

HB24-1313

# Housing in Transit-Oriented Communities

Concerning measures to increase the affordability of housing in transit-oriented communities, and, in connection therewith, making an appropriation.

SESSION: 2024 Regular Session

SUBJECTS: Housing, Local Government, State Government

## BILL SUMMARY

Section 1 of the act establishes a category of local government: A transit-oriented community. As defined in the act, a transit-oriented community is either a local government that:

- Is either entirely or partially within a metropolitan planning organization;
- Has a population of 4,000 or more; and
- Contains at least 75 acres of certain transit-related areas; or

If the local government is a county, contains either a part of:

- A transit station area that is both in an unincorporated part of the county and within one-half mile of a station that serves a commuter rail service or light rail service; or
- A transit corridor area that both is in an unincorporated part of the county and is fully encompassed by one or more municipalities.

The act requires a transit-oriented community to meet its housing opportunity goal. A housing opportunity goal is a zoning capacity goal determined based on an average zoned housing density of 40 dwelling units per acre multiplied by the number of acres of transit-related areas within a transit-oriented community. On or before September 30, 2024, the department of local affairs (department) shall develop a map that identifies the transit-related areas necessary for the calculation of a housing opportunity goal and the various reports required by the act. To accomplish its housing opportunity goal, a transit-oriented community shall ensure that the zoning capacity within certain areas of the transit-oriented community meets or exceeds the transit-oriented community's housing opportunity goal.

The main category of area that the act requires a transit-oriented community to increase the zoning capacity of to meet the transit-oriented community's housing opportunity goal is a transit center. In order to qualify as a transit center, an area must:

- Be composed of zoning districts that uniformly allow a net housing density of at least 15 units per acre;
- Identify the effective net housing density for the area by accounting for dimensional or other restrictions used to regulate density in the area, accounting for minimum parking requirements, and assuming an average housing unit size;
- Not include any area where local law exclusively restricts housing occupancy based on age or other factors;
- Have an administrative approval process for multifamily residential property development on parcels that are 5 acres or less in size; and
- Be located wholly or partially within a transit area or optional transit area and not extend more than one-quarter mile from the edge of a transit area or optional transit area.

In addition to designating an area as a transit center for purposes of meeting a housing opportunity goal, the act allows local governments to designate areas as neighborhood centers for that purpose.

The act requires transit-oriented communities to submit a series of reports to the department regarding the calculation, satisfaction, and implementation of a transit-oriented community's housing opportunity goal. The act requires a transit-oriented community to submit the following to the department:

- On or before June 30, 2025, a preliminary transit-oriented community assessment report to the department that includes the transit-oriented community's housing opportunity goal, the data and method used to calculate that housing opportunity goal, and the areas within the transit-oriented community that may need to be zoned to accomplish that housing opportunity goal;
- On or before December 31, 2026, an identification of the affordability strategies from the standard and long-term affordability strategies menus in the act that the transit-oriented community will implement;
- On or before December 31, 2026, an identification of the displacement mitigation strategies from the long-term displacement mitigation strategies menus in the act that the transit-oriented community will implement; and
- On or before December 31, 2026, a housing opportunity goal report for the department's review and approval that demonstrates that the transit-oriented community has met its housing opportunity goal and complied with the affordability and displacement mitigation requirements of the act.

Additionally, on or before December 31, 2026, a transit-oriented community may notify the department that the transit-oriented community has an insufficient water supply to accomplish its housing opportunity goal, and the transit-oriented community may make a corresponding request for the department to modify the transit-oriented community's housing opportunity goal.

If the department approves a transit-oriented community's housing opportunity goal report on or before December 31, 2027, the department shall designate the transit-oriented community as a certified transit-oriented community. A certified transit-oriented community is the only eligible entity for the transit-oriented communities infrastructure fund grant program (grant program) created within the department. The purpose of the grant program is to assist transit-oriented communities in upgrading infrastructure within transit centers and neighborhood centers. In administering the grant program, the department shall prioritize grant applicants based on the information in the reports described in the act. Grants from the grant program are awarded

from money in the transit-oriented communities infrastructure fund (fund). The fund consists of gifts, grants, and donations along with money that the general assembly may appropriate or transfer to the fund and money in the account described in the act. The fund is continuously appropriated. On July 1, 2024, the state treasurer shall transfer \$35 million from the general fund to the fund.

Section 2 prohibits a planned unit development resolution or ordinance that is adopted on or after the effective date of the act and that applies within a transit center or neighborhood center from restricting the development of housing more than the local law that applies to that transit center or neighborhood center.

Section 3 requires a local government, when requiring a real property owner to dedicate real property to the public, to provide a private property owner the option of paying a fee, rather than dedicating the private real property to the public, if the real property does not meet local government standards for dedication.

Section 4 makes any restriction by a unit owners' association within a transit center or neighborhood center on the development of housing that is adopted on or after the effective date of the act and is beyond the local law that applies to that transit center or neighborhood center void as a matter of public policy.

Section 5 requires the department of transportation to conduct a study that identifies both:

- Policy barriers and opportunities within the department of transportation including an examination of policies within the state access code, roadway design standards, and the treatment of pedestrian and bicycle crossings. The study must examine the impact of these policies on neighborhood centers and transit centers; and
- The portions of state highway that pass through locally-identified transit centers and neighborhood centers that are appropriate for context-sensitive design, complete streets.

In addition to the \$35 million appropriated to the fund, section 7 makes 2 appropriations. First, section 7 appropriates \$183,138 to the governor for use by the Colorado energy office to implement the act. Second, section 7 appropriates \$70,000 to the governor for use by the office of information technology to provide information services for the department.

**APPROVED** by Governor May 13, 2024

**EFFECTIVE** May 13, 2024

*(Note: This summary applies to this bill as enacted.)*

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