CCI HOUSING SURVEY REPORT

CCI
COLORADO COUNTIES, INC.
Educate · Advocate · Empower

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COLORADO COUNTIES, INC.
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Introduction

As governments, advocates, and communities throughout Colorado continue searching for solutions to the housing crisis, local governments are uniquely positioned to share successes, pressure points, and community needs. As the “boots on the ground,” local governments play a direct role in shaping communities through provision of community services and amenities, land use planning and policy decisions, and direct engagement with residents.

In 2021, Colorado Counties, Inc. (CCI) conducted a county housing survey of all 64 counties in the state. As conversations around land use and housing move forward, CCI has revamped the survey to create the 2023 Land Use & Housing Survey Report. This report considers new data and findings and builds on the 2021 report.

The results allow us to identify some of the things that *are* working, to celebrate the continued efforts of counties across the state, and to take note of areas that need more work.

> “Housing equity and affordability is a team sport. Together, we can address the diversity of needs across the state. CCI believes there are opportunities for the state, local governments, housing advocates, developers, and other stakeholders to tackle the housing crisis.
>
> Everyone should reflect internally to identify challenges impacting their ability to address housing, while also engaging externally to share best practices and create opportunities for collaboration.”
>
> **Steve O’Dorisio**
> CCI President
> Adams County Commissioner

ABOUT THE SURVEY

This report is based on survey responses from 28 Colorado counties: Adams, Arapahoe, Archuleta, Chaffee, Clear Creek, Crowley, Custer, Douglas, Eagle, El Paso, Gilpin, Gunnison, Hinsdale, Huerfano, Jefferson, La Plata, Lake, Larimer, Las Animas, Mesa, Otero, Ouray, Park, Pitkin, Rio Grande, Saguache, Summit, and Washington. Respondents included planning directors and staff, directors of economic development, county commissioners, county managers, and housing authority directors.

Breakdowns of respondents according to region and classification (rural/rural resort/urban), as well as comparisons of survey representation against the state makeup, are available here:

REGION	**FRONT RANGE**	**MOUNTAIN**	**WESTERN**	**SOUTHERN**	**EASTERN**
No. of Responses	6	9	6	6	1
Survey Makeup	21%	32%	21%	21%	4%
State Makeup	11%	20%	25%	23%	16%

CLASSIFICATION	**URBAN**	**RURAL**	**RURAL RESORT**
No. of Responses	7	13	8
Survey Makeup	25%	46%	29%
State Makeup	20%	61%	19%

Many of the counties that responded were among the more populous counties, such that nearly 65% of Colorado's population is represented by survey respondents. Additionally, we expect that counties experiencing greater housing challenges were more likely to respond to the survey. Put differently, a decent proportion of the counties that did *not* respond are likely those that are not feeling the housing crisis as acutely. This is not the case across the board, but it is worth noting.

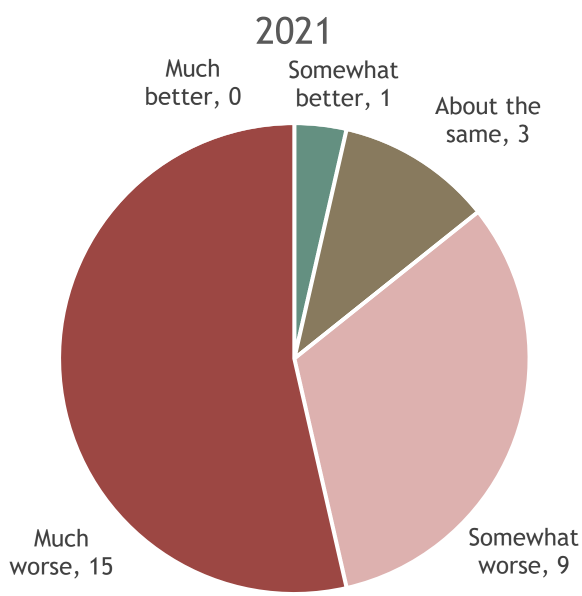
POPULATION	
Total CO population (July 2021)	5,814,707
Population represented by survey respondents	3,717,374
Percentage of total population represented	64%

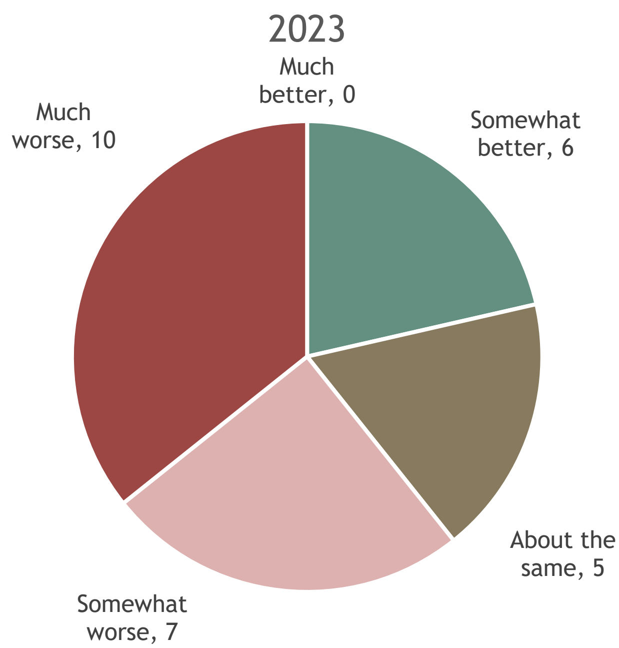
Please note that this report and the data within it only reflect information provided through survey responses and may not capture a county's complete portfolio of housing needs, priorities, and actions.

Survey Results

Overall, survey results demonstrate that housing challenges look different across the state, with varying causes, pressure points, manifestations, and solutions. Even so, some of the related needs and impacts are felt statewide, as expected with such a pervasive issue.

While more than 50% of counties surveyed felt the housing situation in their jurisdiction has worsened over the last three years, there was some encouraging news: **21% of respondents indicated the situation had *improved* somewhat in their counties.** This is a jump from the 2021 survey, when only one of the counties indicated any improvement. Implementers are feeling better about the situation because the past few years have seen counties taking additional steps, adopting new codes, taking advantage of affordable housing incentive programs, etc.





These specific answers are subjective, so we might hesitate to draw any conclusions from them. Even so, they offer an interesting initial pulse check and set a tone of cautious optimism. **Intentional action, strategic partnerships, innovative solutions, and increased funding can move the needle on this issue.**

The bulk of this report dives deeper into the data to understand the following key issues:

- Top county housing needs and priorities
- Largest barriers to affordable housing
- What counties are doing to address housing needs

TOP COUNTY HOUSING NEEDS & PRIORITIES

Across counties surveyed, **the most common need is workforce housing development**, with 89% of counties identifying this as a housing priority. The second most common need was **infrastructure** (water, sewer, road development/horizontal development costs), and the third was **support for partnerships and regional coordination** (regional project coordination, public/private partnerships, non-profit developer support).

Notably, these were also the top housing needs identified in the 2021 housing survey.[2] This is unsurprising, given the breadth of these needs that take significant time and investment to address.

By region, the top housing priorities are the following:

TOP HOUSING NEEDS
Workforce housing development[1] (89%)
Infrastructure (79%)
Support for partnerships & regional coordination (75%)
Capacity building & operations support (68%)
Behavioral health resources (64%)

Western	Mountain	Front Range	Southern	Eastern
1. Workforce housing development (100%) 2. Infrastructure (83%) 3. Land acquisition/ banking (67%) 4. Support for partnerships & regional coordination (67%)	1. Workforce housing development (89%) 2. Infrastructure (89%) 3. Land acquisition/ banking (89%) 4. Support for partnerships & regional coordination (89%) 5. Behavioral health resources (89%)	1. Workforce housing development (100%) 2. Behavioral health resources (100%) 3. Land acquisition/ banking (100%) 4. Support for partnerships & regional coordination (83%) 5. Rental assistance (83%)	1. Improve quality of existing affordable housing (83%) 2. Infrastructure (83%) 3. Workforce housing development (67%) 4. Support for partnerships & regional coordination (67%) 5. Capacity building & operations support (67%)	1. Workforce housing development (100%) 2. Capacity building & operations support (100%)

[1] We chose not to provide a definition of workforce housing. Creating such a definition often provokes significant debate. Because county residents work at many levels of AMI, it can be difficult – if not impossible – to find a one-size-fits-all definition that captures the breadth of the workforce in each community. Instead, we allowed respondents to use their own interpretation of workforce housing in their communities.
[2] The percentages of counties identifying these issues as a need appears to have increased: in 2021, 88% indicated workforce housing, 61% indicated infrastructure, and 58% indicated support for partnerships and regional coordination. The 2023 percentages constitute a significant increase at 89%, 79%, and 75% respectively. However, this may be due to the smaller sample size in the 2023 survey, particularly given the lower representation of Eastern District counties.

Respondents also had the opportunity to write in other housing needs. These are likely to be needs felt in other communities as well, though we do not have data on how widespread they are. Additional needs identified included the following:

- Missing middle housing.
- Preserving existing inventory and "naturally occurring" affordable housing stock.
- Preventing sprawl that cannot be adequately served by infrastructure and services.

Area Median Income Targets

Respondents were asked to identify the area median income (AMI) targets for for-sale housing and rental housing. It was evident that in both cases, **there was a need across the AMI spectrum**. This is not to say that housing programs should not target support toward those who are most vulnerable, particularly those making below 60% AMI. However, it does mean that to create sustainable, long-term solutions, there must be *some* support, at a minimum, available to target income levels across the spectrum.

The most common selection among the multiple-choice options was the 90-110% AMI range. However, respondents could also write in a specific AMI range instead, and many did so to indicate broader ranges (such as 80-160% AMI and 30-120% AMI). This challenge – as well as the general spread of AMI targets indicated across the state – reflects the fact that there is a need for housing support across a broad range of income levels.

Many counties indicated a need for housing **across the broader AMI spectrum.**

"We need a healthy mix across many of these."

"We need all levels. AMIs are very unhelpful for mountain resort communities, as they don't reflect the wage-to-housing cost imbalance."

Because of the variations and the broad spread of AMI categories, it is difficult to visualize the data. The maps on the following page indicate the *average* of each county's AMI range. This approach does mean that two counties that appear in the same category could still have very different AMI ranges: Eagle County, for example, indicated a need across 60% to 140% AMI, while Huerfano County indicated a need across 70% to 90% AMI, yet both counties averaged 80% AMI. The system is not a perfect one. Even so, it provides some opportunity for initial observations and comparisons.

Regarding where these ranges came from, 63% of responses were based on regional or county-level housing needs assessments. Many of these assessments were three to five years old. Counties indicated a desire to obtain updated data but noted the cost of such assessments was a barrier. Another 11% of responses came from other national or local data sets.

> “Free market home ownership in our county has become unattainable for any member of the local workforce, given free market pricing. Our only hope is deed-restricted housing and strategies to keep rents affordable.”
>
> *Pitkin County*

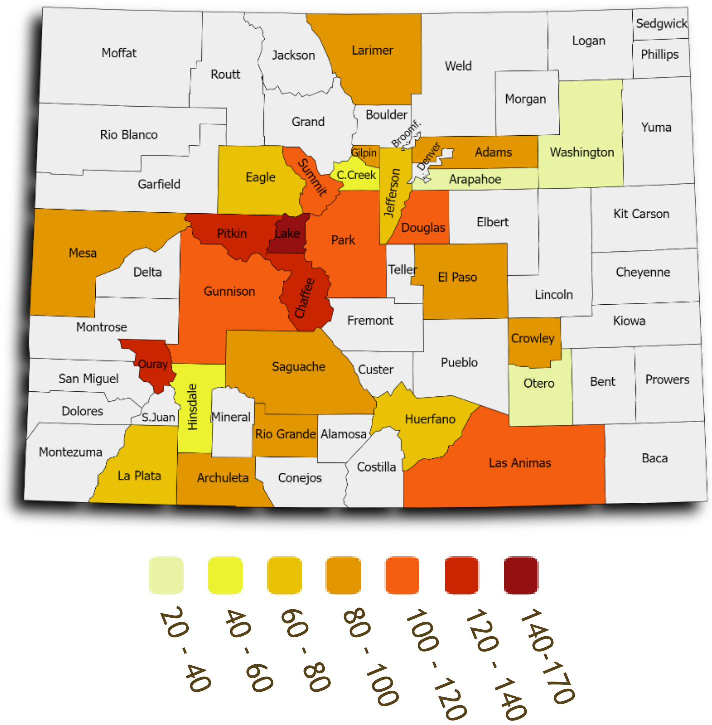
> “We need all options so are prioritizing all AMIs up to 110%. Since homeownership is a direct path out of poverty, it is important our programs support all AMIs. This is based on Community Needs Assessments completed every few years and regular data review and analysis.”
>
> *Jefferson County*

> “We need all levels. AMIs are very unhelpful for mountain resort communities as they don’t reflect the wage-to-housing cost imbalance.”
>
> *Lake County*

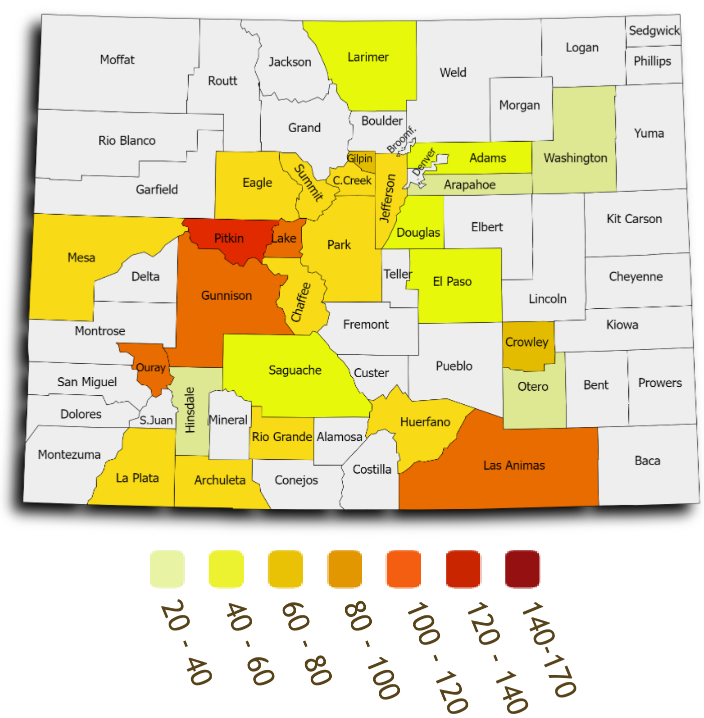
We completed the Regional Housing Needs Assessment & Strategy Study in the fall of 2021 and examined the cross-dependency of housing supply and demand among jurisdictions in the region. This study took a more regional approach to housing strategies to address needs.

La Plata County

AMI Targets - Homeownership



AMI Targets - Rentals



LARGEST BARRIERS TO AFFORDABLE HOUSING

When asked what they view as the largest barriers to having more affordable housing in their communities, around half of respondents mentioned lack of funding and high development costs as one of the largest – if not *the* largest - barrier. Other commonalities included the lack or high cost of developable land, the lack of infrastructure or high cost of developing more infrastructure, NIMBYism[3], and a lack of developers or contractors.

We then asked counties to rate the extent to which specific barriers hamper affordable housing progress in their jurisdictions. Many of these barriers overlapped with the free responses (i.e., the barriers most top of mind): they were lack of county staff capacity, land availability, the short-term rental industry, the inability to attract developers, the lack of access to sufficient financial resources or revenues, and NIMBYism. At the time of survey design, lack of infrastructure was not included. However, the frequency with which infrastructure concerns were raised indicates that it is critical, even though respondents did not have an opportunity to provide a numerical rating.

Respondents rated each of these barriers on the following scale:

1	2	3	4	5
(Not at all)				(It's the largest roadblock)

Across counties, **lack of access to sufficient financial resources or revenues stood out as the largest barrier** with an average rating of 4.3. Notably, the counties driving this ranking were located in the Front Range District, the Mountain District, and the Western District.[4]

The second-highest barrier was the inability to attract developers. This was the highest barrier for the Eastern and Southern Districts and was more pronounced among rural and rural resort counties (averages: 3.8 and 3.4, respectively) than urban ones (average: 2.6).

The overall average rankings across all survey respondents were as follows:

To what extent do each of these factors hamper affordable housing progress in your county?

Lack of county staff capacity	Land availability	Short-term rental industry	Lack of access to sufficient financial resources or revenues	Inability to attract developers	NIMBYism
3.0	3.3	2.5	4.3	3.4	3.1

[3] Counties were presented with the following definition: "NIMBY-ism refers to the phrase "not in my back yard" and carries the connotation that residents who are opposed to proposed developments in their local area are only opposing the development because it is close to them; they would tolerate or support the development if it were built further away."
[4] These districts refer to CCI's five regional districts. View the regional map online.

Regional Rankings

As already observed, some of these barrier rankings were driven by specific regions or types of counties. Below, you can find breakdowns of the barrier rankings by district and by county type (rural/rural resort/urban).

By District

FRONT RANGE

To what extent do each of these factors hamper affordable housing progress in your county?					
Lack of county staff capacity	Land availability	Short-term rental industry	Lack of access to sufficient financial resources or revenues	Inability to attract developers	NIMBYism
2.8	3.8	2.0	4.7	2.3	3.7

MOUNTAIN

To what extent do each of these factors hamper affordable housing progress in your county?					
Lack of county staff capacity	Land availability	Short-term rental industry	Lack of access to sufficient financial resources or revenues	Inability to attract developers	NIMBYism
3.5	3.2	3.0	4.7	3.4	3.0

SOUTHERN

To what extent do each of these factors hamper affordable housing progress in your county?					
Lack of county staff capacity	Land availability	Short-term rental industry	Lack of access to sufficient financial resources or revenues	Inability to attract developers	NIMBYism
2.8	3.3	2.2	3.8	4.2	3.0

WESTERN

To what extent do each of these factors hamper affordable housing progress in your county?					
Lack of county staff capacity	Land availability	Short-term rental industry	Lack of access to sufficient financial resources or revenues	Inability to attract developers	NIMBYism
3.0	3.3	2.8	4.2	3.8	2.8

EASTERN

To what extent do each of these factors hamper affordable housing progress in your county?					
Lack of county staff capacity	Land availability	Short-term rental industry	Lack of access to sufficient financial resources or revenues	Inability to attract developers	NIMBYism
1.0	1.0	1.0	1.0	2.0	2.0

By County Type

RURAL

To what extent do each of these factors hamper affordable housing progress in your county?					
Lack of county staff capacity	Land availability	Short-term rental industry	Lack of access to sufficient financial resources or revenues	Inability to attract developers	NIMBYism
3.2	3.0	2.6	4.0	3.8	2.6

RURAL RESORT

To what extent do each of these factors hamper affordable housing progress in your county?					
Lack of county staff capacity	Land availability	Short-term rental industry	Lack of access to sufficient financial resources or revenues	Inability to attract developers	NIMBYism
3.0	3.4	2.6	4.4	3.4	3.3

URBAN

To what extent do each of these factors hamper affordable housing progress in your county?					
Lack of county staff capacity	Land availability	Short-term rental industry	Lack of access to sufficient financial resources or revenues	Inability to attract developers	NIMBYism
2.7	3.9	2.1	4.6	2.6	3.7

Observations

These rankings paint a complex picture. There are some barriers that clearly stand out above the others: again, funding appears to be the biggest barrier to affordable housing progress across the board. However, **across all subgroups, there are always at least three factors with a 3.0 ranking or higher**, indicating that **at least three factors moderately or severely hamper affordable housing progress**. In other words, there is no silver bullet that will solve the crisis across the state. To effectively address the crisis, we will need a *variety* of flexible policies, programs, and approaches that work in tandem with one another within this complex web.

Preliminary observations also include the fact that, as expected, the inability to attract developers appears to be a more pronounced challenge for rural and rural resort communities. Additionally, it may be initially surprising that the short-term rental (STR) industry is not ranked higher, as regulation of STRs has been a feature of housing conversations over the past few years. However, this could be because (a) the other factors are so significant, and (b) so much action has already been taken on this front. Many of the counties most impacted by STRs have already taken regulatory steps aimed at mitigating those impacts, which likely drives down the scores today relative to other factors.

The Funding Problem

Funding Sources

Counties have pursued and used a variety of funding streams, including:

- American Rescue Plan Act (ARPA) Funds;
- Community Development Block Grants (CDBG);
- Colorado Housing & Finance Authority (CHFA) Grants;
- Division of Housing Grants (Transformational Housing Grant, planning grants, More Housing Now support, etc.);
- HOME Investment Partnership Grants;
- Federal Entitlement Funds; and
- Private Activity Bonds (PABs).

The lack of access to sufficient financial resources, however, is underscored by the distinction between how much funding counties *sought* versus how much they actually *received*. Take the Transformational Affordable Housing Grant Program, for example. The overall number of grant requests received were more than four times greater than what the fund had to disburse. Eagle County applied for $30M but received $4M. The Saguache County Housing Authority applied, as did the Crestone Peak Community; the state could only fund one project, and so the Saguache Housing Authority project was not funded.

This problem is reflected in myriad other funding areas as well, with the demand for funding outpacing supply. As is widely acknowledged, the Low-Income Housing Tax Credit (LIHTC) is extremely competitive and tax credits are in short supply. Initial estimates of Proposition 123 funding programs in the first year similarly indicate that funding applications will far exceed actual funding available.

Lack of access to sufficient financial resources or revenues stood out as the largest barrier to affordable housing.

"Our Housing Authorities have multiple years' worth of housing developments in their pipelines but are unable to bring them all to fruition due to very competitive funding sources."

"While there are MANY grant programs available, it's a 'drip, drip, drip' of restricted funding… Funding is out there; it's just really inefficient."

"Tax credits are also in short supply, with some 30% of Low-Income Housing Tax Credit (LIHTC) applications being funded."

"Before recent interest rate increases and inflation, we might have rated it as a 4, but today it's a 5. Our limited money doesn't go far, and it's harder to put deals together."

Costs of Development & Infrastructure

It is crucial to recognize the substantial infrastructure costs associated with increasing housing, whether that increase stems from new development, infill development, or redevelopment. Infrastructure considerations encompass vital aspects of development such as water availability and sewer and stormwater systems. The costs from upgrading or developing such systems can vary widely and are especially significant in the context of rural areas. This conversation also involves the cost of electricity and heating, land, building materials, and road access.

The table below highlights the wide variance in costs of some of these factors.

Estimated Costs of Development	
Land	$1.5k-400k/acre or $25k/lot
Wells	$25/ft or $22k
Septic	$7-30k
Sewer	$10-15k
Electric	$0.18/kW
Heat/Propane	$2.50/gallon
Tap Fees	$30k
Road Access	$1M/mile

Infrastructure efficiency and capacity underpins all development, but the cost of building and upgrading infrastructure is huge. Local governments typically lack the financial resources to pay for it, resulting in cost increases for developers and corresponding increases in the cost of development and end price of housing. Moreover, the specific infrastructural differences and challenges are – literally – all over the map. This complicates any attempt to create statewide solutions and underscores the need for local flexibility. When it comes to infrastructure challenges, the challenges are often *cost* challenges at their core.

With respect to water, counties must work with myriad districts serving varying subregions that may or may not be able to provide water, sewer, and stormwater for a given project. Counties also experience fundamental differences in types of water systems and in access to "paper water" (water rights) versus real water. And again, these differences result in fundamentally distinct challenges. The case studies on this page and the next highlight some of these issues.

Lastly, recent legislative changes, such as new electrification requirements and wildland urban interface regulations, have or are expected to further increase the cost of housing. Archuleta, Clear Creek, Jefferson, La Plata, Mesa, Rio Grande, and Summit counties all explicitly noted that they expect modest to significant increases. However, some of these counties emphasized the need to weigh those

Case Studies

In **Park County**, development is currently being prevented by the lack of water rights that can be used for dense development. There is physical water in the county, but the rights have been purchased by those downstream. The resulting legal challenge coupled with limited wastewater treatment systems have prevented further development.

In **Teller County**, development has been delayed for nearly two years due to wastewater challenges. Rule 31 adds millions of dollars to wastewater treatment plants with disproportionate impact to smaller facilities and rural counties. And despite major investments in engineering and design from the county, they have seen cost estimates increase by 200% due to these factors coupled with chronic state agency staff shortages and lengthy permitting delays.

Case Studies

In **Arapahoe County**, much of the growth in the county is occurring in rural areas due to the numerous infrastructure challenges (e.g., sewer, road infrastructure, stormwater, lights, etc.) that infill projects face. Chief among these is water: many smaller existing systems developed on non-renewable groundwater, so they cannot simply be scaled up. And because the old systems must either be worked around or removed, the cost of upgrading infrastructure (infill) can be higher than creating new infrastructure (greenfield). Unlike other counties, the county *does* have "paper water" but not the infrastructure to support it.

Summit County tried to work with Frisco to have the town provide sanitation and water but the efforts fell through, resulting in the need for the county to provide the systems. The sewer system alone would cost $60M, and the county doesn't have enough collateral to bond, resulting in a standstill.

increases against potential long-term cost savings for residents.

Additionally, in Ouray County, the electric utility offers significant rebates for beneficial electrification that have allowed builders to avoid the cost of tapping natural gas lines and have made it less expensive to build electric-only. Their experience suggests that these new requirements could possibly be mitigated through financial support from other entities to try to limit the expected increases in the cost of developing housing.

Partnerships & Attracting Developers

As noted prior, the inability to attract developers appears to be a more pronounced challenge for rural and rural resort communities than for urban ones.

For rural counties, three primary explanations are considered:

- **Economies of scale – and therefore profit margins - are more limited.** The scale of the housing need (and resulting economies of scale and revenue) is lower compared to more populous or urbanized areas. Developers are unlikely to be able to build a 100-unit apartment complex in a rural area, and their profit margins are likely to decrease if they scale back the size of the development to meet rural needs.
- **Similarly, there are larger outcome "payoffs" in larger communities.** The smaller developments needed in smaller rural communities do not contribute to aggregate affordable housing gains as much as larger developments elsewhere would. This results in a high risk that such communities will be overlooked again and again in the name of finding larger payoffs elsewhere.
- **Infrastructure costs may be greater.** If infrastructure is not as built up in rural areas, developing new housing may require additional investments in infrastructure that would not be necessary (or may be necessary, but at a smaller scale) in urban counties. This drives up development costs, and the smaller projects and limited economies of scale mean it is also more difficult to absorb those higher costs.

For rural resort counties, infrastructure again appears to be a limiting factor, but **the extremely high costs of building and developing in rural resort regions are a big**

disincentive for developers. For example, a developer might be able to build the same apartment complex in an urban county as in a rural resort county, but the construction and transportation costs are likely to be lower in the urban county, incentivizing developers to build in the urban county instead.

Working toward Community Buy-In

"NIMBYism" (referring to "Not in My Backyard") has been a frequent topic in the housing space. Since the term has increasingly been used as a catch-all term for *any* public opposition to housing development, in this survey counties were presented with the following definition of NIMBYism: "NIMBY-ism refers to the phrase "not in my back yard" and carries the connotation that residents who are opposed to proposed developments in their local area are only opposing the development because it is close to them; they would tolerate or support the development if it were built further away."

Respondents were then asked to describe to what extent they experience NIMBYism and, in particular, how they are promoting affordable housing, working toward community buy-in, and engaging with local opposition when it occurs. By far, **the most frequent strategy reported was clear, transparent communication with community education and outreach.**[5] While the specifics of this strategy varied by community, it was evident that this was the most used strategy. Moreover, it appeared to be the most successful.

Other strategies respondents identified to build community support and engage with opposition throughout the development process included the following:

- Requiring community meetings before plan submission (Arapahoe, Chaffee).
- Countywide survey ahead of code amendment & continued use of random sampling to estimate actual community sentiment (Arapahoe).
- Referring back to master plan requirements when considering projects (Douglas).
- Maintaining updated, contemporary plans and policies to refer to when considering projects (La Plata).
- Hiring a facilitator for intensive community outreach (Gunnison).
- Tying density to level of service for utilities and infrastructure (Larimer).

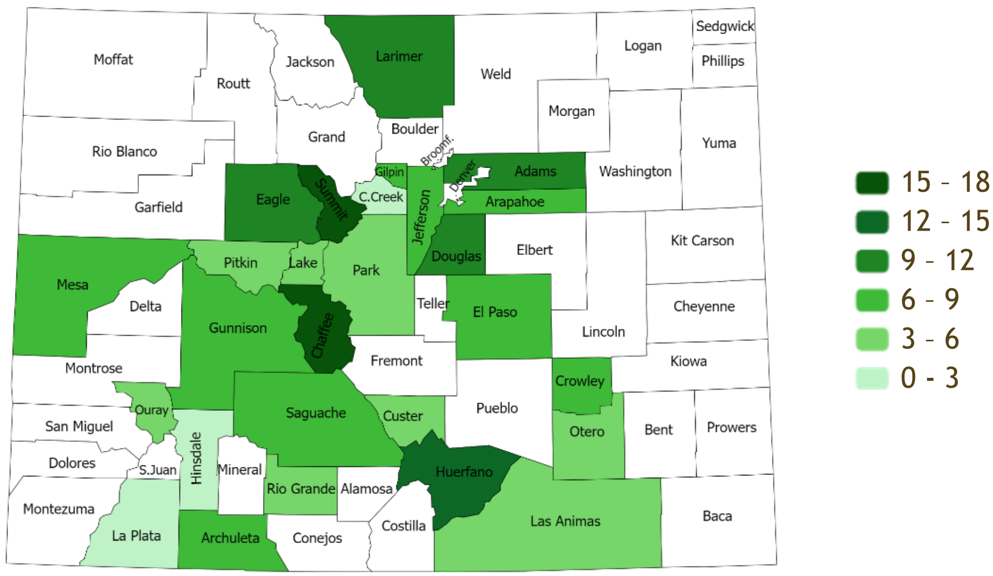
> "Community advocacy is critical to all affordable housing projects. We try to support opportunities for our resident community so they are informed and able to speak to the importance and value of safe, affordable, accessible housing options for all residents."
>
> — Jefferson County

[5] Adams, Arapahoe, Chaffee, Clear Creek, Douglas, Eagle, El Paso, Gunnison, Jefferson, Larimer, Mesa, Ouray, Park, Rio Grande, Saguache, Summit

WHAT ARE COUNTIES DOING TO ADDRESS HOUSING NEEDS?

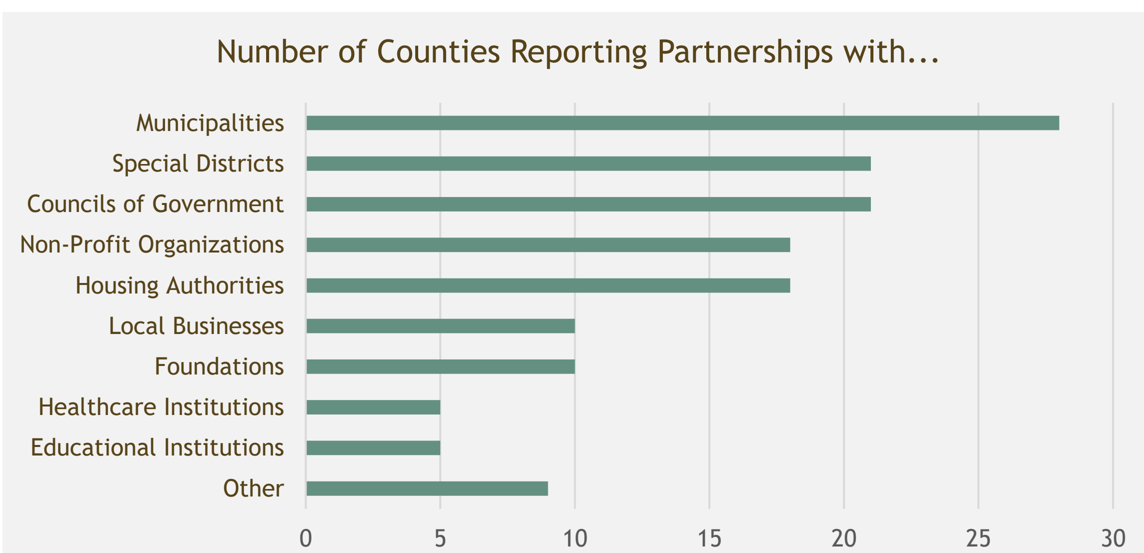
25 of the 28 counties surveyed are implementing three or more strategies to address housing needs in their communities, and 27 of the 29 counties have adopted at least one strategy. Moreover, 27 of the 28 counties are implementing at least one strategy.

Number of Strategies Implemented by County



The strategy most frequently reported was "working regionally to address housing issues." This was indicated by 24 of the 28 counties.

Given that all counties surveyed indicated they relied on at least one partner for collaboration on affordable housing projects, this is no surprise. In many cases, counties rely on multiple partnerships with various entities that necessitate a broader collaboration: 11 counties rely on partnerships with **six or more external entities** for affordable housing projects.



Most Used Strategies	Least Used Strategies
Working regionally to address housing issues (24)	Ensuring all new PUDs have an element containing multifamily affordable housing (1)
Allowing development of small square footage residential unit sizes (20)	Expediting development review for acquiring or repurposing underutilized commercial property that can be rezoned to include affordable housing units (2)
Regulating STR licenses or permits (16)	
Allowing PUDs with integrated affordable housing units (14)	Reducing minimum parking requirements for new affordable housing development (3)
Using county-owned or public property to develop affordable housing (15)	Classifying a proposed affordable housing development as a use by right (3)

Planning

Zoning is often at the forefront of housing conversations, but there are a few nuances that must be highlighted. First, **not all counties have traditional zoning**, which complicates policy proposals involving zoning changes. Of the 28 counties surveyed, 26 indicated they do have zoning regulations with two reporting that they use performance zoning rather than Euclidian zoning. The two counties that do *not* have zoning regulations are both frontier counties (one in southern Colorado, one on the Eastern Plains).

Of the 26 counties with zoning regulations, 24 do include zoning for multi-family housing. One of the exceptions was a county currently updating the master plan to replace the old plan from 1999. The old plan did not discuss affordable housing, but the new one will.

More broadly, the vast majority of county master plans – 29% of which are legally binding – currently identify policies and/or locations for the development of affordable housing. These policies can help encourage affordable housing development in strategic locations that align with county needs and characteristics. While many of the master plans are not legally binding, they are still treated as guiding documents. Mesa County, for instance, noted that while the master plan is a guiding document, the land development code requires rezone requests to be consistent with the master plan.

It is worth noting that, while it may be surprising that the percentage of legally binding master plans is not higher, adopting a master plan as legally binding can sometimes frustrate affordable housing efforts by imposing legal *limitations* on where affordable housing can go.

Accessory Dwelling Units

Local government policies around accessory dwelling units (ADUs) have been a particularly salient topic of conversation. Accordingly, respondents were asked about their current approaches to allowing and incentivizing ADUs.

15 counties indicated they currently allow ADUs as a use by right in at least some areas of the county. However, this is typically still **subject to certain restrictions, such as septic and water capacity.** Additionally, these counties – and even some of those without ADUs as a use by right – implement ADU programs and incentivize ADUs according to the unique circumstances in their communities, creating policies and programs that promote ADUs that meet housing needs.

Of use-by-right counties, many indicated that allowing ADUs as a use by right did not result in a significant uptick in ADU construction, often due to the high cost of construction. Programs to provide funding and other technical support, however, have proven effective in moving the needle.

Case Studies

Larimer County allows ADUs on residential properties county-wide but **prohibits ADUs as short-term rentals**.

Gunnison County incentivizes deed-restriction of ADUs by **increasing allowable residential living area** when a secondary residence is included that is **deed-restricted** as an essential housing residency.

Summit County launched a $500,000 pilot program to **subsidize conversion and construction of ADUs**, contingent upon a guarantee by the homeowner that the ADU will be available only to renters making no more than 100% of the county's AMI. The county also provides **free, pre-approved ADU templates** that streamline the design/review process.

In Park County, off-street parking is required for ADUs as county roads need to **permit adequate traffic flow** and **allow for frequent snowplowing**.

While Eagle County does not allow ADUs as a use by right, their Aid for ADUs program provides a **loan for the creation of a new ADU** with rental rates at 100% AMI or below.

Conclusion

The housing needs throughout Colorado communities continue to be vast. Counties are responding to the resulting challenges and are deeply aware of the role they play at the ground level of the crisis, working with their communities to identify solutions that meet local needs. Even with these steps, however, local governments face additional challenges that are complicating their efforts. More action is needed, including strategic leveraging of new resources, building of partnerships, and expansion of programs and policy initiatives.