



COLORADO

Department of Local Affairs

Division of Local Government

**HB21-1271 Innovative Affordable Housing Strategies Grant
Program Report Per Colorado Revised Statute 24-32-130(8)(b)**

**INNOVATIVE AFFORDABLE HOUSING
PLANNING GRANT PROGRAM REPORT**

November 1, 2022



HB21-1271 INNOVATIVE AFFORDABLE HOUSING STRATEGIES - ANNUAL REPORT **Innovative Affordable Housing Planning Grant Program** **November 1, 2022**

Section 24-32-130(8)(b), of the Colorado Revised Statute (C.R.S.) requires the Department of Local Affairs, Division of Local Government (DLG), to provide a report summarizing the use of all money that was awarded as grants from the Planning Grant Program in the preceding fiscal year. At a minimum, the report must specify the amount of grant money distributed to each grant recipient and a description of each grant recipient's use of the grant money. In the report, the division shall also provide its recommendations concerning future administration of the grant program. This document fulfills this reporting requirement.

Innovative Housing Planning Grant Program (IHOP)

Program Launch and History

In Colorado's 2021 legislative session, House Bill 21-1271 created the Local Government Planning Grant Program, also referred to as the Innovative Housing Planning Grant Program (IHOP) in Colorado Revised Statute (C.R.S. 24-32-130 (5)). The program provides grants to local governments to analyze housing needs and to make lasting changes to regulations, processes, incentives, and policies to remove barriers to affordable housing development. Planning Grant funds are being used by municipalities and counties to support their efforts to adopt land use strategies that fit community goals and diverse local contexts. HB21-1271 set aside approximately \$7.2 million for the program. At the outset of the program, it was anticipated that grant awards would be made in the range of \$50,000 to \$200,000. Finally, close collaboration with the Division of Housing provided valuable expertise to the program's development.

Drafting and adopting regulations and performing the housing needs analyses needed to inform those regulations and programs can be time intensive processes. Considering the program's end date of June 30, 2024, staff worked tirelessly engaging stakeholders to develop program guidelines (by the September 1 due date) and to advertise the grant funding opportunity widely throughout the state to ensure early interest and significant local government participation from the outset. In an effort to make the program accessible to rural and small communities, DOLA created a streamlined application with a flexible process to make improvements so that we could fund as many communities as possible. This work laid the foundation to help DOLA ensure the greatest possible geographic diversity of funding, per the statute.

HB21-1271 outlined 15 qualifying land use strategies (policies, regulatory tools, and incentives) that local governments may adopt to qualify for Incentive grants, and the Division of Local Government (DLG) added inclusionary zoning to the list of options. The list in the statute also provides an option for local governments to make a case to DLG for "Other novel, innovative, creative approaches to incentivize affordable housing development." Grants were only awarded to local governments to explore and analyze strategies on the list and adopt them (sometimes necessitating an update of housing needs or similar studies). This work included funding for inclusive community engagement. DOLA created guidance documents for the strategies to offer implementation guidance and examples from Colorado communities, and we have made them available to local governments through the program's [website](#) and direct community outreach.

Qualifying Land Use Strategies



1. The use of vacant publicly-owned real property within the local government for the development of affordable housing development
2. The creation of a program to subsidize or otherwise reduce local development review or fees, including but not limited to building permit fees, planning waivers, and water and sewer tap fees, for affordable housing development
3. The creation of an expedited development review process for affordable housing aimed at households at the annual income that is at or below 120% of the area median income (AMI)
4. The creation of an expedited development review process for acquiring or repurposing underutilized commercial property that can be rezoned to include affordable housing units, including the preservation of existing affordable housing units
5. The establishment of a density bonus program to increase the construction of units that meet critical housing needs in the community
6. With respect to water utility charges, the creation of processes to promote the use of sub-metering of utility charges for affordable housing projects and the creation of expertise in water utility matters dedicated to affordable housing
7. With respect to infrastructure, the creation of a dedicated funding source to subsidize infrastructure costs and associate fees related to publicly owned water, sanitary sewer storm sewers, and roadways infrastructure
8. Granting duplexes, triplexes, or other appropriate multi-family housing options as a use by right in single-family residential zoning districts
9. The classification of a proposed affordable housing development as a use by right when it meets the building density and design standards of a given zoning district
10. Authorizing accessory dwelling units as a use by right on parcels in single-family zoning districts that meet the safety and infrastructure capacity considerations or a given zoning district
11. Allowing planned unit developments (PUDs) with integrated affordable housing units
12. Allowing the development of small square footage residential unit sizes
13. Lessened minimum parking requirements for new affordable housing developments
14. The creation of a land donation, land acquisition, or land banking program
15. DOLA added: An inclusionary zoning ordinance (per CRS 29-20-104(1)); and
16. Other novel, innovative, creative approaches to incentivize affordable housing development

Program Awards

In FY21-22, 44 IHOP grant awards totaling \$4,124,100 were made over the course of five application rounds and are located in all eight of DOLA's regions. Of the 44 grant awards, five are regional projects, meaning more than one local government is participating, which not only extends the reach of the program but also fosters and supports multi-jurisdictional problem solving and coordination. This figure excludes the final two funding rounds of the planning grant program which will be included in next year's report. Collectively, the projects funded through the 44 FY21-22 grant awards involve 16 participating counties and 52 participating municipalities, meaning that at least one qualifying strategy will be adopted or implemented in as many communities, with local governments indicating that figure to be much higher as they make efforts to promote the development of affordable housing. Collectively IHOP planning work is taking place in 32 Colorado counties. Refer to page 11 of this report for a graphic highlighting qualifying strategy implementation goals of grantee communities.

The summary table included in the following pages provides information pertaining to each FY21-22 IHOP grant award including the project location, total award amount, number of qualifying strategies being pursued, and a project description.



Summary: 44 grant recipients from 32 counties, \$4,124,100 awarded in five separate funding rounds

Planning Grant Program (IHOP) Award Summary - FY 2022				
Grant Recipient (Sorted A-Z)	Recipient's County	Project Name	Funding Allocated	# of Qualifying Strategies Pursued
City of Aurora	Arapahoe, Adams, Douglas	Aurora Missing Middle Housing Incentive Strategy	\$112,500	2
The city will pursue adoption and refinement of several affordable housing incentive strategies supported by the city's housing strategy and a robust community engagement process. The city will also study a fee waiver fund, a policy incentive feasibility study, and infrastructure fund feasibility assessment to help the city identify gaps and strategies to be effective in incentivizing the development of a variety of housing products including affordable housing.				
Town of Buena Vista	Chaffee	Housing Affordability in Buena Vista	\$45,000	2
The town will conduct a code audit and subsequently incorporate four qualifying strategies into its Unified Development Code, with community engagement helping to guide the update. Through this project the town will also examine opportunities for updates to internal processes and procedures that support affordable housing development and community benefits.				
City of Centennial	Arapahoe	Housing Assessment and Affordable Housing Policy Development	\$200,000	7
The city is identifying the housing needs for its future workforce with this plan and to build off of its existing Housing Market Overview. Funding will be utilized for robust public outreach and education to further select impactful strategies that can be considered for adoption by the city council.				
Town of Center (Regional)	Saguache, Rio Grande, Conejos	Western San Luis Valley (WSLV) Code and Strategy Development	\$130,000	6
The WSLV partnership will review each town's housing assessment and municipal code and assist in drafting new codes and policies that encourage affordable housing via qualifying strategies. Additionally, the partnership seeks financial programs/methods that may support the regional partnership model.				
City of Craig	Moffat	The Future of Housing for Craig	\$106,125	8
The city will pursue three qualifying strategies, including: amending the land development code, exploring sustainable funding opportunities for fee reductions/subsidies for infrastructure development, and performing a technical assessment to identify parcels with outstanding affordable housing potential.				
City of Cripple Creek	Teller	Housing Incentives & Land Trust Investigation	\$75,800	2
The city intends to refine and amend their processes for prioritizing affordable housing. This includes developing formal ordinances for ADUs and allowing multi-family units within single-family zoning areas.				
City of Delta	Delta	Delta Affordable	\$120,000	3



		Housing and Land Use Code Updates		
<p>The city will implement qualifying strategies as described in their comprehensive plan, including: refining their subsidized local development fees, establishing a density bonus program, and making more housing types coded as a use by right in a single-family residential zoning district. Additional tasks include conducting a housing needs assessment and updating the subdivision and zoning code to clarify outdated language and integrate the housing objectives.</p>				
Town of Eagle	Eagle	Innovative Housing Strategies	\$45,000	10
<p>The town will incorporate qualifying strategies into its Land Use and Development Code update, which is currently ongoing. The town will also conduct a housing needs assessment and will work on an Innovative Housing Solutions Implementation Report.</p>				
City of Englewood	Arapahoe	Englewood Innovative Housing Strategy Planning Grant	\$80,000	5
<p>The city will conduct a housing needs assessment, update their ongoing affordable housing strategies supported by their updated code, as well as perform a catalyst site evaluation to identify potential catalyst projects that have specific infrastructure improvements or deficiencies.</p>				
Town of Erie	Boulder, Weld	Partnership to Promote Diverse and Inclusionary Housing	\$51,450	4
<p>The town will study and update its impact fee structure to determine how to reduce affordable housing barriers, in addition to conducting a housing needs assessment. Also, the town will explore if a dedicated funding source can subsidize water infrastructure costs.</p>				
Town of Estes Park	Larimer	Housing Needs Assessment & Strategy Development	\$51,000	6
<p>The town will conduct a housing needs assessment along with the development of a strategic housing plan that will include identification of qualifying strategies for implementation to address the affordable housing needs of the community.</p>				
City of Evans	Weld	Evans Land Use Code Update and Housing Market Study	\$67,500	7
<p>The city is completing an update to the housing components of the land use code, as well as performing a market study to determine their capability to absorb attainable, middle, and estate type housing products.</p>				
Town of Fraser (Regional)	Grand	East Grand County Regional Housing Authority Housing Needs Assessment and Founding Documents	\$48,750	2
<p>The town will pursue the development of a multi-jurisdictional regional housing authority in East Grand County, a housing needs assessment tailored to the boundaries of the housing authority, and adoption and refinement of qualifying affordable housing policy and regulatory strategies.</p>				
City of	Garfield	Glenwood Springs	\$45,000	3



Glenwood Springs		Incentives for Affordable Housing Development		
The city will develop a housing action plan that provides targeted recommendations for advancing the adoption and successful enforcement of their top four priority affordable housing qualifying strategies.				
City of Golden	Jefferson	Innovative Affordable Housing Strategies Planning Project	\$71,250	5
The city will conduct a housing needs assessment, utilize recent data to update portions of the countywide five-year plan (2020-2024), and pursue new strategies including: a permit fee reduction program, an expedited review process, a dedicated funding source for city-owned public infrastructure, and potential sub-metering programs for multi-family housing projects.				
City of Grand Junction	Mesa	Affordable Housing Goals Adoption and Land Use Code Changes	\$85,125	3
The city intends to carry out two projects as identified in their housing needs assessment. The first includes collaboration with consultants to adopt and define metrics for affordable housing goals; the second involves amending the municipal code to better incorporate qualifying strategies.				
City of Greeley	Weld	Greeley Housing Needs Assessment, Subarea Plan, and Qualifying Strategies	\$187,500	2
The city will conduct a city-wide housing needs assessment, then prioritize the results of the assessment, create a subarea plan or overlay district regulations for an area identified in the needs assessment, and allow for an expedited review process and reduced fees for development applications within the subarea plan or overlay district.				
Town of Hayden	Routt	Housing Needs Assessment & Action Plan	\$45,000	5
The town will conduct a housing needs assessment and create a housing action plan to determine the town's capability to support a variety of housing products including affordable housing, with the action plan incorporating applicable qualifying strategy implementation.				
City of Idaho Springs (Regional)	Clear Creek	Clear Creek Collaborative Approach to Affordable Housing	\$165,000	12
This regional effort consists of the review and alignment of the affordable housing strategies in the zoning codes of all five partnering entities. Additionally, this project will seek to establish a multi-jurisdictional housing authority, with a community engagement and education project as it develops. The project involves five local government entities (Idaho Springs, Clear Creek County, Silver Plume, Georgetown, and Empire).				
Town of Kersey	Weld	Kersey Affordable Housing Tool Kit	\$145,000	7
The town will conduct a housing needs assessment and investigate alternative funding mechanisms to address long-term affordability of housing. Additionally, the town will review its infrastructure requirements (raw water, utility rates) to determine how to best support attainable housing.				
City of Lakewood	Jefferson	Lakewood Affordable Housing Study and Analysis	\$78,375	4



The city will conduct an analysis of the housing conditions, resources and growth patterns of the community and compile them into a strategic housing plan while addressing multiple qualifying strategies in the plan.				
Town of Limon (Regional)	Lincoln, Kit Carson, Cheyenne	Regional Affordable Housing Needs Assessments and Strategies for the Rural Plains Communities	\$105,500	7
The regional project has three key project deliverables including: a regional housing inventory, code assessment and analysis, and a catalyst site evaluation looking at under-utilized commercial and public properties that could generate new models of housing. This project includes eight participating municipalities and three participating counties, all partners in the Regional Resiliency and Recovery Roadmap Team.				
City of Louisville	Boulder	Louisville Housing Study and Plan	\$60,000*	3
The city will conduct a housing study, which will include both a housing needs assessment and a housing plan, which will include an economic analysis of the proposed strategies. It will be timed to coordinate with and inform the city's ten-year update to the comprehensive plan. *Award was made two weeks prior to the Marshall Fire and as a result, contracting is on hold.				
City of Longmont	Boulder	Housing Assessment and Incentives Updates	\$86,250	2
The city will pursue adoption and refinement of several affordable housing incentive strategies supported by the city's adoption of an inclusionary housing ordinance and a robust community engagement process. The city will also conduct a housing needs assessment. Lastly, the city will work to better understand how their current incentives program can be modified to meet their affordable housing objectives.				
Town of Mancos	Montezuma	Mancos Attainable Housing Strategy Update	\$31,125	5
The town will implement qualifying strategies in its land use code as well as streamlining the process for workforce housing. Additionally, work will be conducted with Montezuma County to facilitate projects such as the potential for multi-family units adjacent to the town limits. This work is supported by the Town's concurrent efforts with the Regional Resiliency and Recovery Roadmaps Team through the Colorado Resiliency Office.				
City of Montrose	Montrose	Montrose Housing Needs Assessment and Strategy Implementation	\$114,000	3
The city will conduct a housing needs assessment as well as pursue implementation of three qualifying strategies as outlined in their comprehensive plan.				
Town of Nederland	Boulder	Nederland Housing Needs Assessment and Strategy Development	\$37,500	1
The town will conduct a housing needs assessment in order to evaluate changes that can be made to the municipal code to incorporate qualifying strategies focused on affordable housing.				
City of Northglenn	Adams, Weld	Northglenn Housing Assessment and Strategic Planning	\$75,000	4



<p>The city is pursuing strategies aimed at streamlining redevelopment as it is nearly 100% built out. Examples of strategies being pursued include expediting the development review process, creating a dedicating funding source for infrastructure costs and fees, and granting duplexes, triplexes, other multi-family housing as a use by right in single-family zoning.</p>				
Town of Severance	Weld	Severance Innovative Housing Planning Grant	\$50,250	6
<p>The town will conduct a housing needs assessment in addition to creating a housing policies and strategies guide and a code assessment update to incorporate housing strategies.</p>				
Town of Silverthorne	Summit	Strategic Housing Plan	\$60,000	2
<p>The town will update their 2017 Strategic Housing Plan to incorporate qualifying strategies, particularly aimed at new goals and strategies around workforce housing.</p>				
City of Steamboat Springs	Routt	Steamboat Springs: New and Enhanced Housing Codes, Partnerships and Strategies	\$105,000	4
<p>The city will further its affordable housing efforts, including: considering code revision to better incorporate affordable housing, examining emerging efforts around workforce housing, and assisting in their housing authorities' housing needs assessment. All these efforts will focus on incorporating qualifying strategies into existing programs.</p>				
City of Sterling	Logan	Affordable Housing Strategies	\$36,000	5
<p>The city will analyze how to best incorporate qualifying strategies into its land use code and planning work.</p>				
Town of Superior	Boulder	Affordable Housing Strategic Plan	\$120,000*	3
<p>The town will develop an Affordable Housing Strategic Plan to enable the town to identify needs, goals, and a range of implementation tools and strategies to encourage new development of affordable housing and provide a range of housing opportunities for the community. *Award was made two weeks prior to the Marshall Fire and as a result, contracting is on hold.</p>				
City of Trinidad	Las Animas	Trinidad Planning Assistance	\$80,000	9
<p>The city will implement qualifying strategies by reforming its land use code and focusing on the following areas: incentives implementation, zoning and policy research, policy impact modeling, community outreach, and drafting of policy. The city will also contract with a GIS expert to integrate city and county land use data and create and/or update relevant maps.</p>				
City of Wheat Ridge	Jefferson	Housing Strategy and Action Plan	\$112,500	9
<p>The city will conduct a housing needs assessment and action plan to support and help the city identify gaps and strategies to be effective in incentivizing the development of a variety of housing products including affordable housing. Through these efforts the city will pursue the implementation of qualifying strategies.</p>				
Adams County	Adams	Affordable Housing Plan and Strategy Development	\$140,250	6



<p>The county will conduct a residential nexus survey and a feasibility study for affordable housing incentives via commercial development in the unincorporated parts of the county. Additionally, it will create a public benefit matrix for developers that ensures neighborhood services and economic opportunity for residents. It will help further update the county's housing needs assessment and affordable housing strategic plans to incorporate relevant qualifying strategies.</p>				
Fremont County	Fremont	Fremont County Housing Strategies	\$150,000	7
<p>The county will conduct a code audit and has identified seven different qualifying strategies it will pursue while determining potential zoning regulation changes that could alleviate its affordable housing crisis.</p>				
Gunnison County	Gunnison	Land Use Resolution Housing Revisions	\$150,000	9
<p>The county will review and analyze their selected qualifying strategies for inclusion into the county's performance-based land use system via resolution. The county will also study subdivision code and locational standards revisions and mobile home community revisions to help protect and promote affordable housing</p>				
Huerfano County (regional)	Huerfano	Studying Innovative Strategies for Rural Affordable Housing	\$120,000	8
<p>The county will analyze how to simplify their zoning code along with Walsenburg and La Veta to encourage privately-supplied affordable housing. Additionally, the county plans to pursue a professional suitability analysis to identify areas of optimal development, as well as identify suitable financial models for a rural context such as land trusts.</p>				
Jefferson County	Jefferson	Jefferson County 15 Year Comprehensive Housing Plan	\$187,500	8
<p>The county is developing a comprehensive housing plan and will evaluate and incorporate qualifying strategies that are deemed feasible and context appropriate. Additionally, the county is updating its land use plan and intends to coordinate consideration of these affordable housing strategies into this plan.</p>				
Lake County (Regional)	Lake	Regional Affordable Housing Strategies	\$48,750	5
<p>Lake County and city of Leadville will implement strategies from its 2018 housing needs assessment, including: fee waiver incentives, codifying policies for the use and sale of publicly owned properties, development of policies for expedited reviews of affordable projects, among other activities. Lake County will establish a regional housing authority with the city of Leadville through this grant project.</p>				
Larimer County	Larimer	Larimer County Land Use Code Audit and Affordable Housing Policy Development	\$60,000	8
<p>The county will identify specific qualifying strategies that build upon its 2021 housing needs assessment and land use code changes. This will be accomplished by hiring a consultant to provide critical assessment and policy recommendations on areas of affordable housing in the county's land use code and comprehensive plan.</p>				
Montezuma County	Montezuma	Montezuma County Attainable Housing Strategy	\$100,350	3
<p>The county will pursue implementation of three qualifying strategies that arose from the 2021 Regional Housing Needs Assessment and Strategy Study, including but not limited to the establishment of a density bonus program, promoting sub-metering of utility charges, and the creation of a land donation, acquisition, or banking program.</p>				



Summit County	Summit	Code Audit and Amendments to Streamline and Encourage the Building of Affordable Housing	\$138,750	2
The county will perform a code audit, conduct a housing needs assessment, and recommend changes that would streamline both the code and the county's cumbersome development review process.				

Program Update and Timeline Considerations

Many grant-funded projects are underway and in various stages of completion, with several early round grantees anticipated to complete their work between Q2 FY22-23 and Q4 FY22-23. In anticipation of a constrained consulting pool, DOLA partnered with the American Planning Association, Colorado Chapter, to develop an updated list of consultants that provide these types of planning services to ensure a broad group of consulting firms stood ready to take on this work. However, some grantees experienced procurement process delays nonetheless which has led to delays in their project timelines. Consultant capacity has been so strained that some procurement processes resulted in minimal or no responses to grantee requests for proposals, adding two to three months on average for reposting.

While this report covers FY22, following the fiscal year end date of June 30th, several grantees have shared with us updates indicating the impending adoption or implementation of key qualifying strategies that aim to unlock the development of more affordable housing in their communities. Through this program, planning work in grantee communities is being completed at an accelerated rate and from a better-informed perspective with the help of consultant service providers, program staff technical assistance, and resource guides available on the program's website.

Example of Early Program Success

Lake County, in their joint IHOP grant project with the City of Leadville, has begun to report significant progress made at the local level. Recently, the city and county established a regional housing authority (RHA), allowing the RHA to develop, receive donated land, and bank land for affordable housing. This addresses an important capacity gap identified by the city and county. In addition to the creation of the RHA, they are implementing other strategies including an expedited development review process for affordable housing projects, incentivizing affordable housing through the planned unit development (PUD) process, and expanding the degree of accessory dwelling units (ADUs) as a use by right. The City of Leadville has also updated their municipal code to reduce the parking requirements associated with affordable housing developments. Highlighting the "other novel, innovative, creative approaches to incentivize affordable housing development" strategy, the county has also created a matchmaking program called "Housing for Leadville Locals" in an effort to build a network of renters, buyers, landlords, and sellers who are interested in keeping housing local, and within a very short time, the city has housed over 20 residents.

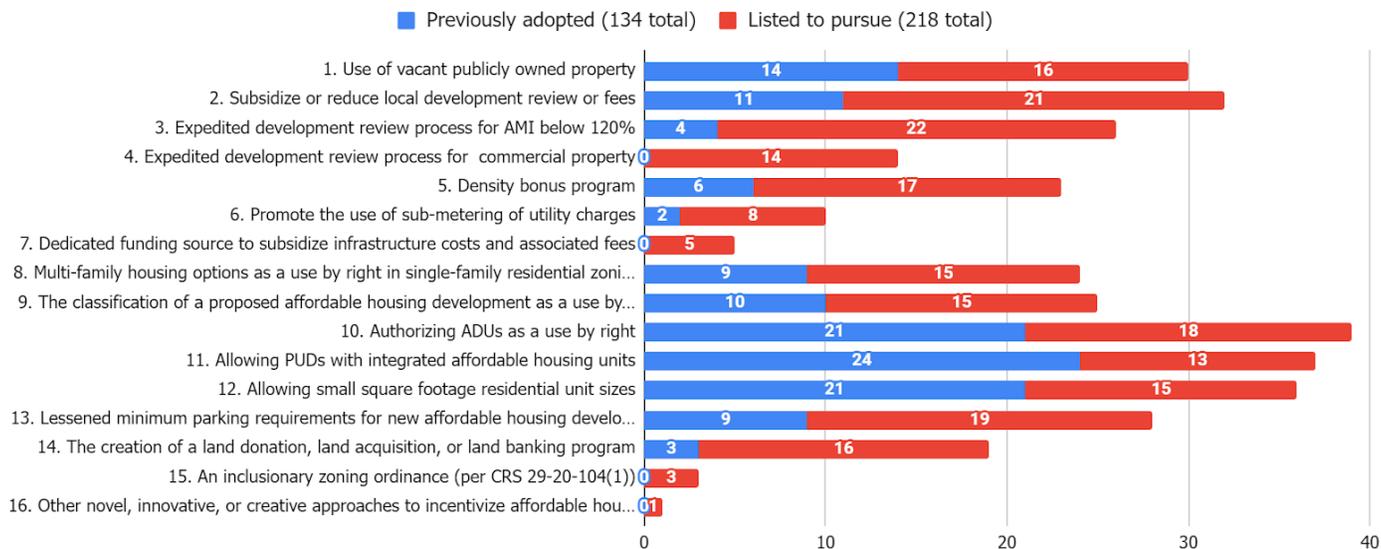
Qualifying Land Use Strategy Implementation

At the grant application stage, local governments were asked to indicate which qualifying land use strategies they already have in place and which they intended to pursue if awarded a Planning Grant.

Through the first five award rounds, grantees (including regional projects consisting of multiple participating local governments) indicated that prior to receiving a Planning Grant award, 134 qualifying land use strategies were already in place. These strategies are highlighted by blue bars in the chart below. Through the Planning Grant program, grantee communities intend to pursue the implementation/adoption of 218 additional qualifying land use strategies, which are highlighted by the red bars in the chart below.



IHOP Qualifying Strategy Implementation



As demonstrated in the qualifying strategy implementation chart, the IHOP program is accelerating local governments' efforts to make lasting changes to regulations, processes, incentives, and policies to remove barriers to promote affordable housing development.

Below, preliminary insights from the first five rounds of program grantees offer insight into which qualifying land use strategies have been in place prior to the program, those that have been implemented less often, and those that are being pursued most often after receiving an award. As the program progresses, staff will further analyze strategy implementation to understand the reasons for which communities are choosing to implement, or not implement, specific qualifying strategies. This analysis will shed light on whether and why certain strategies are implemented in locations designated as rural, rural resort, and urban.

The qualifying strategies that grantee communities had in place most often prior to receiving an IHOP award could be considered primarily zoning and regulation based strategies and are as follows (listed in order of frequency):

1. Allowing planned unit developments (PUDs) with integrated affordable housing units
2. Authorizing accessory dwelling units (ADUs) as a use by right on parcels in single-family zoning districts
3. Allowing the development of small square footage residential unit sizes

Qualifying strategies that were not in place in any grantee communities prior to receiving an IHOP award include (listed in order of infrequency):

1. The creation of an expedited development review process for acquiring or repurposing underutilized commercial property that can be rezoned to include affordable housing units, including the preservation of existing affordable housing units
2. With respect to infrastructure, the creation of a dedicated funding source to subsidize infrastructure costs and associate fees related to publicly owned water, sanitary sewer storm sewers, and roadways infrastructure
3. An inclusionary zoning ordinance (per C.R.S. 29-20-104(1))



The qualifying strategies that are being pursued by the most grantee communities after receiving an IHOP award could be considered incentives-based strategies and are as follows (listed in order of frequency):

1. Creation of an expedited development review process for affordable housing aimed at households at or below 120% of the area median income (AMI)
2. The creation of a program to subsidize or otherwise reduce local development review or fees, including but not limited to building permit fees, planning waivers, and water and sewer tap fees, for affordable housing development
3. Lessened minimum parking requirements for new affordable housing developments

FY21-22 IHOP Program Takeaways

The first year of the program revealed five important takeaways:

1. The incentive power of this program worked. It accelerated work some communities were already planning to undergo or was already in progress. It motivated other communities who hadn't started yet but wanted to understand their housing needs and adopt relevant and impactful strategies. It also encouraged communities who had adopted strategies before the program to refine and update their existing strategies to make them more effective, as well as adopt new strategies.
2. For many communities, the incentive element of the program was unnecessary. They simply needed the encouragement, technical assistance, and funding to carefully analyze, build support for, and adopt strategies. The large size of the final grant round clearly demonstrates this because applicants in that round would not have sufficient time to adopt strategies to qualify for the final round of incentives funding, but we heard it from other applicants throughout all grant cycles.
3. The 44 awards made through the first five rounds of the IHOP program demonstrate the extent of the need for planning work to unlock affordable housing development throughout the State of Colorado.
4. The diversity of qualifying land use strategies that communities are pursuing underscores the benefits of this grant program that encourages planning work and policy decisions to consider local community context and local housing needs. What's more, even when dissimilar communities pursue and adopt the same strategy, the flexibility in the strategy language allows for local customization that acknowledges local context and increased impact based on that context.
5. We have more work to do to learn from rural communities about how to tailor this program for their planning and market realities. Many small, rural communities do not have the benefit of planning staff to take on this work and many do not have much in the way of land use planning regulations. Local government planning is often not their barrier; rather, the market forces provide the biggest barrier (see more on this in the IHOI annual report). And while the growth in small, rural communities may not seem staggering by sheer numbers, when considering relative size the pressures and needs are acute.

The program's seventh and final application round ended on October 5th, 2022 and happened to be the largest application round in the program's history. 16 IHOP applications were received, requesting over \$1.1 million in grant funds. The volume of applications received in the final round illustrates the ongoing need to support Colorado communities' efforts to make lasting changes to regulations, processes, incentives, and policies to remove barriers and promote affordable housing development. Awards for the seventh and final round of the IHOP program are anticipated to be made in Q4 2022. All program grant funds must be fully expended by June 30, 2024.

Recommendation:

There is great interest and need for this program. The affordable housing crisis spills beyond any one community's borders and while some communities have resources to make modifications, the need for change across each of our regions and the capacity-strapped reality of many of our local governments necessitates supplemental support for those eager to act. Local governments want to adopt strategies and those strategies will need to be updated and refined as market forces and local circumstances change, so this need will be



on-going. The program also teaches the state a great deal about what works, what doesn't, and what we can do at the state to help. This year we intend to ask grantees what actions the state can take to more effectively subsidize or reduce barriers to the development of affordable housing.

The menu of strategies included in HB21-1271 is effective in focusing communities on a variety of strategies. However, now that we have seen a variety of approaches to implementation, we have noted some instances where the language could be made more clear and impactful. For example:

- *Allowing planned unit developments (PUDs) with integrated affordable housing units* can be implemented by merely not prohibiting affordable housing units in PUDs and could be strengthened to say, "Encourage/Incentivize planned unit developments to integrate affordable housing units".
- *Lessened minimum parking requirements for new affordable housing developments* allows for any minor reduction to existing standards or variation between parking requirements and could be changed to "Require no more than 1 parking space per unit of affordable housing."
- We could promote another effective tool by adding to the list, "Require inclusion of affordable housing units in annexations above a certain, locally-determined threshold."
- We could also add, "Incentivize mixed income projects with at least 10% of the units serving up to 120% AMI levels."
- Note: DOLA would get stakeholder input to inform the wording of these strategies before updating the list of qualifying strategies, as allowed by statute.

DOLA would like to thank the legislature for this program. We have already seen encouraging results highlighting the impact of these grants on local governments and feel strongly this need will continue. Grantee communities have been eager to share their progress with program staff and we anticipate a continual increase in substantive progress updates with each passing quarter. Having this specific program (with the incentive power and the funds carved out for this single purpose) allowed this work to take place in communities and has accelerated local regulatory improvements that will pave the way for increased affordable housing development well into Colorado's future.



Appendix A - Summary of Awards by Status

Summary Status:

This table highlights the status of each grant project including the total award amount, contract execution date, total encumbered amount, and the total grant funds expended through June 30, 2022. The expenditures shown in the "Total Expended" column lack Q3 expenditure reports which include substantial requests for reimbursement for projects with awards made in the first two rounds of the program.

Planning Grant Program (IHOP) Award Summary Award Status				
Grant Recipient	Total Awarded	Contract Execution Date	Total Encumbered	Total Expended
City of Aurora	\$112,500	2/9/2022	\$112,500	\$0
Town of Buena Vista	\$45,000	12/6/2021	\$45,000	\$25,685
City of Centennial	\$200,000	12/6/2021	\$200,000	\$0
Town of Center (Regional)	\$130,000	8/12/2022	\$130,000	\$0
City of Craig	\$106,125	6/16/2022	\$106,125	\$0
City of Cripple Creek	\$75,800	4/29/2022	\$75,800	\$4,869
City of Delta	\$120,000	6/16/2022	\$120,000	\$0
Town of Eagle	\$45,000	12/6/2021	\$45,000	\$4,320
City of Englewood	\$80,000	2/9/2022	\$80,000	\$5,828
Town of Erie	\$51,450	12/6/2021	\$51,450	\$0
Town of Estes Park	\$51,000	12/6/2021	\$51,000	\$0
City of Evans	\$67,500	12/6/2021	\$67,500	\$9,984
Town of Fraser (Regional)	\$48,750	6/16/2022	\$48,750	\$0
City of Glenwood Springs	\$45,000	5/25/2022	\$45,000	\$0
City of Golden	\$71,250	12/6/2021	\$71,250	\$1,469



City of Grand Junction	\$85,125	12/6/2021	\$85,125	\$12,756
City of Greeley	\$187,500	5/23/2022	\$187,500	\$0
Town of Hayden	\$45,000	12/6/2021	\$45,000	\$11,891
City of Idaho Springs (Regional)	\$165,000	8/15/2022	\$165,000	\$0
Town of Kersey	\$145,000	4/29/2022	\$145,000	\$0
City of Lakewood	\$78,375	6/21/2022	\$78,375	\$0
Town of Limon (Regional)	\$105,500	6/16/2022	\$105,500	\$0
City of Louisville	\$60,000*	Pending - delayed due to Marshall Fire	\$0	\$0
City of Longmont	\$86,250	2/9/2022	\$86,250	\$0
Town of Mancos	\$31,125	2/9/2022	\$31,125	\$0
City of Montrose	\$114,000	4/29/2022	\$114,000	\$0
Town of Nederland	\$37,500	8/15/2022	\$37,500	\$0
City of Northglenn	\$75,000	2/9/2022	\$75,000	\$2,790
Town of Severance	\$50,250	6/26/2022	\$50,250	\$0
Town of Silverthorne	\$60,000	9/15/2022	\$60,000	\$0
City of Steamboat Springs	\$105,000	8/12/2022	\$105,000	\$0
City of Sterling	\$36,000	8/30/2022	\$36,000	\$0
Town of Superior	\$120,000*	Pending - delayed due to Marshall Fire	\$0	\$0
City of Trinidad	\$80,000	6/10/2022	\$80,000	\$0



City of Wheat Ridge	\$112,500	12/6/2021	\$112,500	\$0
Adams County	\$140,250	12/6/2021	\$140,250	\$0
Fremont County	\$150,000	6/8/2022	\$150,000	\$0
Gunnison County	\$150,000	12/6/2021	\$150,000	\$0
Huerfano County (regional)	\$120,000	6/21/2022	\$120,000	\$0
Jefferson County	\$187,500	9/20/2022	\$187,500	\$0
Lake County (Regional)	\$48,750	12/6/2021	\$48,750	\$16,667
Larimer County	\$60,000	4/28/2022	\$60,000	\$0
Montezuma County	\$100,350	6/16/2022	\$100,350	\$0
Summit County	\$138,750	12/6/2021	\$138,750	\$5,384