Innovative Affordable Housing Strategies

CML Mayors’ Summit 2023
Outline

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

2019

EIAF Req’s
DLG-initiated Comp Plan Requirements for a housing element

2021

HB 21-1271
DLG:
IHOP
IHOI
PPAP

2022

HB 22-1304
DLG:
Strong Communities

2023

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
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
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
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

1. Use of vacant publicly owned property
   - Previously adopted (231 total): 29
   - Listed to pursue (319 total): 24
   - Adopted (65 total): 4

2. Subsidize or reduce local development review or fees
   - Previously adopted (231 total): 22
   - Listed to pursue (319 total): 26
   - Adopted (65 total): 7

3. Expedited development review process for AMI below 120%
   - Previously adopted (231 total): 9
   - Listed to pursue (319 total): 28
   - Adopted (65 total): 5

4. Expedited development review process for commercial property
   - Previously adopted (231 total): 2
   - Listed to pursue (319 total): 5
   - Adopted (65 total): 0

5. Density bonus program
   - Previously adopted (231 total): 10
   - Listed to pursue (319 total): 24
   - Adopted (65 total): 4

6. Promote the use of sub-metering of utility charges
   - Previously adopted (231 total): 4
   - Listed to pursue (319 total): 10
   - Adopted (65 total): 0

7. Dedicated funding source to subsidize infrastructure costs and associated fees
   - Previously adopted (231 total): 5
   - Listed to pursue (319 total): 4
   - Adopted (65 total): 3

8. Multi-family housing options as a use by right in single-family residential zonings
   - Previously adopted (231 total): 14
   - Listed to pursue (319 total): 24
   - Adopted (65 total): 4

9. The classification of a proposed affordable housing development as a use by...
   - Previously adopted (231 total): 12
   - Listed to pursue (319 total): 24
   - Adopted (65 total): 1

10. Authorizing ADUs as a use by right
    - Previously adopted (231 total): 30
    - Listed to pursue (319 total): 22
    - Adopted (65 total): 12

11. Allowing PUDs with integrated affordable housing units
    - Previously adopted (231 total): 29
    - Listed to pursue (319 total): 18
    - Adopted (65 total): 4

12. Allowing small square footage residential unit sizes
    - Previously adopted (231 total): 29
    - Listed to pursue (319 total): 22
    - Adopted (65 total): 4

13. Lessened minimum parking requirements for new affordable housing development...
    - Previously adopted (231 total): 10
    - Listed to pursue (319 total): 24
    - Adopted (65 total): 4

14. The creation of a land donation, land acquisition, or land banking program
    - Previously adopted (231 total): 8
    - Listed to pursue (319 total): 24
    - Adopted (65 total): 4

15. An inclusionary zoning ordinance (per CRS 29-20-104(1))
    - Previously adopted (231 total): 8
    - Listed to pursue (319 total): 9
    - Adopted (65 total): 3

16. Other novel, innovative, or creative approaches to incentivize affordable hous...
    - Previously adopted (231 total): 14
    - Listed to pursue (319 total): 8
    - Adopted (65 total): 18
Indicators of Success (acceleration)

Prior to IHOP  Prior to IHOI

Huerfano Co  Glenwood Spgs  Eagle  Golden  Lake Co/Leadville

Public engagement in Eagle, Co
Case Study: Colorado Springs (Planning → Action)

- 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).

Launchpad is one of the projects supported by IHOI funding through Colorado Springs’ Fee Rebate Program.
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
- Administer’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?

• 202 local governments filed commitments (and are now eligible for funds)

• Local Planning Capacity grant opened Nov 1, 2023

• Ongoing funding source

Proposition 123

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 Fund

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

- **Affordable Homeownership Programs**
  - Down payment assistance and grants and loans for homeownership

- **Programs Serving Persons Experiencing Homelessness**
  - Funding for people experiencing or at risk of homelessness

- **Local Planning Capacity Grant Program**
  - Grants to local & tribal governments to increase capacity of local govt planning departments.

For local government planning
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

Public Meeting

Town of Nederland

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) findings.