



IN THE KNOW: ZONING & LAND USE REFORM

Key Context

1. Colorado continues to face a housing affordability crisis, ranking as the [9th least affordable state for housing in the country](#).
2. This is partially due to a massive housing supply deficit; the state demographer projects Colorado needs to build [350,000 new housing units](#) by 2030. Further, new housing units built [fell by 40 percent](#) between 2010 and 2020.
3. Despite the high demand for housing, this supply deficit pushes first-time buyers out of the market. Over the last 12 months, only [28 percent of home sales went to first-time buyers](#) – a six-year low.
4. Single-family residential homes are increasingly luxury homes. The [median cost for single-family residential homes](#) is 35 percent higher than that of duplexes and 40 percent higher than triplexes or fourplexes.
5. Current [zoning laws have deeply racist origins](#), intended to separate people of color from White neighborhoods.
6. In Colorado, residential zoning and land policy are governed and administered at the local level.
7. Single-family-only zoning, which limits construction in an area to single-family homes while disallowing multi-family housing units like apartments or duplexes, is prevalent in communities across the state.

The Issue

One way to bring down housing prices is to build more housing. But it's not just the quantity of new housing units, but the how and where. Advocates argue that by building more densely and [sustainably](#), we can more efficiently use each dollar devoted to new housing. That's important as the state utilizes revenue from [federal funds](#) and [Proposition 123](#) for housing.

Decisions about where and how to build are predominantly made at the local level and incorporated into an area's zoning and land use codes. **Several land and zoning reforms which can be considered, and their potential impacts, are below:**



Remove Restrictions on Multiplexes

- Many towns and neighborhoods only allow single-family homes to be constructed. By [expanding the zoning options to include duplexes, triplexes, fourplexes, etc., cities can build more densely](#). Further, these housing units are typically cheaper to construct, assisting [the state and private developers in meeting their goal](#) of building more affordable housing.



Encourage Transit-Oriented Development

- Another possible reform involves increasing zoning density around transit sites, such as bus hubs or light rail stations. Paired with removing minimum parking requirements, this zoning change mitigates pollution concerns sometimes associated with greater density.



Overturn Growth Caps

- Some cities have caps on how much they can build annually. The caps often limit the amount of [construction of residential units](#) or developable land to maintain the localities' character, mitigate infrastructure demands, or conserve natural spaces. A common result is less housing to close the supply gap.



Adopt Anti-Displacement Measures

- In conjunction with higher density or new zoning policies, communities can develop policies that assure below-market-rate housing is built first in [communities at risk of gentrification](#) as well as reserve new units for displaced households.



Legalize Accessory Dwelling Units

- Also known as “granny flats,” accessory dwelling units (ADUs) are small but separate housing units that can be built atop garages, in backyards, etc. at a relatively lower cost and at greater speed. They are essentially second homes – usually smaller – built on the same property. Many places in Colorado prohibit the construction of ADUs.
- [60,000 ADUs have been built](#) in California since their 2016 legalization.
- A similar tool involves legalizing lot splits – selling a portion of your yard, for instance, so it can be separately developed – for homeowners at risk of displacement who might not be able to afford the construction of an ADU on their property.