

House Transportation, Housing & Local Government

03/17/2026 Upon Adjournment

HB26-1308 Lot Splitting Approval by Subject Jurisdictions

Typed Text of Testimony Submitted

Name, Position, Representing	Typed Text of Testimony
Jessica Ehinger For Colorado Village Collaborative	<p>Members of the committee, my name is Dr Jessica Ehinger; I am the CEO of the Colorado Village Collaborative, and I'm writing to provide testimony in support of HB26-1308. CVC is an organization that aims to bridge the gap between the streets and stable housing by creating and operating transformational shelter communities. We've operated multiple innovative shelter programs throughout the Denver metro area and consistently support for the people we serve has been delayed and hindered by the lack of affordable housing. Moreover, home ownership is a strong protective factor against homelessness, as renting opens people up to eviction and potentially abuse by predatory landlords and rental management companies. This bill would address both of these needs, by creating more affordable housing and by creating more opportunities for lower-income communities to access home ownership. In particular, we appreciate how the sponsors of this bill have drafted it to work in parallel with the expansion of auxiliary dwelling units in Colorado. By allowing homeowners to build new housing on existing lots and split lots, we create new opportunities for families and communities to build both multi-generational homes and multi-generational homeownership and equity, with established homeowners able to split lots and provide starter homes for younger family members or neighbors. This in turn again protects against the risk of homelessness. Both here in Colorado and across the country, we see homelessness disproportionately impacting Black and Native American and Indigenous communities, the communities who also experience some of the lowest rates of home ownership and multi-generational wealth. By allowing these communities to expand the availability of housing within their own neighborhoods and by the mechanisms of existing home ownership, we empower them to grow those communities collectively, allowing a new generation of</p>

	<p>homeownership, and honoring traditions of multi-generational housing and shared family spaces. This bill is an innovative step towards creating a more equitable housing market and inoculating a new generation of Coloradans from the risk of homelessness, and I strongly encourage this committee to support it. Thank you.</p>
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POSITION STATEMENT

Colorado House Bill 26-1308: Lot Splitting Approval by Subject Jurisdictions

POSITION SUMMARY

The American Planning Association (APA) Colorado Chapter opposes HB 26-1308 as introduced. While we strongly support urgent action to address Colorado's housing affordability crisis, this bill's uniform, statewide mandate for administrative lot splitting is unlikely to meaningfully improve affordability and risks undermining effective local planning.

Colorado faces a significant housing shortfall and rising cost burdens. APA supports expanding housing supply through infill development, "missing middle" housing, and tools such as lot splitting. However, national best practices show that lot splitting is most effective when it is locally calibrated, paired with affordability strategies, and aligned with infrastructure and adopted plans. HB 26-1308 does not meet these conditions.

Concerns: Limited Affordability Impact

A. No Affordability Requirements or Covenants

Lot splitting can reduce land cost per unit, but without affordability requirements, new parcels will be sold at market rates. In high-demand areas, this can increase land values rather than moderate them. The requirement for mortgage holder consent presents another significant barrier, particularly for moderate-income homeowners. In many Colorado communities, the cost of utility extensions and tap fees alone can add tens of thousands of dollars to a new lot, meaning that even modest lot splits may produce units that are financially out of reach for the households this bill is intended to serve.

B. No Connection to Infrastructure Capacity

The bill does not require coordination with water, sewer, transportation, or school capacity planning before a lot split is approved. In communities already experiencing infrastructure strain, mandatory approval without capacity assessment creates risk of cost-shifting to existing residents and could undermine the fiscal sustainability of municipal services.

C. No Integration with Local Housing Plans

Colorado already requires municipalities to prepare Housing Needs Assessments and adopt housing plans. HB 26-1308 operates independently of these frameworks. Mandatory administrative approval—regardless of whether a lot is in an area prioritized for growth, near transit, or within a designated infill zone—bypasses the strategic geographic targeting recommended by planning best practices.

III. Concerns: Overreach into Home Rule Authority

A. Uniform Standards Ignore Local Context

Unlike many states, Colorado has no statewide zoning code — land-use authority flows entirely to local governments, with home-rule municipalities holding the broadest discretion. HB 26-1308 effectively inserts a statewide zoning standard into this locally governed system by dictating specific dimensional thresholds — a 2,000 sq ft minimum lot size and a 40% minimum split ratio — that must be administratively honored regardless of what a municipality's own zoning code requires. This level of prescriptive detail has always resided exclusively at the local level in Colorado, and applying it uniformly across communities ignores fundamentally different lot fabrics, infrastructure systems, and adopted plans.

B. Conflict with Adopted Local Plans

Many municipalities have adopted comprehensive plans, neighborhood plans, and form-based codes that designate appropriate locations for increased density and sequence growth with infrastructure. Mandated administrative lot splits can directly conflict with these adopted plans, creating legal ambiguity and eroding public trust in the planning process.

IV. APA Recommendations

APA urges the General Assembly to work with the planning community and local governments on a more effective approach:

- **Voluntary / Opt-In Framework:** Create a model ordinance and incentive structure that encourages municipalities to adopt administrative lot-splitting programs tailored to local conditions.
- **Affordability Linkage:** Require recorded deed restrictions ensuring affordability for a minimum period on lots created through any state-facilitated lot split process.
- **Infrastructure Nexus:** Condition lot split approval on confirmation of actual water, sewer, and transportation capacity.
- **Planning Consistency Review:** Allow jurisdictions to incorporate lot split approvals within existing subdivision review processes, ensuring consistency with adopted plans.
- **Support for Local Planning Capacity:** Pair any housing supply legislation with direct investment in local planning department capacity, particularly in smaller municipalities.



INSTITUTE FOR JUSTICE

March 17, 2026

House Transportation, Housing & Local Government Committee
Colorado State Capitol
200 E. Colfax Ave.,
Denver, Colorado, 80203

Re: Institute for Justice testimony in support of HB26-1308

Chair Froelich, Vice Chair Stewart, and Members of the Committee:

My name is Samuel Hooper. I am Legislative Counsel at the Institute for Justice (IJ), a nonprofit law firm that works nationwide to defend property rights and remove unnecessary barriers to housing opportunity. Through strategic litigation in courthouses and advocacy in statehouses, IJ's Zoning Justice Project seeks to reform restrictive zoning and land-use regulations that limit housing supply, drive up costs, and infringe upon private property rights.¹

Across Colorado and many other states, subdivision rules and minimum lot size requirements often prevent property owners from taking the most modest step possible to expand housing opportunity: splitting a single residential lot into two smaller lots for additional homes. Even in areas where residential development is already permitted, these rules frequently make it impossible for homeowners to create small starter homes, allow family members to live nearby, or provide new housing in established neighborhoods.

HB26-1308 addresses this problem in a targeted and pragmatic way. First, the bill restores a measure of predictability to the approval process by requiring that qualifying lot splits be approved through an administrative process rather than discretionary review. When housing approvals depend on discretionary hearings or political processes, even projects that comply with all applicable rules may be delayed or denied. By establishing clear statutory criteria and requiring administrative approval when those criteria are met, this bill provides certainty to property owners while preserving local regulatory oversight.

Second, the bill contains clear guardrails that ensure the reform remains modest and predictable. For example, the bill permits only a single lot split, requires that the smaller resulting parcel be at least 40 percent of the original lot area, and applies only to property where residential uses are already allowed. These provisions ensure that the bill enables small-scale housing opportunities without fundamentally altering the character of residential neighborhoods.

Third, the bill appropriately preserves local authority over infrastructure and safety considerations. Municipalities retain the ability to enforce building codes and to address issues relating to utilities, transportation systems, stormwater infrastructure, and other public safety requirements. In other words, while the bill removes unnecessary procedural

¹ Institute for Justice – Zoning Justice Project: <https://ij.org/issues/zoning-justice/>



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barriers to modest residential development, it does not compromise essential public protections.

Finally, HB26-1308 respects existing private agreements. By exempting common-interest communities created before December 31, 2027, the bill preserves the enforceability of private covenants and contractual arrangements that homeowners have voluntarily entered into.

Taken together, these provisions strike a sensible balance. HB26-1308 expands housing opportunity by allowing homeowners to make productive use of residential land they already own, while maintaining reasonable limits and respecting both local infrastructure considerations and private property agreements.

At a time when many communities are attempting to balance the need for expanded housing options with concerns about larger-scale redevelopment, pragmatic reforms like this one can play an important role. Allowing small, incremental additions to the housing supply, such as those made possible through lot splitting, can help create new homeownership opportunities while preserving the scale and fabric of existing neighborhoods.

For these reasons, the Institute for Justice respectfully urges the committee to support HB26-1308. Thank you for your consideration.

Sincerely,

Samuel Hooper
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Institute for Justice
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