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HOUSE BILL 24-1175

BY REPRESENTATIVE(S) Boesenecker and Sirota, Amabile, Bacon, Brown, Clifford, deGruy Kennedy, Epps, Froelich, Garcia, Hernandez, Herod, Jodeh, Joseph, Kipp, Lindsay, Mabrey, Marvin, McCormick, Ricks, Rutinel, Velasco, Vigil, Weissman, Willford, McCluskie, Daugherty, Duran, Lieder, Ortiz, Titone;
also SENATOR(S) Winter F. and Jaquez Lewis, Bridges, Cutter, Exum, Hinrichsen.

CONCERNING A LOCAL GOVERNMENT RIGHT OF FIRST REFUSAL OR OFFER TO PURCHASE QUALIFYING MULTIFAMILY PROPERTY FOR THE PURPOSE OF PROVIDING LONG-TERM AFFORDABLE HOUSING OR MIXED-INCOME DEVELOPMENT.

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

SECTION 1. In Colorado Revised Statutes, **add** part 12 to article 4 of title 29 as follows:

PART 12

LOCAL GOVERNMENT RIGHT OF FIRST REFUSAL OR FIRST OFFER TO PURCHASE MULTIFAMILY HOUSING

29-4-1201. Definitions. AS USED IN THIS PART 12, UNLESS THE

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

CONTEXT OTHERWISE REQUIRES:

(1) "AFFORDABLE HOUSING FINANCIAL ASSISTANCE" MEANS LOANS, GRANTS, EQUITY, BONDS, OR TAX CREDITS PROVIDED TO A MULTIFAMILY RENTAL PROPERTY FROM ANY SOURCE TO SUPPORT THE CREATION, PRESERVATION, OR REHABILITATION OF AFFORDABLE HOUSING THAT, AS A CONDITION OF FUNDING, ENCUMBERS THE PROPERTY WITH A RESTRICTED USE COVENANT OR SIMILAR RECORDED AGREEMENT TO ENSURE AFFORDABILITY.

(2) "APPLICABLE QUALIFYING PROPERTY" MEANS EITHER "QUALIFYING PROPERTY" AS DEFINED IN SECTION 29-4-1202 (1), OR "QUALIFYING PROPERTY" AS DEFINED IN SECTION 29-4-1203 (1).

(3) "APPLICABLE RIGHT" MEANS EITHER A LOCAL GOVERNMENT'S RIGHT OF FIRST REFUSAL AS SET FORTH IN SECTION 29-4-1202, OR RIGHT OF FIRST OFFER AS SET FORTH IN SECTION 29-4-1203.

(4) "AREA MEDIAN INCOME" MEANS THE MEDIAN INCOME OF THE COUNTY IN WHICH A QUALIFYING PROPERTY IS LOCATED IN RELATION TO HOUSEHOLD SIZE, AS ESTABLISHED ANNUALLY BY THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

(5) "COLORADO HOUSING AND FINANCE AUTHORITY" MEANS THE COLORADO HOUSING AND FINANCE AUTHORITY CREATED IN SECTION 29-4-704 (1).

(6) "EXISTING AFFORDABLE HOUSING" MEANS HOUSING THAT IS SUBJECT TO ONE OR MORE RESTRICTED USE COVENANTS OR SIMILAR RECORDED AGREEMENTS TO ENSURE AFFORDABILITY AND THAT IS CONSISTENT WITH AFFORDABLE HOUSING FINANCIAL ASSISTANCE REQUIREMENTS. "EXISTING AFFORDABLE HOUSING" DOES NOT INCLUDE PROPERTIES FOR WHICH ALL RESTRICTED USE COVENANTS OR AFFORDABILITY REQUIREMENTS HAVE EXPIRED AS OF JUNE 1, 2024.

(7) "LOCAL GOVERNMENT" MEANS:

(a) A CITY, CITY AND COUNTY, OR TOWN IF THE APPLICABLE QUALIFYING PROPERTY IS LOCATED WITHIN THE INCORPORATED AREA OF A CITY, A CITY AND COUNTY, OR A TOWN; AND

(b) A COUNTY IF THE APPLICABLE QUALIFYING PROPERTY IS LOCATED WITHIN THE UNINCORPORATED AREA OF A COUNTY.

(8) "LOCAL OR REGIONAL HOUSING AUTHORITY" MEANS A HOUSING AUTHORITY CREATED PURSUANT TO SECTION 29-4-204 (1), 29-4-306 (1), 29-4-402, OR 29-4-503 (1).

(9) (a) "LONG-TERM AFFORDABLE HOUSING" MEANS HOUSING FOR WHICH THE LOCAL GOVERNMENT ENSURES THAT AFFORDABILITY LEVELS AT AN APPLICABLE QUALIFYING PROPERTY ARE ON AVERAGE EQUAL TO OR GREATER THAN PREEXISTING LEVELS AT THE APPLICABLE QUALIFYING PROPERTY AND THAT THE AVERAGE ANNUAL RENTS AT THE APPLICABLE QUALIFYING PROPERTY DO NOT EXCEED THE RENT FOR HOUSEHOLDS OF A GIVEN SIZE AT A GIVEN AREA MEDIAN INCOME, AS ESTABLISHED ANNUALLY BY THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, FOR A MINIMUM OF FORTY YEARS, AND FOR WHICH THE LOCAL GOVERNMENT AGREES NOT TO RAISE RENT FOR ANY UNIT IN THE APPLICABLE QUALIFYING PROPERTY BY MORE THAN THE RENT INCREASE CAP; EXCEPT THAT THE RENT INCREASE CAP DOES NOT APPLY TO UNITS OF HOUSING THAT ARE SUBJECT TO RENT OR INCOME LIMITS ESTABLISHED PURSUANT TO LOCAL, STATE, FEDERAL, OR POLITICAL SUBDIVISION AFFORDABLE HOUSING PROGRAM GUIDELINES.

(b) NOTHING IN THIS SUBSECTION (9) PREVENTS A LOCAL GOVERNMENT FROM PROVIDING AFFORDABILITY REQUIREMENTS BEYOND FORTY YEARS OR FOR UNITS TO BE AFFORDABLE TO RENTERS WITH INCOMES BELOW EXISTING AFFORDABILITY LEVELS, IN WHICH CASE THE LOCAL GOVERNMENT'S REQUIREMENTS APPLY FOR PURPOSES OF THE DEFINITION OF "LONG-TERM AFFORDABLE HOUSING" AS SET FORTH IN SUBSECTION (9)(a) OF THIS SECTION.

(10) (a) "MATCHED OFFER" MEANS AN OFFER OF PURCHASE FOR A QUALIFYING PROPERTY, AS DEFINED IN SECTION 29-4-1202 (1), FOR A PRICE AND WITH OTHER MATERIAL TERMS AND CONDITIONS THAT ARE AT LEAST AS FAVORABLE TO THOSE IN AN ARM'S-LENGTH, THIRD-PARTY OFFER THAT A RESIDENTIAL SELLER HAS RECEIVED AND IS WILLING TO ACCEPT FOR THE SALE OF THE QUALIFYING PROPERTY; EXCEPT THAT, TO THE EXTENT THAT THERE ARE ANY PROVISIONS IN THE ARM'S-LENGTH, THIRD-PARTY OFFER THAT THE LOCAL GOVERNMENT IS PROHIBITED BY LAW FROM CONTRACTING FOR, THE LOCAL GOVERNMENT IS NOT REQUIRED TO INCLUDE SUCH

PROVISIONS IN ITS OFFER FOR ITS OFFER TO BE A MATCHED OFFER.

(b) "MATCHED OFFER" ALSO MEANS, IN THE ABSENCE OF AN ARM'S-LENGTH, THIRD-PARTY OFFER, AN OFFER OF PURCHASE FOR A QUALIFYING PROPERTY, AS DEFINED IN SECTION 29-4-1202 (1), FOR A PRICE AND WITH OTHER MATERIAL TERMS AND CONDITIONS COMPARABLE TO THOSE FOR WHICH THE RESIDENTIAL SELLER WOULD SELL, AND A WILLING BUYER WOULD PURCHASE, THE QUALIFYING PROPERTY.

(11) "MATERIAL TERMS AND CONDITIONS" MEANS, GENERALLY, SIGNIFICANT TERMS AND CONDITIONS OF A CONTRACT SUCH AS SALE PRICE, EARNEST MONEY, REPRESENTATIONS, WARRANTIES, PROPERTY DESCRIPTION, AND PERFORMANCE UNDER THE CONTRACT AND, IF A RESIDENTIAL SELLER HAS RECEIVED AN OFFER FROM A THIRD-PARTY BUYER THAT IS ENTIRELY A CASH OFFER FOR THE THIRD-PARTY TO PURCHASE THE QUALIFYING PROPERTY, THE LOCAL GOVERNMENT, IN ACCORDANCE WITH SECTION 29-4-1202 (5)(a)(II), MUST AGREE TO CLOSE ON THE QUALIFYING PROPERTY WITHIN THE SAME TIME PERIOD AS SET FORTH IN THE THIRD-PARTY BUYER'S OFFER FOR PURPOSES OF A MATCHED OFFER. "MATERIAL TERMS AND CONDITIONS" EXCLUDES, BUT IS NOT LIMITED TO EXCLUDING, THE TYPE OF FINANCING OR PAYMENT METHOD OR THE PERIOD FOR CLOSING.

(12) "MIXED-INCOME PROJECT" MEANS AN AFFORDABLE HOUSING DEVELOPMENT IN WHICH A PERCENTAGE OF UNITS HAVE RESTRICTED AVAILABILITY TO HOUSEHOLDS AT OR BELOW GIVEN AREA MEDIAN INCOME LEVELS, PROPORTIONAL TO THE DEMONSTRATED HOUSING NEEDS OF THE LOCAL COMMUNITY. THE PERCENTAGE OF INCOME RESTRICTED UNITS AND AFFORDABILITY LEVELS MUST COMPLY WITH LAWS ENACTED BY LOCAL GOVERNMENTS PROMOTING THE DEVELOPMENT OF NEW AFFORDABLE HOUSING UNITS PURSUANT TO SECTION 29-20-104 (1).

(13) "RENT INCREASE CAP" MEANS A PERCENTAGE OF THE CURRENT ANNUAL RENT FOR AN APPLICABLE QUALIFYING PROPERTY THAT IS EQUAL TO THE GREATER OF:

(a) THE AVERAGE ANNUAL PERCENTAGE CHANGE FOR THE PREVIOUS TWELVE MONTHS AT THE TIME OF THE CALCULATION IN THE UNITED STATES DEPARTMENT OF LABOR'S BUREAU OF LABOR STATISTICS CONSUMER PRICE INDEX FOR DENVER-AURORA-LAKESIDE FOR ALL ITEMS AND ALL URBAN CONSUMERS, OR ITS SUCCESSOR INDEX; OR

(b) THREE PERCENTAGE POINTS.

(14) "RESIDENTIAL SELLER" MEANS THE FEE SIMPLE OWNER OF AN APPLICABLE QUALIFYING PROPERTY. IF THERE IS MORE THAN ONE FEE SIMPLE OWNER OF AN APPLICABLE QUALIFYING PROPERTY, EACH FEE SIMPLE OWNER IS REFERRED TO IN THIS PART 12 JOINTLY AND SEVERALLY AS THE "RESIDENTIAL SELLER".

29-4-1202. Right of first refusal - eligibility - process - notice - tolling - definition. (1) **Definition of qualifying property.** AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES, "QUALIFYING PROPERTY" MEANS A MULTIFAMILY RESIDENTIAL OR MIXED-USE RENTAL PROPERTY CONSISTING OF NOT LESS THAN FIVE UNITS THAT IS EXISTING AFFORDABLE HOUSING, EXCLUDING A MOBILE HOME PARK AS DEFINED IN SECTION 38-12-201.5 (6). FOR THE PURPOSE OF DETERMINING WHETHER A PROPERTY CONSISTS OF AT LEAST THE MINIMUM NUMBER OF UNITS SET FORTH IN THIS SUBSECTION (1) FOR A QUALIFYING PROPERTY, AN ACCESSORY DWELLING UNIT DOES NOT COUNT AS A UNIT.

(2) **Local government's right of first refusal.** (a) IN ACCORDANCE WITH THIS PART 12, THE LOCAL GOVERNMENT FOR THE JURISDICTION IN WHICH A QUALIFYING PROPERTY IS LOCATED HAS A RIGHT OF FIRST REFUSAL TO PURCHASE THE QUALIFYING PROPERTY WITH A MATCHED OFFER.

(b)(I) ANY PURCHASE AND SALE AGREEMENT FOR THE CONVEYANCE OF A QUALIFYING PROPERTY BY A RESIDENTIAL SELLER IS CONTINGENT UPON THE RIGHT OF FIRST REFUSAL SET FORTH IN THIS SECTION.

(II) IF THE LOCAL GOVERNMENT PROVIDES NOTICE PURSUANT TO SUBSECTION (4)(a)(I) OF THIS SECTION TO A RESIDENTIAL SELLER THAT THE LOCAL GOVERNMENT MAY EXERCISE ITS RIGHT OF FIRST REFUSAL, THE RESIDENTIAL SELLER SHALL NOT PROCEED WITH THE SALE OF THE QUALIFYING PROPERTY TO ANY OTHER PARTY AND THE LOCAL GOVERNMENT SHALL HAVE A RIGHT TO MAKE A MATCHED OFFER.

(III) FOR THE PURPOSE OF DETERMINING WHETHER AN OFFER BY THE LOCAL GOVERNMENT IS A MATCHED OFFER, IT IS IMMATERIAL HOW THE OFFER WOULD BE FINANCED IF THE LOCAL GOVERNMENT HAS SECURED THE FINANCING OR DEMONSTRATES APPROVAL OF THE FINANCING IN CONNECTION WITH MAKING THE OFFER, NOTWITHSTANDING ANY REQUIREMENT OF

APPROPRIATION BY A GOVERNING BODY FOR THE FINANCING. FOR PURPOSES OF THIS SECTION, A RESIDENTIAL SELLER SHALL NEGOTIATE IN GOOD FAITH WITH THE LOCAL GOVERNMENT THAT MAKES A MATCHED OFFER. THIS INCLUDES, BUT IS NOT LIMITED TO, EVALUATING AN OFFER FROM THE LOCAL GOVERNMENT OR ITS ASSIGNEE WITHOUT CONSIDERATION OF:

(A) THE PERIOD FOR CLOSING;

(B) THE TYPE OF FINANCING OR PAYMENT METHOD;

(C) WHETHER OR NOT THE OFFER IS CONTINGENT ON A PARTICULAR FINANCING OR PAYMENT METHOD; EXCEPT THAT THE LOCAL GOVERNMENT MUST BE ABLE TO DEMONSTRATE THAT ITS FINANCING OR PAYMENT METHOD HAS BEEN APPROVED, NOTWITHSTANDING ANY REQUIREMENT OF APPROPRIATION BY A GOVERNING BODY FOR THE FINANCING OR PAYMENT METHOD; AND

(D) WHETHER OR NOT THE OFFER IS CONTINGENT ON AN APPRAISAL, INSPECTION, REVIEW OF TITLE, OBTAINING TITLE INSURANCE, OR OTHER CUSTOMARY CONDITIONS FOR THE SALE OF SIMILAR PROPERTY.

(IV) A RESIDENTIAL SELLER SHALL NOT COLLUDE WITH A POTENTIAL BUYER FOR THE PRIMARY PURPOSE OF INFLATING A SALES PRICE ABOVE THE MARKET PRICE OF A QUALIFYING PROPERTY.

(c) THE LOCAL GOVERNMENT'S RIGHT OF FIRST REFUSAL CONCERNING THE QUALIFYING PROPERTY IS LIMITED TO PRESERVING OR CONVERTING THE QUALIFYING PROPERTY TO LONG-TERM AFFORDABLE HOUSING DIRECTLY OR THROUGH ANOTHER ENTITY TO WHICH THE LOCAL GOVERNMENT ASSIGNS ITS RIGHTS PURSUANT SUBSECTION (2)(f) OF THIS SECTION OR TRANSFERS THE QUALIFYING PROPERTY.

(d) IF A QUALIFYING PROPERTY IS CLASSIFIED AS MIXED-USE, THE LOCAL GOVERNMENT'S OFFER MUST INCLUDE ANY COMMERCIAL PORTION OF THE QUALIFYING PROPERTY, BUT ONLY THE RESIDENTIAL PORTION OF THE QUALIFYING PROPERTY IS SUBJECT TO AFFORDABILITY REQUIREMENTS.

(e) THE LOCAL GOVERNMENT, IN EXERCISING ITS RIGHT OF FIRST REFUSAL, MAY PARTNER WITH A NONPROFIT ENTITY, A PRIVATE ENTITY, A QUASI-GOVERNMENTAL ENTITY, OR ANOTHER GOVERNMENTAL ENTITY TO

CO-FINANCE, LEASE, OR MANAGE THE QUALIFYING PROPERTY FOR THE PUBLIC PURPOSE OF MAINTAINING THE QUALIFYING PROPERTY AS LONG-TERM AFFORDABLE HOUSING AS LONG AS THE LOCAL GOVERNMENT OR ITS ASSIGNEE MAINTAINS OWNERSHIP OF THE QUALIFYING PROPERTY EITHER DIRECTLY OR THROUGH A SPECIAL PURPOSE ENTITY OR AFFILIATE.

(f) AT ANY TIME, THE LOCAL GOVERNMENT MAY ASSIGN THE RIGHT OF FIRST REFUSAL WITH RESPECT TO A SPECIFIC QUALIFYING PROPERTY OR WITH RESPECT TO ALL QUALIFYING PROPERTIES IN THE LOCAL GOVERNMENT'S JURISDICTION TO A HOUSING AUTHORITY THAT IS WITHIN THE LOCAL GOVERNMENT'S JURISDICTION, A REGIONAL HOUSING AUTHORITY THAT SERVES THE LOCAL GOVERNMENT'S JURISDICTION, OR THE COLORADO HOUSING AND FINANCE AUTHORITY, SUBJECT TO THE REQUIREMENTS THAT THE QUALIFYING PROPERTY IS USED TO PRESERVE OR BE CONVERTED TO LONG-TERM AFFORDABLE HOUSING AND THAT ALL OTHER PROVISIONS OF THIS PART 12 APPLY TO THE ASSIGNEE. IF THE PROPOSED ASSIGNEE ACCEPTS THE ASSIGNMENT OF THE RIGHT OF FIRST REFUSAL IN WRITING, UPON ASSIGNMENT, THE ASSIGNEE ASSUMES ALL LIABILITY OF THE LOCAL GOVERNMENT REGARDING THE EXERCISE OF THE RIGHT OF FIRST REFUSAL AND IS RESPONSIBLE FOR PERFORMING ALL REQUIREMENTS PURSUANT TO THIS PART 12 WITH RESPECT TO A QUALIFYING PROPERTY AS IF THE ASSIGNEE WERE THE LOCAL GOVERNMENT. THE LOCAL GOVERNMENT MUST PROVIDE NOTICE OF ANY ASSIGNMENT AS FOLLOWS:

(I) IF THE LOCAL GOVERNMENT HAS ASSIGNED ITS RIGHT OF FIRST REFUSAL WITH RESPECT TO ALL PROPERTIES WITHIN ITS JURISDICTION, THE LOCAL GOVERNMENT MUST POST A NOTICE IN A CONSPICUOUS LOCATION ON ITS WEBSITE INDICATING THAT THE LOCAL GOVERNMENT HAS ASSIGNED ITS RIGHT OF FIRST REFUSAL AND LISTING THE ASSIGNEE'S NAME AND CONTACT INFORMATION TO RECEIVE NOTICES REQUIRED PURSUANT TO THIS SECTION. THE NOTICE POSTED IN ACCORDANCE WITH THIS SUBSECTION (2)(f)(I) MUST BE EFFECTIVE FOR AT LEAST THREE MONTHS AFTER IT IS POSTED AND MUST EXPLICITLY STATE THE DATE IT EXPIRES, IF ANY. ANY NOTICE POSTED BY THE LOCAL GOVERNMENT IN ACCORDANCE WITH THIS SUBSECTION (2)(f)(I) IS DEEMED CONSTRUCTIVE NOTICE TO THE RESIDENTIAL SELLER.

(II) IF THE LOCAL GOVERNMENT HAS NOT POSTED NOTICE IN ACCORDANCE WITH SUBSECTION (2)(f)(I) OF THIS SECTION AND ASSIGNS ITS RIGHT OF FIRST REFUSAL WITH RESPECT TO ALL QUALIFYING PROPERTIES IN ITS JURISDICTION OR WITH RESPECT TO A QUALIFYING PROPERTY THAT IS THE

SUBJECT OF THE NOTICE PROVIDED BY A RESIDENTIAL SELLER IN ACCORDANCE WITH SUBSECTION (3)(b) OF THIS SECTION AFTER RECEIPT OF SUCH NOTICE, THE LOCAL GOVERNMENT SHALL IMMEDIATELY NOTIFY THE RESIDENTIAL SELLER OF THE ASSIGNMENT AND OF THE ASSIGNEE'S ADDRESS TO RECEIVE ANY NOTICES THE RESIDENTIAL SELLER IS REQUIRED TO SEND IN ACCORDANCE WITH THIS SECTION; EXCEPT THAT, IF THE SALE OF THE QUALIFYING PROPERTY THAT IS THE SUBJECT OF THE NOTICE PROVIDED BY THE RESIDENTIAL SELLER IN ACCORDANCE WITH SUBSECTION (3)(b) OF THIS SECTION HAS CONCLUDED, THEN NO NOTICE BY THE LOCAL GOVERNMENT OF THE ASSIGNMENT IS REQUIRED.

(g) (I) THE GOVERNING BODY OF A LOCAL GOVERNMENT HAS THE RIGHT TO WAIVE THE RIGHT OF FIRST REFUSAL PROVIDED IN THIS SECTION.

(II) (A) IF THE GOVERNING BODY OF A LOCAL GOVERNMENT HAS WAIVED ITS RIGHT OF FIRST REFUSAL, IT SHALL POST A NOTICE IN A CONSPICUOUS LOCATION ON ITS WEBSITE INDICATING THAT THERE IS A WAIVER AND THAT RESIDENTIAL SELLERS WITH QUALIFYING PROPERTIES WITHIN ITS JURISDICTION DO NOT HAVE AN OBLIGATION TO COMPLY WITH THIS SECTION. THE LOCAL GOVERNMENT SHALL ALSO PROVIDE WRITTEN NOTICE TO THE COLORADO HOUSING AND FINANCE AUTHORITY OF THE WAIVER.

(B) THE NOTICE POSTED OR PROVIDED IN ACCORDANCE WITH SUBSECTION (2)(g)(II)(A) OF THIS SECTION MUST BE EFFECTIVE FOR AT LEAST THREE MONTHS AFTER IT IS POSTED OR PROVIDED, AS APPLICABLE, AND MUST EXPLICITLY STATE THE DATE IT EXPIRES, IF ANY.

(C) FAILURE TO POST OR PROVIDE NOTICE PURSUANT TO THIS SUBSECTION (2)(g)(II) DOES NOT OTHERWISE AFFECT THE LOCAL GOVERNMENT'S RIGHT OF FIRST REFUSAL.

(3) Notices by residential seller. (a) (I) (A) NOT LESS THAN TWO YEARS BEFORE THE FINAL EXPIRATION OF THE LAST REMAINING AFFORDABILITY RESTRICTION INCUMBENT TO A QUALIFYING PROPERTY'S FUNDING SOURCES, A RESIDENTIAL SELLER SHALL PROVIDE NOTICE TO THE COLORADO HOUSING AND FINANCE AUTHORITY AND THE GOVERNING BODY OF THE LOCAL GOVERNMENT IN WHICH THE QUALIFYING PROPERTY IS LOCATED OF THE EXPIRATION OF SUCH RESTRICTION. THE NOTICE MUST INCLUDE THE DATE OF EXPIRATION OF THE LAST REMAINING AFFORDABILITY

RESTRICTION AND CONTACT INFORMATION FOR THE RESIDENTIAL SELLER.

(B) NOTWITHSTANDING SUBSECTION (3)(a)(I)(A) OF THIS SECTION, WHETHER NOTICE IS PROVIDED PURSUANT TO SUBSECTION (3)(a)(I)(A) OF THIS SECTION IS NOT RELEVANT TO DETERMINING A RESIDENTIAL SELLER'S OR LOCAL GOVERNMENT'S COMPLIANCE WITH THE REQUIREMENTS OF THIS PART 12 AND IS NOT SUBJECT TO ANY PROVISIONS SET FORTH IN SECTION 29-4-1206. PROVISION OF THE NOTICE REQUIRED BY SUBSECTION (3)(a)(I)(A) OF THIS SECTION IS NOT A TRIGGERING EVENT PURSUANT TO SUBSECTION (3)(b)(I) OF THIS SECTION.

(II) NOT LESS THAN SIX MONTHS BEFORE THE FINAL EXPIRATION OF THE LAST REMAINING AFFORDABILITY RESTRICTION INCUMBENT TO A QUALIFYING PROPERTY'S FUNDING SOURCES, A RESIDENTIAL SELLER SHALL PROVIDE NOTICE TO THE COLORADO HOUSING AND FINANCE AUTHORITY AND THE GOVERNING BODY OF THE LOCAL GOVERNMENT IN WHICH THE QUALIFYING PROPERTY IS LOCATED OF THE EXPIRATION OF SUCH RESTRICTION. THE NOTICE MUST INDICATE WHETHER THE RESIDENTIAL SELLER ANTICIPATES THAT IT WILL RECAPITALIZE AND CONTINUE TO OPERATE THE QUALIFYING PROPERTY AT AFFORDABILITY LEVELS AT LEAST ON AVERAGE EQUAL TO WHAT HAS BEEN PROVIDED AT THE QUALIFYING PROPERTY, RETAIN OWNERSHIP OF THE QUALIFYING PROPERTY AND LET AFFORDABILITY REQUIREMENTS EXPIRE, OR SELL THE QUALIFYING PROPERTY UPON EXPIRATION OF THE RESTRICTIONS.

(III) THE NOTICES PROVIDED TO THE COLORADO HOUSING AND FINANCE AUTHORITY PURSUANT TO THIS SUBSECTION (3)(a) DO NOT CREATE AN OBLIGATION OR REQUIREMENT FOR THE COLORADO HOUSING AND FINANCE AUTHORITY TO TAKE ACTION WITH RESPECT TO THE QUALIFYING PROPERTY OR TO PROVIDE ANY ENFORCEMENT OR COMPLIANCE MONITORING OF ANY REQUIREMENTS OF THIS PART 12.

(b)(I) WITHIN FOURTEEN CALENDAR DAYS OF A TRIGGERING EVENT, A RESIDENTIAL SELLER SHALL PROVIDE NOTICE IN ACCORDANCE WITH THIS SUBSECTION (3)(b) AND SUBSECTION (3)(d) OF THIS SECTION TO THE GOVERNING BODY OF THE LOCAL GOVERNMENT IN WHICH THE QUALIFYING PROPERTY IS LOCATED AND SHALL MAKE A GOOD FAITH EFFORT TO ENSURE THE NOTICE IS RECEIVED BY THE LOCAL GOVERNMENT. A TRIGGERING EVENT IS THE FIRST TO OCCUR OF ANY OF THE FOLLOWING EVENTS WHEN THE RESIDENTIAL SELLER:

(A) MATERIALLY DEPARTS FROM ANY REPRESENTATION MADE IN THE NOTICES REQUIRED PURSUANT TO SUBSECTION (3)(a) OF THIS SECTION AFTER AFFORDABILITY RESTRICTIONS EXPIRE IN A MANNER THAT INDICATES AN INTENT TO SELL THE QUALIFYING PROPERTY;

(B) SIGNS A LETTER OF INTENT, OPTION TO SELL OR BUY, OR OTHER CONDITIONAL WRITTEN AGREEMENT WITH A POTENTIAL BUYER FOR THE SALE OR TRANSFER OF THE QUALIFYING PROPERTY, WHICH INCLUDES THE ESTIMATED PRICE, TERMS, AND CONDITIONS OF THE PROPOSED SALE OR TRANSFER, EVEN IF THE PRICE, TERMS, OR CONDITIONS ARE SUBJECT TO CHANGE;

(C) LISTS THE QUALIFYING PROPERTY FOR SALE; OR

(D) MAKES A CONDITIONAL ACCEPTANCE OF AN OFFER FOR THE SALE OR TRANSFER OF THE QUALIFYING PROPERTY.

(II) THE NOTICE REQUIRED PURSUANT TO THIS SUBSECTION (3)(b) MUST INCLUDE:

(A) A GENERAL DESCRIPTION OF THE QUALIFYING PROPERTY TO BE SOLD, INCLUDING THE ADDRESS AND NAME OF THE PROPERTY, IF ANY, AND ANY ADDITIONAL DESCRIPTIONS OF THE QUALIFYING PROPERTY ON FILE WITH THE OFFICE OF THE ASSESSOR IN THE COUNTY IN WHICH THE QUALIFYING PROPERTY IS LOCATED;

(B) THE RESIDENTIAL SELLER'S ADDRESS AND, IF AVAILABLE, ELECTRONIC MAILING ADDRESS TO RECEIVE NOTICES FROM THE LOCAL GOVERNMENT;

(C) THE PRICE, TERMS, AND CONDITIONS OF AN ACCEPTABLE OFFER THE RESIDENTIAL SELLER HAS RECEIVED TO SELL THE QUALIFYING PROPERTY OR THE PRICE, TERMS, AND CONDITIONS FOR WHICH THE RESIDENTIAL SELLER INTENDS TO SELL THE QUALIFYING PROPERTY;

(D) ANY TERMS OR CONDITIONS WHICH, IF NOT MET, WOULD BE SUFFICIENT GROUNDS, IN THE RESIDENTIAL SELLER'S DISCRETION AND IN COMPLIANCE WITH THIS PART 12 AND ANY OTHER APPLICABLE LAW, TO REJECT AN OFFER; AND

(E) IF THE RESIDENTIAL SELLER HAS ENTERED INTO A CONTINGENT PURCHASE AND SALE AGREEMENT WITH A PROSPECTIVE BUYER, A COPY OF THE AGREEMENT.

(III) THE PRICE, TERMS, AND CONDITIONS REQUIRED TO BE STATED IN THE NOTICE PURSUANT TO SUBSECTION (3)(b)(II)(C) OF THIS SECTION MUST BE UNIVERSAL AND APPLICABLE TO ALL POTENTIAL BUYERS AND MUST NOT BE SPECIFIC TO OR PROHIBITIVE OF THE LOCAL GOVERNMENT MAKING A SUCCESSFUL OFFER TO PURCHASE THE QUALIFYING PROPERTY, MUST NOT BE UNLAWFUL, AND MUST NOT INHIBIT THE EXERCISE OF THE RIGHT OF FIRST REFUSAL PROVIDED FOR IN THIS SECTION.

(c) IF THE PRICE REQUIRED TO BE LISTED IN THE RESIDENTIAL SELLER'S NOTICE PURSUANT TO SUBSECTION (3)(b)(II)(C) OF THIS SECTION IS REDUCED BY FIVE PERCENT OR MORE OR THE TERMS OR CONDITIONS AS REQUIRED TO BE PROVIDED IN THE RESIDENTIAL SELLER'S NOTICE PURSUANT TO SUBSECTION (3)(b)(II)(D) OF THIS SECTION MATERIALLY CHANGE, THE RESIDENTIAL SELLER SHALL WITHIN SEVEN DAYS OF THE CHANGE PROVIDE NOTICE TO THE LOCAL GOVERNMENT OF THE CHANGE AND THE LOCAL GOVERNMENT MAY EXERCISE, OR RE-EXERCISE, ITS RIGHT OF FIRST REFUSAL IN ACCORDANCE WITH THIS SECTION.

(d) THE NOTICES GIVEN PURSUANT TO THIS SUBSECTION (3) MUST BE DELIVERED TO THE APPLICABLE REPRESENTATIVE OF THE COLORADO HOUSING AND FINANCE AUTHORITY AND TO THE CLERK OF THE GOVERNING BODY OF THE LOCAL GOVERNMENT, AS APPLICABLE, BY ELECTRONIC MAIL; EXCEPT THAT, IF THERE IS NOT AN ELECTRONIC MAILING ADDRESS AVAILABLE FOR THE APPLICABLE REPRESENTATIVE OR THE CLERK, THEN BY HAND DELIVERY, UNITED STATES FIRST CLASS MAIL, OR OVERNIGHT DELIVERY.

(e) THE LOCAL GOVERNMENT, EXCEPT AS OTHERWISE GOVERNED BY LAW OR COURT ORDER, SHALL SIGN A NONDISCLOSURE AGREEMENT WITH THE RESIDENTIAL SELLER AND, ONCE THE NONDISCLOSURE AGREEMENT IS EXECUTED, MAY SHARE THE INFORMATION CONTAINED IN THE NOTICES REQUIRED PURSUANT TO SUBSECTIONS (3)(b) AND (3)(c) OF THIS SECTION WITH ITS OFFICERS AND EMPLOYEES. IF THE LOCAL GOVERNMENT SHARES THE NOTICES REQUIRED PURSUANT TO SUBSECTIONS (3)(b) AND (3)(c) OF THIS SECTION WITH PROSPECTIVE ENTITIES THAT THE LOCAL GOVERNMENT PARTNERS WITH PURSUANT TO SUBSECTION (2)(e) OF THIS SECTION OR

PROSPECTIVE ASSIGNEES PURSUANT TO SUBSECTION (2)(f) OF THIS SECTION FOR THE PURPOSES OF EVALUATING OR OBTAINING FINANCING FOR THE PROSPECTIVE TRANSACTION, THOSE ENTITIES THAT RECEIVE THE NOTICE MUST EACH SIGN A NONDISCLOSURE AGREEMENT FOR THE RESPECTIVE ENTITY WITH THE RESIDENTIAL SELLER. AN ENTITY THAT HAS EXECUTED A NONDISCLOSURE AGREEMENT PURSUANT TO THIS SUBSECTION (3)(e), MAY SHARE THE INFORMATION CONTAINED IN THE NOTICES REQUIRED PURSUANT TO SUBSECTIONS (3)(b) AND (3)(c) OF THIS SECTION WITH ITS OFFICERS, EMPLOYEES, AND ATTORNEYS AND WITH ITS ADVISORS AND PROSPECTIVE FINANCING PROVIDERS IF THE ADVISORS AND PROSPECTIVE FINANCING PROVIDERS ARE BOUND BY THE NONDISCLOSURE AGREEMENT OR BY A SIMILAR CONTRACTUAL, LEGAL, OR FIDUCIARY OBLIGATION OF CONFIDENTIALITY FOR THE PURPOSES OF EVALUATING OR OBTAINING FINANCING FOR THE PROSPECTIVE TRANSACTION. THE INFORMATION CONTAINED IN THE NOTICES REQUIRED UNDER SUBSECTIONS (3)(b) AND (3)(c) OF THIS SECTION, EXCEPT FOR THE PROPERTY ADDRESS AND ANY INFORMATION THAT IS PUBLICLY RECORDED, IS CONFIDENTIAL INFORMATION NOT SUBJECT TO PUBLIC DISCLOSURE.

(4) (a) Notice by the local government to the residential seller.

(I) THE LOCAL GOVERNMENT SHALL MAKE A GOOD FAITH EFFORT TO PROVIDE NOTICE TO THE RESIDENTIAL SELLER AS SOON AS POSSIBLE BUT NOT LATER THAN FOURTEEN CALENDAR DAYS OF RECEIPT OF THE NOTICE REQUIRED PURSUANT TO SUBSECTION (3)(b) OR (3)(c) OF THIS SECTION OF THE LOCAL GOVERNMENT'S INTENT, WITH RESPECT TO THE QUALIFYING PROPERTY THAT IS THE SUBJECT OF THE NOTICE, TO EITHER PRESERVE ITS RIGHT OF FIRST REFUSAL PROVIDED IN THIS SECTION OR WAIVE ITS RIGHT OF FIRST REFUSAL. THE NOTICE MUST BE DELIVERED BY ELECTRONIC MAIL; EXCEPT THAT, IF THE RESIDENTIAL SELLER HAS NOT PROVIDED AN ELECTRONIC MAILING ADDRESS, THEN BY HAND DELIVERY, UNITED STATES FIRST CLASS MAIL, OR OVERNIGHT DELIVERY TO THE ADDRESS PROVIDED BY THE RESIDENTIAL SELLER PURSUANT TO SUBSECTION (3)(b)(II)(B) OF THIS SECTION.

(II) THE NOTICE GIVEN PURSUANT TO SUBSECTION (4)(a)(I) OF THIS SECTION IS NONBINDING ON THE LOCAL GOVERNMENT.

(III) IF NO NOTICE IS GIVEN BY THE LOCAL GOVERNMENT, IF THE LOCAL GOVERNMENT FAILS TO MAKE AN OFFER WITHIN THE TIME PERIOD PROVIDED IN SUBSECTION (5) OF THIS SECTION, OR IF THE OFFER IS

OTHERWISE NOT MADE IN ACCORDANCE WITH SUBSECTION (5) OF THIS SECTION, THE RESIDENTIAL SELLER MAY PROCEED WITH THE SALE OF THE QUALIFYING PROPERTY TO ANY BUYER.

(IV) IF THE LOCAL GOVERNMENT INTENDS TO ASSIGN ITS RIGHT OF FIRST REFUSAL IN ACCORDANCE WITH SUBSECTION (2)(f) OF THIS SECTION, THE LOCAL GOVERNMENT MUST DISCLOSE THE POTENTIAL ASSIGNEE IN THE NOTICE REQUIRED PURSUANT TO SUBSECTION (4)(a)(I) OF THIS SECTION AND PROVIDE A COPY OF THE NOTICE TO THE PROPOSED ASSIGNEE, FOR THE PROPOSED ASSIGNEE'S CONSIDERATION IN DETERMINING WHETHER TO ACCEPT THE ASSIGNMENT.

(b) Notice by the local government to the Colorado housing and finance authority. IN CONNECTION WITH THE LOCAL GOVERNMENT PROVIDING NOTICE TO THE RESIDENTIAL SELLER IN ACCORDANCE WITH SUBSECTION (4)(a)(I) OF THIS SECTION, THE LOCAL GOVERNMENT SHALL ALSO PROVIDE THE NOTICE TO THE COLORADO HOUSING AND FINANCE AUTHORITY INDICATING IF THE LOCAL GOVERNMENT INTENDS TO EITHER PRESERVE OR WAIVE ITS RIGHT OF FIRST REFUSAL WITH RESPECT TO THE QUALIFYING PROPERTY THAT IS THE SUBJECT OF THE NOTICE PROVIDED PURSUANT TO SUBSECTION (3)(b) OF THIS SECTION AND IDENTIFYING ANY POTENTIAL ASSIGNEE THAT THE LOCAL GOVERNMENT INTENDS TO ASSIGN ITS RIGHT OF FIRST REFUSAL TO. THE NOTICE REQUIRED BY THIS SUBSECTION (4)(b) IS NONBINDING ON THE LOCAL GOVERNMENT.

(5) Process to exercise right of first refusal. (a) (I) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (6) OF THIS SECTION, THE LOCAL GOVERNMENT HAS THIRTY CALENDAR DAYS FROM PROVIDING NOTICE PURSUANT TO SUBSECTION (4)(a)(I) OF THIS SECTION TO MAKE AN OFFER TO PURCHASE THE QUALIFYING PROPERTY AND SHALL AGREE TO CLOSE ON THE QUALIFYING PROPERTY AND EXECUTE THE NECESSARY AGREEMENTS TO FINALIZE THE SALE OF THE QUALIFYING PROPERTY TO THE LOCAL GOVERNMENT WITHIN SIXTY CALENDAR DAYS OF THE ACCEPTANCE BY A RESIDENTIAL SELLER OF THE LOCAL GOVERNMENT'S OFFER TO PURCHASE THE QUALIFYING PROPERTY AND THE EXECUTION OF THE NECESSARY AGREEMENTS IN CONNECTION WITH ACCEPTING THE OFFER.

(II) NOTWITHSTANDING SUBSECTION (5)(a)(I) OF THIS SECTION AND EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (6) OF THIS SECTION, IF A RESIDENTIAL SELLER HAS RECEIVED AN OFFER FROM A THIRD-PARTY BUYER

THAT IS AN ENTIRELY CASH OFFER FOR THE THIRD-PARTY BUYER TO PURCHASE THE QUALIFYING PROPERTY, THE LOCAL GOVERNMENT SHALL AGREE TO CLOSE ON THE QUALIFYING PROPERTY AND EXECUTE THE NECESSARY AGREEMENTS TO FINALIZE THE SALE OF THE QUALIFYING PROPERTY TO THE LOCAL GOVERNMENT WITHIN THE SAME TIME PERIOD AS IS SET FORTH IN THE THIRD-PARTY BUYER'S OFFER.

(b) IF A RESIDENTIAL SELLER REJECTS AN OFFER MADE BY THE LOCAL GOVERNMENT EXERCISING ITS RIGHT OF FIRST REFUSAL, THE RESIDENTIAL SELLER SHALL PROVIDE A WRITTEN EXPLANATION OF THE REJECTION AND SHALL INVITE THE LOCAL GOVERNMENT TO MAKE ONE SUBSEQUENT OFFER WITHIN FOURTEEN DAYS BY IDENTIFYING THE MATERIAL TERMS AND CONDITIONS THAT MUST BE INCLUDED IN THE SUBSEQUENT OFFER IN ORDER FOR THE RESIDENTIAL SELLER TO POTENTIALLY ACCEPT THE SUBSEQUENTLY MADE OFFER BY THE LOCAL GOVERNMENT. THE RESIDENTIAL SELLER SHALL HAVE FOURTEEN DAYS FROM THE DATE OF THE LOCAL GOVERNMENT'S SUBSEQUENT OFFER TO EITHER ACCEPT OR REJECT THE SUBSEQUENT OFFER, AND IF THE LOCAL GOVERNMENT'S SUBSEQUENT OFFER IS REJECTED BY THE RESIDENTIAL SELLER, THE RESIDENTIAL SELLER SHALL PROVIDE A WRITTEN EXPLANATION OF THE REJECTION AND THE RESIDENTIAL SELLER'S REJECTION OF THE SUBSEQUENT OFFER CONSTITUTES TERMINATION OF THE LOCAL GOVERNMENT'S RIGHT OF FIRST REFUSAL TO PURCHASE THE QUALIFYING PROPERTY, SUBJECT TO THE LOCAL GOVERNMENT'S RIGHT TO EXERCISE, OR RE-EXERCISE ITS RIGHT OF FIRST REFUSAL PURSUANT TO SUBSECTION (3)(c) OF THIS SECTION IF THE CONDITION SET FORTH IN SUBSECTION (3)(c) OF THIS SECTION OCCURS.

(c) WITHIN SEVEN CALENDAR DAYS OF CLOSING ON THE SALE OF THE QUALIFYING PROPERTY TO THE LOCAL GOVERNMENT, THE RESIDENTIAL SELLER SHALL MAIL NOTICE TO EACH RESIDENT OF THE QUALIFYING PROPERTY OF THE SALE OF THE QUALIFYING PROPERTY TO THE LOCAL GOVERNMENT. THE RESIDENTIAL SELLER SHALL ALSO POST A COPY OF THE NOTICE IN A CONSPICUOUS PLACE IN THE QUALIFYING PROPERTY. THE MAILED AND POSTED NOTICES MUST BE PROVIDED IN ENGLISH, SPANISH, AND ANY OTHER LANGUAGE KNOWN TO BE SPOKEN BY RESIDENTS AT THE QUALIFYING PROPERTY AND MUST INCLUDE CONTACT INFORMATION FOR THE LOCAL GOVERNMENT, OR ITS ASSIGNEE, IF APPLICABLE, FOR RESIDENTS TO DIRECT QUESTIONS AND INPUT TO.

(6) **Extension of time.** THE TIME PERIODS SET FORTH IN THIS

SECTION MAY BE EXTENDED AND ANY TERMS OR CONDITIONS OF SALE MAY BE MODIFIED BY WRITTEN AGREEMENT BETWEEN THE LOCAL GOVERNMENT AND THE RESIDENTIAL SELLER OR, IF THE LOCAL GOVERNMENT HAS ASSIGNED ITS RIGHT OF FIRST REFUSAL, THE LOCAL GOVERNMENT'S ASSIGNEE AND THE RESIDENTIAL SELLER.

(7) Certificate of compliance. WITHIN FOURTEEN CALENDAR DAYS OF RECEIPT OF NOTICE REQUIRED BY EITHER SUBSECTION (3)(b) OR (3)(c) OF THIS SECTION OR, IF THE LOCAL GOVERNMENT INTENDS TO EXERCISE ITS RIGHT OF FIRST REFUSAL, WITHIN FOURTEEN CALENDAR DAYS OF EITHER ACCEPTANCE BY A RESIDENTIAL SELLER OF THE LOCAL GOVERNMENT'S OFFER OR REJECTION BY A RESIDENTIAL SELLER OF THE LOCAL GOVERNMENT'S OFFER IN ACCORDANCE WITH SUBSECTION (5)(b) OF THIS SECTION, THE LOCAL GOVERNMENT OR ITS ASSIGNEE SHALL EXECUTE AND RECORD A CERTIFICATE OF COMPLIANCE IN THE REAL PROPERTY RECORDS OF THE COUNTY IN WHICH THE QUALIFYING PROPERTY IS SITUATED. THE CERTIFICATE OF COMPLIANCE MUST INCLUDE THE NAME OF THE RESIDENTIAL SELLER, A LEGAL DESCRIPTION OF THE QUALIFYING PROPERTY, AND A STATEMENT THAT THE RESIDENTIAL SELLER HAS COMPLIED WITH ALL APPLICABLE PROVISIONS OF THIS SECTION. THE RECORDED CERTIFICATE OF COMPLIANCE IS PRIMA FACIE EVIDENCE OF THE RESIDENTIAL SELLER'S COMPLIANCE WITH THIS SECTION AND MAY BE RELIED UPON BY A RESIDENTIAL SELLER, ANY PERSON CLAIMING AN INTEREST IN THE QUALIFYING PROPERTY THROUGH A RESIDENTIAL SELLER, AND A TITLE INSURANCE ENTITY, AS DEFINED IN SECTION 10-11-102 (11).

(8) Tenant qualifications. (a) THE LOCAL GOVERNMENT OR ITS ASSIGNEE SHALL MAINTAIN AT THE QUALIFYING PROPERTY AFFORDABILITY LEVELS THAT ARE ON AVERAGE EQUAL TO OR GREATER THAN THE LEVELS PROVIDED AT THE TIME IT IS ACQUIRED BY THE LOCAL GOVERNMENT BOTH WITH RESPECT TO THE NUMBER OF AFFORDABLE UNITS AND THE AREA MEDIAN INCOMES USED TO DETERMINE RENT AND INCOME LIMITS. TENANT QUALIFICATIONS MUST COMPLY WITH FAIR HOUSING LAWS AND AFFORDABILITY REQUIREMENTS OF ANY NEW FUNDING SOURCES.

(b) NOTWITHSTANDING THE REQUIREMENTS AROUND LONG-TERM AFFORDABLE HOUSING SET FORTH IN THIS SECTION OR THE REQUIREMENTS IN SUBSECTION (8)(A) OF THIS SECTION, RESIDENTS AT THE QUALIFYING PROPERTY AT THE TIME IT IS ACQUIRED BY THE LOCAL GOVERNMENT PURSUANT TO THIS SECTION MAY CONTINUE TO RESIDE AT THE QUALIFYING

PROPERTY IRRESPECTIVE OF THEIR INCOME LEVEL FOR AT LEAST THE DURATION OF THEIR TENANCY AGREEMENT PURSUANT TO THE TENANCY AGREEMENT'S TERMS IN EFFECT AT THE TIME THE LOCAL GOVERNMENT ACQUIRES THE QUALIFYING PROPERTY. A LOCAL GOVERNMENT OR ITS ASSIGNEE MAY ONLY DECLINE TO RENEW A TENANT'S LEASE IN ORDER TO COMPLY WITH GREATER AFFORDABILITY RESTRICTIONS AT THE QUALIFYING PROPERTY IN ACCORDANCE WITH SUBSECTION (8)(a) OF THIS SECTION OR IF THE RESIDENT IS DEMONSTRABLY VIOLATING ANY TERMS OF THE LEASE.

(9) Application of a local government's right of first refusal laws. NOTHING IN THIS PART 12 RESTRICTS OR SUPERSEDES THE AUTHORITY OF A LOCAL GOVERNMENT TO ENACT LAWS FOR ITS JURISDICTION PROVIDING FOR THE LOCAL GOVERNMENT'S RIGHT OF FIRST REFUSAL TO PURCHASE PROPERTY FOR AFFORDABLE HOUSING THAT AT A MINIMUM COMPLY WITH THIS PART 12 AND IN THE EVENT OF CONFLICT BETWEEN A PROVISION IN THIS PART 12 AND A LOCAL GOVERNMENT'S LAWS, THE PROVISION MORE FAVORABLE TO THE LOCAL GOVERNMENT APPLIES; EXCEPT THAT THE PROVISIONS OF SUBSECTION (7) OF THIS SECTION AND THE PROVISIONS SET FORTH IN SECTION 29-4-1206 APPLY NOTWITHSTANDING ANY LAW ENACTED BY A LOCAL GOVERNMENT REGARDING THE LOCAL GOVERNMENT'S RIGHT OF FIRST REFUSAL.

29-4-1203. Right of first offer - eligibility - process - notice - definition. (1) **Definition of qualifying property.** AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES, "QUALIFYING PROPERTY" MEANS A MULTIFAMILY RESIDENTIAL OR MIXED-USE RENTAL PROPERTY CONSISTING OF NOT MORE THAN ONE HUNDRED UNITS AND NOT LESS THAN FIFTEEN UNITS AND EXCLUDING EXISTING AFFORDABLE HOUSING AND A MOBILE HOME PARK AS DEFINED IN SECTION 38-12-201.5(6). FOR THE PURPOSE OF DETERMINING WHETHER A PROPERTY CONSISTS OF AT LEAST THE MINIMUM NUMBER OF UNITS SET FORTH IN THIS SUBSECTION (1) FOR A QUALIFYING PROPERTY, AN ACCESSORY DWELLING UNIT DOES NOT COUNT AS A UNIT.

(2) **Local government's right of first offer.** (a) IN ACCORDANCE WITH THIS PART 12, THE LOCAL GOVERNMENT FOR THE JURISDICTION IN WHICH A QUALIFYING PROPERTY IS LOCATED HAS A RIGHT OF FIRST OFFER TO MAKE AN OFFER TO PURCHASE THE QUALIFYING PROPERTY BEFORE THE QUALIFYING PROPERTY IS LISTED FOR SALE TO THIRD PARTIES.

(b) THE LOCAL GOVERNMENT'S RIGHT OF FIRST OFFER CONCERNING THE QUALIFYING PROPERTY IS LIMITED TO PRESERVING OR CONVERTING THE QUALIFYING PROPERTY TO LONG-TERM AFFORDABLE HOUSING OR A MIXED-INCOME DEVELOPMENT DIRECTLY OR THROUGH ANOTHER ENTITY TO WHICH THE LOCAL GOVERNMENT ASSIGNS ITS RIGHTS PURSUANT TO SUBSECTION (2)(d) OF THIS SECTION OR TRANSFERS THE QUALIFYING PROPERTY. IF A QUALIFYING PROPERTY IS CLASSIFIED AS MIXED-USE, THE LOCAL GOVERNMENT'S OFFER MUST INCLUDE ANY COMMERCIAL PORTION OF THE QUALIFYING PROPERTY, BUT ONLY THE RESIDENTIAL PORTION OF THE QUALIFYING PROPERTY IS SUBJECT TO AFFORDABILITY REQUIREMENTS.

(c) THE LOCAL GOVERNMENT, IN EXERCISING ITS RIGHT OF FIRST OFFER, MAY PARTNER WITH A NONPROFIT ENTITY, A PRIVATE ENTITY, A QUASI-GOVERNMENTAL ENTITY, OR ANOTHER GOVERNMENTAL ENTITY TO CO-FINANCE, LEASE, OR MANAGE THE QUALIFYING PROPERTY FOR THE PUBLIC PURPOSE OF MAINTAINING THE QUALIFYING PROPERTY AS LONG-TERM AFFORDABLE HOUSING OR A MIXED-INCOME DEVELOPMENT IF THE LOCAL GOVERNMENT OR ITS ASSIGNEE MAINTAINS OWNERSHIP OF THE QUALIFYING PROPERTY EITHER DIRECTLY OR THROUGH A SPECIAL PURPOSE ENTITY OR AFFILIATE.

(d) AT ANY TIME, THE LOCAL GOVERNMENT MAY ASSIGN THE RIGHT OF FIRST OFFER REGARDING A QUALIFYING PROPERTY TO A LOCAL OR REGIONAL HOUSING AUTHORITY OR THE COLORADO HOUSING AND FINANCE AUTHORITY, SUBJECT TO THE REQUIREMENTS THAT THE QUALIFYING PROPERTY IS USED TO PRESERVE OR BE CONVERTED TO LONG-TERM AFFORDABLE HOUSING OR A MIXED-INCOME DEVELOPMENT AND THAT ALL OTHER PROVISIONS OF THIS PART 12 APPLY TO THE ASSIGNEE. THE ASSIGNEE MUST IMMEDIATELY NOTIFY THE RESIDENTIAL SELLER OF ANY ASSIGNMENT PURSUANT TO THIS SUBSECTION (2)(d), AND THE NOTICE MUST INCLUDE THE ASSIGNEE'S ADDRESS TO RECEIVE ANY NOTICES THAT THE RESIDENTIAL SELLER IS REQUIRED TO SEND IN ACCORDANCE WITH THIS SECTION. THE LOCAL GOVERNMENT REMAINS LIABLE FOR OBLIGATIONS PURSUANT TO THIS PART 12 ACCRUING PRIOR TO THE ASSIGNMENT AND UPON ASSIGNMENT, THE ASSIGNEE ASSUMES ALL LIABILITY OF THE LOCAL GOVERNMENT REGARDING THE EXERCISE OF THE RIGHT OF FIRST OFFER AND IS RESPONSIBLE FOR PERFORMING ALL REQUIREMENTS PURSUANT TO THIS PART 12, IN EACH CASE ACCRUING FROM AND AFTER THE ASSIGNMENT, WITH RESPECT TO A QUALIFYING PROPERTY AS IF THE ASSIGNEE WERE THE LOCAL GOVERNMENT.

(e) (I) THE GOVERNING BODY OF A LOCAL GOVERNMENT HAS THE RIGHT TO WAIVE THE RIGHT OF FIRST OFFER PROVIDED IN THIS SECTION.

(II) (A) IF THE GOVERNING BODY OF A LOCAL GOVERNMENT HAS WAIVED ITS RIGHT OF FIRST OFFER, IT SHALL POST A NOTICE IN A CONSPICUOUS LOCATION ON ITS WEBSITE INDICATING THAT THERE IS A WAIVER AND THAT RESIDENTIAL SELLERS WITH QUALIFYING PROPERTIES WITHIN ITS JURISDICTION DO NOT HAVE AN OBLIGATION TO COMPLY WITH THIS SECTION.

(B) THE NOTICE POSTED IN ACCORDANCE WITH SUBSECTION (2)(e)(II)(A) OF THIS SECTION MUST BE EFFECTIVE FOR AT LEAST THREE MONTHS AFTER IT IS POSTED AND MUST EXPLICITLY STATE THE DATE IT EXPIRES, IF ANY.

(C) FAILURE TO POST NOTICE PURSUANT TO THIS SUBSECTION (2)(e)(II) DOES NOT OTHERWISE AFFECT THE LOCAL GOVERNMENT'S RIGHT OF FIRST OFFER.

(f) NOTWITHSTANDING ANYTHING IN THIS SECTION TO THE CONTRARY, AT ANY TIME PRIOR TO THE RESIDENTIAL SELLER AND THE LOCAL GOVERNMENT ENTERING INTO A CONTRACT FOR THE PURCHASE OF THE QUALIFYING PROPERTY BY THE LOCAL GOVERNMENT, THE RESIDENTIAL SELLER MAY REJECT THE LOCAL GOVERNMENT'S OFFER AND OTHERWISE TERMINATE NEGOTIATIONS WITH THE LOCAL GOVERNMENT.

(g) IF THE LOCAL GOVERNMENT WAIVES OR IS DEEMED TO HAVE WAIVED ITS RIGHT OF FIRST OFFER IN ACCORDANCE WITH THIS SECTION OR IF A RESIDENTIAL SELLER REJECTS THE LOCAL GOVERNMENT'S OFFER IN ACCORDANCE WITH SUBSECTION (2)(f) OF THIS SECTION, THE RESIDENTIAL SELLER HAS NO OBLIGATION TO PROVIDE INITIAL OR ADDITIONAL NOTICE, AS APPLICABLE, TO THE LOCAL GOVERNMENT OR OTHERWISE OFFER OR RE-OFFER, AS APPLICABLE, THE QUALIFYING PROPERTY TO THE LOCAL GOVERNMENT PURSUANT TO ANY PROVISION OF THIS SECTION UNLESS A TRANSACTION FOR THE SALE OF THE QUALIFYING PROPERTY DOES NOT CLOSE WITHIN TWELVE MONTHS OF EITHER THE LOCAL GOVERNMENT'S WAIVER OR DEEMED WAIVER OR REJECTION BY THE RESIDENTIAL SELLER OF THE LOCAL GOVERNMENT'S OFFER, WHICHEVER IS EARLIER; EXCEPT THAT, IF THE CONTRACT FOR SALE TO A THIRD PARTY HAS A DURATION LONGER THAN TWELVE MONTHS, THEN THE TWELVE MONTH PERIOD IS EXTENDED TO MATCH

THE TERM OF THE CONTRACT.

(3) Notice requirements generally. (a) (I) ANY NOTICES REQUIRED TO BE PROVIDED TO THE LOCAL GOVERNMENT PURSUANT TO THIS SECTION MUST BE DELIVERED TO THE CLERK OF THE GOVERNING BODY OF THE LOCAL GOVERNMENT BY ELECTRONIC MAIL; EXCEPT THAT IF THERE IS NOT AN ELECTRONIC MAILING ADDRESS AVAILABLE FOR THE CLERK, THEN BY HAND DELIVERY, UNITED STATES FIRST CLASS MAIL, OR OVERNIGHT DELIVERY.

(II) NOTWITHSTANDING SUBSECTION (3)(a)(I) OF THIS SECTION, IF THE LOCAL GOVERNMENT ASSIGNS ITS RIGHT OF FIRST OFFER AND THE ASSIGNEE PROVIDES NOTICE OF THE ASSIGNMENT TO THE RESIDENTIAL SELLER PURSUANT TO SUBSECTION (2)(d) OF THIS SECTION, THEN UPON AND AFTER RECEIPT OF NOTICE OF THE ASSIGNMENT, THE RESIDENTIAL SELLER SHALL SEND BY ELECTRONIC MAIL ANY REQUIRED NOTICES PURSUANT TO THIS SECTION TO THE ADDRESS SPECIFIED BY THE ASSIGNEE; EXCEPT THAT, IF THERE IS NOT AN ELECTRONIC MAILING ADDRESS PROVIDED BY THE ASSIGNEE, THEN BY HAND DELIVERY, UNITED STATES FIRST CLASS MAIL, OR OVERNIGHT DELIVERY.

(b) ANY NOTICES PROVIDED TO THE RESIDENTIAL SELLER PURSUANT TO THIS SECTION MUST BE DELIVERED TO THE PHYSICAL ADDRESS PROVIDED BY THE RESIDENTIAL SELLER IN ACCORDANCE WITH SUBSECTION (5)(a)(II) OF THIS SECTION OR, UPON ELECTION BY THE RESIDENTIAL SELLER, BY ELECTRONIC MAIL TO THE ELECTRONIC MAILING ADDRESS PROVIDED BY THE RESIDENTIAL SELLER TO THE LOCAL GOVERNMENT.

(c) ANY NOTICE PROVIDED PURSUANT TO THIS SECTION IS DEEMED DELIVERED ON THE DATE IT IS SENT BY ELECTRONIC MAIL, THE DATE IT IS HAND DELIVERED, THE DATE AFTER THE DAY IT IS DEPOSITED FOR DELIVERY BY OVERNIGHT DELIVERY, OR THE DATE THAT IS TWO BUSINESS DAYS AFTER THE DAY IT IS DEPOSITED IN THE UNITED STATES MAIL, AS APPLICABLE.

(4) Notice by residential seller, local government's intent, and nondisclosure agreement. (a) BEFORE A RESIDENTIAL SELLER ENTERS INTO AN AGREEMENT WITH A LICENSED BROKER TO SOLICIT AND PROCURE PURCHASERS FOR A QUALIFYING PROPERTY OR OTHERWISE LISTS A QUALIFYING PROPERTY FOR SALE ON THE MULTIPLE LISTING SERVICE, THE RESIDENTIAL SELLER SHALL PROVIDE NOTICE TO THE GOVERNING BODY OF THE LOCAL GOVERNMENT IN WHICH THE QUALIFYING PROPERTY IS LOCATED

THAT THE RESIDENTIAL SELLER INTENDS TO SELL THE QUALIFYING PROPERTY.

(b) THE LOCAL GOVERNMENT HAS SEVEN CALENDAR DAYS FROM THE DATE OF RECEIVING THE NOTICE REQUIRED BY SUBSECTION (4)(a) OF THIS SECTION TO PROVIDE A WRITTEN RESPONSE TO THE RESIDENTIAL SELLER INDICATING THAT THE LOCAL GOVERNMENT EITHER:

(I) IS INTERESTED IN RECEIVING DUE DILIGENCE INFORMATION ON THE QUALIFYING PROPERTY SO THAT IT CAN EVALUATE WHETHER IT WANTS TO MAKE AN OFFER TO PURCHASE THE QUALIFYING PROPERTY, WHICH RESPONSE MUST CONTAIN A NONDISCLOSURE AGREEMENT IN A FORM ACCEPTABLE TO THE RESIDENTIAL SELLER THAT THE LOCAL GOVERNMENT HAS EXECUTED, EXCEPT AS OTHERWISE GOVERNED BY LAW OR COURT ORDER; OR

(II) WAIVES ANY RIGHT OF THE LOCAL GOVERNMENT TO PURCHASE THE QUALIFYING PROPERTY.

(c) IF THE LOCAL GOVERNMENT DOES NOT RESPOND WITHIN THE SEVEN-DAY PERIOD REQUIRED BY SUBSECTION (4)(b) OF THIS SECTION, IT IS DEEMED TO HAVE WAIVED ITS RIGHT OF FIRST OFFER WITH RESPECT TO THE QUALIFYING PROPERTY.

(5) **Residential seller's notice of terms.** (a) IF THE LOCAL GOVERNMENT PROVIDES NOTICE IN ACCORDANCE WITH SUBSECTION (4)(b) OF THIS SECTION, THE RESIDENTIAL SELLER HAS FIVE CALENDAR DAYS FROM RECEIPT OF THE NOTICE TO PROVIDE A NOTICE TO THE LOCAL GOVERNMENT THAT INCLUDES:

(I) THE ADDRESS AND NAME OF THE QUALIFYING PROPERTY, IF ANY, AND THE LEGAL DESCRIPTION OF THE QUALIFYING PROPERTY;

(II) THE RESIDENTIAL SELLER'S ADDRESS AND, IF AVAILABLE, ELECTRONIC MAILING ADDRESS TO RECEIVE NOTICES FROM THE LOCAL GOVERNMENT;

(III) A RENT ROLL FOR THE QUALIFYING PROPERTY SHOWING THE AMOUNT OF RENT CHARGED TO TENANTS AT THE QUALIFYING PROPERTY;

(IV) THE VACANCY RATE, OPERATING EXPENSES AND INCOME, AND COMMON AREA AMENITIES AT THE QUALIFYING PROPERTY;

(V) ANY MARKETING MATERIALS THAT THE RESIDENTIAL SELLER HAS PREPARED ON OR BEFORE THE DATE OF SUCH NOTICE AND ANTICIPATES USING IN CONNECTION WITH LISTING THE QUALIFYING PROPERTY FOR SALE;

(VI) A CURRENT TITLE COMMITMENT; AND

(VII) THE RESIDENTIAL SELLER'S EXECUTED VERSION OF THE NONDISCLOSURE AGREEMENT.

(b) SUBJECT TO AND PURSUANT TO THE NONDISCLOSURE AGREEMENT EXECUTED IN ACCORDANCE WITH SUBSECTION (4)(b) OF THIS SECTION, THE LOCAL GOVERNMENT MAY SHARE THE INFORMATION CONTAINED IN THE NOTICES REQUIRED PURSUANT TO THIS SUBSECTION (5) WITH ITS OFFICERS AND EMPLOYEES FOR THE PURPOSES OF EVALUATING OR OBTAINING FINANCING FOR THE PROSPECTIVE TRANSACTION. AGENTS OF THE LOCAL GOVERNMENT AND PROSPECTIVE ENTITIES THAT THE LOCAL GOVERNMENT PARTNERS WITH PURSUANT TO SUBSECTION (2)(c) OF THIS SECTION OR PROSPECTIVE ASSIGNEES PURSUANT TO SUBSECTION (2)(d) OF THIS SECTION MUST EACH SIGN A NONDISCLOSURE AGREEMENT FOR THE RESPECTIVE ENTITY. AN ENTITY THAT HAS EXECUTED A NONDISCLOSURE AGREEMENT MAY SHARE THE INFORMATION CONTAINED IN THE NOTICES REQUIRED PURSUANT TO THIS SUBSECTION (5) WITH ITS OFFICERS AND EMPLOYEES FOR THE PURPOSES OF EVALUATING OR OBTAINING FINANCING FOR THE PROSPECTIVE TRANSACTION. THE INFORMATION CONTAINED IN THE NOTICE MUST BE KEPT CONFIDENTIAL AND IS CONFIDENTIAL INFORMATION NOT SUBJECT TO PUBLIC DISCLOSURE.

(6) Notice by the local government. (a) A LOCAL GOVERNMENT HAS FOURTEEN CALENDAR DAYS FROM THE DATE OF RECEIVING THE NOTICE REQUIRED BY SUBSECTION (5)(a) OF THIS SUBSECTION TO PROVIDE A WRITTEN RESPONSE TO THE RESIDENTIAL SELLER THAT EITHER:

(I) MAKES AN OFFER TO PURCHASE THE QUALIFYING PROPERTY SETTING FORTH THE PRICE, TERMS, AND CONDITIONS OF THE OFFER; OR

(II) WAIVES ANY RIGHT OF THE LOCAL GOVERNMENT TO PURCHASE THE QUALIFYING PROPERTY.

(b) IF THE LOCAL GOVERNMENT DOES NOT PROVIDE A RESPONSE WITHIN THE FOURTEEN-DAY PERIOD SET FORTH IN SUBSECTION (6)(a) OF THIS SECTION, THE LOCAL GOVERNMENT'S RIGHT OF FIRST OFFER IS DEEMED WAIVED.

(7) Process after offer is made. (a) THE RESIDENTIAL SELLER HAS FOURTEEN CALENDAR DAYS AFTER RECEIPT OF THE LOCAL GOVERNMENT'S OFFER MADE PURSUANT TO SUBSECTION (6)(a)(I) OF THIS SECTION TO NOTIFY THE LOCAL GOVERNMENT THAT IT EITHER ACCEPTS OR REJECTS THE OFFER. DURING THIS PERIOD, THE RESIDENTIAL SELLER MAY INITIATE NEGOTIATIONS IN GOOD FAITH WITH THE LOCAL GOVERNMENT WHICH MAY INCLUDE DISCUSSING ALTERNATIVE PRICE, TERMS, OR CONDITIONS FOR THE PURCHASE OF THE QUALIFYING PROPERTY. IF THE RESIDENTIAL SELLER DOES NOT PROVIDE NOTICE OF ITS ACCEPTANCE OR REJECTION OF THE LOCAL GOVERNMENT'S OFFER IN THE FOURTEEN DAY PERIOD PURSUANT TO THIS SUBSECTION (7)(a), THE OFFER IS DEEMED REJECTED.

(b) IF THE RESIDENTIAL SELLER ACCEPTS THE LOCAL GOVERNMENT'S OFFER OR ACCEPTS AN OFFER NEGOTIATED WITH THE LOCAL GOVERNMENT, THE LOCAL GOVERNMENT AND THE RESIDENTIAL SELLER HAVE THIRTY CALENDAR DAYS AFTER THE DATE OF THE RESIDENTIAL SELLER'S RECEIPT OF THE LOCAL GOVERNMENT'S NOTICE PROVIDED IN ACCORDANCE WITH SUBSECTION (6)(a)(I) OF THIS SECTION TO NEGOTIATE AND EXECUTE A CONTRACT FOR THE PURCHASE OF THE QUALIFYING PROPERTY BY THE LOCAL GOVERNMENT. THE CONTRACT MUST REQUIRE THE TRANSACTION TO CLOSE NO LATER THAN SIXTY DAYS AFTER ITS EXECUTION, UNLESS BOTH PARTIES AGREE TO OTHER TERMS.

(8) Certificate of compliance. WITHIN FOURTEEN CALENDAR DAYS OF RECEIPT OF NOTICE REQUIRED BY SUBSECTION (4)(a) OF THIS SECTION UNLESS THE LOCAL GOVERNMENT PROVIDES NOTICE PURSUANT TO SUBSECTION (4)(b) OF THIS SECTION AND THEN WITHIN FOURTEEN CALENDAR DAYS OF RECEIPT OF THE NOTICE REQUIRED BY SUBSECTION (5)(a) OF THIS SECTION, THE LOCAL GOVERNMENT OR ITS ASSIGNEE SHALL EXECUTE AND RECORD A CERTIFICATE OF COMPLIANCE IN THE REAL PROPERTY RECORDS OF THE COUNTY IN WHICH THE QUALIFYING PROPERTY IS SITUATED. THE CERTIFICATE OF COMPLIANCE MUST INCLUDE THE NAME OF THE RESIDENTIAL SELLER, A LEGAL DESCRIPTION OF THE QUALIFYING PROPERTY, AND A STATEMENT THAT THE RESIDENTIAL SELLER HAS COMPLIED WITH ALL THE APPLICABLE PROVISIONS OF THIS SECTION. THE RECORDED CERTIFICATE OF

COMPLIANCE IS PRIMA FACIE EVIDENCE OF THE RESIDENTIAL SELLER'S COMPLIANCE WITH THIS SECTION AND MAY BE RELIED UPON BY A RESIDENTIAL SELLER, ANY PERSON CLAIMING AN INTEREST IN THE QUALIFYING PROPERTY THROUGH A RESIDENTIAL SELLER, AND A TITLE INSURANCE ENTITY, AS DEFINED IN SECTION 10-11-102 (11).

29-4-1204. General provisions applicable to a local government's right of first refusal and right of first offer. (1) NOTHING IN THIS PART 12 REQUIRES A LOCAL GOVERNMENT TO EXERCISE ITS RIGHT OF FIRST REFUSAL SET FORTH IN SECTION 29-4-1202 OR ITS RIGHT OF FIRST OFFER SET FORTH IN SECTION 29-4-1203 AND A LOCAL GOVERNMENT MUST PROMPTLY NOTIFY A RESIDENTIAL SELLER OF ITS INTENT NOT TO EXERCISE ITS RIGHT OF FIRST OFFER AS SET FORTH IN SECTIONS 29-4-1203 (4)(b)(II) AND (6)(a)(II).

(2) ANY ACTION BY THE LOCAL GOVERNMENT REQUIRED OR PERMITTED PURSUANT TO THIS PART 12 MAY BE PERFORMED, AS IS APPLICABLE AND TO THE EXTENT PERMITTED BY LAW, BY THE COUNTY MANAGER OF A COUNTY, THE MAYOR OR CITY MANAGER OF A CITY OR TOWN, OR ANOTHER OFFICER DESIGNATED BY THE GOVERNING BODY OF THE LOCAL GOVERNMENT.

(3) ANY ACTIONS OF AN AGENT WORKING ON BEHALF OF A RESIDENTIAL SELLER FOR PURPOSES OF THIS PART 12 ARE ATTRIBUTABLE TO THE RESIDENTIAL SELLER. NOTWITHSTANDING ANY OTHER PROVISION OF THIS PART 12 TO THE CONTRARY, A POLITICAL SUBDIVISION OR A HOUSING AUTHORITY IN THE STATE THAT ENGAGES IN ACTIVITIES TO CREATE OR PRESERVE AFFORDABLE HOUSING FOR AN APPLICABLE QUALIFYING PROPERTY IS NOT CONSIDERED AN AGENT WORKING ON BEHALF OF A RESIDENTIAL SELLER FOR PURPOSES OF THIS PART 12.

(4) NOTHING WITHIN THIS PART 12 LIMITS THE LOCAL GOVERNMENT'S ABILITY TO CONDEMN AN APPLICABLE QUALIFYING PROPERTY ACQUIRED PURSUANT TO THIS PART 12 TO THE EXTENT PERMITTED BY APPLICABLE LAW.

(5) IF A LOCAL GOVERNMENT HAS ADOPTED LONG-TERM AFFORDABILITY REQUIREMENTS THAT ARE GREATER THAN THE REQUIREMENTS SET FORTH IN THIS PART 12, THE LOCAL GOVERNMENT'S REQUIREMENTS APPLY TO THIS PART 12. NOTHING IN THIS PART 12 OVERRIDES ANY LOCAL AFFORDABLE HOUSING LAWS.

29-4-1205. Exemptions. (1) THIS PART 12 DOES NOT APPLY TO ANY SALE, TRANSFER, OR CONVEYANCE OF AN APPLICABLE QUALIFYING PROPERTY BY A RESIDENTIAL SELLER:

(a) MADE TO, IF WHOLLY OR MAJORITY OWNED, DIRECTLY OR INDIRECTLY, BY, BENEFICIALLY HELD, ALL OR IN PART, IN COMMON WITH, OR UNDER COMMON OWNERSHIP OR CONTROL WITH THE RESIDENTIAL SELLER, ONE OR MORE PARTNERSHIPS, LIMITED LIABILITY COMPANIES, CORPORATIONS, OR OTHER ENTITIES, MADE FOR TAX OR ESTATE PURPOSES BETWEEN CLOSELY HELD PARTNERS, MEMBERS OF ONE OR MORE LIMITED LIABILITY COMPANIES, MEMBERS OF ONE OR MORE CORPORATIONS, OR MEMBERS, TRUSTEES, MANAGERS, OR PARTNERS OF ONE OR MORE OTHER ENTITIES, OR IF THE UNITED STATES, OR ANY AGENCY OR INSTRUMENTALITY THEREOF, OR THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE, IS THE RESIDENTIAL SELLER OF OR IS A THIRD-PARTY BUYER OF THE APPLICABLE QUALIFYING PROPERTY;

(b) MADE TO THE STATE, A LOCAL GOVERNMENT, THE COLORADO HOUSING AND FINANCE AUTHORITY, ANY PUBLIC HOUSING AUTHORITY, AND ANY OTHER POLITICAL SUBDIVISION OF THE STATE;

(c) MADE TO AN AFFORDABLE HOUSING PROVIDER THAT HAS PROVIDED NOTICE OF INTENT TO PURCHASE THE APPLICABLE QUALIFYING PROPERTY AND COMMITS TO PROVIDING LONG-TERM AFFORDABLE HOUSING;

(d) IF THE APPLICABLE QUALIFYING PROPERTY IS SOLD, TRANSFERRED, OR CONVEYED IN A FORECLOSURE ACTION OR BY A DEED IN LIEU OF FORECLOSURE, IF THE APPLICABLE QUALIFYING PROPERTY IS SOLD, TRANSFERRED, OR CONVEYED BY A PARTY THAT ACQUIRES THE APPLICABLE QUALIFYING PROPERTY IN A FORECLOSURE ACTION OR BY A DEED IN LIEU OF FORECLOSURE, OR IF THE APPLICABLE QUALIFYING PROPERTY IS SUBSEQUENTLY TRANSFERRED BY A GOVERNMENT-SPONSORED ENTERPRISE TO A DIRECT OR INDIRECT WHOLLY OWNED SUBSIDIARY, AFFILIATED LENDER, OR OTHER THIRD PARTY;

(e) IF, ON OR AFTER THE EFFECTIVE DATE OF THIS PART 12, THE APPLICABLE QUALIFYING PROPERTY HAS A PREEXISTING AGREEMENT THAT BESTOWS A RIGHT OF FIRST REFUSAL, RIGHT OF FIRST OFFER, OR OTHER CONTINGENT PROPERTY RIGHT REGARDING THE APPLICABLE QUALIFYING PROPERTY TO A THIRD PARTY; EXCEPT THAT, UPON EXPIRATION OF THE

AGREEMENT, THE PROVISIONS OF THIS PART 12 APPLY TO ANY SALE, TRANSFER, OR CONVEYANCE OF THE APPLICABLE QUALIFYING PROPERTY BY THE RESIDENTIAL SELLER;

(f) IF THE RESIDENTIAL SELLER HAS APPLIED FOR, IS IN THE PROCESS OF, OR HAS SUCCESSFULLY RESYNDICATED OR RECAPITALIZED THE APPLICABLE QUALIFYING PROPERTY IN CONNECTION WITH AN AFFORDABLE HOUSING PROGRAM OFFERED BY THE FEDERAL, STATE, OR LOCAL GOVERNMENT OR A POLITICAL SUBDIVISION OR ANY PUBLIC ENTITY, AND THE RESIDENTIAL SELLER PROVIDES NOTICE AND DEMONSTRABLE EVIDENCE OF THIS TO THE LOCAL GOVERNMENT; EXCEPT THAT, IF THE RESIDENTIAL SELLER IS NOT SUCCESSFUL IN RESYNDICATING OR RECAPITALIZING AN APPLICABLE QUALIFYING PROPERTY IN CONNECTION WITH AN AFFORDABLE HOUSING PROGRAM OFFERED BY THE FEDERAL, STATE, OR LOCAL GOVERNMENT OR A POLITICAL SUBDIVISION OR ANY PUBLIC ENTITY THEN THE RIGHT OF FIRST REFUSAL OR THE RIGHT OF FIRST OFFER, AS APPLICABLE, AND THE REQUIREMENTS SET FORTH IN THIS PART 12 APPLY;

(g) MADE TO A FAMILY MEMBER, AS DEFINED IN SECTION 8-13.3-503 (11), OF THE RESIDENTIAL SELLER;

(h) MADE TO A TRUST IF THE BENEFICIARY OF THE TRUST IS THE SPOUSE, PARTNER IN A CIVIL UNION, LEGALLY RECOGNIZED CHILD, OR OTHER FAMILY MEMBER OF THE RESIDENTIAL SELLER;

(i) MADE PURSUANT TO A WILL, DESCENT, OR INTESTATE DISTRIBUTION; OR

(j) MADE PURSUANT TO AN ACTION IN EMINENT DOMAIN OR IN RESPONSE TO A THREAT OF EMINENT DOMAIN.

(2) THE RIGHT OF FIRST OFFER SET FORTH IN SECTION 29-4-1203 DOES NOT APPLY TO ANY SALE, TRANSFER, OR CONVEYANCE OF A QUALIFYING PROPERTY, AS DEFINED IN SECTION 29-4-1203 (1), BY A RESIDENTIAL SELLER:

(a) MADE PURSUANT TO A COURT ORDER;

(b) MADE BETWEEN JOINT TENANTS OR TENANTS IN COMMON;

(c) IF THE FIRST CERTIFICATE OF OCCUPANCY FOR THE QUALIFYING PROPERTY WAS ISSUED WITHIN THIRTY YEARS PRECEDING THE DATE THAT THE RESIDENTIAL SELLER WILL LIST THE QUALIFYING PROPERTY FOR SALE;

(d) IF THE QUALIFYING PROPERTY IS BEING SOLD, TRANSFERRED, OR CONVEYED AS PART OF A TRANSACTION INVOLVING MULTIPLE PROPERTIES WHICH INCLUDES AT LEAST ONE PROPERTY LOCATED IN A JURISDICTION THAT IS OUTSIDE OF THE JURISDICTION OF THE LOCAL GOVERNMENT;

(e) THAT DOES NOT INVOLVE THE SALE, TRANSFER, OR CONVEYANCE OF ALL OR SUBSTANTIALLY ALL OF THE QUALIFYING PROPERTY; OR

(f) THAT IS A SALE, TRANSFER, OR CONVEYANCE, DIRECTLY OR INDIRECTLY, OF OWNERSHIP INTERESTS IN THE RESIDENTIAL SELLER.

29-4-1206. Remedies for noncompliance.

(1) (a) NOTWITHSTANDING SUBSECTION (1)(b) OF THIS SECTION AND SUBJECT TO THE AVAILABILITY OF RESOURCES, IT IS THE RESPONSIBILITY OF THE ATTORNEY GENERAL'S OFFICE TO ENFORCE THE PROVISIONS OF THIS PART 12, AND THE ATTORNEY GENERAL MAY INTERVENE IN ANY ACTION BROUGHT PURSUANT TO SUBSECTION (1)(b) OF THIS SECTION.

(b) THE ATTORNEY GENERAL'S OFFICE, THE LOCAL GOVERNMENT, OR THE LOCAL GOVERNMENT'S ASSIGNEE MAY BRING A CIVIL ACTION AGAINST A RESIDENTIAL SELLER FOR ANY VIOLATION OF THIS PART 12.

(c) THE REMEDIES FOR ANY ACTION BROUGHT PURSUANT TO THIS SUBSECTION (1) ARE LIMITED TO MONETARY DAMAGES AND STATUTORY PENALTIES AGAINST THE RESIDENTIAL SELLER. ANY PERSON CLAIMING AN INTEREST IN AN APPLICABLE QUALIFYING PROPERTY THROUGH A RESIDENTIAL SELLER SHALL TAKE TITLE TO THE APPLICABLE QUALIFYING PROPERTY FREE OF ANY RIGHTS OR CLAIMS SET FORTH IN THIS PART 12.

(2) IF A COURT FINDS THAT A RESIDENTIAL SELLER IS IN MATERIAL VIOLATION OF THIS PART 12, THE COURT SHALL AWARD A STATUTORY PENALTY THAT IS NOT LESS THAN TEN THOUSAND DOLLARS FOR A FIRST OFFENSE AND NOT LESS THAN THIRTY THOUSAND DOLLARS FOR ANY SUBSEQUENT OFFENSES; EXCEPT THAT THE COURT SHALL NOT AWARD A STATUTORY PENALTY THAT IS MORE THAN ONE HUNDRED THOUSAND DOLLARS.

(3) A COURT MAY ALSO AWARD REASONABLE ATTORNEY FEES AND COSTS TO A PREVAILING PARTY.

(4) THE REMEDIES PROVIDED IN THIS SECTION ARE THE SOLE AND EXCLUSIVE REMEDIES PURSUANT TO A CIVIL ACTION BROUGHT PURSUANT TO THIS SECTION FOR A VIOLATION OF THIS PART 12 BY A RESIDENTIAL SELLER.

29-4-1207. Termination of right of first refusal and right of first offer. THE RIGHTS OF FIRST REFUSAL AND FIRST OFFER ESTABLISHED IN THIS PART 12 TERMINATE ON DECEMBER 31, 2029. A RESIDENTIAL SELLER IS NOT REQUIRED TO PROVIDE NOTICES REQUIRED PURSUANT TO THIS PART 12 AFTER DECEMBER 31, 2029, AND A LOCAL GOVERNMENT SHALL NOT EXERCISE THE RIGHT OF FIRST REFUSAL OR THE RIGHT OF FIRST OFFER PURSUANT TO THIS PART 12 AFTER DECEMBER 31, 2029; EXCEPT THAT, IF THE LOCAL GOVERNMENT OR ITS ASSIGNEE, HAS EXERCISED THE RIGHT OF FIRST REFUSAL OR THE RIGHT OF FIRST OFFER PURSUANT TO THIS PART 12 BEFORE DECEMBER 31, 2029, AND THE PROCESS HAS NOT CONCLUDED, THEN THE PROCESS SHALL CONTINUE UNTIL IT CONCLUDES IN ACCORDANCE WITH THIS PART 12 NOTWITHSTANDING THE TERMINATION DATE SET FORTH IN THIS SECTION.

29-4-1208. Repeal of part. THIS PART 12 IS REPEALED EFFECTIVE JULY 1, 2031.

SECTION 2. In Colorado Revised Statutes, 24-31-101, **amend** (1)(i)(XVII) and (1)(i)(XVIII); and **add** (1)(i)(XXI) as follows:

24-31-101. Powers and duties of attorney general. (1) The attorney general:

(i) May independently initiate and bring civil and criminal actions to enforce state laws, including actions brought pursuant to:

(XVII) The "Rental Application Fairness Act", part 9 of article 12 of title 38; **and**

(XVIII) The "Reproductive Health Equity Act", part 4 of article 6 of title 25; **AND**

(XXI) PART 12 OF ARTICLE 4 OF TITLE 29.

SECTION 3. Act subject to petition - effective date - applicability. (1) This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2024 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

(2) This act applies to all qualifying properties for the right of first refusal that are listed for sale on or after the effective date of this act but for which a residential seller has not accepted an offer to purchase the qualifying property and executed the necessary agreements in connection

with accepting the offer and to all qualifying properties for the right of first offer on or after the effective date of this act that do not have active listings as of the effective date of this act.

Julie McCluskie
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Steve Fenberg
PRESIDENT OF
THE SENATE

Robin Jones
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

Cindi L. Markwell
SECRETARY OF
THE SENATE

APPROVED _____
(Date and Time)

Jared S. Polis
GOVERNOR OF THE STATE OF COLORADO