

**Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 26-0409.01 Pierce Lively x2059

HOUSE BILL 26-1313

HOUSE SPONSORSHIP

Boesenecker and Stewart R., Bacon, Brown, Duran, Froelich, Jackson, Joseph, Lindsay, McCluskie, McCormick, Nguyen, Phillips, Rutinel, Rydin, Sirota, Zokaie

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A BILL FOR AN ACT

101 **CONCERNING THE ADJUSTMENT OF REQUIREMENTS FOR**
102 **GOVERNMENTS TO RECEIVE FUNDING FROM THE STATEWIDE**
103 **AFFORDABLE HOUSING FUND.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

Current law requires a local government or a tribal government (government) desiring to receive funding from the statewide affordable housing fund to have filed with the division of housing of the department of local affairs (division) a commitment specifying how, within a 3-year cycle, affordable housing units within the government's territorial

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

HOUSE
3rd Reading Unamended
April 2, 2026

HOUSE
Amended 2nd Reading
March 30, 2026

boundaries will be increased by 3% each year over the baseline number of affordable housing units (baseline number). The baseline number resets every 3 years for the next cycle. To be eligible for funding from the statewide affordable housing fund, a government is required to file a commitment with the division and achieve the 3% increase over the baseline number each year during the 3-year cycle.

The bill changes the requirements for the 3-year cycle beginning on January 1, 2027, and each 3-year cycle thereafter, so that a government desiring to receive funding from the statewide affordable housing fund is no longer required to increase affordable housing units by 3% above the baseline each year, but is instead required to meet the target increase number of affordable housing units (target increase number). The target increase number equals the average annual number of permits for new housing units or functional equivalents of permits for new housing units that have been issued over the past 3 years within the jurisdiction of the government, multiplied by the number of years of the upcoming 3-year cycle to which the government is committing, multiplied by:

- 0.10 if the average annual job growth rate in the county in which the government is located is significantly lower than the statewide median annual job growth rate over the past 3 years, as determined by the division;
- 0.15 if the average annual job growth rate in the county in which the government is located is close to the statewide median annual job growth rate over the past 3 years, as determined by the division; or
- 0.20 if the average annual job growth rate in the county in which the government is located is significantly higher than the statewide median annual job growth rate over the past 3 years, as determined by the division.

The bill permits a government that desires to be eligible for funding from the statewide affordable housing fund but is unable to achieve the 3% annual increase in affordable housing units for the 3-year cycle beginning on January 1, 2024 to file a good faith effort waiver with the division. The division may, in its discretion, grant a good faith effort waiver to a government that filed for a waiver on or after June 15, 2026 but before November 1, 2026 and complied with other requirements of the bill.

The bill permits a government that desires to be eligible for funding from the statewide affordable housing fund but is unable to meet the target increase number in affordable housing units for the 3-year cycle beginning on January 1, 2027 to file an adjustment waiver with the division. The division may, in its discretion, grant an adjustment waiver to a government that filed for a waiver and complied with other requirements of the bill.

For the purposes of determining whether a government has

achieved the target increase number for the 3-year cycle beginning on January 1, 2027, and for each 3-year cycle thereafter, an affordable housing unit that satisfies the following criteria counts for one affordable housing unit plus the following corresponding additional unit amount:

- A unit that is developed on land donated by the local government or tribal government qualifies for an additional 0.10 of a unit;
- A unit that is developed to be sold qualifies for an additional 0.20 of a unit; and
- A unit that is restricted to be rented or sold to a household with an annual income of at or below 30% of the area median income qualifies for an additional 0.20 of a unit.

If affordable housing is developed and qualifies for a property tax exemption, thereby reducing property tax revenue to the county in which the affordable housing is located, and the county did not provide any money to develop the affordable housing, the division may, in its discretion, allow each such affordable housing unit to count as up to 1.15 affordable housing units for the county at the time of vertical construction. If a county's property tax revenue will be reduced due to the development of affordable housing, the county shall submit, at the time of the project underwriting for the affordable housing, documentation to the division of anticipated reduced property tax revenue.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1. In Colorado Revised Statutes, 29-32-102, add (5)**
3 **as follows:**

4 **29-32-102. State affordable housing fund.**

5 **(5) (a) DURING THE 2026-27 STATE FISCAL YEAR, THE TREASURER**
6 **SHALL TRANSFER THE FIRST EIGHTY MILLION DOLLARS THAT THE**
7 **TREASURER DEPOSITS INTO THE FUND PURSUANT TO SUBSECTION (4)(c) OF**
8 **THIS SECTION DURING THE 2026-27 STATE FISCAL YEAR TO THE FINANCING**
9 **FUND.**

10 **(b) DURING THE 2027-28 STATE FISCAL YEAR, THE TREASURER**
11 **SHALL TRANSFER THE FIRST FORTY MILLION DOLLARS THAT THE**
12 **TREASURER DEPOSITS INTO THE FUND PURSUANT TO SUBSECTION (4)(c) OF**
13 **THIS SECTION DURING THE 2027-28 STATE FISCAL YEAR TO THE FINANCING**

1 FUND.

2 (c) NOTWITHSTANDING SECTION 29-32-103 (3):

3 (I) ON JULY 1, 2027, OR AS SOON AS PRACTICABLE THEREAFTER,
4 THE TREASURER SHALL TRANSFER FORTY PERCENT OF THE TOTAL OF THE
5 BALANCE OF THE FUND PLUS THE AMOUNT ALREADY TRANSFERRED
6 PURSUANT TO SUBSECTION (5)(a) OF THIS SECTION TO THE SUPPORT FUND
7 AND TRANSFER THE REMAINING BALANCE OF THE FUND TO THE FINANCING
8 FUND; AND

9 (II) ON JULY 1, 2028, OR AS SOON AS PRACTICABLE THEREAFTER,
10 THE TREASURER SHALL TRANSFER FORTY PERCENT OF THE TOTAL OF THE
11 BALANCE OF THE FUND PLUS THE AMOUNT ALREADY TRANSFERRED
12 PURSUANT TO SUBSECTION (5)(b) OF THIS SECTION TO THE SUPPORT FUND
13 AND TRANSFER THE REMAINING BALANCE OF THE FUND TO THE FINANCING
14 FUND.

15 **SECTION 2.** In Colorado Revised Statutes, 29-32-105, **amend**
16 **(1)(a), (1)(c) introductory portion, (1)(c)(I), (1)(d), (1)(e) and (3); and add**
17 **(1)(d.5), (4), (5), (6), (7), (8), (9), (10), and (11) as follows:**

18 **29-32-105. Affordable housing commitments - local**
19 **governments - tribal governments - three-year commitment cycle -**
20 **expedited development approval process - eligibility for assistance**
21 **from the fund - waivers.**

22 (1) (a) Not later than November 1, 2023, the governing body of
23 each local government, other than local housing authorities, ~~or tribal~~
24 ~~government~~ desiring to receive funding under this article or desiring to
25 make affordable housing projects within its territorial boundaries eligible
26 for funding under this article shall make and file with the division a
27 commitment specifying how, by December 31, 2026, the combined

1 number of newly constructed affordable housing units and existing units
2 converted to affordable housing, within its territorial boundaries shall be
3 increased by three percent each year over the baseline number of
4 affordable housing units within its territorial boundaries, determined as
5 provided in subsection (1)(c) of this section.

6 (c) FOR THE THREE-YEAR CYCLE BEGINNING ON JANUARY 1,
7 2024, the baseline number of affordable housing units within the
8 territorial boundaries of a local ~~government or tribal~~ government, as
9 referenced in this subsection (1), shall be determined by the local
10 ~~government or tribal~~ government by reference to:

11 (I) The 2017-2021 American Community Survey ~~5-year~~
12 FIVE-YEAR estimates published by the United States census bureau; ~~The~~
13 ~~baseline number shall reset for 2027, based on the 2020-2024 American~~
14 ~~Community Survey 5-year estimates, expected to be published in the~~
15 ~~spring of 2026 and every third year thereafter with the publication of the~~
16 ~~corresponding American Community Survey 5-year estimates; or~~

17 (d) By November 1, 2026 and by November 1st of each
18 subsequent year ~~in which the baseline resets~~ PRECEDING THE FIRST YEAR
19 OF A THREE-YEAR CYCLE, the governing body of each local government,
20 other than local housing authorities, ~~or tribal government~~ desiring to
21 receive funding under this ~~article~~ ARTICLE 32 or desiring to make
22 affordable housing projects within its territorial boundaries eligible for
23 funding under this ~~article~~ ARTICLE 32 shall make and file with the division
24 a commitment specifying how, by December 31 of the third year
25 thereafter, the combined number of newly constructed affordable housing
26 units, ~~and existing units converted to affordable housing, AND UNITS WITH~~
27 ~~AFFORDABILITY RESTRICTIONS THAT EXTEND BEYOND THE THREE-YEAR~~

1 ~~CYCLE AND FOR AT LEAST FIFTEEN YEARS within its territorial boundaries~~
2 ~~shall be increased by three percent each year over the baseline number of~~
3 ~~affordable housing units within its territorial boundaries determined as~~
4 ~~provided in subsection (1)(c) of this section~~ THE TARGET INCREASE
5 NUMBER. THE TARGET INCREASE NUMBER EQUALS THE AVERAGE ANNUAL
6 NUMBER OF PERMITS FOR NEW HOUSING UNITS OR FUNCTIONAL
7 EQUIVALENTS OF PERMITS FOR NEW HOUSING UNITS THAT HAVE BEEN
8 ISSUED OVER THE PAST THREE YEARS WITHIN THE JURISDICTION OF THE
9 LOCAL █ GOVERNMENT, MULTIPLIED BY THE NUMBER OF YEARS OF THE
10 UPCOMING THREE-YEAR CYCLE TO WHICH A LOCAL █ GOVERNMENT IS
11 COMMITTING, MULTIPLIED BY:

12 (I) TEN ONE-HUNDREDTHS IF THE AVERAGE ANNUAL JOB GROWTH
13 RATE OVER THE PAST THREE YEARS, AS RECORDED BY THE STATE
14 DEMOGRAPHY OFFICE FOR THE COUNTY IN WHICH THE LOCAL █
15 GOVERNMENT IS LOCATED, IS SIGNIFICANTLY LOWER THAN THE STATEWIDE
16 MEDIAN ANNUAL JOB GROWTH RATE OVER THE PAST THREE YEARS, AS
17 DETERMINED BY THE DIVISION;

18 (II) FIFTEEN ONE-HUNDREDTHS IF THE AVERAGE ANNUAL JOB
19 GROWTH RATE OVER THE PAST THREE YEARS, AS RECORDED BY THE STATE
20 DEMOGRAPHY OFFICE FOR THE COUNTY IN WHICH THE LOCAL █
21 GOVERNMENT IS LOCATED, IS CLOSE TO THE STATEWIDE MEDIAN ANNUAL
22 JOB GROWTH RATE OVER THE PAST THREE YEARS, AS DETERMINED BY THE
23 DIVISION; OR

24 (III) TWENTY ONE-HUNDREDTHS IF THE AVERAGE ANNUAL JOB
25 GROWTH RATE OVER THE PAST THREE YEARS, AS RECORDED BY THE STATE
26 DEMOGRAPHY OFFICE FOR THE COUNTY IN WHICH THE LOCAL █
27 GOVERNMENT IS LOCATED, IS SIGNIFICANTLY HIGHER THAN THE

1 STATEWIDE MEDIAN ANNUAL JOB GROWTH RATE OVER THE PAST THREE
2 YEARS, AS DETERMINED BY THE DIVISION.

3 (d.5) FOR THE THREE-YEAR CYCLE BEGINNING ON JANUARY 1,
4 2027, AND FOR EACH THREE-YEAR CYCLE THEREAFTER, THE DIVISION
5 SHALL ESTABLISH THRESHOLDS FOR JOB GROWTH RATES THAT THE
6 DIVISION CONSIDERS TO BE SIGNIFICANTLY LOWER THAN, CLOSE TO, OR
7 SIGNIFICANTLY HIGHER THAN THE STATEWIDE MEDIAN ANNUAL JOB
8 GROWTH RATE OVER THE PAST THREE YEARS, TO BE USED PURSUANT TO
9 SUBSECTION (1)(d) OF THIS SECTION TO DETERMINE THE TARGET INCREASE
10 NUMBER. IN ESTABLISHING THE THRESHOLDS FOR JOB GROWTH RATES, THE
11 DIVISION SHALL DEFINE EACH THRESHOLD AS A SPECIFIC NUMERICAL
12 RANGE BASED ON THE STATEWIDE MEDIAN ANNUAL JOB GROWTH RATE FOR
13 THE PAST THREE YEARS.

14 (e) In drafting and enacting commitments under this subsection
15 (1) local governments ~~and tribal governments~~ should prioritize
16 high-density housing, mixed-income housing, and projects consistent with
17 the goal of environmental sustainability, when appropriate, and should
18 prioritize affordable housing in communities in which low concentrations
19 of affordable housing exist.

20 (3) (a) Beginning in 2027, to be eligible under this ~~article~~ ARTICLE
21 32 for direct funding, or for affordable housing projects within a local
22 government's ~~or tribal government's~~ territorial boundaries to be eligible
23 for funding, local governments, other than local housing authorities, ~~or~~
24 ~~tribal governments~~, must SHALL:

25 (I) Satisfy both the requirements of subsection (1) of this section
26 to commit to and achieve ~~annual~~ increases in the number of affordable
27 housing units within their territorial boundaries, and the requirements of

1 subsection (2) of this section to implement a system to expedite the
2 development approval process for affordable housing projects; OR

3 (II) SATISFY THE REQUIREMENTS OF SUBSECTION (1) OF THIS
4 SECTION TO COMMIT TO INCREASES IN THE NUMBER OF AFFORDABLE
5 HOUSING UNITS WITHIN THEIR TERRITORIAL BOUNDARIES, SATISFY THE
6 REQUIREMENTS OF SUBSECTION (2) OF THIS SECTION TO IMPLEMENT A
7 SYSTEM TO EXPEDITE THE DEVELOPMENT APPROVAL PROCESS FOR
8 AFFORDABLE HOUSING PROJECTS, AND HAVE RECEIVED APPROVAL FROM
9 THE DIVISION OF A GOOD FAITH EFFORT WAIVER SUBMITTED IN
10 ACCORDANCE WITH SUBSECTION (6) OF THIS SECTION.

11 (b) (I) If a local ~~government or tribal~~ government makes and files
12 with the division the commitment required by subsection (1) of this
13 section by November 1, 2023, it shall be deemed to have satisfied the
14 requirements of subsection (1) of this section through December 31,
15 2026.

16 (II) If a local ~~government or tribal~~ government makes and files
17 with the division the commitment required by subsection (1) of this
18 section by November 1, 2026, or by November 1st of a subsequent year
19 ~~in which the baseline resets~~, PRECEDING THE FIRST YEAR OF A THREE-YEAR
20 CYCLE, and it met its commitment to increase affordable housing made
21 under subsection (1) of this section for the previous three-year cycle OR
22 RECEIVED A WAIVER PURSUANT TO THIS SECTION, it ~~shall be deemed to~~
23 ~~have~~ HAS satisfied the requirements of subsection (1) of this section
24 through the end of the current three-year cycle.

25 (III) If a local government, other than a local housing authority,
26 ~~or tribal government~~ fails to make and file with the division the
27 commitment required by subsection (1) of this section by November 1,

1 2023, or by November 1st of a subsequent year ~~in which the baseline~~
2 ~~resets~~, PRECEDING THE FIRST YEAR OF A THREE-YEAR CYCLE, ~~it shall be~~
3 ~~THE LOCAL GOVERNMENT IS~~ ineligible to receive financial assistance from
4 the division or administrator during the following calendar year.

5 (IV) If a local ~~government or tribal~~ government fails to meet its
6 commitment to increase affordable housing made and filed pursuant to
7 subsection (1) of this section for any three-year cycle AND DOES NOT
8 RECEIVE A WAIVER PURSUANT TO THIS SECTION, ~~it shall be~~ IS ineligible to
9 receive financial assistance from the division or administrator during the
10 first calendar year of the next three-year cycle.

11 (V) An ineligible local ~~government or tribal~~ government may
12 apply for a subsequent year with a new commitment under subsection (1)
13 of this section for the balance of the then-current three-year cycle.

14 (VI) A developer, whether for-profit or nonprofit, or a local
15 ~~government or tribal~~ government developing an affordable housing
16 project within the territorial boundaries of a local ~~government or tribal~~
17 government that fails to meet the requirements of subsection (1) or (2) of
18 this section ~~shall be~~ AND THAT HAS NOT RECEIVED A WAIVER PURSUANT
19 TO THIS SECTION IS ineligible to receive financial assistance from the
20 division or administrator. Notwithstanding this restriction, a project
21 within the territorial boundaries of an eligible municipality ~~shall be~~ IS
22 eligible for funding even if the county in which the project is located is
23 ineligible.

24 (VII) Ineligible local ~~governments and tribal~~ governments and
25 developers of projects in ineligible local ~~government and tribal~~
26 government jurisdictions ~~shall~~ ARE not ~~be~~ required to pay back to the
27 division or the administrator money paid to them under this article

1 ARTICLE 32 prior to ineligibility.

2 (d) (I) The division ~~shall be~~ IS responsible for determining
3 compliance with this section. For the purpose of calculating whether a
4 local ~~government or tribal~~ government has met the requirements of
5 subsection (1) of this section:

6 (A) A new residential housing unit is ~~to be~~ counted at the time it
7 is permitted rather than the time it is constructed;

8 (B) An existing housing unit newly qualifying as affordable
9 housing is ~~to be~~ counted at the time it is permitted and fully funded rather
10 than at the time the conversion is completed; ~~For the purpose of~~
11 ~~calculating whether a local government or tribal government has met the~~
12 ~~requirements of subsection (1) of this section;~~

13 (C) In addition to affordable housing growth achieved through the
14 programs in this ~~article~~ ARTICLE 32, any new ~~deed restricted~~ affordable
15 housing WITH A FORMAL AFFORDABILITY RESTRICTION THAT IS newly
16 constructed, or NEWLY converted to affordable HOUSING, OR THAT HAS AN
17 AFFORDABILITY MECHANISM THAT EXTENDS BEYOND THE THREE-YEAR
18 CYCLE AND FOR AT LEAST FIFTEEN YEARS within a local ~~government's or~~
19 ~~tribal~~ government's territorial boundaries ~~shall be~~ IS counted toward the
20 local ~~government's or tribal~~ government's growth requirement; ~~For the~~
21 ~~purpose of calculating whether a local government or tribal government~~
22 ~~has met the requirements of subsection (1) of this section;~~

23 (D) All units funded through the programs created in section
24 29-32-104 (1)(b), (1)(c)(I), (1)(c)(II), and (1)(c)(III) are counted ~~towards~~
25 TOWARD the local ~~government's or tribal~~ government's growth
26 requirement; AND

27 (E) EACH HOUSING UNIT THAT IS DEVELOPED AS PART OF A LARGER

1 DEVELOPMENT PROJECT THAT IS SUBJECT TO A DEED RESTRICTION OF AT
2 LEAST FIFTEEN YEARS AND IN WHICH THE AVERAGE RENTAL PRICE OF ALL
3 UNITS IN THE PROJECT IS AFFORDABLE TO A HOUSEHOLD WITH AN ANNUAL
4 INCOME OF AT OR BELOW SIXTY PERCENT OF THE AREA MEDIAN INCOME
5 COUNTS AS ONE AFFORDABLE HOUSING UNIT.

6 (II) Regional collaboration and partnership is encouraged. Local
7 ~~governments and tribal~~ governments may enter into written agreements
8 with other local ~~governments and tribal~~ governments that allow each
9 jurisdiction to receive partial credit ~~towards~~ TOWARD the local
10 government's or tribal government's growth requirement for the purpose
11 of calculating whether a local ~~government or tribal~~ government has met
12 the requirements of subsection (1) of this section. ■ ■ EXCEPT FOR ANY
13 CREDITS AWARDED PURSUANT TO SUBSECTION (9) OR (10) OF THIS SECTION
14 THAT ARE IN EXCESS OF THE TOTAL AMOUNT OF UNITS PRODUCED, the sum
15 of the total units credited to the local ~~governments and tribal~~ governments
16 ~~shall~~ MUST not exceed the total number of units produced through the
17 collaboration.

18 (4) IF A LOCAL GOVERNMENT, OTHER THAN A LOCAL HOUSING
19 AUTHORITY, ■ DESIRES TO RECEIVE FUNDING UNDER THIS ARTICLE 32 OR
20 DESIRES TO MAKE AFFORDABLE HOUSING PROJECTS WITHIN ITS
21 TERRITORIAL BOUNDARIES ELIGIBLE FOR FUNDING UNDER THIS ARTICLE 32,
22 AND IS UNABLE TO ACHIEVE, FOR THE THREE-YEAR CYCLE BEGINNING ON
23 JANUARY 1, 2024, THE ANNUAL INCREASES IN THE NUMBER OF
24 AFFORDABLE HOUSING UNITS WITHIN ITS TERRITORIAL BOUNDARIES SET
25 FORTH IN SUBSECTION (1) OF THIS SECTION, THE LOCAL ■ GOVERNMENT
26 MAY FILE A GOOD FAITH EFFORT WAIVER WITH THE DIVISION. THE LOCAL
27 ■ GOVERNMENT IS ELIGIBLE TO FILE A GOOD FAITH EFFORT WAIVER AND

1 BE APPROVED BY THE DIVISION IF THE LOCAL █ GOVERNMENT COMPLIES
2 WITH SUBSECTION (5) OF THIS SECTION AND:

3 (a) HAS RECEIVED APPROVAL FROM THE DIVISION THAT THE LOCAL
4 █ GOVERNMENT HAS COMPLIED WITH SUBSECTION (2) OF THIS SECTION;

5 (b) HAS RECEIVED TECHNICAL GUIDANCE FROM THE DIVISION'S
6 PROPOSITION 123 COMMUNITY SUPPORT TEAM; AND

7 (c) (I) HAS ACHIEVED AT LEAST SIXTY-FIVE PERCENT OF THE
8 ANNUAL INCREASES IN THE NUMBER OF AFFORDABLE HOUSING UNITS
9 WITHIN ITS TERRITORIAL BOUNDARIES AS REQUIRED BY SUBSECTION (1) OF
10 THIS SECTION FOR THE THREE-YEAR CYCLE BEGINNING ON JANUARY 1,
11 2024; ==

12 (II) IS ABLE TO SATISFY THE REQUIREMENT OF SUBSECTION (1) OF
13 THIS SECTION TO ACHIEVE ANNUAL INCREASES IN THE NUMBER OF
14 AFFORDABLE HOUSING UNITS WITHIN ITS TERRITORIAL BOUNDARIES FOR
15 THE THREE-YEAR CYCLE BEGINNING ON JANUARY 1, 2024 IF THE
16 REQUIREMENT HAD BEEN BASED ON THE TARGET INCREASE NUMBER
17 SPECIFIED IN SUBSECTION (1)(d) OF THIS SECTION; OR

18 (III) HAS, WITHIN THE THREE-YEAR CYCLE BEGINNING ON
19 JANUARY 1, 2024, PROVIDED MONEY TO FUND THE DEVELOPMENT OF
20 AFFORDABLE HOUSING UNITS THAT COUNTED TOWARD ANOTHER LOCAL
21 GOVERNMENT'S ANNUAL INCREASE REQUIRED BY SUBSECTION (1) OF THIS
22 SECTION AND WOULD HAVE BEEN ABLE TO ACHIEVE AT LEAST SIXTY-FIVE
23 PERCENT OF THE ANNUAL INCREASE REQUIRED BY SUBSECTION (1) OF THIS
24 SECTION IF THE LOCAL GOVERNMENT HAD BEEN ABLE TO COUNT THE
25 AFFORDABLE HOUSING UNITS TO WHICH IT PROVIDED MONEY IN
26 PROPORTION TO THE PERCENTAGE OF TOTAL LOCAL GOVERNMENT
27 FUNDING PROVIDED.

1 (5) TO BE ELIGIBLE TO FILE A GOOD FAITH EFFORT WAIVER AND BE
2 APPROVED BY THE DIVISION, IN ADDITION TO MEETING THE REQUIREMENTS
3 OF SUBSECTION (4) OF THIS SECTION, THE LOCAL █ GOVERNMENT SHALL:

4 (a) SUBMIT A NARRATIVE DESCRIPTION OF ITS ACHIEVEMENTS IN
5 ADVANCING AFFORDABLE HOUSING DEVELOPMENTS WITHIN THE
6 THREE-YEAR CYCLE BEGINNING ON JANUARY 1, 2024;

7 (b) SUBMIT DOCUMENTATION OF ITS ADOPTION OF LOCAL LAND
8 USE, ZONING, OR REGULATORY REFORMS THAT INCREASE THE FEASIBILITY
9 OF DEVELOPING AFFORDABLE HOUSING;

10 (c) SUBMIT DOCUMENTATION OF ADDITIONAL LOCAL
11 COMMITMENTS TO FUND AFFORDABLE HOUSING OR ESTABLISHED METHODS
12 FOR REDUCING THE COST OF DEVELOPING AFFORDABLE HOUSING;

13 (d) IMPLEMENT PROCESS OR CAPACITY IMPROVEMENTS THAT
14 REDUCE BARRIERS TO DEVELOPING AFFORDABLE HOUSING, SUCH AS A
15 HOUSING ACTION PLAN; OR

16 (e) PARTICIPATE IN REGIONAL COLLABORATION TO DEVELOP MORE
17 AFFORDABLE HOUSING THROUGH A FORMAL REGIONAL AGREEMENT.

18 (6) A LOCAL █ GOVERNMENT SEEKING A GOOD FAITH EFFORT
19 WAIVER FOR THE THREE-YEAR CYCLE BEGINNING ON JANUARY 1, 2024
20 SHALL, ON OR AFTER JUNE 15, 2026 BUT BEFORE NOVEMBER 1, 2026,
21 SUBMIT TO THE DIVISION DOCUMENTATION OF COMPLIANCE WITH
22 SUBSECTIONS (4) AND (5) OF THIS SECTION. THE DIVISION SHALL
23 DETERMINE, IN ITS DISCRETION, WHETHER TO GRANT A GOOD FAITH
24 EFFORT WAIVER TO A LOCAL █ GOVERNMENT.

25 (7) IF A LOCAL GOVERNMENT, OTHER THAN A LOCAL HOUSING
26 AUTHORITY, █ DESIRES TO RECEIVE FUNDING UNDER THIS ARTICLE 32 OR
27 DESIRES TO MAKE AFFORDABLE HOUSING PROJECTS WITHIN ITS

1 TERRITORIAL BOUNDARIES ELIGIBLE FOR FUNDING UNDER THIS ARTICLE 32,
2 BUT IS UNABLE TO ACHIEVE, FOR THE THREE-YEAR CYCLE BEGINNING ON
3 JANUARY 1, 2027, THE ANNUAL INCREASES IN THE NUMBER OF
4 AFFORDABLE HOUSING UNITS WITHIN ITS TERRITORIAL BOUNDARIES SET
5 FORTH IN SUBSECTION (1) OF THIS SECTION, THE LOCAL GOVERNMENT █
6 MAY FILE AN ADJUSTMENT WAIVER WITH THE DIVISION. TO BE ELIGIBLE TO
7 FILE AN ADJUSTMENT WAIVER FOR THE THREE-YEAR CYCLE BEGINNING ON
8 JANUARY 1, 2027, AND BE APPROVED BY THE DIVISION, THE LOCAL
9 GOVERNMENT █ SHALL:

10 (a) RECEIVE APPROVAL FROM THE DIVISION THAT THE LOCAL
11 GOVERNMENT █ HAS COMPLIED WITH SUBSECTION (2) OF THIS SECTION;

12 (b) SUBMIT TO THE DIVISION A DETAILED NARRATIVE EXPLAINING
13 WHY THE ANNUAL INCREASE IN THE NUMBER OF AFFORDABLE HOUSING
14 UNITS IS UNATTAINABLE WITHIN ITS TERRITORIAL BOUNDARIES FOR THE
15 THREE-YEAR CYCLE BEGINNING ON JANUARY 1, 2027. THE DETAILED
16 NARRATIVE MUST BE SUPPORTED BY RELIABLE AND VERIFIABLE DATA,
17 SUCH AS:

18 (I) A LOCAL HOUSING NEEDS ASSESSMENT COMPLETED NO EARLIER
19 THAN THREE YEARS BEFORE SUBMITTAL;

20 (II) AN INVENTORY OF DEED-RESTRICTED UNITS RECORDED WITH
21 THE LOCAL GOVERNMENT OR COUNTY CLERK FOR THE COUNTY IN WHICH
22 THE LOCAL █ GOVERNMENT IS LOCATED;

23 (III) A COMPREHENSIVE PLAN OR AREA PLAN GROWTH
24 PROJECTIONS DEMONSTRATING THAT THE ANNUAL INCREASE
25 REQUIREMENT IN THE NUMBER OF AFFORDABLE HOUSING UNITS EXCEEDS
26 THE TOTAL PROJECTED GROWTH OF THE JURISDICTION BY A SIGNIFICANT
27 MARGIN;

1 (IV) UTILITY OR SERVICE PROVIDER DOCUMENTATION;
2 (V) INFRASTRUCTURE CAPACITY LIMITATIONS; OR
3 (VI) ENVIRONMENTAL OR GEOGRAPHIC CONSTRAINT MAPS;
4 (c) PROPOSE A REVISED ANNUAL INCREASE IN THE NUMBER OF
5 AFFORDABLE HOUSING UNITS BASED ON THE VERIFIABLE DATA SUBMITTED
6 PURSUANT TO SUBSECTION (7)(b) OF THIS SECTION THAT IS NOT LESS THAN
7 ONE UNIT PER YEAR; AND
8 (d) FILE DOCUMENTATION WITH THE DIVISION DEMONSTRATING
9 THAT THE LOCAL █ GOVERNMENT'S COMMITMENT FOR THE THREE-YEAR
10 CYCLE BEGINNING ON JANUARY 1, 2027, REPRESENTED A SIGNIFICANT
11 INCREASE ABOVE ITS COMMITMENT FOR THE THREE-YEAR CYCLE
12 BEGINNING ON JANUARY 1, 2027.
13 (8) IN ADDITION TO THE CRITERIA LISTED IN SUBSECTION (7) OF
14 THIS SECTION, WHEN DECIDING WHETHER TO GRANT AN ADJUSTMENT
15 WAIVER, THE DIVISION SHALL ALSO CONSIDER WHETHER AND THE EXTENT
16 TO WHICH A LOCAL █ GOVERNMENT EXCEEDED THE ANNUAL INCREASE IN
17 THE NUMBER OF AFFORDABLE HOUSING UNITS WITHIN ITS TERRITORIAL
18 BOUNDARIES SET FORTH IN SUBSECTION (1) OF THIS SECTION FOR THE
19 THREE-YEAR CYCLE BEGINNING ON JANUARY 1, 2024.
20 (9) FOR THE PURPOSES OF DETERMINING WHETHER A LOCAL
21 GOVERNMENT, OTHER THAN A LOCAL HOUSING AUTHORITY, █ HAS
22 ACHIEVED THE ANNUAL INCREASES IN THE NUMBER OF AFFORDABLE
23 HOUSING UNITS WITHIN ITS TERRITORIAL BOUNDARIES SET FORTH IN
24 SUBSECTION (1) OF THIS SECTION FOR THE THREE-YEAR CYCLE BEGINNING
25 ON JANUARY 1, 2027, AND FOR EACH THREE-YEAR CYCLE THEREAFTER, AN
26 AFFORDABLE HOUSING UNIT THAT SATISFIES THE FOLLOWING CRITERIA
27 COUNTS FOR ONE AFFORDABLE HOUSING UNIT PLUS THE FOLLOWING

1 CORRESPONDING ADDITIONAL UNIT AMOUNT:

2 (a) AN AFFORDABLE HOUSING UNIT THAT IS DEVELOPED ON LAND
3 DONATED BY THE LOCAL █ GOVERNMENT QUALIFIES FOR AN ADDITIONAL
4 ONE-TENTH OF A UNIT;

5 (b) AN AFFORDABLE HOUSING UNIT THAT IS DEVELOPED WITH
6 MONEY PROVIDED BY MULTIPLE LOCAL GOVERNMENTS QUALIFIES FOR AN
7 ADDITIONAL ONE-TENTH OF A UNIT FOR EACH LOCAL GOVERNMENT THAT
8 PROVIDED MONEY;

9 (c) AN AFFORDABLE HOUSING UNIT THAT IS DEVELOPED TO BE
10 FOR-SALE HOUSING IN ACCORDANCE WITH SECTION 29-32-101 (2) OR THAT
11 IS DEVELOPED AND SOLD IN CONNECTION WITH THE PROGRAM DESCRIBED
12 IN SECTION 29-32-104 (3)(a) QUALIFIES FOR AN ADDITIONAL TWO-TENTHS
13 OF A UNIT; AND

14 (d) AN AFFORDABLE HOUSING UNIT THAT IS RESTRICTED TO BE
15 RENTED OR SOLD TO A HOUSEHOLD WITH AN ANNUAL INCOME OF AT OR
16 BELOW FORTY PERCENT OF THE AREA MEDIAN INCOME, INCLUDING A
17 SUPPORTIVE HOUSING UNIT AS DEFINED IN SECTION 24-32-3701 (17),
18 QUALIFIES FOR AN ADDITIONAL TWO-TENTHS OF A UNIT.

19 (10) IF AFFORDABLE HOUSING THAT COUNTS TOWARD A
20 COMMITMENT MADE BY A LOCAL █ GOVERNMENT PURSUANT TO
21 SUBSECTION (1) OF THIS SECTION IS DEVELOPED AND QUALIFIES FOR A
22 PROPERTY TAX EXEMPTION, THEREBY REDUCING PROPERTY TAX REVENUE
23 TO THE COUNTY IN WHICH THE AFFORDABLE HOUSING IS LOCATED, AND
24 THE COUNTY DID NOT PROVIDE ANY MONEY TO DEVELOP THE AFFORDABLE
25 HOUSING, THE DIVISION MAY, IN ITS DISCRETION, ALLOW EACH SUCH
26 AFFORDABLE HOUSING UNIT TO COUNT AS UP TO ONE AND
27 FIFTEEN-HUNDREDTHS AFFORDABLE HOUSING UNITS FOR THE COUNTY AT

1 THE TIME OF VERTICAL CONSTRUCTION. ■ ■

2 (11) BEGINNING IN 2027, TO BE ELIGIBLE UNDER THIS ARTICLE 32
3 FOR DIRECT FUNDING, OR FOR AFFORDABLE HOUSING PROJECTS WITHIN A
4 TRIBAL GOVERNMENT'S TERRITORIAL BOUNDARIES TO BE ELIGIBLE UNDER
5 THIS ARTICLE 32 FOR FUNDING, TRIBAL GOVERNMENTS SHALL SATISFY THE
6 REQUIREMENTS OF SUBSECTION (2) OF THIS SECTION TO IMPLEMENT A
7 SYSTEM TO EXPEDITE THE DEVELOPMENT APPROVAL PROCESS FOR
8 AFFORDABLE HOUSING PROJECTS AND SHALL SUBMIT EVIDENCE OF SUCH
9 SATISFACTION TO THE DIVISION.

10 SECTION 3. **Safety clause.** The general assembly finds,
11 determines, and declares that this act is necessary for the immediate
12 preservation of the public peace, health, or safety or for appropriations for
13 the support and maintenance of the departments of the state and state
14 institutions.