

# Northwest Colorado Council of Governments



A County and a Town Walk into a Housing Project...

#5 Governor Polis Has Ideas for More Housing

## Continuation

Using Whetstone in Gunnison County as a case study of workforce housing development, this issue builds on our [series from last week](#). The story is complex and serves to illustrate the almost insurmountable details that must be considered, hammered out, negotiated, renegotiated, and ultimately approved for a project to result in livable units. Gunnison County has provided detailed edits and signed off. Stay tuned” to this space as each installment builds on the preceding, to clearly illustrate the complicated story of affordable housing.

*Jon Stavney*  
Executive Director - NWCCOG  
[JStavney@nwccog.org](mailto:JStavney@nwccog.org)



---

## Governor Polis Has Ideas for More Housing

How a story such as Whetstone sounds under the golden dome 4 hours away in Denver is something of a mystery to rural resort counties involved in affordable housing. Governor Polis, for one, doesn't think the system for producing housing is working. His approach to the uncertainty in the housing market it appears from the failed SB23-213, is to take decisions out of the hands of both the Town and County in such cases as Whetstone. What doesn't translate well to the high country is that the Governor appears to believe the primary issue is government processes getting in the way of a private development sector chomping at the bit to build thousands of affordable homes as soon as some new state laws can be enacted. That robust private sector construction economy is not apparent in Gunnison Valley.

Last year's housing bill, SB23-213, was an ambitious kitchen sink full of reforms, many of which passed or were proposed in nearby Western states. Those ideas include abolishing single-family zoning, allowing up to 6 units on what had been a single-family lot, making Accessory Dwelling Units a use-by-right, various methods for increasing density around transit-oriented locations, and requiring fast-track review for housing. While the planner-speak may not set off alarm bells to the public like "defund the police," that doesn't mean these ideas are any less radical than the alternatives to traditional policing that are also being tested nationwide. Lengthy and tedious as it has become, the current land use review system for new development, including affordable housing projects, provides ample opportunities for public input. Of course, that may just be the problem.

The Gunnison Board of County Commissioners was hardly alone in publicly opposing the Governor's housing bill last year. In that, they were joined by representatives from the Town of Crested Butte and associations that represent them, such as the Colorado Association of Ski Towns (CAST) and the Colorado Municipal League (CML). In the spring of 2023, representatives from local governments lined up for a committee hearing at the Colorado legislature, where 300 speakers provided over 12 hours of testimony (mostly) against SB23-213. That bill Colorado Governor Jared Polis conceived with a host of reforms to the local land use process, in many cases limiting the time or extent to which local government could review a housing project. The intent was to pry back a lot of the "red tape" baked into the kind of processes that Whetstone seems to be mired in currently.

The response from local leaders? Preserve “local control” because locals know better than the state what is best for their community and can protect or advance those local interests better than any state law. Gunnison County has a strategic plan for building housing that has learned from being bruised by navigating its own processes. Local governments have ramped up their response to the housing crisis considerably since 2020, the year in which Short Term Rentals, COVID, and remote work converged to accelerate the housing affordability issue and drive out long-term locals and, with them, much of the workforce. These issues have been simmering for years. Towns, counties, and housing authorities are innovating, rapidly adapting, and making unprecedented progress on housing.

The success of Gunnison County’s effort to build Whetstone is very much wound into funding from the state while on the other hand, being hamstrung by permitting by state agencies. Besides the \$10M TAHG grant awarded by the Governor’s office, the County also applied to the state for a Transportation Alternative Planning (TAP) grant to secure \$3.1 M for a pedestrian underpass where the development connects to State Highway 135. The first application for that funding was denied. To a motorist, a connection to a state highway may be pavement, signals, and signage. To an engineer or maintenance supervisor at The Colorado Department of Transportation charged with maintaining a vast highway system, each one is a complex question requiring a permit for consideration.

Another agency, the Colorado Department of Health and Environment, will only allow the county to submit a permit for the wastewater lift station once it has a signed utility agreement with the town. The existing MOU between the town and county is essentially an agreement to work together, not a contract. When the County has an approved agreement of a fully engineered plan to supply water and treat wastewater, CDPHE, by its own rules, can only then begin a state review process that the county’s consulting engineers estimate could take a year or more for approval. That could mean the 2024 wildflower season could turn to fall colors into another ski season before a permit is issued by CDPHE for the 2 miles of underground utility construction to begin. No other work can be done until that work is completed, creating a significant logjam in the process. Gunnison County Assistant Manager John Cattles says, “(4-12 months) is an impossible range to plan around. We need to issue debt. And we need a permit from the town. It is a very step-by-step process. We hear (the state) is very backed up on those reviews.” So, while wary of the state’s intervention in housing policy on the one hand, local governments are somewhat dependent on the state for supplemental funding for these projects on the other hand.

Colorado has been here before. The state pre-empting the local review by local governments of a site-specific project where neighbors have significant sway upends an accretion of land use policy from the early days of the last century. Zoning was made legal by a Supreme Court decision dating from 1926 and has only become increasingly layered with comprehensive plans, building codes, environmental regulations, and review by multiple agencies. There are layers upon layers of review of any project in a project like Whetstone with a town public utility, a county land use process, and at least three major state agencies involved. Some in the public argue that this complex process is not transparent enough. Planners who manage local governments’ regulatory and review processes often see it differently. The public holds significant persuasive powers over local elected officials. The system is not designed for speed.

Governor Polis recognizes that the implementation of the policy is no longer serving the Colorado economy. Then there is the equity and discriminatory angle: for those looking at state pre-emption from an urban view, they can point to scholars who have argued that zoning has been used as a discriminatory, exclusionary tool confirming bias against lower income and minorities and creating stale, inefficient suburbs. The process has allowed public input to enforce a status quo bias on change by allowing plenty of input for “Not In My Backyard” (NIMBY) opponents of a project. Though they come from a perspective of grievance, NIMBYs have become so powerful a force in today’s public land use system that many see them as the primary impediment to affordable housing.

Undaunted, Governor Polis has promised to return to the legislature again, saying in [The Atlantic](#) July/August issue that solving the affordable housing crisis in Colorado is “beyond the capabilities of (local government) even if there’s a city council or mayor with the best of intentions.” The Governor admits those leaders *want* to solve the housing shortage while emphasizing their inability to do so at scale; “The thing is, they’re not doing it.” Essentially, the current system impedes the construction of new housing.

Interviewed inside St. Cajatan’s Church by Jesse Paul of The Colorado Sun on September 29<sup>th</sup>, 2023, at SunFest, Governor Polis “doubled down” repeatedly when asked about coming back with another bill, saying, [“213 didn’t go far enough. It really needs to be bigger and bolder.”](#)

We shall find out soon what housing bills are to be considered. The 2023-2024 Legislative session begins in a few weeks.

Cattles, who is spearheading a 240-unit project near Crested Butte, could argue that Gunnison County *actually is* “doing it” regarding housing. Since 2019, the County has built 102 units and has another 32 in process for completion in the summer of 2024, 58 of which are owned and operated by the County. The rest were developed and are operated by a developer through a public-private partnership. Reflective already about a process of developing state housing policy that hasn’t yet played out entirely in relation to what he has experienced as the developer of Whetstone, Cattles is guarded. He points out that the Gunnison County commissioners, his employers, came out strongly against the Governor’s housing bill last session, but, he says, “as one government trying to do housing in the boundary of another jurisdiction,

the governor may have a point; Entitlement processes can be improved, but there are complex intersecting issues, engineering, and approvals and oversight that simply overruling local land use and zoning control won't affect.”

Please look for Part #6 in the series next week. Previous installments can be seen [here](#).

Photo Credit: Whetstone Housing @ Weebly.com

Northwest Colorado Council of Governments | P.O. Box 2308, 249 Warren Ave., Silverthorne,  
CO 80498

[Unsubscribe office@nwccog.org](mailto:office@nwccog.org)

[Update Profile](#) | [Constant Contact Data  
Notice](#)

Sent by [jlpoint@nwccog.org](mailto:jlpoint@nwccog.org) powered by



Try email marketing for free today!