



PLANNING & ZONING COMMISSION

REGULAR MEETING AGENDA

July 29, 2025

7:00 PM

Rifle City Hall - Council Chambers

7:00 PM - Regular Meeting

1. **Call to Order**
2. **Roll Call**
3. **Pledge of Allegiance**
4. **Consent Agenda**
 - 4.a. Consider minutes of the June 24th regular P&Z Meeting
5. **Public Hearing**
 - 5.a. Discussion and possible action regarding Dad's Towing Conditional Use Permit
6. **Regular Agenda**
 - 6.a. Discussion and possible action regarding HB24-1152
7. **Staff Reports**
8. **Adjournment**

The order and times of agenda items listed above are approximate and intended as a guideline for the Planning Commissioners

ACCESSIBILITY STATEMENT

The City of Rifle values full inclusion and access for all of our facilities, programs, activities and services. We are pleased to provide meaningful accommodations to comply with the Americans with Disabilities Act (ADA) and reasonably provide translation, interpretation, modifications, accommodations, alternative formats, auxiliary aids, and services. To request special assistance, call Administrative Assistant Genesis Amaya at 970-665-6493 or email our ADA Team at ADAteam@rifleco.org. Please allow 48 hours for your requests to be met.

La Ciudad de Rifle valora la plena inclusión y acceso para todas nuestras instalaciones, programas, actividades y servicios. Nos complace proporcionar alojamientos significativos para cumplir con la Ley de Estados Unidos con Discapacidades (ADA) y proporcionar razonablemente traducciones, interpretaciones, modificaciones, adaptaciones, formatos alternativos, ayudas

auxiliares y servicios. Para solicitar asistencia especial, llame a la Asistente Administrativa al 970-665-6493 o envíe un correo electrónico a el equipo ADA a ADATeam@rifleco.org. Por favor, permita 48 horas para que se atiendan sus solicitudes.



REGULAR PLANNING COMMISSION MEETING & BOARD OF ADJUSTMENT

May 27th, 2025

Chair Marantino led the Planning Commission and audience in the Pledge of Allegiance.

The meeting starts at 7:00 p.m.

MEMBERS PRESENT AT ROLL CALL

Present: Marantino, Caldwell, Carter, Rogers, Steffen, Karzhova, Rodas, Dow

Absent: None

OTHERS PRESENT: PLANNING Director Zach Higgins, Senior Planner Geir Sverdrup, City Assistant Attorney Lawrence Bond, Building and Planning Technician Genesis Amaya, City Attorney Jim Neu, Ernesto Cuc, Flor Cuc

APPROVAL OF MINUTES

Commissioner Steffen moved to APPROVE the May 27th, 2025 Regular P&Z Meeting Minutes.

Commissioner Rogers seconded the motion. The motions CARRIED with the following vote:

ROLL CALL:

YES: Marantino, Caldwell, Carter, Rogers, Rodas, Steffen, Dow

NO:

7:03 PM

Discussion 1:

Applicant: Ernesto Cuc is sworn in.

Sketch/Preliminary Plan 2025-013 – Stillwell Condominiums

Senior Planner Geir presents the discussion and possible action of the 2025-013 Stillwell Condominiums Sketch/Preliminary Plan to approve the conversion of an existing 4 – Unit Apartment building on

Stillwell Avenue, zoned Medium Density Residential (MDRX) Redevelopment into a 4-unit condominium.

7:05 PM

Testimony 1:

Ernesto presented a proposal to convert the existing four units into individually owned condominiums, with the intention of selling each unit separately in the future.

7:09

Chair Marantino opens and closes the public hearing.

COMMISSION DISCUSSION

7:10 PM

There was a discussion between Staff, Applicant, and Commissioners.

7:11 PM

Chair Marantino proposes a motion.

7:11 pm

Commissioner Steffen moved to **APPROVE WITH CONDITIONS** the 2025-013 Sketch/Preliminary Plan for the Stillwell Condominiums Subdivision with staff recommendations.

Commissioner Rodas seconded the motion. The motions **CARRIED** with the following vote:

ROLL CALL:

YES: Marantino, Caldwell, Carter, Rogers, Rodas, Steffen, Dow

NO:

REGULAR AGENDA:

Discussion 1:

Discussion and possible action regarding CO Energy Office - Local Impact Accelerator Grant opportunity

7:13 PM

Planning Director Zach Higgins presents the Colorado Energy Office Local Impact Accelerator Grant.

7:14 PM

Chair Marantino proposes an “I” Vote, with all in favor.

Discussion 2:

Discussion and possible action regarding Rifle's Energy and Resilience Action Plan

7:15 PM

Planning Director Zach Higgins presents the Rifle Energy and Resilience Action Plan.

7:17 PM

Chair Marantino expressed concern about the broad scope of the plan and emphasized the value of holding a workshop with City Council to help refine and focus the proposal.

7:19 PM

Commissioner Steffen shared similar concerns and noted that the process appears to be moving too quickly.

7:21 PM

Chair Marantino requested that Planning Director Zach Higgins coordinate a joint workshop with City Council.

7:22 PM

Chair Marantino Proposes an “I” vote, with all in favor.

COMMENTS AND ADJOURNMENT –7:30 PM

Planning Director Zach Higgins updates commission on Third Thursday and the upcoming City Council election.

Commissioner Rogers announces upcoming events at the Ute Theatre.

Dustin Marantino, Chairman

Date

Genesis Amaya, Building/Planning Tech

Date

** A complete recording of the Meeting is available through the City of Rifle’s website**

COMMUNITY DEVELOPMENT DEPARTMENT

202 Railroad Avenue, Rifle, CO 81650

Phone: 970-665-6490



MEMORANDUM

TO: City of Rifle Planning Commission
FROM: Geir Sverdrup, Senior Planner
DATE: July 29, 2025
SUBJECT: Conditional Use Permit for Tow/Impound Yard
ADDRESS: 182 Oil Ct
CASE #: Conditional Use Permit 2025-014
APPLICANT: Dad's Towing/John Portwood

REQUEST

The applicant is requesting approval of a Conditional Use Permit for the operation of a Tow and Impound Yard on the subject property. The applicant has provided a site plan for the site that shows the location of the various vehicles to be stored. Vehicles will be stored for 1-60 days.

Vicinity Map



BACKGROUND, ZONING & COMPREHENSIVE PLAN

The property is located within the West Rifle Industrial Park Subdivision that was approved in 2003. The property is zoned Light Industrial and has historically been used for outdoor storage of equipment. Properties within the surrounding vicinity also include Light Industrial uses and there are no residences in close proximity to the parcel. To the west the parcel is currently utilized as a

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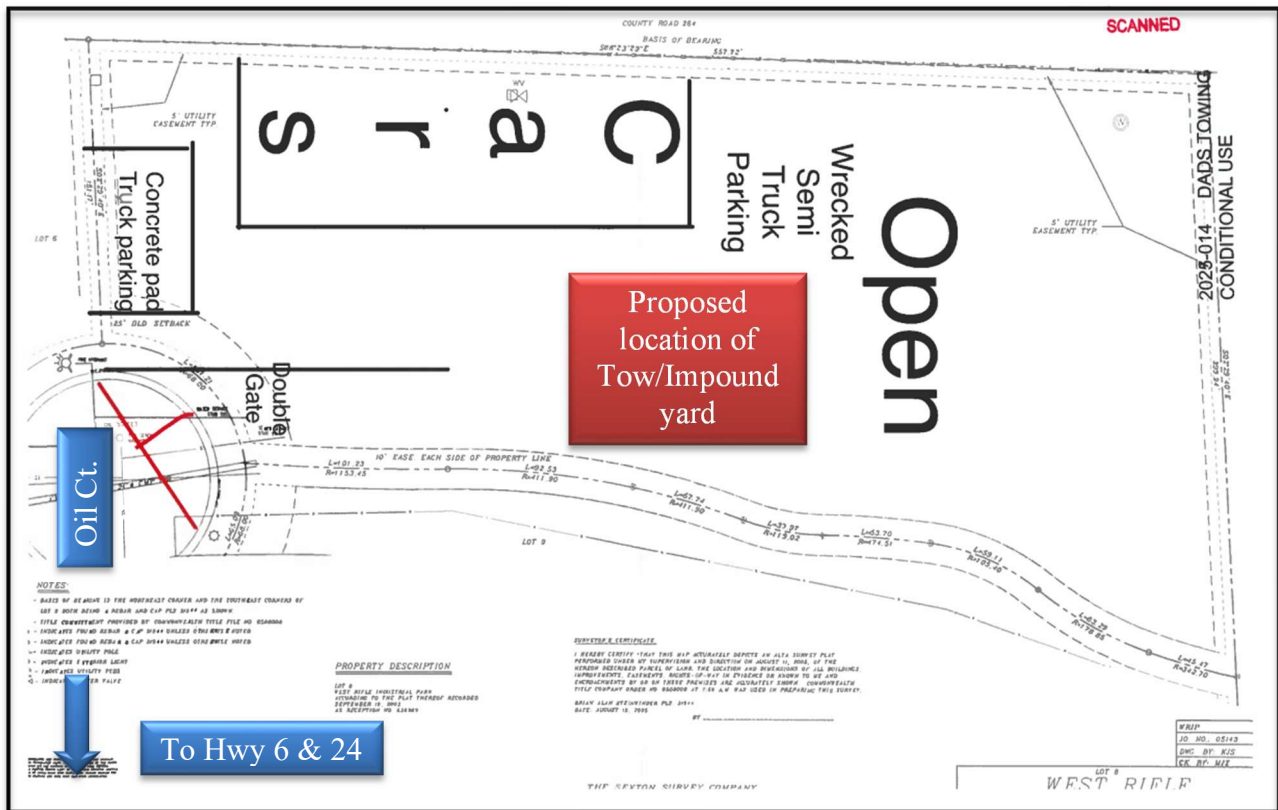


Century Link facility. South parcel is developed with an office/warehouse, formerly Rain for Rent. Property to the southwest is owned by MSG Concrete and was formerly used to store equipment and materials for Rain for Rent. The parcel to the east is an active Swallow Oil fuel station with CAT scales. The parcel immediately north is unoccupied/undeveloped land under Garfield County jurisdiction. Further south of the site is US Hwy 6 & 24, and the Denver & Rio Grande railroad.

The Light Industrial zone district specifically lists a tow yard as an itemized use which requires a Conditional Use Permit. There is an existing Tow Yard located at 125 Gas Court, approved under CUP 2022-005 and issued on May 5th, 2022.

The Comprehensive Plan designates this area as Light Industrial and supports the applicants request provided that Code standards are in place to limit the visual impact of the uses.

PROPOSED SITE PLAN



The applicant currently operates tow/impound yards in Gypsum, Idaho Springs and Granby. They currently operate their Garfield County yard at 554 County Road 352, southeast of the Rifle Garfield Airport under County jurisdiction. The applicant also operates tow/impound yards in Wyoming, where they started in 2008. They have been in business in Garfield County since 2016.

With their current licensing and certifications under PUC and USDOT they are required to remove the towed/impounded vehicles within 60 days. Vehicles from minor accidents or impounded by

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local law enforcement may be only a few days. The applicant's employees are HazMat trained and certified. There will be no mechanical work or parts salvage on-site.

The site is surrounded by light industrial uses to the west, south, and east with Hwy 6 & 24 to the south. Property to the north is vacant and unoccupied.

REFERRAL COMMENTS

This request was referred to City Departments, Colorado River Fire Rescue, CDOT and Garfield County Planning. The only comment received back was from CDOT, they have no concerns regarding additional traffic on Hwy 6 & 24. No other responses were received.

STAFF COMMENTS

Screening for Outside Storage

The Rifle Municipal Code requires that screening be installed along all sides facing a street. The northern property line, Co Rd. 264 aka Swallow Lane, is actually a private road at this location and sits approximately 16' higher than the property. Due to the fact that no other property owner has been required to install any type of screening, any screening would not actually be effective from the road due to the elevation change, and that the road is not public, staff feels that the applicants request to not install screening materials is reasonable.

Oil Court

The property is accessed by Oil Court off Hwy 6 & 24, CDOT reviewed the request and has stated that the request will not add 20% or more traffic to Hwy 6 & 24 and therefore had no concerns.

Dust Mitigation

The applicant has stated that there is a "Dust Mediation" plan in place to address the yard. Staff would require a copy of the plan, and approval of the plan prior to the issuance of a Notice of Decision.

FINDINGS

Pursuant to **Sec. 16-5-280. - Review criteria and Planning Commission decision or recommendation**, the Commission shall consider the following criteria before approving a Conditional Use Permit (*staff comments shown in bold italics*):

1. Conformance of the proposal with the City of Rifle Municipal Code;
The proposal conforms to the Rifle Municipal Code for a Conditional Use Permit. Suggested Conditions of Approval address other City of Rifle Municipal Code requirements.
2. The compatibility of the proposal with the character of the surrounding area, including but not limited to the architectural character of the neighborhood, the average lot and building sizes in the neighborhood, and the relative value of the proposed structure to the value of other structures in the neighborhood;

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The proposed Tow/Impound Yard is compatible with the other light industrial uses in the area. The applicant will be required to submit for review and approval of a dust mitigation plan.

3. The desirability for the proposed use in the specific area of the City;
This area of Rifle is currently used, and envisioned in the Comprehensive Plan, as a Light Industrial area. A Tow/Impound Yard is suited to this property because it is not proximate to residential areas and is surrounded by other light industrial uses or vacant land.

4. The potential for adverse environmental effects that might result from the proposed use;
No adverse environmental effects are anticipated, beyond usual light industrial use impacts. The applicant has stated there is a dust mitigation plan, submittal and approval of the plan is stipulated.

5. Compatibility of the proposed use and the site (or subdivision) plan with the City of Rifle Comprehensive Plan;
The Comprehensive Plan identifies this area for Light Industrial uses

6. The potential impact of the proposed use upon the value of property and buildings within the surrounding area; and
The location of the Tow/Impound Yard does not appear to negatively impact property values given the industrial uses and existing outdoor storage/tow yard uses already exist in the immediate area.

7. Conformance of the proposal with the approval requirements concerning water and sewer tap availability for high volume use requests pursuant to 13-4-120 of the Code, if applicable.
N/A

RECOMMENDATION

Staff recommends Planning Commission APPROVE CUP 2025-014 with the following conditions:

1. All representations made by the Applicant in the application and during the public hearing shall be conditions of approval, unless specifically altered by the Planning Commission.
2. The facility shall be operated in accordance with all applicable Federal, State, and local regulations governing the operation of this type of facility.
3. Applicant shall submit for review and approval a dust mitigation plan prior to issuance of a Notice of Decision.
4. Approval of the CUP shall run with the applicant of record.

Dads Towing / John Portwood

73229 highway 64
Meeker co 81641
970-260-5150

27Th May 2025

Reference 182 oil court Rifle Co 81650 Conditional use permit.

We are seeking permission to have a tow yard location at 182 Oil Court Rifle Co 81650 for Dad's towing. Dad's towing has been in business since 2008 In Wyoming, and has been in business in Garfield County Since 2016. We also have a tow location in Gypsum Co that services the Vail Valley and two additional locations in Idaho Springs Colorado, Granby Colorado. We tow for City County and state agencies. We also operate 2 heavy Haul wreckers in the ValleY For semi.Crashes and recoveries. The yard will be used for impounds and Accidents. We do not do any mechanical work And no parts sales of any vehicles brought into the yard. Our guys are hazmat trained And we are hazmat certified. Our current PUC number is T-O5703 And our USDOT number is 4330356 and are both in good standing We currently operate out of Garfield County.At 554 County Road 352, Rifle Co 81650. On all PUC calls or vehicles in the impound yard. We have 31 days to do our paperwork And 60 days turn around on all vehicles that come into the yard. Most vehicles that come into the yard for impound or minor traffic Violations are typically picked up Within a couple of days. The yard will be kept in a neat and orderly fashion. We have a plan in place for dust mediation.From the existing parking lot. Our hours of operation are 8:00 to 5:00 Monday through Friday With weekends or after hours by appointment only. Per the rules and regulations of the PUC set by the state of Colorado We must.Give customers access to their vehicles.Anytime they want. We will have law enforcement Agencies in the yard For investigations And ongoing paperwork for every vehicle that comes Into our location. We have local contracts With all cities in the Valley We work closely with Garfield County Pitkin County And have a long term contract with Colorado State Patrol We also Work closely with Rifle PD and Rifle code enforcement.For both auto infractions, accidents And code enforcement violations. Our Trucks are newer models and are considered First responders.

The only other stipulation that we are asking from the board Is that we would not have to install screen netting or mesh On the North facing fence Towards the back County Road As no other neighbors have installed the mesh or screen. The parking of cars would be 16 feet below grid in the

parking lot and Lower than the fence line. We would ask that you would take that into consideration. There is an existing Concrete pad As you come in the double gates off of Oil court , That pad will be used For parking Our tow trucks. The line of cars would be on the back fence line. On the county road side, Thank you in advance For your consideration In issuing. The conditional use permit For Dad's Towing We look forward To being part of this community.

Sincerely,

John Portwood

A handwritten signature in black ink, appearing to read 'John Portwood', written in a cursive style.

BASIS OF BEARING S89°23'29"E 557.72'

SCANNED

S r r a c

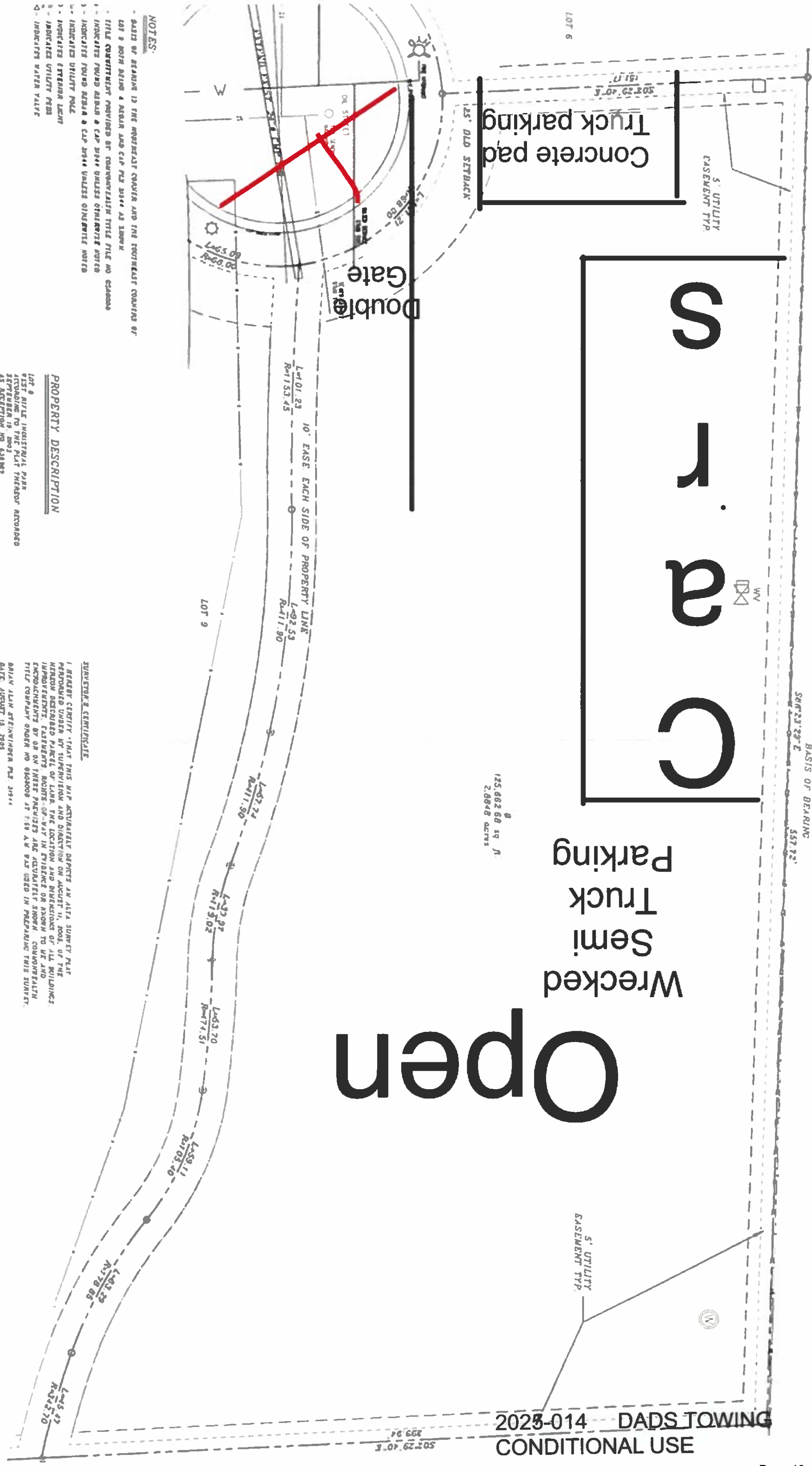
Wrecked
Semi
Truck
Parking

Open

2025-014 DADS TOWING
CONDITIONAL USE

Concrete pad
Truck parking

Double
Gate



NOTES:

- BASIS OF BEARING IS THE FOREHEAD COURSE AND THE FOREHEAD COURSE OF LOT 8 BOTH BEING A BEARING AND CAP PER SHOWN AS SHOWN.
- TITLED GOVERNMENT PROVIDED BY GOVERNMENTAL TITLE FILE NO. 0200000
- INDICATES FOUND ALUMINUM CAP WITH VALVES OTHERWISE NOTED
- INDICATES FOUND ALUMINUM CAP WITH VALVES OTHERWISE NOTED
- INDICATED UTILITY POLE
- INDICATES STEELMAN LIGHT
- INDICATES UTILITY POLE
- INDICATES WATER VALVE

PROPERTY DESCRIPTION

LOT 9 BEST SUITE INDUSTRIAL PARK ACCORDING TO THE PLAT THEREOF ACCORDING AS RECEIVED NO. 618695

SURVEYOR'S CERTIFICATE

I HEREBY CERTIFY THAT THIS MAP ACCURATELY DEPICTS AN ALTA SURVEY PLAT PREPARED UNDER MY SUPERVISION AND DIRECTION ON AUGUST 11, 2005, OF THE HEREIN DESCRIBED PARCEL OF LAND, THE LOCATION AND DIMENSIONS OF ALL BUILDINGS, IMPROVEMENTS, EASEMENTS, RIGHTS-OF-WAY IN EVIDENCE OR KNOWN TO ME AND ENCROACHMENTS BY OR ON THESE PREMISES ARE ACCURATELY SHOWN. CONFORMANCE WITH TITLE COMPANY ORDER NO. 0400008 AT \$150 AN HOUR USED IN PREPARING THIS SURVEY. BRIAN ALAN STEINWINDER PLS 31914 DATE AUGUST 19, 2005 BY _____

THE SEXTON SURVEY COMPANY

WEST RIFF

WRIP
JO. NO. 05143
DWG. BY: KJS
CS. BY: MZ



Agenda Item #6.a.

Agenda Item Name:

Discussion and possible action regarding HB24-1152

Presenter:

Zach Higgins, Planning Director

Item Description:

Recommended Action:

Move to recommend for consideration City of Rifle to become a designated ADU supportive jurisdiction per HB24-1152 to the Rifle City Council

Fiscal Impact:

None at this time.

Operational Impact:

None at this time

Prior Board Motions:

Background Information:

Executive Summary:

Notification Requirements:

None at this time

Prepared By:

Zach Higgins, Planning Director

Attachments:

1. Agenda Memo_HB24-1152 07_29_2025

COMMUNITY DEVELOPMENT DEPARTMENT

202 Railroad Avenue, Rifle, CO 81650

Phone: 970-665-6490



MEMORANDUM

TO: City of Rifle Planning Commission
FROM: Zach Higgins, Community Development Director
Geir Sverdrup, Senior Planner
DATE: July 29, 2025
SUBJECT: Discussion on HB 24-1152 regarding ADU's and the City of Rifle code and procedures

Introduction

House Bill 24-1152 was passed by the Colorado House and approved on May 13, 2024. The bill requires Metropolitan Planning Organizations (MPO) and supportive jurisdictions, to amend their zoning code to make the process of construction and installation of Accessory Dwelling Units (ADU) as an administrative process related to existing single unit detached dwellings.

Rifle is not within the boundary of an MPO and therefore does not have to meet the requirements for areas such as Denver Metro, Fort Collins, Colorado Springs, etc.

Rifle Municipal Code Sec. 16-3-60. – Accessory dwelling units. currently meets most of the requirements set forth in this bill. The City of Rifle could amend the municipal code to come into compliance with HB 24-1152 to become an “ADU Supportive Jurisdiction”. This designation would allow the citizens and property owners of Rifle to be eligible for ADU financing authorized under HB24-1152 and operated by CHFA. The amended regulations would more closely align with those being imposed onto all jurisdictions within MPO boundaries on the front range. This alignment in regulations may make it easier to achieve economies of scale by reducing the variability of regulations between jurisdictions, thereby enabling more standardized and modular ADU designs.

Rifle City Code

Sec. 16-3-60. - Accessory dwelling units.

An accessory dwelling unit, when allowed, shall conform to the following requirements, and plans submitted to the City shall address each of these requirements:

- (1) Zone district requirements. Except as set forth in this Section, an accessory dwelling unit shall be subject to all of the zone district requirements that apply to the lot, including but not limited to uses, setbacks, height, lot coverage, floor area ratio, yards, parking and landscaping requirements.
- (2) Conditional use permit required. An application for the approval of an accessory dwelling unit within a commercial or industrial zone district shall be processed and reviewed pursuant to the City's conditional use permit process; provided, however, that, notwithstanding Article V, Division 3 of this Chapter, a conditional use permit application for an accessory dwelling unit on lots eight thousand (8,000) square feet or larger in a commercial zone district where the only use is residential, the permit shall be reviewed and approved at the City staff level, and shall only be reviewed by the Planning Commission if an objection to such application is filed with the City by a resident of the City following notice pursuant to Paragraph (3) below. If the City staff denies a conditional use permit application, the applicant may appeal the staff's decision to the

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Phone: 970-665-6490



Planning Commission for review and decision on the application pursuant to Article V, Division 3 of this Chapter.

(3) Public notice. An applicant for a conditional use permit for an accessory dwelling unit shall comply with the public notice requirements stated in Section 16-1-50 of this Chapter. If the application qualifies for a staff decision and staff intends to grant the application, the public notice shall state that City staff intends to make a favorable determination on the conditional use permit and, unless a written objection to the granting of the conditional use permit is received within ten (10) days of the date of the public notice, the public hearing will be cancelled and the Planning Commission will not review the application.

(4) Unit size/number. Accessory dwelling units shall be no less than three hundred (300) square feet and no more than eight hundred fifty (850) square feet and shall be limited to no more than two (2) bedrooms.

a. Accessory dwelling units in residential zone districts, or on a lot in a commercial zone district where the only use is residential, shall also be limited in size equal to or less than fifty percent (50%) of the total livable area (excluding garage) of the principal dwelling. Only one (1) accessory dwelling unit shall be allowed per residential lot.

b. Accessory dwelling units in commercial and light industrial zone districts that have commercial or light industrial uses may be detached. Attached accessory dwelling units shall be limited to only the top floor of the building, and the total area developed with an attached accessory dwelling unit(s) shall not exceed the total interior area of the commercial space in the building.

(5) Compatibility/landscaping. Materials and design of the accessory dwelling unit shall be substantially the same as the principal structure, and landscaping for the accessory dwelling unit shall be compatible with the principal dwelling.

(6) Parking/access. Each accessory dwelling unit shall provide one (1) dedicated off-street parking space per bedroom which shall be accessed by the same driveway/curb cut as the principal structure; provided, however, that the City staff may grant access to the accessory dwelling unit from an alley adjacent to the lot if such access is sufficient and will not negatively affect the traffic flow in the alley or adversely impact the neighborhood. Accessory dwelling units in commercial and light industrial zone districts may utilize shared parking with the principal commercial use so long as the commercial use allows sufficient parking for the accessory dwelling use.

(7) Water and sewer utilities. Water and sewer utilities for an accessory dwelling unit may be installed and metered independently from the primary dwelling or building, the plans for which shall be reviewed and approved by the Public Works Director. All costs associated with any utility or line extension or upgrade shall be borne by the owner, and a cash deposit or other performance guarantee approved by the City staff may be required to secure the workmanlike installation of said lines and the restoration of public streets and sidewalks after road cuts are made.

(8) Condominiumization or subdivision. Accessory dwelling units shall not be condominiumized or subdivided from the principal dwelling in residential zone districts or on a lot in a commercial zone district where the only use is residential; provided, however, that condominiumization or subdivision of accessory dwelling units shall be permitted in the commercial and light industrial zone districts that have commercial or light industrial uses if approved pursuant to this Code.

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(9) Separate address. An accessory dwelling unit shall be assigned a separate address from the principal dwelling or building.

(10) Fees. Accessory dwelling units shall be subject to sixty percent (60%) of all fees of general applicability for new single-family residential dwellings, including parkland dedication fees, water rights dedication fees, water and sewer impact fees and any impact fees associated with a defined area.

Staff has reviewed the language in HB 24-1152 and finds that Rifle’s code meets the majority of the requirements of the bill.

Staff Comments

One of the differences between Rifle city code and HB 24-1152 is the requirement for off-street parking. Rifle currently requires one (1) additional off-street parking space to be provided for any ADU. HB 24-1152 states that a jurisdiction SHALL NOT “require the construction of a new off-street parking space in connection with the construction or conversion of an accessory dwelling unit, EXCEPT as described in subsections (3)(a) and (3)(b) of this section”. The bill later states in (3) that “Nothing in this section prevents a subject jurisdiction or other local government from: (a) Requiring the designation of an off-street parking space in connection with an accessory dwelling unit, so long as there is an existing driveway, garage, tandem parking space, or other off-street parking space available for such a designation at the time of the construction or conversion of the accessory dwelling unit.” The bill goes on to state “(b) Requiring, in connection with the construction or conversion of an accessory dwelling unit, one new parking space on a parcel that: does not have an existing off-street parking space, including a driveway, garage, or tandem parking space, that could be used for an accessory dwelling unit; is in a zoning district that, as of January 1, 2024, requires one or more parking spaces for the primary dwelling unit; and is located on a block where on-street parking is prohibited for any reason including ensuring access for emergency services.

The bill references sizes and number of the ADU’s on properties. Rifle code allows by right one (1) ADU per lot in all residential and two (2) commercial zone districts, and as a conditional use in light industrial.

The bill also addresses Short Term Rentals (STR). City code does not regulate STR’s and a search of VRBO, AirBnB, etc. only found 9-10 actual STR’s in our area. The bill states that nothing in this section prevents a subject jurisdiction from (g) enacting or applying a local law concerning the short-term rental of an accessory dwelling unit or any other dwelling on the same lot as an accessory dwelling unit.

A highlighted copy of HB 24-1152 is attached. Yellow indicating compliance and green indicating divergence from the bill.

An Act

HOUSE BILL 24-1152

BY REPRESENTATIVE(S) Amabile and Weinberg, Bacon, Boesenecker, Epps, Froelich, Garcia, Jodeh, Kipp, Lindsay, Lindstedt, Mabrey, McCormick, Ortiz, Ricks, Rutinel, Sirota, Story, Valdez, Vigil, Willford, Woodrow, McCluskie, English, Herod, Martinez, McLachlan, Parenti, Weissman;
also SENATOR(S) Mullica and Exum, Cutter, Hinrichsen, Priola, Roberts, Winter F.

CONCERNING INCREASING THE NUMBER OF ACCESSORY DWELLING UNITS,
AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

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

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

ARTICLE 35

State Land Use Criteria For Strategic Growth

PART 1

ACCESSORY DWELLING UNITS

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

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.

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

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

(III) ACCESSORY DWELLING UNITS PROVIDE FAMILIES WITH OPTIONS FOR INTERGENERATIONAL LIVING ARRANGEMENTS THAT ENABLE CHILD OR ELDER CARE AND AGING IN PLACE, AND A 2021 SURVEY BY THE AARP FOUND THAT APPROXIMATELY SEVENTY-FIVE PERCENT OF PEOPLE FIFTY YEARS OF AGE OR OLDER WANT TO STAY IN THEIR HOMES OR COMMUNITIES FOR AS LONG AS THEY CAN. ACCORDING TO A 2018 STUDY BY THE CENTER FOR AMERICAN PROGRESS, FIFTY-ONE PERCENT OF COLORADANS LIVE IN A CHILD CARE DESERT-A COMMUNITY WHERE THERE ARE NO CHILD CARE PROVIDERS OR SO FEW OPTIONS THAT THERE ARE MORE THAN THREE TIMES AS MANY CHILDREN AS THERE ARE LICENSED CHILD CARE SLOTS. THESE CHILD CARE DESERTS ARE SITUATED WITHIN RURAL, SUBURBAN, AND URBAN COMMUNITIES AND ARE A MAJOR REASON FOR WORKING PARENTS TO LEAVE THE WORKFORCE.

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

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

(VI) ACCESSORY DWELLING UNITS ENABLE SENIORS TO DOWNSIZE, MOVE INTO ACCESSIBLE UNITS, OR LIVE WITH FAMILY OR A CAREGIVER WHILE

REMAINING IN THEIR COMMUNITIES. A 2018 AARP SURVEY FOUND THAT SIXTY-SEVEN PERCENT OF ADULTS WOULD CONSIDER LIVING IN AN ACCESSORY DWELLING UNIT TO BE CLOSE TO SOMEONE BUT STILL HAVE A SEPARATE SPACE. MOST SENIORS DO NOT LIVE IN HOMES THAT ARE ACCESSIBLE, EVEN THOUGH DISABILITY IS PREVALENT AMONG THE SENIOR POPULATION AND INCREASES WITH AGE. LESS THAN FOUR PERCENT OF EXISTING HOUSING UNITS IN THE UNITED STATES ARE ESTIMATED TO BE LIVABLE FOR PEOPLE WITH MODERATE MOBILITY DIFFICULTIES, ACCORDING TO "HOUSING FOR AN AGING POPULATION" IN THE JOURNAL HOUSING POLICY DEBATE.

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

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

(IX) COMPACT INFILL DEVELOPMENT REDUCES WATER DEMAND AND INFRASTRUCTURE COSTS BY USING LESS PIPING, WHICH REDUCES WATER LOSS; INCLUDES LESS LANDSCAPED SPACE PER UNIT; AND MAKES BETTER USE OF EXISTING INFRASTRUCTURE.

(X) ACCESSORY DWELLING UNITS REDUCE GOVERNMENT CAPITAL AND MAINTENANCE COSTS FOR INFRASTRUCTURE SINCE ACCESSORY DWELLING UNITS ARE BUILT IN EXISTING NEIGHBORHOODS AND HAVE A RELATIVELY SMALL IMPACT ON EXISTING INFRASTRUCTURE. NATIONAL

STUDIES SUCH AS "RELATIONSHIPS BETWEEN DENSITY AND PER CAPITA MUNICIPAL SPENDING IN THE UNITED STATES", PUBLISHED IN URBAN SCIENCE, HAVE FOUND THAT LOWER DENSITY COMMUNITIES HAVE HIGHER GOVERNMENT CAPITAL AND MAINTENANCE COSTS FOR WATER, SEWER, AND TRANSPORTATION INFRASTRUCTURE AND LOWER PROPERTY AND SALES TAX REVENUE. THESE INCREASED COSTS ARE OFTEN BORNE BY BOTH STATE AND LOCAL GOVERNMENTS.

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

(XII) A NUMBER OF MUNICIPALITIES HAVE REMOVED BARRIERS TO ACCESSORY DWELLING UNIT CONSTRUCTION SUCH AS PARKING REQUIREMENTS, OWNER OCCUPANCY REQUIREMENTS, AND RESTRICTIVE SIZE AND DESIGN LIMITATIONS, WHICH HAS RESULTED IN ACCESSORY DWELLING UNIT PERMITS INCREASING TO TEN TO TWENTY PERCENT OF TOTAL NEW HOUSING PERMITS AND AN OVERALL INCREASE IN THE TOTAL HOUSING SUPPLY. SINCE CALIFORNIA IMPLEMENTED VARIOUS REFORMS TO ENCOURAGE ACCESSORY DWELLING UNIT CONSTRUCTION, INCLUDING REQUIRING CITIES TO ALLOW ACCESSORY DWELLING UNITS AS A USE BY RIGHT, PREVENTING THE IMPOSITION OF PARKING REQUIREMENTS, AND PREVENTING OWNER OCCUPANCY REQUIREMENTS, ACCESSORY DWELLING UNIT CONSTRUCTION HAS INCREASED SIGNIFICANTLY IN CALIFORNIA. FOLLOWING REFORMS TO CALIFORNIA'S ACCESSORY DWELLING UNIT LAW IN 2016, ACCESSORY DWELLING UNIT DEVELOPMENT HAS INCREASED RAPIDLY FROM AROUND ONE THOUSAND ACCESSORY DWELLING UNITS PERMITTED IN 2016 TO OVER TWENTY-FOUR THOUSAND IN 2022, OR ABOUT TWENTY PERCENT OF NEW HOUSING PERMITS STATEWIDE, ACCORDING TO DATA FROM THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT AND ANALYSIS BY THE BIPARTISAN POLICY CENTER.

(XIII) HOUSING SUPPLY IMPACTS HOUSING AFFORDABILITY, AND HOUSING PRICES ARE TYPICALLY HIGHER WHEN HOUSING SUPPLY IS RESTRICTED BY LOCAL LAND USE REGULATIONS IN A METROPOLITAN REGION, ACCORDING TO THE NATIONAL BUREAU OF ECONOMIC RESEARCH IN WORKING PAPERS SUCH AS "REGULATION AND HOUSING SUPPLY", "THE IMPACT OF ZONING ON HOUSING AFFORDABILITY", AND "THE IMPACT OF LOCAL RESIDENTIAL LAND USE RESTRICTIONS ON LAND VALUES ACROSS

AND WITHIN SINGLE FAMILY HOUSING MARKETS";

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

(XV) ACADEMIC RESEARCH SUCH AS "THE IMPACT OF BUILDING RESTRICTIONS ON HOUSING AFFORDABILITY" IN THE FEDERAL RESERVE BANK OF NEW YORK ECONOMIC POLICY REVIEW HAS IDENTIFIED ZONING AND OTHER LAND USE CONTROLS AS A PRIMARY DRIVER OF RISING HOUSING COSTS IN THE MOST EXPENSIVE HOUSING MARKETS;

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

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

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

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

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

(1) "ACCESSIBLE UNIT" MEANS A HOUSING UNIT THAT:

(a) SATISFIES THE REQUIREMENTS OF THE FEDERAL "FAIR HOUSING ACT", 42 U.S.C. SEC. 3601 ET SEQ., AS AMENDED;

(b) INCORPORATES UNIVERSAL DESIGN; OR

(c) IS EITHER A TYPE A DWELLING UNIT, AS DEFINED IN SECTION 9-5-101 (10), OR A TYPE B DWELLING UNIT, AS DEFINED IN SECTION 9-5-101 (12).

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

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

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

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

(3) "ACCESSORY DWELLING UNIT SUPPORTIVE JURISDICTION" MEANS

A LOCAL GOVERNMENT THAT THE DEPARTMENT HAS CERTIFIED PURSUANT TO SECTION 29-35-104 AS AN ACCESSORY DWELLING UNIT SUPPORTIVE JURISDICTION.

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

(5)(a) "ADMINISTRATIVE APPROVAL PROCESS" MEANS A PROCESS IN WHICH:

(I) A DEVELOPMENT PROPOSAL FOR A SPECIFIED PROJECT IS APPROVED, APPROVED WITH CONDITIONS, OR DENIED BY LOCAL GOVERNMENT ADMINISTRATIVE STAFF BASED SOLELY ON ITS COMPLIANCE WITH OBJECTIVE STANDARDS SET FORTH IN LOCAL LAWS; AND

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

(b) NOTWITHSTANDING SUBSECTION (5)(a) OF THIS SECTION, AN ADMINISTRATIVE APPROVAL PROCESS MAY REQUIRE AN APPOINTED HISTORIC PRESERVATION COMMISSION TO MAKE A DECISION, OR TO MAKE A RECOMMENDATION TO LOCAL GOVERNMENT ADMINISTRATIVE STAFF, REGARDING A DEVELOPMENT APPLICATION INVOLVING A PROPERTY THAT THE LOCAL GOVERNMENT HAS DESIGNATED AS A HISTORIC PROPERTY, PROVIDED THAT:

(I) THE STATE HISTORIC PRESERVATION OFFICE WITHIN HISTORY COLORADO HAS DESIGNATED THE LOCAL GOVERNMENT AS A CERTIFIED LOCAL GOVERNMENT; AND

(II) THE APPOINTED HISTORIC PRESERVATION COMMISSION'S DECISION OR RECOMMENDATION IS BASED ON STANDARDS EITHER SET FORTH IN LOCAL LAW OR ESTABLISHED BY THE SECRETARY OF THE INTERIOR OF THE UNITED STATES.

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

(7) "DEPARTMENT" MEANS THE DEPARTMENT OF LOCAL AFFAIRS.

(8) "DWELLING UNIT" MEANS A SINGLE UNIT PROVIDING COMPLETE INDEPENDENT LIVING FACILITIES FOR ONE OR MORE INDIVIDUALS, INCLUDING PERMANENT FACILITIES FOR COOKING, EATING, LIVING, SANITATION, AND SLEEPING.

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

(a) NOT SERVED BY A DOMESTIC WATER AND SEWAGE TREATMENT SYSTEM, AS DEFINED IN SECTION 24-65.1-104 (5), OR IS SERVED BY A WELL WITH A PERMIT THAT CANNOT SUPPLY AN ADDITIONAL DWELLING UNIT;

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

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

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

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

(a) ON THE NATIONAL REGISTER OF HISTORIC PLACES;

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

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

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

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

(14) "LOW- AND MODERATE-INCOME HOUSEHOLD" MEANS A HOUSEHOLD THAT IS CONSIDERED LOW-, MODERATE-, OR MEDIUM-INCOME, AS DETERMINED BY THE FEDERAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

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

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

(17) "OBJECTIVE STANDARD" MEANS A STANDARD THAT:

(a) IS A DEFINED BENCHMARK OR CRITERION THAT ALLOWS FOR DETERMINATIONS OF COMPLIANCE TO BE CONSISTENTLY DECIDED REGARDLESS OF THE DECISION MAKER; AND

(b) DOES NOT REQUIRE A SUBJECTIVE DETERMINATION CONCERNING A DEVELOPMENT PROPOSAL, INCLUDING BUT NOT LIMITED TO WHETHER THE APPLICATION FOR THE DEVELOPMENT PROPOSAL IS:

(I) CONSISTENT WITH MASTER PLANS, OR OTHER DEVELOPMENT PLANS;

(II) COMPATIBLE WITH THE LAND USE OR DEVELOPMENT OF THE AREA SURROUNDING THE AREA DESCRIBED IN THE APPLICATION; OR

(III) CONSISTENT WITH PUBLIC WELFARE, COMMUNITY CHARACTER, OR NEIGHBORHOOD CHARACTER.

(18) "RESTRICTIVE DESIGN OR DIMENSION STANDARD" MEANS A STANDARD IN A LOCAL LAW THAT:

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

(b) DOES NOT ALLOW FOR ACCESSORY DWELLING UNIT SIZES

BETWEEN FIVE HUNDRED AND SEVEN HUNDRED FIFTY SQUARE FEET;

(c) REQUIRES SIDE SETBACKS FOR AN ACCESSORY DWELLING UNIT THAT ARE LARGER THAN THE SIDE SETBACKS REQUIRED FOR A PRIMARY DWELLING UNIT IN THE SAME ZONING DISTRICT;

(d) REQUIRES A REAR SETBACK FOR AN ACCESSORY DWELLING UNIT THAT IS LARGER THAN THE GREATER OF:

(I) THE REAR SETBACK REQUIRED FOR OTHER ACCESSORY BUILDING TYPES IN THE SAME ZONING DISTRICT; OR

(II) FIVE FEET;

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

(f) APPLIES MORE RESTRICTIVE AESTHETIC DESIGN OR DIMENSIONAL STANDARDS TO ACCESSORY DWELLING UNITS THAT ARE FACTORY-BUILT RESIDENTIAL STRUCTURES, AS DEFINED IN SECTION 24-32-3302 (10), THAN OTHER ACCESSORY DWELLING UNITS.

(19) (a) "SHORT-TERM RENTAL" MEANS THE RENTAL OF A LODGING UNIT FOR LESS THAN THIRTY DAYS. AS USED IN THIS SUBSECTION (19), "LODGING UNIT" MEANS ANY PROPERTY OR PORTION OF A PROPERTY THAT IS AVAILABLE FOR LODGING; EXCEPT THAT THE TERM EXCLUDES A HOTEL OR MOTEL UNIT.

(b) NOTWITHSTANDING SUBSECTION (19)(a) OF THIS SECTION, A LOCAL GOVERNMENT MAY APPLY ITS OWN DEFINITION OF "SHORT-TERM RENTAL" FOR PURPOSES OF THIS PART 1.

(20) "SINGLE-UNIT DETACHED DWELLING" MEANS A DETACHED BUILDING WITH A SINGLE DWELLING UNIT ON A SINGLE LOT.

(21) "SUBJECT JURISDICTION" MEANS EITHER:

(a) A MUNICIPALITY THAT BOTH HAS A POPULATION OF ONE THOUSAND OR MORE, AS REPORTED BY THE STATE DEMOGRAPHY OFFICE,

AND IS WITHIN A METROPOLITAN PLANNING ORGANIZATION; OR

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

(22) "TANDEM PARKING SPACE" MEANS A PARKING SPACE THAT IS LOCATED EITHER IN FRONT OF OR BEHIND ONE OR MORE OTHER PARKING SPACES THAT SHARE THE SAME POINT OF ACCESS.

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

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

29-35-103. Accessory dwelling unit requirements for a subject jurisdiction. (1) ON OR AFTER JUNE 30, 2025, A SUBJECT JURISDICTION SHALL 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 JURISDICTION ALLOWS SINGLE-UNIT DETACHED DWELLINGS.

(2) ON OR AFTER JUNE 30, 2025, A SUBJECT JURISDICTION SHALL NOT:

(a) REQUIRE THE CONSTRUCTION OF A NEW OFF-STREET PARKING SPACE IN CONNECTION WITH THE CONSTRUCTION OR CONVERSION OF AN ACCESSORY DWELLING UNIT, EXCEPT AS DESCRIBED IN SUBSECTIONS (3)(a) AND (3)(b) OF THIS SECTION;

(b) REQUIRE AN ACCESSORY DWELLING UNIT, OR ANY OTHER DWELLING ON THE SAME LOT AS AN ACCESSORY DWELLING UNIT, TO BE OWNER-OCCUPIED; EXCEPT THAT A SUBJECT JURISDICTION MAY REQUIRE A PROPERTY OWNER TO DEMONSTRATE THAT THE PROPERTY OWNER RESIDES ON THE PARCEL WHEN AN APPLICATION IS SUBMITTED;

(I) TO CONSTRUCT OR CONVERT AN ACCESSORY DWELLING UNIT. THIS EXCEPTION DOES NOT APPLY FOR AN ACCESSORY DWELLING UNIT THAT IS BEING CONSTRUCTED SIMULTANEOUSLY WITH A NEW PRIMARY DWELLING UNIT.

(II) FOR A LICENSE OR PERMIT FOR A SHORT-TERM RENTAL ON THE PARCEL THROUGH A LOCAL LAW OR PROGRAM.

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

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

(a) REQUIRING THE DESIGNATION OF AN OFF-STREET PARKING SPACE IN CONNECTION WITH AN ACCESSORY DWELLING UNIT, SO LONG AS THERE IS AN EXISTING DRIVEWAY, GARAGE, TANDEM PARKING SPACE, OR OTHER OFF-STREET PARKING SPACE AVAILABLE FOR SUCH A DESIGNATION AT THE TIME OF THE CONSTRUCTION OR CONVERSION OF THE ACCESSORY DWELLING UNIT;

(b) REQUIRING, IN CONNECTION WITH THE CONSTRUCTION OR CONVERSION OF AN ACCESSORY DWELLING UNIT, ONE NEW PARKING SPACE ON A PARCEL THAT:

(I) DOES NOT HAVE AN EXISTING OFF-STREET PARKING SPACE, INCLUDING A DRIVEWAY, GARAGE, OR TANDEM PARKING SPACE, THAT COULD BE USED FOR AN ACCESSORY DWELLING UNIT;

(II) IS IN A ZONING DISTRICT THAT, AS OF JANUARY 1, 2024, REQUIRES ONE OR MORE PARKING SPACES FOR THE PRIMARY DWELLING UNIT; AND

(III) IS LOCATED ON A BLOCK WHERE ON-STREET PARKING IS PROHIBITED FOR ANY REASON INCLUDING ENSURING ACCESS FOR EMERGENCY SERVICES;

(c) ALLOWING THE CONSTRUCTION OR CONVERSION OF AN ACCESSORY DWELLING UNIT THAT IS SMALLER THAN FIVE HUNDRED SQUARE FEET OR GREATER THAN EIGHT HUNDRED SQUARE FEET, OR RESTRICTING THE

SIZE OF AN ACCESSORY DWELLING UNIT SO THAT IT IS NO LARGER THAN THE SIZE OF THE PRINCIPAL DWELLING UNIT ON THE SAME LOT AS THE ACCESSORY DWELLING UNIT;

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

(e) APPLYING A DESIGN OR DIMENSION STANDARD TO AN ACCESSORY DWELLING UNIT THAT IS NOT A RESTRICTIVE DESIGN OR DIMENSION STANDARD;

(f) ADOPTING OR ENFORCING A GENERALLY APPLICABLE REQUIREMENT FOR:

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

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

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

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

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

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

(k) ENCOURAGING THE CONSTRUCTION OF ACCESSORY DWELLING UNITS THAT ARE, THROUGH THE APPLICATION OF LOCAL LAWS OR PROGRAMS INCLUDING THROUGH DEED RESTRICTIONS, MADE AFFORDABLE TO

HOUSEHOLDS UNDER CERTAIN INCOME LIMITS OR USED PRIMARILY TO HOUSE THE LOCAL WORKFORCE PURSUANT TO A LOCAL, REGIONAL, OR STATE AFFORDABLE HOUSING PROGRAM;

(l) DEFINING ACCESSORY DWELLING UNIT IN LOCAL LAW AS INCLUDING OR EXCLUDING OTHER DWELLING UNIT TYPES SUCH AS A "MOTOR HOME", AS DEFINED IN SECTION 42-1-102 (57), A "MULTIPURPOSE TRAILER", AS DEFINED IN SECTION 42-1-102 (60.3), AND A "RECREATIONAL VEHICLE", AS DEFINED IN SECTION 24-32-902 (9); OR

(m) REQUIRING A STATEMENT BY A WATER OR WASTEWATER SERVICE PROVIDER REGARDING ITS CAPACITY TO SERVICE THE PROPERTY AS A CONDITION OF PERMITTING AN ACCESSORY DWELLING UNIT.

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

29-35-104. Accessory dwelling unit supportive jurisdiction report - certification of a jurisdiction as an accessory dwelling unit supportive jurisdiction. (1) (a) IN ORDER TO BE CERTIFIED AS AN ACCESSORY DWELLING UNIT SUPPORTIVE JURISDICTION BY THE DEPARTMENT, A LOCAL GOVERNMENT MUST SUBMIT TO THE DEPARTMENT, IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT, A REPORT DEMONSTRATING EVIDENCE OF THE LOCAL GOVERNMENT:

(I) COMPLYING WITH SECTION 29-35-103 AS A SUBJECT JURISDICTION OR, IF THE LOCAL GOVERNMENT IS NOT A SUBJECT JURISDICTION, AS IF THE LOCAL GOVERNMENT WERE A SUBJECT JURISDICTION FOR PURPOSES OF SECTION 29-35-103; AND

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

(A) WAIVING, REDUCING, OR PROVIDING FINANCIAL ASSISTANCE FOR ACCESSORY DWELLING UNIT-RELATED FEES THAT ARE INCURRED BY LOW- AND MODERATE-INCOME HOUSEHOLDS;

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

(C) PROVIDING PRE-APPROVED PLANS FOR THE CONSTRUCTION OF ACCESSORY DWELLING UNITS;

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

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

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

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

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

(I) ENACTING LOCAL LAWS THAT ENCOURAGE THE CONSTRUCTION OF ACCESSORY DWELLING UNITS THAT ARE FACTORY-BUILT RESIDENTIAL STRUCTURES, AS DEFINED IN SECTION 24-32-3302 (10); OR

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

(b) (I) ON OR BEFORE JUNE 30, 2025, A SUBJECT JURISDICTION SHALL SUBMIT THE REPORT DESCRIBED IN SUBSECTION (1)(a) OF THIS SECTION.

(II) NOTWITHSTANDING SUBSECTION (1)(b)(I) OF THIS SECTION, THE DEPARTMENT MAY ALLOW A SUBJECT JURISDICTION TO SUBMIT THE REPORT DESCRIBED IN SUBSECTION (1)(a) OF THIS SECTION NO MORE THAN SIX MONTHS AFTER THE DEADLINE DESCRIBED IN SUBSECTION (1)(b)(I) OF THIS SECTION IF THE SUBJECT JURISDICTION DEMONSTRATES, IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT, THAT THE SUBJECT JURISDICTION HAS:

(A) INITIATED A PROCESS TO UPDATE ITS LOCAL LAWS AS NECESSARY

TO COMPLY WITH THE REQUIREMENTS OF THE REPORT DESCRIBED IN SUBSECTION (1)(a) OF THIS SECTION;

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

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

(c) IF A LOCAL GOVERNMENT THAT IS NOT A SUBJECT JURISDICTION SUBMITS A REPORT PURSUANT TO SUBSECTION (1)(a) OF THIS SECTION, THAT LOCAL GOVERNMENT SHALL, AS PART OF THE REPORT, SUBMIT EVIDENCE OF COMPLYING WITH THE REQUIREMENTS FOR A SUBJECT JURISDICTION DESCRIBED IN SECTION 29-35-103.

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

(b) IF THE DEPARTMENT APPROVES A LOCAL GOVERNMENT'S REPORT SUBMITTED PURSUANT TO SUBSECTION (1)(a) OF THIS SECTION, THE DEPARTMENT SHALL ISSUE TO THAT LOCAL GOVERNMENT A CERTIFICATE INDICATING THAT THE LOCAL GOVERNMENT QUALIFIES AS AN ACCESSORY DWELLING UNIT SUPPORTIVE JURISDICTION. THE DEPARTMENT MAY REVOKE SUCH A CERTIFICATE IF A LOCAL GOVERNMENT DOES NOT SATISFY THE REQUIREMENTS OF SUBSECTION (1)(a) OF THIS SECTION.

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

(3) THE DEPARTMENT, IN CONSULTATION WITH THE DEPARTMENT OF

TRANSPORTATION, THE COLORADO ENERGY OFFICE, AND THE COLORADO OFFICE OF ECONOMIC DEVELOPMENT, MAY DEVELOP POLICIES AND PROCEDURES AS NECESSARY TO IMPLEMENT THIS SECTION.

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

(1) THE ACCESSORY DWELLING UNIT FEE REDUCTION AND ENCOURAGEMENT GRANT PROGRAM IS CREATED IN THE DEPARTMENT TO PROVIDE GRANTS TO ACCESSORY DWELLING UNIT SUPPORTIVE JURISDICTIONS FOR ACTIVITIES THAT PROMOTE THE CONSTRUCTION OF ACCESSORY DWELLING UNITS, INCLUDING BUT NOT LIMITED TO, 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, REDUCING, OR PROVIDING FINANCIAL ASSISTANCE FOR ACCESSORY DWELLING UNIT ASSOCIATED FEES AND OTHER REQUIRED COSTS.

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

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

(3) THE DEPARTMENT SHALL ADMINISTER THE GRANT PROGRAM AND, SUBJECT TO AVAILABLE APPROPRIATIONS, PROVIDE TECHNICAL ASSISTANCE, DEVELOP A TOOLKIT TO SUPPORT LOCAL GOVERNMENTS IN ENCOURAGING ACCESSORY DWELLING UNIT CONSTRUCTION, RECEIVE GRANT APPLICATIONS

AND AWARD GRANTS AS PROVIDED IN THIS SECTION.

(4) TO RECEIVE A GRANT, AN ACCESSORY DWELLING UNIT SUPPORTIVE JURISDICTION MUST SUBMIT AN APPLICATION TO THE DEPARTMENT IN ACCORDANCE WITH THE POLICIES AND PROCEDURES DEVELOPED BY THE DEPARTMENT PURSUANT TO SUBSECTION (9) OF THIS SECTION. AT A MINIMUM, THE APPLICATION MUST INCLUDE THE FOLLOWING:

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

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

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

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

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

(5) THE DEPARTMENT SHALL REVIEW THE APPLICATIONS RECEIVED PURSUANT TO SUBSECTION (4) OF THIS SECTION. IN AWARDING GRANTS, THE DEPARTMENT SHALL GIVE PRIORITY TO LOCAL GOVERNMENTS THAT:

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

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

(c) PROVIDE OFFSETS FOR, OR WAIVE A GREATER NUMBER OF ACCESSORY DWELLING UNIT FEES FOR:

(I) LOW- AND MODERATE-INCOME HOUSEHOLDS; OR

(II) ACCESSORY DWELLING UNITS THAT ARE RENTED TO LOW- AND MODERATE-INCOME HOUSEHOLDS.

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

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

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

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

(8) IN ACCORDANCE WITH THE POLICIES AND PROCEDURES DEVELOPED BY THE DEPARTMENT PURSUANT TO SUBSECTION (9) OF THIS SECTION, EACH LOCAL GOVERNMENT THAT RECEIVES A GRANT THROUGH THE GRANT PROGRAM SHALL SUBMIT A REPORT TO THE DEPARTMENT. AT A MINIMUM, THE REPORT MUST INCLUDE THE FOLLOWING INFORMATION:

(a) THE NUMBER OF ACCESSORY DWELLING UNITS WITH ACCESSORY DWELLING UNIT FEES OR COSTS THAT LOCAL GOVERNMENTS WAIVED, REDUCED, OR PROVIDED FINANCIAL ASSISTANCE FOR IN THE PAST YEAR;

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

(c) THE NUMBER OF THE ACCESSORY DWELLING UNITS DESCRIBED IN SUBSECTION (8)(a) OF THIS SECTION THAT WERE BUILT IN THE PAST YEAR THAT WERE BUILT BY LOW- AND MODERATE-INCOME HOUSEHOLDS, THAT ARE AFFORDABLE ACCESSORY DWELLING UNITS, AND THAT ARE VISITABLE OR ACCESSIBLE ACCESSORY DWELLING UNITS;

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

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

(9) THE DEPARTMENT SHALL IMPLEMENT THE GRANT PROGRAM IN ACCORDANCE WITH THIS SECTION. THE DEPARTMENT SHALL DEVELOP, IN CONSULTATION WITH THE DEPARTMENT OF TRANSPORTATION, THE COLORADO ENERGY OFFICE, AND THE COLORADO OFFICE OF ECONOMIC DEVELOPMENT, POLICIES AND PROCEDURES BOTH AS REQUIRED IN THIS SECTION AND AS MAY BE NECESSARY TO IMPLEMENT THE GRANT PROGRAM.

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

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

(b) (I) "ELIGIBLE COSTS" MEANS COSTS INCURRED BY A LOCAL GOVERNMENT AND DETERMINED BY THE DEPARTMENT TO BE INCURRED IN CONNECTION WITH DEVELOPING PRE-APPROVED ACCESSORY DWELLING UNIT PLANS, PROVIDING TECHNICAL ASSISTANCE TO PERSONS CONVERTING OR

CONSTRUCTING ACCESSORY DWELLING UNITS, OR OTHER REASONABLE AND NECESSARY FEES LEVIED BY OR COSTS BORNE BY THE LOCAL GOVERNMENT FOR THE CONSTRUCTION OR CONVERSION OF AN ACCESSORY DWELLING UNIT.

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

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

(d) "GRANT PROGRAM" MEANS THE ACCESSORY DWELLING UNIT FEE REDUCTION AND ENCOURAGEMENT GRANT PROGRAM CREATED IN THIS SECTION.

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

SECTION 2. In Colorado Revised Statutes, 24-32-3305, **add** (3.3) as follows:

24-32-3305. Rules - advisory committee - enforcement. (3.3) THE DEPARTMENT SHALL CREATE FOR FACTORY-BUILT STRUCTURES, INCLUDING THOSE THAT WOULD BE CONSIDERED ACCESSORY DWELLING UNITS, MODEL PUBLIC SAFETY CODE REQUIREMENTS RELATED TO GEOGRAPHIC OR CLIMATIC CONDITIONS, SUCH AS WEIGHT RESTRICTIONS FOR ROOF SNOW LOADS, WIND SHEAR FACTORS, OR WILDFIRE RISK, FOR LOCAL GOVERNMENTS TO CONSIDER AND ADOPT PURSUANT TO SECTION 24-32-3318 (2)(a).

SECTION 3. In Colorado Revised Statutes, 24-46-104, **add** (1)(q) as follows:

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

(q) (I) TO EXPEND EIGHT MILLION DOLLARS TO CONTRACT WITH THE COLORADO HOUSING AND FINANCE AUTHORITY, CREATED IN PART 7 OF

ARTICLE 4 OF TITLE 29, FOR THE CREATION AND OPERATION OF ONE OR MORE OF THE FOLLOWING PROGRAMS TO BENEFIT LOW- TO MODERATE-INCOME RESIDENTS IN LOCAL GOVERNMENTS THAT HAVE BEEN CERTIFIED AS ACCESSORY DWELLING UNIT SUPPORTIVE JURISDICTIONS BY THE DEPARTMENT OF LOCAL AFFAIRS:

(A) AN ACCESSORY DWELLING UNIT CREDIT ENHANCEMENT PROGRAM THAT SUPPORTS LENDERS OFFERING AFFORDABLE LOANS TO ELIGIBLE LOW- AND MODERATE-INCOME BORROWERS FOR THE CONSTRUCTION OR CONVERSION OF ACCESSORY DWELLING UNITS;

(B) A PROGRAM THAT ALLOWS FOR THE BUYING DOWN OF INTEREST RATES ON LOANS MADE TO ELIGIBLE LOW- AND MODERATE-INCOME BORROWERS IN CONNECTION WITH THE CONSTRUCTION OR CONVERSION OF ACCESSORY DWELLING UNITS;

(C) A PROGRAM THAT OFFERS DOWN PAYMENT ASSISTANCE IN CONNECTION WITH ACCESSORY DWELLING UNITS, PRINCIPAL REDUCTION ON LOANS TO ELIGIBLE LOW- AND MODERATE-INCOME BORROWERS MADE IN CONNECTION WITH ACCESSORY DWELLING UNITS, OR BOTH; OR

(D) A PROGRAM IN WHICH THE COLORADO HOUSING AND FINANCE AUTHORITY OFFERS LOANS, REVOLVING LINES OF CREDIT, OR GRANTS TO ELIGIBLE NON-PROFITS, PUBLIC HOUSING AUTHORITIES, AND COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS TO MAKE DIRECT LOANS OR GRANTS TO SUPPORT THE CONSTRUCTION OR CONVERSION OF ACCESSORY DWELLING UNITS FOR LOW- AND MODERATE-INCOME BORROWERS OR TENANTS.

(II) ANY CONTRACT MADE BY THE COMMISSION WITH THE COLORADO HOUSING AND FINANCE AUTHORITY PURSUANT TO THIS SUBSECTION (1)(q) MAY INCLUDE NORMAL AND CUSTOMARY FEES AND EXPENSES FOR ADMINISTRATING THE PROGRAMS DESCRIBED IN THIS SUBSECTION (1)(q).

SECTION 4. In Colorado Revised Statutes, 24-46-105, **add** (1)(c) as follows:

24-46-105. Colorado economic development fund - creation - report - repeal. (1) (c) (I) ON JULY 1, 2024, THE STATE TREASURER SHALL TRANSFER EIGHT MILLION DOLLARS FROM THE GENERAL FUND TO THE FUND.

THE COMMISSION SHALL USE THE FUNDS TRANSFERRED PURSUANT TO THIS SUBSECTION (1)(c)(I) TO CONTRACT WITH THE COLORADO HOUSING AND FINANCE AUTHORITY, CREATED IN PART 7 OF ARTICLE 4 OF TITLE 29, FOR THE PURPOSES DESCRIBED IN SECTION 24-46-104 (1)(q).

(II) THIS SUBSECTION (1)(c) IS REPEALED, EFFECTIVE JULY 1, 2025.

SECTION 5. In Colorado Revised Statutes, 24-67-105, **add** (5.3) as follows:

24-67-105. Standards and conditions for planned unit development - definitions. (5.3) (a) IN A SUBJECT JURISDICTION, ANY PLANNED UNIT DEVELOPMENT RESOLUTION OR ORDINANCE THAT IS ADOPTED OR APPROVED ON OR AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (5.3), AND THAT ALLOWS THE CONSTRUCTION OF ONE OR MORE SINGLE-UNIT DETACHED DWELLINGS, MUST NOT RESTRICT THE CREATION OF AN ACCESSORY DWELLING UNIT AS AN ACCESSORY USE TO ANY SINGLE-UNIT DETACHED DWELLING MORE THAN THE LOCAL LAW THAT APPLIES TO ACCESSORY DWELLING UNIT DEVELOPMENT OUTSIDE OF A PLANNED UNIT DEVELOPMENT OR IN ANY WAY THAT IS PROHIBITED BY SECTION 29-35-103.

(b) IN A SUBJECT JURISDICTION, ANY PLANNED UNIT DEVELOPMENT RESOLUTION OR ORDINANCE THAT WAS ADOPTED OR APPROVED BEFORE THE EFFECTIVE DATE OF THIS SUBSECTION (5.3), THAT ALLOWS THE CONSTRUCTION OF ONE OR MORE SINGLE-UNIT DETACHED DWELLINGS, AND THAT RESTRICTS THE CONSTRUCTION OF AN ACCESSORY DWELLING UNIT AS AN ACCESSORY USE TO ANY SINGLE-UNIT DETACHED DWELLING MORE THAN THE LOCAL LAW THAT APPLIES TO ACCESSORY DWELLING UNIT DEVELOPMENT OUTSIDE OF A PLANNED UNIT DEVELOPMENT:

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

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

(c) NOTWITHSTANDING SUBSECTION (5.3)(b) OF THIS SECTION, A LOCAL GOVERNMENT MAY ADOPT CONFORMING AMENDMENTS TO ANY SUCH

PLANNED UNIT DEVELOPMENT.

(d) AS USED IN THIS SUBSECTION (5.3), UNLESS THE CONTEXT OTHERWISE REQUIRES:

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

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

(III) "SUBJECT JURISDICTION" HAS THE SAME MEANING AS SET FORTH IN SECTION 29-35-102 (21).

SECTION 6. In Colorado Revised Statutes, 38-33.3-106.5, **add** (4) as follows:

38-33.3-106.5. Prohibitions contrary to public policy - patriotic, political, or religious expression - public rights-of-way - fire prevention - renewable energy generation devices - affordable housing - drought prevention measures - child care - definitions. (4) (a) IN A SUBJECT JURISDICTION OR AN ACCESSORY DWELLING UNIT SUPPORTIVE JURISDICTION, NO PROVISION OF A DECLARATION, BYLAW, OR RULE OF AN ASSOCIATION THAT IS ADOPTED ON OR AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (4) MAY RESTRICT THE CREATION OF AN ACCESSORY DWELLING UNIT AS AN ACCESSORY USE TO ANY SINGLE-UNIT DETACHED DWELLING IN ANY WAY THAT IS PROHIBITED BY SECTION 29-35-103, AND ANY PROVISION OF A DECLARATION, BYLAW, OR RULE THAT INCLUDES SUCH A RESTRICTION IS VOID AS A MATTER OF PUBLIC POLICY.

(b) IN A SUBJECT JURISDICTION OR AN ACCESSORY DWELLING UNIT SUPPORTIVE JURISDICTION, NO PROVISION OF A DECLARATION, BYLAW, OR RULE OF AN ASSOCIATION THAT IS ADOPTED BEFORE THE EFFECTIVE DATE OF THIS SUBSECTION (4) MAY RESTRICT THE CREATION OF AN ACCESSORY DWELLING UNIT AS AN ACCESSORY USE TO ANY SINGLE-UNIT DETACHED DWELLING IN ANY WAY THAT IS PROHIBITED BY SECTION 29-35-103, AND ANY PROVISION OF A DECLARATION, BYLAW, OR RULE THAT INCLUDES SUCH A RESTRICTION IS VOID AS A MATTER OF PUBLIC POLICY.

(c) SUBSECTIONS (4)(a) AND (4)(b) OF THIS SECTION DO NOT APPLY

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TO REASONABLE RESTRICTIONS ON ACCESSORY DWELLING UNITS. AS USED IN THIS SUBSECTION (4)(c), "REASONABLE RESTRICTION" MEANS A SUBSTANTIVE CONDITION OR REQUIREMENT THAT DOES NOT UNREASONABLY INCREASE THE COST TO CONSTRUCT, EFFECTIVELY PROHIBIT THE CONSTRUCTION OF, OR EXTINGUISH THE ABILITY TO OTHERWISE CONSTRUCT, AN ACCESSORY DWELLING UNIT CONSISTENT WITH PART I OF ARTICLE 35 OF TITLE 29.

(d) AS USED IN THIS SUBSECTION (4), UNLESS THE CONTEXT OTHERWISE REQUIRES:

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

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

(III) "SUBJECT JURISDICTION" HAS THE SAME MEANING AS SET FORTH IN SECTION 29-35-102 (21).

SECTION 7. Appropriation. (1) For the 2024-25 state fiscal year, \$537,246 is appropriated to the department of local affairs. This appropriation is from the accessory dwelling unit fee reduction and encouragement grant program fund created in section 29-35-105 (7)(a), C.R.S. To implement this act, the department may use this appropriation as follows:

(a) \$467,246 for use by division of local government for accessory dwelling unit fee reduction and encouragement grant program related to local government services, which amount is based on an assumption that the division will require an additional 4.9 FTE; and

(b) \$70,000 for the purchase of information technology services.

(2) For the 2024-25 state fiscal year, \$70,000 is appropriated to the office of the governor for use by the office of information technology. This appropriation is from reappropriated funds received from the department of local affairs under subsection (1)(b) of this section. To implement this act, the office may use this appropriation to provide information technology services for the department of local affairs.

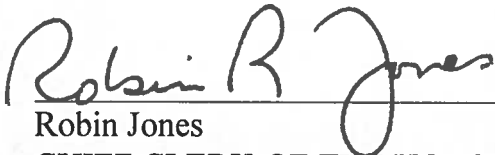
SECTION 8. Safety clause. The general assembly finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety or for appropriations for the support and maintenance of the departments of the state and state institutions.



Julie McCluskie
SPEAKER OF THE HOUSE
OF REPRESENTATIVES



Steve Fenberg
PRESIDENT OF
THE SENATE

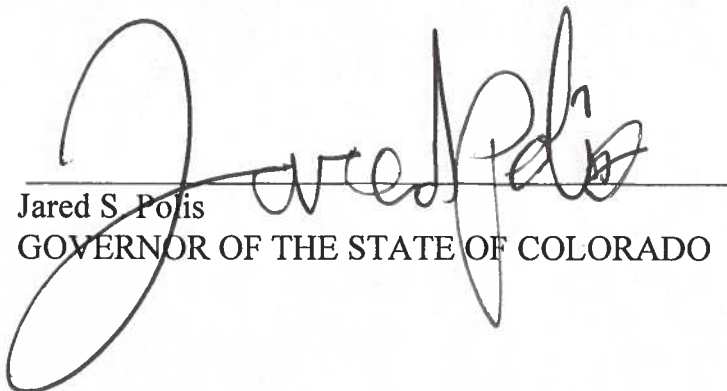


Robin Jones
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES



Cindi L. Markwell
SECRETARY OF
THE SENATE

APPROVED Monday, May 13th, 2024 at 12:45 pm
(Date and Time)



Jared S. Polis
GOVERNOR OF THE STATE OF COLORADO