

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

**REVISED**

*This Version Includes All Amendments Adopted  
on Second Reading in the Second House*

LLS NO. 26-0409.01 Pierce Lively x2059

**HOUSE BILL 26-1313**

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**HOUSE SPONSORSHIP**

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

**SENATE SPONSORSHIP**

**Ball and Frizell,**

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**House Committees**

Transportation, Housing & Local Government

**Senate Committees**

Local Government & Housing

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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.**

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**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.*

SENATE  
Amended 2nd Reading  
April 29, 2026

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.

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

2 **SECTION 1. In Colorado Revised Statutes, 29-32-104, amend**  
3 **(5) as follows:**

4 **29-32-104. Permissible expenditures - affordable housing**  
5 **programs - report - definitions.**

6 **(5) (a) If the Legislative Council Staff's March Economic and**  
7 **Revenue Forecast in any given year projects revenue for the next state**  
8 **fiscal year will fall below the revenue limit imposed under section 20 of**  
9 **article X of the state constitution, the general assembly may reduce the**  
10 **funding allocated to the office required by this section for the next state**  
11 **fiscal year in order to balance the state budget for said state fiscal year.**

12 **(b) FOR ANY STATE FISCAL YEAR FOR WHICH THE GENERAL**  
13 **ASSEMBLY REDUCES THE FUNDING ALLOCATED TO THE OFFICE PURSUANT**

1 TO THIS SUBSECTION (5), THE ADMINISTRATOR SHALL, IN COORDINATION  
2 WITH THE OFFICE, CONDUCT A PUBLIC STAKEHOLDER ENGAGEMENT  
3 PROCESS TO INFORM THE PLANNED ALLOCATIONS AND STRATEGIC  
4 PRIORITIES OF THAT STATE FISCAL YEAR'S FUNDING ALLOCATED TO THE  
5 OFFICE PURSUANT TO THIS SECTION. THE ADMINISTRATOR SHALL PUBLISH  
6 ONLINE THE FINAL PLANNED ALLOCATIONS AND STRATEGIC PRIORITIES OF  
7 THAT STATE FISCAL YEAR'S FUNDING ALLOCATED TO THE OFFICE  
8 PURSUANT TO THIS SECTION.

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

11 **29-32-102. State affordable housing fund.**

12 (5) (a) DURING THE 2026-27 STATE FISCAL YEAR, THE TREASURER  
13 SHALL TRANSFER THE FIRST EIGHTY MILLION DOLLARS THAT THE  
14 TREASURER DEPOSITS INTO THE FUND PURSUANT TO SUBSECTION (4)(c) OF  
15 THIS SECTION DURING THE 2026-27 STATE FISCAL YEAR TO THE FINANCING  
16 FUND.

17 (b) DURING THE 2027-28 STATE FISCAL YEAR, THE TREASURER  
18 SHALL TRANSFER THE FIRST FORTY MILLION DOLLARS THAT THE  
19 TREASURER DEPOSITS INTO THE FUND PURSUANT TO SUBSECTION (4)(c) OF  
20 THIS SECTION DURING THE 2027-28 STATE FISCAL YEAR TO THE FINANCING  
21 FUND.

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

23 (I) ON JULY 1, 2027, OR AS SOON AS PRACTICABLE THEREAFTER,  
24 THE TREASURER SHALL TRANSFER FORTY PERCENT OF THE TOTAL OF THE  
25 BALANCE OF THE FUND PLUS THE AMOUNT ALREADY TRANSFERRED  
26 PURSUANT TO SUBSECTION (5)(a) OF THIS SECTION TO THE SUPPORT FUND  
27 AND TRANSFER THE REMAINING BALANCE OF THE FUND TO THE FINANCING

1 FUND; AND

2 (II) ON JULY 1, 2028, OR AS SOON AS PRACTICABLE THEREAFTER,  
3 THE TREASURER SHALL TRANSFER FORTY PERCENT OF THE TOTAL OF THE  
4 BALANCE OF THE FUND PLUS THE AMOUNT ALREADY TRANSFERRED  
5 PURSUANT TO SUBSECTION (5)(b) OF THIS SECTION TO THE SUPPORT FUND  
6 AND TRANSFER THE REMAINING BALANCE OF THE FUND TO THE FINANCING  
7 FUND.

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

11 **29-32-105. Affordable housing commitments - local**  
12 **governments - tribal governments - three-year commitment cycle -**  
13 **expedited development approval process - eligibility for assistance**  
14 **from the fund - waivers.**

15 (1) (a) Not later than November 1, 2023, the governing body of  
16 each local government, other than local housing authorities, ~~or tribal~~  
17 ~~government~~ desiring to receive funding under this article or desiring to  
18 make affordable housing projects within its territorial boundaries eligible  
19 for funding under this article shall make and file with the division a  
20 commitment specifying how, by December 31, 2026, the combined  
21 number of newly constructed affordable housing units and existing units  
22 converted to affordable housing, within its territorial boundaries shall be  
23 increased by three percent each year over the baseline number of  
24 affordable housing units within its territorial boundaries, determined as  
25 provided in subsection (1)(c) of this section.

26 (c) FOR THE THREE-YEAR CYCLE BEGINNING ON JANUARY 1,  
27 2024, the baseline number of affordable housing units within the

1 territorial boundaries of a local ~~government or tribal~~ government, as  
2 referenced in this subsection (1), shall be determined by the local  
3 ~~government or tribal~~ government by reference to:

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

10 (d) By November 1, 2026 and by November 1st of each  
11 subsequent year ~~in which the baseline resets~~ PRECEDING THE FIRST YEAR  
12 OF A THREE-YEAR CYCLE, the governing body of each local government,  
13 other than local housing authorities, ~~or tribal government~~ desiring to  
14 receive funding under this ~~article~~ ARTICLE 32 or desiring to make  
15 affordable housing projects within its territorial boundaries eligible for  
16 funding under this ~~article~~ ARTICLE 32 shall make and file with the division  
17 a commitment specifying how, by December 31 of the third year  
18 thereafter, the combined number of newly constructed affordable housing  
19 ~~units, and existing units converted to affordable housing, AND UNITS WITH~~  
20 ~~AFFORDABILITY RESTRICTIONS THAT EXTEND BEYOND THE THREE-YEAR~~  
21 ~~CYCLE AND FOR AT LEAST FIFTEEN YEARS~~ within its territorial boundaries  
22 shall be increased by ~~three percent each year over the baseline number of~~  
23 ~~affordable housing units within its territorial boundaries determined as~~  
24 ~~provided in subsection (1)(c) of this section~~ THE TARGET INCREASE  
25 NUMBER. THE TARGET INCREASE NUMBER EQUALS THE AVERAGE ANNUAL  
26 NUMBER OF PERMITS FOR NEW HOUSING UNITS OR FUNCTIONAL  
27 EQUIVALENTS OF PERMITS FOR NEW HOUSING UNITS THAT HAVE BEEN

1 ISSUED OVER THE PAST THREE YEARS WITHIN THE JURISDICTION OF THE  
2 LOCAL █ GOVERNMENT, MULTIPLIED BY THE NUMBER OF YEARS OF THE  
3 UPCOMING THREE-YEAR CYCLE TO WHICH A LOCAL █ GOVERNMENT IS  
4 COMMITTING, MULTIPLIED BY:

5 (I) TEN ONE-HUNDREDTHS IF THE AVERAGE ANNUAL JOB GROWTH  
6 RATE OVER THE PAST THREE YEARS, AS RECORDED BY THE STATE  
7 DEMOGRAPHY OFFICE FOR THE COUNTY IN WHICH THE LOCAL █  
8 GOVERNMENT IS LOCATED, IS SIGNIFICANTLY LOWER THAN THE STATEWIDE  
9 MEDIAN ANNUAL JOB GROWTH RATE OVER THE PAST THREE YEARS, AS  
10 DETERMINED BY THE DIVISION;

11 (II) FIFTEEN ONE-HUNDREDTHS IF THE AVERAGE ANNUAL JOB  
12 GROWTH RATE OVER THE PAST THREE YEARS, AS RECORDED BY THE STATE  
13 DEMOGRAPHY OFFICE FOR THE COUNTY IN WHICH THE LOCAL █  
14 GOVERNMENT IS LOCATED, IS CLOSE TO THE STATEWIDE MEDIAN ANNUAL  
15 JOB GROWTH RATE OVER THE PAST THREE YEARS, AS DETERMINED BY THE  
16 DIVISION; OR

17 (III) TWENTY ONE-HUNDREDTHS IF THE AVERAGE ANNUAL JOB  
18 GROWTH RATE OVER THE PAST THREE YEARS, AS RECORDED BY THE STATE  
19 DEMOGRAPHY OFFICE FOR THE COUNTY IN WHICH THE LOCAL █  
20 GOVERNMENT IS LOCATED, IS SIGNIFICANTLY HIGHER THAN THE  
21 STATEWIDE MEDIAN ANNUAL JOB GROWTH RATE OVER THE PAST THREE  
22 YEARS, AS DETERMINED BY THE DIVISION.

23 (d.5) FOR THE THREE-YEAR CYCLE BEGINNING ON JANUARY 1,  
24 2027, AND FOR EACH THREE-YEAR CYCLE THEREAFTER, THE DIVISION  
25 SHALL ESTABLISH THRESHOLDS FOR JOB GROWTH RATES THAT THE  
26 DIVISION CONSIDERS TO BE SIGNIFICANTLY LOWER THAN, CLOSE TO, OR  
27 SIGNIFICANTLY HIGHER THAN THE STATEWIDE MEDIAN ANNUAL JOB

1 GROWTH RATE OVER THE PAST THREE YEARS, TO BE USED PURSUANT TO  
2 SUBSECTION (1)(d) OF THIS SECTION TO DETERMINE THE TARGET INCREASE  
3 NUMBER. IN ESTABLISHING THE THRESHOLDS FOR JOB GROWTH RATES, THE  
4 DIVISION SHALL DEFINE EACH THRESHOLD AS A SPECIFIC NUMERICAL  
5 RANGE BASED ON THE STATEWIDE MEDIAN ANNUAL JOB GROWTH RATE FOR  
6 THE PAST THREE YEARS.

7 (e) In drafting and enacting commitments under this subsection  
8 (1) local governments ~~and tribal governments~~ should prioritize  
9 high-density housing, mixed-income housing, and projects consistent with  
10 the goal of environmental sustainability, when appropriate, and should  
11 prioritize affordable housing in communities in which low concentrations  
12 of affordable housing exist.

13 (3) (a) Beginning in 2027, to be eligible under this ~~article~~ ARTICLE  
14 32 for direct funding, or for affordable housing projects within a local  
15 government's ~~or tribal government's~~ territorial boundaries to be eligible  
16 for funding, local governments, other than local housing authorities, ~~or~~  
17 ~~tribal governments~~, must SHALL:

18 (I) Satisfy both the requirements of subsection (1) of this section  
19 to commit to and achieve ~~annual~~ increases in the number of affordable  
20 housing units within their territorial boundaries, and the requirements of  
21 subsection (2) of this section to implement a system to expedite the  
22 development approval process for affordable housing projects; OR

23 (II) SATISFY THE REQUIREMENTS OF SUBSECTION (1) OF THIS  
24 SECTION TO COMMIT TO INCREASES IN THE NUMBER OF AFFORDABLE  
25 HOUSING UNITS WITHIN THEIR TERRITORIAL BOUNDARIES, SATISFY THE  
26 REQUIREMENTS OF SUBSECTION (2) OF THIS SECTION TO IMPLEMENT A  
27 SYSTEM TO EXPEDITE THE DEVELOPMENT APPROVAL PROCESS FOR

1 AFFORDABLE HOUSING PROJECTS, AND HAVE RECEIVED APPROVAL FROM  
2 THE DIVISION OF A GOOD FAITH EFFORT WAIVER SUBMITTED IN  
3 ACCORDANCE WITH SUBSECTION (6) OF THIS SECTION.

4 (b) (I) If a local ~~government or tribal~~ government makes and files  
5 with the division the commitment required by subsection (1) of this  
6 section by November 1, 2023, it shall be deemed to have satisfied the  
7 requirements of subsection (1) of this section through December 31,  
8 2026.

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

18 (III) If a local government, other than a local housing authority,  
19 ~~or tribal government~~ fails to make and file with the division the  
20 commitment required by subsection (1) of this section by November 1,  
21 2023, or by November 1st of a subsequent year ~~in which the baseline~~  
22 ~~resets~~, PRECEDING THE FIRST YEAR OF A THREE-YEAR CYCLE, ~~it shall be~~  
23 ~~THE LOCAL GOVERNMENT IS~~ ineligible to receive financial assistance from  
24 the division or administrator during the following calendar year.

25 (IV) If a local ~~government or tribal~~ government fails to meet its  
26 commitment to increase affordable housing made and filed pursuant to  
27 subsection (1) of this section for any three-year cycle AND DOES NOT

1 RECEIVE A WAIVER PURSUANT TO THIS SECTION, it ~~shall be~~ IS ineligible to  
2 receive financial assistance from the division or administrator during the  
3 first calendar year of the next three-year cycle.

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

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

17 (VII) Ineligible local ~~governments and tribal~~ governments and  
18 developers of projects in ineligible local ~~government and tribal~~  
19 government jurisdictions ~~shall~~ ARE not ~~be~~ required to pay back to the  
20 division or the administrator money paid to them under this ~~article~~  
21 ARTICLE 32 prior to ineligibility.

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

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

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

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

16 (D) All units funded through the programs created in section  
17 29-32-104 (1)(b), (1)(c)(I), (1)(c)(II), and (1)(c)(III) are counted ~~towards~~  
18 TOWARD the local government's or tribal government's growth  
19 requirement; AND

20 (E) EACH HOUSING UNIT THAT IS DEVELOPED AS PART OF A LARGER  
21 DEVELOPMENT PROJECT THAT IS SUBJECT TO A DEED RESTRICTION OF AT  
22 LEAST FIFTEEN YEARS AND IN WHICH THE AVERAGE RENTAL PRICE OF ALL  
23 UNITS IN THE PROJECT IS AFFORDABLE TO A HOUSEHOLD WITH AN ANNUAL  
24 INCOME OF AT OR BELOW SIXTY PERCENT OF THE AREA MEDIAN INCOME  
25 COUNTS AS ONE AFFORDABLE HOUSING UNIT.

26 (II) (A) Regional collaboration and partnership is encouraged.  
27 (B) IF LOCAL GOVERNMENTS HAVE NOT ENTERED INTO A WRITTEN

1 AGREEMENT THAT DESCRIBES OTHERWISE, FOR THE PURPOSE OF  
2 CALCULATING WHETHER A LOCAL GOVERNMENT HAS MET THE  
3 REQUIREMENTS OF SUBSECTION (1) OF THIS SECTION FOR THE THREE-YEAR  
4 CYCLE BEGINNING ON JANUARY 1, 2027, AND FOR EACH THREE-YEAR  
5 CYCLE THEREAFTER, A LOCAL GOVERNMENT MAY COUNT AN AFFORDABLE  
6 HOUSING UNIT THAT WAS NEWLY CONSTRUCTED OR NEWLY CONVERTED  
7 TO AFFORDABLE HOUSING, WITH MONEY PROVIDED BY MULTIPLE LOCAL  
8 GOVERNMENTS AS A PERCENTAGE OF ONE UNIT THAT IS PROPORTIONAL TO  
9 THE PERCENTAGE OF TOTAL LOCAL GOVERNMENT FUNDING THAT THE  
10 LOCAL GOVERNMENT PROVIDED.

11 (C) Local governments and tribal governments may enter into  
12 written agreements with other local governments and tribal governments  
13 that allow each jurisdiction to receive partial credit towards TOWARD the  
14 local government's or tribal government's growth requirement for the  
15 purpose of calculating whether a local government or tribal government  
16 has met the requirements of subsection (1) of this section. ■ ■ THESE  
17 WRITTEN AGREEMENTS ARE NOT SUBJECT TO THE FORMULA DESCRIBED IN  
18 SUBSECTION (3)(d)(II)(B) OF THIS SECTION.

19 (D) EXCEPT FOR ANY CREDITS AWARDED PURSUANT TO  
20 SUBSECTION (9) OR (10) OF THIS SECTION THAT ARE IN EXCESS OF THE  
21 TOTAL AMOUNT OF UNITS PRODUCED, the sum of the total units credited  
22 to the local governments and tribal governments shall MUST not exceed  
23 the total number of units produced through the collaboration.

24 (4) IF A LOCAL GOVERNMENT, OTHER THAN A LOCAL HOUSING  
25 AUTHORITY, ■ DESIRES TO RECEIVE FUNDING UNDER THIS ARTICLE 32 OR  
26 DESIRES TO MAKE AFFORDABLE HOUSING PROJECTS WITHIN ITS  
27 TERRITORIAL BOUNDARIES ELIGIBLE FOR FUNDING UNDER THIS ARTICLE 32,

1 AND IS UNABLE TO ACHIEVE, FOR THE THREE-YEAR CYCLE BEGINNING ON  
2 JANUARY 1, 2024, THE ANNUAL INCREASES IN THE NUMBER OF  
3 AFFORDABLE HOUSING UNITS WITHIN ITS TERRITORIAL BOUNDARIES SET  
4 FORTH IN SUBSECTION (1) OF THIS SECTION, THE LOCAL █ GOVERNMENT  
5 MAY FILE A GOOD FAITH EFFORT WAIVER WITH THE DIVISION. THE LOCAL  
6 █ GOVERNMENT IS ELIGIBLE TO FILE A GOOD FAITH EFFORT WAIVER AND  
7 BE APPROVED BY THE DIVISION IF THE LOCAL █ GOVERNMENT COMPLIES  
8 WITH SUBSECTION (5) OF THIS SECTION AND:

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

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

13 (c) (I) HAS ACHIEVED AT LEAST SIXTY-FIVE PERCENT OF THE  
14 ANNUAL INCREASES IN THE NUMBER OF AFFORDABLE HOUSING UNITS  
15 WITHIN ITS TERRITORIAL BOUNDARIES AS REQUIRED BY SUBSECTION (1) OF  
16 THIS SECTION FOR THE THREE-YEAR CYCLE BEGINNING ON JANUARY 1,  
17 2024; ==

18 (II) IS ABLE TO SATISFY THE REQUIREMENT OF SUBSECTION (1) OF  
19 THIS SECTION TO ACHIEVE ANNUAL INCREASES IN THE NUMBER OF  
20 AFFORDABLE HOUSING UNITS WITHIN ITS TERRITORIAL BOUNDARIES FOR  
21 THE THREE-YEAR CYCLE BEGINNING ON JANUARY 1, 2024 IF THE  
22 REQUIREMENT HAD BEEN BASED ON THE TARGET INCREASE NUMBER  
23 SPECIFIED IN SUBSECTION (1)(d) OF THIS SECTION; OR

24 (III) HAS, WITHIN THE THREE-YEAR CYCLE BEGINNING ON  
25 JANUARY 1, 2024, PROVIDED MONEY TO FUND THE DEVELOPMENT OF  
26 AFFORDABLE HOUSING UNITS THAT COUNTED TOWARD ANOTHER LOCAL  
27 GOVERNMENT'S ANNUAL INCREASE REQUIRED BY SUBSECTION (1) OF THIS

1 SECTION AND WOULD HAVE BEEN ABLE TO ACHIEVE AT LEAST SIXTY-FIVE  
2 PERCENT OF THE ANNUAL INCREASE REQUIRED BY SUBSECTION (1) OF THIS  
3 SECTION IF THE LOCAL GOVERNMENT HAD BEEN ABLE TO COUNT THE  
4 AFFORDABLE HOUSING UNITS TO WHICH IT PROVIDED MONEY IN  
5 PROPORTION TO THE PERCENTAGE OF TOTAL LOCAL GOVERNMENT  
6 FUNDING PROVIDED.

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

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

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

16 (c) SUBMIT DOCUMENTATION OF ADDITIONAL LOCAL  
17 COMMITMENTS TO FUND AFFORDABLE HOUSING OR ESTABLISHED METHODS  
18 FOR REDUCING THE COST OF DEVELOPING AFFORDABLE HOUSING;

19 (d) IMPLEMENT PROCESS OR CAPACITY IMPROVEMENTS THAT  
20 REDUCE BARRIERS TO DEVELOPING AFFORDABLE HOUSING, SUCH AS A  
21 HOUSING ACTION PLAN; OR

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

24 (6) A LOCAL GOVERNMENT SEEKING A GOOD FAITH EFFORT  
25 WAIVER FOR THE THREE-YEAR CYCLE BEGINNING ON JANUARY 1, 2024  
26 SHALL, ON OR AFTER JUNE 15, 2026 BUT BEFORE NOVEMBER 1, 2026,  
27 SUBMIT TO THE DIVISION DOCUMENTATION OF COMPLIANCE WITH

1 SUBSECTIONS (4) AND (5) OF THIS SECTION. THE DIVISION SHALL  
2 DETERMINE, IN ITS DISCRETION, WHETHER TO GRANT A GOOD FAITH  
3 EFFORT WAIVER TO A LOCAL █ GOVERNMENT.

4 (7) IF A LOCAL GOVERNMENT, OTHER THAN A LOCAL HOUSING  
5 AUTHORITY, █ DESIRES TO RECEIVE FUNDING UNDER THIS ARTICLE 32 OR  
6 DESIRES TO MAKE AFFORDABLE HOUSING PROJECTS WITHIN ITS  
7 TERRITORIAL BOUNDARIES ELIGIBLE FOR FUNDING UNDER THIS ARTICLE 32,  
8 BUT IS UNABLE TO ACHIEVE, FOR THE THREE-YEAR CYCLE BEGINNING ON  
9 JANUARY 1, 2027, THE ANNUAL INCREASES IN THE NUMBER OF  
10 AFFORDABLE HOUSING UNITS WITHIN ITS TERRITORIAL BOUNDARIES SET  
11 FORTH IN SUBSECTION (1) OF THIS SECTION, THE LOCAL GOVERNMENT █  
12 MAY FILE AN ADJUSTMENT WAIVER WITH THE DIVISION. TO BE ELIGIBLE TO  
13 FILE AN ADJUSTMENT WAIVER FOR THE THREE-YEAR CYCLE BEGINNING ON  
14 JANUARY 1, 2027, AND BE APPROVED BY THE DIVISION, THE LOCAL  
15 GOVERNMENT █ SHALL:

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

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

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

26 (II) AN INVENTORY OF DEED-RESTRICTED UNITS RECORDED WITH  
27 THE LOCAL GOVERNMENT OR COUNTY CLERK FOR THE COUNTY IN WHICH

1 THE LOCAL █ GOVERNMENT IS LOCATED;

2 (III) A COMPREHENSIVE PLAN OR AREA PLAN GROWTH  
3 PROJECTIONS DEMONSTRATING THAT THE ANNUAL INCREASE  
4 REQUIREMENT IN THE NUMBER OF AFFORDABLE HOUSING UNITS EXCEEDS  
5 THE TOTAL PROJECTED GROWTH OF THE JURISDICTION BY A SIGNIFICANT  
6 MARGIN;

7 (IV) UTILITY OR SERVICE PROVIDER DOCUMENTATION;

8 (V) INFRASTRUCTURE CAPACITY LIMITATIONS; OR

9 (VI) ENVIRONMENTAL OR GEOGRAPHIC CONSTRAINT MAPS;

10 (c) PROPOSE A REVISED ANNUAL INCREASE IN THE NUMBER OF  
11 AFFORDABLE HOUSING UNITS BASED ON THE VERIFIABLE DATA SUBMITTED  
12 PURSUANT TO SUBSECTION (7)(b) OF THIS SECTION THAT IS NOT LESS THAN  
13 ONE UNIT PER YEAR; AND

14 (d) FILE DOCUMENTATION WITH THE DIVISION DEMONSTRATING  
15 THAT THE LOCAL █ GOVERNMENT'S COMMITMENT FOR THE THREE-YEAR  
16 CYCLE BEGINNING ON JANUARY 1, 2027, REPRESENTED A SIGNIFICANT  
17 INCREASE ABOVE ITS COMMITMENT FOR THE THREE-YEAR CYCLE  
18 BEGINNING ON JANUARY 1, 2027.

19 (8) IN ADDITION TO THE CRITERIA LISTED IN SUBSECTION (7) OF  
20 THIS SECTION, WHEN DECIDING WHETHER TO GRANT AN ADJUSTMENT  
21 WAIVER, THE DIVISION SHALL ALSO CONSIDER WHETHER AND THE EXTENT  
22 TO WHICH A LOCAL █ GOVERNMENT EXCEEDED THE ANNUAL INCREASE IN  
23 THE NUMBER OF AFFORDABLE HOUSING UNITS WITHIN ITS TERRITORIAL  
24 BOUNDARIES SET FORTH IN SUBSECTION (1) OF THIS SECTION FOR THE  
25 THREE-YEAR CYCLE BEGINNING ON JANUARY 1, 2024.

26 (9) FOR THE PURPOSES OF DETERMINING WHETHER A LOCAL  
27 GOVERNMENT, OTHER THAN A LOCAL HOUSING AUTHORITY, █ HAS

1 ACHIEVED THE ANNUAL INCREASES IN THE NUMBER OF AFFORDABLE  
2 HOUSING UNITS WITHIN ITS TERRITORIAL BOUNDARIES SET FORTH IN  
3 SUBSECTION (1) OF THIS SECTION FOR THE THREE-YEAR CYCLE BEGINNING  
4 ON JANUARY 1, 2027, AND FOR EACH THREE-YEAR CYCLE THEREAFTER, AN  
5 AFFORDABLE HOUSING UNIT THAT SATISFIES THE FOLLOWING CRITERIA  
6 COUNTS FOR ONE AFFORDABLE HOUSING UNIT PLUS THE FOLLOWING  
7 CORRESPONDING ADDITIONAL UNIT AMOUNT:

8 (a) AN AFFORDABLE HOUSING UNIT THAT IS DEVELOPED ON LAND  
9 DONATED BY THE LOCAL █ GOVERNMENT QUALIFIES FOR AN ADDITIONAL  
10 ONE-TENTH OF A UNIT. THE ONE-TENTH OF A UNIT QUALIFIES FOR THE  
11 LOCAL GOVERNMENT THAT DONATED THE LAND.

12 (b) AN AFFORDABLE HOUSING UNIT THAT IS DEVELOPED WITH  
13 MONEY PROVIDED BY MULTIPLE LOCAL GOVERNMENTS QUALIFIES FOR AN  
14 ADDITIONAL ONE-TENTH OF A UNIT FOR EACH LOCAL GOVERNMENT THAT  
15 PROVIDED MONEY;

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

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

26 (10) IF AFFORDABLE HOUSING THAT COUNTS TOWARD A  
27 COMMITMENT MADE BY A LOCAL █ GOVERNMENT PURSUANT TO

1 SUBSECTION (1) OF THIS SECTION IS DEVELOPED AND QUALIFIES FOR A  
2 PROPERTY TAX EXEMPTION, THEREBY REDUCING PROPERTY TAX REVENUE  
3 TO THE COUNTY IN WHICH THE AFFORDABLE HOUSING IS LOCATED, AND  
4 THE COUNTY DID NOT PROVIDE ANY MONEY TO DEVELOP THE AFFORDABLE  
5 HOUSING, THE DIVISION MAY, IN ITS DISCRETION, ALLOW EACH SUCH  
6 AFFORDABLE HOUSING UNIT TO COUNT AS UP TO ONE AND  
7 FIFTEEN-HUNDREDTHS AFFORDABLE HOUSING UNITS FOR THE COUNTY AT  
8 THE TIME OF VERTICAL CONSTRUCTION. ■ ■

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

17 **SECTION 4. Safety clause.** The general assembly finds,  
18 determines, and declares that this act is necessary for the immediate  
19 preservation of the public peace, health, or safety or for appropriations for  
20 the support and maintenance of the departments of the state and state  
21 institutions.