

# Community Housing Strategies Summary Report

MARCH 2023

**CLARION**

*This work funded in part by the Colorado Department of Local Affairs.*



# Centennial

Housing Study and Policy Development

## Community Housing Strategies Summary Report

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## Executive Summary

### Centennial Housing Study and Policy Development Project

Centennial has been exploring the impact of the state's current affordable housing shortage for the past two years. This important work has included engaging in extensive community-based conversations in 2022 to analyze specific options for regulatory and policy changes focused on encouraging the development of affordable housing. This Community Housing Strategies Summary Report details the work and activities undertaken by the key participants in this conversation - the Housing Working Group, Planning & Zoning Commission, City Council, and community - to determine which affordable housing approaches would be most effective and successful in Centennial.

### Process

Working from a Centennial-specific list of affordable housing strategies chosen from a larger group of strategies prepared by the Colorado Department of Local Affairs (DOLA), the project team of City staff and supporting consultants first prepared a Community Housing Needs Assessment (HNA). The HNA is an economic analysis of Centennial's current housing opportunities and needs. The HNA identified a set of rental and ownership housing "gaps" in Centennial, where insufficient housing is currently available for those who need or are able to afford it. The report also provided housing gap projections identifying the future expansion of current gaps.

A Housing Working Group was convened by the Centennial City Council and this group met monthly to research and discuss the list of potential affordable housing strategies identified for the project. The Housing Working Group established a set of review criteria and weighed each of the proposed strategies against the criteria. During a parallel timeframe, community members were asked to study a summary of the Housing Working Group's research data and answer a set of survey questions about each of the affordable housing strategies. Community input and Housing Working Group feedback were summarized in a table for public and elected official review.

Both the Planning & Zoning Commission and City Council met to receive updates and discuss the affordable housing strategies periodically during the Housing Working Group and community input process. Following completion of the Housing Working Group's review, the Planning & Zoning Commission and City Council conducted further discussions about the strategies and established a set of priority strategies for drafting and further consideration.

## Priority Strategies

Centennial has chosen to move four strategies into the drafting and formal consideration process:

- Adopting standards allowing and regulating the construction of accessory dwelling units (ADUs);
- Establishing an expedited development application review process for affordable housing and potentially for commercial development conversion to affordable housing;
- Creating an inclusionary zoning program; and
- Authorizing the creation of or participation in a land bank with the authority to acquire, hold, sell, or grant property for affordable housing projects.

## Next Steps

During 2023, the project team will convert the four selected strategies into draft policy or regulatory amendments to the Centennial Land Development Code. Each of the drafts will be made available for public review and will be considered by Planning & Zoning Commission and City Council two times prior to the statutory public hearing and adoption process.



# Section 1: Introduction

## About the Process

Centennial NEXT—the City’s Comprehensive Plan and framework for future growth and development—highlights key opportunities for expanded housing options throughout Centennial. Since the Plan was adopted in 2018, housing cost and availability have become a major focus in Centennial and throughout the region.

Centennial NEXT focuses the City on three key goals promoting housing or supported by housing:

1. Promote social, physical, and economic health by allowing an efficient, diverse, and integrated land use mix;
2. Provide opportunities for new housing options that meet market trends and the evolving needs of current and future residents; and
3. Attract and develop an exceptional workforce equipped to adapt to a changing economy.

Determining how to build toward these goals was the focus of many conversations in the early phases of affordable housing conversations and helped guide the review and prioritization of housing policy and regulatory updates in the Housing Study and Policy Development phase.

### Phase I: Research and Discovery

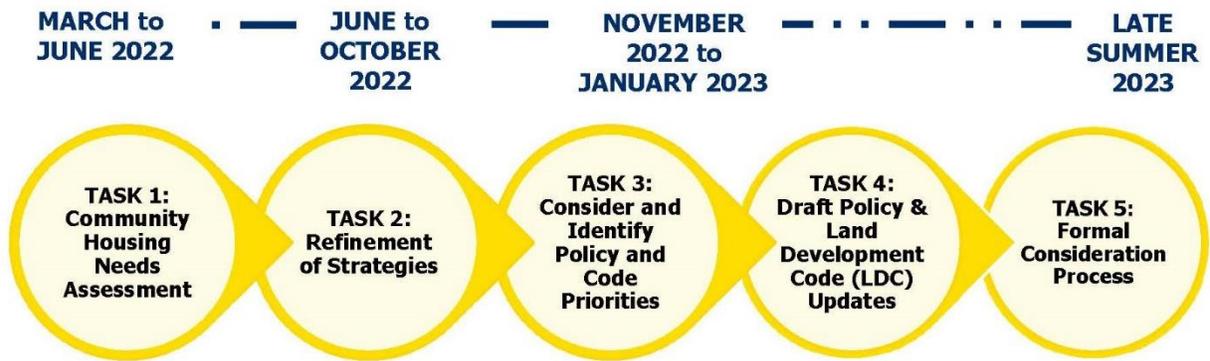
In 2021, City Council set out to explore housing cost and availability in Centennial with the intent to advance the understanding of the entire spectrum of housing issues in the City, define the various needs for housing, and identify priorities to potentially inform future policy. Over the course of a year, the City Council—with support from City staff—conducted research, met with local housing experts, and toured peer communities in the region. These efforts helped provide the City with an understanding of the state and regional trends that are influencing the housing demand and the overall market, and the policy and regulatory strategies communities like Centennial are taking in response.

### Phase II: Housing Study and Policy Development

In 2022, the City initiated a more in-depth Housing Study and Policy Development project (‘Housing Project’) to expand research efforts and engage the community in a discussion about possible policy options that Centennial is considering implementing to increase housing options and address affordability concerns. A portion of the funding for the project was provided through an Innovative Housing Strategies Planning Grant from the Colorado Department of Local Affairs (DOLA). The grant was established to help communities understand their housing needs and explore up to 15 different policy and regulatory strategies aimed at promoting the development of affordable housing.

The Housing Project was managed by a project team comprised of City staff from Community and Economic Development, Communications, and the City Manager’s Office with support from a consultant team, led by Colorado-based Clarion Associates, in partnership with Root Policy Research. Additionally, a Housing Working Group comprised of several local officials as well as experts in various aspects of housing(e.g., real estate, affordable housing, development, etc.) and members of the community, was formed to discuss policy options, provide feedback, and help inform public discussion.

Phase II of the process included five tasks. Three tasks were completed in 2022, including the following major milestones:



**Figure 1. Project Timeline**

- Task 1: Preparation of a Community Housing Needs Assessment
- Task 2: Refinement of and public engagement on housing strategies and development of housing policy
- Task 3: Selection of strategies for Centennial Land Development Code modifications and other policy actions

This phase will continue in 2023 with Tasks 4 and 5 that are focused on affordable housing policy and regulatory drafting and consideration for adoption. Four strategies were selected for policy or regulatory drafting through the City review and community discussions as detailed in Section 3, beginning on page 19. The City intends to proceed through a deliberate process of drafting, review, and potential adoption over the course of 2023.

## Purpose and Organization of this Report

This report is intended to summarize the significant research, discussion, and public engagement related to housing needs in Centennial and strategies to address housing affordability.

This report explores all nine strategies identified by the City for further analysis, weighs the pros and cons of each, summarizes community input received, describes the ability of each strategy to help the City reach identified planning and housing goals, and provides an overview of the process used to vet all nine strategies to reach a recommendation of the most effective strategies for the City to move forward.

### Section-by-Section Overview

This report includes four sections in addition to this introductory section:

- **Section 2—Housing Needs in Centennial.** Provides a summary of key findings from the Community Housing Needs Assessment that were used to inform the vetting of potential strategies. The Community Housing Needs Assessment is available in its entirety on the City's website.
- **Section 3—Strategy Review and Prioritization.** This section describes the rolling review process Centennial established to explore the strategies. This process led to the selection of four strategies for further review, policy or regulatory drafting, and potential adoption.
- **Section 4—Affordable Housing Strategies: Descriptions and Assessment.** Provides a detailed description of each of the nine strategies chosen for further study, including explanation of how the strategy works to promote affordable housing, how the strategy fits with Centennial NEXT, and the review criteria used by the Housing Working Group to explore various aspects and impacts of each strategy to determine the best fit for Centennial.
- **Section 5—Next Steps.** Based on input received on the prioritized strategies contained in this report, the project team will draft four sets of policies and/or land use regulations for community review and potential adoption. The City may choose to advance additional strategies outside of the Housing Project.

### Materials, Reports, and Additional Information

The materials, reports, and additional information referenced in this Community Housing Strategies Summary Report are available on the City's website, hyperlinked [here](#) or searched in a web browser at [www.centennialco.gov/housing](http://www.centennialco.gov/housing).

## Section 2: Housing Needs in Centennial

### Purpose

The Community Housing Needs Assessment (HNA) was prepared by Root Policy Research as the first step in the Housing Project process. The HNA provides an update of past housing analyses with new data reflecting current gaps in the housing market and identification of the changing needs of Centennial's residents. The housing needs identified in the report were leveraged by the project team, community members, and decision makers as individual strategies were evaluated.

The HNA is organized into four sections, each of which is summarized in this chapter:

- Existing Conditions
- Current Housing Needs
- Future Housing Needs
- Strategy and Policy Change

### Why work to address housing needs?

- Research shows that a constrained housing market negatively impacts economic growth.
- Residents' housing needs change over time, most often due to aging, education and skill development, employment, economic disruption, care for family members, and/or transition to a fixed income.
- Recent trends in market prices, increasing mortgage interest rates, and land constraints are putting the city out of reach for middle income households.
- The existing housing products and price points offered may not be able to accommodate the needs of starter families, the growing workforce, or aging residents who wish to downsize.

### Preparation of the Housing Needs Assessment

The Housing Needs Assessment provided a quantitative analysis of historical and current data on local demographics, housing stock, and market dynamics in both the rental and ownership categories, along with an assessment of development, economic, and employment trends. Local data was garnered from feedback received from city staff, elected and appointed officials, and members of the community.

## Community Engagement Summary

The Housing Needs Assessment drafting process included housing-specific community outreach that took place separately from and in addition to the multiple community outreach events held for the overall project.

### Community Stakeholders

Community stakeholders for the Housing Needs Assessment included both technical experts that are familiar with and use the Land Development Code (LDC) regularly—and those that may be less familiar but may have an interest in the implementation of Centennial NEXT and housing issues that are impacting them directly. Targeted stakeholders and community groups engaged as part of the Housing Needs Assessment included:

- Age-in-place advocates
- Business owners and organizations
- College students
- Families with young children
- Housing organizations, non-profits, and advocacy groups
- Homebuilders, developers, architects, and others with experience in both an infill and greenfield development context
- Neighborhood groups (representing all Districts of Centennial)
- Public sector employees (e.g., teachers, firefighters)
- Traditionally underrepresented groups (e.g., retail, restaurant, and service industries)
- Young professionals

Because housing cost and availability is a regional issue, community engagement efforts as part of the Housing Needs Assessment were not limited to current residents of Centennial.

### Underrepresented Groups

Root Policy Research conducted focus groups early in the Housing Project process to help inform the Housing Needs Assessment. Focus groups generally consisted of groups of up to 10 residents, although some were larger. The goal of the resident focus groups was to engage traditionally underrepresented groups in the process and ensure their needs were reflected in the Housing Project recommendations. Based on organizational contacts available and demographics of the City, the following were identified as traditionally underrepresented groups:

- Low-income families



- Hispanic workers
- Seniors
- People with disabilities

Focus group participants were identified through local service providers, faith-based organizations, employers, and others who work directly with traditionally underrepresented groups in the City of Centennial. Participants were paid a modest stipend. A list of focus group participants and summary of input received is included as an appendix in the Housing Needs Assessment report.

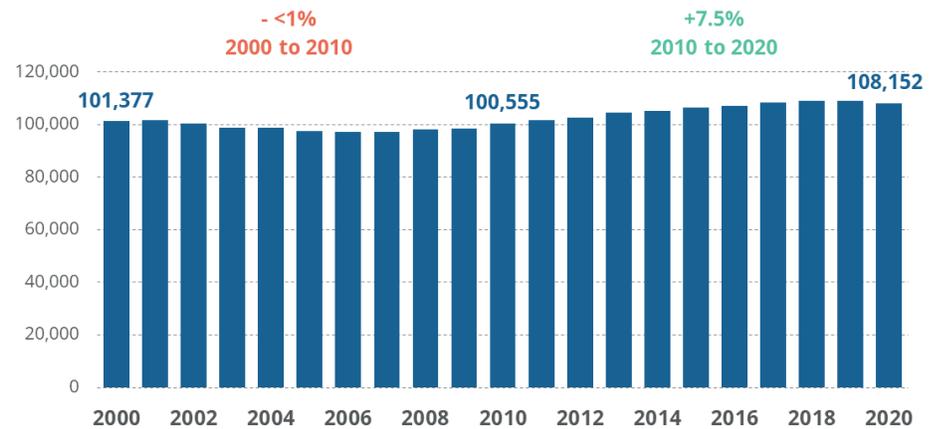
## **Housing Data and Economics Analysis**

The Housing Needs Assessment Executive Summary is provided on the following pages.

# Existing Conditions

- Centennial experienced modest population growth from 2010 to 2020 compared to the State of Colorado and Denver Metropolitan Statistical Area (MSA). From 2010 to 2020, the city's population grew by 7.5% compared to 14% in the Denver MSA and 33% statewide (ES-1).
- Centennial is an older community compared to the rest of the state with a median age of 41.3 in the city compared to 36.9 statewide. The senior population in the city is growing as residents age in place (ES-2).
- Centennial is a relatively high income community in the Denver MSA with a very low poverty rate (3% poverty).
- Family households with children and school-aged children have declined. The share of nonfamily households has increased (ES-2).
- Employment increases in the city—primarily in low wage jobs in arts, entertainment, and recreation—have driven up in-commuting for workers who work in the city but cannot afford housing prices or prefer to live elsewhere (ES-3).
- Racial and ethnic diversity in the city increased from 2010 to 2020, particularly within school aged children.

**Figure ES-1. Total Population, 2000-2020**

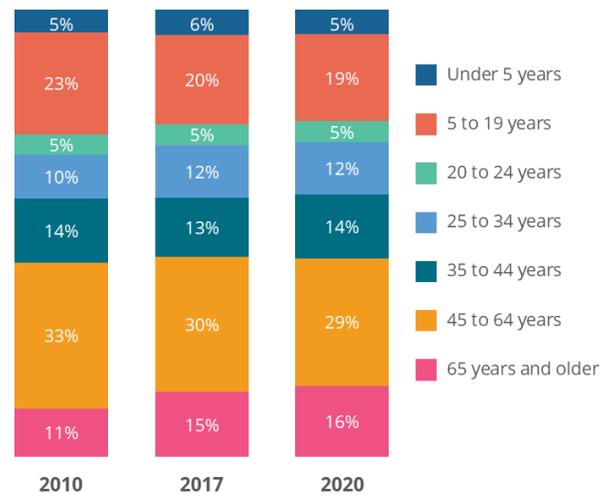


Source: DOLA and Root Policy Research.

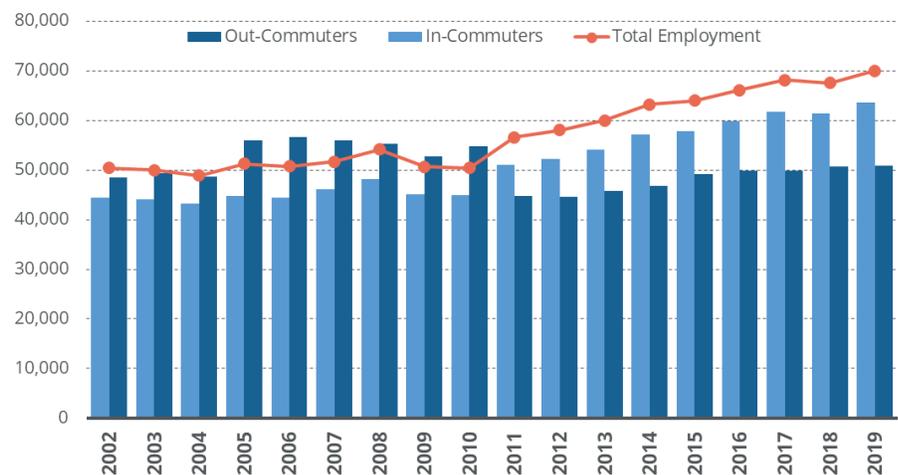
**Figure ES-2. Share of Population by Age, 2010-2020**

Source:

2010, 2017, and 2020 5-year ACS and Root Policy Research.



**Figure ES-3. Commute Patterns and Total Employment, 2002-2019**



Source: LEHD and Root Policy Research.

# Housing Market

## Housing Stock

- Around three-fourths of homes in Centennial are single-family detached homes. However, much of the development in recent years has been multifamily units (ES-4).

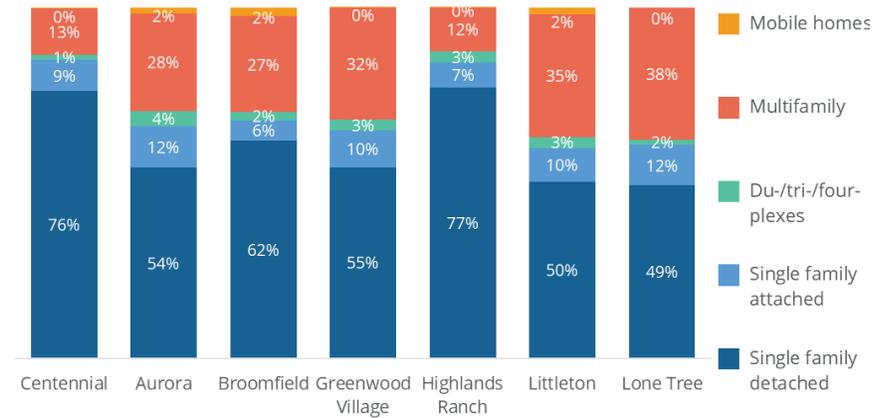
## Rental Market

- Overall, the median gross rent in Centennial increased from \$1,554 in 2017 to \$1,728 in 2020 (11% increase).
- Over the past year (Q2 2021-Q1 2022) rents in the City of Centennial have increased dramatically, particularly in west Centennial (ES-5).

## Ownership Market

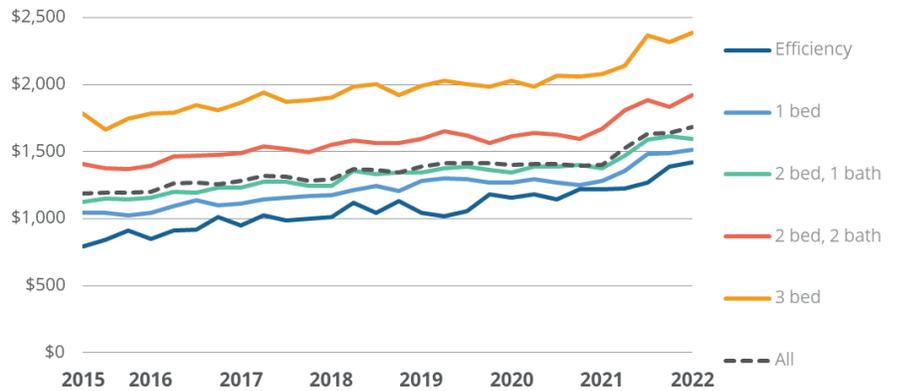
- Centennial has an above average homeownership rate. In Centennial 82% of all households own their home compared to 60% statewide.
- The average price of single family detached units sold in 2022 was \$233,990 higher than attached units and \$301,766 higher than condos. However, from 2012 to 2022 79% of all sales were single family detached (ES-6).
- Barriers to homeownership in Centennial include difficulty making a downpayment, households debt to income ratio, credit history, and increasing interest rates.

**Figure ES-4. Housing Type, Centennial and Peer Communities, 2020**



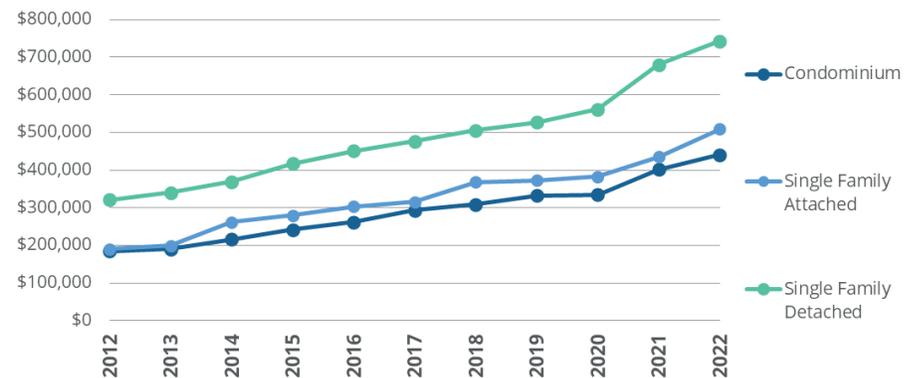
Source: 2020 5-year ACS and Root Policy Research.

**Figure ES-5. Median Rent by Type, Arapahoe County, 2015-2022**



Source: Denver Metro Vacancy and Rent Survey Q1 2022 and Root Policy Research.

**Figure ES-6. Average Sale Price by Housing Type, 2012-2022**



Source: MLS and Root Policy Research.

# Current Housing Needs

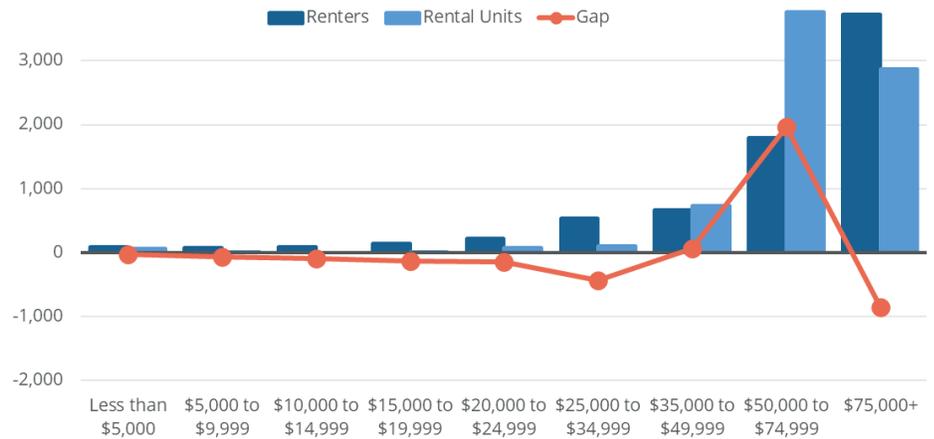
## Rental Market

- The city has a gap of 896 units for renter households earning less than \$35,000. Sixteen percent of renter households have incomes less than \$35,000. These residents are not homeless, rather they are renting-up into units they cannot afford and are housing cost burdened—spending more than 30% of their income on housing (ES-7).

## Ownership Market

- Units for sale in the City of Centennial are predominantly three- to four-bedroom units (67%). Conversely, most households are one or two person households (57%). There is a mismatch between the current inventory of for sale housing and the types of households living in Centennial (ES-8).
- With a 5.25% interest rate, households need to earn \$100,000 or more to be competitive in the market. Increased interest rates have decreased the purchasing power for households based on their income (ES-9).

Figure ES-7. Rental Gaps, Centennial, 2020



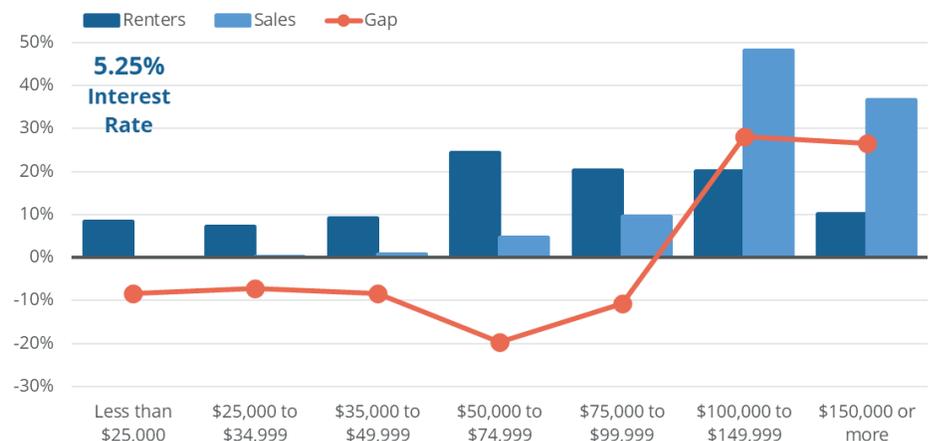
Source: 2020 5-year ACS and Root Policy Research.

Figure ES-8. Households by Number of People in Household vs. Sales by Number of Bedrooms

Number of Bedrooms or People in Household	Households		Sales in Centennial (2020-2022)	
	# of Households	% of Households	# of Sales	% of Sales
<b>Centennial</b>				
1 or less	8,637	21%	97	2%
2	14,560	36%	480	11%
3	7,428	18%	1,311	29%
4	6,388	16%	1,724	38%
5 or more	3,684	9%	935	21%

Source: MLS, 2020 5-year ACS, and Root Policy Research.

Figure ES-9. Renter Purchase Gaps, 5.25% Interest Rate, Centennial, 2020



Source: 2020 5-year ACS, MLS, and Root Policy Research.

## Future Housing Needs

One of the key issues addressed in the HNA was the identification of future housing needs in Centennial. Figure ES-10 shows the outcomes of a scenario where all new worker households who can afford to rent or purchase in Centennial are housed and those who cannot afford Centennial become in-commuters.

By 2025, an estimated 4,948 new worker households will work in the city and 519 households would be able to afford the median priced detached single-family home in 2025 (\$823,688); 1,453 households could afford to purchase a condo or attached home (\$780,000); and 2,189 households could afford the median rent (\$2,063). Out of the 8,321 new workers in the city, 1,324 could not afford to live in the city and would be forced to in-commute to work. Without an increase in ownership affordability in the next five years, the homeownership rate is estimated to decrease from 82% in 2020 to 77% in 2025.

**Figure ES-10. Industry Workers can Afford, 2035**

	 New Workers	 New Households	Housing Types Households Can Afford		Impact
2025	<b>+8,321</b> Workers	<b>+4,948</b> Households	 Detached	Households <b>519</b>	<b>+1,324</b> In-Commuters  Homeownership Rate <b>82% to 77%</b>
			 Attached & Condos	<b>1,453</b>	
			 Rent	<b>2,189</b>	
2030	<b>+13,447</b> Workers	<b>+7,996</b> Households	 Detached	Households <b>383</b>	<b>+2,138</b> In-Commuters  Homeownership Rate <b>82% to 75%</b>
			 Attached & Condos	<b>2,688</b>	
			 Rent	<b>3,654</b>	
2035	<b>+17,791</b> Workers	<b>+10,590</b> Households	 Detached	Households <b>17</b>	<b>+2,826</b> In-Commuters  Homeownership Rate <b>82% to 67%</b>
			 Attached & Condos	<b>1,154</b>	
			 Rent	<b>7,728</b>	

Note: Affordability based on 1.68 wage earners in with the average weekly wage for each industry per household and 30% of monthly income on housing. Mortgage assumptions include 5.25% interest rate, 20% monthly payment to ownership costs (e.g., property taxes, utilities, and insurance), and 10% downpayment.

Source: QCEW, MLS, 2020 5-year ACS, and Root Policy Research.

## Top Housing Needs in Centennial Today

Based on the analysis and outreach undertaken for the Housing Needs Assessment, the project team identified the following top housing needs in Centennial:

- To accommodate projected household and employment growth, the City of Centennial would need to **increase production of housing**—including market rate rental units and for sale housing. Over the past 10 years, the city has approved an average of 241 units per year. To keep up with household projections the city needs to produce 561 to 706 new units per year.
- To address the existing gap for low-income renters with annual incomes less than \$35,000 in the city, **896 rental units and/or subsidies** priced under \$875 per month (including utilities) are needed.
- To allow for a wider variety of households to purchase homes in Centennial and for seniors to downsize, the city needs to **accommodate more missing middle housing types**—single family attached and condos. Increasing smaller-scale ownership opportunities would alleviate some of the barriers to homeownership and provide housing for smaller household sizes—specifically, **two-bedroom ownership opportunities**.
- To accommodate growing employment industries in the city, Centennial should **target affordable homeownership and rental strategies** toward price points that **Centennial workers can afford**. If the city's workers cannot be housed in the city, in-commuting will increase, and homeownership will decline.

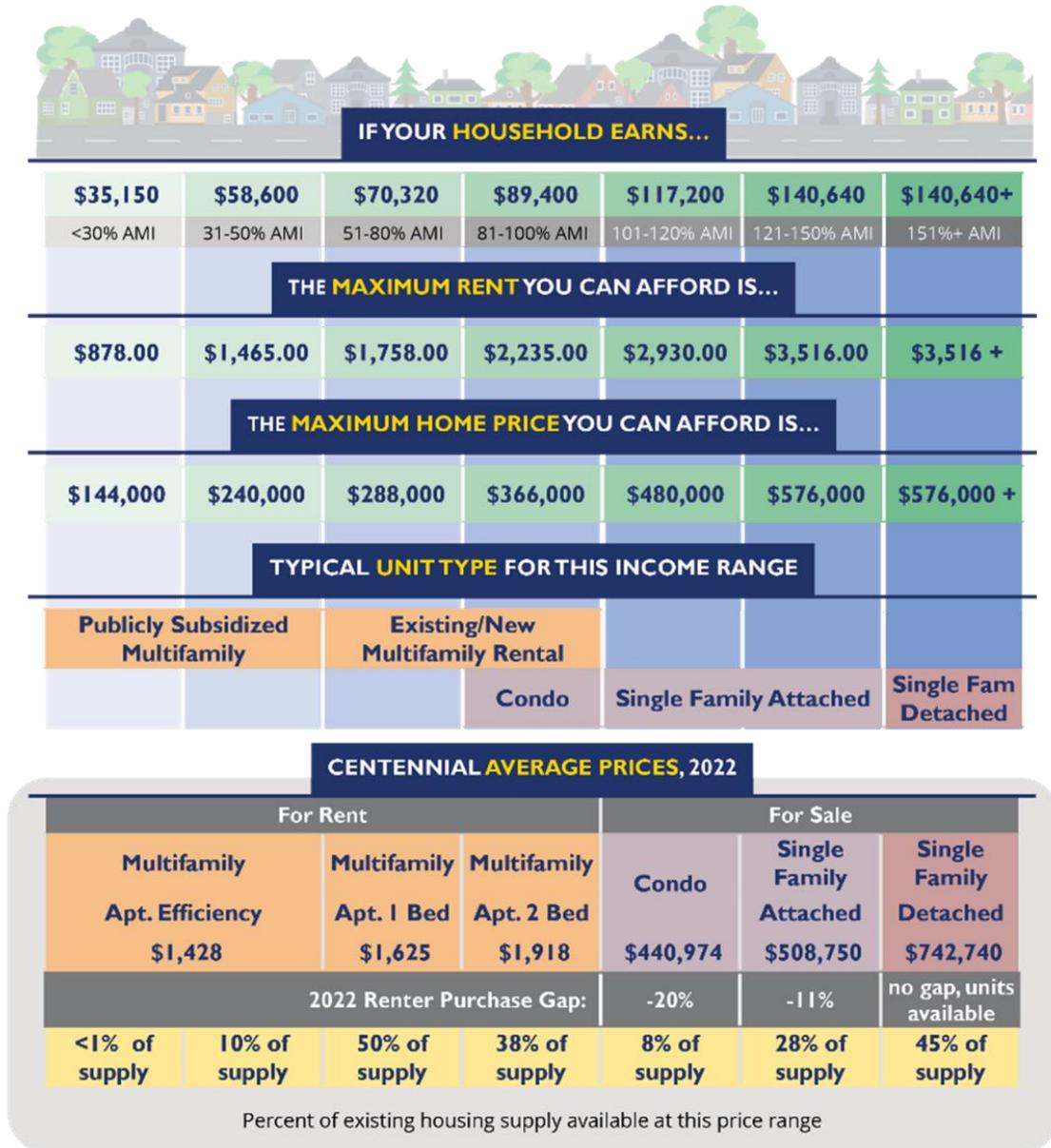
## What Does “Affordable” Mean in Centennial?

One of the many important discussions that came out of the Housing Needs Assessment is the identification of what “affordable” means in Centennial. Some of the priority strategies are specifically applicable to the creation of affordable housing or affordable units. The Centennial City Council and Planning & Zoning Commission engaged in a shared discussion about defining “affordable.” Typically, affordable housing is defined as residential units that are affordable to households making 80% or less of the area median income (AMI). In 2022, the 80% AMI for a four-person household in Arapahoe County was about \$94,000.

**Rental.** In 2022, a household at this income level could afford the average monthly rent for a three-bedroom unit, which is around \$2,500 in Centennial, but rent increases over the previous year were between 10 and 20%, depending on location.

**For Sale.** In 2022, the maximum affordable home price for a household at this income was between \$400,000 and \$500,000, depending on interest rates, which had started rising. The average sale price for a three-bedroom home in Centennial between 2020 and 2022 was \$510,000 and the average sale price for a four-bedroom home was \$620,610. Centennial did not have enough housing available in this price range to meet estimated resident demand. The

following tables provide a more detailed overview housing pricing and current availability in Centennial. These tables are designed to be read down each column, for example, a household earning \$58,600 can afford a maximum rent of \$1465.00, a maximum home price of \$240,000.00 and would typically live in publicly subsidized multifamily housing. Currently, only about 10% of Centennial's multifamily housing can supply housing at this price. Supply shortages, identified in the Housing Assessment Study, exist for (1) lower-rent multifamily apartments, (2) mid-price condominiums, and (3) single-family attached units.



**Figure 2: Relationship Between Household Earnings and Unit Availability**

City Council planned on continuing its discussion about local affordability levels into 2023.

## Section 3: Strategy Review and Prioritization Process

### Background: The DOLA Strategies

#### State-level Guidance to Colorado Communities

In 2021, through [House Bill 21-1271](#), the Colorado Legislature, working through the Department of Local Affairs (DOLA) encouraged cities to look at fourteen strategies intended to promote affordable housing development (DOLA Strategies).

1. Use of vacant publicly owned property
2. Subsidize or reduce local development review or fees
3. Expedited development review process for AMI below 120% and/or commercial development
4. Density bonus program
5. Promote the use of sub-metering of utility charges
6. Dedicated funding source to subsidize infrastructure costs and associated fees
7. Multi-family housing options as a use by right in single family residential zoning
8. The classification of a proposed affordable housing development as a use by right
9. Authorizing Accessory Dwelling Units as a use by right
10. Allowing Planned Unit Developments with integrated affordable housing units
11. Allowing small square footage residential unit sizes
12. Lessened minimum parking requirements for new housing developments
13. The creation of a land donation, land acquisition, or land banking program
14. An inclusionary zoning ordinance (per CRS 29-20-104(s))

A fifteenth strategy allows cities to propose other innovative strategies that are not included in the bill.

#### Strategies Considered for Centennial

Through a series of discussions, the City Council identified eight DOLA Strategies and one Council-initiated strategy for Centennial to explore further. These included strategies that the community frequently asks about (such as potentially allowing accessory dwelling units or requiring developers to include affordable housing) and some that are less commonly in the public view (such as development fees).

To help group the strategies by impact, they were organized as shown in the following table, based on where or how the strategy would need to be incorporated into current City functions. The strategies were considered on an individual basis and not in comparison to other strategies in the same category.

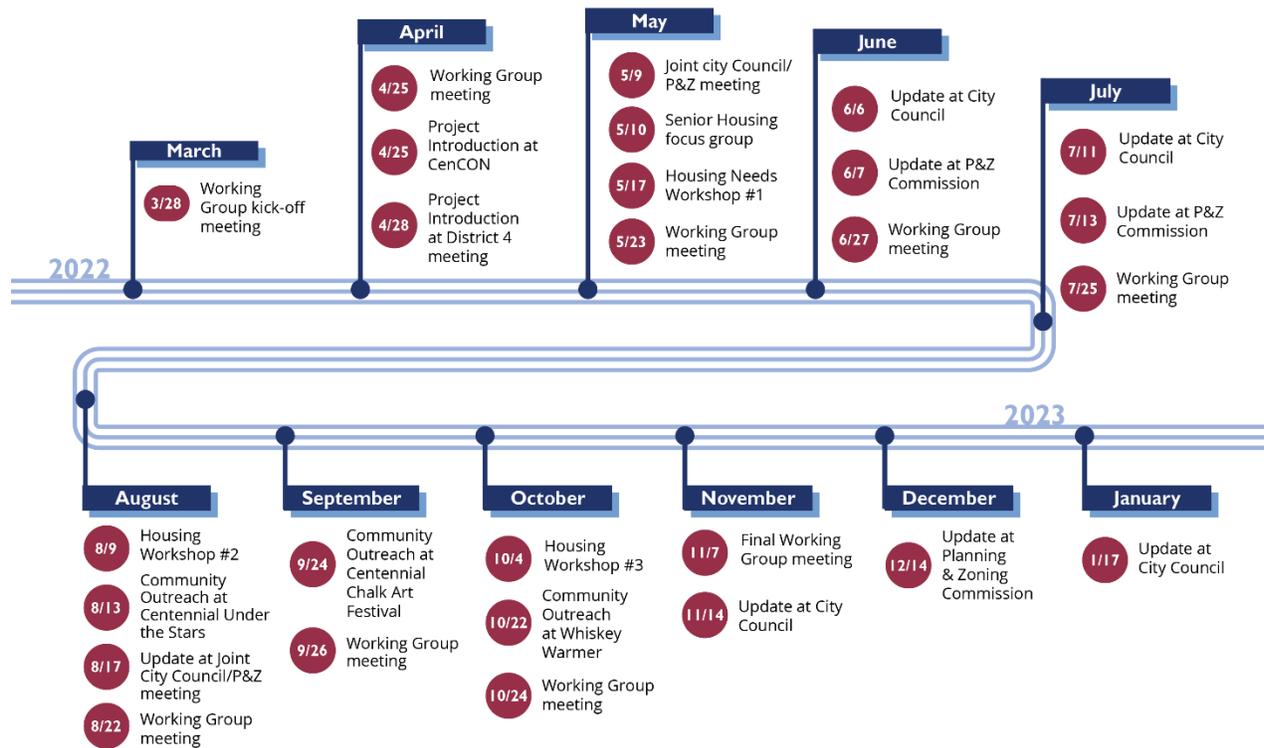
<b>Table 1: Selected Innovative Housing Strategies</b>		
<b>Category</b>	<b>Strategies</b>	
<b>Remove Procedural Barriers and Reduce Costs</b> <b>Current City Function: Land Development Code Administration</b>	Expedited development review for affordable housing	Expedited development review for converting underutilized commercial/office property to housing
	Subsidize or reduce development fees for affordable housing	
<b>New Allowances and Requirements</b> <b>Current City Function: Land Development Code Regulations</b>	Establish a density bonus program	Authorize Accessory Dwelling Units (ADUs)
	Implement an inclusionary zoning policy	
<b>Funding Mechanisms</b> <b>Current City Functions: City Budget, Partner Agencies, Potential New Function</b>	Create a land donation or land banking program	Establish a dedicated funding source to subsidize infrastructure costs
	Incentivize current landlords to lower prices of existing units	

Each of the selected strategies are described in more detail in Section 4 of this Report.

## Centennial Review and Vetting Process

Between April 2022 and November 2022, each strategy was vetted by community members, stakeholders, the Housing Working Group, and decision makers. Following that process, the Planning & Zoning Commission and City Council participated in a series of conversations from November 2022 through January 2023, that identified priority strategies to move into drafting and potential adoption. This section provides an overview of how each group undertook their tasks.

### HOUSING STUDY & POLICY DEVELOPMENT TIMELINE



### Housing Working Group

A 10-person Housing Working Group was appointed by the City to represent a balance of technical and community-oriented interests and serve as a sounding board for the project team throughout the Housing Project. The Housing Working Group was tasked with:

- Reviewing and assisting in vetting major policy options (based on the results of the Community Housing Needs Assessment) before they are rolled out to the broader public;

- Serving as a liaison to representative interest groups—promoting awareness and understanding of proposals that emerge from the process;
- Communicating the importance of the Housing Project process to stakeholders; and
- Reviewing and providing feedback on strategies that could result in proposed revisions to City policy and/or the Land Development Code.

Committee members did not vote or have veto power over proposed revisions recommended by the project team; however, the Housing Working Group’s feedback was shared with Centennial elected and appointed officials throughout the process.

### **Meeting and Review**

The Housing Working Group met monthly from April 2022 to November 2022, along with the project team. A set of strategies were presented and discussed at each meeting. In preparation for Housing Working Group meetings, members were provided with an information packet that included background information about each strategy and an overview of (then) current community input about the strategy. The Housing Working Group also reviewed the creation of and responses to a developer survey that was undertaken on behalf of the Housing Working Group to ask key questions about which strategies may have been found to be helpful by both affordable housing developers and market-rate housing developers. As a follow-up, the Housing Working Group invited a smaller group of developers to join the October meeting to participate in a more free-ranging discussion about the creation of affordable housing in Centennial.

Working with the Planning & Zoning Commission and City Council, the Housing Working Group established a set of eight review criteria against which the individual strategies were compared and discussed.

### **Housing Working Group Members**

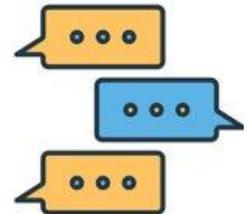
- Tom Brook, Denver South
- Liana Escott, Arapahoe County Housing and Community Development, Arapahoe/Douglas Works!
- Shelby Foster, South Metro Denver Realtors Association
- Corey Reitz, South Metro Housing Options
- John Scales, Planning & Zoning Commission Member
- Don Sheehan, Senior Commission City Council Liaison
- Andrew Spaulding, Centennial Resident
- Christine Sweetland, City Council Member

**Table 2: Housing Working Group Strategy Review Criteria**

Criteria		Key Questions
1	Centennial NEXT Implementation	Does this strategy support the implementation of the City's Comprehensive Plan?
2	Technical Feasibility	Can the City administer this strategy within existing processes, or will a specialized process be needed?
3	Administrative Feasibility	Can the City administer this strategy with existing staff or will specialized staff be needed?
4	Diversity and Equity Considerations	How will this strategy help implement Centennial's diversity and equity goals as identified in Centennial NEXT?
5	Impact	<ul style="list-style-type: none"> <li>• What are the circumstances where implementing this strategy will make a difference?</li> <li>• How does the affordable housing development community view this approach?</li> </ul>
6	Cost	<p>What are the anticipated "extraordinary" costs of implementing the strategy?</p> <p><i>*extraordinary is defined as in addition to the regular costs associated with new development or redevelopment as normally processed by the City</i></p>
7	Benefits	What are the benefits of implementing this strategy

### Summary Feedback

Following discussion and exploration of each of the strategies, the Housing Working Group grouped their feedback to the review criteria in three categories:



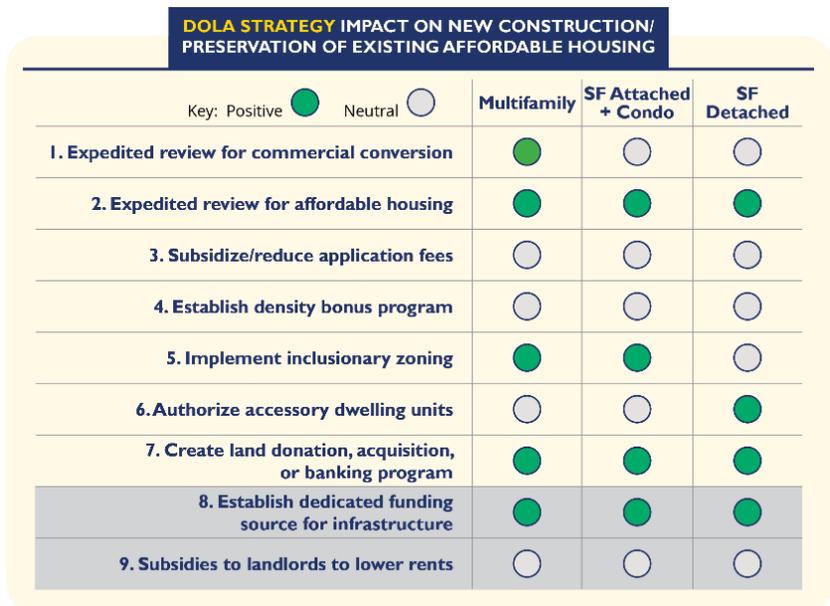
- The strategy meets the criteria or will have a positive impact on the creation of affordable housing
- The strategy does not meet the criteria or may have an impact that does not benefit the City or creation of affordable housing
- The relationship between the strategy and the criteria is neutral

The Housing Working Group feedback is summarized in the following table.



**Figure 3. Working Group DOLA Strategy Review Criteria Summary**

Based on the Housing Working Group’s survey and discussion with local housing developers (both market rate and affordable), the table to the right reflects a preliminary discussion about whether implementation of each of the strategies would provide a level of incentive sufficient to promote the creation of an affordable development project, and what types of units may be included.



**Figure 4. DOLA Strategy Impact on New and Existing Affordable Housing Summary**

## General Public

Engagement opportunities for the community-at-large were offered both online and in-person throughout the Housing Project to help educate the public about Centennial’s Housing Needs, build awareness about potential strategies to address the community’s needs, and seek input on the potential suitability of individual strategies in different areas of Centennial. Participation in these events and online activities is summarized below.

Table 3: Summary of Public Engagement	
Engagement Type	Responses
<b>In-Person Engagement</b> 8 Summer/Fall event booths and 3 Housing Needs Workshops	846 votes and comments at events
<b>Online Engagement</b> 14 Online Questions of the Week (April through October 2022)	471 total responses
<b>Facebook</b>	30 Facebook Posts reached over 8,034 followers*  <i>*Reach is the total number of people who saw the content.</i>
<b>NextDoor</b>	30 NextDoor posts totaled 60,688 impressions with neighbors*  <i>*Impressions are the number of times your content is displayed.</i>
<b>Housing Project Webpage</b>	1,574 unique page views
<b>Developer Surveys</b>	Clarion reached out to 21 affordable and market rate housing developers and interviewed 10

A preliminary summary table of both Housing Working Group and community input was created at this stage of the process, showing support for further consideration of a number of strategies along with mixed support for a few of the strategies. Two strategies were recommended for deprioritization: Infrastructure Funding and Landlord Subsidies.



### INNOVATIVE HOUSING STRATEGIES SUPPORT

	1 Remove Procedural Barriers and Reduce Costs (Land Development Code Administration)			2 New Allowances and Requirements (Land Development Code Regulations)			3 Funding Mechanisms (City Budget, Partner Agencies, Potential New Function)		
STRATEGY	Expedited development review for affordable housing	Expedited development review for converting underutilized commercial/office property to housing	Subsidize or reduce development fees for affordable housing	Establish a density bonus program	Implement an inclusionary zoning policy	Authorize Accessory Dwelling Units (ADUs)	Create a land donation or land banking program	Incentivize current landlords to lower prices of existing units	Establish a dedicated funding source to subsidize infrastructure costs
WORKING GROUP FEEDBACK	Support short-term action (2023)	Support mid-term action (2-3 years)	Support mid-term action (2-3 years)	Support mid-term action (2-3 years)	Support (voluntary) mid-term action (2-3 years)	Support mid-term action (2-3 years)	Support mid-term action (2-3 years)	Does not support prefer alternative approach	Does not support prefer alternative approach
COMMUNITY FEEDBACK	Mixed	Mixed	Support  for City fees only	Mixed	Support	Support	Support	Support	Mixed

Additional information required

Figure 5. DOLA Strategies Working Group and Community Feedback Summary

## Planning & Zoning Commission and City Council Review

The project team provided updates to the City Council and Planning & Zoning Commission at key points during the process to keep elected and appointed officials informed about potential changes, to seek input on potential strategies, and explore housing goals. Joint work sessions were held on May 9, August 17, and October 26. City staff also provided brief updates on the Housing Project to both bodies at regular work sessions.

Joint work sessions were structured to provide a summary of the Housing Working Group's process and the community input to elected and appointed officials and allow them an opportunity to identify topics about which they would like more information and provide guidance about questions that could be directed back to the Housing Working Group and community at large. Many elected and appointed officials also attended public outreach meetings to both talk to community members and observe the give-and-take between the project team and project participants.

A summary table of the feedback from these meetings is provided below. The first row of the table lists each of the strategies initially chosen by City Council for further exploration, the second row indicates whether the Housing Working Group supported moving the strategy forward, and the third row summarizes the community's feedback about each strategy. Two strategies were deprioritized after discussion at the November 14 Work Session, shown in grey shade below. The final row of the table captures the feedback received from Planning & Zoning Commission at the December 14, 2022, Meeting. The audio from the meeting is available [here](#) (item begins at 17:45).<sup>1</sup>



<sup>1</sup> <https://onbase.centennialco.gov/OnBaseAgendaOnline/Meetings/ViewMeeting?id=2143&doctype=1>

### INNOVATIVE HOUSING STRATEGIES SUPPORT

	1 Remove Procedural Barriers and Reduce Costs (Land Development Code Administration)			2 New Allowances and Requirements (Land Development Code Regulations)			3 Funding Mechanisms (City Budget, Partner Agencies, Potential New Function)		
STRATEGY	Expedited development review for affordable housing	Expedited development review for converting underutilized commercial/office property to housing	Subsidize or reduce development fees for affordable housing	Establish a density bonus program	Implement an inclusionary zoning policy	Authorize Accessory Dwelling Units (ADUs)	Create a land donation or land banking program	Incentivize current landlords to lower prices of existing units	Establish a dedicated funding source to subsidize infrastructure costs
WORKING GROUP FEEDBACK	<b>Support</b> short-term action (2023)	<b>Support</b> mid-term action (2-3 years)	<b>Support</b> mid-term action (2-3 years)	<b>Support</b> mid-term action (2-3 years)	<b>Support (voluntary)</b> mid-term action (2-3 years)	<b>Support</b> mid-term action (2-3 years)	<b>Support</b> mid-term action (2-3 years)	<b>Does not support</b> prefer alternative approach	<b>Does not support</b> prefer alternative approach
COMMUNITY FEEDBACK	Mixed 	Mixed 	<b>Support</b> for City fees only 	Mixed 	<b>Support</b> 	<b>Support</b> 	<b>Support</b> 	<b>Support</b> 	Mixed 
P&Z FEEDBACK	<b>Support</b> short-term action (2023)	<b>Support</b> short-term action (2023)	<b>Does not support</b> prefer alternative approach	<b>Support</b> short-term action (2023)	<b>Support</b> short-term action (2023)	<b>Support</b> short-term action (2023)	<b>Support</b> short-term action (2023)	--	--

Additional information required

Figure 6. DOLA Strategies Working Group, Community, and Planning & Zoning Commission Feedback Summary

## Fall 2022 Voter Approval of Proposition 123

### State Funding for Affordable Housing

Colorado voters passed Proposition 123 in the November 2022 election. This vote supported creating the State Affordable Housing Fund and dedicating one-tenth of one percent (0.1%) of state income tax revenue to fund housing programs, including:

- Providing grants to local governments and loans to nonprofit organizations to acquire and maintain land for the development of affordable housing (land banking);
- Creating an affordable housing equity program to make equity investments in multi-family rental units to ensure that rent is no more than 30% of a household's income;
- Creating a concessionary debt program to provide debt financing for low- and middle-income multi-family rental developments and existing affordable housing projects;
- Creating an affordable home ownership program providing down-payment assistance for homebuyers meeting certain income requirements;
- Creating a grant program for local governments to increase capacity to process land use, permitting, and zoning applications for housing projects (expedited review); and
- Creating a program to provide rental assistance, housing vouchers, and other case management for persons experiencing homelessness.

At the time of voter approval, initial program funding was estimated to be about \$300 million per year, but that number was tied to state finances and could change. The affordable housing program created to access the Prop. 123 funds is structured as an “opt-in” program, meaning that local governments will need to determine whether or not they want to participate.

As of the drafting of this Summary Report, Centennial is still considering whether to participate. If Centennial chooses to participate, a decision that it will need to make by November 2023, the City will eventually need to meet two baseline requirements:

1. Agree to increase local affordable housing supply by 3% over the current baseline each year for three years (and possibly longer if the program continues), and
2. Agree to establish (likely by 2026) an expedited review program so that complete affordable housing project applications can be processed by the City in 90 days.<sup>2</sup>

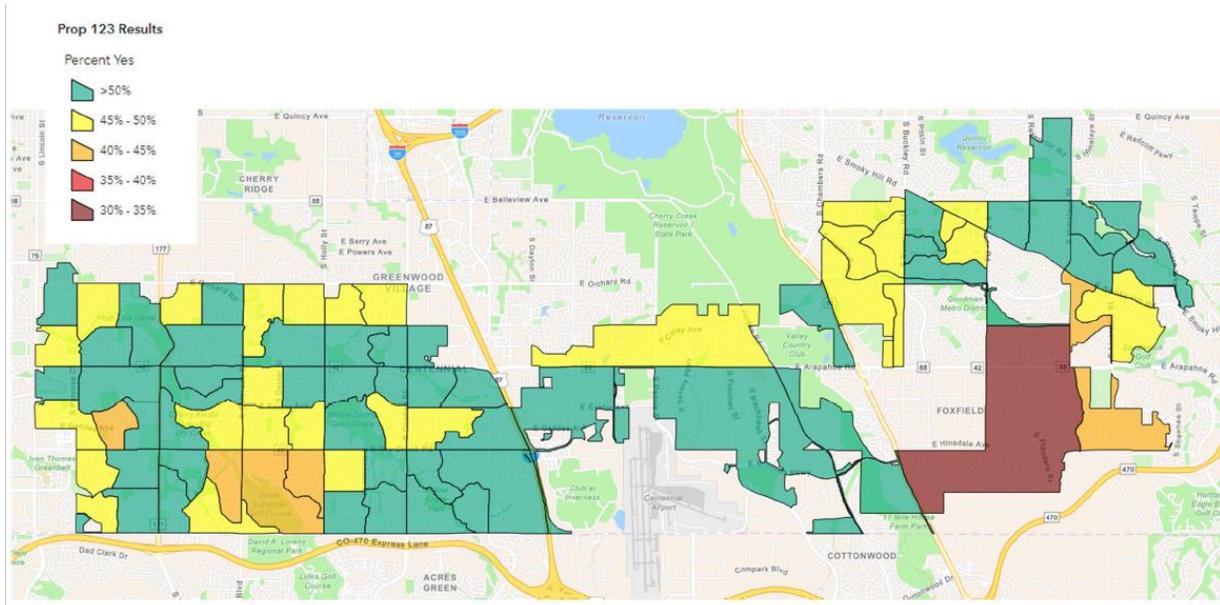
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<sup>2</sup> The Metro Mayors Caucus notes that per March 2023 conversations with Colorado DOH, OEDIT, and CHFA, “a city DOES NOT have to have its 90-day Fast-Track approval process in place to opt in in 2023. The 90-day process will be required at opt-in in 2026. As an interested local government works to package its commitment and file it with DOH by November 1, 2023, it does not have to include verification of a “fast-track approval process” in this initial commitment.”

### Impact on Strategy Consideration

If Centennial decides to opt-in to Prop. 123 funding, implementing some form of expedited review will be a mandatory prerequisite to participation. The adoption of an inclusionary zoning program may help the City meet the 3% growth goal in a more predictable manner.

While not mandatory, Prop. 123 would provide grant funding for land banking which may be helpful to reduce land costs for affordable housing projects. The map below shows the Centennial voter results on Prop. 123. Prop. 123 was supported by 51% of voters in Centennial.



**Figure 7. Proposition 123 Voting Results in Centennial**

## Identifying Priority Strategies

The City Council held a final priority-setting meeting on January 17, 2023, and instructed the project team to proceed with the process of drafting policy or regulatory updates for the following strategies:

- Expedited review for affordable housing and for the conversion of underutilized commercial/office property;
- Inclusionary zoning, potentially incorporating a bonus density program;
- Authorizing accessory dwelling units (ADUs); and
- Creating a land donation or land banking program.

Audio from the meeting is available [here](#).<sup>3</sup>

<sup>3</sup> <https://onbase.centennialco.gov/OnBaseAgendaOnline/Meetings/ViewMeeting?id=2207&doctype=1>

## Section 4: Explanation of Affordable Housing Strategies

One of the purposes of Task 2: Refinement of Strategies, was to provide the community with an explanation of how each of the strategies would be intended to work to help provide affordable housing in Centennial. This section includes the information shared during that task.

### Accessory Dwelling Units

#### What are Accessory Dwelling Units?

Accessory Dwelling Units (ADUs) are small secondary residential structures located behind the primary house or within an existing house. They are commonly known as “granny flats,” “mother-in-law apartments,” “alley houses,” “secondary dwellings,” or “carriage houses.” While size allowances for ADUs vary, they are typically between 500 and 750 square feet, and include a kitchen/kitchenette, sleeping area, bathroom, and dedicated parking. Common regulations for ADUs include maximum height limitations, maximum size limitations, minimum private open space, minimum off-street parking requirements, separate entrance requirements, and maximum occupancy limitations. ADUs can be configured in multiple ways, as described below.

#### Detached ADUs

Detached ADUs are often configured as a unit above a detached garage. This configuration is most common in neighborhoods where garages are located at the rear of the lot and are accessed from an alley. On larger lots, detached ADUs may be configured as one-story units that are part of a detached garage, or as a freestanding structure that is not attached to a garage.



**Figure 8. Detached Accessory Dwelling Units**

#### Attached ADUs: Interior Conversion

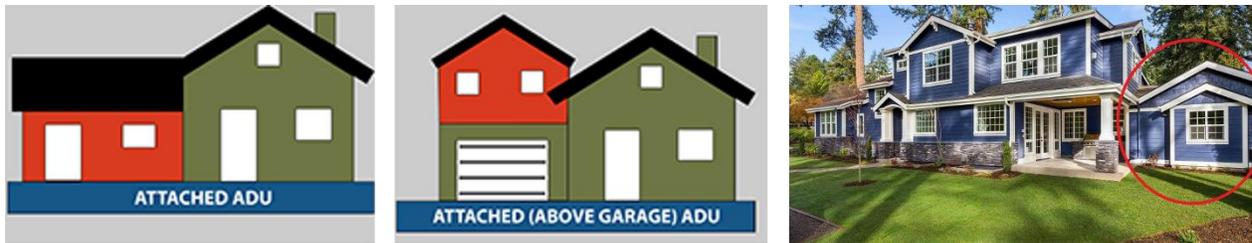
In an existing home, attached ADUs can be created by converting an existing basement, garage, or floor into a small “lock-off” unit. Depending on the configuration of the existing home and the location of the ADU, these units may also have a separate outside entrance.



**Figure 9. Internal Conversion Accessory Dwelling Units**

**Attached ADUs: Addition to Primary Home/New Construction**

ADUs can also be incorporated as an addition to an existing home. Whether an ADU is constructed as an addition above an existing attached garage, or as an extension of the main level of the primary dwelling will in part depend on the size of the lot and lot coverage limitations. In a new construction context, a variety of configurations are possible, but most are located on the ground floor and offer two access points—one that connects to the primary dwelling, and one that connects to outside, as in this [NextGen option](#) from Lennar Homes, a national production home builder.



**Figure 10. Attached Accessory Dwelling Units**

**Strategy Intent**

This strategy is intended to add housing to the community, allow “gentle” infill that can maintain neighborhood character, and create a housing option for immediate family or a small household.

**Strategy Actions**

ADUs could be authorized through changes to the Land Development Code that allow ADUs as an accessory use on a lot.

Pursuing this strategy would include the following actions:

- Consider the availability of water and the cost of water tap fees;
- Identify the zoning districts, sub-areas, neighborhoods, or other geographically defined locations where ADUs would be appropriate through additional discussions with Planning & Zoning Commission, City Council, and Centennial residents;
- Review the current Land Development Code to determine potential opportunities or barriers to implement different types of ADUs including dimensional standards (e.g.,

minimum lot size, maximum lot coverage, or setbacks) in existing residential zoning districts;

- Determine how existing HOA covenants will impact the construction of ADUs generally;
- Based on initial feedback during the Housing Project, draft development standards for ADUs that address dimensions and design, owner-occupancy requirements, off-street parking requirements, and other standards that ensure neighborhood compatibility; and
- Update the Land Development Code with the preferred allowances and development standards informed by Planning & Zoning Commission, City Council, and the public.

## **Outcome**

This strategy was prioritized for drafting and formal consideration during Task 4: Draft Policy and Land Development Code Updates

## **Inclusionary Zoning**

### **What is Inclusionary Zoning?**

Inclusionary zoning is a program that expands the locations and availability of affordable housing by establishing a requirement that new housing developments include a percentage of affordable housing as part of the project. Inclusionary zoning can include incentives to developers to help offset the costs of providing affordable housing. Affordable housing is defined by income restrictions that are typically established through a Housing Needs Assessment.

Inclusionary zoning encourages the creation of mixed-income neighborhoods, providing workforce housing options as recommended by Centennial NEXT. Inclusionary zoning also brings private-sector development into partnership with the City to provide affordable housing, reducing the amount of public money invested in the creation of housing. As part of an affordable housing strategy, it can help close the affordable housing gap by helping provide housing for households earning less than \$75,000 a year.

### **Strategy Intent**

This strategy is intended to create mixed-income communities, increase the amount of affordable housing, and leverage private-sector development to include some affordable units.

### **Strategy Actions**

Inclusionary zoning is authorized through changes to the Land Development Code that require the provision of a specified percentage of affordable housing as a part of any residential development or mixed-use project of a certain size.

An inclusionary zoning program usually includes some regulatory flexibility designed to help offset the costs of the affordable units, including:

- Fee waivers
- Bonus density
- Expedited review
- Parking reductions (not included in strategy list)

Pursuing this strategy would include the following actions:

- Determine whether the inclusionary zoning program will be voluntary or mandatory;
- Establish the incentives, if any, that will be paired with the inclusionary zoning program using the Feasibility Analysis prepared by Root Policy Research as a starting point for discussion;
- Draft the inclusionary zoning program, including revisions to the Land Development Code, and present the details to Planning & Zoning Commission, City Council, and the general public to gather feedback and refine details including potential incentives and the total percentage or number of units to be provided along with income level targets; and
- In conjunction with or aside from the expedited review strategy (Strategy 1), draft a new development procedure/application for residential projects required or incentivized (mandatory vs. voluntary) to include affordable units.

## Outcome

This strategy was prioritized for drafting and formal consideration during Task 4: Draft Policy and Land Development Code Updates

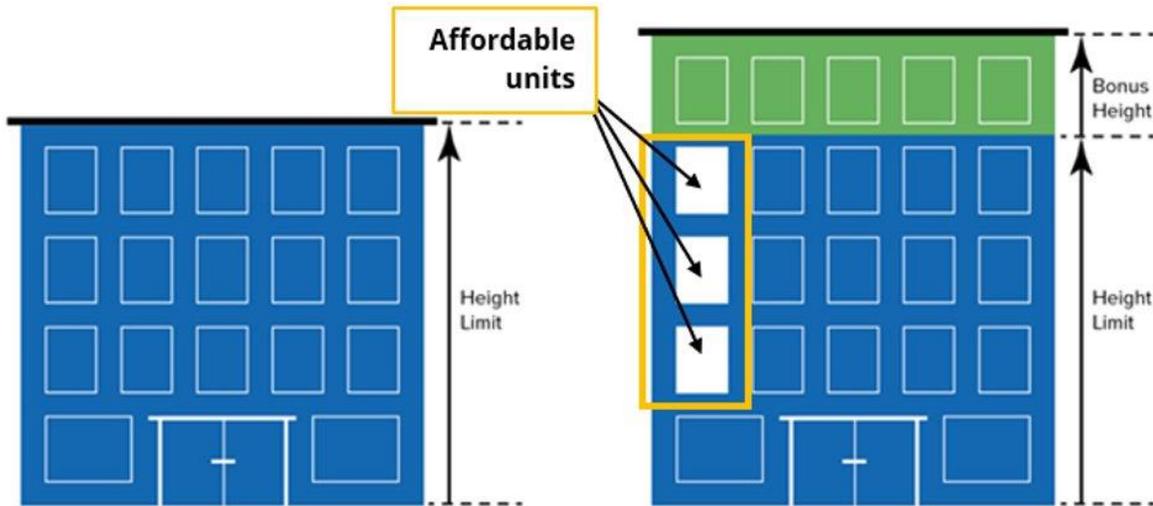
## Bonus Density

### What is Bonus Density?

Bonus density allows more housing units to be built on a specific site than would otherwise be allowed by the applicable zone district. Bonus density is implemented through changes to required zoning standards that allow the construction of more building area. Bonuses could include:

- Relaxing dimensional standards such as minimum lot size, lot coverage, or setbacks;
- Permitting a larger number of dwelling units in a building or development site;
- Providing a bonus height allowance or exemption from height restrictions that allows for construction of additional stories;
- Reducing the amount of open space required on a development site; and/or
- Reducing the required number of parking spaces.

Bonus density can work as a stand-alone regulatory approach or as part of an inclusionary zoning ordinance. Bonus density is often used in conjunction with inclusionary zoning to provide additional square footage in the project to help offset the cost of providing affordable units.



**Figure 11. Bonus Density Example**

### Strategy Intent

This strategy is intended to allow more housing on a lot that would be allowed by the current regulations, with a goal of incorporating affordable units by offsetting their cost with the creation of additional market rate units.

### Strategy Actions

Bonus density is authorized by changes to required standards in the Land Development Code in a manner that allows the construction of more building area. Pursuing this strategy would include the following actions:

- Determine the parameters of a density bonus (i.e., which development standards will be adjusted – dwelling units per acre, height, or parking, etc.) and whether that bonus is applied only to affordable housing projects or other projects that respond to special populations (e.g., the inclusion of universal design or location within walking distance to employment areas);
- Identify those zoning districts, sub-areas, or other distinct geographical locations where a bonus density allowance is appropriate and if there should be a scaled approach to the bonus (e.g., a larger percentage of affordable housing units provided increases the overall reduction to maximum density limitations);

- Further discussion with the development community about how bonus density that is paired with an affordable unit requirement affects the overall cost of a residential project, especially the impact, if any, on the cost of the non-affordable units; and
- Work with staff and revise the Land Development Code to confirm and/or establish the base allowances for the applicable development standards in the identified zoning districts or areas and draft the bonus provisions. Note: the current LDC allows a customizable approach to building residential units where standard base zone district requirements are not applied and requirements (e.g., setbacks, parking, or density) are tailored to the project. This will need to be converted to more specific standards in order for a density bonus to work.

## Outcome

This strategy was prioritized for consideration as an inclusionary zoning incentive during Task 4: Draft Policy and Land Development Code Updates.

## Expedited Review

### What is Expedited Review?

This strategy would allow affordable housing projects, including the acquisition or repurposing of underutilized commercial properties that can be rezoned to include affordable housing units, including the preservation of existing affordable housing units, to be processed faster to help minimize project delays and unexpected costs. This might include:

- Reorganizing hearing and neighborhood meeting requirements to an early stage in the process to allow affordable housing projects that meet the City Land Development Code and design standards to be approved administratively,
- Fast-tracking affordable housing project applications through the review process, and/or
- Assigning a City staff member as a project advocate/expediter to help resolve any issues that come up during project review.

Expedited development review is often used in conjunction with application/project fee waivers, such as permit processing fees and impact/infrastructure fees.

### Strategy Intent

This strategy is intended to allow affordable housing development applications to be processed faster to help minimize project delays and costs. The amount of time it takes to review and approve an affordable housing project has cost impacts outside of the actual application fees, including interest on loans and the price of “holding” the project site until development can start.

## Strategy Actions

Expedited review is authorized by changes to the City's development application review process that ensure projects including affordable housing with a total unit count or percentage of units required by the City are processed to completion in a specific period of time.

Pursuing this strategy for affordable housing would include the following actions:

- Further discussion with staff, Planning & Zoning Commission, and City Council, to determine the decision-making body and public process, including community meetings, public hearings, and general noticing requirements, for affordable housing development projects;
- Additional public outreach to Centennial residents to clarify the strategy and its implications on development application processing time, the ability to submit public input through notification or meetings/hearings and the impact of that input;
- Draft a new development procedure, or adding new details to an existing procedure (e.g., Site Plan) in Article 14 of the Land Development Code; and
- Work with staff to determine if one or two staff members should be designated as a project advocate/expediter for affordable housing applications.

Pursuing this strategy for adaptive reuse of commercial space would also include:

- Further discussion with local experts on the topic (e.g., developers and architects) to confirm the feasibility and overall cost of the conversion of commercial buildings to residential buildings;
- Identify those commercial zoning districts or existing sites (e.g., the I-25 corridor) that would benefit from and be appropriate for residential conversion; and
- Communicate major barriers and feasibility issues with the general public and present alternatives such as allowing multifamily dwellings with limitations (e.g., building height and design) to certain commercial zoning districts or areas.

## Outcome

This strategy was prioritized for drafting and formal consideration by the City.

## Subsidize or Reduce Development Fees for Affordable Housing

### What is a Fee Reduction?

This strategy would involve the creation of a program to subsidize or otherwise reduce local development review or fees paid as part of the application fees, including but not limited to building permit fees, planning waivers, and water and sewer tap fees, for affordable housing development. This would typically be a funding program that allows funds from other City sources to replace the fees that would otherwise be paid at application.

## Strategy Intent

This strategy is intended to reduce some of the application costs associated with an affordable housing project. Fee reductions are commonly used in conjunction with expedited reviews to help reduce initial project costs and speed up project review to help manage the early costs of bringing an affordable housing development through the review process.

## Strategy Actions

Fee waivers are enacted by identifying the required fees across the various review points in a development application (e.g., rezoning approvals, building permit, construction drawings) and determining how to reduce or eliminate some of those fees from the application process while establishing an alternative funding source.

Pursuing this strategy would include the following actions:

- Analyzing the Community Development Fee Schedule to identify which fees may be appropriate for waivers or reductions;
- Determining the overall impact development fee reductions would have on the overall City budget;
- Determining the overall impact development fee reductions would have on the overall cost of an affordable housing development and if it is significant enough to act as an incentive; and
- Further discussion with external agencies to determine if the City could cover a portion of the fees applied to development (e.g., water districts and South Metro Fire).

## Outcome

This strategy was deprioritized late in the review process because the City's low fees would not be anticipated to have significant impact on the cost of an affordable housing development. The larger application fees, including water tap fees, are not controlled by the City of Centennial.

## Land Donation, Dedication, and Banking

### What is Land Banking?

A land banking program is a tool used by local governments to buy, acquire, and hold land for later development of affordable housing. In a strong housing market, communities tend to make strategic acquisitions in areas that are redeveloping to hold room for future affordable housing development. In a softer housing market, communities tend to focus on purchase of vacant and abandoned properties for clean-up and beneficial reuse. Land banking programs work by:

- Acquiring, assembling, and holding land to be used for affordable housing;
- Reducing land ownership holding costs for affordable housing developers;
- Maintaining the property owned by the bank; and/or

- Negotiating the sale or donation of the property.

### **Strategy Intent**

This strategy is intended to establish a local government program that can buy, acquire, and hold land for later development of affordable housing. Land costs are one of the most significant development expenditures. Where “banked” land can be donated or sold at a reduced cost to an affordable housing project, the overall project costs can be reduced. Land banking can support a variety of other housing strategies.

### **Strategy Actions**

This action is implemented through the creation of a local land bank. This can be an entity within Centennial or through a partnership in a more county-wide or regional approach.

Pursuing this strategy would include the following actions:

- Determine and draft the guidelines and operating procedures for the land bank including the type of properties the land bank has the authority to pursue (e.g., existing vacant or abandoned properties that are tax delinquent or any property);
- Determine if land purchased by the land bank should be limited to certain areas of the city (e.g., areas that are zoned primarily for multifamily), or commercial properties;
- If preferred, identifying a partner organization to establish and administer a land bank; and
- Coordinate the use and distribution of the funds available through Proposition 123 (if opted in, see discussion on page 40).

### **Outcome**

This strategy was prioritized for drafting and formal consideration by the City.

## **Dedicated Infrastructure Funding Source**

### **What is Infrastructure Funding?**

New development and redevelopment in Centennial are typically required to install or rebuild any roads that are needed on the site. This strategy is intended to offset or defray some of the infrastructure costs associated with an affordable housing project by identifying a non-applicant funding source for infrastructure. This could be through the adoption of a local tax or fee or allocation of state or federal funding sources.

### **Strategy Intent**

This strategy is intended to offset or defray some of the infrastructure costs associated with an affordable housing project. It can work in conjunction with other fee/cost reduction strategies including reducing development fees and land acquisition/banking.

## Strategy Actions

Infrastructure funding works by identifying a non-applicant funding source for infrastructure. This could be through the adoption of a local tax or fee or allocation of state or federal funding sources.

## Outcome

This strategy was deprioritized early in the review process because of the potential impact on the City's budget.

## Incentivize Landlords to Lower Current Rents

### What is Rental Assistance?

There are a number of public and private organizations that help cover housing costs through rental assistance programs. It may be challenging for residents who need this help to locate these resources, so the goal of a rental assistance information program would be to consolidate the information and make it easily available.

Sometimes community members need short-term help with housing costs rather than long-term help through the construction of new housing. The Housing Working Group explored the creation of a Centennial-based rental assistance program but believes that the cost and effort involved in creating the program would not be as potentially beneficial as helping residents connect with existing rental assistance sources from more established providers, such as the state and federal governments.

Landlord incentives could make some rental units affordable for current residents. This may be able to produce short-term impacts for families in need, as many strategies being considered have long lead-times.

### Strategy Intent

This strategy is intended to encourage landlords to lower rents on existing units through payments made directly to the landlord. This strategy is a stand-alone action. Landlord incentives could make some rental units affordable for current residents. This approach may be able to produce short-term impacts for families in need, as many strategies being considered have long lead-times.

### Strategy Actions

Pursuing this strategy would include the following actions:

- Research and evaluate examples of communities that have created a successful local subsidy program; and
- Community discussion about this use of public funds.

## **Outcome**

This strategy was deprioritized early in the review process because of the difficulty in implementation and overlap with existing state and federal programs that provide similar services.

## Section 5: Next Steps

The next phase of Centennial’s exploration of affordable housing policy and regulatory updates is the drafting of proposed changes for community and City consideration. This will take place across 2023 and key information and dates will be posted on the [City’s Housing Project webpage](#).<sup>4</sup>

*This work funded in part by the Colorado Department of Local Affairs.*

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<sup>4</sup> <https://www.centennialco.gov/Housing>

# Appendices

## Public Comments

The Phase II outreach feedback summary is available [here](#)<sup>5</sup> and the full comments are available [here](#).<sup>6</sup>

## Supplemental Information

The following table summarizes the answers to Housing Working Group’s strategy review criteria of “Does this strategy support the implementation of the City’s [Comprehensive Plan?](#)”<sup>7</sup> organized by applicable Centennial NEXT policies. It is supplemental to Table 2: Housing Working Group Strategy Review Criteria.

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<sup>5</sup> [www.centennialco.gov/files/sharedassets/public/documents/housing/housing-study-public-feedback-summary.pdf](http://www.centennialco.gov/files/sharedassets/public/documents/housing/housing-study-public-feedback-summary.pdf)

<sup>6</sup> [www.centennialco.gov/files/sharedassets/public/documents/housing/housing-study-feedback-full-comments.pdf](http://www.centennialco.gov/files/sharedassets/public/documents/housing/housing-study-feedback-full-comments.pdf)

<sup>7</sup> [www.centennialco.gov/files/sharedassets/public/documents/community-development/centennialnext-plan.pdf](http://www.centennialco.gov/files/sharedassets/public/documents/community-development/centennialnext-plan.pdf)

**Table 4: Centennial NEXT Policy Implementation by Strategy**

Policy	Expedite Review Comm. Convert	Expedite Review Afford Housing	Subsidize/ Reduce App Fees	Density Bonus Program	Inclusion Zoning	ADUs	Land Banking	Dedicated Funding Infrastruc. [ 1 ]	Landlord Subsidies to Lower Rents [ 2 ]
Places – 2c.i. (pg. 3-6)							X		
Places – 2e. (pg. 3-6)							X		
Places 4. (pg. 3-7)						X			
Places 4a. (pg. 3-7)				X	X				
Places 4b. (pg. 3-7)				X	X				
Places 4d. (pg. 3-7)				X	X				
Places – 4e. (pg. 3-7)						X			
Places – 5a. (pg. 3-8)							X		
Places – 5c. (pg. 3-8)							X		
Places – 5d. (pg. 3-8)							X		
Economy 1.b (pg. 3-12)				X	X			X	
Economy 1.c (pg. 3-12)				X	X				
Economy 1d. (pg. 3-12)	X	X	X		X			X	
Economy 1e. (pg. 3-12)	X	X	X		X			X	
Economy 4a. (pg. 3-13)				X	X				

**Table 4: Centennial NEXT Policy Implementation by Strategy**

Policy	Expedite Review Comm. Convert	Expedite Review Afford Housing	Subsidize/ Reduce App Fees	Density Bonus Program	Inclusion Zoning	ADUs	Land Banking	Dedicated Funding Infrastruc. [ 1 ]	Landlord Subsidies to Lower Rents [ 2 ]
Economy 4b. (pg. 3-13)	X	X			X				
Economy 4c. (pg. 3-13)	X	X			X				
Economy 5c. (pg. 3-13)	X	X			X		X		
Economy 6a. (pg. 3-14)			X		X			X	
Economy 6b. (pg. 3-14)			X		X				
Community 4a.i (pg. 3-23)	X	X			X				

**Notes:**

[1] This strategy can help indirectly implement the identified policies.

[2] Landlord incentives could make some rental units affordable for current residents. This may be able to produce short-term impacts for families in need, as many strategies being considered have long lead-times. This strategy does not, however, appear to be a long-term solution and may not help implement Centennial NEXT.