Land Use & Housing

Tools & Trends

Front Range District Meeting
CCI Winter Conference
December 13, 2022

COLORADO
Department of Local Affairs
Division of Local Government

Agenda

1. Resource tools
- ○ Strong Communities Program Update
- ○ Resources at DOH
- ○ Resources at CDOT
- ○ Resources at CEO

1. Regulatory tools & trends
- ○ Update on 1271 Programs
- ○ Lessons learned / best practices

*Note: this discussion will <u>not</u> cover anything related to potential legislation

Part 1: Resources

Strong Communities (DLG Program in HB22-1304)

The intent: save money and improve quality of life by developing differently

- Compact, walkable infill redevelopment supports lower development costs, reduced VMT, improved local gov. fiscal health

- Barriers to affordable housing include difficulty in getting units built and the expense of adding, expanding, or upsizing infrastructure

Case Study: Rifle found that locating future growth in infill areas and increasing density from 1.4 units/acre to 2.6 units/acre would save 31% in infrastructure costs (capital and maintenance)

Strong Communities Program - Interested?

Community eligibility:

- Muni or county (or collaborative); jurisdiction adopted LU best practices supporting sustainable development patterns & affordable housing and has a desire to do more

Project eligibility:

- Affordable—up to 140% AMI rental/ownership; 160% ownership in rural resort
- Infill infrastructure for affordable housing but can be mixed use development
- Location—downtown, core business district, TOD, or ECE
- Flexibility for rural counties
- Projected to lower VMT and GHG emissions and long term maintenance costs
- Public infrastructure or possibly privately owned infrastructure/within building (e.g., for commercial conversion)

Strong Communities Program Structure

Step 1: Stakeholder engagement and educational programming

- Dec '22 – Feb '23: develop list of best local government land use practices, and provide educational webinar series

Step 2: Select communities interested in the program

- March – April 2023: Accept LOIs from interested communities and select 5-7 communities (create cohort)

Step 3: Code and policy assessment and growth scenario fiscal impact analysis for cohort communities (mid 2023)

Step 4: Apply for infrastructure grants (2024)

Step 5: Infrastructure project completion & performance metrics/reporting

Strong Communities

Next steps:

- **Talk with staff** about your jurisdiction's goals and objectives, needs, and project ideas to see if this program is a good fit

- Submit **LOI in March 2023**—describe your project idea(s) and your jurisdiction's ideas for planning strategy adoption

- Selected communities **must adopt an impactful strategy(ies)** to address affordable housing and sustainable development patterns in order to apply for their project

- Note: The most competitive communities will have the capacity to grow outward at low densities but will take steps to restrict that growth and instead **invest in downtown and infill** and affordable housing

Transformational Grant Programs

Affordable Housing, Homeownership, & Workforce Housing

Application Dates:
NOFA Release: November 15, 2022
Beginning Date: January 1, 2023 and on the first of every month thereafter
Expiration Date: June 30, 2024 or until all available funding is committed

and

Homelessness Response

Application Dates:
NOFA Release: November 15, 2022
Due Dates: Feb. 15, 2023 June 15, 2023 Oct. 15, 2023 & Feb 15, 2024

Draft Guidelines, Policies, & Procedures are posted for Public Comment
www.cdola.Colorado.gov/housing in the "What's New" section

Transformational Grant Programs

Affordable Housing, Homeownership, & Workforce Housing

Program Details:

Minimum Project Award:	$250,000
Minimum Project Award:	$10,000,000
Eligible Applicants:	Local Governments and Community Partners/Non-profits

Eligible Activities: Housing Infrastructure   Gap Financing   Homeownership
                                        Preservation   Conversion
            Energy Improvements
                                        Land Banking   Mixed Use

Geographic Designations: Urban (80% AMI rental & 140% AMI homeownership)
                                                Rural (140% AMI rental & 140% AMI homeownership)
                                                Rural Resort (170% AMI rental & 140% AMI homeownership)

Of Note: Energy efficiency and accessibility requirements apply
                                        Source of funds: ARPA SLFRF – Revenue Replacement
                                        URA & 2 CFR 200 Federal requirements will apply
                                        Not subject to Davis Bacon & NEPA
                                        State and Federal reporting will be required

Transformational Grant Programs

Homelessness Response

Program Details:
Minimum Project Award: $250,000
Minimum Project Award: $5,000,000

Eligible Applicants: Local Governments and Community Partners/Non-profits

Eligible Activities: Supportive Services * Permanent Supportive Housing * Rental Assistance   Eviction Legal Defense *
Energy Improvements * Emergency Homeless Shelters
Transitional and Bridge Housing * Recovery Care * Learning Opportunities
                                        Data Collection/Analysis * Coordination of Systems

Of Note: Local Match will be required
                                Source of funds: ARPA SLFRF
                                2 CFR 200 Federal requirements will apply
                                Quarterly reporting to DOH will be required

SB22-159 – Revolving Loan Fund for Investments in Transformational Affordable Housing

- Program Guidelines & NOFA to be rolled out Q4 2022
- $150,000,000
- Local Governments, For Profit Developers, Community Partners (Non-Profits), or Political Subdivisions
- Geographic Designations

  Urban (120% AMI rental & 140% AMI homeownership)

  Rural (120% AMI rental & 120% AMI homeownership)

  Rural Resort (140% AMI rental & 160% AMI homeownership)
- Eligible Activities

  Housing Infrastructure * Gap Financing * Homeownership / For Sale Housing * Preservation

  Energy Improvements * Property Conversions * Workforce Housing * Land Banking * PSH
- Loans made directly by DOH as well as 3rd party lending partners
- Flexible loan terms and low-interest and below market rates

DOLA - DOH

FY 2020 – FY2023 Funding Sources
Traditional DOH Gap Funding Programs

Source	FY2020	FY2021	FY2022	FY2023 (projected)
HOME	$4.1M	$5.7M	$6.7M	$7.4M
CDBG	$3.3M	$3.4M	$2.8M	$3.1M
HTF	$3.3M	$4.4M	$10.0M	$10.9M
HSP	$15.3M	$15.3M	$15.3M	$15.3M
HDG	$9.2M	$9.2M	$9.2M	$9.2M
HDG-EE (Nicotine)	$0	$11.1M	$11.1M	$11.1M
HDG-1245 (Vendor Fee)	$0	$11.2M	$63.6M	$72.0M
Total	**$35.2M**	**$50.1M**	**$118.7M**	**$129.0M**

CDOT - Revitalizing Main Streets Grant

- Supports active transportation and community vibrancy

- Flexible project delivery

- Quick win projects

- Max $250k awards, with monthly grant cycles

Check out awards to date:
https://www.codot.gov/programs/revitalizingmainstreets

CEO

Energy Code Work

- CEO holding listening sessions Jan 12, 19, 20 (building energy code requirements and associated grants as well as accept input on development of funding programs)
  - $2M grants to local govts plus offering training on 2021 IECC and model energy codes and tech asst for grant programs and enforcement
- Energy Code Board is developing model electric and solar ready stretch energy codes by June 1, 2023
- Recap: Any jurisdiction that adopts or updates any building code must adopt…
  - 1 of 3 most recent energy codes (2015, 2018, 2021 IECC)
  - Beginning July 1, 2023, the 2021 IECC and solar ready and electric ready or equivalent
  - Beginning July 1, 2026, the low energy and carbon code or equivalent

CEO

Energy Performance Contracting

- Informational resources online & EV charging station grants

Clean Energy Grants (NEW!)

- **Clean Air Program**: financial assist. for industrial emissions reductions

- **Public Building Electrification Program**

- **High Efficiency Electric Heating & Appliances Program**

- **Geothermal Energy Program:** homes, businesses, communities

- **Cannabis Resource Optimization Program**

- **Microgrids for Community Resilience (DOLA & CEO)**
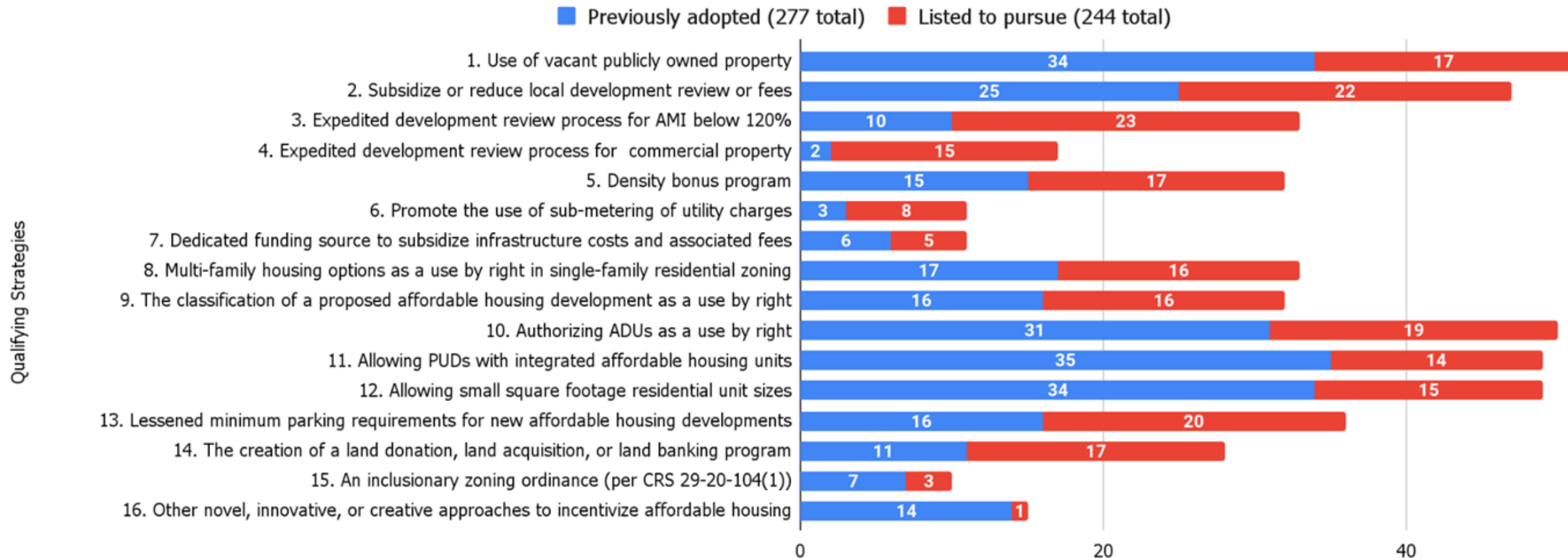
Part 2: Regulatory Tools & Trends

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1271 Program Update - Qualifying Strategies

- Use of vacant publicly-owned property for affordable housing development
- Subsidize/reduce local gov fees
- Expedited dev. review for aff housing
- Expedited dev. review for repurposing underutilized commercial property
- Density bonus program
- Submetering utility charges for affordable housing
- Dedicated funding source to subsidize aff housing

- Middle multifamily (duplex, triplex, other) by right in SF residential zoning districts
- Affordable housing by right
- ADU by right in SF zoning districts
- PUDs with integrated aff housing
- Small square footage res. unit sizes
- Lessened minimum parking for new aff housing
- Land donation/banking program
- Inclusionary zoning ordinance (HB21-1117)
- Other novel, innovative, creative approaches

1271 Qualifying Strategies

1271 Qualifying Strategy Implementation

Previously adopted (277 total)   **Listed to pursue (244 total)**

Qualifying Strategies	Previously adopted	Listed to pursue
1. Use of vacant publicly owned property	34	17
2. Subsidize or reduce local development review or fees	25	22
3. Expedited development review process for AMI below 120%	10	23
4. Expedited development review process for commercial property	2	15
5. Density bonus program	15	17
6. Promote the use of sub-metering of utility charges	3	8
7. Dedicated funding source to subsidize infrastructure costs and associated fees	6	5
8. Multi-family housing options as a use by right in single-family residential zoning	17	16
9. The classification of a proposed affordable housing development as a use by right	16	16
10. Authorizing ADUs as a use by right	31	19
11. Allowing PUDs with integrated affordable housing units	35	14
12. Allowing small square footage residential unit sizes	34	15
13. Lessened minimum parking requirements for new affordable housing developments	16	20
14. The creation of a land donation, land acquisition, or land banking program	11	17
15. An inclusionary zoning ordinance (per CRS 29-20-104(1))	7	3
16. Other novel, innovative, or creative approaches to incentivize affordable housing	14	1

1271 Program Update

Planning Grant Program Update

Round 1-7 Awards
- **62 Planning Grants**
- **Work in 32 counties**
- **$5.4M Awarded**
- **297 qualifying strategies pursued**

And Round 7 was the most popular round yet

Legend:
- ◆ Round 7 - IHOP Municipality
- ◆ IHOP Municipality
- ▭ Round 7 - IHOP County
- ▭ IHOP County
- ▭ Other County
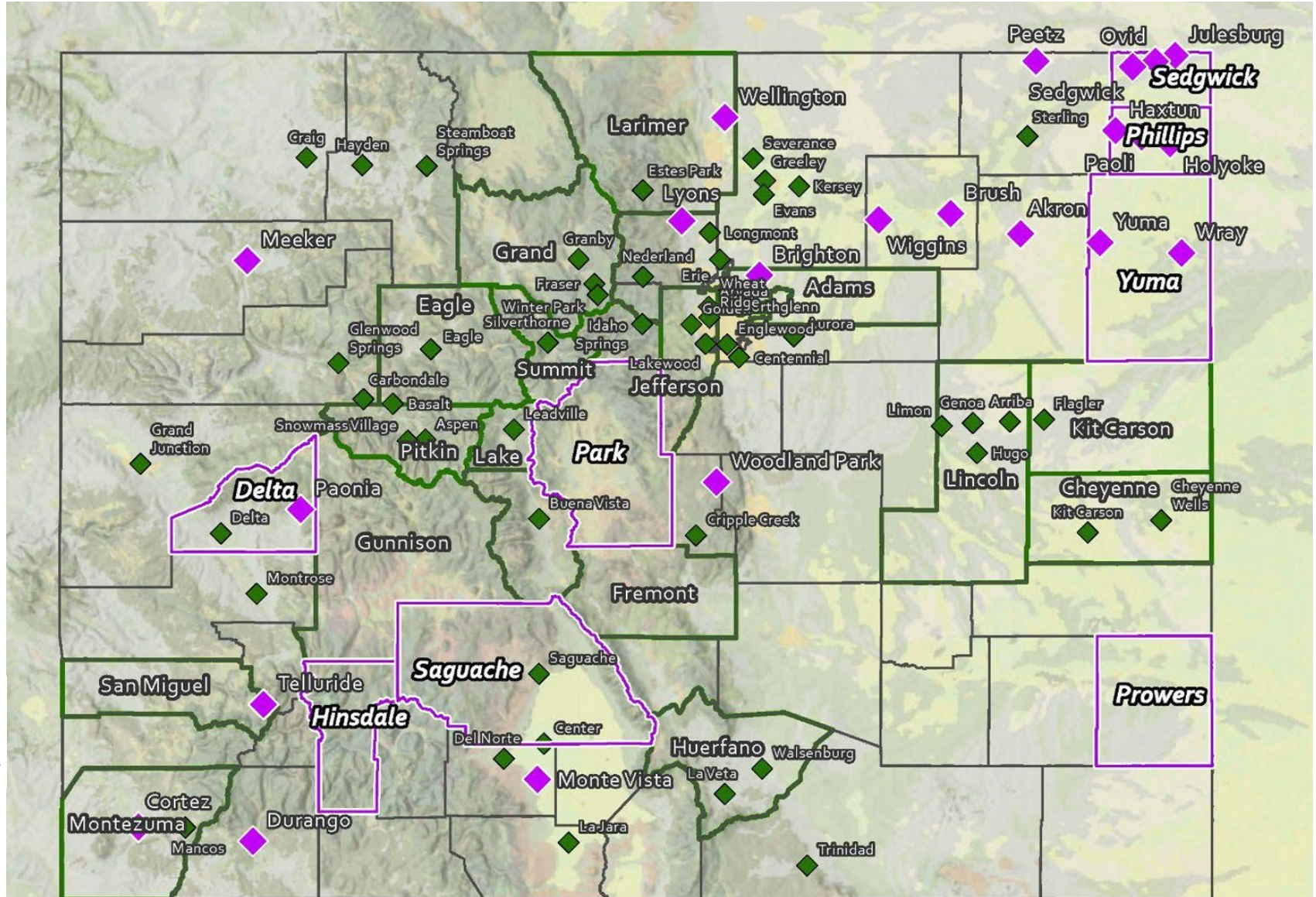
Incentives Grant Program Update

1st Round Awards

- 14 Incentives Grants
- $19M Awarded
- 572 units projected*
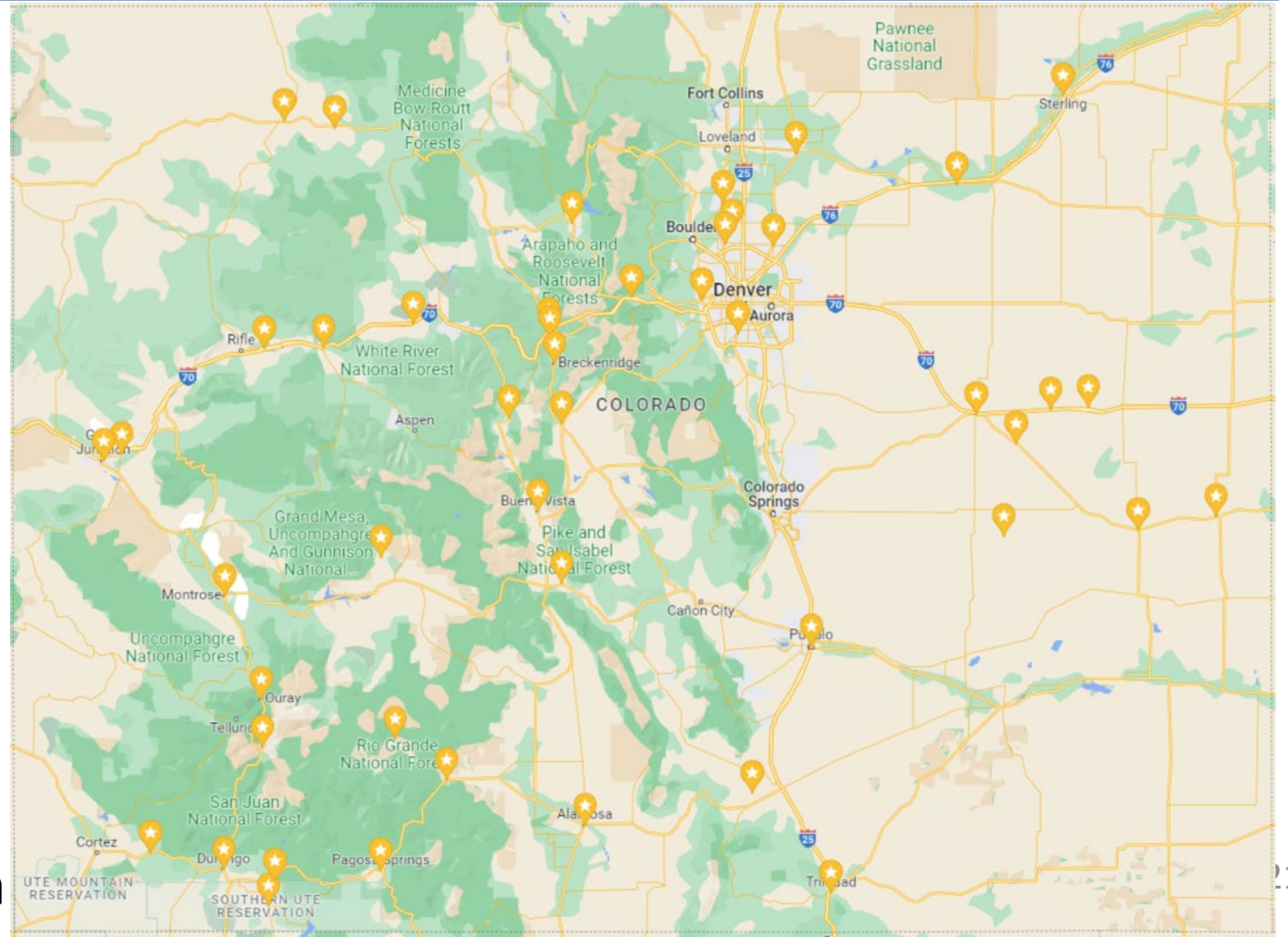
Incentives Grant Program (IHOI) Grantees
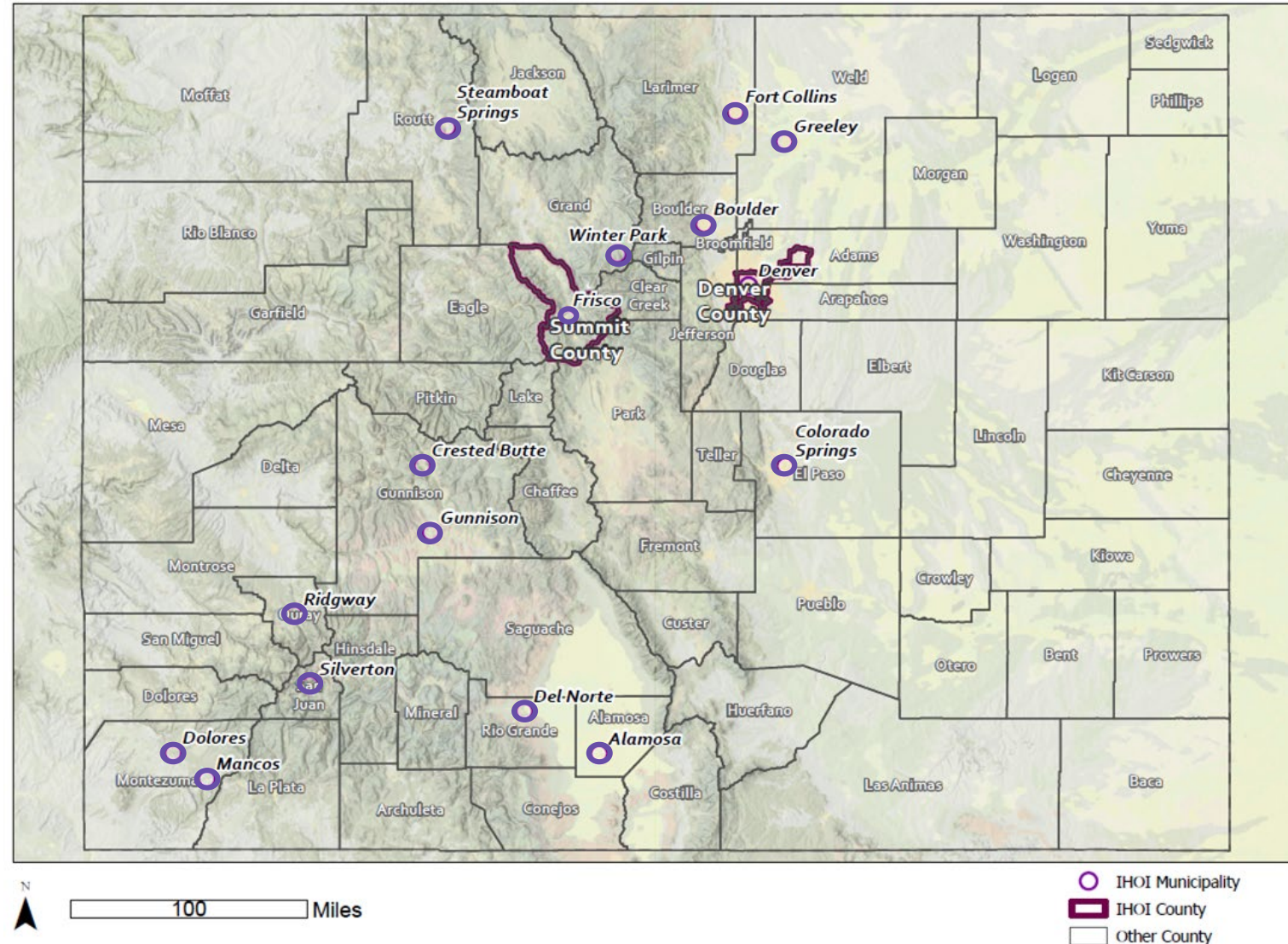
Incentives Grant Program Update

2nd Round
(LOIs under review)

- **54 LOIs received**
- **Approx. $90M requested and $19M remaining**
- **Invites to apply extended this month**

1271 Program Update - Demo of Accelerated Strategy Adoption

- **Huerfano County (Planning Grant - Round 3 Award)**
    - » 2 Strategies in place at time of IHOP Award
    - » 7 Strategies in place at time of the Incentives Grant Application Process
- **Glenwood Springs (Planning Grant - Round 3 Award)**
    - » 2 Strategies in place at time of IHOP Award
    - » 4 Strategies in place at time of the Incentives Grant Application Process
- **Eagle (Planning Grant - Round 1 Award)**
    - » 2 Strategies in place at time of IHOP Award
    - » 4 Strategies in place at time of the Incentives Grant Application Process
- **Golden (Planning Grant - Round 1 Award)**
    - » 2 Strategies in place at time of IHOP Award
    - » 5 Strategies in place at time of the Incentives Grant Application Process
- **Lake County/Leadville (Planning Grant - Round 1 Award)**
    - » 1 Strategy in place at time of IHOP Award
    - » 11 Strategies in place at time of the Incentives Grant Application Process

Lessons Learned, Best Practices

- If you reduce/eliminate fees, establish a sustainable funding source to cover those costs

- If you expedite review, consider what else has been expedited (viability, capacity)

- If water is a concern, work on submetering and additional integration to conserve water (contact DOLA's land use & water planner!)

- If you plan to allow middle multifamily by right, make sure people see pictures first so they can see how housing types can be constructed to fit in their community/neighborhood context (and that they know review still happens!)

- Analyze/consider what "small sq ftg" means and consider lot size, too

- Consider whether you want to subsidize/incentivize all housing or just affordable housing

YOUR Lessons Learned, Best Practices

How is this work going for you?

- What have you done to make land use & housing strategies particularly effective?

- What missteps have you avoided or experienced? Lessons learned?

- What hurdle(s) do you routinely encounter?

- How can the state support housing & affordable housing goals in your jurisdiction/region?

Other Tools

- State Demography Office community profiles
    - https://gis.dola.colorado.gov/colorado-demographic-profiles/
- DRCOG maps & modeling, including economics & land use
    - https://drcog.org/services-and-resources/data-maps-and-modeling/economics-and-land-use
- Case studies & success stories
    - I compile these, please let me know if I should be featuring your community!

Thank you!

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