



Local Government Affordable Housing Strategies

By Dan Graeve and April Bernard

Several factors contribute to high housing costs in Colorado. The United States Department of Housing and Urban Development defines being housing cost burdened as households paying more than 30 percent of their income for housing. According to a housing affordability June 2025 [white paper](#) from the Colorado Housing and Finance Authority (CHFA), 46.8 percent of renters and 21.5 percent of homeowners are housing cost-burdened in Colorado. This issue brief focuses on some of the strategies that local governments and communities in Colorado use to meet the housing needs of residents.

Local Land Use Policies

Local governments in Colorado oversee local land use policy. There are a number of ways that communities may incentivize and facilitate affordable housing development.

Community Land Trusts

A community land trust is a community-based nonprofit that provides stewardship of land for affordable housing, food production, and other purposes that benefit residents.

Under a community land trust, affordable housing options include building units or acquiring structures for renovation. A trust

often splits and subtracts the value of the land the home sits on, which enables the trust to sell the home without the added cost of the land. The homebuyer then becomes party to a long-term lease of the land from the trust. Buyers often agree to sell the home when they are ready to, either back to the trust or at an agreed upon capped price to ensure future affordability.

Land trusts in Colorado.

- [Elevation Community Land Trust](#) was formed in 2019 and has helped over 200 qualifying families becomes homeowners.
- The [Rocky Mountain Community Land Trust](#) originated in Colorado Springs in 1996 and partners with qualified, low-income families for home ownership.
- The Globeville Elyria-Swansea Coalition's [Tierra Colectiva Community Land Trust](#) has enabled affordable home ownership in Northeast Denver, with rental units, community commercial space, and community food production space in various phases of development as of 2025.

Land Banks

A land bank is land held by a public or nonprofit entity for future development, sale, or exchange. Qualifying as a land bank requires certain goals, such as using vacant or

Local Government Affordable Housing Strategies

abandoned property to build affordable housing. A land bank may receive land transfers from a local government.

State Assistance. As a result of voter passage of Proposition 123 in 2022, a state land banking [program](#) offers assistance in the form of grants to eligible local or tribal governments and forgivable loans to eligible nonprofits.

City of Fort Collins. In 2001, [Fort Collins](#) authorized a land bank through its municipal code. The first purchase was a five acre parcel for \$500,000. The land bank now includes over 56 acres among six sites. Builders selected through the city's request for proposal process build and sell units in exchange for a reduced rate on the sale of the vacant land, at no more than 90 percent of fair market value.

Deed-Restricted Housing

Deed-restricted housing involves the purchase of a home with specific limits and requirements for the homebuyer attached to a deed. These restrictions can help keep housing available for local residents who work in the community. The deed restriction may indicate that a homeowner reselling the property must sell to local residents and may only reap a certain profit on the sale. Buyers may be required to meet income guidelines, work in the local area a certain number of hours, and purchase the home as their primary residence.

Summit Combined Housing Authority. The authority includes the towns of Breckenridge,

Dillon, Frisco, Montezuma, Keystone and Silverthorne, as well as Summit County. Some authority projects may include [deed-restricted housing](#).

Accessory Dwelling Units

Accessory dwelling units (ADUs) are secondary structures built on the same lot as a single-family home, often in the back of the property near a garage.

State Law. During the 2024 legislative session, the General Assembly passed [House Bill 24-1152](#), which requires certain local governments to allow ADUs where the jurisdiction allows single-unit detached dwellings. The Department of Local Affairs (DOLA) incentivizes and provides [assistance](#) for the building of ADUs and for rental of these units at below market rates.

Mobile Home Parks

A mobile home park is land used for permanent housing that includes five or more mobile homes. Mobile home parks may be a part of local government affordable housing strategies. More information can be found in this [LCS Issue Brief on Mobile Homes](#) and on DOLA's [Mobile Home Programs page](#).

Other Resources

- DOLA, [Affordable Housing Opportunities](#)
- Colorado Municipal League, [Housing Resources](#)
- CHFA, [Colorado Affordable Housing Developer's Guide](#)