

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

REVISED

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

LLS NO. 24-0096.02 Megan McCall x4215

HOUSE BILL 24-1175

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A BILL FOR AN ACT

101 **CONCERNING A LOCAL GOVERNMENT RIGHT OF FIRST REFUSAL OR**
102 **OFFER TO PURCHASE QUALIFYING MULTIFAMILY PROPERTY FOR**
103 **THE PURPOSE OF PROVIDING LONG-TERM AFFORDABLE HOUSING**
104 **OR MIXED-INCOME DEVELOPMENT.**

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>.)

The bill creates 2 property rights for local governments to certain types of multifamily rental properties: A right of first refusal and a right of first offer. The right of first offer is temporary and terminates on

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
May 7, 2024

HOUSE
3rd Reading Unamended
April 8, 2024

HOUSE
Amended 2nd Reading
April 5, 2024

December 31, 2029. For multifamily rental properties that are existing affordable housing, a local government has a right of first refusal to match an acceptable offer for the purchase of such property, subject to the local government's commitment to using the property as long-term affordable housing. Existing affordable housing is housing that is currently receiving federal or local financial assistance.

The bill requires the seller of such property to give notice to the local government at least 2 years before the first expiration of an existing affordability restriction on the property and again when the seller takes certain actions as a precursor to selling the property. Upon receiving the notice indicating intent to sell the property or of a potential sale of the property, the local government has 14 calendar days to preserve its right of first refusal and an additional 60 calendar days to make an offer and must agree to close on the property within 120 calendar days of the acceptance of the local government's offer. If the price, terms, and conditions of an acceptable offer that has been communicated to the local government materially change, the seller must provide notice of the change within 7 days and the local government may exercise or re-exercise its right of first refusal. If the residential seller rejects an offer by the local government, the seller must provide a written explanation of the reasons and invite the local government to make a subsequent offer within 14 days.

For all other multifamily rental properties that are 20 years or older and have not more than 100 units and not less than 5 units in urban counties and 3 units in rural and rural resort counties, a local government has a right of first offer. A seller of such property must provide notice of intent to sell the property to the local government before the seller lists the property for sale. After receipt of the notice, the local government has 14 days to respond by either making an offer to purchase the property and stating an intent to perform due diligence and enter into a contract to purchase the property within 45 days of the date that the residential seller's notice was received or waiving its right to purchase the property. The local government's offer is subject to the property being used or converted for the purpose of providing long-term affordable housing or mixed-income development. If the local government does not provide a response in the 14-day period, the right of first offer is waived and the residential seller can proceed with listing and selling the property to any third-party buyer. The residential seller has 14 days to accept or reject the local government's offer and, if the offer is accepted, the local government has 30 days to close the transaction.

In exercising its right of first refusal or first offer, the local government may partner with certain other entities for financing of the transaction and may also assign either right to certain other entities that are then subject to all the rights and requirements of the local government in exercising either right.

The bill allows certain sales of property to be exempt from either the right of first refusal, the right of first offer, or both. The bill also allows the local government to waive its right of first refusal to purchase property qualifying for the right if the local government elects to disclaim its rights to any proposed transaction or for any duration of time.

The bill also requires the attorney general's office to enforce its provisions and grants the attorney general's office, the local government, or a mission-driven organization standing to bring a civil action for violations of the right of first refusal or first offer established by the bill. If a court finds that a seller has materially violated the law with respect to the right of first refusal or first offer, respectively, the court must award a statutory penalty of not less than \$30,000.

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

SECTION 1. In Colorado Revised Statutes, **add** part 12 to article 4 of title 29 as follows:

PART 12

LOCAL GOVERNMENT RIGHT OF FIRST REFUSAL OR FIRST OFFER TO PURCHASE MULTIFAMILY HOUSING

29-4-1201. Definitions. AS USED IN THIS PART 12, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(1) "AFFORDABLE HOUSING FINANCIAL ASSISTANCE" MEANS LOANS, GRANTS, EQUITY, BONDS, OR TAX CREDITS PROVIDED TO A MULTIFAMILY RENTAL PROPERTY FROM ANY SOURCE TO SUPPORT THE CREATION, PRESERVATION, OR REHABILITATION OF AFFORDABLE HOUSING THAT, AS A CONDITION OF FUNDING, ENCUMBERS THE PROPERTY WITH A RESTRICTED USE COVENANT OR SIMILAR RECORDED AGREEMENT TO ENSURE AFFORDABILITY.

(2) "APPLICABLE QUALIFYING PROPERTY" MEANS EITHER "QUALIFYING PROPERTY" AS DEFINED IN SECTION 29-4-1202 (1), OR "QUALIFYING PROPERTY" AS DEFINED IN SECTION 29-4-1203 (1).

(3) "APPLICABLE RIGHT" MEANS EITHER A LOCAL GOVERNMENT'S

1 RIGHT OF FIRST REFUSAL AS SET FORTH IN SECTION 29-4-1202, OR RIGHT
2 OF FIRST OFFER AS SET FORTH IN SECTION 29-4-1203.

3 (4) "AREA MEDIAN INCOME" MEANS THE MEDIAN INCOME OF THE
4 COUNTY IN WHICH A QUALIFYING PROPERTY IS LOCATED IN RELATION TO
5 HOUSEHOLD SIZE, AS ESTABLISHED ANNUALLY BY THE UNITED STATES
6 DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

7 (5) "COLORADO HOUSING AND FINANCE AUTHORITY" MEANS THE
8 COLORADO HOUSING AND FINANCE AUTHORITY CREATED IN SECTION
9 29-4-704 (1).

10 [REDACTED]

11 (6) "EXISTING AFFORDABLE HOUSING" MEANS HOUSING THAT IS
12 SUBJECT TO ONE OR MORE RESTRICTED USE COVENANTS OR SIMILAR
13 RECORDED AGREEMENTS TO ENSURE AFFORDABILITY AND THAT IS
14 CONSISTENT WITH AFFORDABLE HOUSING FINANCIAL ASSISTANCE
15 REQUIREMENTS. "EXISTING AFFORDABLE HOUSING" DOES NOT INCLUDE
16 PROPERTIES FOR WHICH ALL RESTRICTED USE COVENANTS OR
17 AFFORDABILITY REQUIREMENTS HAVE EXPIRED AS OF JUNE 1, 2024.

18 [REDACTED]

19 (7) "LOCAL GOVERNMENT" MEANS:

20 (a) A CITY, CITY AND COUNTY, OR TOWN IF THE APPLICABLE
21 QUALIFYING PROPERTY IS LOCATED WITHIN THE INCORPORATED AREA OF
22 A CITY, A CITY AND COUNTY, OR A TOWN; AND

23 (b) A COUNTY IF THE APPLICABLE QUALIFYING PROPERTY IS
24 LOCATED WITHIN THE UNINCORPORATED AREA OF A COUNTY.

25 [REDACTED]

26 (8) "LOCAL OR REGIONAL HOUSING AUTHORITY" MEANS A
27 HOUSING AUTHORITY CREATED PURSUANT TO SECTION 29-4-204 (1),

1 29-4-306 (1), 29-4-402, OR 29-4-503 (1).

2 (9) (a) "LONG-TERM AFFORDABLE HOUSING" MEANS HOUSING FOR
3 WHICH THE LOCAL GOVERNMENT ENSURES THAT AFFORDABILITY LEVELS
4 AT AN APPLICABLE QUALIFYING PROPERTY ARE ON AVERAGE EQUAL TO OR
5 GREATER THAN PREEXISTING LEVELS AT THE APPLICABLE QUALIFYING
6 PROPERTY AND THAT THE AVERAGE ANNUAL RENTS AT THE APPLICABLE
7 QUALIFYING PROPERTY DO NOT EXCEED THE RENT FOR HOUSEHOLDS OF A
8 GIVEN SIZE AT A GIVEN AREA MEDIAN INCOME, AS ESTABLISHED
9 ANNUALLY BY THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN
10 DEVELOPMENT, FOR A MINIMUM OF FORTY YEARS, AND FOR WHICH THE
11 LOCAL GOVERNMENT AGREES NOT TO RAISE RENT FOR ANY UNIT IN THE
12 APPLICABLE QUALIFYING PROPERTY BY MORE THAN THE RENT INCREASE
13 CAP; EXCEPT THAT THE RENT INCREASE CAP DOES NOT APPLY TO UNITS OF
14 HOUSING THAT ARE SUBJECT TO RENT OR INCOME LIMITS ESTABLISHED
15 PURSUANT TO LOCAL, STATE, FEDERAL, OR POLITICAL SUBDIVISION
16 AFFORDABLE HOUSING PROGRAM GUIDELINES.

17 (b) NOTHING IN THIS SUBSECTION (9) PREVENTS A LOCAL
18 GOVERNMENT FROM PROVIDING AFFORDABILITY REQUIREMENTS BEYOND
19 FORTY YEARS OR FOR UNITS TO BE AFFORDABLE TO RENTERS WITH
20 INCOMES BELOW EXISTING AFFORDABILITY LEVELS, IN WHICH CASE THE
21 LOCAL GOVERNMENT'S REQUIREMENTS APPLY FOR PURPOSES OF THE
22 DEFINITION OF "LONG-TERM AFFORDABLE HOUSING" AS SET FORTH IN
23 SUBSECTION (9)(a) OF THIS SECTION.

24 (10) (a) "MATCHED OFFER" MEANS AN OFFER OF PURCHASE FOR A
25 QUALIFYING PROPERTY, AS DEFINED IN SECTION 29-4-1202 (1), FOR A
26 PRICE AND WITH OTHER MATERIAL TERMS AND CONDITIONS THAT ARE AT
27 LEAST AS FAVORABLE TO THOSE IN AN ARM'S-LENGTH, THIRD-PARTY OFFER

1 THAT A RESIDENTIAL SELLER HAS RECEIVED AND IS WILLING TO ACCEPT
2 FOR THE SALE OF THE QUALIFYING PROPERTY; EXCEPT THAT, TO THE
3 EXTENT THAT THERE ARE ANY PROVISIONS IN THE ARMS-LENGTH, THIRD
4 PARTY OFFER THAT THE LOCAL GOVERNMENT IS PROHIBITED BY LAW FROM
5 CONTRACTING FOR, THE LOCAL GOVERNMENT IS NOT REQUIRED TO
6 INCLUDE SUCH PROVISIONS IN ITS OFFER FOR ITS OFFER TO BE A MATCHED
7 OFFER.

8 (b) "MATCHED OFFER" ALSO MEANS, IN THE ABSENCE OF AN
9 ARM'S-LENGTH, THIRD-PARTY OFFER, AN OFFER OF PURCHASE FOR A
10 QUALIFYING PROPERTY, AS DEFINED IN SECTION 29-4-1202 (1), FOR A
11 PRICE AND WITH OTHER MATERIAL TERMS AND CONDITIONS COMPARABLE
12 TO THOSE FOR WHICH THE RESIDENTIAL SELLER WOULD SELL, AND A
13 WILLING BUYER WOULD PURCHASE, THE QUALIFYING PROPERTY.

14 (11) "MATERIAL TERMS AND CONDITIONS" MEANS, GENERALLY,
15 SIGNIFICANT TERMS AND CONDITIONS OF A CONTRACT SUCH AS SALE
16 PRICE, EARNEST MONEY, REPRESENTATIONS, WARRANTIES, PROPERTY
17 DESCRIPTION, AND PERFORMANCE UNDER THE CONTRACT AND, IF A
18 RESIDENTIAL SELLER HAS RECEIVED AN OFFER FROM A THIRD-PARTY
19 BUYER THAT IS ENTIRELY A CASH OFFER FOR THE THIRD-PARTY TO
20 PURCHASE THE QUALIFYING PROPERTY, THE LOCAL GOVERNMENT, IN
21 ACCORDANCE WITH SECTION 29-4-1202 (5)(a)(II), MUST AGREE TO CLOSE
22 ON THE QUALIFYING PROPERTY WITHIN THE SAME TIME PERIOD AS SET
23 FORTH IN THE THIRD-PARTY BUYER'S OFFER FOR PURPOSES OF A MATCHED
24 OFFER. "MATERIAL TERMS AND CONDITIONS" EXCLUDES, BUT IS NOT
25 LIMITED TO EXCLUDING, THE TYPE OF FINANCING OR PAYMENT METHOD OR
26 THE PERIOD FOR CLOSING.

27 (12) "MIXED-INCOME PROJECT" MEANS AN AFFORDABLE HOUSING


1 DEVELOPMENT IN WHICH A PERCENTAGE OF UNITS HAVE RESTRICTED
2 AVAILABILITY TO HOUSEHOLDS AT OR BELOW GIVEN AREA MEDIAN INCOME
3 LEVELS, PROPORTIONAL TO THE DEMONSTRATED HOUSING NEEDS OF THE
4 LOCAL COMMUNITY. THE PERCENTAGE OF INCOME RESTRICTED UNITS AND
5 AFFORDABILITY LEVELS MUST COMPLY WITH LAWS ENACTED BY LOCAL
6 GOVERNMENTS PROMOTING THE DEVELOPMENT OF NEW AFFORDABLE
7 HOUSING UNITS PURSUANT TO SECTION 29-20-104 (1).

8 (13) "RENT INCREASE CAP" MEANS A PERCENTAGE OF THE
9 CURRENT ANNUAL RENT FOR AN APPLICABLE QUALIFYING PROPERTY THAT
10 IS EQUAL TO THE GREATER OF:

11 (a) THE AVERAGE ANNUAL PERCENTAGE CHANGE FOR THE
12 PREVIOUS TWELVE MONTHS AT THE TIME OF THE CALCULATION IN THE
13 UNITED STATES DEPARTMENT OF LABOR'S BUREAU OF LABOR STATISTICS
14 CONSUMER PRICE INDEX FOR DENVER-AURORA-LAKEWOOD FOR ALL
15 ITEMS AND ALL URBAN CONSUMERS, OR ITS SUCCESSOR INDEX; OR

16 (b) THREE PERCENTAGE POINTS.

17 (14) "RESIDENTIAL SELLER" MEANS THE FEE SIMPLE OWNER OF AN
18 APPLICABLE QUALIFYING PROPERTY. IF THERE IS MORE THAN ONE FEE
19 SIMPLE OWNER OF AN APPLICABLE QUALIFYING PROPERTY, EACH FEE
20 SIMPLE OWNER IS REFERRED TO IN THIS PART 12 JOINTLY AND SEVERALLY
21 AS THE "RESIDENTIAL SELLER".

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23 **29-4-1202. Right of first refusal - eligibility - process - notice**
24 **- tolling - definition. (1) Definition of qualifying property.** AS USED IN
25 THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES, "QUALIFYING
26 PROPERTY" MEANS A MULTIFAMILY RESIDENTIAL OR MIXED-USE RENTAL
27 PROPERTY CONSISTING OF NOT LESS THAN FIVE UNITS THAT IS EXISTING

1 AFFORDABLE HOUSING, EXCLUDING A MOBILE HOME PARK AS DEFINED IN
2 SECTION 38-12-201.5 (6). FOR THE PURPOSE OF DETERMINING WHETHER
3 A PROPERTY CONSISTS OF AT LEAST THE MINIMUM NUMBER OF UNITS SET
4 FORTH IN THIS SUBSECTION (1) FOR A QUALIFYING PROPERTY, AN
5 ACCESSORY DWELLING UNIT DOES NOT COUNT AS A UNIT.

6 (2) **Local government's right of first refusal.** (a) IN
7 ACCORDANCE WITH THIS PART 12, THE LOCAL GOVERNMENT FOR THE
8 JURISDICTION IN WHICH A QUALIFYING PROPERTY IS LOCATED HAS A RIGHT
9 OF FIRST REFUSAL TO PURCHASE THE QUALIFYING PROPERTY WITH A
10 MATCHED OFFER.

11 (b) (I) ANY PURCHASE AND SALE AGREEMENT FOR THE
12 CONVEYANCE OF A QUALIFYING PROPERTY BY A RESIDENTIAL SELLER IS
13 CONTINGENT UPON THE RIGHT OF FIRST REFUSAL SET FORTH IN THIS
14 SECTION.

15 (II) IF THE LOCAL GOVERNMENT PROVIDES NOTICE PURSUANT TO
16 SUBSECTION (4)(a)(I) OF THIS SECTION TO A RESIDENTIAL SELLER THAT
17 THE LOCAL GOVERNMENT MAY EXERCISE ITS RIGHT OF FIRST REFUSAL, THE
18 RESIDENTIAL SELLER SHALL NOT PROCEED WITH THE SALE OF THE
19 QUALIFYING PROPERTY TO ANY OTHER PARTY AND THE LOCAL
20 GOVERNMENT SHALL HAVE A RIGHT TO MAKE A MATCHED OFFER.

21 (III) FOR THE PURPOSE OF DETERMINING WHETHER AN OFFER BY
22 THE LOCAL GOVERNMENT IS A MATCHED OFFER, IT IS IMMATERIAL HOW
23 THE OFFER WOULD BE FINANCED IF THE LOCAL GOVERNMENT HAS SECURED
24 THE FINANCING OR DEMONSTRATES APPROVAL OF THE FINANCING IN
25 CONNECTION WITH MAKING THE OFFER, NOTWITHSTANDING ANY
26 REQUIREMENT OF APPROPRIATION BY A GOVERNING BODY FOR THE
27 FINANCING. FOR PURPOSES OF THIS SECTION, A RESIDENTIAL SELLER SHALL

1 NEGOTIATE IN GOOD FAITH WITH THE LOCAL GOVERNMENT THAT MAKES
2 A MATCHED OFFER. THIS INCLUDES, BUT IS NOT LIMITED TO, EVALUATING
3 AN OFFER FROM THE LOCAL GOVERNMENT OR ITS ASSIGNEE WITHOUT
4 CONSIDERATION OF:

5 (A) THE PERIOD FOR CLOSING;

6 (B) THE TYPE OF FINANCING OR PAYMENT METHOD;

7 (C) WHETHER OR NOT THE OFFER IS CONTINGENT ON A
8 PARTICULAR FINANCING OR PAYMENT METHOD; EXCEPT THAT THE LOCAL
9 GOVERNMENT MUST BE ABLE TO DEMONSTRATE THAT ITS FINANCING OR
10 PAYMENT METHOD HAS BEEN APPROVED, NOTWITHSTANDING ANY
11 REQUIREMENT OF APPROPRIATION BY A GOVERNING BODY FOR THE
12 FINANCING OR PAYMENT METHOD; AND

13 (D) WHETHER OR NOT THE OFFER IS CONTINGENT ON AN
14 APPRAISAL, INSPECTION, REVIEW OF TITLE, OBTAINING TITLE INSURANCE,
15 OR OTHER CUSTOMARY CONDITIONS FOR THE SALE OF SIMILAR PROPERTY.

16 (IV) A RESIDENTIAL SELLER SHALL NOT COLLUDE WITH A
17 POTENTIAL BUYER FOR THE PRIMARY PURPOSE OF INFLATING A SALES
18 PRICE ABOVE THE MARKET PRICE OF A QUALIFYING PROPERTY.

19 (c) THE LOCAL GOVERNMENT'S RIGHT OF FIRST REFUSAL
20 CONCERNING THE QUALIFYING PROPERTY IS LIMITED TO PRESERVING OR
21 CONVERTING THE QUALIFYING PROPERTY TO LONG-TERM AFFORDABLE
22 HOUSING DIRECTLY OR THROUGH ANOTHER ENTITY TO WHICH THE LOCAL
23 GOVERNMENT ASSIGNS ITS RIGHTS PURSUANT SUBSECTION (2)(f) OF THIS
24 SECTION OR TRANSFERS THE QUALIFYING PROPERTY.

25 (d) IF A QUALIFYING PROPERTY IS CLASSIFIED AS MIXED-USE, THE
26 LOCAL GOVERNMENT'S OFFER MUST INCLUDE ANY COMMERCIAL PORTION
27 OF THE QUALIFYING PROPERTY, BUT ONLY THE RESIDENTIAL PORTION OF

1 THE QUALIFYING PROPERTY IS SUBJECT TO AFFORDABILITY
2 REQUIREMENTS.

3 (e) THE LOCAL GOVERNMENT, IN EXERCISING ITS RIGHT OF FIRST
4 REFUSAL, MAY PARTNER WITH A NONPROFIT ENTITY, A PRIVATE ENTITY, A
5 QUASI-GOVERNMENTAL ENTITY, OR ANOTHER GOVERNMENTAL ENTITY TO
6 CO-FINANCE, LEASE, OR MANAGE THE QUALIFYING PROPERTY FOR THE
7 PUBLIC PURPOSE OF MAINTAINING THE QUALIFYING PROPERTY AS
8 LONG-TERM AFFORDABLE HOUSING AS LONG AS THE LOCAL GOVERNMENT
9 OR ITS ASSIGNEE MAINTAINS OWNERSHIP OF THE QUALIFYING PROPERTY
10 EITHER DIRECTLY OR THROUGH A SPECIAL PURPOSE ENTITY OR AFFILIATE.

11 (f) AT ANY TIME, THE LOCAL GOVERNMENT MAY ASSIGN THE RIGHT
12 OF FIRST REFUSAL WITH RESPECT TO A SPECIFIC QUALIFYING PROPERTY OR
13 WITH RESPECT TO ALL QUALIFYING PROPERTIES IN THE LOCAL
14 GOVERNMENT'S JURISDICTION TO A HOUSING AUTHORITY THAT IS WITHIN
15 THE LOCAL GOVERNMENT'S JURISDICTION, A REGIONAL HOUSING
16 AUTHORITY THAT SERVES THE LOCAL GOVERNMENT'S JURISDICTION, OR
17 THE COLORADO HOUSING AND FINANCE AUTHORITY, SUBJECT TO THE
18 REQUIREMENTS THAT THE QUALIFYING PROPERTY IS USED TO PRESERVE OR
19 BE CONVERTED TO LONG-TERM AFFORDABLE HOUSING AND THAT ALL
20 OTHER PROVISIONS OF THIS PART 12 APPLY TO THE ASSIGNEE. IF THE
21 PROPOSED ASSIGNEE ACCEPTS THE ASSIGNMENT OF THE RIGHT OF FIRST
22 REFUSAL IN WRITING, UPON ASSIGNMENT, THE ASSIGNEE ASSUMES ALL
23 LIABILITY OF THE LOCAL GOVERNMENT REGARDING THE EXERCISE OF THE
24 RIGHT OF FIRST REFUSAL AND IS RESPONSIBLE FOR PERFORMING ALL
25 REQUIREMENTS PURSUANT TO THIS PART 12 WITH RESPECT TO A
26 QUALIFYING PROPERTY AS IF THE ASSIGNEE WERE THE LOCAL
27 GOVERNMENT. THE LOCAL GOVERNMENT MUST PROVIDE NOTICE OF ANY

1 ASSIGNMENT AS FOLLOWS:

2 (I) IF THE LOCAL GOVERNMENT HAS ASSIGNED ITS RIGHT OF FIRST
3 REFUSAL WITH RESPECT TO ALL PROPERTIES WITHIN ITS JURISDICTION, THE
4 LOCAL GOVERNMENT MUST POST A NOTICE IN A CONSPICUOUS LOCATION
5 ON ITS WEBSITE INDICATING THAT THE LOCAL GOVERNMENT HAS ASSIGNED
6 ITS RIGHT OF FIRST REFUSAL AND LISTING THE ASSIGNEE'S NAME AND
7 CONTACT INFORMATION TO RECEIVE NOTICES REQUIRED PURSUANT TO
8 THIS SECTION. THE NOTICE POSTED IN ACCORDANCE WITH THIS
9 SUBSECTION (2)(f)(I) MUST BE EFFECTIVE FOR AT LEAST THREE MONTHS
10 AFTER IT IS POSTED AND MUST EXPLICITLY STATE THE DATE IT EXPIRES, IF
11 ANY. ANY NOTICE POSTED BY THE LOCAL GOVERNMENT IN ACCORDANCE
12 WITH THIS SUBSECTION (2)(f)(I) IS DEEMED CONSTRUCTIVE NOTICE TO THE
13 RESIDENTIAL SELLER.

14 (II) IF THE LOCAL GOVERNMENT HAS NOT POSTED NOTICE IN
15 ACCORDANCE WITH SUBSECTION (2)(f)(I) OF THIS SECTION AND ASSIGNS
16 ITS RIGHT OF FIRST REFUSAL WITH RESPECT TO ALL QUALIFYING
17 PROPERTIES IN ITS JURISDICTION OR WITH RESPECT TO A QUALIFYING
18 PROPERTY THAT IS THE SUBJECT OF THE NOTICE PROVIDED BY A
19 RESIDENTIAL SELLER IN ACCORDANCE WITH SUBSECTION (3)(b) OF THIS
20 SECTION AFTER RECEIPT OF SUCH NOTICE, THE LOCAL GOVERNMENT SHALL
21 IMMEDIATELY NOTIFY THE RESIDENTIAL SELLER OF THE ASSIGNMENT AND
22 OF THE ASSIGNEE'S ADDRESS TO RECEIVE ANY NOTICES THE RESIDENTIAL
23 SELLER IS REQUIRED TO SEND IN ACCORDANCE WITH THIS SECTION; EXCEPT
24 THAT, IF THE SALE OF THE QUALIFYING PROPERTY THAT IS THE SUBJECT OF
25 THE NOTICE PROVIDED BY THE RESIDENTIAL SELLER IN ACCORDANCE WITH
26 SUBSECTION (3)(b) OF THIS SECTION HAS CONCLUDED, THEN NO NOTICE BY
27 THE LOCAL GOVERNMENT OF THE ASSIGNMENT IS REQUIRED.

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(g) (I) THE GOVERNING BODY OF A LOCAL GOVERNMENT HAS THE RIGHT TO WAIVE THE RIGHT OF FIRST REFUSAL PROVIDED IN THIS SECTION.

(II) (A) IF THE GOVERNING BODY OF A LOCAL GOVERNMENT HAS WAIVED ITS RIGHT OF FIRST REFUSAL, IT SHALL POST A NOTICE IN A CONSPICUOUS LOCATION ON ITS WEBSITE INDICATING THAT THERE IS A WAIVER AND THAT RESIDENTIAL SELLERS WITH QUALIFYING PROPERTIES WITHIN ITS JURISDICTION DO NOT HAVE AN OBLIGATION TO COMPLY WITH THIS SECTION. THE LOCAL GOVERNMENT SHALL ALSO PROVIDE WRITTEN NOTICE TO THE COLORADO HOUSING AND FINANCE AUTHORITY OF THE WAIVER.

(B) THE NOTICE POSTED OR PROVIDED IN ACCORDANCE WITH SUBSECTION (2)(g)(II)(A) OF THIS SECTION MUST BE EFFECTIVE FOR AT LEAST THREE MONTHS AFTER IT IS POSTED OR PROVIDED, AS APPLICABLE, AND MUST EXPLICITLY STATE THE DATE IT EXPIRES, IF ANY.

(C) FAILURE TO POST OR PROVIDE NOTICE PURSUANT TO THIS SUBSECTION (2)(g)(II) DOES NOT OTHERWISE AFFECT THE LOCAL GOVERNMENT'S RIGHT OF FIRST REFUSAL.

(3) **Notices by residential seller.** (a) (I) (A) NOT LESS THAN TWO YEARS BEFORE THE FINAL EXPIRATION OF THE LAST REMAINING AFFORDABILITY RESTRICTION INCUMBENT TO A QUALIFYING PROPERTY'S FUNDING SOURCES, A RESIDENTIAL SELLER SHALL PROVIDE NOTICE TO THE COLORADO HOUSING AND FINANCE AUTHORITY AND THE GOVERNING BODY OF THE LOCAL GOVERNMENT IN WHICH THE QUALIFYING PROPERTY IS LOCATED OF THE EXPIRATION OF SUCH RESTRICTION. THE NOTICE MUST INCLUDE THE DATE OF EXPIRATION OF THE LAST REMAINING AFFORDABILITY RESTRICTION AND CONTACT INFORMATION FOR THE

1 RESIDENTIAL SELLER.

2 (B) NOTWITHSTANDING SUBSECTION (3)(a)(I)(A) OF THIS SECTION,
3 WHETHER NOTICE IS PROVIDED PURSUANT TO SUBSECTION (3)(a)(I)(A) OF
4 THIS SECTION IS NOT RELEVANT TO DETERMINING A RESIDENTIAL SELLER'S
5 OR LOCAL GOVERNMENT'S COMPLIANCE WITH THE REQUIREMENTS OF THIS
6 PART 12 AND IS NOT SUBJECT TO ANY PROVISIONS SET FORTH IN SECTION
7 29-4-1206. PROVISION OF THE NOTICE REQUIRED BY SUBSECTION
8 (3)(a)(I)(A) OF THIS SECTION IS NOT A TRIGGERING EVENT PURSUANT TO
9 SUBSECTION (3)(b)(I) OF THIS SECTION.

10 (II) NOT LESS THAN SIX MONTHS BEFORE THE FINAL EXPIRATION
11 OF THE LAST REMAINING AFFORDABILITY RESTRICTION INCUMBENT TO
12 A QUALIFYING PROPERTY'S FUNDING SOURCES, A RESIDENTIAL SELLER
13 SHALL PROVIDE NOTICE TO THE COLORADO HOUSING AND FINANCE
14 AUTHORITY AND THE GOVERNING BODY OF THE LOCAL GOVERNMENT IN
15 WHICH THE QUALIFYING PROPERTY IS LOCATED OF THE EXPIRATION OF
16 SUCH RESTRICTION. THE NOTICE MUST INDICATE WHETHER THE
17 RESIDENTIAL SELLER ANTICIPATES THAT IT WILL RECAPITALIZE AND
18 CONTINUE TO OPERATE THE QUALIFYING PROPERTY AT AFFORDABILITY
19 LEVELS AT LEAST ON AVERAGE EQUAL TO WHAT HAS BEEN PROVIDED AT
20 THE QUALIFYING PROPERTY, RETAIN OWNERSHIP OF THE QUALIFYING
21 PROPERTY AND LET AFFORDABILITY REQUIREMENTS EXPIRE, OR SELL THE
22 QUALIFYING PROPERTY UPON EXPIRATION OF THE RESTRICTIONS.

23 (III) THE NOTICES PROVIDED TO THE COLORADO HOUSING AND
24 FINANCE AUTHORITY PURSUANT TO THIS SUBSECTION (3)(a) DO NOT
25 CREATE AN OBLIGATION OR REQUIREMENT FOR THE COLORADO HOUSING
26 AND FINANCE AUTHORITY TO TAKE ACTION WITH RESPECT TO THE
27 QUALIFYING PROPERTY OR TO PROVIDE ANY ENFORCEMENT OR

1 COMPLIANCE MONITORING OF ANY REQUIREMENTS OF THIS PART 12.

2 (b) (I) WITHIN FOURTEEN CALENDAR DAYS OF A TRIGGERING
3 EVENT, A RESIDENTIAL SELLER SHALL PROVIDE NOTICE IN ACCORDANCE
4 WITH THIS SUBSECTION (3)(b) AND SUBSECTION (3)(d) OF THIS SECTION TO
5 THE GOVERNING BODY OF THE LOCAL GOVERNMENT IN WHICH THE
6 QUALIFYING PROPERTY IS LOCATED AND SHALL MAKE A GOOD FAITH
7 EFFORT TO ENSURE THE NOTICE IS RECEIVED BY THE LOCAL GOVERNMENT.

8 A TRIGGERING EVENT IS THE FIRST TO OCCUR OF ANY OF THE FOLLOWING
9 EVENTS WHEN THE RESIDENTIAL SELLER:

10 (A) MATERIALLY DEPARTS FROM ANY REPRESENTATION MADE IN
11 THE NOTICES REQUIRED PURSUANT TO SUBSECTION (3)(a) OF THIS SECTION
12 AFTER AFFORDABILITY RESTRICTIONS EXPIRE IN A MANNER THAT
13 INDICATES AN INTENT TO SELL THE QUALIFYING PROPERTY;

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15 (B) SIGNS A LETTER OF INTENT, OPTION TO SELL OR BUY, OR OTHER
16 CONDITIONAL WRITTEN AGREEMENT WITH A POTENTIAL BUYER FOR THE
17 SALE OR TRANSFER OF THE QUALIFYING PROPERTY, WHICH INCLUDES THE
18 ESTIMATED PRICE, TERMS, AND CONDITIONS OF THE PROPOSED SALE OR
19 TRANSFER, EVEN IF THE PRICE, TERMS, OR CONDITIONS ARE SUBJECT TO
20 CHANGE;

21 ==

22 (C) LISTS THE QUALIFYING PROPERTY FOR SALE; OR

23 (D) MAKES A CONDITIONAL ACCEPTANCE OF AN OFFER FOR THE
24 SALE OR TRANSFER OF THE QUALIFYING PROPERTY.

25 ==

26 (II) THE NOTICE REQUIRED PURSUANT TO THIS SUBSECTION (3)(b)
27 MUST INCLUDE:

1 (A) A GENERAL DESCRIPTION OF THE QUALIFYING PROPERTY TO BE
2 SOLD, INCLUDING THE ADDRESS AND NAME OF THE PROPERTY, IF ANY, AND
3 ANY ADDITIONAL DESCRIPTIONS OF THE QUALIFYING PROPERTY ON FILE
4 WITH THE OFFICE OF THE ASSESSOR IN THE COUNTY IN WHICH THE
5 QUALIFYING PROPERTY IS LOCATED;

6 (B) THE RESIDENTIAL SELLER'S ADDRESS AND, IF AVAILABLE,
7 ELECTRONIC MAILING ADDRESS TO RECEIVE NOTICES FROM THE LOCAL
8 GOVERNMENT;

9 ==
10 (C) THE PRICE, TERMS, AND CONDITIONS OF AN ACCEPTABLE OFFER
11 THE RESIDENTIAL SELLER HAS RECEIVED TO SELL THE QUALIFYING
12 PROPERTY OR THE PRICE, TERMS, AND CONDITIONS FOR WHICH THE
13 RESIDENTIAL SELLER INTENDS TO SELL THE QUALIFYING PROPERTY;

14 (D) ANY TERMS OR CONDITIONS WHICH, IF NOT MET, WOULD BE
15 SUFFICIENT GROUNDS, IN THE RESIDENTIAL SELLER'S DISCRETION AND IN
16 COMPLIANCE WITH THIS PART 12 AND ANY OTHER APPLICABLE LAW, TO
17 REJECT AN OFFER; AND

18 (E) IF THE RESIDENTIAL SELLER HAS ENTERED INTO A CONTINGENT
19 PURCHASE AND SALE AGREEMENT WITH A PROSPECTIVE BUYER, A COPY OF
20 THE AGREEMENT.

21 (III) THE PRICE, TERMS, AND CONDITIONS REQUIRED TO BE STATED
22 IN THE NOTICE PURSUANT TO SUBSECTION (3)(b)(II)(C) OF THIS SECTION
23 MUST BE UNIVERSAL AND APPLICABLE TO ALL POTENTIAL BUYERS AND
24 MUST NOT BE SPECIFIC TO OR PROHIBITIVE OF THE LOCAL GOVERNMENT
25 MAKING A SUCCESSFUL OFFER TO PURCHASE THE QUALIFYING PROPERTY,
26 MUST NOT BE UNLAWFUL, AND MUST NOT INHIBIT THE EXERCISE OF THE
27 RIGHT OF FIRST REFUSAL PROVIDED FOR IN THIS SECTION.

1 (c) IF THE PRICE REQUIRED TO BE LISTED IN THE RESIDENTIAL
2 SELLER'S NOTICE PURSUANT TO SUBSECTION (3)(b)(II)(C) OF THIS SECTION
3 IS REDUCED BY FIVE PERCENT OR MORE OR THE TERMS OR CONDITIONS AS
4 REQUIRED TO BE PROVIDED IN THE RESIDENTIAL SELLER'S NOTICE
5 PURSUANT TO SUBSECTION (3)(b)(II)(D) OF THIS SECTION MATERIALLY
6 CHANGE, THE RESIDENTIAL SELLER SHALL WITHIN SEVEN DAYS OF THE
7 CHANGE PROVIDE NOTICE TO THE LOCAL GOVERNMENT OF THE CHANGE
8 AND THE LOCAL GOVERNMENT MAY EXERCISE, OR RE-EXERCISE, ITS RIGHT
9 OF FIRST REFUSAL IN ACCORDANCE WITH THIS SECTION.

10 (d) THE NOTICES GIVEN PURSUANT TO THIS SUBSECTION (3) MUST
11 BE DELIVERED TO THE APPLICABLE REPRESENTATIVE OF THE COLORADO
12 HOUSING AND FINANCE AUTHORITY AND TO THE CLERK OF THE GOVERNING
13 BODY OF THE LOCAL GOVERNMENT, AS APPLICABLE, BY ELECTRONIC MAIL;
14 EXCEPT THAT, IF THERE IS NOT AN ELECTRONIC MAILING ADDRESS
15 AVAILABLE FOR THE APPLICABLE REPRESENTATIVE OR THE CLERK, THEN
16 BY HAND DELIVERY, UNITED STATES FIRST CLASS MAIL, OR OVERNIGHT
17 DELIVERY.

18 (e) THE LOCAL GOVERNMENT, EXCEPT AS OTHERWISE
19 GOVERNED BY LAW OR COURT ORDER, SHALL SIGN A NONDISCLOSURE
20 AGREEMENT WITH THE RESIDENTIAL SELLER AND, ONCE THE
21 NONDISCLOSURE AGREEMENT IS EXECUTED, MAY SHARE THE INFORMATION
22 CONTAINED IN THE NOTICES REQUIRED PURSUANT TO SUBSECTIONS (3)(b)
23 AND (3)(c) OF THIS SECTION WITH ITS OFFICERS AND EMPLOYEES. IF THE
24 LOCAL GOVERNMENT SHARES THE NOTICES REQUIRED PURSUANT TO
25 SUBSECTIONS (3)(b) AND (3)(c) OF THIS SECTION WITH PROSPECTIVE
26 ENTITIES THAT THE LOCAL GOVERNMENT PARTNERS WITH PURSUANT TO
27 SUBSECTION (2)(e) OF THIS SECTION OR PROSPECTIVE ASSIGNEES

1 PURSUANT TO SUBSECTION (2)(f) OF THIS SECTION FOR THE PURPOSES OF
2 EVALUATING OR OBTAINING FINANCING FOR THE PROSPECTIVE
3 TRANSACTION, THOSE ENTITIES THAT RECEIVE THE NOTICE MUST EACH
4 SIGN A NONDISCLOSURE AGREEMENT FOR THE RESPECTIVE ENTITY WITH
5 THE RESIDENTIAL SELLER. AN ENTITY THAT HAS EXECUTED A
6 NONDISCLOSURE AGREEMENT PURSUANT TO THIS SUBSECTION (3)(e), MAY
7 SHARE THE INFORMATION CONTAINED IN THE NOTICES REQUIRED
8 PURSUANT TO SUBSECTIONS (3)(b) AND (3)(c) OF THIS SECTION WITH ITS
9 OFFICERS, EMPLOYEES, AND ATTORNEYS AND WITH ITS ADVISORS AND
10 PROSPECTIVE FINANCING PROVIDERS IF THE ADVISORS AND PROSPECTIVE
11 FINANCING PROVIDERS ARE BOUND BY THE NONDISCLOSURE AGREEMENT
12 OR BY A SIMILAR CONTRACTUAL, LEGAL, OR FIDUCIARY OBLIGATION OF
13 CONFIDENTIALITY FOR THE PURPOSES OF EVALUATING OR OBTAINING
14 FINANCING FOR THE PROSPECTIVE TRANSACTION. THE INFORMATION
15 CONTAINED IN THE NOTICES REQUIRED UNDER SUBSECTIONS (3)(b) AND
16 (3)(c) OF THIS SECTION, EXCEPT FOR THE PROPERTY ADDRESS AND ANY
17 INFORMATION THAT IS PUBLICLY RECORDED, IS CONFIDENTIAL
18 INFORMATION NOT SUBJECT TO PUBLIC DISCLOSURE.

19 **(4) (a) Notice by the local government to the residential seller.**
20 **(I) THE LOCAL GOVERNMENT SHALL MAKE A GOOD FAITH EFFORT TO**
21 **PROVIDE NOTICE TO THE RESIDENTIAL SELLER AS SOON AS POSSIBLE BUT**
22 **NOT LATER THAN FOURTEEN CALENDAR DAYS OF RECEIPT OF THE NOTICE**
23 **REQUIRED PURSUANT TO SUBSECTION (3)(b) OR (3)(c) OF THIS SECTION OF**
24 **THE LOCAL GOVERNMENT'S INTENT, WITH RESPECT TO THE QUALIFYING**
25 **PROPERTY THAT IS THE SUBJECT OF THE NOTICE, TO EITHER PRESERVE ITS**
26 **RIGHT OF FIRST REFUSAL PROVIDED IN THIS SECTION OR WAIVE ITS RIGHT**
27 **OF FIRST REFUSAL. THE NOTICE MUST BE DELIVERED BY ELECTRONIC MAIL;**

1 EXCEPT THAT, IF THE RESIDENTIAL SELLER HAS NOT PROVIDED AN
2 ELECTRONIC MAILING ADDRESS, THEN BY HAND DELIVERY, UNITED
3 STATES FIRST CLASS MAIL, OR OVERNIGHT DELIVERY TO THE ADDRESS
4 PROVIDED BY THE RESIDENTIAL SELLER PURSUANT TO SUBSECTION
5 (3)(b)(II)(B) OF THIS SECTION.

6 (II) THE NOTICE GIVEN PURSUANT TO SUBSECTION (4)(a)(I) OF THIS
7 SECTION IS NONBINDING ON THE LOCAL GOVERNMENT.

8 (III) IF NO NOTICE IS GIVEN BY THE LOCAL GOVERNMENT, IF THE
9 LOCAL GOVERNMENT FAILS TO MAKE AN OFFER WITHIN THE TIME PERIOD
10 PROVIDED IN SUBSECTION (5) OF THIS SECTION, OR IF THE OFFER IS
11 OTHERWISE NOT MADE IN ACCORDANCE WITH SUBSECTION (5) OF THIS
12 SECTION, THE RESIDENTIAL SELLER MAY PROCEED WITH THE SALE OF THE
13 QUALIFYING PROPERTY TO ANY BUYER.

14 (IV) IF THE LOCAL GOVERNMENT INTENDS TO ASSIGN ITS RIGHT OF
15 FIRST REFUSAL IN ACCORDANCE WITH SUBSECTION (2)(f) OF THIS SECTION,
16 THE LOCAL GOVERNMENT MUST DISCLOSE THE POTENTIAL ASSIGNEE IN
17 THE NOTICE REQUIRED PURSUANT TO SUBSECTION (4)(a)(I) OF THIS
18 SECTION AND PROVIDE A COPY OF THE NOTICE TO THE PROPOSED
19 ASSIGNEE, FOR THE PROPOSED ASSIGNEE'S CONSIDERATION IN
20 DETERMINING WHETHER TO ACCEPT THE ASSIGNMENT.

21
22 (b) Notice by the local government to the Colorado housing
23 and finance authority. IN CONNECTION WITH THE LOCAL GOVERNMENT
24 PROVIDING NOTICE TO THE RESIDENTIAL SELLER IN ACCORDANCE WITH
25 SUBSECTION (4)(a)(I) OF THIS SECTION, THE LOCAL GOVERNMENT SHALL
26 ALSO PROVIDE THE NOTICE TO THE COLORADO HOUSING AND FINANCE
27 AUTHORITY INDICATING IF THE LOCAL GOVERNMENT INTENDS TO EITHER

1 PRESERVE OR WAIVE ITS RIGHT OF FIRST REFUSAL WITH RESPECT TO THE
2 QUALIFYING PROPERTY THAT IS THE SUBJECT OF THE NOTICE PROVIDED
3 PURSUANT TO SUBSECTION (3)(b) OF THIS SECTION AND IDENTIFYING ANY
4 POTENTIAL ASSIGNEE THAT THE LOCAL GOVERNMENT INTENDS TO ASSIGN
5 ITS RIGHT OF FIRST REFUSAL TO. THE NOTICE REQUIRED BY THIS
6 SUBSECTION (4)(b) IS NONBINDING ON THE LOCAL GOVERNMENT.

7 (5) **Process to exercise right of first refusal.** (a) (I) EXCEPT AS
8 OTHERWISE PROVIDED IN SUBSECTION (6) OF THIS SECTION, THE LOCAL
9 GOVERNMENT HAS THIRTY CALENDAR DAYS FROM PROVIDING NOTICE
10 PURSUANT TO SUBSECTION (4)(a)(I) OF THIS SECTION TO MAKE AN OFFER
11 TO PURCHASE THE QUALIFYING PROPERTY AND SHALL AGREE TO CLOSE ON
12 THE QUALIFYING PROPERTY AND EXECUTE THE NECESSARY AGREEMENTS
13 TO FINALIZE THE SALE OF THE QUALIFYING PROPERTY TO THE LOCAL
14 GOVERNMENT WITHIN SIXTY CALENDAR DAYS OF THE ACCEPTANCE BY A
15 RESIDENTIAL SELLER OF THE LOCAL GOVERNMENT'S OFFER TO PURCHASE
16 THE QUALIFYING PROPERTY AND THE EXECUTION OF THE NECESSARY
17 AGREEMENTS IN CONNECTION WITH ACCEPTING THE OFFER.

18 (II) NOTWITHSTANDING SUBSECTION (5)(a)(I) OF THIS SECTION
19 ANDEXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (6) OF THIS SECTION,
20 IF A RESIDENTIAL SELLER HAS RECEIVED AN OFFER FROM A THIRD-PARTY
21 BUYER THAT IS AN ENTIRELY CASH OFFER FOR THE THIRD-PARTY BUYER TO
22 PURCHASE THE QUALIFYING PROPERTY, THE LOCAL GOVERNMENT SHALL
23 AGREE TO CLOSE ON THE QUALIFYING PROPERTY AND EXECUTE THE
24 NECESSARY AGREEMENTS TO FINALIZE THE SALE OF THE QUALIFYING
25 PROPERTY TO THE LOCAL GOVERNMENT WITHIN THE SAME TIME PERIOD AS
26 IS SET FORTH IN THE THIRD-PARTY BUYER'S OFFER.

27 (b) IF A RESIDENTIAL SELLER REJECTS AN OFFER MADE BY THE

1 LOCAL GOVERNMENT EXERCISING ITS RIGHT OF FIRST REFUSAL, THE
2 RESIDENTIAL SELLER SHALL PROVIDE A WRITTEN EXPLANATION OF THE
3 REJECTION AND SHALL INVITE THE LOCAL GOVERNMENT TO MAKE ONE
4 SUBSEQUENT OFFER WITHIN FOURTEEN DAYS BY IDENTIFYING THE
5 MATERIAL TERMS AND CONDITIONS THAT MUST BE INCLUDED IN THE
6 SUBSEQUENT OFFER IN ORDER FOR THE RESIDENTIAL SELLER TO
7 POTENTIALLY ACCEPT THE SUBSEQUENTLY MADE OFFER BY THE LOCAL
8 GOVERNMENT. THE RESIDENTIAL SELLER SHALL HAVE FOURTEEN DAYS
9 FROM THE DATE OF THE LOCAL GOVERNMENT'S SUBSEQUENT OFFER TO
10 EITHER ACCEPT OR REJECT THE SUBSEQUENT OFFER, AND IF THE LOCAL
11 GOVERNMENT'S SUBSEQUENT OFFER IS REJECTED BY THE RESIDENTIAL
12 SELLER, THE RESIDENTIAL SELLER SHALL PROVIDE A WRITTEN
13 EXPLANATION OF THE REJECTION AND THE RESIDENTIAL SELLER'S
14 REJECTION OF THE SUBSEQUENT OFFER CONSTITUTES TERMINATION OF THE
15 LOCAL GOVERNMENT'S RIGHT OF FIRST REFUSAL TO PURCHASE THE
16 QUALIFYING PROPERTY, SUBJECT TO THE LOCAL GOVERNMENT'S RIGHT TO
17 EXERCISE, OR RE-EXERCISE ITS RIGHT OF FIRST REFUSAL PURSUANT TO
18 SUBSECTION (3)(c) OF THIS SECTION IF THE CONDITION SET FORTH IN
19 SUBSECTION (3)(c) OF THIS SECTION OCCURS.

20 (c) WITHIN SEVEN CALENDAR DAYS OF CLOSING ON THE SALE OF
21 THE QUALIFYING PROPERTY TO THE LOCAL GOVERNMENT, THE
22 RESIDENTIAL SELLER SHALL MAIL NOTICE TO EACH RESIDENT OF THE
23 QUALIFYING PROPERTY OF THE SALE OF THE QUALIFYING PROPERTY TO THE
24 LOCAL GOVERNMENT. THE RESIDENTIAL SELLER SHALL ALSO POST A COPY
25 OF THE NOTICE IN A CONSPICUOUS PLACE IN THE QUALIFYING PROPERTY.
26 THE MAILED AND POSTED NOTICES MUST BE PROVIDED IN ENGLISH,
27 SPANISH, AND ANY OTHER LANGUAGE KNOWN TO BE SPOKEN BY

1 RESIDENTS AT THE QUALIFYING PROPERTY AND MUST INCLUDE CONTACT
2 INFORMATION FOR THE LOCAL GOVERNMENT, OR ITS ASSIGNEE, IF
3 APPLICABLE, FOR RESIDENTS TO DIRECT QUESTIONS AND INPUT TO.

4 (6) **Extension of time.** THE TIME PERIODS SET FORTH IN THIS
5 SECTION MAY BE EXTENDED AND ANY TERMS OR CONDITIONS OF SALE MAY
6 BE MODIFIED BY WRITTEN AGREEMENT BETWEEN THE LOCAL GOVERNMENT
7 AND THE RESIDENTIAL SELLER OR, IF THE LOCAL GOVERNMENT HAS
8 ASSIGNED ITS RIGHT OF FIRST REFUSAL, THE LOCAL GOVERNMENT'S
9 ASSIGNEE AND THE RESIDENTIAL SELLER.

10

11 (7) **Certificate of compliance.** WITHIN FOURTEEN CALENDAR
12 DAYS OF RECEIPT OF NOTICE REQUIRED BY EITHER SUBSECTION (3)(b) OR
13 (3)(c) OF THIS SECTION OR, IF THE LOCAL GOVERNMENT INTENDS TO
14 EXERCISE ITS RIGHT OF FIRST REFUSAL, WITHIN FOURTEEN CALENDAR
15 DAYS OF EITHER ACCEPTANCE BY A RESIDENTIAL SELLER OF THE LOCAL
16 GOVERNMENT'S OFFER OR REJECTION BY A RESIDENTIAL SELLER OF THE
17 LOCAL GOVERNMENT'S OFFER IN ACCORDANCE WITH SUBSECTION (5)(b) OF
18 THIS SECTION, THE LOCAL GOVERNMENT OR ITS ASSIGNEE SHALL EXECUTE
19 AND RECORD A CERTIFICATE OF COMPLIANCE IN THE REAL PROPERTY
20 RECORDS OF THE COUNTY IN WHICH THE QUALIFYING PROPERTY IS
21 SITUATED. THE CERTIFICATE OF COMPLIANCE MUST INCLUDE THE NAME OF
22 THE RESIDENTIAL SELLER, A LEGAL DESCRIPTION OF THE QUALIFYING
23 PROPERTY, AND A STATEMENT THAT THE RESIDENTIAL SELLER HAS
24 COMPLIED WITH ALL APPLICABLE PROVISIONS OF THIS SECTION. THE
25 RECORDED CERTIFICATE OF COMPLIANCE IS PRIMA FACIE EVIDENCE OF THE
26 RESIDENTIAL SELLER'S COMPLIANCE WITH THIS SECTION AND MAY BE
27 RELIED UPON BY A RESIDENTIAL SELLER, ANY PERSON CLAIMING AN

1 INTEREST IN THE QUALIFYING PROPERTY THROUGH A RESIDENTIAL SELLER,
2 AND A TITLE INSURANCE ENTITY, AS DEFINED IN SECTION 10-11-102 (11).

3 **(8) Tenant qualifications.** (a) THE LOCAL GOVERNMENT OR ITS
4 ASSIGNEE SHALL MAINTAIN AT THE QUALIFYING PROPERTY AFFORDABILITY
5 LEVELS THAT ARE ON AVERAGE EQUAL TO OR GREATER THAN THE LEVELS
6 PROVIDED AT THE TIME IT IS ACQUIRED BY THE LOCAL GOVERNMENT BOTH
7 WITH RESPECT TO THE NUMBER OF AFFORDABLE UNITS AND THE AREA
8 MEDIAN INCOMES USED TO DETERMINE RENT AND INCOME LIMITS. TENANT
9 QUALIFICATIONS MUST COMPLY WITH FAIR HOUSING LAWS AND
10 AFFORDABILITY REQUIREMENTS OF ANY NEW FUNDING SOURCES.

11 (b) NOTWITHSTANDING THE REQUIREMENTS AROUND LONG-TERM
12 AFFORDABLE HOUSING SET FORTH IN THIS SECTION OR THE REQUIREMENTS
13 IN SUBSECTION (8)(a) OF THIS SECTION, RESIDENTS AT THE QUALIFYING
14 PROPERTY AT THE TIME IT IS ACQUIRED BY THE LOCAL GOVERNMENT
15 PURSUANT TO THIS SECTION MAY CONTINUE TO RESIDE AT THE QUALIFYING
16 PROPERTY IRRESPECTIVE OF THEIR INCOME LEVEL FOR AT LEAST THE
17 DURATION OF THEIR TENANCY AGREEMENT PURSUANT TO THE TENANCY
18 AGREEMENT'S TERMS IN EFFECT AT THE TIME THE LOCAL GOVERNMENT
19 ACQUIRES THE QUALIFYING PROPERTY. A LOCAL GOVERNMENT OR ITS
20 ASSIGNEE MAY ONLY DECLINE TO RENEW A TENANT'S LEASE IN ORDER TO
21 COMPLY WITH GREATER AFFORDABILITY RESTRICTIONS AT THE
22 QUALIFYING PROPERTY IN ACCORDANCE WITH SUBSECTION (8)(a) OF THIS
23 SECTION OR IF THE RESIDENT IS DEMONSTRABLY VIOLATING ANY TERMS OF
24 THE LEASE.

25 **(9) Application of a local government's right of first refusal**
26 **laws.** NOTHING IN THIS PART 12 RESTRICTS OR SUPERSEDES THE
27 AUTHORITY OF A LOCAL GOVERNMENT TO ENACT LAWS FOR ITS

1 JURISDICTION PROVIDING FOR THE LOCAL GOVERNMENT'S RIGHT OF FIRST
2 REFUSAL TO PURCHASE PROPERTY FOR AFFORDABLE HOUSING THAT AT A
3 MINIMUM COMPLY WITH THIS PART 12 AND IN THE EVENT OF CONFLICT
4 BETWEEN A PROVISION IN THIS PART 12 AND A LOCAL GOVERNMENT'S
5 LAWS, THE PROVISION MORE FAVORABLE TO THE LOCAL GOVERNMENT
6 APPLIES; EXCEPT THAT THE PROVISIONS OF SUBSECTION (7) OF THIS
7 SECTION AND THE PROVISIONS SET FORTH IN SECTION 29-4-1206 APPLY
8 NOTWITHSTANDING ANY LAW ENACTED BY A LOCAL GOVERNMENT
9 REGARDING THE LOCAL GOVERNMENT'S RIGHT OF FIRST REFUSAL.

10 **29-4-1203. Right of first offer - eligibility - process - notice -**
11 **definition.** (1) **Definition of qualifying property.** AS USED IN THIS
12 SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES, "QUALIFYING
13 PROPERTY" MEANS A MULTIFAMILY RESIDENTIAL OR MIXED-USE RENTAL
14 PROPERTY CONSISTING OF NOT MORE THAN ONE HUNDRED UNITS AND NOT
15 LESS THAN FIFTEEN UNITS AND EXCLUDING EXISTING AFFORDABLE
16 HOUSING AND A MOBILE HOME PARK AS DEFINED IN SECTION 38-12-201.5
17 (6). FOR THE PURPOSE OF DETERMINING WHETHER A PROPERTY CONSISTS
18 OF AT LEAST THE MINIMUM NUMBER OF UNITS SET FORTH IN THIS
19 SUBSECTION (1) FOR A QUALIFYING PROPERTY, AN ACCESSORY DWELLING
20 UNIT DOES NOT COUNT AS A UNIT.

21 (2) **Local government's right of first offer.** (a) IN ACCORDANCE
22 WITH THIS PART 12, THE LOCAL GOVERNMENT FOR THE JURISDICTION IN
23 WHICH A QUALIFYING PROPERTY IS LOCATED HAS A RIGHT OF FIRST OFFER
24 TO MAKE AN OFFER TO PURCHASE THE QUALIFYING PROPERTY BEFORE THE
25 QUALIFYING PROPERTY IS LISTED FOR SALE TO THIRD PARTIES.

26 
27 (b) THE LOCAL GOVERNMENT'S RIGHT OF FIRST OFFER CONCERNING

1 THE QUALIFYING PROPERTY IS LIMITED TO PRESERVING OR CONVERTING
2 THE QUALIFYING PROPERTY TO LONG-TERM AFFORDABLE HOUSING OR A
3 MIXED-INCOME DEVELOPMENT DIRECTLY OR THROUGH ANOTHER ENTITY
4 TO WHICH THE LOCAL GOVERNMENT ASSIGNS ITS RIGHTS PURSUANT TO
5 SUBSECTION (2)(d) OF THIS SECTION OR TRANSFERS THE QUALIFYING
6 PROPERTY. IF A QUALIFYING PROPERTY IS CLASSIFIED AS MIXED-USE, THE
7 LOCAL GOVERNMENT'S OFFER MUST INCLUDE ANY COMMERCIAL PORTION
8 OF THE QUALIFYING PROPERTY, BUT ONLY THE RESIDENTIAL PORTION OF
9 THE QUALIFYING PROPERTY IS SUBJECT TO AFFORDABILITY
10 REQUIREMENTS.

11 (c) THE LOCAL GOVERNMENT, IN EXERCISING ITS RIGHT OF FIRST
12 OFFER, MAY PARTNER WITH A NONPROFIT ENTITY, A PRIVATE ENTITY, A
13 QUASI-GOVERNMENTAL ENTITY, OR ANOTHER GOVERNMENTAL ENTITY TO
14 CO-FINANCE, LEASE, OR MANAGE THE QUALIFYING PROPERTY FOR THE
15 PUBLIC PURPOSE OF MAINTAINING THE QUALIFYING PROPERTY AS
16 LONG-TERM AFFORDABLE HOUSING OR A MIXED-INCOME DEVELOPMENT IF
17 THE LOCAL GOVERNMENT OR ITS ASSIGNEE MAINTAINS OWNERSHIP OF THE
18 QUALIFYING PROPERTY EITHER DIRECTLY OR THROUGH A SPECIAL PURPOSE
19 ENTITY OR AFFILIATE.

20 (d) AT ANY TIME, THE LOCAL GOVERNMENT MAY ASSIGN THE
21 RIGHT OF FIRST OFFER REGARDING A QUALIFYING PROPERTY TO A LOCAL
22 OR REGIONAL HOUSING AUTHORITY OR THE COLORADO HOUSING AND
23 FINANCE AUTHORITY, SUBJECT TO THE REQUIREMENTS THAT THE
24 QUALIFYING PROPERTY IS USED TO PRESERVE OR BE CONVERTED TO
25 LONG-TERM AFFORDABLE HOUSING OR A MIXED-INCOME DEVELOPMENT
26 AND THAT ALL OTHER PROVISIONS OF THIS PART 12 APPLY TO THE
27 ASSIGNEE. THE ASSIGNEE MUST IMMEDIATELY NOTIFY THE RESIDENTIAL

1 SELLER OF ANY ASSIGNMENT PURSUANT TO THIS SUBSECTION (2)(d), AND
2 THE NOTICE MUST INCLUDE THE ASSIGNEE'S ADDRESS TO RECEIVE ANY
3 NOTICES THAT THE RESIDENTIAL SELLER IS REQUIRED TO SEND IN
4 ACCORDANCE WITH THIS SECTION. THE LOCAL GOVERNMENT REMAINS
5 LIABLE FOR OBLIGATIONS PURSUANT TO THIS PART 12 ACCRUING PRIOR TO
6 THE ASSIGNMENT AND UPON ASSIGNMENT, THE ASSIGNEE ASSUMES ALL
7 LIABILITY OF THE LOCAL GOVERNMENT REGARDING THE EXERCISE OF THE
8 RIGHT OF FIRST OFFER AND IS RESPONSIBLE FOR PERFORMING ALL
9 REQUIREMENTS PURSUANT TO THIS PART 12, IN EACH CASE ACCRUING
10 FROM AND AFTER THE ASSIGNMENT, WITH RESPECT TO A QUALIFYING
11 PROPERTY AS IF THE ASSIGNEE WERE THE LOCAL GOVERNMENT.

12 (e) (I) THE GOVERNING BODY OF A LOCAL GOVERNMENT HAS THE
13 RIGHT TO WAIVE THE RIGHT OF FIRST OFFER PROVIDED IN THIS SECTION.

14 (II) (A) IF THE GOVERNING BODY OF A LOCAL GOVERNMENT HAS
15 WAIVED ITS RIGHT OF FIRST OFFER, IT SHALL POST A NOTICE IN A
16 CONSPICUOUS LOCATION ON ITS WEBSITE INDICATING THAT THERE IS A
17 WAIVER AND THAT RESIDENTIAL SELLERS WITH QUALIFYING PROPERTIES
18 WITHIN ITS JURISDICTION DO NOT HAVE AN OBLIGATION TO COMPLY WITH
19 THIS SECTION.

20 (B) THE NOTICE POSTED IN ACCORDANCE WITH SUBSECTION
21 (2)(e)(II)(A) OF THIS SECTION MUST BE EFFECTIVE FOR AT LEAST THREE
22 MONTHS AFTER IT IS POSTED AND MUST EXPLICITLY STATE THE DATE IT
23 EXPIRES, IF ANY.

24 (C) FAILURE TO POST NOTICE PURSUANT TO THIS SUBSECTION
25 (2)(e)(II) DOES NOT OTHERWISE AFFECT THE LOCAL GOVERNMENT'S RIGHT
26 OF FIRST OFFER.

27 (f) NOTWITHSTANDING ANYTHING IN THIS SECTION TO THE

1 CONTRARY, AT ANY TIME PRIOR TO THE RESIDENTIAL SELLER AND THE
2 LOCAL GOVERNMENT ENTERING INTO A CONTRACT FOR THE PURCHASE OF
3 THE QUALIFYING PROPERTY BY THE LOCAL GOVERNMENT, THE
4 RESIDENTIAL SELLER MAY REJECT THE LOCAL GOVERNMENT'S OFFER AND
5 OTHERWISE TERMINATE NEGOTIATIONS WITH THE LOCAL GOVERNMENT.

6 (g) IF THE LOCAL GOVERNMENT WAIVES OR IS DEEMED TO HAVE
7 WAIVED ITS RIGHT OF FIRST OFFER IN ACCORDANCE WITH THIS SECTION OR
8 IF A RESIDENTIAL SELLER REJECTS THE LOCAL GOVERNMENT'S OFFER IN
9 ACCORDANCE WITH SUBSECTION (2)(f) OF THIS SECTION, THE RESIDENTIAL
10 SELLER HAS NO OBLIGATION TO PROVIDE INITIAL OR ADDITIONAL NOTICE,
11 AS APPLICABLE, TO THE LOCAL GOVERNMENT OR OTHERWISE OFFER OR
12 RE-OFFER, AS APPLICABLE, THE QUALIFYING PROPERTY TO THE LOCAL
13 GOVERNMENT PURSUANT TO ANY PROVISION OF THIS SECTION UNLESS A
14 TRANSACTION FOR THE SALE OF THE QUALIFYING PROPERTY DOES NOT
15 CLOSE WITHIN TWELVE MONTHS OF EITHER THE LOCAL GOVERNMENT'S
16 WAIVER OR DEEMED WAIVER OR REJECTION BY THE RESIDENTIAL SELLER
17 OF THE LOCAL GOVERNMENT'S OFFER, WHICHEVER IS EARLIER; EXCEPT
18 THAT, IF THE CONTRACT FOR SALE TO A THIRD PARTY HAS A DURATION
19 LONGER THAN TWELVE MONTHS, THEN THE TWELVE MONTH PERIOD IS
20 EXTENDED TO MATCH THE TERM OF THE CONTRACT.

21 (3) **Notice requirements generally.** (a) (I) ANY NOTICES
22 REQUIRED TO BE PROVIDED TO THE LOCAL GOVERNMENT PURSUANT TO
23 THIS SECTION MUST BE DELIVERED TO THE CLERK OF THE GOVERNING
24 BODY OF THE LOCAL GOVERNMENT BY ELECTRONIC MAIL; EXCEPT THAT IF
25 THERE IS NOT AN ELECTRONIC MAILING ADDRESS AVAILABLE FOR THE
26 CLERK, THEN BY HAND DELIVERY, UNITED STATES FIRST CLASS MAIL, OR
27 OVERNIGHT DELIVERY.

1 (II) NOTWITHSTANDING SUBSECTION (3)(a)(I) OF THIS SECTION, IF
2 THE LOCAL GOVERNMENT ASSIGNS ITS RIGHT OF FIRST OFFER AND THE
3 ASSIGNEE PROVIDES NOTICE OF THE ASSIGNMENT TO THE RESIDENTIAL
4 SELLER PURSUANT TO SUBSECTION (2)(d) OF THIS SECTION, THEN UPON
5 AND AFTER RECEIPT OF NOTICE OF THE ASSIGNMENT, THE RESIDENTIAL
6 SELLER SHALL SEND BY ELECTRONIC MAIL ANY REQUIRED NOTICES
7 PURSUANT TO THIS SECTION TO THE ADDRESS SPECIFIED BY THE ASSIGNEE;
8 EXCEPT THAT, IF THERE IS NOT AN ELECTRONIC MAILING ADDRESS
9 PROVIDED BY THE ASSIGNEE, THEN BY HAND DELIVERY, UNITED STATES
10 FIRST CLASS MAIL, OR OVERNIGHT DELIVERY.

11 (b) ANY NOTICES PROVIDED TO THE RESIDENTIAL SELLER
12 PURSUANT TO THIS SECTION MUST BE DELIVERED TO THE PHYSICAL
13 ADDRESS PROVIDED BY THE RESIDENTIAL SELLER IN ACCORDANCE WITH
14 SUBSECTION (5)(a)(II) OF THIS SECTION OR, UPON ELECTION BY THE
15 RESIDENTIAL SELLER, BY ELECTRONIC MAIL TO THE ELECTRONIC MAILING
16 ADDRESS PROVIDED BY THE RESIDENTIAL SELLER TO THE LOCAL
17 GOVERNMENT.

18 (c) ANY NOTICE PROVIDED PURSUANT TO THIS SECTION IS DEEMED
19 DELIVERED ON THE DATE IT IS SENT BY ELECTRONIC MAIL, THE DATE IT IS
20 HAND DELIVERED, THE DATE AFTER THE DAY IT IS DEPOSITED FOR
21 DELIVERY BY OVERNIGHT DELIVERY, OR THE DATE THAT IS TWO BUSINESS
22 DAYS AFTER THE DAY IT IS DEPOSITED IN THE UNITED STATES MAIL, AS
23 APPLICABLE.

24 (4) **Notice by residential seller, local government's intent, and**
25 **nondisclosure agreement.** (a) BEFORE A RESIDENTIAL SELLER ENTERS
26 INTO AN AGREEMENT WITH A LICENSED BROKER TO SOLICIT AND PROCURE
27 PURCHASERS FOR A QUALIFYING PROPERTY OR OTHERWISE LISTS A

1 QUALIFYING PROPERTY FOR SALE ON THE MULTIPLE LISTING SERVICE, THE
2 RESIDENTIAL SELLER SHALL PROVIDE NOTICE TO THE GOVERNING BODY OF
3 THE LOCAL GOVERNMENT IN WHICH THE QUALIFYING PROPERTY IS
4 LOCATED THAT THE RESIDENTIAL SELLER INTENDS TO SELL THE
5 QUALIFYING PROPERTY.

6 (b) THE LOCAL GOVERNMENT HAS SEVEN CALENDAR DAYS FROM
7 THE DATE OF RECEIVING THE NOTICE REQUIRED BY SUBSECTION (4)(a) OF
8 THIS SECTION TO PROVIDE A WRITTEN RESPONSE TO THE RESIDENTIAL
9 SELLER INDICATING THAT THE LOCAL GOVERNMENT EITHER:

10 (I) IS INTERESTED IN RECEIVING DUE DILIGENCE INFORMATION ON
11 THE QUALIFYING PROPERTY SO THAT IT CAN EVALUATE WHETHER IT
12 WANTS TO MAKE AN OFFER TO PURCHASE THE QUALIFYING PROPERTY,
13 WHICH RESPONSE MUST CONTAIN A NONDISCLOSURE AGREEMENT IN A
14 FORM ACCEPTABLE TO THE RESIDENTIAL SELLER THAT THE LOCAL
15 GOVERNMENT HAS EXECUTED, EXCEPT AS OTHERWISE GOVERNED BY LAW
16 OR COURT ORDER; OR

17 (II) WAIVES ANY RIGHT OF THE LOCAL GOVERNMENT TO PURCHASE
18 THE QUALIFYING PROPERTY.

19 (c) IF THE LOCAL GOVERNMENT DOES NOT RESPOND WITHIN THE
20 SEVEN-DAY PERIOD REQUIRED BY SUBSECTION (4)(b) OF THIS SECTION, IT
21 IS DEEMED TO HAVE WAIVED ITS RIGHT OF FIRST OFFER WITH RESPECT TO
22 THE QUALIFYING PROPERTY.

23 (5) **Residential seller's notice of terms.** (a) IF THE LOCAL
24 GOVERNMENT PROVIDES NOTICE IN ACCORDANCE WITH SUBSECTION (4)(b)
25 OF THIS SECTION, THE RESIDENTIAL SELLER HAS FIVE CALENDAR DAYS
26 FROM RECEIPT OF THE NOTICE TO PROVIDE A NOTICE TO THE LOCAL
27 GOVERNMENT THAT INCLUDES:

1 (I) THE ADDRESS AND NAME OF THE QUALIFYING PROPERTY, IF
2 ANY, AND THE LEGAL DESCRIPTION OF THE QUALIFYING PROPERTY;

3 (II) THE RESIDENTIAL SELLER'S ADDRESS AND, IF AVAILABLE,
4 ELECTRONIC MAILING ADDRESS TO RECEIVE NOTICES FROM THE LOCAL
5 GOVERNMENT;

6 (III) A RENT ROLL FOR THE QUALIFYING PROPERTY SHOWING
7 THE AMOUNT OF RENT CHARGED TO TENANTS AT THE QUALIFYING
8 PROPERTY;

9 (IV) THE VACANCY RATE, OPERATING EXPENSES AND INCOME, AND
10 COMMON AREA AMENITIES AT THE QUALIFYING PROPERTY;

11 (V) ANY MARKETING MATERIALS THAT THE RESIDENTIAL SELLER
12 HAS PREPARED ON OR BEFORE THE DATE OF SUCH NOTICE AND
13 ANTICIPATES USING IN CONNECTION WITH LISTING THE QUALIFYING
14 PROPERTY FOR SALE;

15 (VI) A CURRENT TITLE COMMITMENT; AND

16 (VII) THE RESIDENTIAL SELLER'S EXECUTED VERSION OF THE
17 NONDISCLOSURE AGREEMENT.

18 (b) SUBJECT TO AND PURSUANT TO THE NONDISCLOSURE
19 AGREEMENT EXECUTED IN ACCORDANCE WITH SUBSECTION (4)(b) OF THIS
20 SECTION, THE LOCAL GOVERNMENT MAY SHARE THE INFORMATION
21 CONTAINED IN THE NOTICES REQUIRED PURSUANT TO THIS SUBSECTION (5)
22 WITH ITS OFFICERS AND EMPLOYEES FOR THE PURPOSES OF EVALUATING OR
23 OBTAINING FINANCING FOR THE PROSPECTIVE TRANSACTION. AGENTS OF
24 THE LOCAL GOVERNMENT AND PROSPECTIVE ENTITIES THAT THE LOCAL
25 GOVERNMENT PARTNERS WITH PURSUANT TO SUBSECTION (2)(c) OF THIS
26 SECTION OR PROSPECTIVE ASSIGNEES PURSUANT TO SUBSECTION (2)(d) OF
27 THIS SECTION MUST EACH SIGN A NONDISCLOSURE AGREEMENT FOR THE

1 RESPECTIVE ENTITY. AN ENTITY THAT HAS EXECUTED A NONDISCLOSURE
2 AGREEMENT MAY SHARE THE INFORMATION CONTAINED IN THE NOTICES
3 REQUIRED PURSUANT TO THIS SUBSECTION (5) WITH ITS OFFICERS AND
4 EMPLOYEES FOR THE PURPOSES OF EVALUATING OR OBTAINING FINANCING
5 FOR THE PROSPECTIVE TRANSACTION. THE INFORMATION CONTAINED IN
6 THE NOTICE MUST BE KEPT CONFIDENTIAL AND IS CONFIDENTIAL
7 INFORMATION NOT SUBJECT TO PUBLIC DISCLOSURE.

8 **(6) Notice by the local government.** (a) A LOCAL GOVERNMENT
9 HAS FOURTEEN CALENDAR DAYS FROM THE DATE OF RECEIVING THE
10 NOTICE REQUIRED BY SUBSECTION (5)(a) OF THIS SUBSECTION TO PROVIDE
11 A WRITTEN RESPONSE TO THE RESIDENTIAL SELLER THAT EITHER:

12 (I) MAKES AN OFFER TO PURCHASE THE QUALIFYING PROPERTY
13 SETTING FORTH THE PRICE, TERMS, AND CONDITIONS OF THE OFFER; OR

14 (II) WAIVES ANY RIGHT OF THE LOCAL GOVERNMENT TO PURCHASE
15 THE QUALIFYING PROPERTY.

16 (b) IF THE LOCAL GOVERNMENT DOES NOT PROVIDE A RESPONSE
17 WITHIN THE FOURTEEN-DAY PERIOD SET FORTH IN SUBSECTION (6)(a) OF
18 THIS SECTION, THE LOCAL GOVERNMENT'S RIGHT OF FIRST OFFER IS
19 DEEMED WAIVED.

20 **(7) Process after offer is made.** (a) THE RESIDENTIAL SELLER HAS
21 FOURTEEN CALENDAR DAYS AFTER RECEIPT OF THE LOCAL GOVERNMENT'S
22 OFFER MADE PURSUANT TO SUBSECTION (6)(a)(I) OF THIS SECTION TO
23 NOTIFY THE LOCAL GOVERNMENT THAT IT EITHER ACCEPTS OR REJECTS
24 THE OFFER. DURING THIS PERIOD, THE RESIDENTIAL SELLER MAY INITIATE
25 NEGOTIATIONS IN GOOD FAITH WITH THE LOCAL GOVERNMENT WHICH MAY
26 INCLUDE DISCUSSING ALTERNATIVE PRICE, TERMS, OR CONDITIONS FOR
27 THE PURCHASE OF THE QUALIFYING PROPERTY. IF THE RESIDENTIAL

1 SELLER DOES NOT PROVIDE NOTICE OF ITS ACCEPTANCE OR REJECTION OF
2 THE LOCAL GOVERNMENT'S OFFER IN THE FOURTEEN DAY PERIOD
3 PURSUANT TO THIS SUBSECTION (7)(a), THE OFFER IS DEEMED REJECTED.

4 (b) IF THE RESIDENTIAL SELLER ACCEPTS THE LOCAL
5 GOVERNMENT'S OFFER OR ACCEPTS AN OFFER NEGOTIATED WITH THE
6 LOCAL GOVERNMENT, THE LOCAL GOVERNMENT AND THE RESIDENTIAL
7 SELLER HAVE THIRTY CALENDAR DAYS AFTER THE DATE OF THE
8 RESIDENTIAL SELLER'S RECEIPT OF THE LOCAL GOVERNMENT'S NOTICE
9 PROVIDED IN ACCORDANCE WITH SUBSECTION (6)(a)(I) OF THIS SECTION
10 TO NEGOTIATE AND EXECUTE A CONTRACT FOR THE PURCHASE OF THE
11 QUALIFYING PROPERTY BY THE LOCAL GOVERNMENT. THE CONTRACT
12 MUST REQUIRE THE TRANSACTION TO CLOSE NO LATER THAN SIXTY DAYS
13 AFTER ITS EXECUTION, UNLESS BOTH PARTIES AGREE TO OTHER TERMS.

14 (8) **Certificate of compliance.** WITHIN FOURTEEN CALENDAR
15 DAYS OF RECEIPT OF NOTICE REQUIRED BY SUBSECTION (4)(a) OF THIS
16 SECTION UNLESS THE LOCAL GOVERNMENT PROVIDES NOTICE PURSUANT
17 TO SUBSECTION (4)(b) OF THIS SECTION AND THEN WITHIN FOURTEEN
18 CALENDAR DAYS OF RECEIPT OF THE NOTICE REQUIRED BY SUBSECTION
19 (5)(a) OF THIS SECTION, THE LOCAL GOVERNMENT OR ITS ASSIGNEE SHALL
20 EXECUTE AND RECORD A CERTIFICATE OF COMPLIANCE IN THE REAL
21 PROPERTY RECORDS OF THE COUNTY IN WHICH THE QUALIFYING PROPERTY
22 IS SITUATED. THE CERTIFICATE OF COMPLIANCE MUST INCLUDE THE NAME
23 OF THE RESIDENTIAL SELLER, A LEGAL DESCRIPTION OF THE QUALIFYING
24 PROPERTY, AND A STATEMENT THAT THE RESIDENTIAL SELLER HAS
25 COMPLIED WITH ALL THE APPLICABLE PROVISIONS OF THIS SECTION. THE
26 RECORDED CERTIFICATE OF COMPLIANCE IS PRIMA FACIE EVIDENCE OF THE
27 RESIDENTIAL SELLER'S COMPLIANCE WITH THIS SECTION AND MAY BE

1 RELIED UPON BY A RESIDENTIAL SELLER, ANY PERSON CLAIMING AN
2 INTEREST IN THE QUALIFYING PROPERTY THROUGH A RESIDENTIAL SELLER,
3 AND A TITLE INSURANCE ENTITY, AS DEFINED IN SECTION 10-11-102 (11).

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5 **29-4-1204. General provisions applicable to a local**
6 **government's right of first refusal and right of first offer.**

7 (1) NOTHING IN THIS PART 12 REQUIRES A LOCAL GOVERNMENT TO
8 EXERCISE ITS RIGHT OF FIRST REFUSAL SET FORTH IN SECTION 29-4-1202
9 OR ITS RIGHT OF FIRST OFFER SET FORTH IN SECTION 29-4-1203 AND A
10 LOCAL GOVERNMENT MUST PROMPTLY NOTIFY A RESIDENTIAL SELLER OF
11 ITS INTENT NOT TO EXERCISE ITS RIGHT OF FIRST OFFER AS SET FORTH IN
12 SECTIONS 29-4-1203 (4)(b)(II) AND (6)(a)(II).

13 (2) ANY ACTION BY THE LOCAL GOVERNMENT REQUIRED OR
14 PERMITTED PURSUANT TO THIS PART 12 MAY BE PERFORMED, AS IS
15 APPLICABLE AND TO THE EXTENT PERMITTED BY LAW, BY THE COUNTY
16 MANAGER OF A COUNTY, THE MAYOR OR CITY MANAGER OF A CITY OR
17 TOWN, OR ANOTHER OFFICER DESIGNATED BY THE GOVERNING BODY OF
18 THE LOCAL GOVERNMENT.

19 (3) ANY ACTIONS OF AN AGENT WORKING ON BEHALF OF A
20 RESIDENTIAL SELLER FOR PURPOSES OF THIS PART 12 ARE ATTRIBUTABLE
21 TO THE RESIDENTIAL SELLER. NOTWITHSTANDING ANY OTHER PROVISION
22 OF THIS PART 12 TO THE CONTRARY, A POLITICAL SUBDIVISION OR A
23 HOUSING AUTHORITY IN THE STATE THAT ENGAGES IN ACTIVITIES TO
24 CREATE OR PRESERVE AFFORDABLE HOUSING FOR AN APPLICABLE
25 QUALIFYING PROPERTY IS NOT CONSIDERED AN AGENT WORKING ON
26 BEHALF OF A RESIDENTIAL SELLER FOR PURPOSES OF THIS PART 12.

27 (4) NOTHING WITHIN THIS PART 12 LIMITS THE LOCAL

1 GOVERNMENT'S ABILITY TO CONDEMN AN APPLICABLE QUALIFYING
2 PROPERTY ACQUIRED PURSUANT TO THIS PART 12 TO THE EXTENT
3 PERMITTED BY APPLICABLE LAW.

4 (5) IF A LOCAL GOVERNMENT HAS ADOPTED LONG-TERM
5 AFFORDABILITY REQUIREMENTS THAT ARE GREATER THAN THE
6 REQUIREMENTS SET FORTH IN THIS PART 12, THE LOCAL GOVERNMENT'S
7 REQUIREMENTS APPLY TO THIS PART 12. NOTHING IN THIS PART 12
8 OVERRIDES ANY LOCAL AFFORDABLE HOUSING LAWS.

9 **29-4-1205. Exemptions.** (1) THIS PART 12 DOES NOT APPLY TO
10 ANY SALE, TRANSFER, OR CONVEYANCE OF AN APPLICABLE QUALIFYING
11 PROPERTY BY A RESIDENTIAL SELLER:

12 (a) MADE TO, IF WHOLLY OR MAJORITY OWNED, DIRECTLY OR
13 INDIRECTLY, BY, BENEFICIALLY HELD, ALL OR IN PART, IN COMMON WITH,
14 OR UNDER COMMON OWNERSHIP OR CONTROL WITH THE RESIDENTIAL
15 SELLER, ONE OR MORE PARTNERSHIPS, LIMITED LIABILITY COMPANIES,
16 CORPORATIONS, OR OTHER ENTITIES, MADE FOR TAX OR ESTATE PURPOSES
17 BETWEEN CLOSELY HELD PARTNERS, MEMBERS OF ONE OR MORE LIMITED
18 LIABILITY COMPANIES, MEMBERS OF ONE OR MORE CORPORATIONS, OR
19 MEMBERS, TRUSTEES, MANAGERS, OR PARTNERS OF ONE OR MORE OTHER
20 ENTITIES, OR IF THE UNITED STATES, OR ANY AGENCY OR
21 INSTRUMENTALITY THEREOF, OR THE STATE, OR ANY POLITICAL
22 SUBDIVISION OF THE STATE, IS THE RESIDENTIAL SELLER OF OR IS A
23 THIRD-PARTY BUYER OF THE APPLICABLE QUALIFYING PROPERTY;

24 (b) MADE TO THE STATE, A LOCAL GOVERNMENT, THE COLORADO
25 HOUSING AND FINANCE AUTHORITY, ANY PUBLIC HOUSING AUTHORITY,
26 AND ANY OTHER POLITICAL SUBDIVISION OF THE STATE;

27 (c) MADE TO AN AFFORDABLE HOUSING PROVIDER THAT HAS

1 PROVIDED NOTICE OF INTENT TO PURCHASE THE APPLICABLE QUALIFYING
2 PROPERTY AND COMMITS TO PROVIDING LONG-TERM AFFORDABLE
3 HOUSING;

4 (d) IF THE APPLICABLE QUALIFYING PROPERTY IS SOLD,
5 TRANSFERRED, OR CONVEYED IN A FORECLOSURE ACTION OR BY A DEED IN
6 LIEU OF FORECLOSURE, IF THE APPLICABLE QUALIFYING PROPERTY IS SOLD,
7 TRANSFERRED, OR CONVEYED BY A PARTY THAT ACQUIRES THE
8 APPLICABLE QUALIFYING PROPERTY IN A FORECLOSURE ACTION OR BY A
9 DEED IN LIEU OF FORECLOSURE, OR IF THE APPLICABLE QUALIFYING
10 PROPERTY IS SUBSEQUENTLY TRANSFERRED BY A
11 GOVERNMENT-SPONSORED ENTERPRISE TO A DIRECT OR INDIRECT WHOLLY
12 OWNED SUBSIDIARY, AFFILIATED LENDER, OR OTHER THIRD PARTY;

13 (e) IF, ON OR AFTER THE EFFECTIVE DATE OF THIS PART 12, THE
14 APPLICABLE QUALIFYING PROPERTY HAS A PREEXISTING AGREEMENT THAT
15 BESTOWS A RIGHT OF FIRST REFUSAL, RIGHT OF FIRST OFFER, OR OTHER
16 CONTINGENT PROPERTY RIGHT REGARDING THE APPLICABLE QUALIFYING
17 PROPERTY TO A THIRD PARTY; EXCEPT THAT, UPON EXPIRATION OF THE
18 AGREEMENT, THE PROVISIONS OF THIS PART 12 APPLY TO ANY SALE,
19 TRANSFER, OR CONVEYANCE OF THE APPLICABLE QUALIFYING PROPERTY
20 BY THE RESIDENTIAL SELLER; ==

21 (f) IF THE RESIDENTIAL SELLER HAS APPLIED FOR, IS IN THE
22 PROCESS OF, OR HAS SUCCESSFULLY RESYNDICATED OR RECAPITALIZED
23 THE APPLICABLE QUALIFYING PROPERTY IN CONNECTION WITH AN
24 AFFORDABLE HOUSING PROGRAM OFFERED BY THE FEDERAL, STATE, OR
25 LOCAL GOVERNMENT OR A POLITICAL SUBDIVISION OR ANY PUBLIC ENTITY,
26 AND THE RESIDENTIAL SELLER PROVIDES NOTICE AND DEMONSTRABLE
27 EVIDENCE OF THIS TO THE LOCAL GOVERNMENT; EXCEPT THAT, IF THE

1 RESIDENTIAL SELLER IS NOT SUCCESSFUL IN RESYNDICATING OR
2 RECAPITALIZING AN APPLICABLE QUALIFYING PROPERTY IN CONNECTION
3 WITH AN AFFORDABLE HOUSING PROGRAM OFFERED BY THE FEDERAL,
4 STATE, OR LOCAL GOVERNMENT OR A POLITICAL SUBDIVISION OR ANY
5 PUBLIC ENTITY THEN THE RIGHT OF FIRST REFUSAL OR THE RIGHT OF FIRST
6 OFFER, AS APPLICABLE, AND THE REQUIREMENTS SET FORTH IN THIS PART
7 12 APPLY;

8 (g) MADE TO A FAMILY MEMBER, AS DEFINED IN SECTION
9 8-13.3-503 (11), OF THE RESIDENTIAL SELLER;

10 (h) MADE TO A TRUST IF THE BENEFICIARY OF THE TRUST IS THE
11 SPOUSE, PARTNER IN A CIVIL UNION, LEGALLY RECOGNIZED CHILD, OR
12 OTHER FAMILY MEMBER OF THE RESIDENTIAL SELLER;

13 (i) MADE PURSUANT TO A WILL, DESCENT, OR INTESTATE
14 DISTRIBUTION; OR

15 (j) MADE PURSUANT TO AN ACTION IN EMINENT DOMAIN OR IN
16 RESPONSE TO A THREAT OF EMINENT DOMAIN.

17 (2) _____ THE RIGHT OF FIRST OFFER SET FORTH IN SECTION
18 29-4-1203 DOES NOT APPLY TO ANY SALE, TRANSFER, OR CONVEYANCE OF
19 A QUALIFYING PROPERTY, AS DEFINED IN SECTION 29-4-1203 (1), BY A
20 RESIDENTIAL SELLER:

21 _____

22 (a) MADE PURSUANT TO A COURT ORDER;

23 (b) MADE BETWEEN JOINT TENANTS OR TENANTS IN COMMON;

24 (c) IF THE FIRST CERTIFICATE OF OCCUPANCY FOR THE QUALIFYING
25 PROPERTY WAS ISSUED WITHIN THIRTY YEARS PRECEDING THE DATE THAT
26 THE RESIDENTIAL SELLER WILL LIST THE QUALIFYING PROPERTY FOR SALE;

27 (d) IF THE QUALIFYING PROPERTY IS BEING SOLD, TRANSFERRED,

1 OR CONVEYED AS PART OF A TRANSACTION INVOLVING MULTIPLE
2 PROPERTIES WHICH INCLUDES AT LEAST ONE PROPERTY LOCATED IN A
3 JURISDICTION THAT IS OUTSIDE OF THE JURISDICTION OF THE LOCAL
4 GOVERNMENT;

5 (e) THAT DOES NOT INVOLVE THE SALE, TRANSFER, OR
6 CONVEYANCE OF ALL OR SUBSTANTIALLY ALL OF THE QUALIFYING
7 PROPERTY; OR

8 (f) THAT IS A SALE, TRANSFER, OR CONVEYANCE, DIRECTLY OR
9 INDIRECTLY, OF OWNERSHIP INTERESTS IN THE RESIDENTIAL SELLER.

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11 **29-4-1206. Remedies for noncompliance.**

12 (1) (a) NOTWITHSTANDING SUBSECTION (1)(b) OF THIS SECTION AND
13 SUBJECT TO THE AVAILABILITY OF RESOURCES, IT IS THE RESPONSIBILITY
14 OF THE ATTORNEY GENERAL'S OFFICE TO ENFORCE THE PROVISIONS OF THIS
15 PART 12, AND THE ATTORNEY GENERAL MAY INTERVENE IN ANY ACTION
16 BROUGHT PURSUANT TO SUBSECTION (1)(b) OF THIS SECTION.

17

18 (b) THE ATTORNEY GENERAL'S OFFICE, THE LOCAL GOVERNMENT,
19 OR THE LOCAL GOVERNMENT'S ASSIGNEE MAY BRING A CIVIL ACTION
20 AGAINST A RESIDENTIAL SELLER FOR ANY VIOLATION OF THIS PART 12.

21 (c) THE REMEDIES FOR ANY ACTION BROUGHT PURSUANT TO THIS
22 SUBSECTION (1) ARE LIMITED TO MONETARY DAMAGES AND STATUTORY
23 PENALTIES AGAINST THE RESIDENTIAL SELLER. ANY PERSON CLAIMING AN
24 INTEREST IN AN APPLICABLE QUALIFYING PROPERTY THROUGH A
25 RESIDENTIAL SELLER SHALL TAKE TITLE TO THE APPLICABLE QUALIFYING
26 PROPERTY FREE OF ANY RIGHTS OR CLAIMS SET FORTH IN THIS PART 12.

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1 (2) IF A COURT FINDS THAT A RESIDENTIAL SELLER IS IN MATERIAL
2 VIOLATION OF THIS PART 12, THE COURT SHALL AWARD A STATUTORY
3 PENALTY THAT IS NOT LESS THAN TEN THOUSAND DOLLARS FOR A FIRST
4 OFFENSE AND NOT LESS THAN THIRTY THOUSAND DOLLARS FOR ANY
5 SUBSEQUENT OFFENSES; EXCEPT THAT THE COURT SHALL NOT AWARD A
6 STATUTORY PENALTY THAT IS MORE THAN ONE HUNDRED THOUSAND
7 DOLLARS.

8 (3) A COURT MAY ALSO AWARD REASONABLE ATTORNEY FEES AND
9 COSTS TO A PREVAILING PARTY.

10 (4) THE REMEDIES PROVIDED IN THIS SECTION ARE THE SOLE
11 AND EXCLUSIVE REMEDIES PURSUANT TO A CIVIL ACTION BROUGHT
12 PURSUANT TO THIS SECTION FOR A VIOLATION OF THIS PART 12 BY A
13 RESIDENTIAL SELLER.

14 **29-4-1207. Termination of right of first refusal and right**
15 **of first offer.** THE RIGHTS OF FIRST REFUSAL AND FIRST OFFER
16 ESTABLISHED IN THIS PART 12 TERMINATE ON DECEMBER 31, 2029. A
17 RESIDENTIAL SELLER IS NOT REQUIRED TO PROVIDE NOTICES REQUIRED
18 PURSUANT TO THIS PART 12 AFTER DECEMBER 31, 2029, AND A LOCAL
19 GOVERNMENT SHALL NOT EXERCISE THE RIGHT OF FIRST REFUSAL OR THE
20 RIGHT OF FIRST OFFER PURSUANT TO THIS PART 12 AFTER DECEMBER 31,
21 2029; EXCEPT THAT, IF THE LOCAL GOVERNMENT OR ITS ASSIGNEE, HAS
22 EXERCISED THE RIGHT OF FIRST REFUSAL OR THE RIGHT OF FIRST OFFER
23 PURSUANT TO THIS PART 12 BEFORE DECEMBER 31, 2029, AND THE
24 PROCESS HAS NOT CONCLUDED, THEN THE PROCESS SHALL CONTINUE
25 UNTIL IT CONCLUDES IN ACCORDANCE WITH THIS PART 12
26 NOTWITHSTANDING THE TERMINATION DATE SET FORTH IN THIS SECTION.

27 **29-4-1208. Repeal of part.** THIS PART 12 IS REPEALED EFFECTIVE

1 JULY 1, 2031.

2 **SECTION 2.** In Colorado Revised Statutes, 24-31-101, **amend**
3 (1)(i)(XVII) and (1)(i)(XVIII); and **add** (1)(i)(XIX) as follows:

4 **24-31-101. Powers and duties of attorney general.** (1) The
5 attorney general:

6 (i) May independently initiate and bring civil and criminal actions
7 to enforce state laws, including actions brought pursuant to:

8 (XVII) The "Rental Application Fairness Act", part 9 of article 12
9 of title 38; ~~and~~

10 (XVIII) The "Reproductive Health Equity Act", part 4 of article
11 6 of title 25; AND

12 (XIX) PART 12 OF ARTICLE 4 OF TITLE 29.

13 **SECTION 3. Act subject to petition - effective date -**
14 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
15 the expiration of the ninety-day period after final adjournment of the
16 general assembly; except that, if a referendum petition is filed pursuant
17 to section 1 (3) of article V of the state constitution against this act or an
18 item, section, or part of this act within such period, then the act, item,
19 section, or part will not take effect unless approved by the people at the
20 general election to be held in November 2024 and, in such case, will take
21 effect on the date of the official declaration of the vote thereon by the
22 governor.

23 (2) This act applies to all qualifying properties for the right of first
24 refusal that are listed for sale on or after the effective date of this act but
25 for which a residential seller has not accepted an offer to purchase the
26 qualifying property and executed the necessary agreements in connection

- 1 with accepting the offer and to all qualifying properties for the right of
- 2 first offer on or after the effective date of this act that do not have active
- 3 listings as of the effective date of this act.