

# HB21-1271

## DOLA Innovative Affordable Housing Strategies

Nov 30, 2021  
CCI Winter Conference



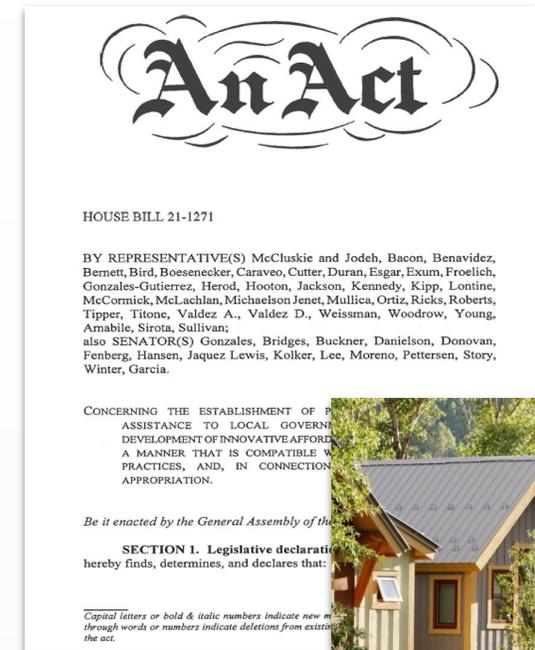
**COLORADO**  
Department of Local Affairs  
Division of Local Government



**COLORADO**  
Department of Local Affairs  
Division of Housing

# Intent of Legislation

- Provide incentives to municipalities and counties to remove land use regulatory and 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



# 3 DOLA Programs Created by the Bill

## 1. Housing Toolkit (\$1.6M total)

- Cohort training and technical assistance program (led by Division of Housing)

## 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 Development Incentives Grants (\$37.7M to award)

- To qualify, applicants must have adopted at least 3 qualifying strategies

*All funds must be spent by June 30, 2024*

# Qualifying Strategies

- 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 res. unit sizes
- Lessened minimum parking requirements for new aff. housing
- Land donation/acquisition/banking program
- **Inclusionary zoning ordinance (HB21-1117)**
- Other novel, innovative, creative approaches

*DOLA has the option to consider additional strategies*

# Planning Grant Program Overview

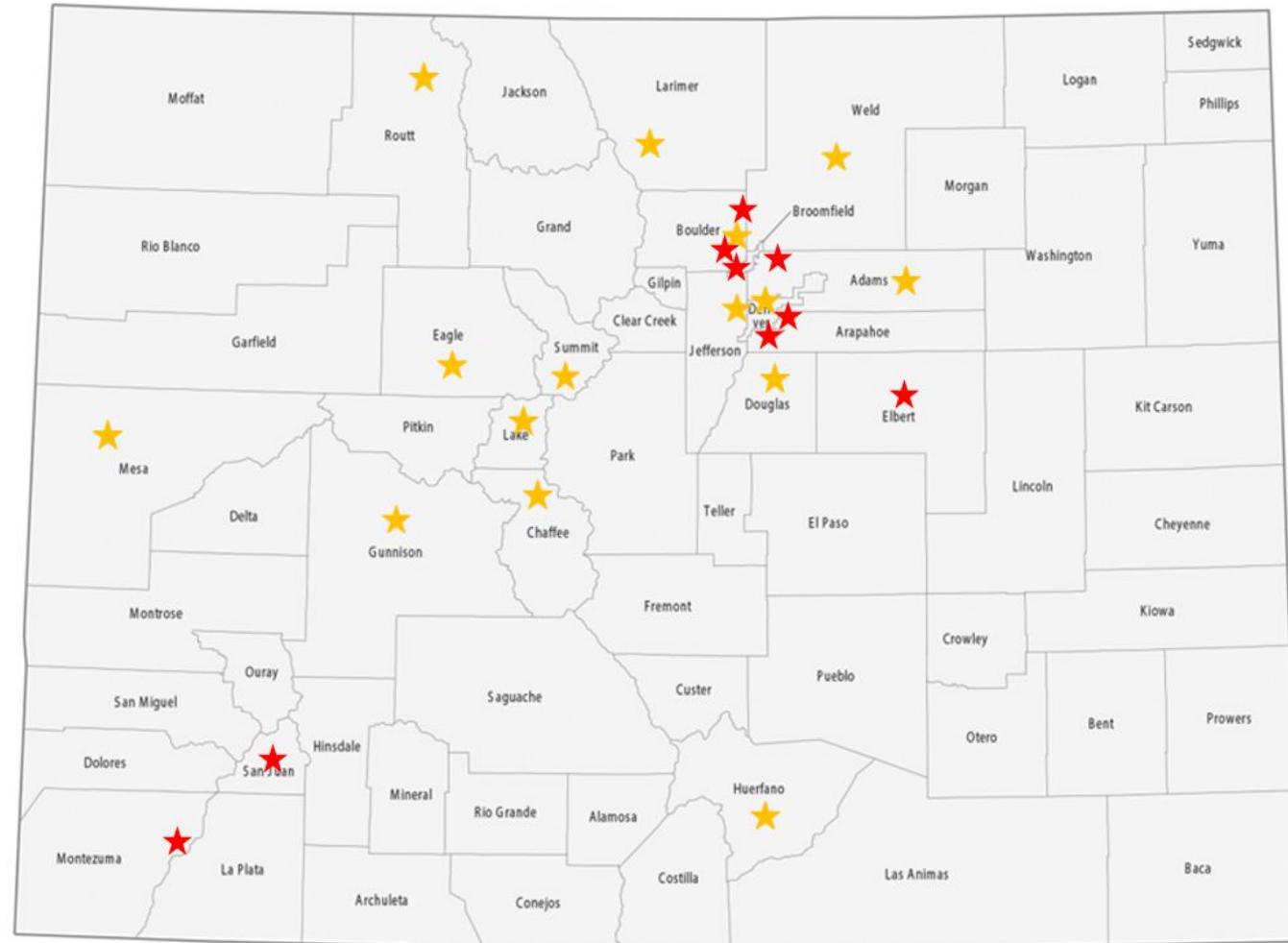
- Eligible entities: municipalities and counties (housing authorities or COGs can partner)
- Funds planning work to help communities adopt (or refine existing) qualifying strategies from bill
  - Can fund analyses/studies (e.g., housing needs assessments, property inventories) if paired with implementation strategies from the qualifying list
  - Goal: fund lasting changes that pave the way for affordable housing into the future (focus is on implementation)
- No set award max; expect most awards to be \$50,000-\$200,000
  - 25% local cash match (reduction available for hardship, ask for details)
  - Cannot cover admin expenses (e.g., existing staff time)



# Planning Grant Program Funding Update

**15 (first round) + 9 (second round) applications = \$1,956,240 requested**

- Awarded over \$1 million to 14 municipalities and counties
- Reviewing 2nd round; 3rd round due 12/6 (rolling monthly)
- Considering new funding opportunity for pre-development / site planning funding
- Popular strategies: streamlining development review, fee reduction, ADUs and multi-family as a use by right, density bonus, lessened parking requirements



# Incentives Grant Eligible Projects & Elements



# 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 (e.g., seed fund land banking/trust programs, off-site improvements)
- To qualify, applicants must have adopted at least 3 qualifying strategies from the menu of options in the statute.
  - *Don't have 3 strategies? Want to be more competitive? Apply to the Planning Grant Program!*
- Suggested award max of \$3M; expect most awards to be \$500,000-\$1M
- 20% cash match required (no in-kind; leverage partner funds; reduction or waiver possible for economic hardship- consult Regional Manager)
- “Affordable” defined as up to 80% AMI (rental) or 140% (ownership)

# Incentives Grant Program Funding Update

- 1st LOIs accepted 11/1/21, nearly \$40 million in projects among 27 municipalities and counties
- DLG and DOH staff will meet with each of the 27 communities
- Will award small number of highly competitive, shovel-ready projects
- Focus on shovel ready, land acquisition, preservation of expiring units, and state/publicly owned sites
- Main funding round LOI process expected fall 2022

Google “DOLA 1271” or visit <https://cdola.colorado.gov/1271>

# ARPA Interim Committees recommendations on spending - \$1.63 billion next year

Federal & State stimulus funds fall into transformational buckets:

- Affordable Housing Policy
- Behavioral/Mental Health
- Workforce Development/Higher Education
- Economic Recovery and Relief

Committees began work in August to develop a unified approach among the Governor and General Assembly to help ensure impactful, equitable, and efficient roll out of economic recovery dollars.



# Thank You!

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