



## D 2023 014

### EXECUTIVE ORDER

#### Concerning State Programs that Support Strategic Growth

Pursuant to the authority vested in the Governor of the State of Colorado and, in particular, Article IV, Section 2 of the Colorado Constitution, I, Jared Polis, Governor of the State of Colorado, issue this Executive Order aligning State government programs with strategic growth goals to better plan for Colorado's growing and changing population.

#### **I. Background and Purpose**

Housing is one of the highest costs Coloradans face. Nearly a third of Colorado households spend more than 30% of their income on housing, making Colorado the eighth most unaffordable state in the country. Because of those costs, many Coloradans are not able to live close to where they work or close to transit, which leads to more congestion on our roads, more money spent on commuting, more pollution, and more inequitable outcomes. It is estimated that daily commutes contribute nearly 15% of total greenhouse gas emissions annually in Colorado, and the distance the average Coloradan drives per year has risen 20% over the past 40 years. The high cost of housing also creates barriers to accessing jobs, more challenges for Colorado businesses, and threatens our economic success. Older adults who want to downsize, young people seeking to live on their own, and first-time homebuyers are unable to find homes within their budgets because there is not enough inventory, and the homes that are available are too expensive and do not meet the needs of many Colorado families.

Colorado will add an estimated 1.72 million people by 2050. The choice is not between growth and no growth. It is between more traffic, longer drives, and sprawling neighborhoods that bleed into our rural communities and place tremendous pressure on our agricultural land and natural resources, or strategic growth that saves money, supports our economy, uplifts people, and protects our environment. We need more housing for every budget while reducing sprawl and protecting Colorado's vital resources, including the State's air, water, and open spaces. We need to ensure equity, and access to affordable, safe, and attainable housing for all whether it is rental or homeownership, to prevent further housing instability, homelessness, and to allow communities to thrive.

The people of Colorado expect us to deliver more affordable housing choices so Coloradans can stay in their communities and live near their work. By increasing the number of housing units, including affordable and accessible units, across the State, we want to achieve a reduction in the average financial burden of housing for Coloradans, support our workforce and overall economy, and ensure stable housing options for all Coloradans regardless of income.

Since 2019 the State has invested over \$2.5 billion into Colorado's housing needs. This includes proactive measures to build more mixed housing options, including mixed-use and mixed-income, and measures to keep people in their homes via Emergency Rental & Mortgage Assistance. We created the first ever dedicated State funding source for affordable housing through House Bill 19-1245. In 2021, the federal American Rescue Plan Act provided Colorado with an opportunity to make historic housing investments. Through funding allocated by the General Assembly through programs like the Innovative Affordable Housing Strategies program in House Bill 21-1271, Creation of the Affordable Housing and Homeownership Cash Fund in House Bill 21-1329, and the Transformational Affordable Housing Grant and Strong Communities program in House Bill 22-1304, Colorado has also embraced and recruited innovative approaches, such as modular and 3D printed housing and worked directly with businesses and local governments to provide resources and funding. In 2022, Colorado voters approved Proposition 123, which will dedicate an estimated \$300 million in funding per year to affordable housing through the State's budget.

Working hand in hand with communities and the legislature, we can secure a Colorado that is livable, sustainable, and affordable. Neither the State nor local governments should be a barrier to housing development and State programs must support and align with the State's strategic growth goals. We can all learn from the work already being done by local governments, nonprofits, the private sector, and other organizations throughout the State, and should incentivize and encourage best practices taken from different regions to better inform the State's strategic growth. This will benefit the economic, environmental, and social quality of life in Colorado as the State moves toward the goals outlined below.

This Executive Order instructs specific Agencies to inventory programs that provide support to local governments, for housing development, transportation, economic development, and water infrastructure and conservation and develop recommendations to further the strategic growth goals outlined in this Executive Order. This Order also directs the Division of Housing (DOH) within the Department of Local Affairs (DOLA) to make their programs and timelines more efficient.

This Executive Order will continue to build on the State's goals, but is not the only solution. We all have a role to play in addressing our housing crisis and this action is aimed at better informing conversations around our collective solutions for Colorado.

## **II. Declarations**

- A. It is critical that the State thoughtfully plan for expected growth. It is estimated that between 2023 and 2040, Colorado will add an average of 35,000 households per year based on continued job growth of an average of 40,000 jobs a year. Furthermore, housing costs are already unaffordable compared to other major markets.
- B. Colorado's housing supply has not kept pace with population growth leading to increased housing costs. The State has a current unmet housing needs of tens of

thousands of units. Coloradans who struggle to afford a place to live are often faced with impossible choices between housing and other vital necessities like health care and food on the table.

- C. Increasing housing availability and affordability will depend on improved collaboration aimed at creating more housing units, especially close to existing, new or expanded public transit, safe biking and walking corridors, places of employment, and other everyday needs of Coloradans.
- D. Increasing housing supply will improve housing affordability and stability. Efficient housing types, in addition to being more affordable for a greater number of Coloradans, also use significantly less energy and use less water per capita per acre, saving residents money and reducing pollution and conserving our precious water and natural resources.
- E. The benefits of increasing access to housing for Coloradans of all incomes expand beyond addressing our State's housing crisis. Strategic growth can contribute to stronger local economies and improved business environments, reduced transportation and infrastructure costs, better-protected open spaces, reduced water usage, lower greenhouse gas emissions, and more connected regions all across Colorado.

### **III. Strategic Growth Goals for Colorado**

Colorado's population is growing and changing. We must be thoughtful about how we grow and develop across the State. The following are goals for State government:

- A. Incentivize efficient development patterns that align with our climate and air quality goals, use less energy, conserve water, and require less infrastructure.
- B. Address water challenges by encouraging actions outlined in the Colorado Water Plan to increase water conservation across sectors, increase water efficiency for households by advancing water-efficient outdoor landscapes, support infill, and watershed health, and reduce water supply, treatment, and distribution infrastructure costs.
- C. Reduce development pressures in agricultural and open space areas, and discourage sprawl.
- D. Incentivize housing development, production, preservation, and stability for every budget that will accommodate our expected population growth, align with limits in infrastructure and resource availability, and provide housing affordability, availability, and accessibility.
- E. Promote and expand frequent, reliable, and safe transit service that aligns with housing goals, and prioritize safe access to transit and people's daily needs through complete streets.

- F. Ensure adequate and sustainable transportation infrastructure that safely and efficiently allows access and movement among communities.
- G. Support economic development in downtowns, commercial, and mixed-use areas, infill development, and revitalization efforts.
- H. Improve access to economic mobility by providing more affordable and attainable housing to rent or own options and transportation for people currently unable to afford to live in high-opportunity neighborhoods with connection to high-quality services that help people achieve their goals.
- I. Ensure that State processes are effective and efficient, responsive to community needs, and reduce paperwork and time burdens. Reform policies that unnecessarily drive up costs and add barriers to public infrastructure, transportation, and local housing development projects.
- J. Consider the context of different regions and communities across the State, empower and promote local initiatives and ideas that lead to strategic growth, and recognize that all communities have unique needs that often call for additional flexibility when applying strategic growth goals, especially rural and rural resort communities and communities vulnerable to displacement.

#### **IV. Strategic Growth Directives**

- A. I direct the Colorado Energy Office, the Office of Economic Development and International Trade, the Department of Transportation, the Department of Natural Resources, the Department of Local Affairs, the Department of Public Health and Environment, and the Department of Personnel & Administration (“Relevant Agencies”) to inventory each Relevant Agency’s own policies, plans, procedures, and rules for programs that provide support to local government partners, regional councils of governments, metropolitan planning organizations, quasi-governmental organizations and nonprofit organizations, support for housing development, transportation, economic development, water infrastructure and conservation, and other growth-related programs.
- B. I direct all Relevant Agencies to inventory each Relevant Agency’s own grant and loan programs and additional funding or other programs that provide support to local government partners, regional councils of governments, metropolitan planning organizations, quasi-governmental organizations, nonprofit organizations, for housing development, transportation, economic development, and water infrastructure and conservation.
- C. Each Relevant Agencies must submit their own report to the Governor’s Office by December 15, 2023 detailing the results of the inventory under subsections IV.A and IV.B, a prioritization of programs that can best support the goals in section III, and recommendations to ensure that the policies, procedures, rules, programs,

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grants and loans further the State's strategic growth goals outlined above in section III and to further the implementation of these State Strategic Goals.

- D. I encourage Special Purpose Authorities not under my direct authority, including the Colorado Housing and Finance Authority and the Middle Income Housing Authority, the Department of Education, and other quasi-governmental entities to also implement these State Strategic Goals when developing and implementing programs and when planning for our State's future growth.
- E. Because local governments, other organizations, and individuals that regularly interact with the Relevant Agencies are a valuable resource to determine how these programs could work better for the entire State, I direct the Relevant Agencies to partner with the Governor's Office to develop a formalized and measurable method to receive outside stakeholder feedback. This feedback must be incorporated into the report described in subpart IV.C.
- F. I direct the Relevant Agencies to send at least one representative to a cross-department working group. The purpose of this group is to facilitate best practice and discussion on identifying and aligning programs with the Strategic Goals for the State and developing a finalized, public report based on the reports submitted in subpart IV.C.

**V. Department of Local Affairs Directives on Housing**

- A. I direct that by January 1, 2024, the Division of Housing (DOH) within DOLA to draft and execute their contracts for grants and loans within one hundred and twenty (120) days after DOH receives a substantially complete post-award due diligence package from an awardee. By July 1, 2024, I direct those contracts to be executed within ninety (90) days. Further, DOH should provide to the Governor's Office a report monthly that lists any approved contracts that are not yet executed by that timeline and a reason for delays, as well as notifying awardees of the delay.
- B. I direct DOH to make all reasonable efforts to reduce the time period for producing a first draft and preliminary version of the contract after funds are awarded to a recipient to thirty (30) days or less.
- C. I direct DOH to make all reasonable efforts to reduce the time period for a recipient to receive a signed contract after it is approved and terms are finalized by both parties to ten (10) days or less.
- D. I direct DOH to make all reasonable efforts to streamline disbursement and reimbursement processes and timelines.
- E. When appropriate, I direct DOH to use existing State and federal funds to provide deeper subsidies to maximize unit production including developments in high-

need, difficult-to-develop areas and to never disqualify developments from further DOH or OEDIT support based on their prior receipt for Proposition 123 funding.

- F. I direct DOH to evaluate funding opportunities at all stages of a project, including pre-development funding and “first-in” catalytic funding commitments, and the creation of standardized documents, and re-evaluate per-unit subsidy and per-award maximum. These evaluations must account for different contexts for regions throughout the State. DOH must include these evaluations in the report outlined in subpart IV.C.
- G. I direct DOH to continue to improve transparency, stakeholder expectations, and communications throughout the post-award period until projects are funded/closed out.
- H. I direct DOH to continue to provide the most accurate and transparent data possible in reporting on the above efficiency metrics.

**VI. Duration**

This Executive Order shall remain in effect unless modified or rescinded by future Executive Order of the Governor.



GIVEN under my hand and the Executive Seal of the State of Colorado, this twenty-first day of August, 2023.

A handwritten signature in blue ink that reads "Jared Polis". The signature is written in a cursive, flowing style.

Jared Polis  
Governor