

# HB21-1271

## DOLA Innovative Affordable Housing Strategies

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# Intent of Legislation

- Incentivize municipalities and counties to remove land use regulatory (e.g., zoning) and development review process barriers and 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 incentive grants



# 3 DOLA Programs Created by the Bill

1. Housing Development Incentives Grant (\$37.7M to award)
  - To qualify, applicants must have adopted at least 3 strategies from the menu of options in the statute
2. Planning Grant (\$6.8M to award)
  - Model land use codes
  - Can fund housing needs assessments
3. Housing Toolkit
  - Cohort training and technical assistance program (led by DOLA's Division of Housing)

*All program guidelines to be posted by September 1, 2021*

*All funds spent by June 30, 2024*



# Housing Development Incentives Program

- \$37.7 million for grants to a muni/county to gap fund an affordable housing development - infrastructure, tap fees, neighborhood or site amenities, or other investments
- To qualify, applicants must adopt at least 3 qualifying strategies from the menu of options in the statute. DOLA has ability to add or evaluate “other” strategies.



# Incentives Program Menu of Options 1/2

- Use of vacant publicly owned property
- Subsidize or reduce fees for affordable housing
- Expedited development review process
- Expedited development review process for redeveloping underutilized commercial property
- Density bonus program
- Sub-metering water for affordable housing
- Dedicated funding source to subsidize infrastructure costs and fees



# Incentives Program Menu of Options 2/2

- Use by right: duplex, triplex, other multi-family housing options, ADUs (3 menu items)
- Allow PUDs with integrated affordable units
- Allow development of small square footage residential unit sizes
- Lessened minimum parking requirements
- Create land donation/acquisition/banking program
- Other novel, creative, or innovative approaches



# Priorities in Funding – Incentives Program

- Geographic diversity
- Projects add community benefits
- Communities demonstrate an ongoing commitment to advancing their regulations and policies to address affordable housing needs
- Represents diverse affordable housing types (rental up to 80% AMI, ownership 140% AMI)
- Long term affordability
- Extent to which equity is assessed in local govt plans, policies, regulations related to housing



# Planning Grant Program

- Model land use codes and technical assistance
- \$6.8 million in grants to communities to adopt strategies to qualify for incentives grants
- Planning and analyses plus implementation strategies (from the qualifying list)
- Housing needs assessments (including equity) as needed/as part of qualifying strategy development
- Launches summer 2021, first apps due mid-September, rolling availability after that





# Key Takeaways for Local Govts

- Planners: evaluate whether you need to apply for a planning grant (and/or a housing needs assessment)
- 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
- Think timing (fast-paced process; code updates take time)
- Share your input: How would your community like to use these funds? Timing and other challenges? What can we do to make it easy for grantees to spend these funds quickly and effectively?

