

Discussion on Inclusionary Housing

January 30, 2018



Former Inclusionary Zoning Program

- Required 10% of all newly constructed housing to be affordable
 - within annexed properties or properties with their Preliminary Plats/Plans approved after July 10, 2001
 - For-sale homes - 80% AMI and 10 years (period reset with each purchase within 10 year period)
 - For rent homes – 50% AMI and 20 years
- Applied to all developments of 5+ homes

Former Inclusionary Zoning Program

- Alternatives were offered:
 - Build on-site
 - Build off-site within same quadrant of City
 - Purchase existing market-rate homes and convert to affordable
 - Partner with non-profit to build homes on-site or off-site (within same quadrant) - could lower % required
 - Donate land or discounted sale of land to non-profit
 - Make Payment-in-Lieu (PIL) to AH Fund

Former Inclusionary Zoning Program

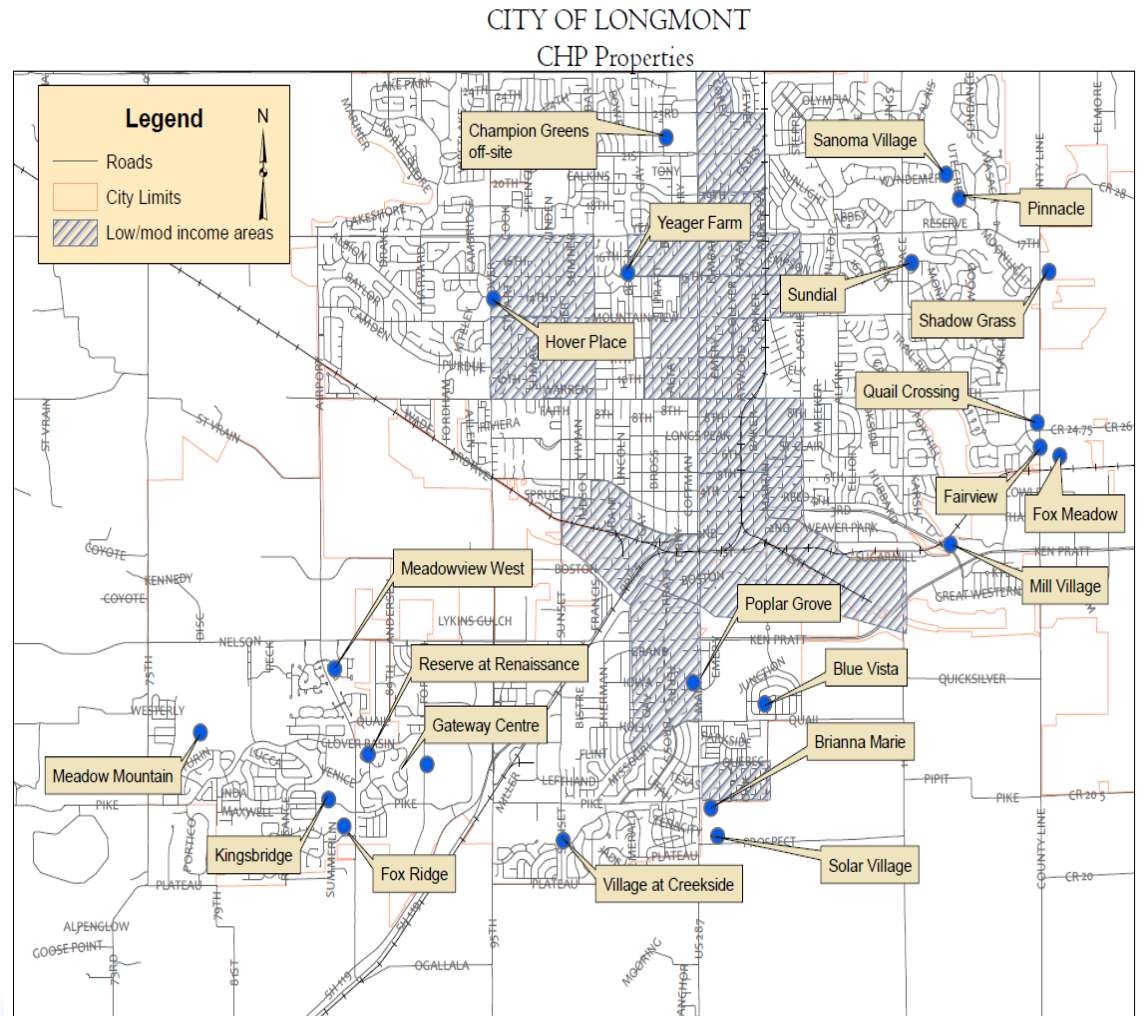
- Fee waivers offered to offset costs
 - Added paying with AH funds a % of water/sewer system development fees when doing more than minimum 10%
- Required AH “by phase and by type” to ensure not clustered, of same exterior quality and not concentrated in one type of product
- PIL critical to create rental housing because of rent control restrictions in Colorado

Former Inclusionary Zoning Program

- For-Sale homes received = 174 (includes Blue Vista)
- For rent homes received = 625 (486 provided through PIL)
- Gain to community of 77 affordable homes above straight 10% during period of IZ
- Community did not realize 211 affordable homes from repeal to date.

Former Inclusionary Zoning Program

Goal of
Deconcentration
achieved with
AH provided in
new areas of
town



Affordable Housing Incentive Program

- After repeal of IZ in April, 2011; moved to incentive based program
 - WfHTF met to provide recommendations to Council - 2011 – 2013
 - Flood work delayed implementation – 2013 - 2014
 - Council reviewed WfHTF recommendations and additional options - 2015 – 2016

Affordable Housing Incentive Program

- When providing at least 10% affordable:
 - Density bonus of 20%
 - Height bonus of 1-2 stories
 - Reduced development standards on open space, set-backs, parking, etc.
 - Fee Waivers
 - Expedited Plan Review
- All above can be administratively approved

Affordable Housing Incentive Program

- Provides \$1M from General Fund to AH Fund annually
- ½ of marijuana tax up to 1.5% total to AH Fund
- Set goal at 10% of housing to be permanently affordable
 - Should add 50-100 new units annually
- Strengthened relationship between Envision Longmont and Affordable Housing strategies
- Adopted Regional Goal of 12% affordable by 2035

Affordable Housing Incentive Program

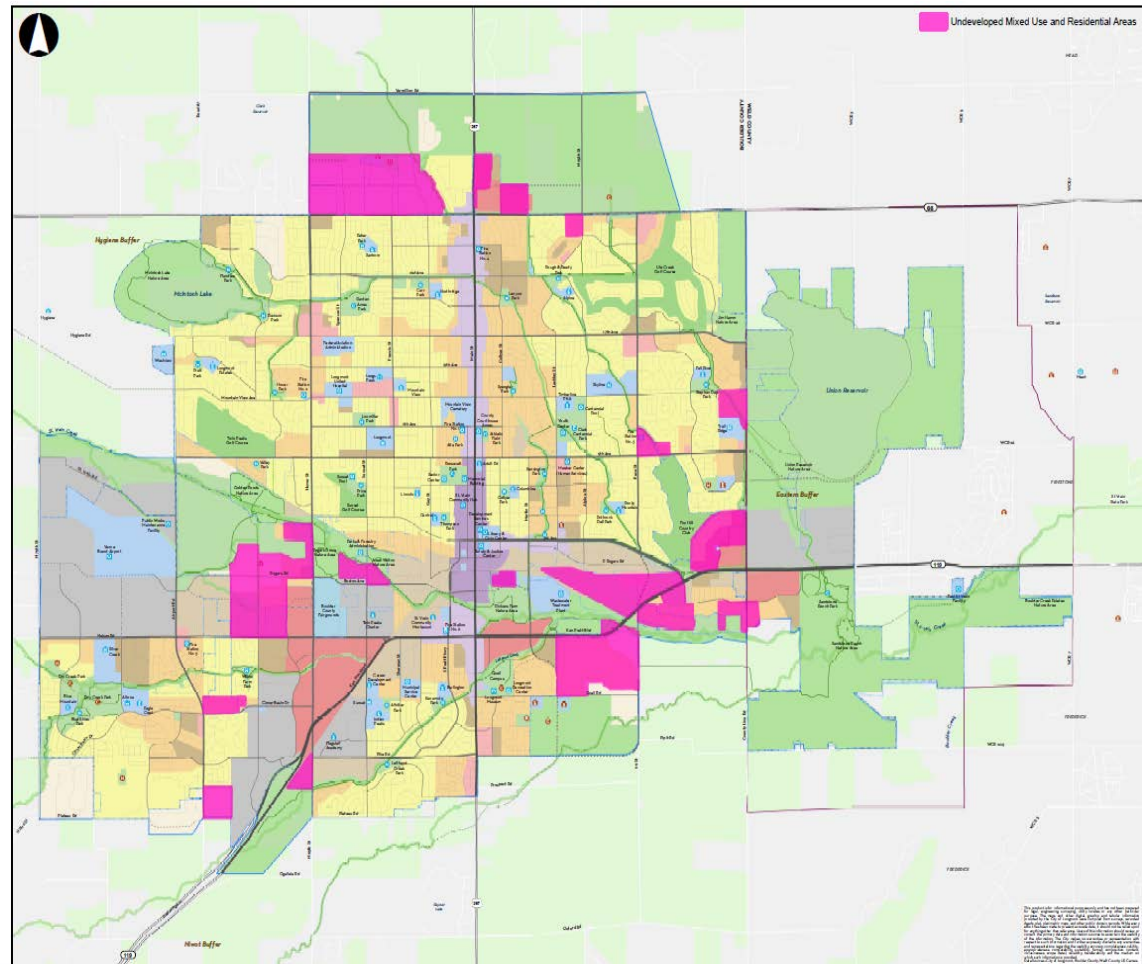
- No units provided or promised to date under Incentive Program
- HCI staff attends every DRC meeting with residential development to talk about program/need
 - 52 separate meetings held with developers regarding possible AH since mid-2016
- Code changes for Envision currently confuse what can be done with AH incentives
- Not sure city can fill financing gap between market and AH with incentives

Considerations for Inclusionary Housing Program

- Cannot meet full AH goal with IH so only one Tool in Longmont's Toolbox
 - Need 3,063 – 3,978 AH to reach 10% or 12% goals by 2035
 - 5,200 is estimated homes available to build out (not already approved)
 - 520 (10%) – 1,040 (20%) - most could get from IH
 - Gap after IH is 2,023 – 2,543 assuming we keep all 1,511 existing affordable homes (not likely)

Considerations for Inclusionary Housing Program

Development & redevelopment areas where housing likely to occur through build out



Considerations for Inclusionary Housing Program

- Can we maintain and sustain a mandatory Program?
- What is the appropriate % to require?
- Should a new program apply to just new development or add redevelopment as we move to build out? Should redevelopment be at different % considering usually higher costs with redevelopment?
- How/when to enact?

Considerations for Inclusionary Housing Program

- How avoid impacting one sector again?
 - Consider commercial linkage fee or employment fee so business community can contribute?
 - Sales tax so all residents and visitors contribute or is ongoing General Fund/marijuana tax sufficient for the community's contribution?
- How can the program weather economic downturns?

Considerations for Inclusionary Housing Program

- Move more quickly and require AH in negotiated and discretionary development opportunities?
 - Annexations not yet approved
 - Rezoning requests where residential included
 - Land Use Amendments that include residential
 - Concept Plan Amendments that include residential

Council Feedback Needed

- Recommend contract with EPS to update analysis of IH Program in Longmont
 - Goal if enact for development and redevelopment
 - Program options/opportunities based on best practice research
- Does Council want to apply AH requirement to discretionary requests (annexations, rezoning, land use and concept plan amendments)?

Council Feedback Needed

- What other items from Att 3 do you want to reconsider/explore?
 - Land – key to include private sector and provide future opportunities for AH
 - Revenue generating tools
 - Mobile homes
 - Others
- Other programs/policies/options for research?
- How do you want to engage the public as we move forward?