



COLORADO

Housing Proposals Overview

Governor's Office, DOLA, CDOT, CEO



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Governor's Budget Requests

\$136.7M housing package that leverages existing dollars and tax credits to increase housing supply and deliver more housing throughout the state:

- \$65M to create new housing near transit
- \$18M to help communities and local governments build more Accessory Dwelling Units (ADUs)
- \$16M in Space to Create tax credits for new housing units, placemaking, and revitalization projects for the creative sector

Governor's Budget Requests

- \$10M for technical assistance: planning and assessments to align housing needs and goals at the local and regional levels
- \$5M for adaptive reuse, \$5M for historic preservation adaptive reuse
- Short Term Rental Tax Fairness Proposal for Homeowners and Local Governments

Legislative Focus Areas in 2024

1. Strategic Growth bill
2. Accessory Dwelling Units and Financing bill
3. Transit Oriented Communities bill

Goals for the session

- **Recognizing the intersections between issue areas is key:**
 - affordable housing
 - equity and displacement
 - transit and transportation
 - clean water and air
 - greenhouse gas emissions
 - natural and working lands
 - infrastructure
 - interagency collaboration

Process:

- Transparent and collaborative

Strategic Growth bill

Goals:

- Planning for a livable, sustainable, and affordable Colorado
- Captures shifting demographics
- Align efforts across agencies
- Identify goals and track progress

Key Components:

- Local Housing Needs Plans
- Statewide Housing Analysis
- Integrating strategic growth into transportation planning
- Local Comprehensive Plan Updates



Accessory Dwelling Units (ADUs)



ADUs with Innovative Financing

Key Goals:

- Build intergenerational wealth; further promote equity
- Increase property rights of homeowners
- Address financing and cost barriers and support existing ADU programs
- Create more options for environmentally friendly affordable housing
- Support aging-in place families
- Help households stay in place by enabling intergenerational living and/or rental revenue
- Establish predictable standards, including enhancing modular and innovative construction to bring down cost
- Keep it simple

ADU Criteria

Administrative approval of ADUs where single-unit homes area allowed in:

- Municipalities within Metropolitan Planning Organizations (MPOs) over 1,000 people
- Parts of counties in MPOs that are Census Designated Places over 10,000 people
- Other jurisdictions that wish to opt in to access grants and financing

Supports best practices from AARP, Urban Institute by ensuring homeowners can:

- Build reasonably sized ADUs between 500-800 sq. ft.
- Decide to live in *OR* rent their home and ADU without owner occupancy restrictions, which allows for more financing options
- Decide whether or not they need an extra parking space for an ADU, which allows for greater flexibility to manage construction and financial constraints
- Avoid unnecessary restrictions that are more onerous than single-unit homes

Why these criteria?

- Restrictions based on lot and existing home size leads to inequitable outcomes
- Removing restrictions has significantly increased ADU construction elsewhere
- Increasing construction enables economies of scale and cost reduction for ADUs

ADU Flexibility

Local governments still have significant flexibility to regulate ADUs:

- Regulating short term rentals
- Parking for ADA
- Allowing larger or smaller ADUs
- Applying impact or similar fees
- Applying historic district standards
- Incentivizing affordability or housing for local workforce
- Etc. - applying other standards not specified in statute

To be eligible for grants/financing, must adopt at least one strategy from a menu:

- Pre-approved ADU plans
- Incentivize affordability through lower fees and other incentives.
- ADU tech. assistance program
- Short term rental regulations
- Incentives for accessible ADUs
- Other innovative strategy

Innovative Grants & Financing

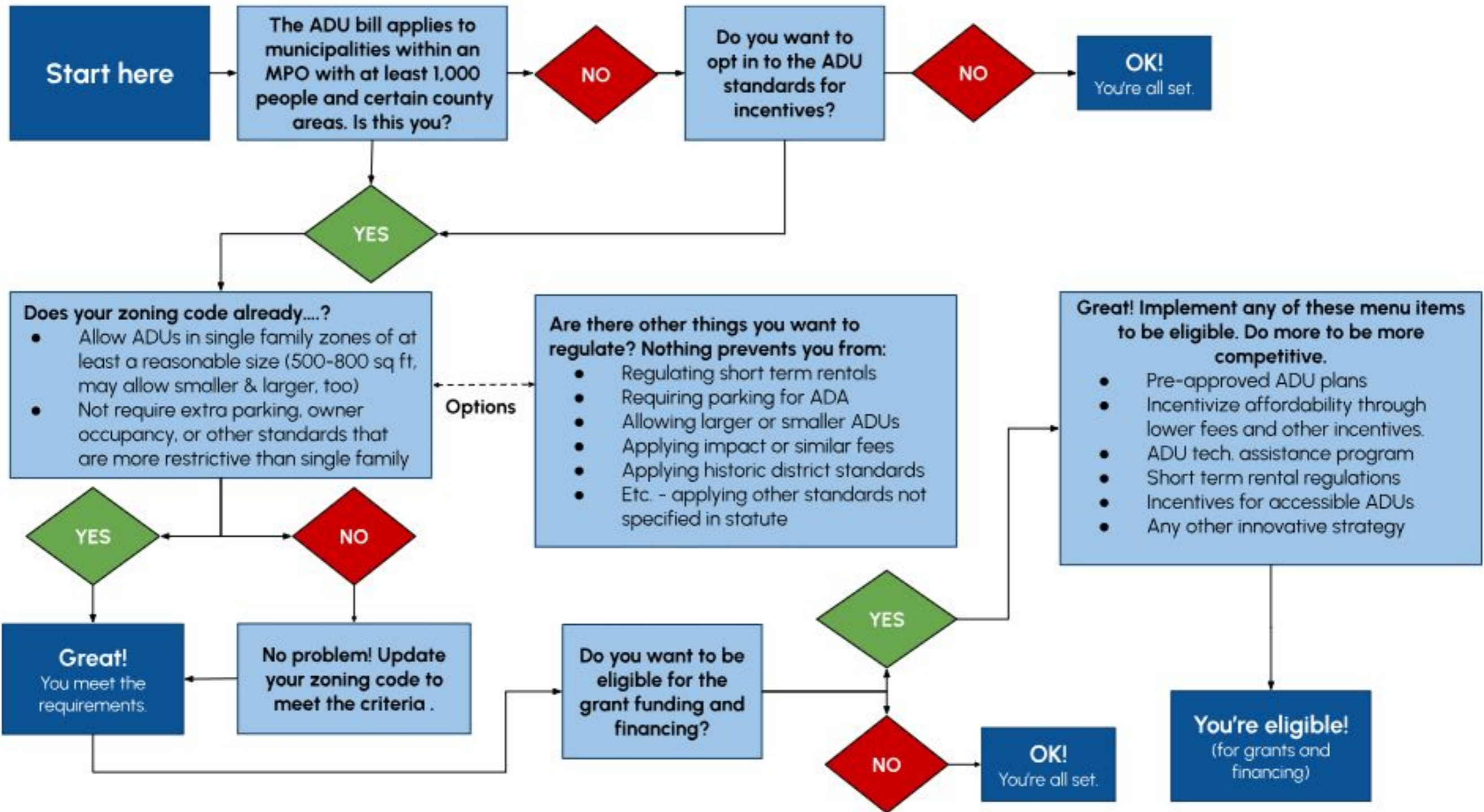
Fee Reduction Grant Program

- Jurisdictions that meet the criteria can apply for funds to waive/reduce fees for ADUs, provide technical assistance to homeowners, or provide pre-approved designs
- Grant program is focused on providing support to low/moderate income homeowners, if homeowners agree to rent their ADU at affordable rents, and accessible/visitable ADUs
- Jurisdictions with significant STR demand who demonstrate they have an effective program in place to regulate STRs will also be scored favorably

Financing to Facilitate Construction of ADUs

- Jurisdictions in compliance (in MPOs) or who opt in (other areas) would enable their residents to have access to an ADU financing program

ADU Flow Chart



Transit Oriented Communities bill

Goals:

- Remove barriers to affordable and attainable housing near transit
- Zoning can be a barrier, but communities with zoning best practices often face other issues (financing, infrastructure)
- Protect vulnerable communities from displacement



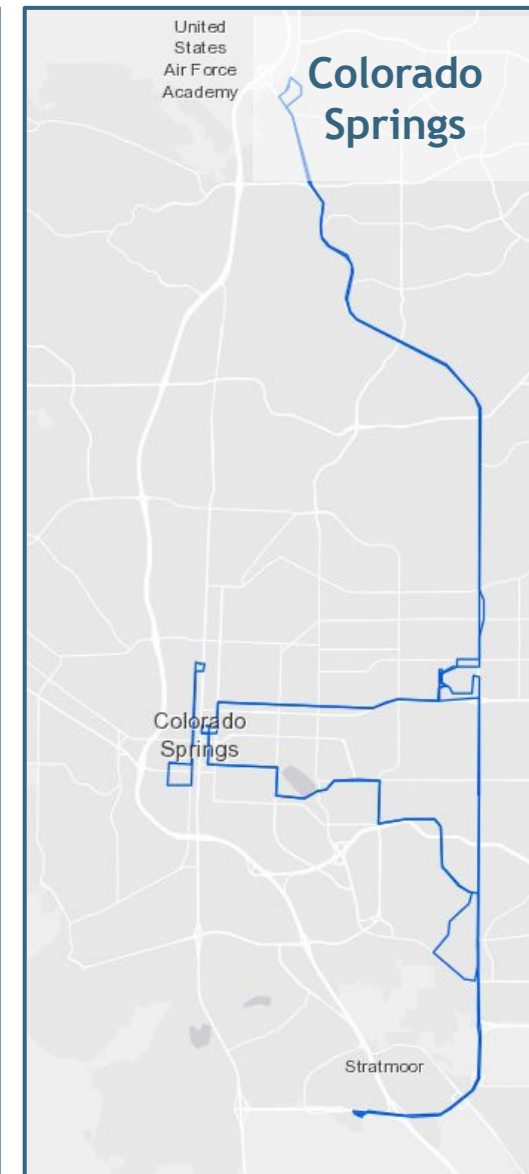
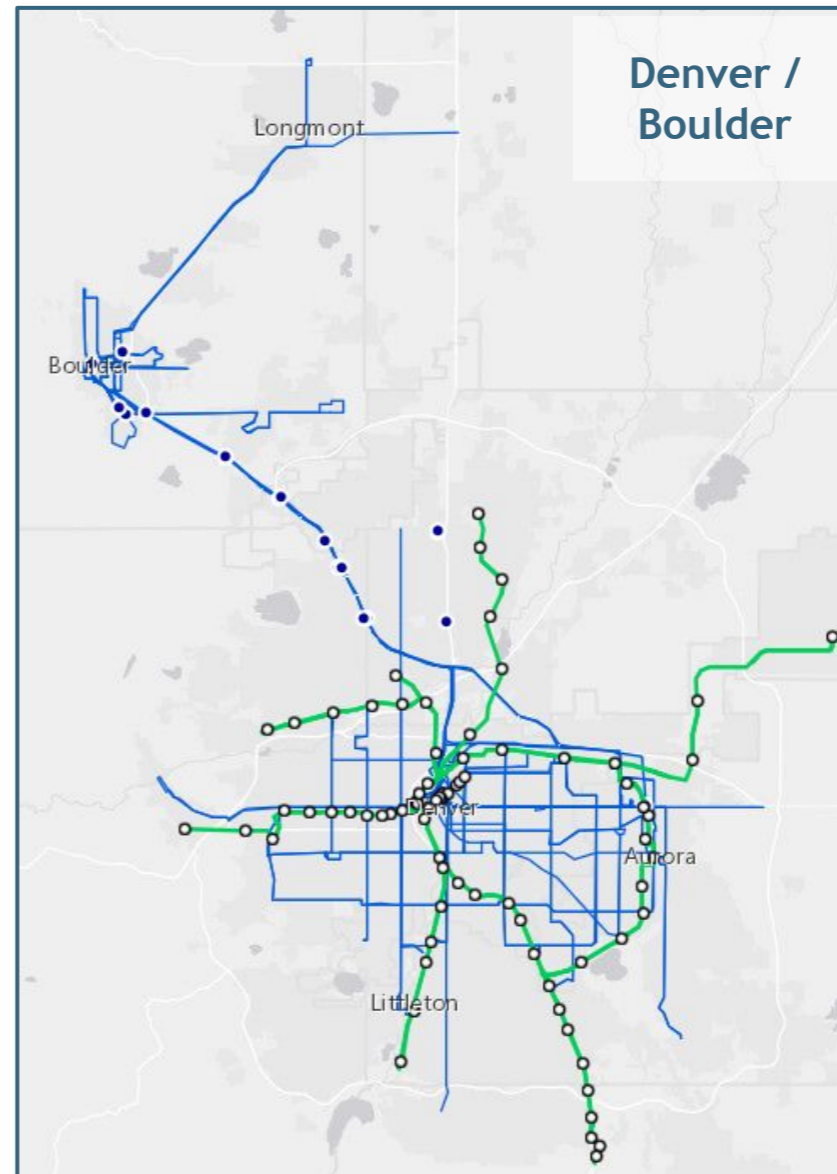
Approach:

- ~30 jurisdictions in MPOs would meet jurisdiction-wide Housing Opportunity Goals by identifying locally-designated Transit Oriented Centers
- Other jurisdictions in MPOs may identify opt-in Neighborhood Centers to qualify for incentives

Jurisdictions likely to qualify as Transit Oriented Communities (31)

Adams County
Arapahoe County
 Arvada
 Aurora
 Boulder
 Broomfield
 Centennial
 Cherry Hills Village
 Colorado Springs
 Commerce City
 Denver
Douglas County
 Edgewater
 Englewood
 Firestone
 Fort Collins

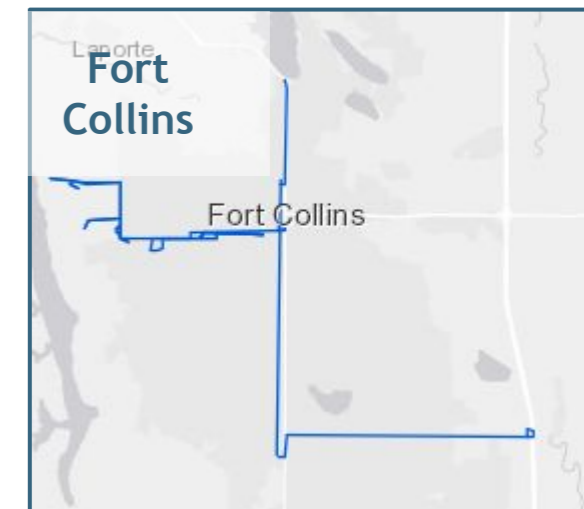
Glendale
 Golden
 Greenwood Village
Jefferson County
 Lafayette
 Lakewood
 Littleton
 Lone Tree
 Longmont
 Louisville
 Northglenn
 Superior
 Thornton
 Westminster
 Wheat Ridge



RTD Rail Lines



Frequent Bus and BRT Lines



Incentivizing affordability and infrastructure

TOC Infrastructure Fund (\$35M):

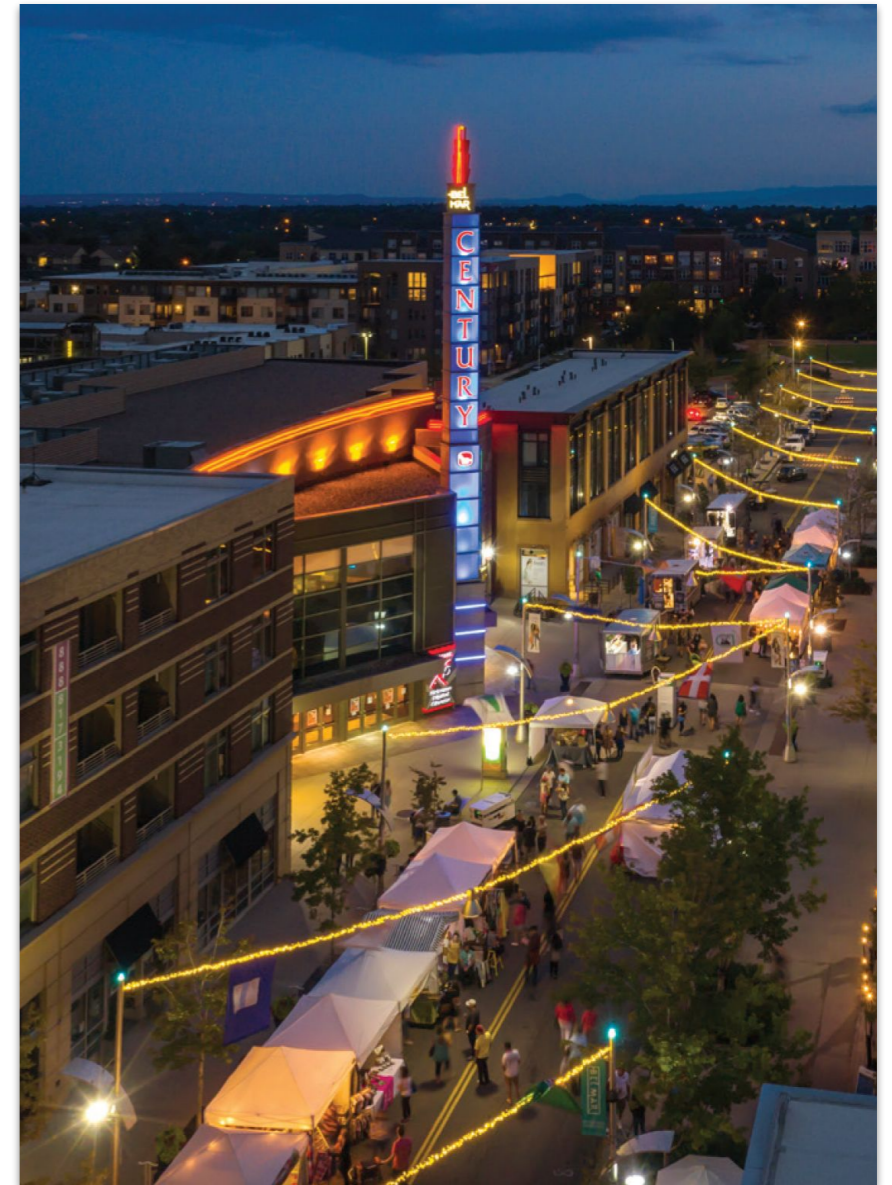
- Mirrors DOLA's Strong Communities Program
- Funds public infrastructure and affordable housing projects in TOCs

TOC Affordable Housing Tax Credit (\$30M)

- A new affordable tax credit for TOC areas

Affordability Strategies:

- TOC jurisdictions would choose at least 3 strategies from the menus of affordability strategies
- State grant programs would incentivize communities to go above and beyond



Transit Oriented Centers & Neighborhood Centers

Transit Oriented Centers (TOCs):

- locally-designated areas near frequent transit service
- zoning supports affordable housing and high quality transit service

"Opt-in" Neighborhood Centers:

- downtowns and main streets
- lack frequent transit service

Mapping these areas can improve local, regional, and state coordination.



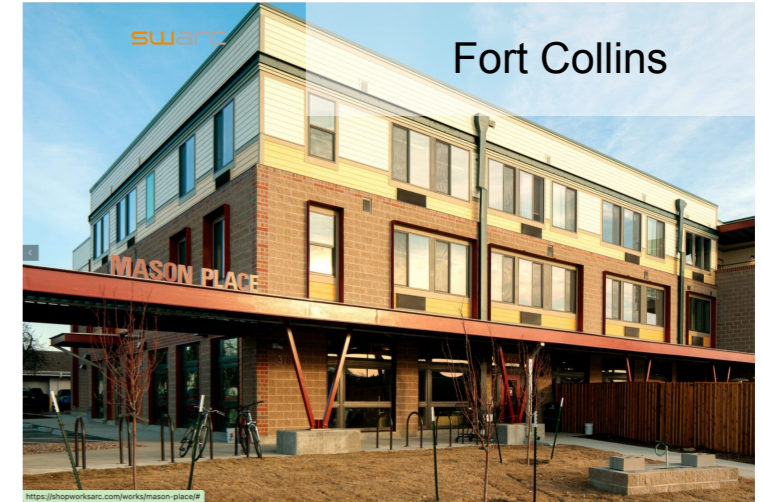
Supporting Transit and Affordability

- In Denver metro only 7.5% of rail stations and 15% of transit corridors have the housing needed to support frequent transit service
- TOCs need an average zoning density of 40-60 units per acre
 - Allows affordable housing to "pencil" out financially
 - Supports frequent transit service
 - Improves the regional balance of jobs and housing



What densities look like

Note: Similar building typologies can result in different densities based on site factors such as parking, open space, etc.



**15
units/acre**

**30 - 40
units/acre**

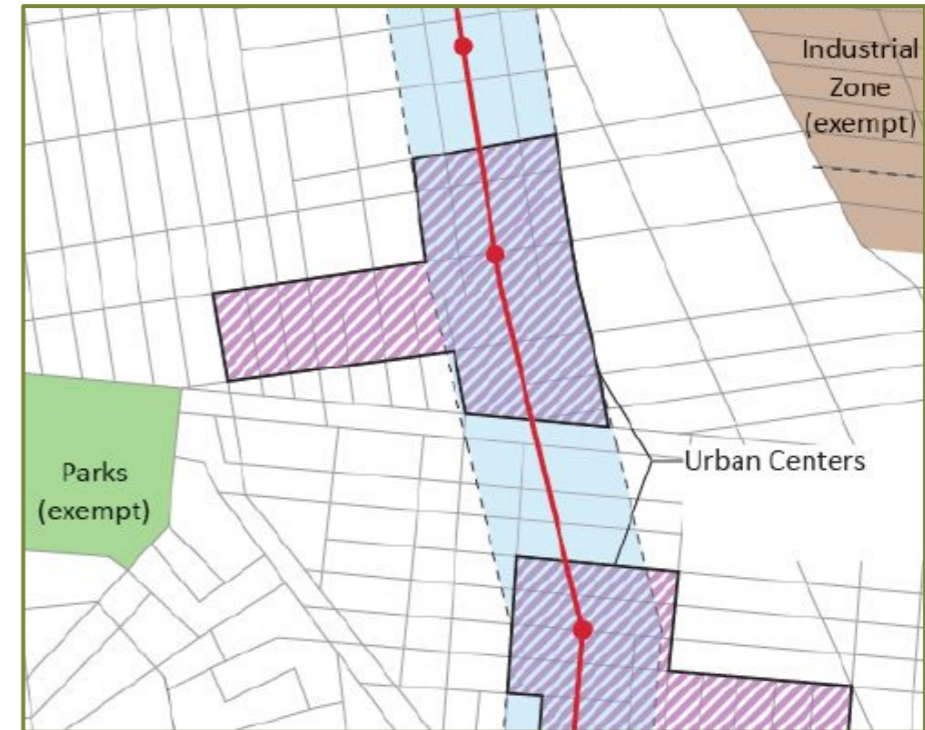
**45 - 50
units/acre**

Comparing density in other states/regions

| Policy | Density Standards Summary |
|--|---|
| Oregon | <ul style="list-style-type: none"> ● 30 units/net acre or 85' height in cities over 100,000 population |
| SF Bay Area Regional TOC Policy | <ul style="list-style-type: none"> ● 50 units/net acre - Station served by rail or BRT line ● 75 units/net acre - Station served by two or more rail lines |
| California - "Grand Boulevards Bill" AB 2011 | <ul style="list-style-type: none"> ● 30-40 units/net acre - Small sites on commercial corridor ● 70-80 units/net acre - Sites within 1/2 mile of a major transit stop |
| Massachusetts- MBTA Communities | <ul style="list-style-type: none"> ● 25 units/acre net (15 gross) - cities with rail stations |

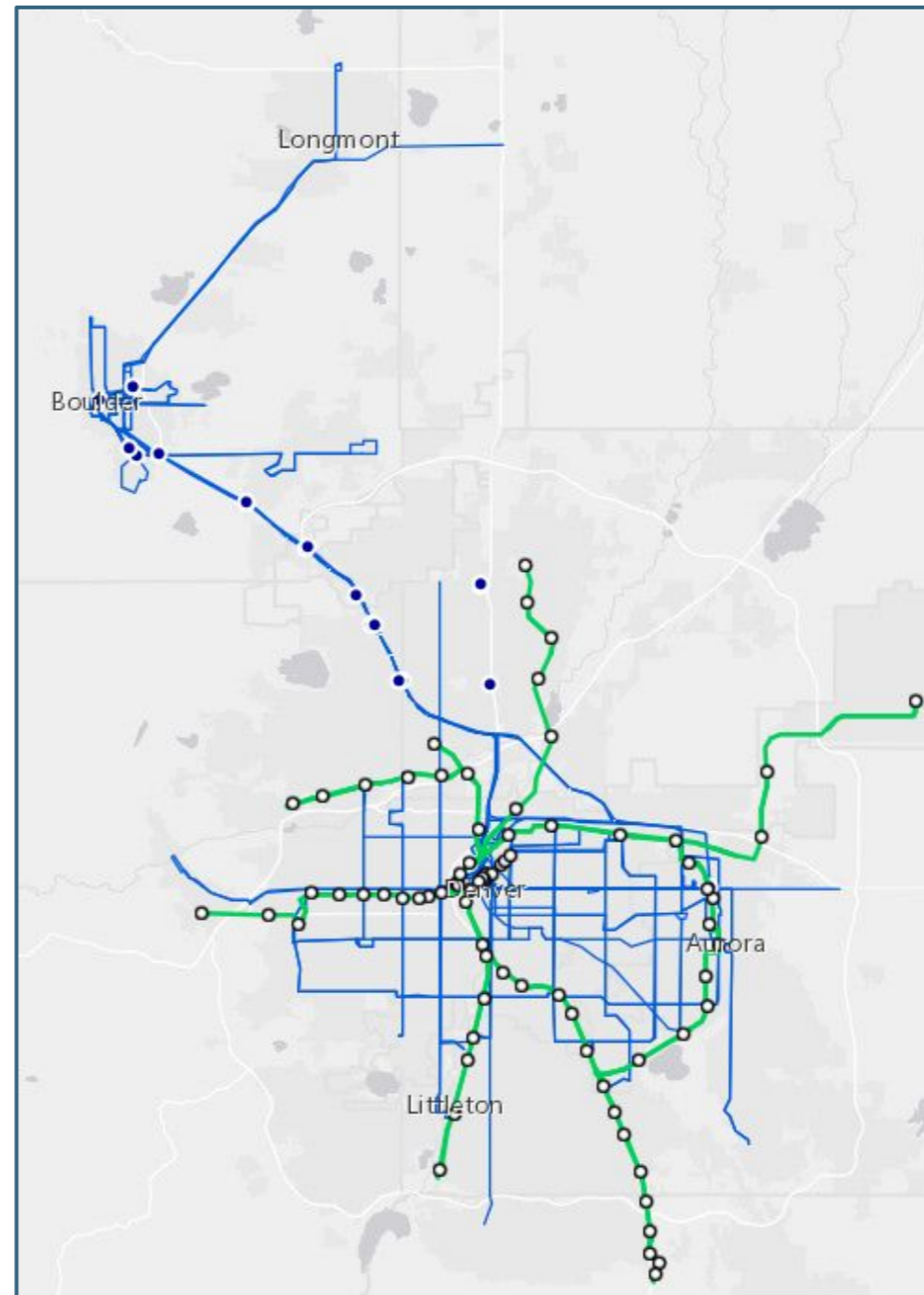
How would TOCs work in practice?

- Jurisdictions would identify enough Transit Oriented Centers to reach their jurisdiction-wide Housing Opportunity Goal.
- Transit Oriented Centers may be of different **sizes, densities, and locations**
- If a jurisdiction meets the Housing Opportunity Goal criteria, they are qualified for incentives



Where is frequent transit planned or existing in MPOs?

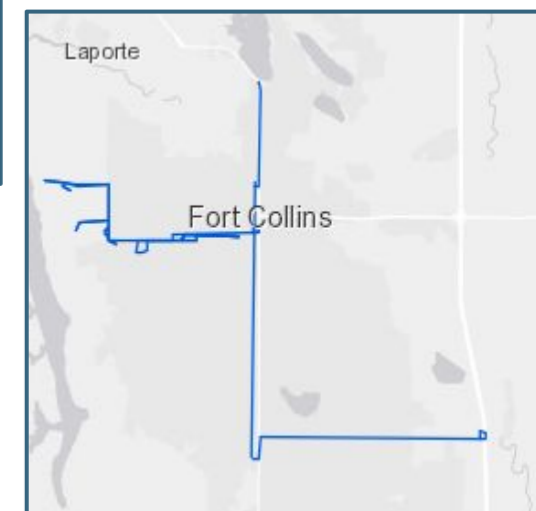
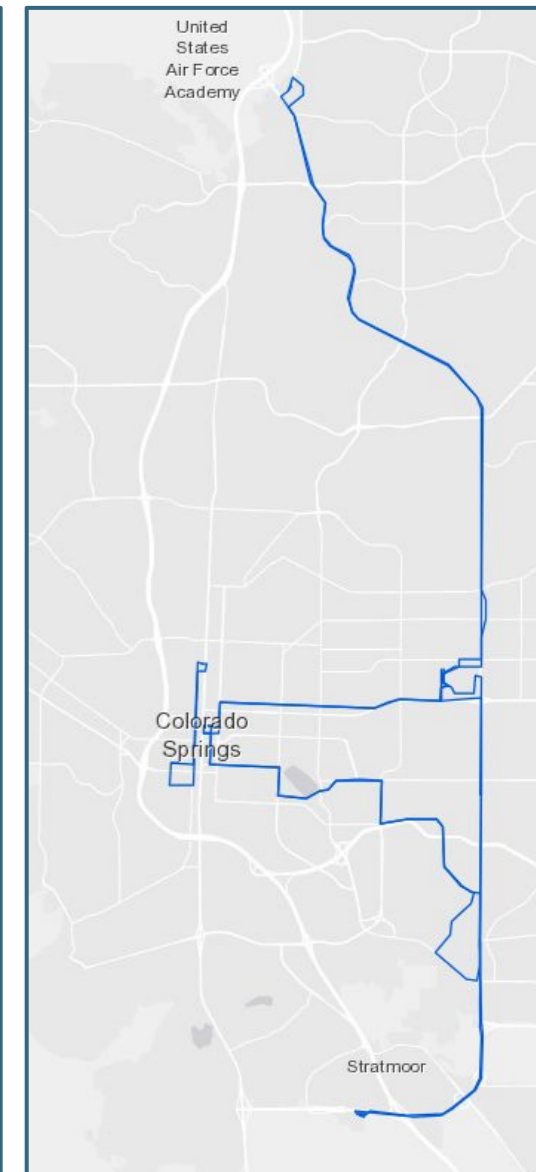
- Frequent transit is based on:
 - RTD's System Optimization Plan
 - DRCOG's Long Range Regional Transportation Plan (for BRT)
 - In other regions, a mix of existing plans and existing service.
- Jurisdictions are not required to locate high density zoning around all bus corridors or rail stations.



RTD Rail Lines



Frequent Bus and BRT Lines



Summary of Implementation Steps

1. Determine if jurisdiction qualifies as a Transit Oriented Community. If yes...
2. Calculate the Housing Opportunity Goal
3. Assess (a) existing zoning for Transit Oriented Centers; and (b) existing affordability strategies
4. Determine if existing zoning meets the Housing Opportunity Goal and if affordability strategies are sufficient
5. If Housing Opportunity Goal or affordability strategies are not sufficient, update zoning/strategies
6. Conduct Displacement Risk Analysis and select strategies for any areas with potential for displacement
7. Reporting and Implementation timelines

Implementation Steps

Step 1a: Determine whether jurisdiction is a Transit-Oriented Community

- **TOCs apply to jurisdictions:**
 - In Metropolitan Planning Organizations
 - With more than 4,000 population
 - With Median Household Income of more than \$55,000
 - With more than 75 acres of Transit Areas
- **For Counties, TOCs only apply to:**
 - Urban County Areas: Census Designated Places above 100,000
 - Enclave County Areas: Unincorporated areas completely surrounded by municipalities

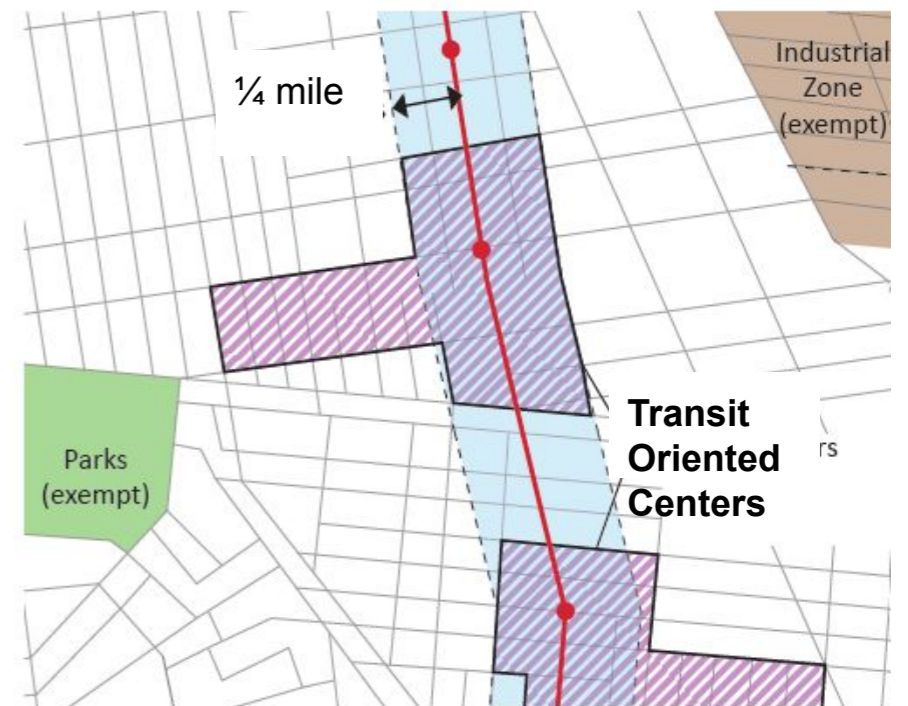
Implementation Steps:

Step 1b: Determine the Transit Areas in the Community

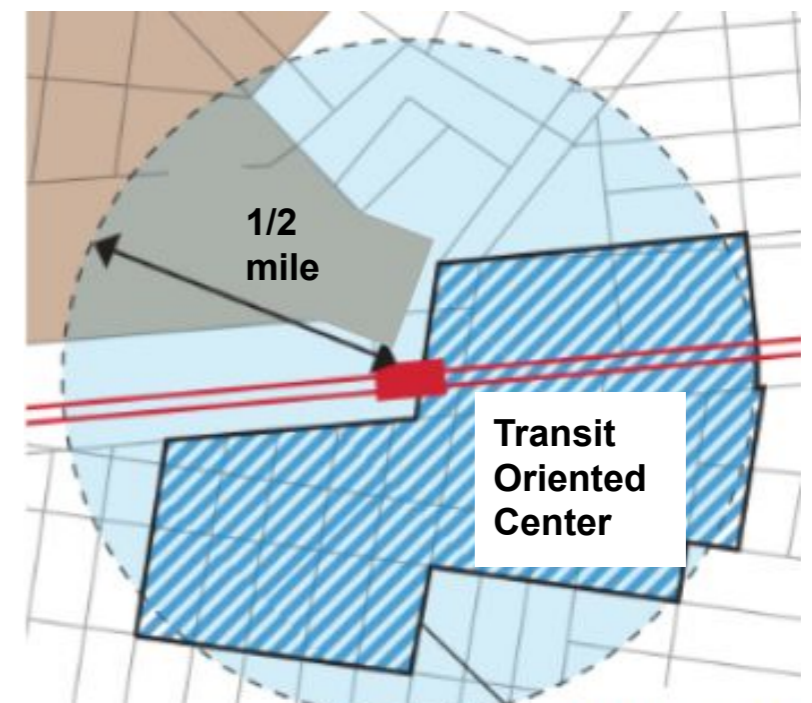
- **Transit Corridor Areas - ¼ mile around:**
 - Frequent (15-minute) bus corridors
 - BRT corridors
- **Transit Station Areas:**
 - ¼ mile around 30-minute rail stations
 - ½ mile around 15-minute rail stations
 - ½ mile around Commuter BRT stations

NOTE: the bill directs the state to work with MPOs and transit agencies to create an official map of Transit Areas during implementation

Transit Corridor Area



Transit Station Area



Implementation Steps:

Step 2: Transit Oriented Community calculates Housing Opportunity Goal.

ELIGIBLE TRANSIT AREA ACREAGE

Includes ALL eligible acres
within ALL Transit Areas
(minus exempt parcels)

X

AVERAGE NET HOUSING DENSITY (set by TOC bill)

40 units per acre
for both bus and
rail

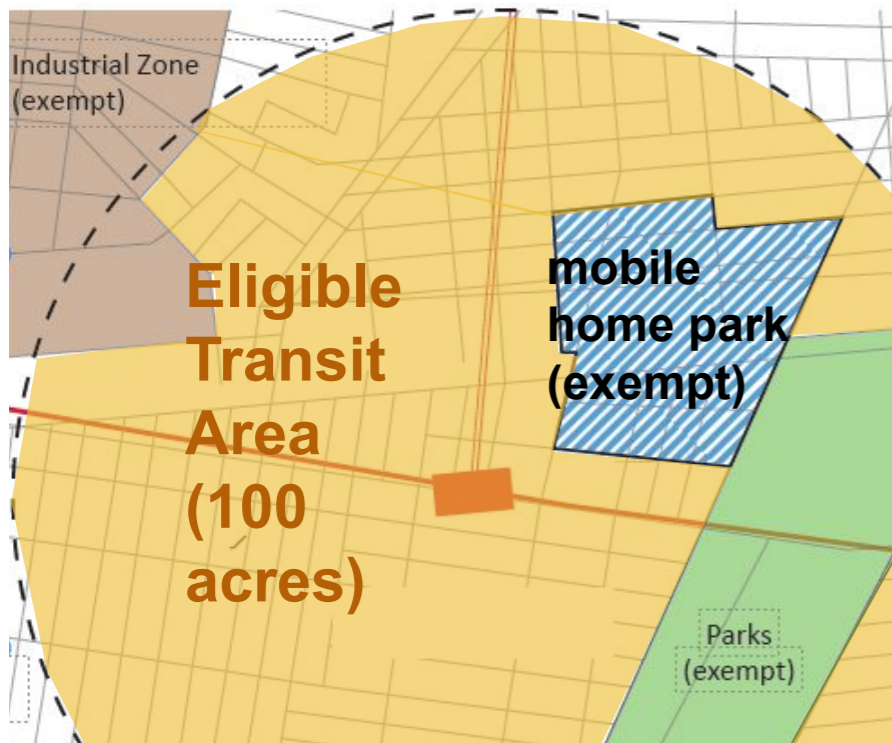
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HOUSING OPPORTUNITY GOAL

Example:

100 acres (eligible Transit
Area) X 40 units/acre = 4,000
units total units of zoning
capacity

To calculate the
jurisdiction-wide HOG, add
the zoning capacity of each
transit area



Implementation Steps:

Exempt Parcels that are not included in calculating the HOG formula:

- Not served by domestic water and sewer treatment
- In an agricultural, forestry, natural resource preservation, or open space zoning district
- In an industrial zoning district
- In a floodway or 100-year floodplain
- Mobile home parks
- Cemeteries
- Conservation easements
- Airports
- Public rights of way
- Mobile home parks

Housing Opportunity Goals

Step 3: Transit Oriented Communities assess their existing zoning/ Transit Oriented Centers.

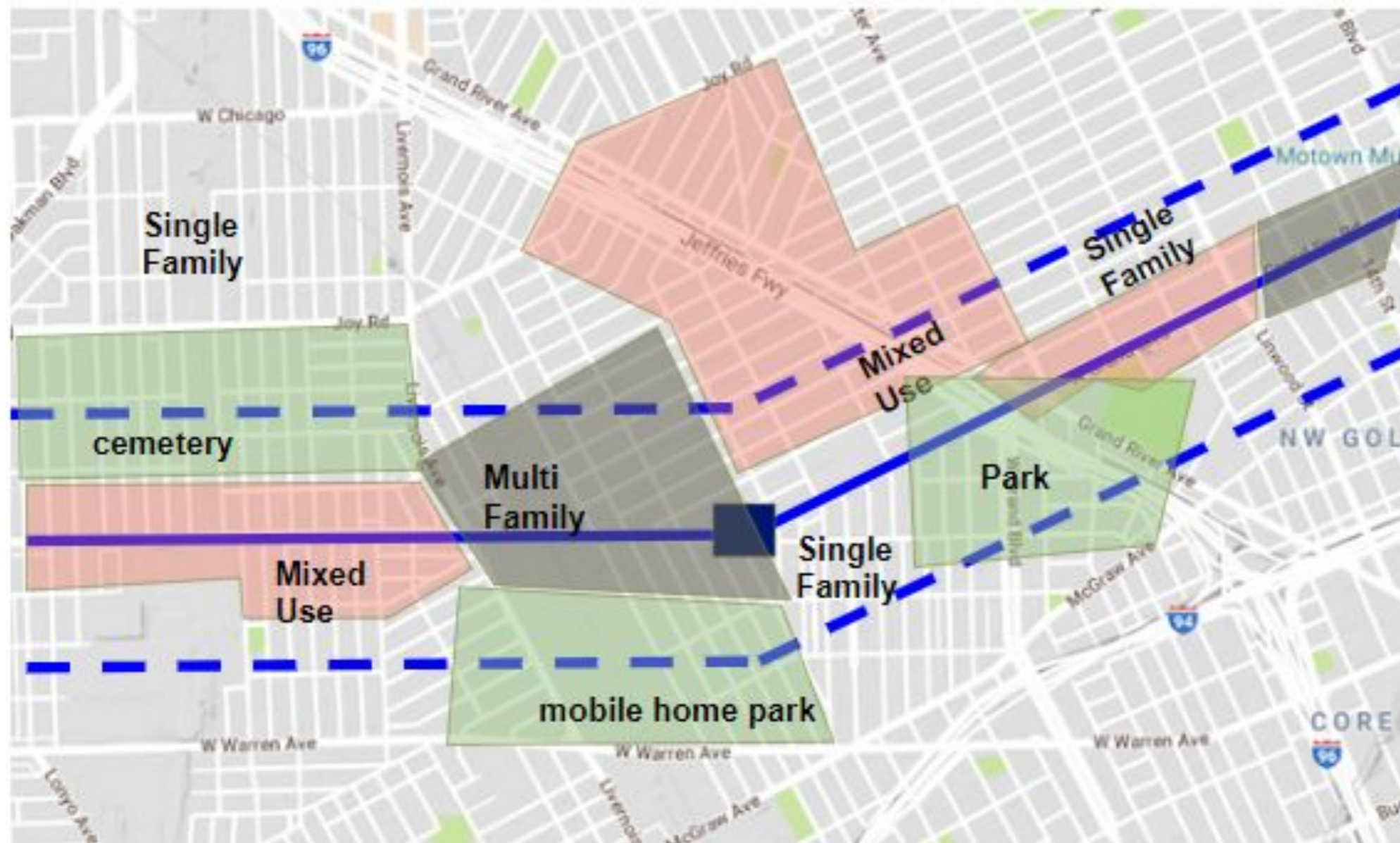
- Identify existing zoning districts that meet TOC criteria.
- Transit areas may have any density (some transit areas may have zero residential density) as long as the total jurisdiction-wide HOG is met.

Transit Oriented Center criteria for zoning districts:

- a. Mixed-use areas that allow residential can count as TOCs
- b. Must allow a minimum net housing density of 15 units/acre
- c. May count a maximum net density up to 300 units/acre (to account for zoning with no height limits)
- d. Determination of units/acre must account for all "dimensional standards"
 - State will provide guidance and a "calculation model"
- e. Must allow administrative approval of projects less than 5 acres
- f. May extend outside of Transit Area (up to 1 mile from transit) if at least partially within the Transit Area

• *The average Transit Area is composed of (roughly):*

- $\frac{1}{3}$ exempt areas (floodplains, mobile home parks, etc)
- $\frac{1}{3}$ single family zones
- $\frac{1}{3}$ multi-family/mixed-use zones



Options to meet an average density of 40 units per acre

Option 1: Increase the height or other standards for multi-family/mixed-use zones to reach (for example) 80 units/acre (based on average of 50% of eligible transit area already allowing multi-family)

Option 2: Reduce dimensional standards (lot coverage, parking, etc) to increase density without increasing height or area

Option 3: Allow 3-4 plexes and/or townhomes in single family areas to reach 15 units per acre there

Option 4: Allow multi-family in light industrial zones and/or commercial-only zones

Option 5: Allow more administrative approval, or reform PUDs

Option 6: Expand contiguous TOCs outside the transit area, or request consideration of non-contiguous TOC

Option 7: A mix of all of the above

Other considerations for HOGs

Water supply shortages: If the jurisdiction's water supplier does not have adequate supplies to support the HOG, the jurisdiction may identify a HOG that fits available water supplies by submitting evidence to DOLA.

HOG regional partnership: interested in exploring this idea through recommendations of a Regional Housing Needs Assessment for subregional partnerships

Determination of Housing Opportunity Goals

Step 4: Report preliminary status of HOG calculation and Transit Oriented Centers by DOLA by Jan 1, 2025.

- **If a jurisdiction meets HOG criteria >>>>> the Transit Oriented Community has early eligibility for incentives**
 - TOC Infrastructure Fund
 - TOC Affordable Housing Tax Credit
- **If HOG criteria is not met >>>>> the jurisdiction will need to update zoning following the timeline on the next slide**

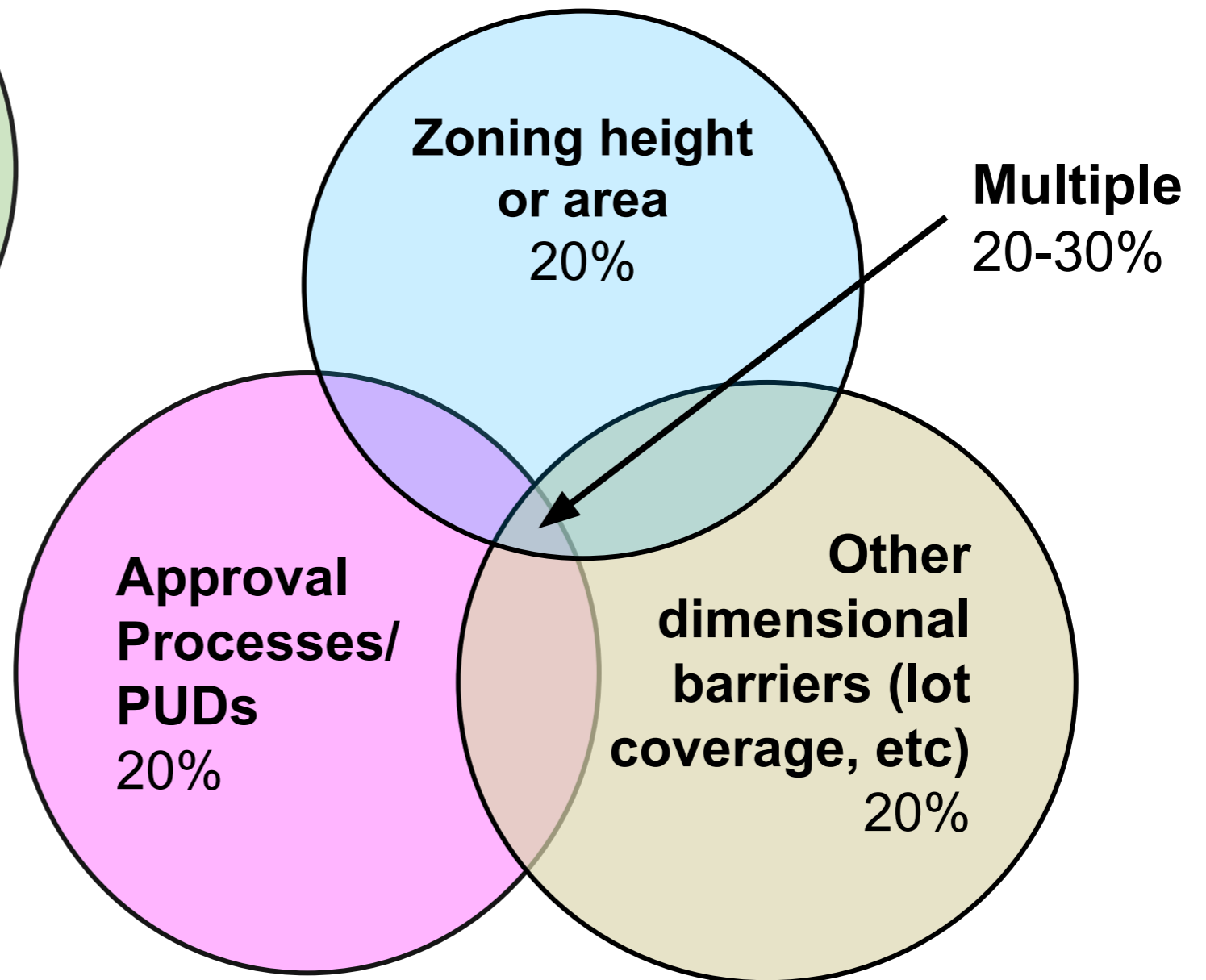
Implementation Timeline

- Jan 31, 2025: jurisdictions submit preliminary assessment of Housing Opportunity Goals. If HOG is met, receive early qualification for incentives.
- December 31, 2026: Housing Opportunity Goals must be met to maintain jurisdiction's share of HUTF. Any withheld HUTF returned when HOG is met.
- December 31, 2027: Housing Opportunity Goals become state law.
 - Any withheld HUTF distributions deposited into TOC Infrastructure Fund (with constitutionally imposed limitations).
 - Jurisdictions are eligible to receive HUTF again once they meet the Housing Opportunity Goals.

Our best estimation (low confidence) based on a preliminary and incomplete scan of zoning

**Current zoning
may already
meet HOGs
20-40%**

Current zoning may not meet HOGs due to:



The Governor's Office team wants to work with local planning staff as they apply the HOG formula and understand how current zoning relates to the HOG.



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Thank you!



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