Agenda

- HB21-1271 Overview
- Planning Grant Program Details
- Incentives Grant Program Details
- Leveraging Division of Housing Funds
- Longmont Case Study
- Q&A
Intent of Legislation

• Incentivize municipalities and counties to remove land use regulatory and development review process barriers and to add local incentives to developing affordable housing

• Provide funding and resources to local governments (planning work) to remove these barriers and add local incentives so they qualify for Incentives Grants

• Help communities reach their affordable housing goals
3 DOLA Programs Created by the Bill

1. Housing Development Incentives Grants ($37.7M to award)
   – To qualify, applicants must have adopted at least 3 qualifying strategies

2. Planning Grants ($6.8M to award)
   – Fund the planning work to qualify for Incentives Grants
   – DOLA will update model land use codes for municipalities and counties

3. Housing Toolkit ($1.6M total)
   – Cohort training and technical assistance program (led by Division of Housing)

All funds must be spent by June 30, 2024
## Eligible Recipients

<table>
<thead>
<tr>
<th>Entity</th>
<th>Housing Development Incentives Program (DLG)</th>
<th>Planning Grant Program (DLG)</th>
<th>Housing Guided Toolkit Program (DOH)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipalities</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Counties</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>City &amp; Counties</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Federally-recognized tribes</td>
<td></td>
<td></td>
<td>✓</td>
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</tbody>
</table>

*Note: cannot award housing authorities/COGs but applicants are encouraged to partner*
What is “Affordable”

Defined in the statute as housing for families or individuals earning:

• up to 80% of area median income (AMI) for rental housing
• up to 140% AMI for affordable homeownership
Qualifying Strategies Listed in the Bill

• Use of vacant publicly-owned property for aff. housing development
• Subsidize/reduce local government fees
• Expedited dev. review for aff. housing up to 120% AMI
• Expedited dev. review for acquiring or repurposing underutilized commercial property
• Density bonus program for housing needs
• Promote submetering utility charges for aff. housing
• Dedicated funding source to subsidize aff. housing infrastructure costs and fees

• Middle multifamily (duplex, triplex, other) use by right in SF residential zoning districts
• Aff. housing use by right
• ADU use by right in SF zoning districts
• Allow planned unit developments (PUDs) w/ integrated aff. housing units
• Allow small square footage residential unit sizes
• Lessened minimum parking requirements for new aff. housing
• Land donation/acquisition/banking program
• Other novel, innovative, creative approaches

DOLA has the option to consider additional strategies
Planning Grant Program Overview

• Eligible entities include municipalities and counties
• Awards cannot be made directly to housing authorities or COGs (but municipalities or counties can and should partner)
• ~$6.8 million to award
• No set award max; expect most awards to be $50,000-$200,000
• 25% local match with flexibility for reduction with economic hardship (talk to your DOLA Regional Manager about reduced match). Local match can include financial commitment from partners. In-kind match (e.g., staff time) does not count for the match requirement.
• Planning Grant awards cannot cover admin expenses (e.g., existing staff time)
Planning Grant Program Eligible Projects

- Funds planning work to help communities qualify for Incentives Grants
- You do not need to intend to apply for an Incentives Grant to be competitive for a Planning Grant
- Can fund analyses/studies (e.g., housing needs assessments, property inventories) if paired with implementation strategies from the qualifying list
- Expect to see inclusive and equitable public engagement processes; DOLA also wants to ensure strategies adopted consider and address equity impacts on marginalized and vulnerable populations
- Planning Grant awards can fund engagement work and equity assessments
Planning Grant Program Timeline

• Applications opened in DOLA grants portal in early August
• Apply by September 20 to be included in first round of review
• Rolling grant cycles (approx. monthly) until funds are depleted
• # of funding rounds will be determined by how many apps are in each round
• First come, first served but apps have to be competitive
• All funds must be spent before June 30, 2024
Incentives Grant Program Overview

• $37.7M for grants to a muni/county to gap fund an affordable housing development or to otherwise support affordable housing implementation

• To qualify, applicants must have adopted at least 3 qualifying strategies from the menu of options in the statute. DOLA has ability to add or accept “other” strategies.
  – Don’t have 3 strategies? Apply to the Planning Grant Program!

• Suggested award max of $3M; expect most awards to be $500,000-$1M

• 20% match required (flexible definition, no in-kind, reduction, or waiver for economic hardship)
Incentives Grant Program Eligible Projects

• Gap fund an affordable housing development or to otherwise support affordable housing implementation - infrastructure, tap fees, neighborhood or site amenities, or other investments (e.g., land acquisition, create programs)
• Expect to see inclusive and equitable public engagement processes
• Administrative costs are allowed
• Pre-development costs may be eligible in the main funding round, if pre-approved by DOLA
• Off-site improvements may be allowed, we expect a maximum of 50% of the total award for this purpose, particularly to address equity concerns
Incentives Grant Program Competitive Projects

- Geographic and housing type diversity
- Readiness
- Capacity
- Impact
- Sustained support
- Implement best practices
- Community benefits
- Sustainable development pattern
- Equity, diversity & inclusion
- *Rehabilitating vacant commercial/industrial building in a core area
- *Higher energy efficiency than locally required
- *Ensure longer term affordability (e.g., deed restricted more than 30y)

*Extra points may be earned if an applicant can show the project addresses the above
Incentives Grant Program Timeline

• Program guidelines posted online last week
• Planning a small “Catalyst Project” round this year (3-5 model projects, apps likely due Dec or Jan), letter of intent (LOI) process in November
• Remaining funds available in mid- to late-2022

Google “DOLA 1271” or visit https://cdola.colorado.gov/1271
Key Takeaways

• Evaluate whether you need to apply for a Planning Grant
  — How many qualifying strategies are already adopted?
  — Is your housing needs assessment up to date enough to direct your efforts?
• Start talking now with your housing community about potential Incentives Grant Program projects
• Think about how you will create an inclusive and equitable public engagement process and will ensure strategies adopted consider and address equity
  — Both Planning Grant Program and Incentives Grant Program can fund community engagement work
• Think timing (fast-paced process; code updates take time)
Thank You!

Christy Wiseman, Land Use and Water Planner
Carrie Latimer, Planning Specialist
KC McFerson, Senior Planner

Community Development Office
Division of Local Government
DOLA
Partner with local communities to create housing opportunities for Coloradans who face the greatest challenges to accessing affordable, safe and secure homes

Our Mission

How do we do it?

- Funding for operating and rental subsidies
- Funding to acquire, rehabilitate and construct affordable housing
- Technical assistance
- Regulatory role as building department and manufactured homes
ALTA VERDE, BRECKENRIDGE

- 80 unit affordable rental development with one-, two, and three-bedroom units
- Installation of 650 kW photovoltaic on site (Designed to perform at net-zero)
- City owned parcel developed through RFP
- Workforce housing adjacent to transit - consistent with SustainableBreck Plan (2011)

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Energy Tax Credits</td>
<td>$177,519</td>
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<tr>
<td>DOLA DLG RENW Grant</td>
<td>$650,000</td>
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<tr>
<td>Breckenridge Match for RENW</td>
<td>$650,000</td>
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<tr>
<td>DOLA DOH CDBG Grant</td>
<td>$960,000</td>
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<td>Deferred Developer Fee</td>
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<tr>
<td>Breckenridge Loan</td>
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<td>Permanent Loan</td>
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<tr>
<td>LIHTC Equity (9%)</td>
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<tr>
<td><strong>Total Sources</strong></td>
<td><strong>$32,468,953</strong></td>
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</table>
BASALT VISTA

- 27 unit affordable devel. with 2, 3, and 4 bedroom homes (attached sf)
- Local partnership:
  School District donated land
  Pitkin County: $3.1MM in labor/materials
  Town of Basalt waived fees ($550K)

<table>
<thead>
<tr>
<th>Source</th>
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<tr>
<td>Habitat ReStore</td>
<td>$211,236</td>
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<tr>
<td>DOLA DOH Grant (HDG + HOME)</td>
<td>$566,585</td>
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<td>Net Zero Investments</td>
<td>$550,017</td>
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<td>Town of Basalt Fee Waiver</td>
<td>$555,884</td>
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<tr>
<td>Matching Funds [Private Donations]</td>
<td>$746,640</td>
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<td>Pitkin County</td>
<td>$3,100,000</td>
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<td>Roaring Fork School District</td>
<td>$3,234,330</td>
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<tr>
<td>Homebuyer Mortgages</td>
<td>$8,040,000</td>
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<tr>
<td><strong>Total Sources</strong></td>
<td><strong>$17,004,692</strong></td>
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</table>
Lazy K Housing - Gunnison

- 51 new homes on 4.3 acres | single-family (townhomes, duplexes)
- Affordable to < 80% AMI (26 units) & < 120% AMI (18 units). 7 units @ market rate
- Donated land, city funds and fee waivers, and local housing fund
- Property will also include park and early childhood education center

Location: Gunnison County
Project Type: Homeownership, New Construction
Developer: High Mountain Concepts
Sponsor: City of Gunnison
Thoughts on Affordable Housing Strategies with:

Erin Fosdick, AICP
Principal Planner
Planning & Development Services Department
City of Longmont
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Inclusionary Housing Ordinance

- 12% of new residential units
  - For Sale - 80% AMI
  - For Rent - 50% AMI
- Deed Restriction
- Permanent Affordability

- Options to satisfy requirement:
  - On-site construction*
  - Fee-in-Lieu*
  - Off-site construction
  - Land Donation
  - Voluntary Alternative Agreement
  - Redemption of Credits
  - Combination of Options

*Administrative approval
Affordable Housing Incentives

- Eligible developments providing 12%* AH on-site
- Financial Incentives
- Development Incentives

*Some incentives require a greater percentage of affordability*
Financial Incentives

• **Fee Waivers**
  – For Sale: 50% - 75% reduction
  – For Rent: 20% - 50% reduction

• **Fee Offsets** (from Affordable Housing Fund)
  – Subsidy for Water/Sewer System Development Fees, Electric Connection Fees, Windy Gap Surcharge, Irrigation Tap Fees, etc.
  – Cash-in-Lieu of Raw Water Deficits (minimum of 25% affordable)
Development Incentives

• Current Incentives:
  – Height Bonus
  – Density Bonus
  – Reduction in Lot Area/Lot Width
  – Reduced Parking Requirement

• Future Incentive Ideas:
  – Expansion of Housing Types
  – Landscape Standards
  – Design Standards
  – Other?
What are the program acronyms? (You will see these in the grant portal.)

• IHOP is the Innovative Housing Planning Grant Program.
• IHOI is the Innovative Housing Incentives Grant Program.

What are DOLA’s expectations for public and stakeholder engagement and equity assessments?

• More detailed guidance is coming soon.
• Can use portion of award to fund this work.

Can Planning Grants be used for studies of certain kinds?

• Yes, studies can be funded as long as the project also includes one of the qualifying strategies from the menu.

Can we commit or obligate the funds but spend them after June 30, 2024?

• No. All funds must be spent by June 30, 2024.