

# **Agenda Item**

**Date:** August 12, 2025

**To:** Douglas County Board of County Commissioners

**Through:** Douglas J. DeBord, County Manager

From: Terence T. Quinn, AICP, Director of Community Development 79

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Subject: State Strategic Growth Legislation - Required Reporting Considerations

#### **SUMMARY**

In May of this year, the Governor's Office issued an Executive Order (EO) Regarding Strategic Growth through compliance with State Laws (attached). It directed State agencies to develop a list of State grant opportunities that will be prioritized for local governments in compliance with the State's strategic growth legislation.

Compliance applies to local governments that are meeting the requirements of the laws in a timely manner, including initial informational reports regarding adherence to some of the bills. These reports were due June 30, 2025. Community Development staff is prepared to submit these reports based on direction from the Board of County Commissioners (Board).

#### **BACKGROUND**

The State's strategic growth legislation includes:

- HB24-1007, Prohibit Residential Occupancy Limits
- HB24-1152, Accessory Dwelling Units
- HB24-1304, Minimum Parking Requirements
- HB24-1313, Housing in Transit-Oriented Communities
- SB24-174, Sustainable Affordable Housing Assistance
- HB25-1273, Residential Building Stair Modernization
- SB25-002, Regional Building Codes for Factory-Built Structures

The Colorado Department of Local Affairs (DOLA) provided past due notices to the County for initial reporting related to HB24-1152 – Accessory Dwelling Units and HB24-1313 – Housing in Transit-Oriented Communities. DOLA requests that the County come into compliance to not negatively impact the State's determination on future funding decisions. Community Services staff is proactively working towards adoption of the Housing Needs Assessment before the end of year to remain in compliance with SB24-174 – Sustainable Affordable Housing Assistance.

The reports are informational and do not require any additional action in terms of regulatory changes on the part of the County at this time. Staff will continue to monitor future compliance actions related to the other bills and keep the Board up to date.

Staff has identified potential impact to the County's access to funds related to housing development and historic preservation should the County remain out of compliance. Both funding streams are leveraged into millions of dollars for projects in Douglas County. By October 6, 2025, DOLA will be releasing a list of specific grant opportunities in which compliance will be a funding award consideration. Possible state grant categories identified in the EO include:

- Housing Development
- Land Use
- Transportation
- Infrastructure
- Historic Preservation
- Mixed-use Incentives
- Conservation
- Energy
- Climate

Funding sources that are excluded from the EO are as follows:

- Funding that is solely based on formulas, statutory criteria, or other criteria for which State agencies have no discretion,
- Federal Funding (that State has no discretion over),
- Funding that is or will be awarded prior to October 6, 2025, or for which the application process or grant cycle has started or will start by October 6, 2025,
- Funding for individuals,
- Funding for supportive services or other tenant related support for housing,
- Funding that is solely for economic development, or
- Funding for projects that are necessary solely for public health or safety or disaster relief programs.

## **NEXT STEPS**

Staff is prepared to take action to come into compliance with initial reporting requirements of the State's strategic growth legislation to maintain access to the State's grant fund opportunities. Other local jurisdictions are proactively resisting the requirements of this State legislation as indicated in a June 2025 Denver Post article (attached).

Staff is prepared to discuss this further with the Board.

## **ATTACHMENTS**

Executive Order D 2025 005 June 29, 2025 Denver Post article



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# D 2025 005

#### **EXECUTIVE ORDER**

#### Regarding Strategic Growth through Compliance with State Laws

Pursuant to the authority vested in the Governor of the State of Colorado and, in particular, pursuant to Article IV, Section 2 of the Colorado Constitution, I, Jared Polis, Governor of the State of Colorado, hereby issue this Executive Order regarding guidance to State agencies and local governments in order to properly execute strategic growth laws that were passed by the General Assembly.

#### I. Background and Purpose

This Executive Order provides clarifying guidance to State agencies and local governments regarding statutory compliance and enforcement of State laws pertaining to recently enacted strategic growth legislation.

Since the beginning of my administration, one of the most critical needs of the State has been the availability of affordable, quality housing for all Coloradans. The concerns I stated in the 2023 Executive Order on Strategic Growth continue to escalate statewide; Coloradans are even more deeply concerned about the cost and lack of housing supply, not being able to live close to where they work, and the impact of increased congestion of our roads, greenhouse gas emissions, and the environment. For example, according to the State Demographer, 49% of Colorado renters are cost burdened, and housing starts continue to lag behind demand.

Recognizing this critical need and acknowledging housing barriers as a matter of statewide concern, my administration published the <u>Roadmap to Colorado's Future: 2026</u>, and set forth bold goals of investing more than \$5 billion into the State transportation and transit system by 2031, reducing emissions by 50% from 2005 levels by 2030, and creating sustainable housing near job centers for the additional 1.72 million people projected to be added to the State population by 2050.

In partnership with local governments and the General Assembly, we have taken steps to build more housing people can afford and to speed up approvals across the State. Since 2020, the Department of Local Affairs (DOLA) has awarded more than \$768 million in housing development funding supporting almost 20,000 housing units, has awarded more than \$152 million for affordable housing supporting the construction of nearly 10,000 affordable housing units, and has provided Emergency Rental Assistance through three programs and supported

nearly 65,000 households with a total investment of over \$538 million. In that same time frame, the Office of Economic Development and International Trade (OEDIT) awarded \$290 million to support the development of 8,650 housing units. OEDIT has also invested an additional \$50 million in Colorado's offsite construction industry to increase innovation and lower construction costs. The State has further deployed various resources to increase the supply of housing through subsidization of costs and cost reduction.

After extensive data analysis, research, testimony, and community engagement to create more housing across the State, the General Assembly passed, and I signed into law, the following strategic growth legislation in 2024 and 2025:

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HB24-1007, Prohibit Residential Occupancy Limits;
HB24-1152, Accessory Dwelling Units;
HB24-1304, Minimum Parking Requirements;
HB24-1313, Housing in Transit-Oriented Communities;
SB24-174, Sustainable Affordable Housing Assistance;
HB25-1273, Residential Building Stair Modernization; and
SB25-002, Regional Building Codes for Factory-Built Structures
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These laws unlock critical tools that offer flexibility and smarter growth for Colorado communities to meet our housing, climate, and transportation goals, and will allow housing supply to finally start catching up with demand. These laws also recognize that housing, transit, environment, and affordability are inextricably linked and that Colorado has a strong and legitimate statewide interest in addressing population and development growth across regions to support the general health and welfare of Coloradans. Housing insecurity jeopardizes family well-being and our economy, and job growth and need for workforce housing in one community impacts housing development, water, sewer, and transportation infrastructure in nearby jurisdictions.

I thank all the local governments that have been working toward allowing more housing in many ways over many years and are following our State laws to help achieve that goal. I also thank those that are experiencing challenges and obstacles and yet still striving in good faith on our aligned housing goals and in compliance with State laws. Finally, I appreciate those local governments that are attending DOLA webinars, utilizing technical, programmatic, compliance tools and resources published by DOLA, and taking advantage of the technical expertise of DOLA staff. With feedback received during the 2024 legislative session, \$58 million was appropriated by the General Assembly to assist local governments in their efforts, on top of additional funding of more than \$224 million previously appropriated. DOLA also published guidance with example code amendments, standards, strategies, and other resources to begin implementation, with more resources to come. I encourage all local governments to continue to work toward compliance with the seven State laws cited above, both because they are State law

and because they are important pieces in the strategic growth puzzle. I encourage them to utilize DOLA as a resource to meet our shared housing, climate, and transportation goals.

I want to reemphasize that the cost of housing is a statewide issue and that, despite many communities pursuing local actions, the State is still short of more than 100,000 housing units. As such, these regional and statewide actions are critical and our success requires that all local governments comply with State law. And as the Governor of the State with vested executive authority under the Colorado Constitution to faithfully execute the State's laws, it is imperative to ensure that State funds are appropriately used in the furtherance of State laws and toward the legislative goal to incentivize more housing and reduce costs for Coloradans. To ensure State funds are effectively used to support these laws and further the legislative goal of incentivizing more housing and reducing costs for Coloradans, this Executive Order outlines the scope of State funding that will be tied to compliance with strategic growth laws.

#### II. <u>Definitions</u>

The following definitions apply within this Executive Order:

- A. "Funding Opportunities" means competitive or discretionary grants, contracts, loans, incentive programs, and discretionary tax credits that provide support to Local Governments in areas of housing development, land use, transportation, infrastructure, historic preservation, mixed-use incentives, conservation, energy, or climate administered by the Department of Transportation (CDOT), the Colorado Energy Office (CEO), the Department of Local Affairs (DOLA), and the Office of Economic Development and International Trade (OEDIT), subject to exclusions in Section III.B.
- B. "Local Governments" means a home rule, territorial charter, or statutory county, city and county, city, or town.
- C. "Strategic Growth Compliant" means timely and satisfactory completion of each requirement set forth in the laws listed in Section I, including but not limited to: timely and satisfactory filing of preliminary reports, compliance reports, final reports, status reports, needs assessments, action plans, master plans, and adoption of zoning and land development ordinances, and other key deliverables and deadlines as established in statute and by DOLA in order to effectuate the laws.
- D. "Strategic Growth Compliance-in-Progress" means non-timely or non-satisfactory completion of a requirement set forth in the laws listed in Section I, but where good faith effort is being made to comply in a timely manner, including but not limited to: making use of DOLA guidance and templates; engaging with DOLA

- staff in receiving technical guidance; establishing mutually acceptable alternative timelines with DOLA to become compliant with strategic growth laws; and other activities as established by DOLA to determine good faith effort.
- E. "Strategic Growth Non-Compliant" means non-timely or non-satisfactory completion of a requirement set forth in the laws listed in Section I, such as:
  - 1. A compliance deadline passes and a Local Government has not submitted the required information to DOLA;
  - 2. The Local Government adopts a resolution or ordinance establishing a policy not to conform with a State law listed above or any other State law; and/or
  - 3. A Local Government takes action contrary to the express intent or directive of the State laws listed above.
- F. "Relevant Agency/ies" means CDOT, CEO, DOLA, and OEDIT.

#### **III.** Declarations and Directives

- A. Establishing clear guidance and coordinating efforts across Relevant Agencies to best support Local Government compliance with strategic growth laws is necessary to ensure State resources are deployed and funds are expended to support the intent of the laws.
- B. I direct the Executive Directors of CDOT, CEO, DOLA, and OEDIT to submit to the Governor's Office, within 30 days of this Executive Order, a list of potential Funding Opportunities for Local Governments, subject to the following exclusions:
  - 1. Funding Opportunities that are funded solely based on formulas, statutory criteria, or other criteria for which the Relevant Agency has no discretion;
  - 2. Funding Opportunities that are federally funded for which the Relevant Agency has no discretion;
  - 3. Funding Opportunities that were or will be awarded prior to October 6, 2025, or for which the application process or grant cycle has started or will start by October 6, 2025;
  - 4. Funding Opportunities for individuals;
  - 5. Funding Opportunities for supportive services or other tenant supports for housing; and
  - 6. Funding Opportunities solely for economic development.

In developing the list of potential Funding Opportunities, Relevant Agencies are encouraged to utilize the inventory list developed through Executive Order D

- <u>2023 014</u> (Concerning State Programs that Support Strategic Growth) as a resource.
- C. Once the list of potential Funding Opportunities is submitted, projects that are necessary solely for public health or safety or disaster relief programs will be excluded, and a list will be published of applicable Funding Opportunities that are subject to the declarations and directives of this Executive Order.
- D. As the administrative agency of State strategic growth programs, I direct DOLA to summarize the framework, criteria, and benchmarks established in HB24-1007, HB24-1152, HB24-1304, HB24-1313, SB24-174, HB25-1273, and SB25-002 for identifying certified Strategic Growth Compliant Local Governments for the purpose of establishing priority for state Funding Opportunities. DOLA shall publish the compliance guidelines on its website and make the information publicly available within 30 days of this Executive Order.
- E. Using the compliance guidelines created under Section III.D., I direct DOLA to create and update quarterly a list of all Strategic Growth Compliant, Strategic Growth Compliance-in-Progress, and Strategic Growth Non-Compliant Local Governments by October 6, 2025. DOLA shall make the list available for Relevant Agencies for the purposes of establishing priority for applicable Funding Opportunities as identified in Section III.C.
- F. DOLA shall continue to work with Strategic Growth Compliance-in-Progress Local Governments to support their efforts toward full compliance with strategic growth laws and ensure all Local Governments have the tools necessary to meet their statutory obligations.
- G. DOLA shall review submissions, provide notices consistent with statutory deadlines, and continue to offer recommended steps and support for Local Governments to come into compliance.
- H. Relevant Agencies shall review compliance with DOLA's list created under Section III.E. and counsel Local Government applicants if they are deemed less competitive due to Strategic Growth Compliance-in-Progress and Strategic Growth Non-Compliant with State laws. Notices of noncompliance should be sent by DOLA as soon as feasible after and/or within the timeframes of current law.
- I. CDOT, CEO, DOLA, and OEDIT shall, acting within administrative authority prescribed by statute, continue to exercise discretion to establish alternative

- compliance deadlines for Local Governments making a good faith effort to comply in a timely manner.
- J. I encourage Special Purpose Authorities not under my direct authority, including the Colorado Housing and Finance Authority and the Middle Income Housing Authority, and other quasi-governmental entities to also prioritize their limited funding opportunities in furtherance of the State's strategic growth laws and toward the legislative goal to incentivize more housing and reduce costs for Coloradans.
- K. This Executive Order will be updated to reflect those grants identified by Relevant Agencies and the Governor's Office that are subject to the declarations of this order.

#### IV. Duration

This Executive Order shall remain in effect unless modified or rescinded by future Executive Order of the Governor.



GIVEN under my hand and the Executive Seal of the State of Colorado this sixteenth day of May, 2025.

Jared Polis Governor

# As contentious Colorado housing laws take effect, some cities are playing nice — while others resist or sue

Lafayette's mayor, JD Mangat, can't afford a house in the city he leads.

On a salary as a middle school social studies teacher, home prices in the Boulder County city of 30,000 are out of reach for the 29-year-old Lafayette native.

"I live at home with my parents," he said. "None of my friends growing up still live in Lafayette."

Yet, when it comes to a cluster of housing bills lawmakers passed last year — all designed to abate the astronomical price of housing in Colorado — Mangat is firmly opposed.

"It would eliminate city standards and put in place state standards," the mayor said. "This is going to have really detrimental impacts on Lafayette. This approach is insane."

The laws, two of which go into effect on Monday, reached into matters that previously were local decisions. They removed home occupancy limits, will allow for accessory dwelling units on single-family lots, will limit parking requirements in transit corridors and prodded cities to increase housing density in those transit-rich areas. The laws largely apply only to Front Range cities.

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Last month, Lafayette joined five other metro Denver cities in suing Gov. Jared Polis, who signed the measures into law a year ago. Two of the laws, the plaintiffs claim, unconstitutionally impinge on the authority of local governments to set their own land-use rules.

Just 13 miles up U.S. 287 from Old Town Lafayette, Longmont is taking a different approach.

While the city opposed the transit-oriented density bill as state government overreach, Longmont is fulfilling what the law requires without resistance. Just last week, the city submitted a preliminary report to the state on how it will comply with the law. It also outlined for state officials the rollout of its accessory dwelling unit policy, covering ADUs like backyard cottages and garage apartments.

And just weeks after Polis signed the parking bill last year, Longmont became the first Colorado city to eliminate minimum parking requirements for all future developments. A similar proposal is pending in the Denver City Council. A parking minimum standard — designed to ensure there's enough spaces to accommodate a new building's users — often adds to a developer's costs or limits smaller sites' development potential.

"Longmont was and is already moving in the direction of paving the way for additional transit and affordable housing opportunities, which is what the law was aimed at," Assistant City Manager Sandi Seader said.

New construction is seen on Great Western Drive in Longmont on Friday, Aug. 2, 2024. (Photo by Matthew Jonas/Daily Camera)

The contrasting strategies embraced by the two Boulder County cities illustrate the increasingly scrambled patchwork of approaches Colorado communities are taking to tackle the state's affordable housing crisis, which has put home ownership out of reach for many young families. A recent study found that

from 2011 to 2021, the median price of a metro area home jumped more than 162%.

Though prices have come off their 2022 peak, the median home in metro Denver in May cost \$600,000, according to the Denver Metro Association of Realtors. That's about twice what a household making nearly \$100,000 a year can afford.

State lawmakers, municipal officials and advocacy groups across Colorado agree that something must be done to tame prices and increase the availability of housing units in the state. But how to achieve that goal — and more importantly, who gets to call the shots — is where deep disagreement lies.

"It's less about the two specific bills — it's more about the principle of home rule and about what the community's vision is," said Kevin Bommer, the executive director of the Colorado Municipal League. "This comes down to who is in the best position to determine what works best for their communities."

State Rep. Steven Woodrow, who took a leading role in crafting the 2024 bills, said he understands the passion of city and town leaders who don't want to cede their land-use authority to the state.

But not enough has been done locally to alleviate a situation that seems only to worsen, he said.

"We really don't have the time to take years and years in the courts while people can't afford to live here," the Denver Democrat said. "If these local governments were truly doing such a good job, we wouldn't have this affordability crisis."

Pedestrians cross North Public Road from East Simpson Street in Lafayette on Thursday, Oct. 3, 2024. (Matthew Jonas/Staff Photographer)

#### Resistance grows to state laws

Aside from the half-dozen cities that filed suit against the governor last month

— Aurora, Greenwood Village, Glendale, Arvada, Westminster and Lafeyette — several others have made it clear they support the legal challenge.

Centennial's City Council passed a resolution to that effect this month and Thornton City Council members expressed support for the lawsuit at a recent meeting. In Parker, the Town Council passed two ordinances in early May "zealously asserting the town of Parker's home-rule authority" to chart its own course on residential occupancy limits and ADUs.

The Douglas County suburb minced no words with its ordinances, declaring that each "supercedes and preempts" state law.

Parker, which has mushroomed from a population of fewer than 300 in 1981 to 68,000 residents last year, continues to put up new housing. It issued 622 building permits for single-family homes in 2023 and another 317 last year. On the multifamily development side, Parker issued 582 permits in 2023 and 102 permits for the first half of 2024.

Construction is underway at the Looking Glass development in Parker on Wednesday, June 25, 2025. (Photo by Hyoung Chang/The Denver Post)

State laws that foist more housing on Parker, while jacking up the potential for more residents living in a house, threaten to upset the town's painstaking long-term planning process, Mayor Joshua Rivero said.

Parker, he said, "provides for adequate housing based on the available resources, including water, and increases in density can have a detrimental impact on those resources and the town's residents."

Its May ordinance on the accessory dwelling unit law bluntly states that town leaders have determined that Parker "will not be able to provide the essential public services necessary to serve one ADU for every single-family home in the town." Not that there's any likelihood ADUs would ever be so widespread in Parker — for example, Denver issued just 548 permits for ADUs over the last eight years, according to an October story by Denverite.

In Lakewood, Colorado's fifth-largest city, the sentiment is less adversarial. Roger Low, a city councilman, said he was glad his city didn't join the lawsuit against the governor.

"Instead, I am proud our City Council is in problem-solving mode, working hard with our constituents to draft a zoning update that will comply with these new state laws in order to make progress on our affordable and attainable housing goals," he said.

Lakewood plans to retool its zoning code this summer. Low said the laws passed by the legislature in 2024 will serve as important guideposts in addressing the metro's housing shortage, which Zillow last year pegged at 70,000 houses, apartments and condos.

"That shortage is driving rents up, cost-burdening and displacing too many Lakewood families, and directly fueling our homelessness crisis," Low said. "I have little patience with the argument that this is purely a 'local concern,' when it is clearly also an issue of significant regional and statewide concern."

But Lakewood's efforts to comply with state law won't move forward unimpeded.

Karen Gordey, a 14-year resident and a business owner in Lakewood, organized a community potluck last week to let people know about the upcoming land-use updates. She sees many of the proposed changes to Lakewood's zoning code as damaging to the character of the city's neighborhoods.

"I'm hoping we get enough of a turnout that they change their mind," Gordey said of the council.

That's what happened in Littleton in January, when residents came out in force to push back on an effort by city leaders to boost density in the southern suburb. They proposed allowing the construction of duplexes, triplexes and attached townhomes in single-family neighborhoods, but the City Council

ultimately tabled the idea.

Rewind two years, and the same thing happened in Englewood. There, an attempt by city leaders to coax the building of denser developments in the city, which abuts Denver, prompted recall elections.

Single-family homes line a neighborhood street in Littleton on April 10, 2025. (Photo by RJ Sangosti/The Denver Post)

#### 'Give people more options'

Woodrow, the state lawmaker, said local resistance to proposed housing solutions has had wider negative impacts — ones that only state legislation can address. Restrictive municipal zoning and land-use rules, he said, have the effect of "artificially suppressing supply and driving up prices, fueling our affordability crisis."

"While certain local governments have done great work and gone above and beyond, other local governments have shrugged their shoulders and said, 'Not in my backyard — you can build elsewhere,' " he said. "So what we have are some local jurisdictions shouldering an outsized share of the burden while others are saying, 'It's not our problem.' "

State law, Woodrow said, can act to "take the pressure off of local governments and get the housing built."

Matt Frommer, the transportation and land-use policy manager at the Southwest Energy Efficiency Project, said cities are going to have to do something to correct a problem that isn't going to just disappear on its own.

SWEEP, a group that favors climate-friendly approaches, monitors Colorado cities and what they are doing with their housing policies.

"The housing crisis is not new," he said. "Cities are feeling it — were feeling it like six or seven years ago. That's when we started to see all these housing needs assessments. What did they learn through those? They don't have housing

diversity in their community and they need to allow more housing choices to lower costs and give people more options."

Frommer's organization points to a Keating Research survey conducted last year for Centennial State Prosperity, a nonprofit organization that pushes for more housing in Colorado. It found 68% of respondents support the new state law requiring cities and counties to allow more housing near transit stops and shopping districts.

That same poll also showed 78% of respondents backing Colorado's ADU law that goes into effect Monday.

The push for more housing options in metro Denver, Frommer said, is starting to proliferate in the form of pro-housing groups, which typically operate under the "YIMBY" moniker — for Yes in My Backyard. There are YIMBY chapters in Denver, Fort Collins and Denver's northern suburbs.

One recently sprouted up in Arvada — one of the cities that sued Polis last month over the state's housing laws.

"All these groups are popping up saying, 'Hey, housing's too expensive — I want to be involved in this,' "Frommer said. "That's going to put more pressure on elected officials to respond."

A newer condo building built in a residential neighborhood near Canyon Avenue and West Mulberry Street in Fort Collins on March 19, 2024. (Photo by AAron Ontiveroz/The Denver Post)

#### 'We know our communities best'

Bommer, with the Colorado Municipal League, has no problem with pressure being applied at the local level. Housing and zoning policy, he said, should be decided in city and town halls across the state — not under the Gold Dome in Denver.

"We spend all this time figuring out who gets to tell who what to do, instead of

spending time to solve the problem," he said. "We have one more year with this (Polis) administration, and I'd like to see partnership rather than preemption."

Mangat, Lafayette's mayor, said state legislative action on housing policy feels like an out-of-touch attack on communities that are already working hard to address the affordable housing crunch.

"We don't want people who don't come to Lafayette often telling us how much parking we should have," the mayor said. "We don't disagree with the mission and goal — we disagree with the process and implementation of it. We know our communities best."

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