



**ANNUAL LEGISLATIVE MEETING
MINUTES
March 2, 2023
Denver, Colorado**

I. Call to Order and Introductions

Jonathan Godes, CAST President

II. Keynote Address: Governor Jared Polis

The Governor wants Coloradoans to be able to live where they work. Any housing solutions need to address regional realities and needs. He expressed appreciation for CAST leaders who are working with the Governor's team to think through the administration's desire to increase the housing stock and consider changes to land use codes to facilitate affordable housing. There is a nexus of housing policy with transportation, climate policy, health care and economic development. Locals know the local challenges and the Governor is looking forward to working with CAST communities. Transit needs to be considered alongside housing development. The State has climate goals and water is a large concern. The Governor stated that he understands that different regions need different AMI criteria.

CAST thanked the Governor for bringing the housing issue to the forefront. Members stressed that land use policy needs to look different in different areas of the state. In mountain communities, we want to increase housing stock but also need to ensure that those units house residents and not short term renters.

III. Economic Update

*Brian Lewandowski, Executive Director, Business Research Division, Leeds School of Business
University of Colorado Boulder*

The Colorado Business Economic Outlook is created annually. The national economy is showing mixed signals indicating a slight recession or slow growth. The inflation rate is still high but declining. Colorado ranks fairly high compared to other states in a variety of metrics. The greatest demand for workers in Colorado is in Tourism. Resort counties have rebounded in employment figures compared to other counties. It is the same at the state level where Colorado has recovered tourism jobs and most states have not. Residential building permits in ski towns were down in 2022 compared to 2021.

Regarding rent control, economists generally say rent control is not good, however our current real estate appreciation is not sustainable. It is understandable why rent control is being explored. Continued strong growth is anticipated in 2023 with slower growth in 2024. Tourism-based counties will see a delayed "soft landing" compared to non-tourism counties.

IV. Legislative Update

Heather Stauffer, Legislative Advocacy Manager, Colorado Municipal League

A land use and housing proposal from the Governor is expected in the next two weeks. Planning and statewide land use codes are expected. Mutli-family development on residential lots and ADUs will also be

addressed. Growth limits will be addressed but probably in a separate bill. CML has some concerns but is hoping for a collaborative effort with the Governor.

Wildland Urban Interface: Local governments would be required to adopt these statewide codes and a board would determine the WUI zone. Local governments could appeal to WUI Board to deviate from a statewide code. CML is opposed unless amended

Prop 123: CML would like to see some updates to and there will be some clean up legislation this session. The Governor is not supportive of a change to AMI. The 3% increase in housing per year would ideally be averaged over a three or five year period.

Right of First Refusal for Local Govs to Create Affordable Housing: Local governments will be able to opt out. Support if amended position.

Insurance and Under Insurance bills will place more transparency around policies.

There are several disability bills that CML has concerns about, including housing. All of these increase liability and costs to local governments. They are working with sponsors.

HB1061: Alcohol permit. Increases the number of days per year alcohol can be served. CML Supports.

HB1169: Limits arrests for low level offenses. CML Opposes.

SB 97: Motor vehicle theft. Would increase to felony. CML Supports

HB 1091: Continuation of childcare tax credit. CML is newly engaged in child care issues.

SB 11: Public employees' workplace . CML Opposes.

V. Population Matters, Trends and Transitions

Cindy DeGroen, Senior Demographer, Colorado Demography Office

Colorado has grown twice as fast as other U.S. states since the 70s. The slowing of population growth is mostly due to the aging of the state's population. Most resort counties will see growth from natural factors of births vs deaths. The migration trends are interesting. The state will be challenged to fill retirees' jobs as well as new jobs. 11% of jobs can be done remotely compared to 5% before pandemic.

VI. New State Housing Programs

Allison George, Director, Division of Housing, DOLA

Patrick Meyers, Chief Economic Recovery Officer, State of Colorado

Allison George, Division of Housing: The Division of Housing received \$1.4B from Stimulus/Transformational Funding. The Transformational Programs (HB13778 and HB 1304) received 108 letters of interest, which is more than they can fund. They are not expecting another round of letters of interest. They expect to have decisions between late March and May. The applicants are on the website.

Proposition 123 Affordable Housing Support Fund was voted on by the citizens of Colorado. Local governments need to opt in by November 1. The local government sets their own baseline and then commits to a 3% increase/year of affordable housing stock to qualify for the funds going forward. They will look at a 3 year average based on permits not construction. A March 15 stakeholder meeting with Gary Ventures will include a local government discussion. The DOLA website will have a data set that shows figures for each county. The Division of Housing can approve a community's affordability numbers if the figure can be justified. CAST members commented that Prop 123 set AMI at a level which is too low for CAST communities. HB22-1271 created a local officials Tool Kit and there is an online live web resource.

Patrick Meyers, OEDIT: Mr. Meyers is implementing the OEDIT side of Prop 123 and is the interim chair for the Middle Income Housing Authority (MIHA). 60% of Prop 123 funds will go to OEDIT and OEDIT hired CHFA as the administrator. They are building guidelines with Gary Ventures, the authors of Prop 123. It will be important for CAST members to participate in stakeholder meetings.

MIHA: Under this program, the State will build, own, and operate rental housing. MIHA was authorized by SB22-232 and funded by \$1M. Rural resort AMI is 80%-140% but communities can request and justify higher AMIs. This is a pilot, so they have limited time to prove value to the legislature. The application does need to show community support and local governments can veto a project. Applications will be far more attractive if developers have already gotten agreement from the local government. The local government can be the applicant. Developers are building it for a fee, and that fee must be less than the fee they would have gotten if it was a LITECH project.

Manufactured Housing Program: They have had lots of interest. Three grants have been awarded and they have 14 applications in process.

A new P3 has mapped all the unused state land that might be donated to an authority or offered through a ground lease.

VII. New Business & Member Discussion

Approval of January 2023 Minutes: Meeting minutes were approved unanimously.

Outdoor Access Bill: We all want to provide opportunities for disabled folks to recreate in our communities, but Summit County voiced great concern about this bill that has had little stakeholder engagement. Rep. Ortiz sponsored this bill. It will impact any local government that has outdoor recreation. It would immediately mandate every ski lift would have to accommodate disabled access without any assistance. Every trail would need to have disability access. It would make any violation a civil rights violation.

CIRSA: Law enforcement liability premiums have increased in counties. Municipal government will be impacted next.

Transportation: Members discussed a desire to see legislation to address I-70 closures caused by CMVs. Tools such as enforcing left lane law, Chain Law, and doing speed control are being discussed for Glenwood Canyon. The I-70 Coalition will request any action be applied to the entire I-70 mountain corridor.

Eric Mamula, Breckenridge and Sara Ott, Aspen have been in conversation with the Governor's Office about the pending land use and housing legislation. CCI, CML, SDA, CAST and other local government groups met to see if there is a way to form a local government coalition to speak with one voice. Members are not sure that a statewide local government group will address our concerns, but CAST will work with this "coalition." CAST communities already have great housing programs and will continue to implement them but need funding and support for infrastructure needs. Giving developers the right to build more density in locations with no infrastructure does not work.

Meeting adjourned at 4:00 p.m.