

More Housing Now - Rural Resorts Summary 3.23.23

This document pulls the policies specific to Rural Resort Job Center Municipalities into one location.

- **Geographic definition of Rural Resort Job Center Municipalities:**

- ☐ municipalities that are outside MPOs,
- ☐ have a minimum of 1,000 population,
- ☐ a minimum of 1,200 jobs,
- ☐ a minimum 0.64 jobs to population ratio, and have current regional transit service with at least 20 trips per day (note:future transit service expansions will not qualify a community for this category).

This includes Aspen, Avon, Breckenridge, Crested Butte, Dillon, Durango, Frisco, Glenwood Springs, Mountain Village, Silverthorne, Snowmass Village, Steamboat Springs, Telluride, Vail, and Winter Park.

- **Exemptions from the policy** for non-urbanized areas (census definition), sensitive and hazardous areas, water supply issues, and extensions for areas with a lack of water/wastewater infrastructure.
- **Technical Assistance**
DOLA will provide technical assistance for communities to accomplish the items within this package (code changes, housing plans, etc).
- **Implementation**
The Executive Director (ED) of DOLA is authorized to promulgate rules, policies, or procedures to implement these sections, supported by Division of Local Government (DLG) and staff from CEO, CDOT, and DNR. A multi-agency advisory committee of DOLA, CEO, CDOT, and DNR will hold public processes and propose rules and policies to the ED of DOLA for approval.

Major Parts of the Policy Package

There are seven major parts of the bill : (1) Housing Needs Assessments and Plans; (2) Accessory Dwelling Units; (3) Middle Housing; (4) Transit-Oriented Communities; (5) Key Corridors; (6) Removing Barrier to Affordability; (7) Supporting Strategic Growth and Water Efficiency

Part 1. Housing Needs Assessments & Housing Needs Plans

- a. **Purpose:** The Statewide Housing Needs Assessment sets housing goals at the statewide, regional, and local levels every 5 years so that Colorado can track progress toward creating housing opportunities for every budget. As part of the Housing Needs Assessment, the state will develop a Menu of Affordability Strategies. Local Housing Needs Plans identify how municipalities will seek to meet their housing goals.

Note that Housing Needs Plans goals are NOT regulatory, and this policy does not set penalties for not meeting housing goals.

- b. **Rural Resorts Regional Housing Plan (and implementation of Middle Housing, Key Corridors, and flexible parking:** This is the most important part of the statute for Rural Resorts. The Rural Resorts Regional Housing Plan is a collaborative process which results in the identification of viable locations and strategies for Middle Housing and multifamily housing ("Key Corridors"), and areas where more flexible parking can be achieved.

The intent of section 29-33-110(c)(1) is that municipalities will be **strongly encouraged** but not required to identify locations where middle housing and multifamily housing that meets affordability needs can be achieved. Municipalities may choose to add these locations to a map that will be submitted to DOLA in the Regional Housing Plan and these locations would then be subject to the Minimum Standards and Model Codes. The intent of the statute language is that DOLA does not have authority to amend or pre-empt the decision municipalities have made to locate Middle Housing, Key Corridors, and areas of parking flexibility.

The following are the steps in the process for the Rural Resorts Regional Housing Plan.

STEP 1: Rural Resort Regions will be identified based on commuting patterns and other factors.

STEP 2: All jurisdictions in a region will participate in a collaborative process to develop a Regional Housing Needs Plan that seeks to:

- create inter-jurisdictional strategies that incorporate housing and mobility.
- determine where Middle Housing and Key Corridors can be located in ways that align with the region's affordability needs, infrastructure, and feasibility for development. Municipalities may require that any development for Middle Housing or Key Corridors must meet affordability needs as defined in the Regional Housing Assessment.

STEP 3: Rural Resort Job Centers may utilize these inter-jurisdictional strategies to meet the goals in their Housing Needs Plan.

- At the conclusion of the Rural Resort Region Housing Needs Plan process, a report documenting the outcomes and commitments of all the municipalities in the process will be submitted to DOLA.
- Following completion of the regional process, Rural Resort Job Center Municipalities will submit a Housing Needs Plan.

c. Housing Needs Plans for Rural Resort Job Center Municipalities: A Housing Needs Plan must include:

- An analysis of how the municipality will provide a realistic opportunity for development to meet its local housing needs assessment.
- A summary of how the municipality met the minimum standards for ADUs
- A description and implementation plan of each strategy selected from the Menu of Affordability Strategies that address the identified income levels in the housing needs assessment.
- A description of stakeholder engagement conducted.
- A description of at least two strategies chosen from the Menu of Affordability Strategies.

d. Reporting: Rural Resort Job Center Municipalities will report on housing unit production, strategy adoption, and other elements. DOLA will synthesize and publish these reports.

Part 2. Accessory Dwelling Units (ADUs)

a. Purpose: Within Rural Resort Job Centers, provide property owners the option to build ADUs within existing residential areas with complementary affordability strategies that ensure ADUs provide affordable housing options.

b. The Flexible Option includes minimum standards in statute so that implementation may begin immediately.

- **Use-by-Right:** must be a permitted use approved through administrative review in all eligible zoning districts where single-unit dwellings are a permitted use.
- **Setbacks:** 10 feet from side and rear (not in bill as submitted but to be added as amendment)
- **Size:** 500 - 800 sq ft must be allowed, municipalities may go above or below that number (not in bill as submitted but to be added as amendment)
- **Parking:** municipalities may apply any level of parking minimums in Rural Resorts, and are encouraged (not required) to identify areas where parking minimums may be reduced
- **Flexibility on Affordability:** Municipalities have flexibility to regulate short term rentals, or encourage affordability in ADU's.
- **Resident-occupancy:** Rural Resort Job Center Municipalities may include (or maintain existing) provisions to ensure housing is used for the local workforce or residents.

c. The Default Option Model Code would include:

- All of the above, plus additional detailed zoning requirements and standards as needed.
- Projects that meet the standards must be administratively approved by the municipality.

Part 3. Middle Housing

Implementation of Middle Housing (2-6 plexes) occurs through the Rural Resorts Regional Plan process, as described above.

Part 4. Transit Oriented Communities

Transit Oriented Communities involves rail transit, and thus does not apply to Rural Resorts.

Part 5. Key Corridors

Implementation of Key Corridors occurs through the Rural Resorts Regional Housing Plan process, as described above. The below information provides guidance for municipalities as they identify locations for Key Corridors.

- a. Purpose:** Key Corridors are areas where multi-family housing can be located near jobs and transit. They are vibrant and walkable mixed-use neighborhoods where people can easily reach their daily needs. They provide opportunities for community institutions to provide multi-family housing.
- b. Key Corridors Summary:** Key Corridors include flexibility so that municipalities can determine how and where multifamily housing can be incorporated into walkable neighborhoods, downtowns and centers, and bus transit corridors.
- **Designation:** Applies to:
 - Areas within ¼ mile of BRT routes and high frequency (15-minute or less) bus routes greater than 1 mile in length.
 - Designation of transit corridors is based on current transit plans and/or existing transit service, and will not apply to future increases in transit service beyond those currently planned.
 - Commercial and mixed-use corridors and centers.
 - Institutional zones and sites (such as schools, religious institutions, and governmental partners).
 - **The Flexible Option includes the following minimum standards that would be determined via future rules.**
 - **Density:** Minimum standards will be established that identify minimum average density for Key Corridors. Municipalities will have flexibility to identify areas within Key Corridors where additional density is optimal for their community, ideally around centers and nodes, while meeting overall minimum standards.
 - **Use-by-right.** Rural Resort Job Center municipalities must, through the housing needs planning process, identify how and where zoning for Key Corridors can meet identified housing needs.
 - **Parking.** No regulations

- **The Default Option Model Code will be developed to include the following:**
 - **Density:** A minimum zoning density will be set and would apply in a blanket fashion across the Key Corridors.
 - **Administrative approval:** Projects that meet the standards must be administratively approved by the municipality.
 - **Affordability bonus:** A 50% increased density standard will be permitted for mixed-income affordable projects.
 - **Parking** No regulations
 - **Additional detailed zoning standards** as determined by the state.

Part 6. Removing Barriers To Affordability

- a. **Purpose:** These policies include a variety of approaches that are intended to reduce the cost of housing and increase the availability of new housing.
- b. **Summary:**
 - **Family status occupancy restrictions:** All municipalities and counties statewide may not establish or enforce residential occupancy limits based on familial relationships among any occupants. (Short Term Rentals are not included)
 - **Streamlining manufactured housing:** Rural Resort Job Center Municipalities may not treat the development of manufactured/modular housing differently than the development of site built units. The bill also tasks the Division of Housing Technical Advisory Committee with studying opportunities and barriers in current statute and regulatory codes in regards to streamlining the building of manufactured, modular, and tiny homes, and submitting a report within one year.

Part 7. Strategic Growth Planning and Water Efficiency

- a. **Purpose:** This section includes consistent data collection, analysis, planning, and collaboration between local, regional, and state entities to promote strategic growth and development patterns. Strategic growth can help make progress towards state goals around cost savings for residents and governments, reduced water consumption, lower greenhouse gas and air pollution emissions, and reduced loss of open space and agricultural lands. This section does not give the state new authorities over growth and development. It sets a "north star" to guide state, regional, and local entities as they make funding and planning decisions.
- b. **Summary of State Agency action Items:**
 - **Strategic Growth Objectives.** The state shall set Strategic Growth Objectives to incentivize growth in transit-oriented areas, infill areas, and strategic and efficient growth at the edges of urban areas. The process shall include opportunities for public input and engagement. The intent is to guide state, regional, and local agencies to update plans and make funding decisions that align with the housing policies set by this statute.

- **Fiscal Benefits of Strategic Growth Study:** The Interagency Working Group must submit to the legislature a report on the impact of development patterns and infrastructure systems on the fiscal health of local, regional, and state agencies in Colorado.
- **Natural and Agricultural Land Values Report.** The Interagency Working Group shall consult with Colorado Parks and Wildlife, Department of Agriculture, Outdoor Recreation Industry Office, and Colorado Tourism Office to develop a report housed at DOLA to serve as a resource for localities that identifies priority connectivity, open space and greenspace values within MPO areas.
- **Transportation Planning.** Ensure transportation planning is consistent with state Strategic Growth Objectives through updates to the following:
 - processes involved with the development of CDOT/MPO regional plans and the statewide plan
 - CDOT project prioritization criteria for regionally significant transportation projects in the next 10-Year Plan
 - CDOT discretionary grant funds as well as other funds where the proposed prioritization criteria would not violate federal law or rules
 - the State Highway Access Code to ensure that CDOT access control standards are optimized for efficiency for dense and affordable housing, while continuing to ensure that basic safety standards are met.

c. Summary of Rural Resort action items for Strategic Growth:

- **Additional elements within Comprehensive Plans.** Updates to Comprehensive Plans for municipalities and counties who are required, or choose to, complete Comprehensive Plans must include the following Elements in order to encourage more efficient development patterns and align Comprehensive Plans with housing policies. This does not mandate that Comprehensive Plans become a regulatory document, they may continue to be advisory.
 - **Water Element** the existing water efficiency element that is optional becomes required.
 - **Housing Element** Municipalities shall incorporate the local Housing Needs Plan.
 - **Natural and Agricultural Lands Element** Values shall be defined by the report.
 - **3-Mile Plan Element.** Comprehensive Plans for municipalities shall include the 3-Mile Plan process. 3-Mile Plans may continue to be produced in accordance with the current statute, which in individual circumstances may differ from the direction set within the Comprehensive Plan. However, the Comprehensive Plan must be updated to reflect the changes in the 3-Mile Plan.
 - **Require adoption** of the Comprehensive Plan by elected boards (for counties).
 - **Consultation requirement:** the municipality must identify NGOs, municipalities, housing authorities, and other entities that ensure an inclusive process should be consulted in the Comprehensive Plan and send a notification letter to potential consultation entities.
 - **Reporting requirement:** municipality shall submit final draft to DOLA/DLG at least 60 days before final public hearing scheduled for adoption for review to certify that all required elements are included. After adoption, final Comprehensive Plans must be submitted to DOLA/DLG within 30 days.
- **Water loss reporting:** Amend HB10-1051 to include required annual water loss reporting by

covered entities to the Colorado Water Conservation Board.

Summary of Policies and Application to Local Governments

	Urban Municipalities Tier 1	Urban Municipalities Tier 2	Rural Resort Job Center Municipalities	Non-Urban Municipalities	Statewide (Counties, small munis)
1. Housing Needs Assessments & Plans	X	X	X		
2. Accessory Dwelling Units (ADUs)	X	X	X	X	
3. Middle Housing	X		<i>With additional flexibility</i>		
4. Transit Oriented Communities (rail)	X				
5. Key Corridors (bus transit, commercial corridors)	X		<i>With additional flexibility</i>		
6. Removing Barriers (Miscellaneous)	X	X	<i>With additional flexibility</i>	X	<i>Occupancy restrictions only</i>
7. Strategic Growth Planning & Water Efficiency	X	X	X	X	<i>Larger Counties only</i>

Timeline

Policy Package Element	Who	By When
Housing needs assessment and planning guidance		
Housing needs assessment Guidance for housing needs plans Affordability and Displacement Mitigation Menus Set up technical assistance offerings	State	Dec 2024
Establish reporting requirements	State	Dec 2025
Rural resort regional planning process	Local	June 2026

Submit first housing plan	Local	Dec 2026 (all subject jurisdictions)
DOLA review and approves / provides feedback	State	June 2027 (all subject jurisdictions)
Phase 1: ADUs, Middle Housing, Transit Oriented Communities		
Minimum standards (in statute)	State	June 2023
Issue model codes	State	June 2024
Deadline to submit compliant code	Local	Dec 2024 (Urban municipalities) Dec 2026 (Rural resort job centers)
Date model code will go into effect	State	Dec 2025 (Urban municipalities) June 2027 (Rural resort job centers)
Phase 2: Key Corridors		
Issue minimum standards	State	June 2025
Issue model codes	State	June 2025
Deadline to submit compliant code	Local	Dec 2026 (all subject jurisdictions)
Date model code will go into effect	State	June 2027