

TOWN OF LAKE CITY BOARD OF TRUSTEES

ORDINANCE NO. 2026-__

AN ORDINANCE AMENDING SECTION 23-2 AND CREATING A NEW SECTION 23-27 OF THE LAKE CITY MUNICIPAL CODE TO ESTABLISH STATE-COMPLIANT ACCESSORY DWELLING UNIT (ADU) REGULATIONS PURSUANT TO HOUSE BILL 24-1152 AND TO QUALIFY THE TOWN AS AN ADU SUPPORTIVE JURISDICTION

WHEREAS, on February 18, 2026, the Town of Lake City and Hinsdale County adopted a Comprehensive Housing Plan that identifies Accessory Dwelling Units (ADUs) as one of the easiest and quickest ways to address the local housing shortage with minimal infrastructure impact; and

WHEREAS, the Colorado General Assembly enacted House Bill 24-1152 (codified at C.R.S. §§ 29-35-401 et seq.), which requires subject jurisdictions to allow ADUs by-right through an administrative staff-level review process; and

WHEREAS, the State of Colorado definition of an Accessory Dwelling Unit, as set forth in C.R.S. §§ 29-35-402(2), is as follows: “Accessory dwelling unit means an internal, attached, or detached dwelling unit that: a) Provides complete independent living facilities for one or more individuals; b) Is located on the same lot as a proposed or existing primary residence; and c) Includes facilities for living, sleeping, eating, cooking, and sanitation.”; and

WHEREAS, the Lake City Planning & Zoning Commission, at its meetings on February 26, April 2, and April 23, 2026, reviewed the matter and recommended the amendments set forth below, which align with C.R.S. §§ 29-35-401, the state definition above and the Town and County adopted Comprehensive Housing Plan; and

WHEREAS, the P&Z Commission further recommended the following ADU Supportive Strategy be adopted: Prohibiting short-term rentals within ADUs created under this ordinance and restricting ADUs to long-term rentals only to protect year-round workforce housing stock; and

WHEREAS, the Board finds it necessary and appropriate to amend the Code to formalize by-right administrative approval, adopt the state definition, and implement the STR Prohibition as the initial ADU Supportive Strategy so the Town may qualify as an ADU Supportive Jurisdiction;

NOW THEREFORE BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF LAKE CITY AS FOLLOWS:

Section 1. Section 23-2 of the Lake City Municipal Code is hereby amended by the removal of the strikethrough language and the addition of the bold underlined language to read in its entirety as follows:

Section 23-2. - Definitions.

~~Accessory dwelling unit means a single-family dwelling unit that is attached to a single-family home or a private garage. The minimum floor area of an accessory dwelling unit shall be 440 square feet, and the maximum floor area of an accessory dwelling unit shall be 1,800 square feet.~~

.....Accessory Dwelling Unit (ADU) means a single-family dwelling unit that is internal, attached, or detached that provides complete independent living facilities for one or more individuals; is located on the same lot as a proposed or existing primary residence; and includes facilities for living, sleeping, eating, cooking, and sanitation.

Section 2. Section 23-2 of the Lake City Municipal Code shall be amended by the alphabetic addition of the following definitions of Workforce Occupant and Aging-In-Place Occupant:

“Workforce Occupant means an individual employed a minimum of thirty (30) hours per week within Hinsdale County or an adjoining county.”

“Aging_in_Place Occupant means an individual who is sixty (60) years of age or older, or who receives federal or state disability benefits, and who has resided in Hinsdale County for a minimum of one (1) year prior to occupancy.”

Section 3. Section 23-27 of Lake City Municipal Code shall be added to the Code to read in its entirety as follows:

Section 23-27. – Accessory Dwelling Units

(a) Purpose and Intent; ADUs are intended to provide long-term workforce housing for year-round workforce and aging-in-place occupants. ADUs shall not be used for short-term rentals, office space, or guest quarters.

(b) Permitted Zoning Districts and Approval Process; ADUs are permitted by-right (administrative staff-level review, no public hearing required) in the Rural, R-1, Rural Estate, LM, T, T-1, and MHR zoning districts.

(c) Development Standards;

- (1) Location.and.Design. An ADU may be internal, attached to the primary dwelling, over a garage, or detached on the same lot. Every ADU shall have a separate, dedicated entrance that is not part of the primary dwelling.
 - (2) Size; **Minimum 200 square feet**; maximum 1,000 square feet of floor area.
 - (3) Parking.Requirements; One off-street parking space shall be provided on the lot when all three of the following conditions are met:
 - a; There is no existing off-street parking space on the lot;
 - b; The lot is located in a zoning district that requires one or more parking spaces for the primary dwelling unit;
 - c; The lot is located on a block where on-street parking is prohibited.
 - (4) Utilities. ADUs may utilize a common water and/or sewer tap from the primary residence where feasible and with written approval from the Town according to the conditions of and application for connection in Sec.21-22 of the Lake City Municipal Code.
 - (5) Prohibited.Structures; All ADUs must be placed upon a foundation. Recreational vehicles, campers, trailers, motor homes, and temporary structures are prohibited as ADUs.
 - (6) Modular.Prefabricated.Units. Modular prefabricated units are allowed.
 - (7) Accessibility; Accessibility features meeting visitability or ADA standards are encouraged but not required.
- (d) Compliance.with.Other.Codes; All ADUs shall comply with adopted building, fire, and energy codes. ADUs located in the Historical Preservation District shall also comply with Lake City Historical Preservation regulations. Prior to construction and occupancy, all required permits and inspections shall be completed.
- (e) ADU.Short_Term.Rental.Prohibition; All ADUs approved under this ordinance shall be restricted to long-term rentals with a minimum tenancy of thirty-one (31) days. No ADU approved under this ordinance shall be rented or otherwise used as a short-term rental as defined under the Town's short-term rental regulations.

Section 4. Validity. If any part of this ordinance is held to be unconstitutional or invalid for any reason such decision shall not affect the validity or constitutionality of the remaining

portions of this ordinance. The Board of Trustees hereby declares that it would have approved this ordinance and each part or parts thereof irrespective of the fact that any one part or parts be declared unconstitutional or invalid.

Section 5. Repeal. Existing ordinances or parts of ordinances covering the same matters as embraced in this ordinance are hereby repealed and all ordinances or parts of ordinances inconsistent with the provisions of this ordinance are hereby repealed, except that this repeal shall not affect or prevent collection of any fees assessed pursuant to the provisions of any ordinance hereby repealed prior to the taking effect of this ordinance.

INTRODUCED, PASSED AND ADOPTED AT A REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE TOWN OF LAKE CITY, COLORADO AND SIGNED THIS __ DAY OF JUNE, 2026.

Votes Approving: _____

Votes Opposed: _____

Absent: _____

Abstained: _____

ATTEST:

BOARD OF TRUSTEES OF THE
TOWN OF LAKE CITY, COLORADO

Christina Bowman
Town Clerk

By: _____

Dave Roberts
Mayor

Previous Discussion and Recommendations

1. Can Existing ADUs Opt In Later for Future Benefits?

This is an important question given that Lake City likely has existing informal or permitted ADUs predating this ordinance.

Bottom line: Existing ADUs have no automatic opt-in right under state law, but the Town has full local authority to create one. DOLA would likely view such a program favorably.

What DOLA guidance says: Colorado DOLA's ADU guidance under HB 24-1152 focuses on new ADU approvals and the pathway to "ADU Supportive Jurisdiction" certification. The statute and DOLA's implementing guidance do not create an automatic opt-in right for pre-existing ADUs to receive benefits (such as fee waivers, if adopted later) simply by virtue of the new ordinance existing. However, nothing prohibits a jurisdiction from creating a voluntary opt-in program through a separate administrative process.

Recommendation for Lake City: Consider adding a provision — either now or in a future amendment — that allows owners of pre-existing ADUs to voluntarily register their unit under the new ordinance. Upon registration (and demonstrating compliance with life-safety standards), they could become eligible for any future benefits. This is consistent with DOLA's broader goal of increasing compliant long-term housing stock. A registration program also gives the Town better data on total ADU inventory, which supports future DOLA reporting.

2. "Aging in Place" and the Hours-Per-Week Work Stipulation

The previous Purpose & Intent section “minimum 30 hours per week” language — was removed in the revision to prevent unintentional exclusion of aging-in-place individuals (retirees, individuals on disability, or seniors who are no longer in the workforce)

The problem: A blanket 30-hour/week workforce requirement creates a legal and practical conflict with "aging-in-place" occupants. Aside from the poor spirit of such an action, not doing so would potentially violate Fair Housing Act, Colorado's Anti-Discrimination Act and HB 24-1152's intent.

Possible approach — two-track eligibility definition:

fAn.ADU.occupant.qualifies.under.this.ordinance.if.they.meet.one.of.the.following.criteria;
(a).Workforce.Occupant.– .an.individual.employed.a.minimum.of.thirty.(96).hours.per.
week.within.Hinsdale.County.or.an.adjoining.county.or.(b).Aging_in_Place.Occupant.– .an.

individual who is sixty (26) years of age or older or who receives federal or state disability benefits and who has resided in Hinsdale County for a minimum of one (7) year prior to occupancy

The Town Attorney should review the final threshold ages and hour minimums before adoption.

Any final draft should be reviewed by DOLA prior to adoption.

DRAFT