACCORDING TO A REPORT FROM THE OREGON
18 DEPARTMENT OF ENVIRONMENTAL QUALITY. REDUCING EMISSIONS FROM
19 THE HOUSING SECTOR IS CRITICAL FOR MEETING THE STATE'S GREENHOUSE
20 GAS EMISSIONS TARGETS ESTABLISHED IN SECTION 25-7-102. ACCORDING
21 TO "THE CARBON FOOTPRINT OF HOUSEHOLD ENERGY USE IN THE UNITED
22 STATES" IN THE PROCEEDINGS OF THE NATIONAL ACADEMY OF SCIENCES,
23 REDUCING FLOOR SPACE PER CAPITA IS A CRITICAL STRATEGY TO
24 REACHING MID-CENTURY CLIMATE GOALS.

25 (IX) COMPACT INFILL DEVELOPMENT REDUCES WATER DEMAND
26 AND INFRASTRUCTURE COSTS BY USING LESS PIPING, WHICH REDUCES
27 WATER LOSS; INCLUDES LESS LANDSCAPED SPACE PER UNIT; AND MAKES

1 BETTER USE OF EXISTING INFRASTRUCTURE. COMPARED TO A SINGLE-UNIT
2 DETACHED DWELLING, ACCESSORY DWELLING UNITS USE TWENTY-TWO
3 PERCENT LESS WATER, BASED ON DATA FROM DENVER AND AURORA
4 WATER USERS ANALYZED FOR THE "COLORADO WATER AND GROWTH
5 DIALOGUE FINAL REPORT" IN 2018.

6 (X) ACCESSORY DWELLING UNITS REDUCE GOVERNMENT CAPITAL
7 AND MAINTENANCE COSTS FOR INFRASTRUCTURE SINCE ACCESSORY
8 DWELLING UNITS ARE BUILT IN EXISTING NEIGHBORHOODS AND HAVE A
9 RELATIVELY SMALL IMPACT ON EXISTING INFRASTRUCTURE. NATIONAL
10 STUDIES SUCH AS "RELATIONSHIPS BETWEEN DENSITY AND PER CAPITA
11 MUNICIPAL SPENDING IN THE UNITED STATES", PUBLISHED IN URBAN
12 SCIENCE, HAVE FOUND THAT LOWER DENSITY COMMUNITIES HAVE HIGHER
13 GOVERNMENT CAPITAL AND MAINTENANCE COSTS FOR WATER, SEWER,
14 AND TRANSPORTATION INFRASTRUCTURE AND LOWER PROPERTY AND
15 SALES TAX REVENUE. THESE INCREASED COSTS ARE OFTEN BORNE BY
16 BOTH STATE AND LOCAL GOVERNMENTS.

17 (XI) A NUMBER OF LOCAL LAND USE LAWS PROHIBIT HOMEOWNERS
18 FROM BUILDING AN ACCESSORY DWELLING UNIT, OR APPLY REGULATIONS
19 TO ACCESSORY DWELLING UNITS THAT SIGNIFICANTLY LIMIT THEIR
20 CONSTRUCTION;

21 (XII) A NUMBER OF MUNICIPALITIES HAVE REMOVED BARRIERS TO
22 ACCESSORY DWELLING UNIT CONSTRUCTION SUCH AS PARKING
23 REQUIREMENTS, OWNER OCCUPANCY REQUIREMENTS, AND RESTRICTIVE
24 SIZE AND DESIGN LIMITATIONS, WHICH HAS RESULTED IN ACCESSORY
25 DWELLING UNIT PERMITS INCREASING TO TEN TO TWENTY PERCENT OF
26 TOTAL NEW HOUSING PERMITS AND AN OVERALL INCREASE IN THE TOTAL
27 HOUSING SUPPLY. SINCE CALIFORNIA IMPLEMENTED VARIOUS REFORMS TO

1 ENCOURAGE ACCESSORY DWELLING UNIT CONSTRUCTION, INCLUDING
2 REQUIRING CITIES TO ALLOW ACCESSORY DWELLING UNITS AS A USE BY
3 RIGHT, PREVENTING THE IMPOSITION OF PARKING REQUIREMENTS, AND
4 PREVENTING OWNER OCCUPANCY REQUIREMENTS, ACCESSORY DWELLING
5 UNIT CONSTRUCTION HAS INCREASED SIGNIFICANTLY IN CALIFORNIA.
6 FOLLOWING REFORMS TO CALIFORNIA'S ACCESSORY DWELLING UNIT LAW
7 IN 2016, ACCESSORY DWELLING UNIT DEVELOPMENT HAS INCREASED
8 RAPIDLY FROM AROUND ONE THOUSAND ACCESSORY DWELLING UNITS
9 PERMITTED IN 2016 TO OVER TWENTY-FOUR THOUSAND IN 2022, OR ABOUT
10 TWENTY PERCENT OF NEW HOUSING PERMITS STATEWIDE, ACCORDING TO
11 DATA FROM THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY
12 DEVELOPMENT AND ANALYSIS BY THE BIPARTISAN POLICY CENTER.

13 (XIII) HOUSING SUPPLY IMPACTS HOUSING AFFORDABILITY, AND
14 HOUSING PRICES ARE TYPICALLY HIGHER WHEN HOUSING SUPPLY IS
15 RESTRICTED BY LOCAL LAND USE REGULATIONS IN A METROPOLITAN
16 REGION, ACCORDING TO THE NATIONAL BUREAU OF ECONOMIC RESEARCH
17 IN WORKING PAPERS SUCH AS "REGULATION AND HOUSING SUPPLY", "THE
18 IMPACT OF ZONING ON HOUSING AFFORDABILITY", AND "THE IMPACT OF
19 LOCAL RESIDENTIAL LAND USE RESTRICTIONS ON LAND VALUES ACROSS
20 AND WITHIN SINGLE FAMILY HOUSING MARKETS";

21 (XIV) INCREASING HOUSING SUPPLY MODERATES PRICE INCREASES
22 AND IMPROVES HOUSING AFFORDABILITY ACROSS ALL INCOMES,
23 ACCORDING TO STUDIES SUCH AS "THE ECONOMIC IMPLICATIONS OF
24 HOUSING SUPPLY" IN THE JOURNAL OF ECONOMIC PERSPECTIVES AND
25 "SUPPLY SKEPTICISM: HOUSING SUPPLY AND AFFORDABILITY" IN THE
26 JOURNAL HOUSING POLICY DEBATE;

27 (XV) ACADEMIC RESEARCH SUCH AS "THE IMPACT OF BUILDING

1 RESTRICTIONS ON HOUSING AFFORDABILITY" IN THE FEDERAL RESERVE
2 BANK OF NEW YORK ECONOMIC POLICY REVIEW HAS IDENTIFIED ZONING
3 AND OTHER LAND USE CONTROLS AS A PRIMARY DRIVER OF RISING
4 HOUSING COSTS IN THE MOST EXPENSIVE HOUSING MARKETS;

5 (XVI) ACCESSORY DWELLING UNITS OFFER AFFORDABLE AND
6 ATTAINABLE OPTIONS TO LIVE IN HIGH-OPPORTUNITY NEIGHBORHOODS,
7 WHICH CAN HELP IMPROVE EQUITY OUTCOMES REGIONALLY AND
8 STATEWIDE. AN ANALYSIS OF ACCESSORY DWELLING UNIT PERMITTING IN
9 CALIFORNIA FOUND THAT ACCESSORY DWELLING UNITS ARE TYPICALLY
10 PERMITTED ON PARCELS WITH RELATIVELY GOOD ACCESS TO JOBS
11 COMPARED TO SURROUNDING AREAS, ACCORDING TO "WHERE WILL
12 ACCESSORY DWELLING UNITS SPROUT UP WHEN A STATE LETS THEM
13 GROW? EVIDENCE FROM CALIFORNIA" IN CITYSCAPE: A JOURNAL OF
14 POLICY DEVELOPMENT AND RESEARCH.

15 (XVII) LOCAL GOVERNMENT REGULATION OF ACCESSORY
16 DWELLING UNITS VARIES SIGNIFICANTLY WITHIN REGIONS AND STATEWIDE
17 IN COLORADO IN TERMS OF WHERE THEY ARE ALLOWED, THE DIMENSIONAL
18 AND DESIGN RESTRICTIONS APPLIED, AND OTHER REQUIREMENTS. THIS
19 INCONSISTENCY INHIBITS THE DEVELOPMENT OF A ROBUST MARKET OF
20 ACCESSORY DWELLING UNIT DEVELOPERS, MODULAR ACCESSORY
21 DWELLING UNIT DESIGNS, AND ASSOCIATED COST REDUCTIONS. COLORADO
22 IS SIMILAR TO MOST STATES IN THIS REGARD, AND, ACCORDING TO
23 "ZONING BY A THOUSAND CUTS" IN THE PEPPERDINE LAW REVIEW,
24 WHICH ANALYZED ACCESSORY DWELLING UNIT REGULATIONS ACROSS
25 CONNECTICUT, "THE HIGH DEGREE OF REGULATORY VARIATION THWARTS
26 THE DEVELOPMENT OF PROTOTYPE DESIGNS OR PREFABRICATED
27 [ACCESSORY DWELLING UNITS] THAT COULD SATISFY DIFFERENT RULES

1 ACROSS JURISDICTIONS".

2 (XVIII) MORE PERMISSIVE REGULATION BY LOCAL GOVERNMENTS
3 OF ACCESSORY DWELLING UNITS PROVIDES A REASONABLE CHANCE FOR
4 HOMEOWNERS TO CONSTRUCT OR CONVERT AN ACCESSORY DWELLING
5 UNIT AND THEREBY INCREASE HOUSING SUPPLY, STABILIZE HOUSING
6 COSTS, AND CONTRIBUTE TO AFFORDABLE AND EQUITABLE HOME
7 OWNERSHIP TO ADEQUATELY MEET THE HOUSING NEEDS OF A GROWING
8 COLORADO POPULATION.

9 (b) THEREFORE, THE GENERAL ASSEMBLY DECLARES THAT
10 INCREASING THE HOUSING SUPPLY THROUGH THE CONSTRUCTION OR
11 CONVERSION OF ACCESSORY DWELLING UNITS IS A MATTER OF MIXED
12 STATEWIDE AND LOCAL CONCERN.

13 **29-35-102. Definitions.** AS USED IN THIS PART 1, UNLESS THE
14 CONTEXT OTHERWISE REQUIRES:

15 (1) "ACCESSIBLE UNIT" MEANS A HOUSING UNIT THAT SATISFIES
16 THE REQUIREMENTS OF THE FEDERAL "FAIR HOUSING ACT", 42 U.S.C. SEC.
17 3601 ET SEQ., AS AMENDED, AND INCORPORATES UNIVERSAL DESIGN.

18 (2) "ACCESSORY DWELLING UNIT" MEANS AN INTERNAL,
19 ATTACHED, OR DETACHED DWELLING UNIT THAT:

20 (a) PROVIDES COMPLETE INDEPENDENT LIVING FACILITIES FOR ONE
21 OR MORE INDIVIDUALS;

22 (b) IS LOCATED ON THE SAME LOT AS A PROPOSED OR EXISTING
23 PRIMARY RESIDENCE; AND

24 (c) INCLUDES FACILITIES FOR LIVING, SLEEPING, EATING, COOKING,
25 AND SANITATION.

26 (3) "ACCESSORY DWELLING UNIT SUPPORTIVE JURISDICTION"
27 MEANS A LOCAL GOVERNMENT THAT THE DIVISION HAS CERTIFIED

1 PURSUANT TO SECTION 29-35-104 AS AN ACCESSORY DWELLING UNIT
2 SUPPORTIVE JURISDICTION.

3 (4) "ACCESSORY USE" MEANS A STRUCTURE OR THE USE OF A
4 STRUCTURE ON THE SAME LOT WITH, AND OF A NATURE CUSTOMARILY
5 INCIDENTAL AND SUBORDINATE TO, THE PRINCIPAL STRUCTURE OR USE OF
6 THE STRUCTURE.

7 (5) (a) (I) "ADMINISTRATIVE APPROVAL PROCESS" MEANS A
8 PROCESS:

9 (A) IN WHICH A DEVELOPMENT APPLICATION IS APPROVED,
10 APPROVED WITH CONDITIONS, OR DENIED BY LOCAL GOVERNMENT
11 ADMINISTRATIVE STAFF BASED SOLELY ON ITS COMPLIANCE WITH
12 OBJECTIVE STANDARDS SET FORTH IN ZONING OR OTHER LOCAL LAWS; AND

13 (B) THAT DOES NOT REQUIRE, AND CANNOT BE ELEVATED TO
14 REQUIRE, A PUBLIC HEARING, A RECOMMENDATION, OR A DECISION BY AN
15 ELECTED OR APPOINTED PUBLIC BODY, OR HEARING OFFICER.

16 (II) NOTWITHSTANDING SUBSECTION (19)(a)(I) OF THIS SECTION,
17 AN ADMINISTRATIVE APPROVAL PROCESS MAY REQUIRE AN APPOINTED
18 HISTORIC PRESERVATION COMMISSION TO MAKE A DECISION, OR TO MAKE
19 A RECOMMENDATION TO LOCAL GOVERNMENT ADMINISTRATIVE STAFF,
20 REGARDING A DEVELOPMENT APPLICATION INVOLVING A HISTORIC
21 PROPERTY LISTED ON THE NATIONAL REGISTER OF HISTORIC PLACES, THE
22 COLORADO STATE REGISTER OF HISTORIC PROPERTIES, OR DESIGNATED BY
23 THE LOCAL GOVERNMENT, PROVIDED THAT:

24 (A) THE LOCAL GOVERNMENT HAS BEEN DESIGNATED AS A
25 CERTIFIED LOCAL GOVERNMENT BY THE STATE HISTORIC PRESERVATION
26 OFFICE; AND

27 (B) THE DECISION OR RECOMMENDATION IS BASED ON STANDARDS

1 SET FORTH IN LOCAL LAW OR ESTABLISHED BY THE SECRETARY OF THE
2 INTERIOR OF THE UNITED STATES.

3 (b) AS USED IN THIS SUBSECTION (1), "OBJECTIVE STANDARD"
4 MEANS A STANDARD THAT:

5 (I) IS UNIFORMLY VERIFIABLE AND ASCERTAINABLE BY REFERENCE
6 TO AN AVAILABLE EXTERNAL OR UNIFORM BENCHMARK OR CRITERION BY
7 THE DEVELOPMENT APPLICANT OR PROPONENT AND THE PUBLIC BODY OR
8 OFFICIAL PRIOR TO THE DEVELOPMENT APPLICANT'S OR PROPONENT'S
9 FILING OF A DEVELOPMENT PROPOSAL; AND

10 (II) DOES NOT REQUIRE THE DECISION-MAKER TO MAKE ONE OR
11 MORE SUBJECTIVE DETERMINATIONS CONCERNING A DEVELOPMENT
12 APPLICATION, INCLUDING BUT NOT LIMITED TO WHETHER THE
13 APPLICATION:

14 (A) IS CONSISTENT WITH LOCAL DEVELOPMENT PLANS;

15 (B) IS OR CAN BE COMPATIBLE WITH THE LAND USE OR
16 DEVELOPMENT OF THE AREA SURROUNDING THE AREA DESCRIBED IN THE
17 APPLICATION;

18 (C) REQUIRES INDIVIDUALIZED EVALUATIONS RELATING TO
19 MITIGATION OF IMPACTS; OR

20 (D) IS CONSISTENT WITH PUBLIC WELFARE, COMMUNITY, OR
21 NEIGHBORHOOD CHARACTER.

22 (6) "COUNTY" MEANS A COUNTY, INCLUDING A HOME RULE
23 COUNTY BUT EXCLUDING A CITY AND COUNTY.

24 (7) "DIVISION" MEANS THE DIVISION OF LOCAL GOVERNMENT
25 CREATED IN SECTION 24-32-103.

26 (8) "DWELLING UNIT" MEANS A SINGLE UNIT PROVIDING COMPLETE
27 INDEPENDENT LIVING FACILITIES FOR ONE OR MORE INDIVIDUALS,

1 INCLUDING PERMANENT FACILITIES FOR COOKING, EATING, LIVING,
2 SANITATION, AND SLEEPING.

3 (9) "EXEMPT PARCEL" MEANS A PARCEL THAT IS:

4 (a) NOT SERVED BY A DOMESTIC WATER AND SEWAGE TREATMENT
5 SYSTEM, AS DEFINED IN SECTION 24-65.1-104 (5);

6 (b) A HISTORIC PROPERTY THAT IS NOT WITHIN A HISTORIC
7 DISTRICT; OR

8 (c) IN A FLOODWAY OR IN A ONE HUNDRED YEAR FLOODPLAIN, AS
9 IDENTIFIED BY THE FEDERAL EMERGENCY MANAGEMENT AGENCY.

10 (10) "HISTORIC DISTRICT" MEANS A DISTRICT ESTABLISHED BY
11 LOCAL LAW THAT MEETS THE DEFINITION OF "DISTRICT" SET FORTH IN 36
12 CFR 60.3 (d).

13 (11) "HISTORIC PROPERTY" MEANS A PROPERTY LISTED:

14 (a) ON THE NATIONAL REGISTER OF HISTORIC PLACES;

15 (b) ON THE COLORADO STATE REGISTER OF HISTORIC PROPERTIES;

16 OR

17 (c) AS A CONTRIBUTING STRUCTURE OR HISTORIC LANDMARK BY
18 A CERTIFIED LOCAL GOVERNMENT, AS DEFINED IN SECTION 39-22-514.5
19 (2)(b).

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

22 (13) "LOCAL LAW" MEANS ANY CODE, LAW, ORDINANCE, POLICY,
23 REGULATION, OR RULE ENACTED BY A LOCAL GOVERNMENT THAT
24 GOVERNS THE DEVELOPMENT AND USE OF LAND, INCLUDING LAND USE
25 CODES, ZONING CODES, AND SUBDIVISION CODES.

26 (14) "LOW- AND MODERATE-INCOME HOUSEHOLD" MEANS A
27 HOUSEHOLD THAT IS CONSIDERED LOW-, MODERATE-, OR MEDIUM-INCOME,

1 AS DETERMINED BY THE FEDERAL DEPARTMENT OF HOUSING AND URBAN
2 DEVELOPMENT.

3 (15) "METROPOLITAN PLANNING ORGANIZATION" MEANS A
4 METROPOLITAN PLANNING ORGANIZATION UNDER THE "FEDERAL TRANSIT
5 ACT OF 1998", 49 U.S.C. SEC. 5301 ET SEQ., AS AMENDED.

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

8 (17) "RESTRICTIVE DESIGN OR DIMENSION STANDARD" MEANS A
9 STANDARD IN A LOCAL LAW THAT:

10 (a) REQUIRES AN ARCHITECTURAL STYLE, BUILDING MATERIAL, OR
11 LANDSCAPING THAT IS MORE RESTRICTIVE FOR AN ACCESSORY DWELLING
12 UNIT THAN FOR A SINGLE-UNIT DETACHED DWELLING IN THE SAME ZONING
13 DISTRICT;

14 (b) DOES NOT ALLOW FOR ACCESSORY DWELLING UNIT SIZES
15 BETWEEN FIVE HUNDRED AND EIGHT HUNDRED SQUARE FEET;

16 (c) REQUIRES SIDE OR REAR SETBACKS FOR AN ACCESSORY
17 DWELLING UNIT GREATER THAN THE SETBACKS REQUIRED FOR AN
18 ACCESSORY BUILDING IN THE SAME ZONING DISTRICT, OR IF IT IS NOT
19 CLEARLY ESTABLISHED IN THE SAME ZONING DISTRICT, IN THE CASE OF AN
20 ACCESSORY DWELLING UNIT WITH A SINGLE STORY, REQUIRES SIDE OR
21 REAR SETBACKS GREATER THAN FIVE FEET;

22 (d) IS A MORE RESTRICTIVE MINIMUM LOT SIZE STANDARD FOR AN
23 ACCESSORY DWELLING UNIT THAN FOR A SINGLE-UNIT DETACHED
24 DWELLING IN THE SAME ZONING DISTRICT; OR

25 (e) APPLIES MORE RESTRICTIVE AESTHETIC DESIGN OR
26 DIMENSIONAL STANDARDS TO ACCESSORY DWELLING UNITS THAT ARE
27 FACTORY-BUILT RESIDENTIAL STRUCTURES, AS DEFINED IN SECTION

1 24-32-3302 (10), THAN OTHER ACCESSORY DWELLING UNITS.

2 (18)(a) "SHORT-TERM RENTAL" MEANS THE RENTAL OF A LODGING
3 UNIT FOR LESS THAN THIRTY DAYS. AS USED IN THIS SUBSECTION (18),
4 "LODGING UNIT" MEANS ANY PROPERTY OR PORTION OF A PROPERTY THAT
5 IS AVAILABLE FOR LODGING; EXCEPT THAT THE TERM EXCLUDES A HOTEL
6 OR MOTEL UNIT.

7 (b) NOTWITHSTANDING SUBSECTION (15)(a) OF THIS SECTION, A
8 LOCAL GOVERNMENT MAY APPLY ITS OWN DEFINITION OF "SHORT-TERM
9 RENTAL" FOR PURPOSES OF THIS PART 1.

10 (19) "SINGLE-UNIT DETACHED DWELLING" MEANS A DETACHED
11 BUILDING WITH A SINGLE DWELLING UNIT ON A SINGLE LOT.

12 (20) "SUBJECT JURISDICTION" MEANS EITHER:

13 (a) A MUNICIPALITY THAT BOTH HAS A POPULATION OF ONE
14 THOUSAND OR MORE, AS REPORTED BY THE STATE DEMOGRAPHY OFFICE,
15 AND IS WITHIN A METROPOLITAN PLANNING ORGANIZATION; OR

16 (b) THE PORTION OF A COUNTY THAT IS BOTH WITHIN A CENSUS
17 DESIGNATED PLACE WITH A POPULATION OF TEN THOUSAND OR MORE, AS
18 REPORTED IN THE MOST RECENT DECENNIAL CENSUS, AND WITHIN A
19 METROPOLITAN PLANNING ORGANIZATION.

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

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

26 **29-35-103. Accessory dwelling unit requirements for a subject**
27 **jurisdiction.** (1) A SUBJECT JURISDICTION SHALL ALLOW, SUBJECT TO AN

1 ADMINISTRATIVE APPROVAL PROCESS, ONE ACCESSORY DWELLING UNIT AS
2 AN ACCESSORY USE TO A SINGLE-UNIT DETACHED DWELLING IN ANY PART
3 OF THE SUBJECT JURISDICTION WHERE THE JURISDICTION ALLOWS
4 SINGLE-UNIT DETACHED DWELLINGS.

5 (2) A SUBJECT JURISDICTION SHALL NOT:

6 (a) REQUIRE NEW PARKING IN CONNECTION WITH THE
7 CONSTRUCTION OR CONVERSION OF AN ACCESSORY DWELLING UNIT;

8 (b) REQUIRE AN ACCESSORY DWELLING UNIT, OR ANY OTHER
9 DWELLING ON THE SAME LOT AS AN ACCESSORY DWELLING UNIT, TO BE
10 OWNER-OCCUPIED; OR

11 (c) APPLY A RESTRICTIVE DESIGN OR DIMENSION STANDARD TO AN
12 ACCESSORY DWELLING UNIT.

13 (3) NOTHING IN THIS SECTION PREVENTS A SUBJECT JURISDICTION
14 OR OTHER LOCAL GOVERNMENT FROM:

15 (a) ALLOWING THE CONSTRUCTION OR CONVERSION OF AN
16 ACCESSORY DWELLING UNIT THAT IS SMALLER THAN FIVE HUNDRED
17 SQUARE FEET OR GREATER THAN EIGHT HUNDRED SQUARE FEET, OR
18 RESTRICTING THE SIZE OF AN ACCESSORY DWELLING UNIT SO THAT IT IS NO
19 LARGER THAN THE SIZE OF THE PRINCIPAL DWELLING UNIT ON THE SAME
20 LOT AS THE ACCESSORY DWELLING UNIT;

21 (b) ALLOWING THE CONSTRUCTION OR CONVERSION OF MULTIPLE
22 ACCESSORY DWELLING UNITS ON THE SAME LOT;

23 (c) APPLYING A DESIGN OR DIMENSION STANDARD TO AN
24 ACCESSORY DWELLING UNIT THAT IS NOT A RESTRICTIVE DESIGN OR
25 DIMENSION STANDARD;

26 (d) ADOPTING OR ENFORCING A GENERALLY APPLICABLE
27 REQUIREMENT FOR:

1 (I) THE PAYMENT OF AN IMPACT FEE OR OTHER SIMILAR
2 DEVELOPMENT CHARGE, PURSUANT TO SECTION 29-20-104.5; OR

3 (II) THE MITIGATION OF IMPACTS IN CONFORMANCE WITH THE
4 REQUIREMENTS OF PART 2 OF ARTICLE 20 OF THIS TITLE 29;

5 (e) ENACTING OR APPLYING A LOCAL LAW CONCERNING THE
6 SHORT-TERM RENTAL OF AN ACCESSORY DWELLING UNIT OR ANY OTHER
7 DWELLING ON THE SAME LOT AS AN ACCESSORY DWELLING UNIT;

8 (f) APPLYING THE DESIGN STANDARDS AND PROCEDURES OF A
9 HISTORIC DISTRICT TO A LOT ON WHICH AN ACCESSORY DWELLING UNIT IS
10 ALLOWED IN THAT HISTORIC DISTRICT, INCLUDING A STANDARD OR
11 PROCEDURE RELATED TO DEMOLITION;

12 (g) APPLYING AND ENFORCING A LOCALLY ADOPTED LIFE SAFETY
13 CODE, INCLUDING BUT NOT LIMITED TO, A BUILDING, FIRE, UTILITY, OR
14 STORMWATER CODE;

15 (h) ALLOWING THE CONSTRUCTION OF, OR ISSUING A PERMIT FOR
16 THE CONSTRUCTION OF, A SINGLE-UNIT DETACHED DWELLING IN AN AREA
17 ZONED FOR SINGLE-UNIT DETACHED DWELLINGS; OR

18 (i) ENCOURAGING THE CONSTRUCTION OF ACCESSORY DWELLING
19 UNITS THAT ARE, THROUGH THE APPLICATION OF LOCAL LAWS OR
20 PROGRAMS, MADE AFFORDABLE TO HOUSEHOLDS UNDER CERTAIN INCOME
21 LIMITS OR USED PRIMARILY TO HOUSE THE LOCAL WORKFORCE.

22 (4) THIS SECTION ONLY APPLIES TO A PARCEL IN A SUBJECT
23 JURISDICTION THAT IS NOT AN EXEMPT PARCEL.

24 **29-35-104. Accessory dwelling unit supportive jurisdiction**
25 **report - certification of a jurisdiction as an accessory dwelling unit**
26 **supportive jurisdiction.** (1) (a) IN ORDER TO BE CERTIFIED AS AN
27 ACCESSORY DWELLING UNIT SUPPORTIVE JURISDICTION BY THE DIVISION,

1 A LOCAL GOVERNMENT MUST SUBMIT TO THE DIVISION, IN A FORM AND
2 MANNER DETERMINED BY THE DIVISION, A REPORT DEMONSTRATING
3 EVIDENCE OF THE LOCAL GOVERNMENT:

4 (I) COMPLYING WITH SECTION 29-35-103; AND

5 (II) IMPLEMENTING ONE OR MORE OF THE FOLLOWING STRATEGIES:

6 (A) WAIVING OR REDUCING ACCESSORY DWELLING UNIT-RELATED
7 FEES THAT ARE INCURRED BY LOW- AND MODERATE-INCOME HOUSEHOLDS;

8 (B) ENACTING LOCAL LAWS OR PROGRAMS THAT INCENTIVIZE THE
9 AFFORDABILITY OF CERTAIN ACCESSORY DWELLING UNITS INCLUDING
10 ACCESSORY DWELLING UNITS USED PRIMARILY TO HOUSE THE LOCAL
11 WORKFORCE;

12 (C) PRE-APPROVING PLANS FOR THE CONSTRUCTION OF ACCESSORY
13 DWELLING UNITS;

14 (D) IMPLEMENTING A PROGRAM TO PROVIDE EDUCATION AND
15 TECHNICAL ASSISTANCE TO HOMEOWNERS TO CONSTRUCT OR CONVERT AN
16 ACCESSORY DWELLING UNIT;

17 (E) IMPLEMENTING A PROGRAM TO REGULATE THE USE OF
18 ACCESSORY DWELLING UNITS FOR SHORT-TERM RENTALS;

19 (F) ENACTING LOCAL LAWS THAT INCENTIVIZE THE CONSTRUCTION
20 AND CONVERSION OF ACCESSIBLE AND VISITABLE ACCESSORY DWELLING
21 UNITS;

22 (G) ASSISTING PROPERTY OWNERS WITH ENSURING THAT
23 PRE-EXISTING ACCESSORY DWELLING UNITS COMPLY WITH LOCAL LAWS;

24 (H) ENABLING A PATHWAY FOR THE SEPARATE SALE OF AN
25 ACCESSORY DWELLING UNIT;

26 (I) ENACTING LOCAL LAWS THAT ENCOURAGE THE CONSTRUCTION
27 OF ACCESSORY DWELLING UNITS THAT ARE FACTORY-BUILT RESIDENTIAL

1 STRUCTURES, AS DEFINED IN SECTION 24-32-3302 (10); OR

2 (J) ANY OTHER STRATEGY THAT IS APPROVED BY THE DIVISION
3 AND THAT ENCOURAGES THE CONSTRUCTION, CONVERSION, OR USE OF
4 ACCESSORY DWELLING UNITS.

5 (b) (I) ON OR BEFORE JUNE 30, 2025, DECEMBER 31, 2029, AND
6 DECEMBER 31 OF EVERY THIRD YEAR THEREAFTER, A SUBJECT
7 JURISDICTION SHALL SUBMIT THE REPORT DESCRIBED IN SUBSECTION (1)(a)
8 OF THIS SECTION.

9 (II) NOTWITHSTANDING SUBSECTION (1)(b)(I) OF THIS SECTION,
10 THE DIVISION MAY ALLOW A SUBJECT JURISDICTION TO SUBMIT THE
11 REPORT DESCRIBED IN SUBSECTION (1)(a) OF THIS SECTION NO MORE THAN
12 SIX MONTHS AFTER THE DEADLINES DESCRIBED IN SUBSECTION (1)(b)(I) OF
13 THIS SECTION IF THE SUBJECT JURISDICTION DEMONSTRATES, IN A FORM
14 AND MANNER DETERMINED BY THE DIVISION, THAT THE SUBJECT
15 JURISDICTION HAS:

16 (A) INITIATED A PROCESS TO UPDATE ITS LOCAL LAWS AS
17 NECESSARY TO COMPLY WITH THE REQUIREMENTS OF THE REPORT
18 DESCRIBED IN SUBSECTION (1)(a) OF THIS SECTION;

19 (B) A PLAN AND TIMELINE TO UPDATE ITS LOCAL LAWS AS
20 NECESSARY TO COMPLY WITH THE REQUIREMENTS OF THE REPORT
21 DESCRIBED IN SUBSECTION (1)(a) OF THIS SECTION; AND

22 (C) PROVIDED AN EXPLANATION FOR NOT BEING ABLE TO MEET
23 THE DEADLINES DESCRIBED IN SUBSECTION (1)(b)(I) OF THIS SECTION.

24 (c) IF A LOCAL GOVERNMENT THAT IS NOT A SUBJECT JURISDICTION
25 SUBMITS A REPORT PURSUANT TO SUBSECTION (1)(a) OF THIS SECTION,
26 THAT LOCAL GOVERNMENT SHALL, AS PART OF THE REPORT, SUBMIT
27 EVIDENCE OF COMPLYING WITH THE REQUIREMENTS FOR A SUBJECT

1 JURISDICTION DESCRIBED IN SECTION 29-35-103.

2 (2) (a) WITHIN NINETY DAYS OF RECEIVING A LOCAL
3 GOVERNMENT'S REPORT SUBMITTED PURSUANT TO SUBSECTION (1)(a) OF
4 THIS SECTION, THE DIVISION SHALL REVIEW THE REPORT, EITHER APPROVE
5 OR REJECT THE REPORT, AND PROVIDE FEEDBACK TO THE LOCAL
6 GOVERNMENT ON THE REPORT.

7 (b) IF THE DIVISION APPROVES A LOCAL GOVERNMENT'S REPORT
8 SUBMITTED PURSUANT TO SUBSECTION (1)(a) OF THIS SECTION, THE
9 DIVISION SHALL ISSUE TO THAT LOCAL GOVERNMENT A CERTIFICATE
10 INDICATING THAT THE LOCAL GOVERNMENT QUALIFIES AS AN ACCESSORY
11 DWELLING UNIT SUPPORTIVE JURISDICTION UNTIL THREE YEARS FROM
12 WHEN THE LOCAL GOVERNMENT SUBMITTED THE REPORT.

13 (c) IF THE DIVISION REJECTS A LOCAL GOVERNMENT'S REPORT
14 SUBMITTED PURSUANT TO SUBSECTION (1)(a) OF THIS SECTION, THE
15 DIVISION MAY GRANT THE LOCAL GOVERNMENT AN ADDITIONAL ONE
16 HUNDRED TWENTY DAYS TO CORRECT ANY DEFICIENCIES IDENTIFIED IN
17 THE REPORT AND RESUBMIT AN AMENDED REPORT. WITHIN NINETY DAYS
18 OF RECEIVING AN AMENDED REPORT, THE DIVISION SHALL REVIEW THE
19 AMENDED REPORT, EITHER APPROVE OR REJECT THE AMENDED REPORT,
20 AND PROVIDE FEEDBACK ON THE AMENDED REPORT.

21 (3) THE DIVISION, IN CONSULTATION WITH THE DEPARTMENT OF
22 TRANSPORTATION, THE COLORADO ENERGY OFFICE, AND THE COLORADO
23 OFFICE OF ECONOMIC DEVELOPMENT, MAY DEVELOP POLICIES AND
24 PROCEDURES AS NECESSARY TO IMPLEMENT THIS SECTION.

25 **29-35-105. Accessory dwelling unit fee reduction and**
26 **encouragement grant program - created - application - criteria -**
27 **awards - fund - reporting requirements - rules - definitions - repeal.**

1 (1) THE ACCESSORY DWELLING UNIT FEE REDUCTION AND
2 ENCOURAGEMENT GRANT PROGRAM IS CREATED IN THE DIVISION TO
3 PROVIDE GRANTS TO ACCESSORY DWELLING UNIT SUPPORTIVE
4 JURISDICTIONS FOR ACTIVITIES THAT PROMOTE THE CONSTRUCTION OF
5 ACCESSORY DWELLING UNITS, INCLUDING BUT NOT LIMITED TO,
6 OFFSETTING COSTS INCURRED IN CONNECTION WITH DEVELOPING
7 PRE-APPROVED ACCESSORY DWELLING UNIT PLANS, PROVIDING TECHNICAL
8 ASSISTANCE TO PERSONS CONVERTING OR CONSTRUCTING ACCESSORY
9 DWELLING UNITS, OR WAIVING OR REDUCING ACCESSORY DWELLING UNIT
10 ASSOCIATED FEES AND OTHER REQUIRED COSTS.

11 (2) GRANT RECIPIENTS MAY USE THE MONEY RECEIVED THROUGH
12 THE GRANT PROGRAM TO OFFSET BOTH ELIGIBLE COSTS AND THE COST OF
13 WAIVING OR REDUCING REASONABLE AND NECESSARY ACCESSORY
14 DWELLING UNIT FEES AND OTHER REQUIRED COSTS FOR:

- 15 (a) LOW- AND MODERATE-INCOME HOUSEHOLDS;
- 16 (b) AFFORDABLE ACCESSORY DWELLING UNITS;
- 17 (c) ACCESSIBLE OR VISITABLE ACCESSORY DWELLING UNITS;
- 18 (d) ACCESSORY DWELLING UNITS USED AS LONG-TERM RENTALS
19 FOR MEMBERS OF THE LOCAL WORKFORCE; OR
- 20 (e) ACCESSORY DWELLING UNITS USED TO SUPPORT OTHER
21 DEMONSTRATED HOUSING NEEDS IN THE COMMUNITY.

22 (3) THE DIVISION SHALL ADMINISTER THE GRANT PROGRAM AND,
23 SUBJECT TO AVAILABLE APPROPRIATIONS, PROVIDE TECHNICAL
24 ASSISTANCE, RECEIVE GRANT APPLICATIONS AND AWARD GRANTS AS
25 PROVIDED IN THIS SECTION.

26 (4) TO RECEIVE A GRANT, AN ACCESSORY DWELLING UNIT
27 SUPPORTIVE JURISDICTION MUST SUBMIT AN APPLICATION TO THE DIVISION

1 IN ACCORDANCE WITH THE POLICIES AND PROCEDURES DEVELOPED BY THE
2 DIVISION PURSUANT TO SUBSECTION (9) OF THIS SECTION. AT A MINIMUM,
3 THE APPLICATION MUST INCLUDE THE FOLLOWING:

4 (a) A COPY OF THE CERTIFICATE ISSUED BY THE DIVISION
5 PURSUANT TO SECTION 29-35-104 CERTIFYING THAT THE LOCAL
6 GOVERNMENT IS AN ACCESSORY DWELLING UNIT SUPPORTIVE
7 JURISDICTION;

8 (b) THE NUMBER OF ACCESSORY DWELLING UNITS THAT THE LOCAL
9 GOVERNMENT HAS PERMITTED AND WHEN THE LOCAL GOVERNMENT
10 PERMITTED THOSE ACCESSORY DWELLING UNITS;

11 (c) THE TYPE AND COSTS OF FEES AND OTHER ELIGIBLE COSTS THAT
12 THE LOCAL GOVERNMENT IS PROPOSING TO USE A GRANT AWARD TO PAY
13 FOR;

14 (d) THE NUMBER OF ACCESSORY DWELLING UNITS THAT THE LOCAL
15 GOVERNMENT EXPECTS TO SUPPORT WITH A GRANT AWARD AND THE
16 PERIOD FOR WHICH THE LOCAL GOVERNMENT INTENDS TO SUPPORT THOSE
17 ACCESSORY DWELLING UNITS; AND

18 (e) INFORMATION ABOUT THE TYPES OF HOUSEHOLDS AND
19 ACCESSORY DWELLING UNITS THAT THE LOCAL GOVERNMENT INTENDS TO
20 SUPPORT WITH A GRANT AWARD, SUCH AS WHETHER THE LOCAL
21 GOVERNMENT INTENDS TO SUPPORT LOW- AND MODERATE-INCOME
22 HOUSEHOLDS, AFFORDABLE ACCESSORY DWELLING UNITS, ACCESSIBLE OR
23 VISITABLE ACCESSORY DWELLING UNITS, ACCESSORY DWELLING UNITS FOR
24 HOUSING THE LOCAL WORKFORCE, OR ACCESSORY DWELLING UNITS
25 SUPPORTING OTHER DEMONSTRATED HOUSING NEEDS IN THE COMMUNITY.

26 (5) THE DIVISION SHALL REVIEW THE APPLICATIONS RECEIVED
27 PURSUANT TO SUBSECTION (4) OF THIS SECTION. IN AWARDING GRANTS,

1 THE DIVISION SHALL GIVE PRIORITY TO LOCAL GOVERNMENTS THAT:

2 (a) IMPOSE ACCESSORY DWELLING UNIT FEES AND COSTS THAT ARE
3 REASONABLE AND NECESSARY; AND

4 (b) HAVE DEMONSTRATED A SIGNIFICANT COMMITMENT TO
5 FURTHER CONSTRUCTION AND CONVERSION OF ACCESSORY DWELLING
6 UNITS THROUGH THE ADOPTION OF STRATEGIES DESCRIBED IN SECTION
7 29-35-104 (1)(a)(II).

8 (6) IN AWARDING A GRANT, THE DIVISION SHALL AWARD A LOCAL
9 GOVERNMENT AN AMOUNT EQUAL TO NO MORE THAN TEN THOUSAND
10 DOLLARS PER ACCESSORY DWELLING UNIT PERMITTED BY THE LOCAL
11 GOVERNMENT, TO BE REIMBURSED BASED ON THE NUMBER OF PERMITTED
12 ACCESSORY DWELLING UNITS.

13 (7) (a) THE ACCESSORY DWELLING UNIT FEE REDUCTION AND
14 ENCOURAGEMENT GRANT PROGRAM FUND IS CREATED IN THE STATE
15 TREASURY. THE FUND CONSISTS OF ANY MONEY THAT THE GENERAL
16 ASSEMBLY MAY TRANSFER OR APPROPRIATE TO THE FUND AND GIFTS,
17 GRANTS, OR DONATIONS CREDITED TO THE FUND. THE STATE TREASURER
18 SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT
19 AND INVESTMENT OF MONEY IN THE FUND TO THE FUND.

20 (b) SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL
21 ASSEMBLY, THE DIVISION MAY EXPEND MONEY FROM THE FUND FOR THE
22 PURPOSE OF IMPLEMENTING AND ADMINISTERING THE GRANT PROGRAM.

23 (c) ON OR BEFORE JUNE 30, 2024, THE STATE TREASURER SHALL
24 TRANSFER TEN MILLION DOLLARS FROM THE GENERAL FUND TO THE FUND.

25 (8) IN ACCORDANCE WITH THE POLICIES AND PROCEDURES
26 DEVELOPED BY THE DIVISION PURSUANT TO SUBSECTION (9) OF THIS
27 SECTION, EACH LOCAL GOVERNMENT THAT RECEIVES A GRANT THROUGH

1 THE GRANT PROGRAM SHALL SUBMIT A REPORT TO THE DIVISION. AT A
2 MINIMUM, THE REPORT MUST INCLUDE THE FOLLOWING INFORMATION:

3 (a) THE NUMBER OF ACCESSORY DWELLING UNITS WITH
4 ACCESSORY DWELLING UNIT FEES OR COSTS THAT LOCAL GOVERNMENTS
5 REDUCED OR WAIVED IN THE PAST YEAR IN CONNECTION WITH THE GRANT
6 PROGRAM;

7 (b) THE TOTAL AMOUNT OF ELIGIBLE COSTS THAT LOCAL
8 GOVERNMENTS INCURRED AND WERE REIMBURSED FOR THROUGH THE
9 GRANT PROGRAM IN THE PAST YEAR IN CONNECTION WITH THE GRANT
10 PROGRAM;

11 (c) THE NUMBER OF THE ACCESSORY DWELLING UNITS DESCRIBED
12 IN SUBSECTION (8)(a) OF THIS SECTION THAT WERE BUILT IN THE PAST
13 YEAR THAT WERE BUILT BY LOW- AND MODERATE-INCOME HOUSEHOLDS,
14 THAT ARE AFFORDABLE ACCESSORY DWELLING UNITS, THAT ARE
15 VISITABLE OR ACCESSIBLE ACCESSORY DWELLING UNITS, OR THAT ARE
16 ACCESSORY DWELLING UNITS USED AS LONG-TERM RENTALS FOR MEMBERS
17 OF THE LOCAL WORKFORCE;

18 (d) THE NUMBER OF ACCESSORY DWELLING UNITS THAT ARE
19 FACTORY-BUILT RESIDENTIAL STRUCTURES, AS DEFINED IN SECTION
20 24-32-3302 (10); AND

21 (e) THE NUMBER OF ACCESSORY DWELLING UNIT PERMITS
22 AWARDED, DENIED, OR IN PROGRESS IN THE LOCAL GOVERNMENT'S
23 JURISDICTION.

24 (9) THE DIVISION SHALL IMPLEMENT THE GRANT PROGRAM IN
25 ACCORDANCE WITH THIS SECTION. THE DIVISION SHALL DEVELOP, IN
26 CONSULTATION WITH THE DEPARTMENT OF TRANSPORTATION, THE
27 COLORADO ENERGY OFFICE, AND THE COLORADO OFFICE OF ECONOMIC

1 DEVELOPMENT, POLICIES AND PROCEDURES BOTH AS REQUIRED IN THIS
2 SECTION AND AS MAY BE NECESSARY TO IMPLEMENT THE GRANT
3 PROGRAM.

4 (10) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
5 REQUIRES:

6 (a) "ACCESSORY DWELLING UNIT FEE" MEANS A REASONABLE AND
7 NECESSARY FEE COLLECTED OR REQUIRED BY A LOCAL GOVERNMENT IN
8 CONNECTION WITH THE CONSTRUCTION OR CONVERSION OF AN ACCESSORY
9 DWELLING UNIT. SUCH A FEE MAY INCLUDE IMPACT FEES.

10 (b) (I) "ELIGIBLE COSTS" MEANS COSTS INCURRED BY A LOCAL
11 GOVERNMENT AND DETERMINED BY THE DIVISION TO BE INCURRED IN
12 CONNECTION WITH DEVELOPING PRE-APPROVED ACCESSORY DWELLING
13 UNIT PLANS, PROVIDING TECHNICAL ASSISTANCE TO PERSONS CONVERTING
14 OR CONSTRUCTING ACCESSORY DWELLING UNITS, OR OTHER REASONABLE
15 AND NECESSARY FEES LEVIED BY OR COSTS BORNE BY THE LOCAL
16 GOVERNMENT FOR THE CONSTRUCTION OR CONVERSION OF AN ACCESSORY
17 DWELLING UNIT.

18 (II) NOTWITHSTANDING SUBSECTION (10)(b)(I) OF THIS SECTION,
19 IN ORDER FOR COSTS INCURRED BY A LOCAL GOVERNMENT IN CONNECTION
20 WITH DEVELOPING PRE-APPROVED ACCESSORY DWELLING UNIT PLANS TO
21 QUALIFY AS ELIGIBLE COSTS, AT LEAST ONE SUCH PRE-APPROVED
22 ACCESSORY DWELLING UNIT PLAN MUST BE FOR AN ACCESSIBLE OR
23 VISITABLE ACCESSORY DWELLING UNIT.

24 (c) "FUND" MEANS THE ACCESSORY DWELLING UNIT FEE
25 REDUCTION AND ENCOURAGEMENT GRANT PROGRAM FUND CREATED IN
26 SUBSECTION (7) OF THIS SECTION.

27 (d) "GRANT PROGRAM" MEANS THE ACCESSORY DWELLING UNIT

1 FEE REDUCTION AND ENCOURAGEMENT GRANT PROGRAM CREATED IN THIS
2 SECTION.

3 (11) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2030.

4 **SECTION 2.** In Colorado Revised Statutes, 24-46-104, **add**
5 (1)(q) as follows:

6 **24-46-104. Powers and duties of commission - repeal.** (1) The
7 commission has the following powers and duties:

8 (q) TO EXPEND EIGHT MILLION DOLLARS TO CONTRACT WITH THE
9 COLORADO HOUSING AND FINANCE AUTHORITY, CREATED IN PART 7 OF
10 ARTICLE 4 OF TITLE 29, FOR THE OPERATION OF ONE OR MORE OF THE
11 FOLLOWING PROGRAMS TO BENEFIT RESIDENTS OF LOCAL GOVERNMENTS
12 THAT HAVE BEEN CERTIFIED AS ACCESSORY DWELLING UNIT SUPPORTIVE
13 JURISDICTIONS BY THE DIVISION OF LOCAL GOVERNMENT PURSUANT TO
14 SECTION 29-35-104:

15 (I) AN ACCESSORY DWELLING UNIT LOSS RESERVE PROGRAM THAT
16 OFFERS AFFORDABLE LOANS FOR THE CONSTRUCTION OR CONVERSION OF
17 ACCESSORY DWELLING UNITS;

18 (II) A PROGRAM THAT ALLOWS FOR THE BUYING DOWN OF
19 INTEREST RATES ON LOANS MADE IN CONNECTION WITH THE
20 CONSTRUCTION OR CONVERSION OF ACCESSORY DWELLING UNITS;

21 (III) A PROGRAM THAT OFFERS DOWN PAYMENT ASSISTANCE IN
22 CONNECTION WITH ACCESSORY DWELLING UNITS; AND

23 (IV) A PROGRAM IN WHICH THE COLORADO HOUSING AND FINANCE
24 AUTHORITY OFFERS DIRECT LOANS IN CONNECTION WITH THE
25 CONSTRUCTION OR CONVERSION OF ACCESSORY DWELLING UNITS.

26 **SECTION 3.** In Colorado Revised Statutes, 24-67-105, **add** (5.5)
27 as follows:

1 **24-67-105. Standards and conditions for planned unit**
2 **development - definitions.** (5.5) (a) IN A SUBJECT JURISDICTION, ANY
3 PLANNED UNIT DEVELOPMENT RESOLUTION OR ORDINANCE THAT IS
4 ADOPTED OR APPROVED ON OR AFTER THE EFFECTIVE DATE OF THIS
5 SUBSECTION (5.5), AND THAT ALLOWS THE CONSTRUCTION OF ONE OR
6 MORE SINGLE-UNIT DETACHED DWELLINGS, MUST NOT RESTRICT THE
7 CREATION OF AN ACCESSORY DWELLING UNIT AS AN ACCESSORY USE TO
8 ANY SINGLE-UNIT DETACHED DWELLING MORE THAN THE LOCAL LAW THAT
9 APPLIES TO ACCESSORY DWELLING UNIT DEVELOPMENT OUTSIDE OF A
10 PLANNED UNIT DEVELOPMENT OR IN ANY WAY THAT IS PROHIBITED BY
11 SECTION 29-35-103.

12 (b) IN A SUBJECT JURISDICTION, ANY PLANNED UNIT DEVELOPMENT
13 RESOLUTION OR ORDINANCE THAT WAS ADOPTED OR APPROVED BEFORE
14 THE EFFECTIVE DATE OF THIS SUBSECTION (5.5), THAT ALLOWS THE
15 CONSTRUCTION OF ONE OR MORE SINGLE-UNIT DETACHED DWELLINGS,
16 AND THAT RESTRICTS THE CONSTRUCTION OF AN ACCESSORY DWELLING
17 UNIT AS AN ACCESSORY USE TO ANY SINGLE-UNIT DETACHED DWELLING
18 MORE THAN THE LOCAL LAW THAT APPLIES TO ACCESSORY DWELLING UNIT
19 DEVELOPMENT OUTSIDE OF A PLANNED UNIT DEVELOPMENT:

20 (I) SHALL NOT BE INTERPRETED OR ENFORCED TO RESTRICT THE
21 CREATION OF AN ACCESSORY DWELLING UNIT AS AN ACCESSORY USE TO
22 ANY SINGLE-UNIT DETACHED DWELLING UNIT IN ANY WAY THAT IS
23 PROHIBITED BY SECTION 29-35-103; AND

24 (II) MAY BE SUPERSEDED BY THE ADOPTION OF A LOCAL LAW
25 PURSUANT TO SECTION 29-35-103.

26 (c) NOTWITHSTANDING SUBSECTION (5.5)(b) OF THIS SECTION, A
27 LOCAL GOVERNMENT MAY ADOPT CONFORMING AMENDMENTS TO ANY

1 SUCH PLANNED UNIT DEVELOPMENT.

2 (d) AS USED IN THIS SUBSECTION (5.5), UNLESS THE CONTEXT
3 OTHERWISE REQUIRES:

4 (I) "ACCESSORY DWELLING UNIT" HAS THE SAME MEANING AS SET
5 FORTH IN SECTION 29-35-102 (2).

6 (II) "LOCAL LAW" HAS THE SAME MEANING AS SET FORTH IN
7 SECTION 29-35-102 (13).

8 (III) "SUBJECT JURISDICTION" HAS THE SAME MEANING AS SET
9 FORTH IN SECTION 29-35-102 (20).

10 **SECTION 4.** In Colorado Revised Statutes, 38-33.3-106.5, **add**
11 (3) as follows:

12 **38-33.3-106.5. Prohibitions contrary to public policy -**
13 **patriotic, political, or religious expression - public rights-of-way - fire**
14 **prevention - renewable energy generation devices - affordable**
15 **housing - drought prevention measures - child care - definitions.**

16 (3) (a) IN A SUBJECT JURISDICTION OR AN ACCESSORY DWELLING UNIT
17 SUPPORTIVE JURISDICTION, NO PROVISION OF A DECLARATION, BYLAW, OR
18 RULE OF AN ASSOCIATION THAT IS ADOPTED ON OR AFTER THE EFFECTIVE
19 DATE OF THIS SUBSECTION (3) MAY RESTRICT THE CREATION OF AN
20 ACCESSORY DWELLING UNIT AS AN ACCESSORY USE TO ANY SINGLE-UNIT
21 DETACHED DWELLING IN ANY WAY THAT IS PROHIBITED BY SECTION
22 29-35-103, AND ANY PROVISION OF A DECLARATION, BYLAW, OR RULE
23 THAT INCLUDES SUCH A RESTRICTION IS VOID AS A MATTER OF PUBLIC
24 POLICY.

25 (b) IN A SUBJECT JURISDICTION OR AN ACCESSORY DWELLING UNIT
26 SUPPORTIVE JURISDICTION, NO PROVISION OF A DECLARATION, BYLAW, OR
27 RULE OF AN ASSOCIATION THAT IS ADOPTED BEFORE THE EFFECTIVE DATE

1 OF THIS SUBSECTION (3) MAY RESTRICT THE CREATION OF AN ACCESSORY
2 DWELLING UNIT AS AN ACCESSORY USE TO ANY SINGLE-UNIT DETACHED
3 DWELLING IN ANY WAY THAT IS PROHIBITED BY SECTION 29-35-103, AND
4 ANY PROVISION OF A DECLARATION, BYLAW, OR RULE THAT INCLUDES
5 SUCH A RESTRICTION IS VOID AS A MATTER OF PUBLIC POLICY.

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

8 (I) "ACCESSORY DWELLING UNIT" HAS THE SAME MEANING AS SET
9 FORTH IN SECTION 29-35-102 (2).

10 (II) "ACCESSORY DWELLING UNIT SUPPORTIVE JURISDICTION" HAS
11 THE SAME MEANING AS SET FORTH IN SECTION 29-35-102 (3).

12 (III) "SUBJECT JURISDICTION" HAS THE SAME MEANING AS SET
13 FORTH IN SECTION 29-35-102 (20).

14 **SECTION 5. 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.