



City Council and Planning Commission Joint Update

AUGUST 17, 2022

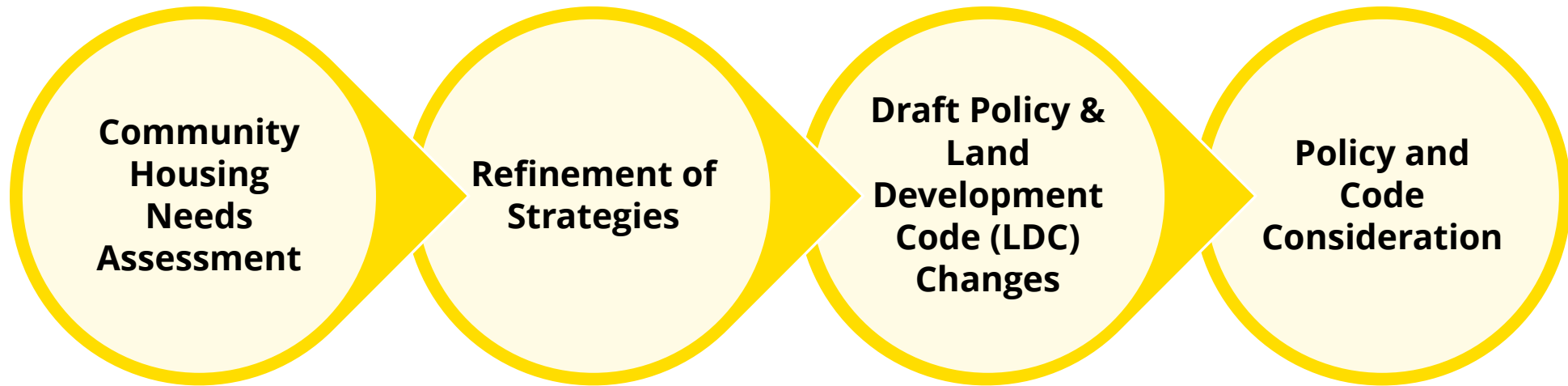
Tonight's Update

- Review Criteria
- Strategy Discussion
- Affordable Housing Goal Discussion
- Project Outreach
- Next Steps



Scope of Work

MARCH 2022 — . . — . . — **JUNE** — . . — . . — **EARLY 2023**



Centennial Housing Needs Assessment (HNA)

Top Housing Needs Today

- **Increase housing production** to accommodate projected household and employment growth:
 - Past 10 years: 241 units/year
 - Keep up with household projections: 561+ units/year
- Accommodate **more missing middle housing types** for small-scale ownership opportunities
- **Address existing gap** for low-income renters (income < \$35,000)
 - Add rental units and/or subsidies to cover 896 units priced under \$875/month
- Target affordable homeownership and rental strategies toward **price points that Centennial workers can afford**

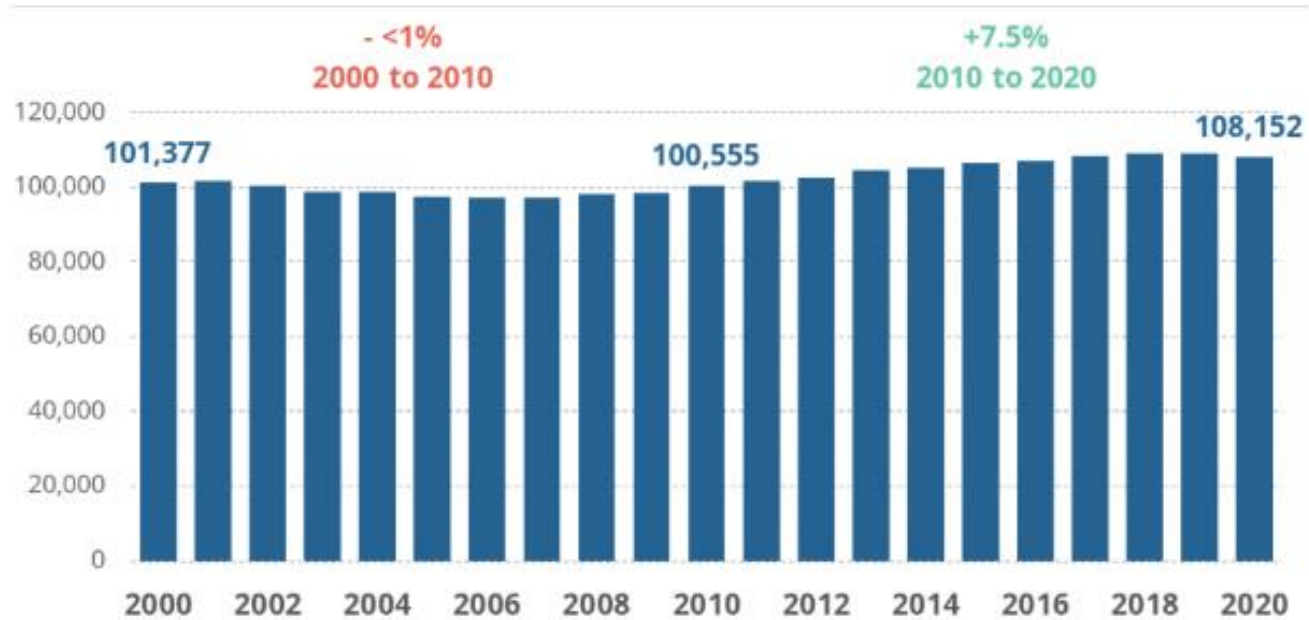
[Public Input Opportunity](#)

The Housing Needs Assessment is posted for public comment through September 1 at [Centennialco.gov/housing](https://centennialco.gov/housing)



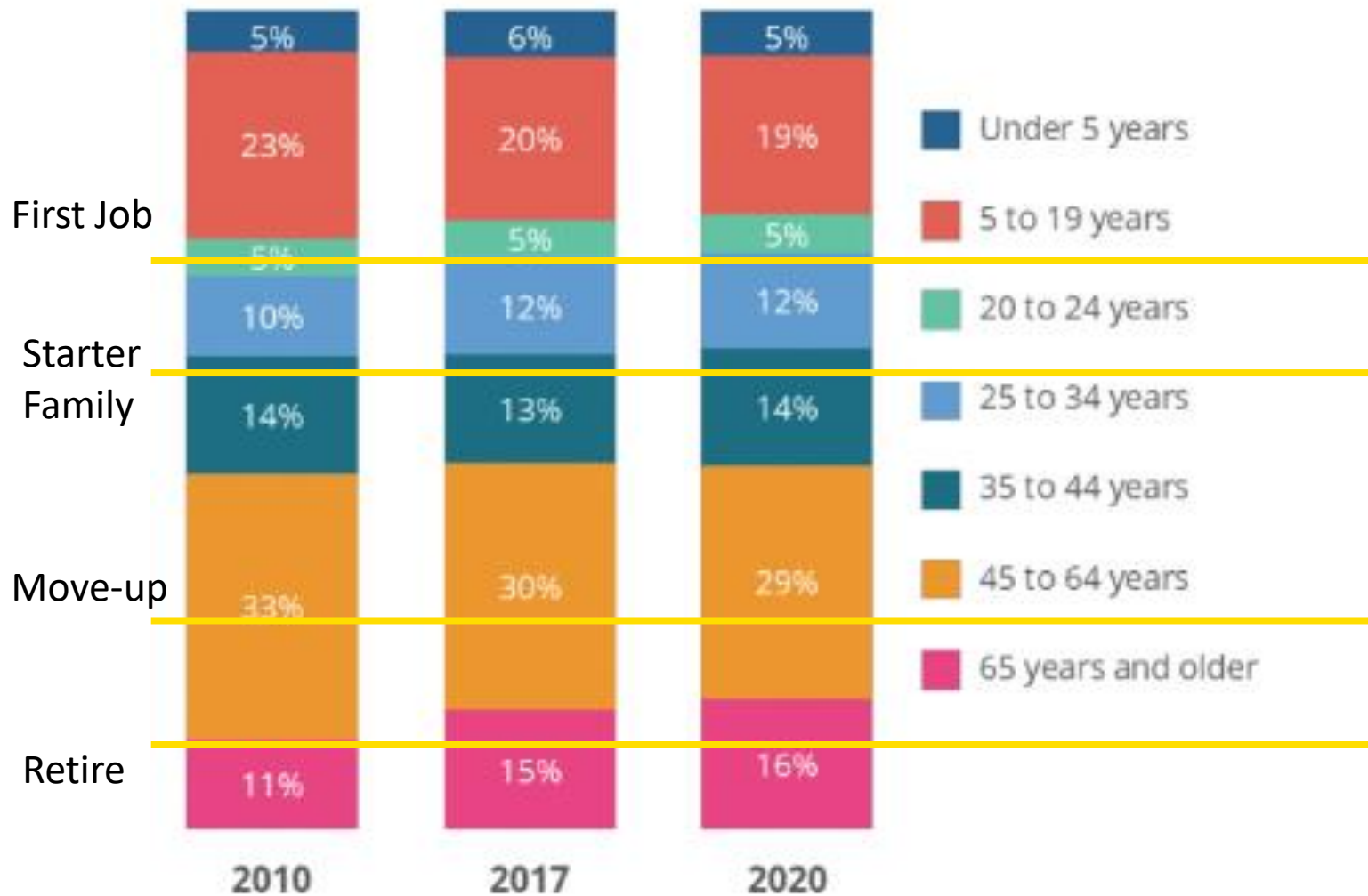
HNA: Why Work to Address Housing Needs?

- Research shows that a constrained housing market negatively impacts economic growth.
- Create options for the people who live here to stay here - residents' housing needs change over time.
- Recent trends in market prices, increasing mortgage income rates, and land constraints are putting Centennial out of reach for middle income households.
- Existing housing products and price points may not be able to accommodate the needs of starter families, the growing workforce, or aging residents who wish to downsize.



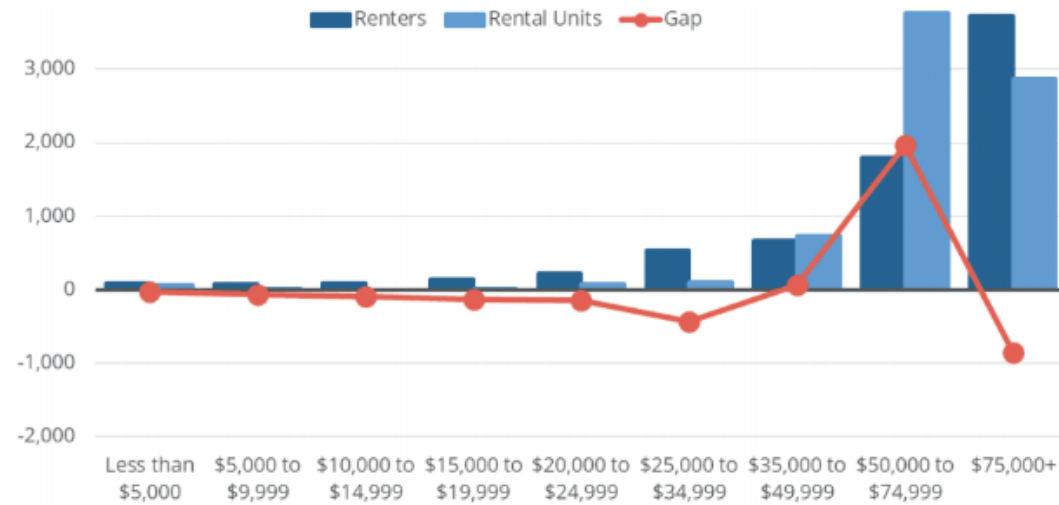
Source: DOLA and Root Policy Research.

Centennial Population 2000 - 2020



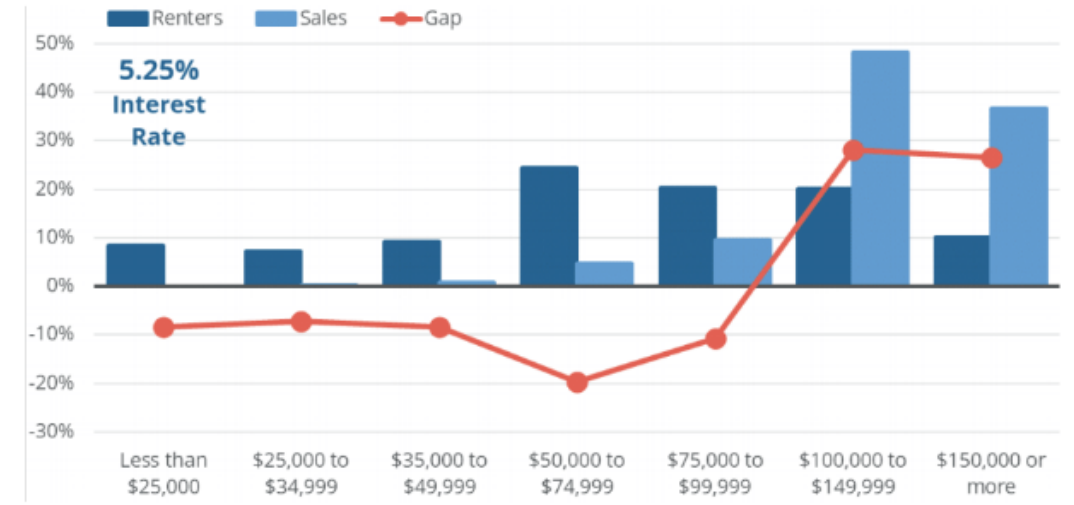
Centennial Population by Age

Figure ES-7. Rental Gaps, Centennial, 2020



Source: 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.

Current Housing Gaps

ADU Understanding the Strategy



This strategy is intended to:

1. Add housing to the community
2. Allow “gentle” infill that can maintain neighborhood character
3. Housing option for immediate family or small household

It works by:

1. Changing the land development code to allow ADUs as an accessory use on a lot
2. Usually allowed without rezoning, may require development permit, will require building permit

Centennial NEXT:

Places 4. Provide opportunities for new housing options that meet market trends and the evolving needs of current residents.

4e. Explore the allowance for Accessory Dwelling Units (ADUs) within residential areas, subject to operation and design guidelines that respect the character and context of the City’s various neighborhoods and zone districts.

IZ Understanding the Strategy

This strategy is intended to:

1. Create mixed-income communities
2. Increase the amount of affordable housing
3. Leverage private-sector development

It works by: Requiring the provision of a specified percentage of affordable housing as a part of any residential development project of a certain size.



Centennial NEXT:

Places 4. Provide opportunities for new housing options that meet market trends and the evolving needs of current residents.

4d. Update the LDC to ensure new residential development provides a variety of housing sizes, types, densities, styles, and price ranges to meet market demands.

Economy 4. Attract and develop an exceptional workforce equipped to adapt to a changing economy.

4a. Investigate housing demand with specific consideration given to identifying housing types needed to attract and retain the current and future targeted workforce.

Housing Strategy Review Criteria

- Centennial NEXT Implementation

Does this strategy support the plan?

- Technical Feasibility

Can the City administer this strategy within existing processes, or will a specialized process be needed?

- Administrative Feasibility

Can the City administer this strategy with existing staff or will specialized staff be needed?

- Diversity and Equity Considerations

Does this strategy support a diverse and equitable community?

- Impact + Effectiveness

- *What are the circumstances where implementing this strategy make a difference?*

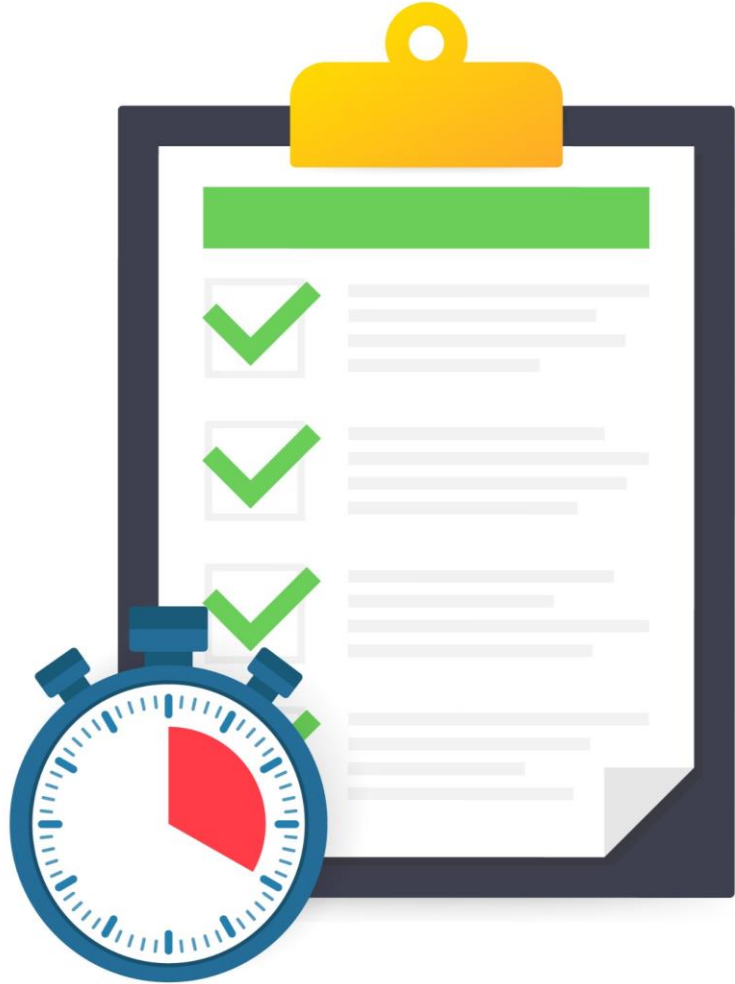
- *How does the housing development community view this approach?*

- Cost

What are the anticipated extraordinary costs of implementing the strategy?

- Benefits

What are the benefits of ~~or anticipated costs of not~~ implementing the strategy?



Expedited Development Approval

1. AFFORDABLE HOUSING
2. COMMERCIAL ADAPTIVE REUSE TO AFFORDABLE RESIDENTIAL

Understanding the Strategies

This strategy is intended to:

Allow affordable housing development applications to be processed faster to help minimize project delays and costs.

It works by:

There are a few options to expedite development review:

- Eliminate hearing requirements and allow affordable housing projects to be approved administratively,
- Fast-track (moving to the front of the application line) affordable housing project applications, and/or
- Assign a City staff member as a project advocate/expediter.

It works with:

Expedited review is often used together with application fee waivers.

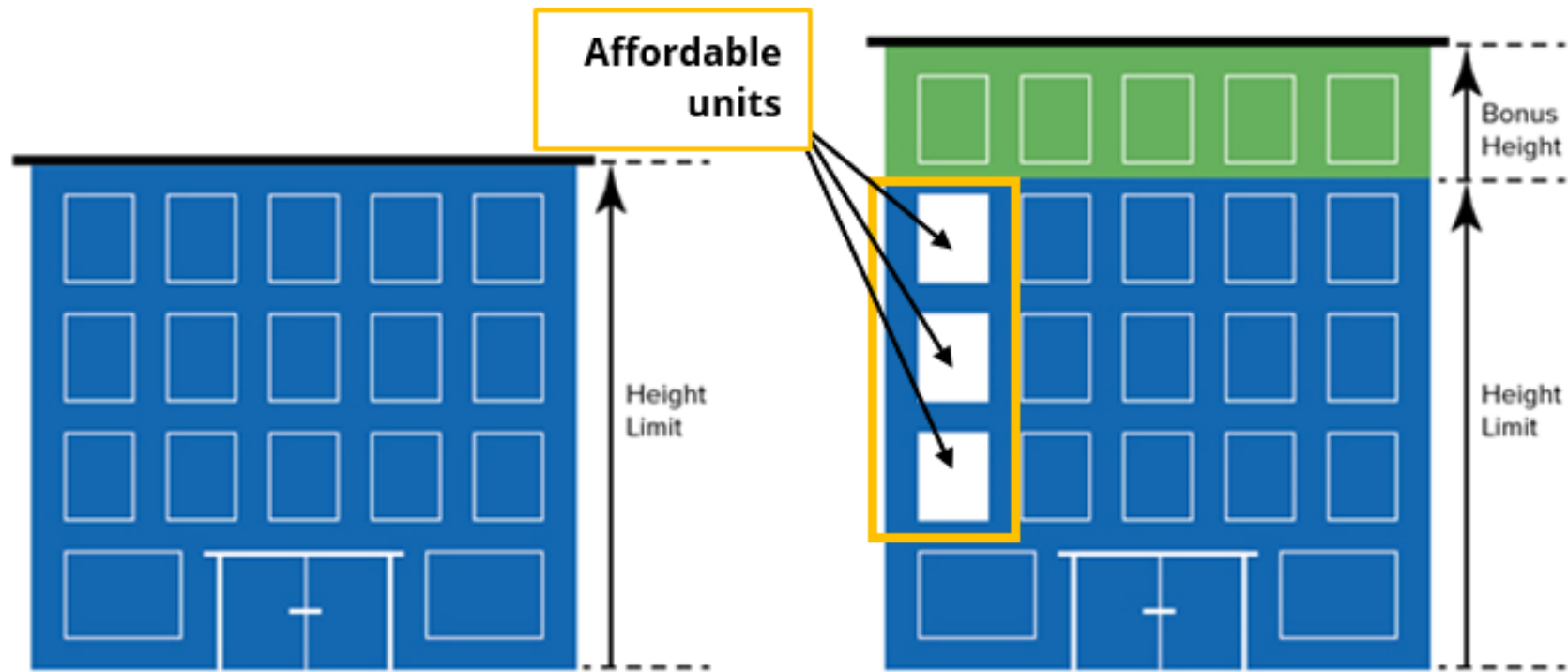


Development Review Timing

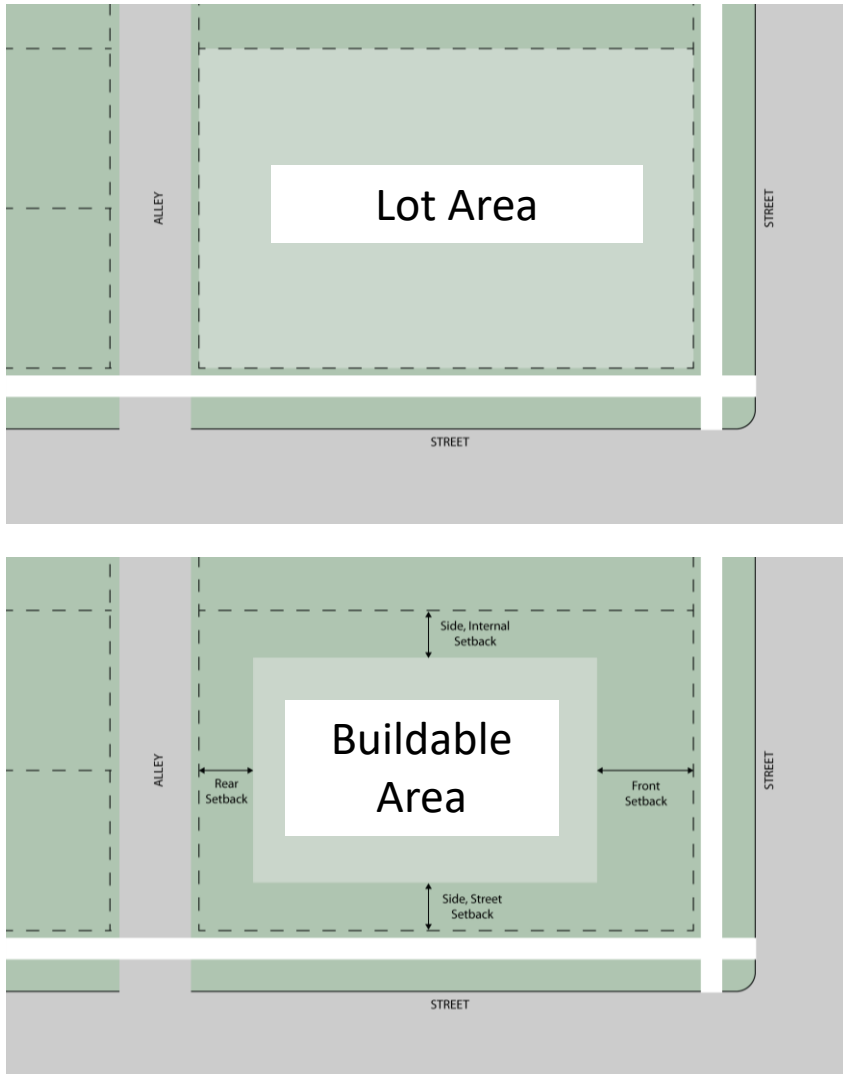
Application Type	Review Period	Approval Process
Single Family Home (new home on NC/NI lot)	10-15 days	Director/Building Official
Single Family Home within a development that requires a Site Plan process	6 mo - 1 year	PZ recommendation with CC Approval
Townhome/duplex within a development that required a Site Plan Process	6 mo - 1 year	PZ recommendation with CC Approval
3 story rental residential within a development (sample: Villas At Holly)	6 mo - 1 year	PZ recommendation with CC Approval
5 story rental residential within a development (sample: Doran MF)	6 mo - 1 year	PZ Approval w/ CC ratification
8 story rental residential within a development (sample: Jones)	6 mo - 1 year	PZ Approval w/ CC ratification
12 story rental residential within a development	6 mo - 1 year	PZ Approval w/ CC ratification

Expedited Approval Community Input

- Survey dates: August 26 – September 9
- Live outreach events:
 - Housing Workshop #2 – August 9
 - Under The Stars – August 13



Bonus Density



Understanding the Strategy

This strategy is intended to:

Allow more housing on a lot that would be allowed by the current regulations

It works by:

Changing required zoning standards in a manner that allows 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
- Reducing the required number of parking spaces

It works with:

Density bonus is often used in conjunction with inclusionary zoning.

Bonus Density Community Input

- Survey dates: August 12 – August 26
- Live outreach events:
 - Housing Workshop #2 – August 9
 - Under The Stars – August 13

Removing Procedural Barriers	Additional Incentives	New Allowances and Requirements	Fees and Other Costs	Funding Mechanisms
Expedited development review for affordable housing	Establish a density bonus program	Authorize Accessory Dwelling Units (ADUs)	Subsidize or reduce development fees for affordable housing	Establish a dedicated funding source to subsidize infrastructure costs
Expedited development review for converting underutilized commercial/office property to housing		Implement an inclusionary zoning policy	Incentivize current landlords to lower prices of existing units	Create a land donation or land banking program

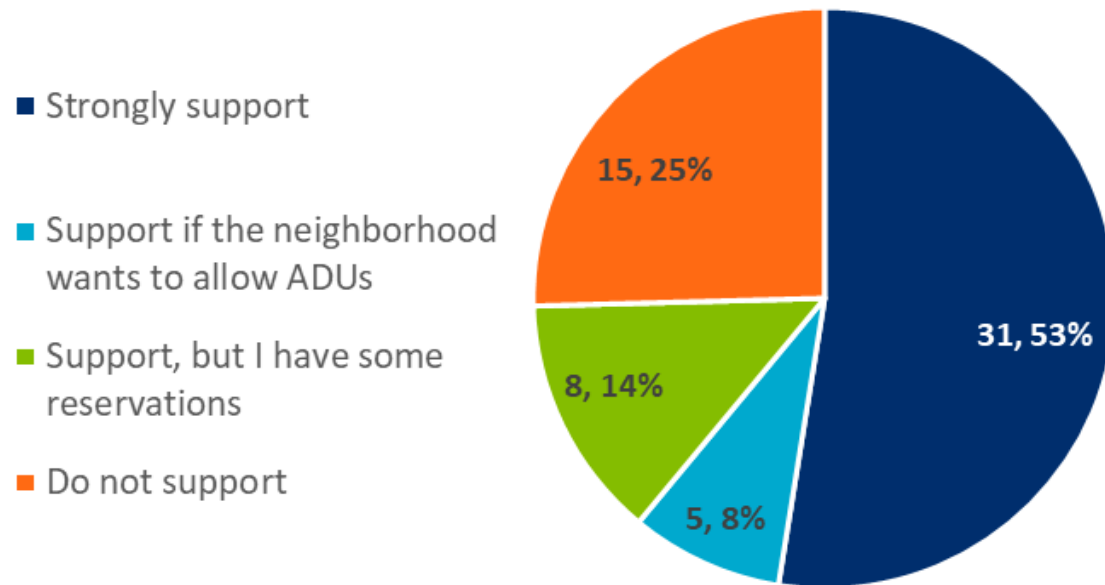
Upcoming Strategies

Preliminary Community Input

These metrics reflect outreach conducted through August 15, 2022. Outreach is ongoing and updated graphics will be provided in the recommendation report.

Accessory Dwelling Units (ADUs)

ACCESSORY DWELLING UNITS: Would you be in favor of allowing accessory dwelling units in Centennial as a strategy to expand housing options?



8/8/2022 - 59 virtual responses

Thank you for conducting this much needed study - I am hopeful Centennial can move in a positive direction for providing more housing options and expanding our residents minds to be open to new and innovative approaches.

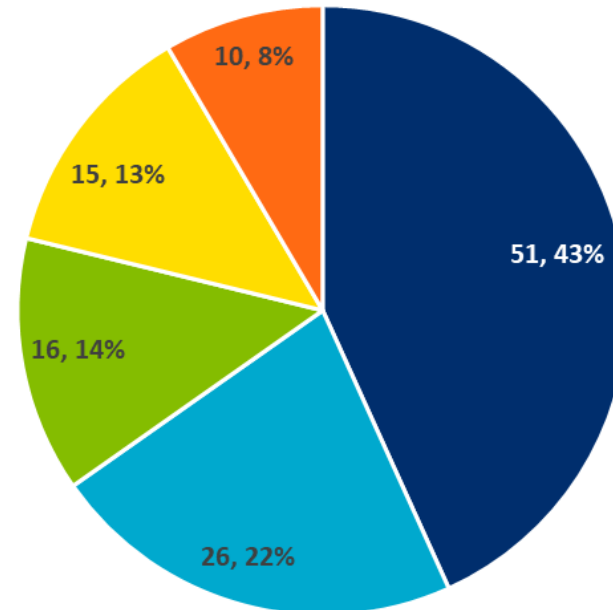
We need to be very careful about the regulations we set and their purpose. There is a natural inclination to fall into the typical NIMBY reasons to discredit additional houses. I selected some typical restrictions that are often placed on single family lots and they should apply to ACUs as well. But we need to be liberal in setting them as to not create a situation where only a few ACUs will be / can be made.

This should not be considered to create affordable housing in Centennial. Sheds in the backyard is not the answer to affordable housing. Making a single family home into a mini-apartment complex isn't the answer either.






Accessory Dwelling Units (ADUs)

ADUs: What types of Accessory Dwelling Units would fit best in your neighborhood?

- I like them all!
- Detached ADU: accessory building or above detached garage
- Attached ADU: interior conversion
- Attached ADU: addition to primary home
- Not in my neighborhood



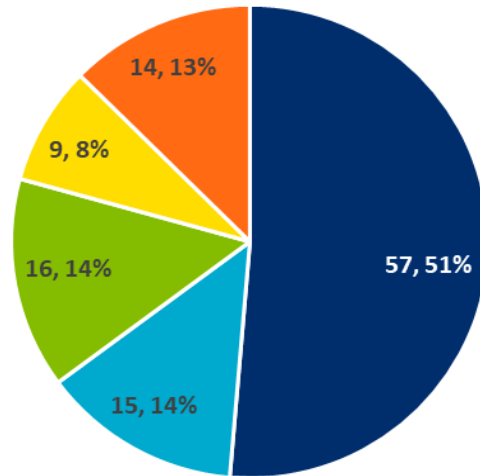
8/17/2022 - 118 in-person responses

	Detached ADU: Accessory Building or Above Detached Garage
	Attached ADU: Interior Conversion
	Attached ADU: Addition to Primary Home
	Not in my neighborhood
	I like them all!

Inclusionary Zoning

INCLUSIONARY ZONING: Do you support a program that requires some affordable housing units to be created in the following cases?

- A.) Yes, for all new housing development
- B.) Yes, for new housing development with more than 10 units
- C.) Yes, for new housing development with more than 20 units
- D.) Yes, but I have some reservations (please explain below)
- E.) No, do not support



8/17/2022 - 111 total responses
(28 virtual, 83 in-person)

What are other cities' experience with "fee in lieu"? Seems easier to pay the fee and get out of the affordable issue - the \$ \$ won't solve the problem if no one builds affordable

Are all apartments in Centennial full? If not, shouldn't be building more. Maybe subsidize units to allow families to afford what's here?

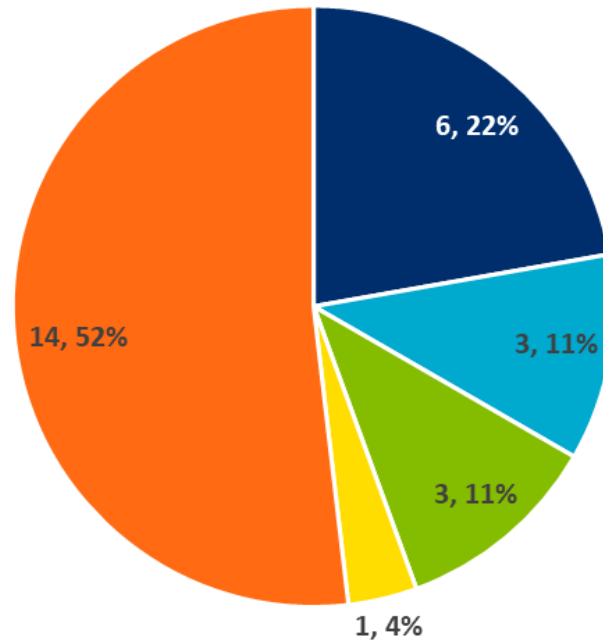
Income levels are not keeping up. Grocery workers don't make enough to live in our City. That's not right.

We need to do something! People don't want shelters but they also don't want affordable units. Where are people supposed to go?

Expedited Review

EXPEDITED REVIEW PROCESS: Should Centennial create a streamlined review process that allows affordable residential developments that meet all of the zoning requirements to be approved without a public hearing? **

- Yes
- Yes, as long as the projects meets all of the design requirements
- Yes, for small projects (fewer than 10 units)
- Yes, in certain circumstances (please describe below)
- No



8/17/2022 - 27 responses
8 virtual, 19 in-person

**This means the City's Community and Economic Development Director would review the qualifying developments and approve them, with the decision being ratified by Planning and Zoning Commission. The requirements for Community Meetings would not change.

Because this is a bad idea to begin with. Affordable housing has never brought any value to a community. It brings crime and lowered property values. The landlords that are forced to provide affordable housing just pass the decreased rent to the standard pricing tenants. That causes a larger gap in rental prices. I am disappointed that this is being considered in one of the most popular places to live right now. Stop messing with something that isn't broken.

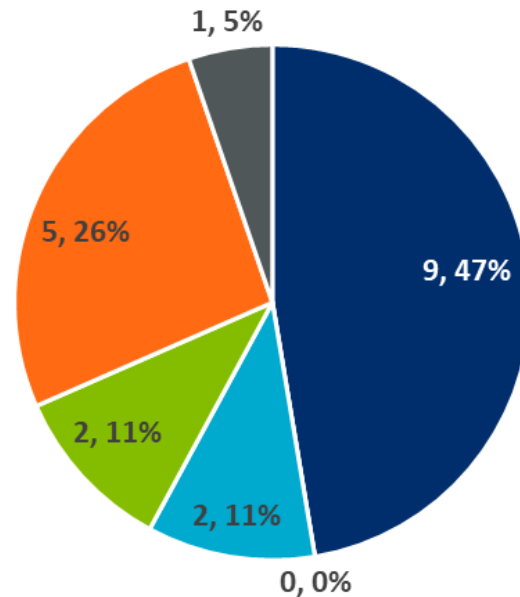
I think public comment in open forum needs to continue to be a pre-requisite.

Time is money when it comes to affordable housing. The longer it takes for development applications and plans to be approved, project costs increase. Affordable housing developers have a very limited amount of money and delays can be very expensive to affordable housing projects.

Bonus Density

BONUS DENSITY: Should Centennial consider encouraging the creation of more residential construction by allowing projects to have "bonus density" in the form of extra height or extra building size?

- Yes, for all projects
- Yes, for attached (duplex, triplex, townhomes) and multifamily (apartments/condos)
- Yes, when the project includes affordable housing
- Yes, in certain parts of the City (please specify with a sticky note)
- No, change the Land Development Code to allow more development in places where it fits
- Not sure/no opinion



Do not support effort at all. Not everyone should be able to live everywhere. Need to address homeless.

Only within 2 miles of I-25

Bonus density - add height. City evaluation of energy use and trees/plants for global warming

Removing Procedural Barriers	Additional Incentives	New Allowances and Requirements	Fees and Other Costs	Funding Mechanisms
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Upcoming Strategies



Setting an Affordable Housing Goal

QUESTION: WHAT ARE THE CITY'S KEY CRITERIA FOR SETTING AN AFFORDABLE HOUSING GOAL?

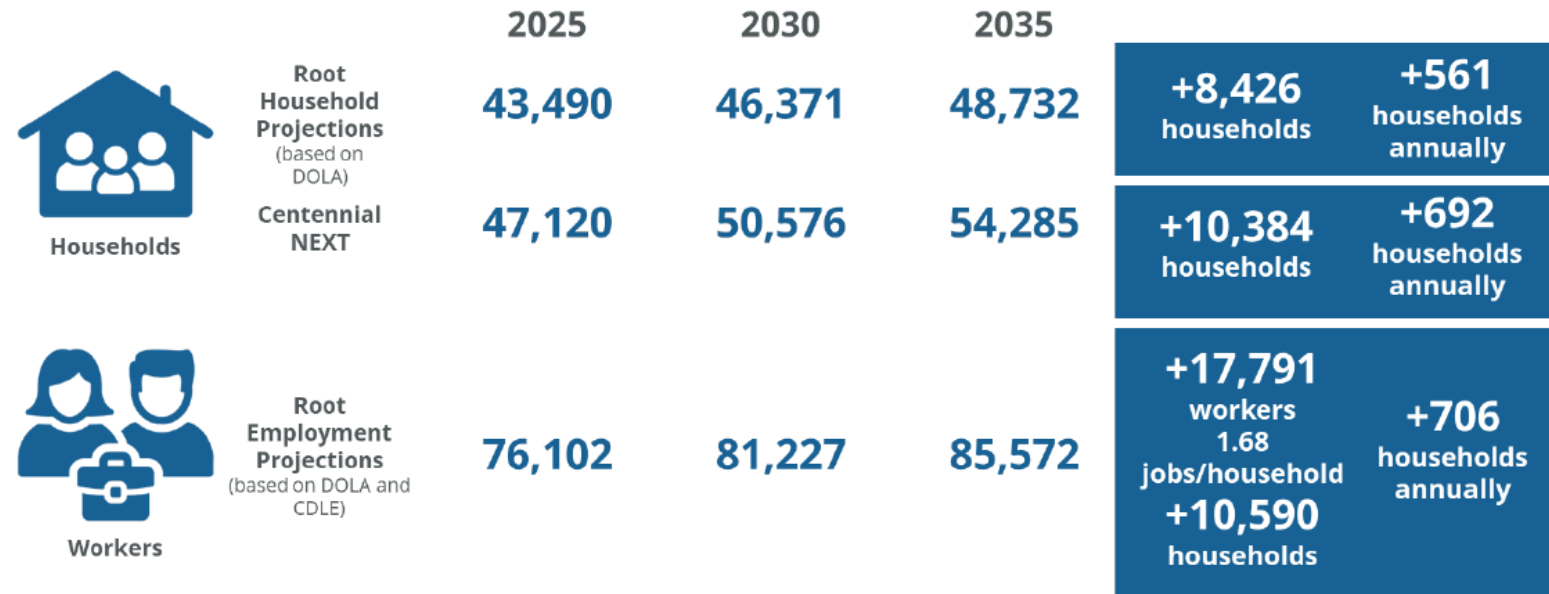
Definitions and Suggested Affordable Housing Goals (*from Centennial HNA*)

- **Affordable housing.** Housing units with:
 - A contractual requirement (deed-restriction or income restriction) that keeps the cost of rent or mortgages
 - Affordable to households **making 80% or less** of the AMI.
- **Attainable housing.** Housing units affordable to households making **between 80% and 120% of AMI.** This can include naturally occurring or deed-restricted properties.
- Both Affordable and Attainable Housing can be "workforce housing" for those who work in Centennial, such as teachers, firefighters, or service workers, depending on how much they earn, and can be provided through either naturally occurring or income-restricted properties.

% AMI	Income		Rental: Max. Based on Unit Size (Assume 1 Bedroom)		Ownership: Max. Based on Income (Assume 2 Incomes)	
45%	1 Person HHD: \$36,945 2 Person HHD: \$42,210		\$989	Gap: 432 units	\$249,590	Gap: 570 units
Rental gap: ≤ 45% AMI	Accommodations & Food Services	\$24,336				combined
60%	1 Person HHD: \$49,260 2 Person HHD: \$56,280		\$1,319	Gap: Not currently	\$249,590	Gap: 570 units
	Education	\$53,040				
80%	1 Person HHD: \$66,000 2 Person HHD: 75,040		\$1,759	Gap: Not currently	\$374,388	Gap: 1,434 units
Ownership gap: ≤ 80% AMI	Public Admin. (Police and Fire)	\$71,708				
100%	1 Person HHD: \$82,100 2 People HHD: \$93,800		\$2,198	Gap: Not currently	\$499,185	Gap: Not currently
	Professional Services	\$108,524				

Average Units Approved 2010-2021 = 241/year: 56 single-family and 185 multi-family and group living

Figure III-1.
Household and Employment Projections, 2025-2035



Source: 2020 5-year ACS, Centennial Next, DOLA, CDLE, and Root Policy Research

Current Rental and Ownership Housing Gap = 2,436 units

Future Rental and Ownership Housing Units needed to house anticipated population growth requires adding 536 - 906 units / year

If 10% need to be affordable/attainable, that's 54-90 affordable/attainable units/year

Not all of it needs to be new construction – you could preserve or buy existing housing units

Anticipated New Housing Demand

Sample Regional Affordable Housing Goals

- **Fort Collins:** 10% affordable at **80% AMI** by 2040.
- **Longmont:** 12% affordable at or below **80% AMI** and **units rented at or below 50% AMI** by 2035.
- **Boulder:** 15% affordable for low-, moderate-, and middle-income households (adjusted annually based on market rate development).
- **Colorado Springs:** Increase the affordable housing inventory by 1,000 units/year.

Key Decisions in an AMI-based Affordable or Attainable Housing Goal:

- What percentage
- Of what type of units
- At what percent of AMI (which could be different for affordable vs attainable units – and for rental vs ownership units)
- Over what period of time?

Opportunities for Input

- **Questions of the Week:** late April through June (222 responses)
- **Focus groups with traditionally underrepresented groups:** (ongoing)
- **Mini surveys:** July – Sept. to help inform Working Group deliberations on potential strategies (88 responses as of August 8)
- **Summer event booths** (3)
- **District Summer Socials** (4)
- **Housing Needs Workshops:** May 17, August 9, October 4
- **Online input opportunities:** following each Housing Needs Workshop
- **Working Group meetings** (9)
- **City Council and Planning Commission updates/joint workshops** (monthly April through December)
- **Email comments:** housing@centennialco.gov



Recent Outreach and Next Steps

- **July 30:** *Housing Needs Assessment* posted on project website through September 1
- **August 9:** Housing Workshop #2
- **August 13:** Under the Stars
- **August 17:** Joint City Council/P&Z Update
- **August 22:** Working Group Meeting
- **September 26:** Working Group Meeting
- Keep an eye on the project website for updates: centennialco.gov/housing



Thank you!
