



Statement of Principles on Land Use & Housing Affordability

- **LOCAL GOVERNMENT'S ROLE** — Local governments are uniquely positioned to help address the housing crisis because of their understanding of their communities' needs and their understanding of planning, land use, infrastructure, and community development. Many local governments already have robust programs in place to promote safe, healthy, equitable, and affordable living.¹
- **STATE GOVERNMENT'S ROLE** — State government impacts local efforts to promote safe, healthy, equitable, and affordable living through its role in administering water rights,² supporting integrated transportation systems,³ protecting public health and the environment,⁴ establishing building codes⁵ and the use of state lands.
- **NO ONE-SIZE-FITS-ALL APPROACH** — There is no top-down, one-size-fits-all solution that is going to solve the housing crisis in Colorado. While commonalities may exist amongst some local jurisdictions or within certain regions, Colorado communities are quite diverse and have unique challenges and opportunities. Land use and housing development are incredibly complex processes that require local planning, oversight, and implementation; but these processes are also impacted by state government policies and distribution of resources. A top-down approach can't balance the needs of each Colorado jurisdiction and does not consider how local government can provide thoughtful, community-based decision making.
- **INCREASING HOUSING SUPPLY (QUANTITY) DOESN'T GUARANTEE AFFORDABILITY, EQUITY OR EFFICIENCY** — Merely increasing the amount of housing does not guarantee affordability will be achieved. Nor does it protect against displacement of residents or promote smart, efficient growth practices. In fact, simply increasing quantity without considerations could actually lead to more inefficient urban sprawl, displacement of under-represented communities, and higher cost of living for those displaced into remote areas of the state. Deed restrictions and other regulatory mechanisms to promote affordability should be considered in any proposed solutions, as well as policies that promote smart, efficient growth while taking into account equity and displacement risks.

1 See the **2018 Local Government Handbook** at https://leg.colorado.gov/sites/default/files/2018_local_government_handbook_with_cover_0.pdf
2 See Colorado Division of Water Resources, Department of Natural Resources at <https://dwr.colorado.gov/services/water-administration>
3 See Colorado Department of Transportation at <https://www.codot.gov/about/mission-vision> and <https://www.codot.gov/about/transportation-facts>
4 See Colorado Department of Public Health and Environment at <https://cdphe.colorado.gov/strategic-plan>
5 See Colorado Energy Office, Building Energy Codes at <https://cdphe.colorado.gov/strategic-plan> and Colorado Wildland-Urban Interface at <https://csfs.colostate.edu/wildfire-mitigation/colorados-wildland-urban-interface/>

● **INCREASING DENSITY DOESN'T GUARANTEE AFFORDABILITY, EQUITY OR EFFICIENCY** —

Increasing density may be an appropriate planning strategy in some urbanized neighborhoods – especially those with access to transit and workplaces; but density may not be possible or appropriate everywhere, especially in rural or suburban communities that lack adequate infrastructure, transit, government services and employment centers. Further, density does not necessarily lead to affordability; rather, density in costly areas could increase property values and rents. Any considerations of density must be context sensitive.

● **MANDATORY USE BY RIGHT CONFLICTS WITH COLORADO'S TRADITION OF LOCAL CONTROL** —

State preemption of land use authority by mandatory “uses by right” will hinder local governments’ ability to incentivize affordability and private investment in community development. Simply put: “use by right” preemption removes all local government “carrots,” leaving local governments with only “sticks” to require affordability and additional private investment. When carrots are removed, private sector investors and developers will focus efforts in areas that don’t have affordability or investment requirements (the “sticks”). In addition, mandatory “use by right” should not be a means to by-pass state and local requirements that protect health, safety, and sustainability (e.g., DNR -Water, CDPHE, CDOT, building codes, setbacks, and bio-hazards/environmental protections). Finally, allowing lot splits, upzoning, and other development as “use by right” doesn’t guarantee affordability and it doesn’t increase capacity to meet the increased demand from expanded density.

● **LEVERAGE AND EXPAND EXISTING AND NEW STRATEGIES** —

Many public and private sector strategies exist to address affordable housing. Recently, Colorado voters approved Prop. 123, which is just beginning implementation; while HB21-1271’s innovative affordable housing strategies are just gaining traction⁶ and the Middle Income Housing Authority is just opening for business. In addition, there are many existing programs designed to increase affordable home ownership, such as first-time homebuyer savings accounts,⁷ down payment or closing cost assistance programs,⁸ and more.⁹ Other programs help reduce cost of development, such as low interest loans, tax credits, trusts, funds, grants, and bonds.¹⁰ Many of these proven resources are underutilized (and should be promoted) or overburdened (and should be given more support). State programs for promoting regional cooperation and providing technical support for local governments need to be prioritized to enable local governments to best meet the current challenge.

● **PLANNING IS KEY** —

Local governments have a statutory duty to make and adopt master/comprehensive plans for the development of the jurisdiction. While not currently required, local government master plans can include a variety of elements that encourage a jurisdiction to address important factors impacting housing, growth, natural resources, and the environment.¹¹ It may be worth exploring opportunities to enhance the effectiveness of local plans to promote affordability, smart and efficient growth practices, water and other resource allocation/conservation, and environmental protections. The state should support such efforts by providing technical and financial assistance to increase local government planning capacity and promotion of best practices.

6 See Innovative Affordable Housing Strategies, Colorado Department of Local Affairs at <https://cdola.colorado.gov/1271>

7 See Colorado Association of REALTORS, First-Time Homebuyer Savings Accounts at <https://www.coloradorealtors.com/wp-content/uploads/2017/01/First-Time-Homebuyer-QA.docx.pdf>

8 See Colorado Housing and Finance Authority (CHFA) Down Payment Assistance Grant and Second Mortgage Loan at <https://www.chfainfo.com/homeownership>

9 See HUD’s State Directory of Homeownership Assistance programs at <https://www.hud.gov/states/colorado/homeownership/buyingprgms>

10 See <https://developers-guide.chfainfo.com/funding-sources-inventory>

11 See Colorado Department of Local Affairs, Master Plan Primer at <https://drive.google.com/file/d/0B-vz6H4k4SESZ1ZJTg0cXNIRIk/view?authuser=0&sourcekey=0-MDnVzpcstC1ttWotN5pRYA> and <https://law.justia.com/codes/colorado/2020/title-30/article-28/section-30-28-106/> and <https://law.justia.com/codes/colorado/2016/title-31/powers-and-functions-of-cities-and-towns/article-23/part-2/section-31-23-206>

● **WATER AND SANITATION ARE AN ABSOLUTE NECESSITY** — Diminishing water availability is a limiting factor in future development. Access to public water and sanitation is a challenge in many communities, while reliability of ground water (wells) is uncertain due to diminishing ground water sources. Water and sanitation tap fees have increased dramatically in recent years as water and sanitation providers struggle to keep up with growth, comply with increasingly stringent State and Federal water quality standards, maintain existing infrastructure, recoup expenses for acquiring water rights, and build out new infrastructure. Arbitrary upzoning and lot splits do not magically create more capacity or access to water and sanitation services. Instead, they will put greater demands on existing systems. Careful, context-specific planning needs to occur around the topic of water and sanitation services.

● **UNFUNDED MANDATES CREATE UNWANTED FAILURE** — Local governments oppose unfunded mandates or restrictions on cost recovery that require local governments and their taxpayers to bear the direct and indirect costs of development.

● **EVERYONE CAN PROMOTE MORE RESPONSIBLE GROWTH MANAGEMENT PRACTICES** — Local governments in Colorado acknowledge the need to improve growth management and are already responding to the problem. Discouraging urban sprawl, encouraging efficient use and conservation of natural resources, and investing in public infrastructure and transit can help promote affordable, safe, and healthy living, while addressing serious long-term environmental risks.