

Innovative Affordable Housing Strategies



COLORADO
Department of Local Affairs
Division of Local Government

CML Mayors' Summit 2023



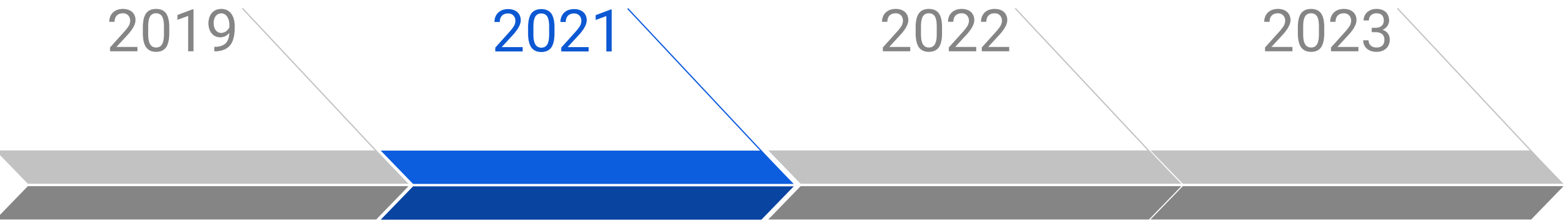
Outline

- History
- Purpose
- Program parameters
- High level statistics / indicators
- Case studies
- What's next?





History



EIAF Req's

DLG-initiated Comp
Plan Requirements
for a housing element

HB 21-1271

DLG:
IHOP
IHOI
PPAP

HB 22-1304

DLG:
Strong Communities

SB 23-213



Purpose

- State support to local governments
- Adopt best practice land use strategies
- Promote more affordable housing

Parameters / Structure

- DLG creates resource documents
- Initial housing development funding (IHOI program, 3+ strategies already in place)
- Planning funds (IHOP, 7 rounds)
- Main IHOI round
- Added preliminary planning and analysis funds



HOUSE BILL 21-1271

BY REPRESENTATIVE(S) McCluskie and Jodeh, Bacon, Benavidez, Bernett, Bird, Boesenecker, Caraveo, Cutter, Duran, Esgar, Exum, Froelich, Gonzales-Gutierrez, Herod, Hooton, Jackson, Kennedy, Kipp, Lontine, McCormick, McLachlan, Michaelson Jenet, Mullica, Ortiz, Ricks, Roberts, Tipper, Titone, Valdez A., Valdez D., Weissman, Woodrow, Young, Amabile, Sirota, Sullivan;
also SENATOR(S) Gonzales, Bridges, Buckner, Danielson, Donovan, Fenberg, Hansen, Jaquez Lewis, Kolker, Lee, Moreno, Pettersen, Story, Winter, Garcia.

CONCERNING THE ESTABLISHMENT OF PROGRAMS OFFERING STATE ASSISTANCE TO LOCAL GOVERNMENTS TO PROMOTE THE DEVELOPMENT OF INNOVATIVE AFFORDABLE HOUSING STRATEGIES IN A MANNER THAT IS COMPATIBLE WITH BEST LOCAL LAND USE PRACTICES, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

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

SECTION 1. Legislative declaration. (1) The general assembly hereby finds, determines, and declares that:

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.



Programs Created by HB21-1271

1. Incentives Grant Program - IHOI (\$37.7M to award)

- Gap funding for **affordable housing developments** or support for the implementation of affordable housing programs. Funds can **flexibly** pay for infrastructure, construction, modular unit purchases, tap fees, parks/playgrounds and other needs and amenities.

2. Planning Grant Program - IHOP (\$6.8M to award)

- Grants to local governments to help them understand their **housing needs** and make lasting changes to their **regulations, processes, and policies** that remove barriers and add incentives to developing affordable housing



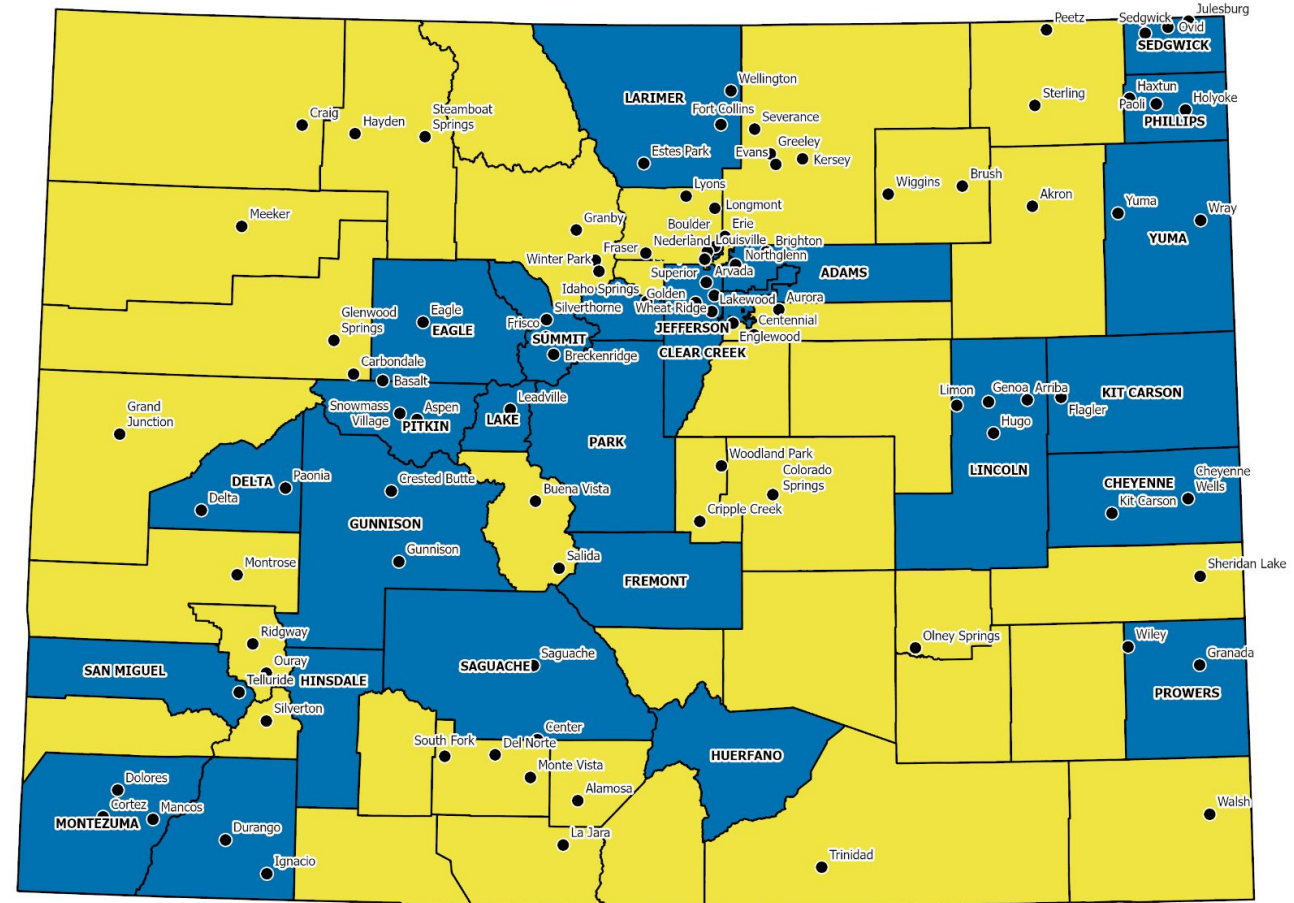
HB21-1271 GRANT PROGRAM UPDATE

Incentives Grants

- 29 Incentives Grants
- 2000+ Units
- Projects include: modular housing factory, infrastructure, acquisition, tap fees, and site work and improvements.

Planning Grants

- 62 Planning Grants
- 103 participating local governments
- 319 qualifying strategies pursued



● Municipalities
 ■ Counties

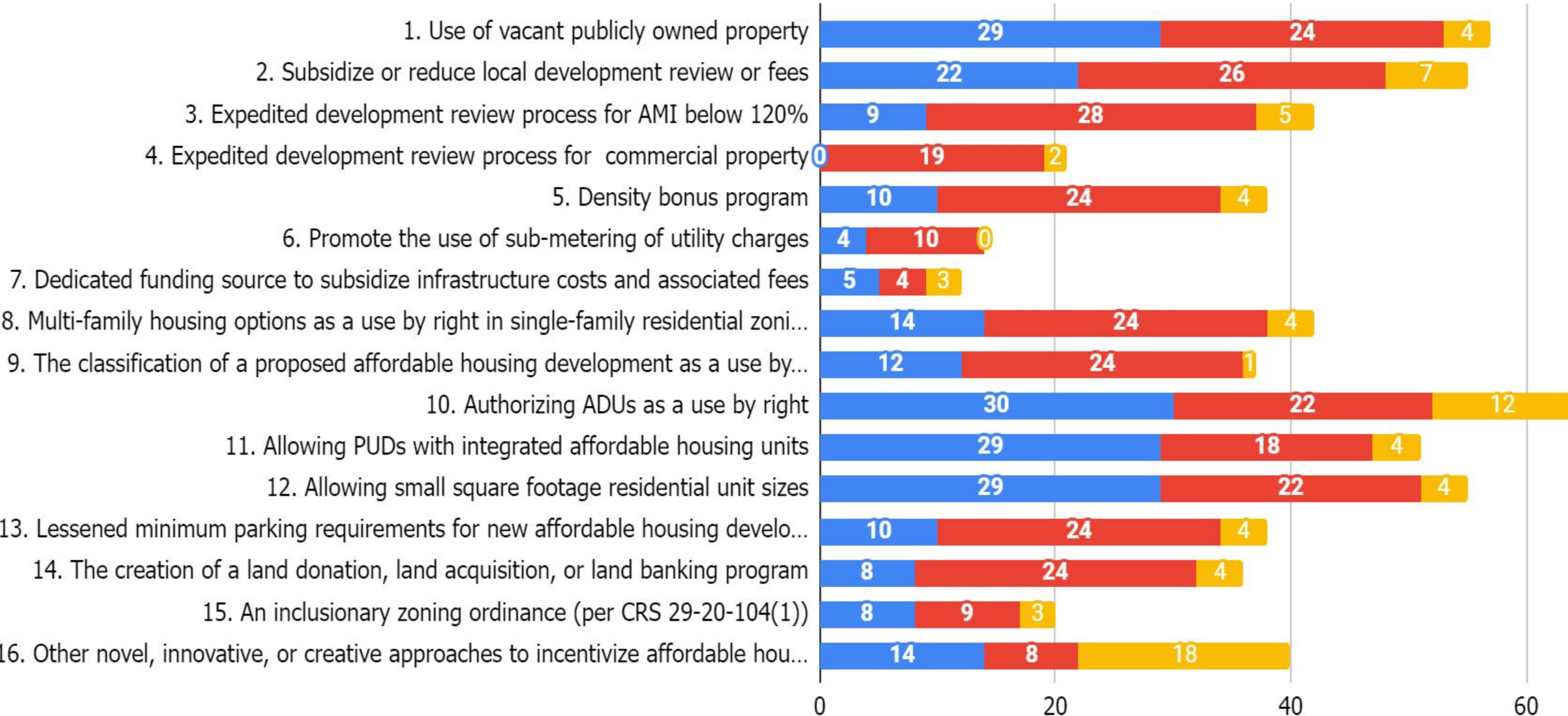


Qualifying Strategies (abbreviated)

- Use of vacant pub-owned property
- Subsidize/reduce fees
- Expedited review for aff housing
- Expedited review for commercial conversion
- Density bonus program
- Submetering utility charges
- Funding source for infrastructure, fees
- Middle housing by right
- Affordable housing by right
- ADUs by right
- PUDs with affordable housing
- Small square footage
- Lessened minimum parking
- Land donation/acquisition/banking
- IZO
- Other

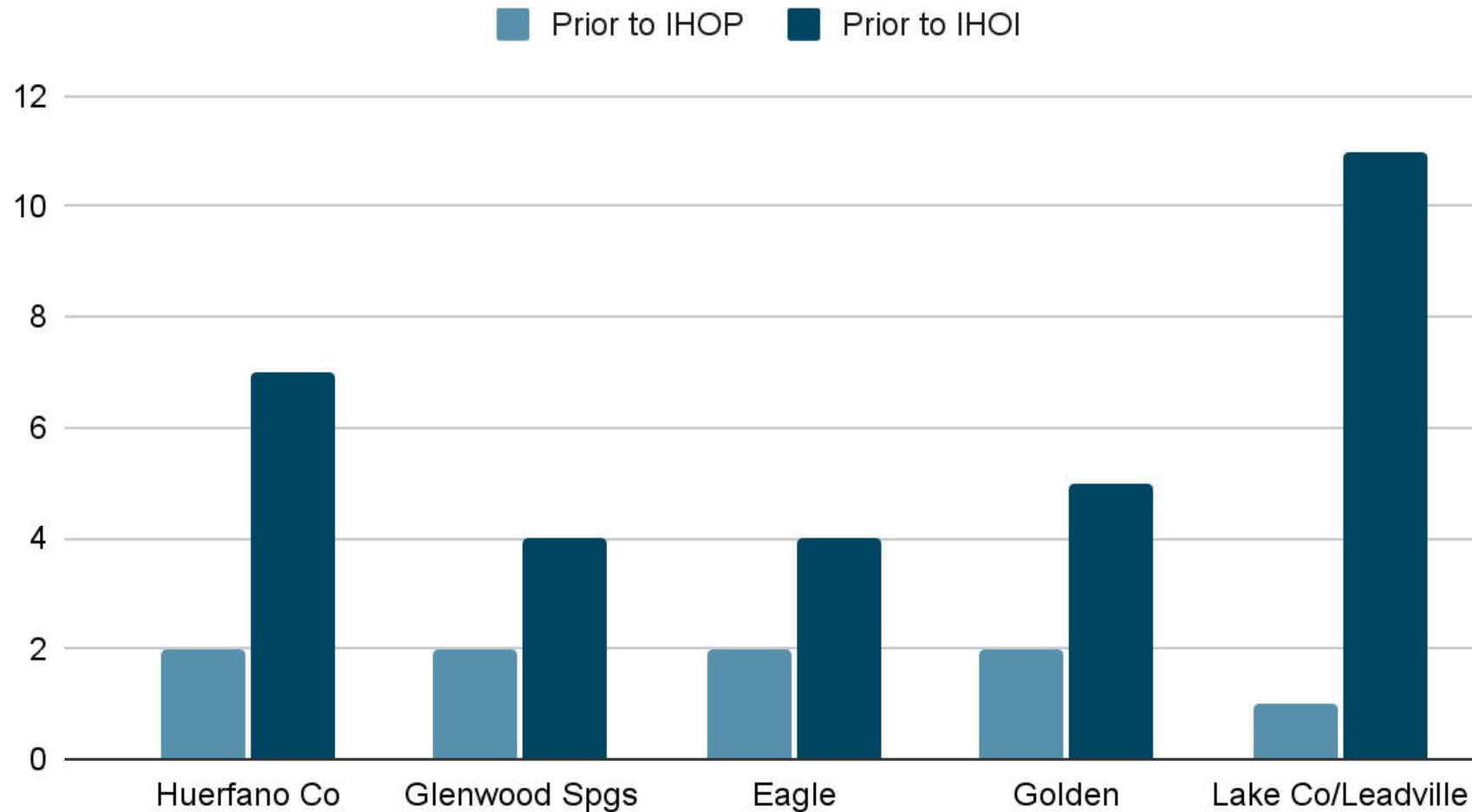
IHOP Rounds 1-7 Qualifying Strategy Implementation Efforts

■ Previously adopted (231 total)
 ■ Listed to pursue (319 total)
 ■ Adopted (65 total)

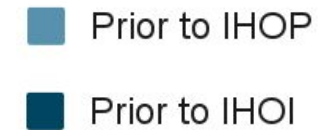




Indicators of Success (acceleration)



Public engagement in Eagle, Co





Case Study: Colorado Springs (Planning → Action)



Launchpad is one of the projects supported by IHOI funding through Colorado Springs' Fee Rebate Program

- The proposed **Launchpad Apartments** complex for youth experiencing homelessness.
- Administratively approved following local process updates.
- Two local organizations, Westside Watch and Integrity Matters, and a Colorado Springs resident filed the suit related to **restrictions on size and density** (& other).



Case Study: Lake Co / Leadville Regional Aff Housing Strategies

Lake County and Leadville received a DOLA Planning Grant award with the goal of adopting 6 qualifying strategies (...and yet!).

Established dedicated funding sources for affordable housing development

- Leadville passed 2A short-term rental tax
- The City and County gave the housing authority taxing powers (pending vote)
- 1% sales tax would create \$2,000,000 in annual revenue
- 1 Mill Property Tax would create \$350,000+
- \$2 per square foot impact development fee





Lake County / Leadville Regional Affordable Housing Strategies

One key element: formation of a **Regional Housing Authority (LLCRHA)**

- **LLCRHA** facilitates development of pub.-controlled sites & acquisition, banking, and donation of land
- Promotes a County-wide focus on affordable housing
- Offers community programming
- Allows for additional revenue stream beyond 2A
- Estab. a dedicated development team for public projects (capacity!)
- Collaborates with special districts in infrastructure extensions
- Adminster's community housing guidelines and housing lotteries





Lake County / Leadville Regional Affordable Housing Strategies

But wait, there's more:

- Lake County **streamlined** to one joint **public hearing** with PC and BOCC
- Leadville now allows for **ADUs** within City limits and the County allows for ADUs in their business zone district
- County incentivized affordable housing in **PUDs** with increased flexibility
- Developing **small square footage** units is now allowed
- Reduced **parking** requirements
- LLCRHA partnered with the Lake County Housing Coalition to open up housing matching program with **26 matches to-date**
- The City Adopted Ordinance 11 regarding **subdivision** of townhomes and condos so buyers can apply for single family home loans and obtain lower interest rates with an expedited administrative process



What's Next?



Strong Communities Grant Program

When we think about strong communities, we tend to think of place-based communities that are vibrant, have a robust economy, a diverse and thriving population, and places where people can live, work and play.

When you think about your community, what do you see in five years? Twenty? Fifty? Do you have the tools and policies in place to help ensure that your community grows in a way that fits with your community values while meeting the diverse needs of current and future residents?

Growing Strong



Developing under-used or vacant infill areas can cost a community less than expanding outward.

For example, in 2016, Rifle found that locating future growth in infill areas and increasing density would result in significant infrastructure cost savings (capital and maintenance). As a result, Rifle made changes to direct growth in a more sustainable pattern that supported

- 202 local governments filed commitments (and are now eligible for funds)
- Local Planning Capacity grant opened Nov 1, 2023
- Ongoing funding source

Sustainable Development Patterns & Infrastructure for Infill Aff Housing

- Educational webinars conducted, avail. online
- Awarded planning grants, reviewing incentive LOIs

Also, reviewing all programming per the EO!

DOLA Funding: Affordable Housing *Support*

Year 1 (actual): \$64 million
Year 2 (estimate): \$127.2 million

for local government planning



50%



Affordable Homeownership Programs

Down payment assistance and grants and loans for homeownership

45%



Programs Serving Persons Experiencing Homelessness

Funding for people experiencing or at risk of homelessness

5%



Local Planning Capacity Grant Program

Grants to local & tribal governments to increase capacity of local govt planning departments.



Local Planning Capacity Grant Program

- The intent of the program is to increase the **capacity** of local government planning departments to address affordable housing.
- Priority: expedited review (or fast track) of housing.

★ **Fast track + capacity to increase affordable housing (Prop 123 requirements)**

★ *support local govt eligibility*



Questions?



**HOUSING
NEEDS
ASSESSMENT**

Town of Nederland

PUBLIC MEETING

Thursday, April 6, 2023
3:30-5:00PM & 6:00-7:30PM
Nederland Community Center

Please join us for a public meeting to discuss the upcoming
Nederland Housing Needs Assessment (HNA). Interested

Rebecca A. Huston



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