



FUNDAMENTALS: LOCAL POLICY OPTIONS AND ADVOCACY



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Affordable Housing Toolkit for Local Officials

GOAL OF THE TRAINING

This training provides an overview of several types of policy solutions local officials might consider and high-level suggestions for engaging in policy advocacy.



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LOCAL POLICY OPTIONS TO ADVANCE HOUSING AFFORDABILITY & STABILITY



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LOCAL OFFICIALS' ROLES

- Forming and articulating a vision around an inclusive, thriving community that meets the housing needs of people all along the income spectrum
- Exercising legislative and regulatory authority and securing public resources toward realizing that vision
- Seeking community voice, implementer expertise, and data
- Working with community leaders to energize residents into action
- Collaborating with fellow electeds and local housing staff, liaising with other local and state officials



SELECTED LOCAL POLICY OPTIONS TO ADVANCE HOUSING AFFORDABILITY & STABILITY

- Reducing the Cost of Development (Reduced/Waived Fees, Decreasing the Cost of Regulation)
- Creating Affordability Provisions (Extended Affordability Periods, Inclusionary Housing Ordinances)
- Zoning Matters to Consider
- Notice and Right of First Refusal
- Funding Affordable Housing Production/Preservation
- Code Enforcement



NOTICE AND RIGHT-OF-FIRST-REFUSAL LAWS

Notice laws require rental property owners to give residents advance notice of any intention to sell.

Right of first refusal laws provide residents and/or another qualifying entity, often local government entities, the opportunity to acquire a for-sale property and preserve units' affordability over the long-term; often applies to properties with expiring deed restrictions or currently affordable properties at risk of flipping to market-rate.

- Laws provide varying amounts of time for residents or qualifying entities to declare their intent to and acquire properties, but typically range from 30 to 90 days.
- Residents can either purchase the property themselves or transfer their rights to a non-profit, mission-driven for-profit, or local government entity committed to maintaining the long-term affordability of units.



NOTICE AND RIGHT-OF-FIRST-REFUSAL LAWS

Right of first refusal laws are most effective when implemented with companion resources.

- Flexible, quickly accessible funding for acquiring properties or establishing community land trusts are necessary to realizing these opportunities. This often requires a commitment of public funds.
- Renters interested in purchasing property themselves often require connections to an entity with experience purchasing and operating rental housing.

Relevant Colorado state laws:

- HB 22-1287: Protections for Mobile Home Park Residents
- SB 22-232: Creation of Colorado Workforce Housing Trust (Middle-Income Housing) Authority

Examples of existing local laws:

- Denver Preservation of Affordable Housing Ordinance
- Prince Georges County, Maryland
- San Francisco, California



EXTENDED AFFORDABILITY PERIODS

- Local governments can require developers, property owners and managers to legally commit to maintaining the affordability of units for a minimum length of time.
- An Extended Land Use Restriction Agreement (LURA) is often tied to public sources of funding (Federal CDBG and HOME funds, federal and state housing tax credits, local affordable housing resources).
- Recognize that long-term ownership and maintenance of affordable rental housing requires financially strong entities that can sustain themselves over the long-term.



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EXTENDED AFFORDABILITY PERIODS

Relevant Colorado state laws:

- CRS 39-22-2102:
State affordable housing tax credit allocation and terms
- SB22-159: Affordable housing revolving loan fund; HB22-1304: Housing affordability & stability grant program

Examples of existing local laws:

- Denver's inclusionary housing ordinance requires minimum 99 years for affordable units, minimum 60 years for projects receiving City resources



CODE ENFORCEMENT

Strategic, balanced code enforcement programs that are mindful of equity implications can help maintain the quality and the safety of existing units, thereby supporting efforts to preserve particularly unrestricted affordable units.

Code enforcement alone typically will not prevent the loss of units, rather works best with other rehabilitation tools and funding streams, such as:

- USDA-RD Section 504 Home Repair program
- DOH Single Family Rehab Program
- Energy Outreach Colorado's affordable energy assistance efforts for low-income households
- Locally supported acquisition-rehabilitation programs for unsubsidized affordable units
- Land Bank- some jurisdictions have established land bank to preserve properties that have been condemned for redevelopment of new affordable housing



CODE ENFORCEMENT

Relevant Colorado state laws:

- HB19-1170: Statewide “Warranty of Habitability” Law

Examples of existing local laws:

- Denver: “Healthy Residential Rentals for All” rental licensing program
- San Francisco Bay Area: Acquisition-rehabilitation of unsubsidized affordable housing

For more information:

- Stabilizing Neighborhoods Through Strategic Code Enforcement (Urban Institute)



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REDUCED/WAIVED FEES

- Local jurisdictions can encourage development of new affordable housing by reducing or waiving various fees for qualifying projects.
- Some fees may be waived by city staff, while generally waivers of larger fees must be approved by City Council.
- Waivers can be codified for an entire jurisdiction or only in specified areas but should always establish clear eligibility criteria.
- Eligibility for fee reductions and waivers can be limited to non-profit developers, or available to all projects that meet specified affordability criteria regardless of the developer.



REDUCED/WAIVED FEES

Relevant Colorado statewide information:

- In Colorado, the total cost of permit and review fees vary between local communities and may run over \$30,000 per single-family house. The effect of permitting and review fees on total development costs can be significant, having a direct impact on housing affordability

Examples of existing local action:

- Glennwood Springs Fee Waivers: Fee Waivers clear way for Glenwood Green
- City of Longmont Affordable Housing Incentive Program

For more information:

- Local Housing Solutions Brief



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FUNDING AFFORDABLE HOUSING PRODUCTION/PRESERVATION

- Jurisdictions can establish local housing trust funds ... they're not just for large metro areas!
- Local funding sources for affordable housing can be established or increased through taxes, such as **taxing short-term rentals** and investing revenue into affordable housing, or **directing lodging taxes** to affordable housing.
- **New and one-time state-administered funds** now make grants and loans available to local governments and their partners to advance housing affordability and stability on an unprecedented basis.
- See **Funding and Financing 301** for greater detail and specific opportunities!



FUNDING AFFORDABLE HOUSING PRODUCTION/PRESERVATION

Across the board, funding should be flexible and meet local needs, such as:

- Covering the “gap” between what it costs to redevelop a property and what can be raised through tax credits and private financing
- Addressing the backlog of accumulated capital needs
- Predevelopment funds to facilitate investigation of preservation/development opportunity
- Helping a nonprofit or mission-driven for-profit act quickly to purchase an available property in need of preservation
- Providing permanent financing for preserved properties
- Making loans to property owners to enable refinancing or property rehabilitation without raising rents beyond affordability



FUNDING AFFORDABLE HOUSING PRODUCTION/PRESERVATION

Relevant Colorado state laws:

- HB22-1117: Use of Local Lodging Tax Revenue
- SB22-159: Affordable housing revolving loan fund; HB22-1304: Housing affordability & stability grant program; HB22-1282: Modular and other innovative housing

Examples of existing local funding measures:

- Yampa Valley Housing Authority: Mill levy
- Multiple CO cities, towns, and counties voted to expand funding for housing in 2022 elections



ZONING MATTERS TO CONSIDER

- Reduce parking requirements for affordable housing
- Provide allowances and/or bonuses for greater density for affordable housing
- Enable accessory dwelling units (ADUs) by-right; consider allocating public resources to support lower-income households' ability to construct and benefit from ADUs
- Reduce or remove minimum house size, lot size, or yard size requirements
- Eliminate excessive subdivision standards
- Advance allowances for affordable housing development “by right” in lieu of case-by-case considerations



ZONING MATTERS TO CONSIDER

Relevant Colorado state laws:

- HB21-1271: Department of Local Affairs Innovative Affordable Housing Strategies
- Home Rule Governance in Colorado

Examples of existing local laws:

- Denver decreased minimum parking requirements for developing housing affordable at or below 60% AMI
- Pagosa Springs, Longmont and Colorado Springs among others have adopted a density bonus policy to promote development of homes affordable to people with low/middle incomes.
- Ft. Collins updated residential land development code to enable more dense/affordable housing.
- As of Dec. 2022, Centennial is considering many zoning options to advance housing affordability.



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INCLUSIONARY HOUSING ORDINANCES

Colorado municipalities can specifically require that new developments include a certain number of units that will have more affordable rents, as long as at least one other option is provided to the developer.

Items to consider:

- What is the option?
 - *Example: instead of building affordable units, a developer might be allowed to pay a fee instead.*
- The municipality/jurisdiction must define what is “affordable” (target AMIs)
- Cities that want to require new affordable units also have to embrace other policies that make it easier to build housing (many tools presented in this presentation would count).
 - *Example: allow multiple units on a single-family lot*



INCLUSIONARY HOUSING ORDINANCES

Relevant Colorado state laws:

- HB21-1117: [Local governments' authority to promote affordable housing units](#)

Examples of existing local programs:

- Denver: [Expanding Housing Affordability ordinance](#)
- Longmont: [Inclusionary Housing Ordinance](#)

Resources:

- [Summary of Inclusionary Zoning Practices in Colorado](#)



DECREASING THE COST OF REGULATION

Local governments can help decrease the cost to affordable housing developers in a variety of ways, including:

- Streamlining of the permit review process between agencies and jurisdictions for projects that produce or preserve affordable homes.
- Building flexibility into local codes for design standards. There may be adequate but less expensive design alternatives that can reduce costs while still producing a quality product.



DECREASING THE COST OF REGULATION

Relevant Colorado state laws:

- Proposition 123 as passed by Colorado voters in 2022

Examples of existing local laws:

- Denver's inclusionary housing policy includes an incentive for permit review through a dedicated affordable housing team, subject to staff capacity



POLICY COORDINATION

Integrating policy priorities:

- Incorporate development concerns and goals into HUD-mandated Consolidated Plan - ensure that affordable housing initiatives align with other policy priorities.
- Working with local Council of Governments (COG) or in other partnership to create consistency from jurisdiction to jurisdiction.

Coordinating with other entities:

- If providing local funds, look for opportunities for consistency with other funders (CHFA, DOH)
- Establish an affordable housing committee or consortium of public housing authorities, nonprofit housing developers, government agencies and other members of the community to support housing efforts prior to actual projects coming online. (Particularly important for implementing right of first refusal laws.)



ADVOCACY

- [Colorado Counties, Inc. \(CCI\)](#)
- Colorado Counties Acting Together
- [Colorado Municipal League](#)
- [Housing Colorado](#) - statewide membership organization committed to providing advocacy, professional development and issue expertise for the affordable housing community.
- [Colorado Coalition for the Homeless Advocacy Network](#)
- [National Low Income Housing Coalition](#)



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FURTHER LEARNING

ADDITIONAL RESOURCES:

- [DOLA Division of Housing](#)
- [Affordable Housing Toolkit for Local Officials](#)
- Stay up to date with training materials and next steps for Technical Assistance. Contact
 - Andrew Atchley (719) 298-2903
andrew.atchley@state.co.us or
 - Natalie Wowk (720) 812-4137
natalie.wowk@state.co.us
 - Sign up for DOH's email blast [here](#)



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THANK YOU!



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