



Workshop #2: Housing Strategy 101

AUGUST 9, 2022

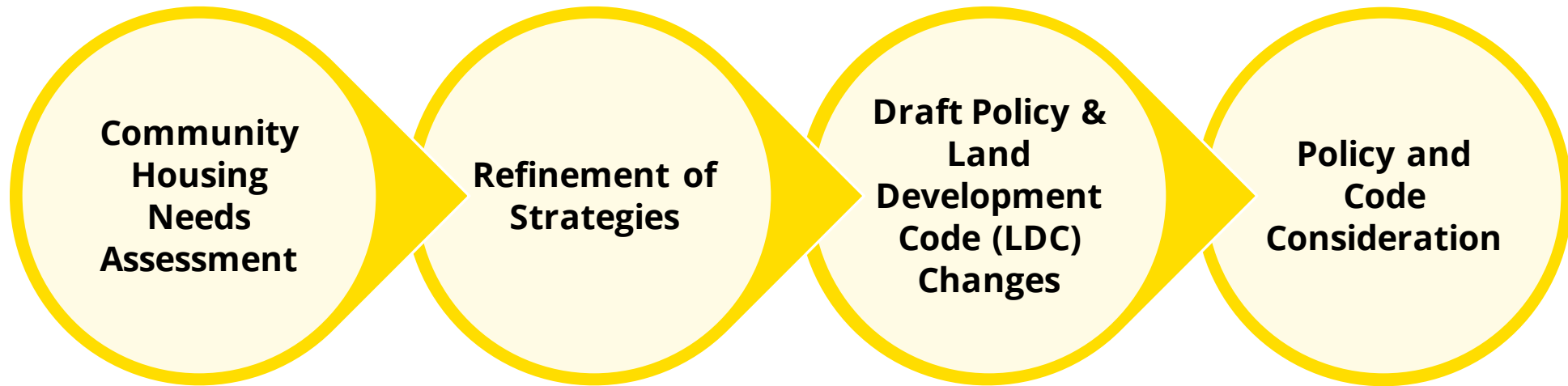
Tonight's Agenda

- Welcome/Introductions (5:00-5:10pm)
- Introductory Presentation/Q&A (5:10-6:00pm)
- Open House (6:00-7:00pm)



Scope of Work

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



Opportunities for Input

- Questions of the Week on the City website
- Email housing@centennialco.gov
- August 13: Centennial Under the Stars at Centennial Center Park
- August 17: Joint City Council/P&Z Update
- City Council District Meetings
- October 4: Workshop #3

Did You Know?

Approximately 82% of homes in the City of Centennial are for-sale housing options. For comparison 60% of homes in the City of Lone Tree are for-sale options.

Question of the Week

The City of Centennial has for-sale housing options that fit your income, needs, and lifestyle?

Agree? Disagree? Tell us [here](#).

Housing Question



The City of Centennial has for-sale housing options that fit your income, needs, and lifestyle? Required

- ☐ 1-strongly disagree
☐ 2-disagree
☐ 3-neutral
☐ 4-agree
☐ 5-strongly agree
☐ 0-not sure/no opinion

Please expand on your response below. Are there types of housing you would like to see more (or less) of in Centennial?

Taller de Necesidades de Vivienda
17 DE MAYO DE 2022

Estudio Vivienda de Centennial

SOBRE EL PROYECTO

La Ciudad ha lanzado un proyecto de Desarrollo de Políticas y Estudio de Vivienda para explorar los costos y la disponibilidad de viviendas en Centennial y comprender todo el espectro de problemas de vivienda, definir varias necesidades de vivienda e identificar prioridades para informar potencialmente la política. Este Estudio de Vivienda es una empresa importante que prioriza los aportes de la comunidad y la colaboración entre una amplia gama de partes interesadas de la comunidad.

¡QUEREMOS ESCUCHAR DE TI!

¡Se acerca el primero de los tres talleres comunitarios planeados como parte del proceso del Estudio de Vivienda! Este taller inicial brindará una oportunidad para que los grupos de vecinos y los miembros de la comunidad interesados aprendan sobre el proceso y brinden información sobre las necesidades de vivienda de Centennial. ¿Qué tipo de vivienda le gustaría ver más en diferentes áreas de Centennial y por qué? ¡Dinos qué piensas!

CUANDO: Martes, 17 de Mayo, 2022
5:00pm - 7:00pm

DONDE: Centennial Eagle Street Facility, 7272 S. Eagle St.

Este será un taller práctico. Por favor planea asistir todo el tiempo, si es posible. Los miembros del equipo del proyecto darán inicio a la reunión con una breve presentación introductoria, después de la cual se les pedirá a los participantes que se dividan en pequeños grupos para un ejercicio y discusión facilitados.

Los niños son bienvenidos a asistir, tendremos mesas de actividades y wi-fi gratis disponible. Se proporcionarán refrescos. Llame al 303-325-8000 o envíe un correo electrónico a adacoordinator@centennialco.gov si necesita traducción al español.

¡Únirse a la conversación!

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.

Centennial Housing Needs Assessment (HNA)

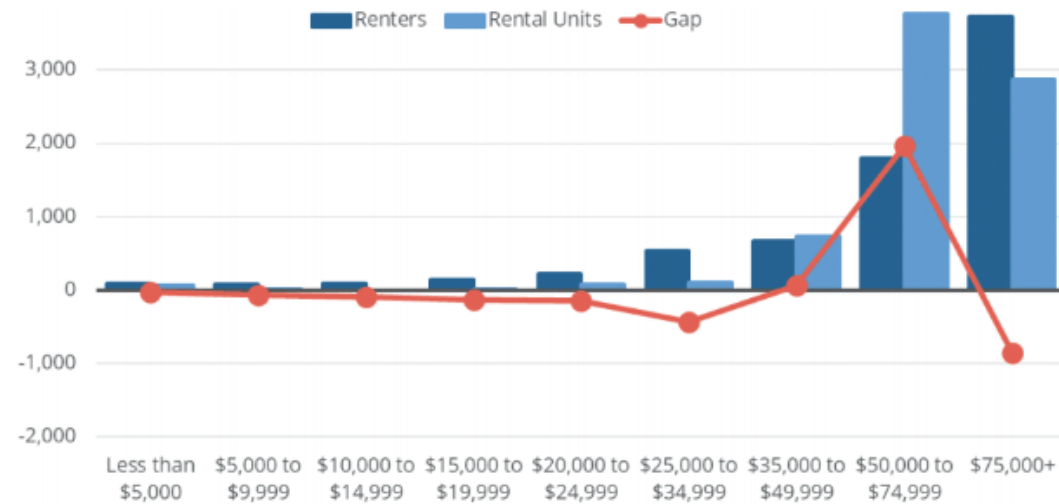
Top Housing Needs Today

- **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](#)

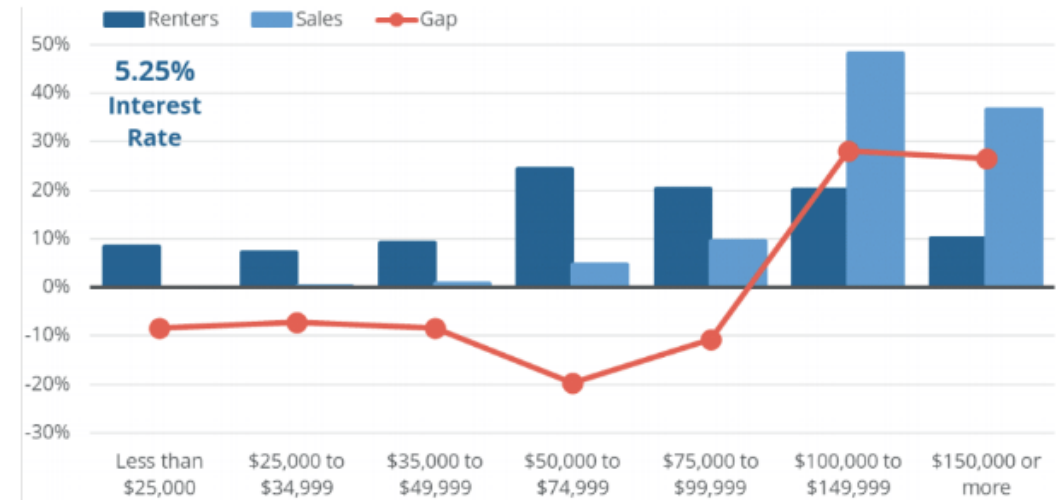
The Housing Needs Assessment is posted for public comment through September 1 at [Centennialco.gov/housing](https://centennialco.gov/housing)

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

What does affordability mean?

- **“Big A” Affordability:** Housing development and/or units that limit the rent or prices to below market rates, and restricts use of those units to households at certain income levels, in return for public and/ or private subsidy (DOLA).
- **“Little A” affordability:** Paying no more than 30 percent of gross income for housing, including utilities. “Rent-burdened households” are those that pay higher than 30 percent, and “cost-burdened” households are defined as paying more than 50 percent on housing (HUD).

DOLA Affordable Housing Strategies

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

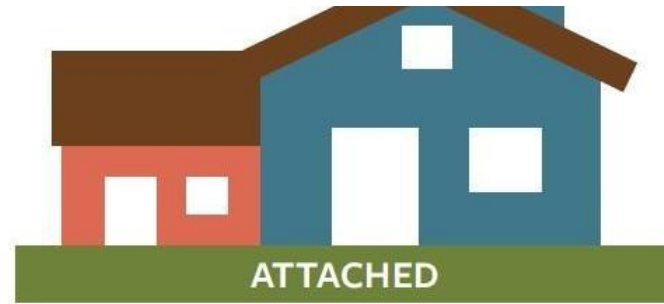
Housing Strategy Review Process

Batch 1 (August/September)

- Accessory dwelling units (ADUs)
- Inclusionary Zoning
- Bonus Density
- Expedited Development Approval

Batch 2 (September/October)

- Land Dedication/Banking
- Dedicated funding source for infrastructure
- Incentivize current landlords to reduce rents



ADUs

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 with just a 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.



Inclusionary Zoning

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.



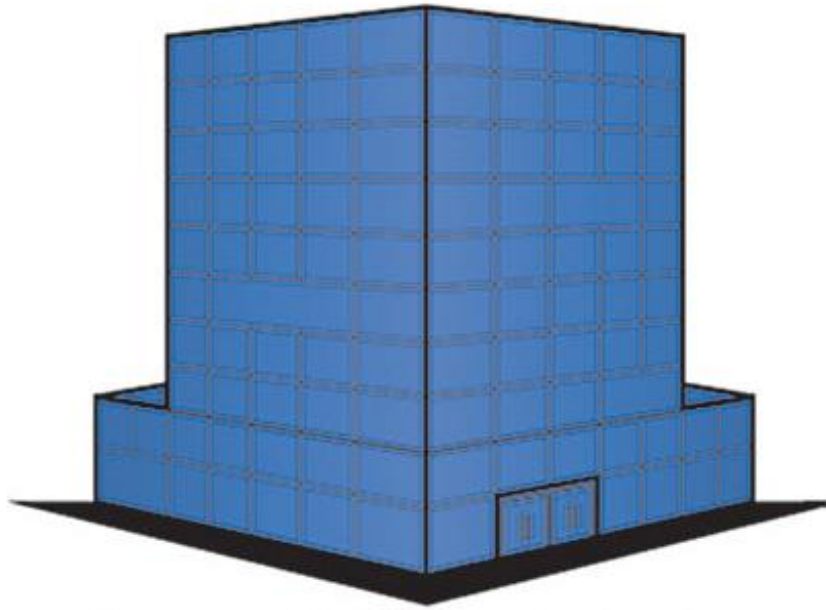
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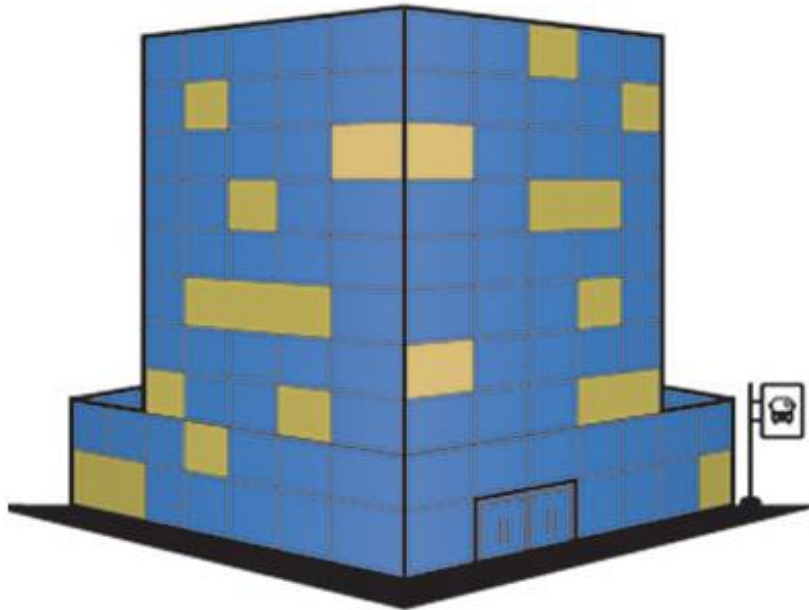
4d. Update the LDC to ensure new residential development provides a variety of housing sizes, types, densities, styles, and price ranges to meet market demands.

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.

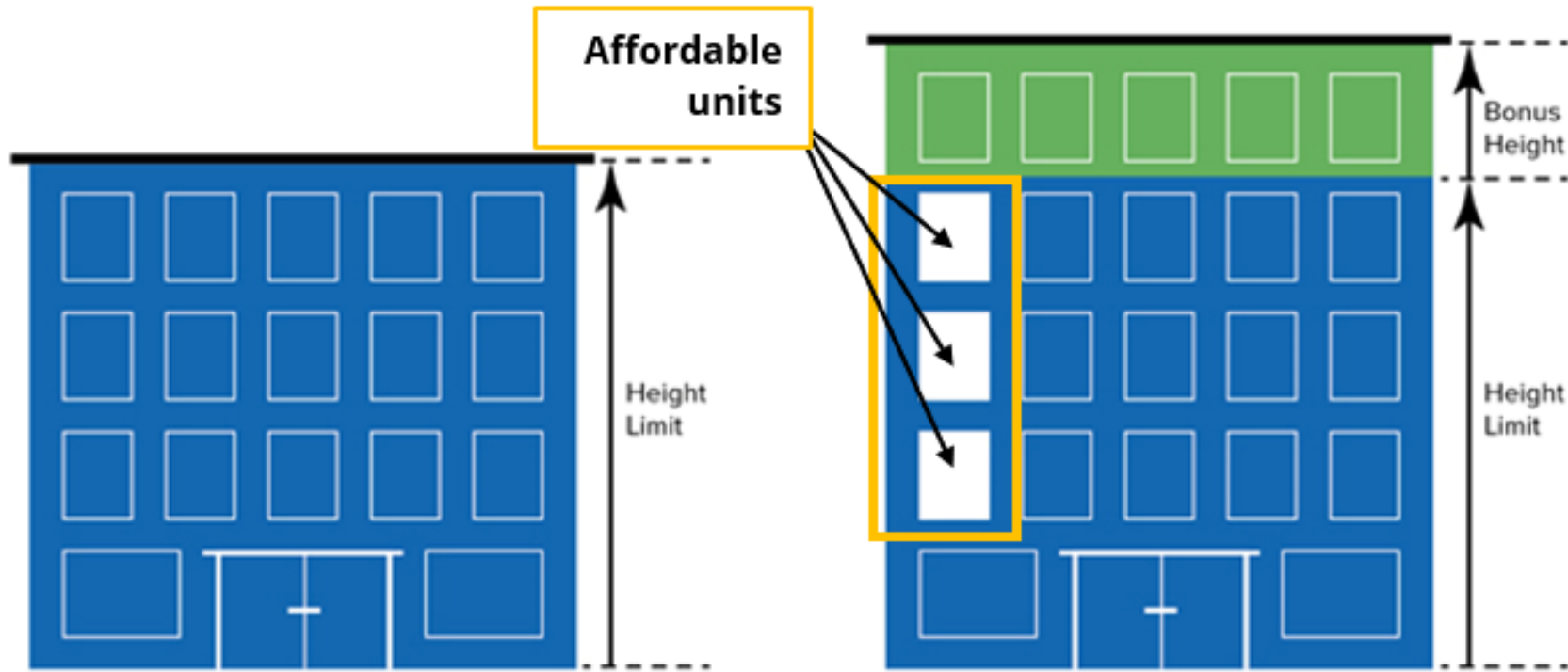


Development with Market-Priced Units

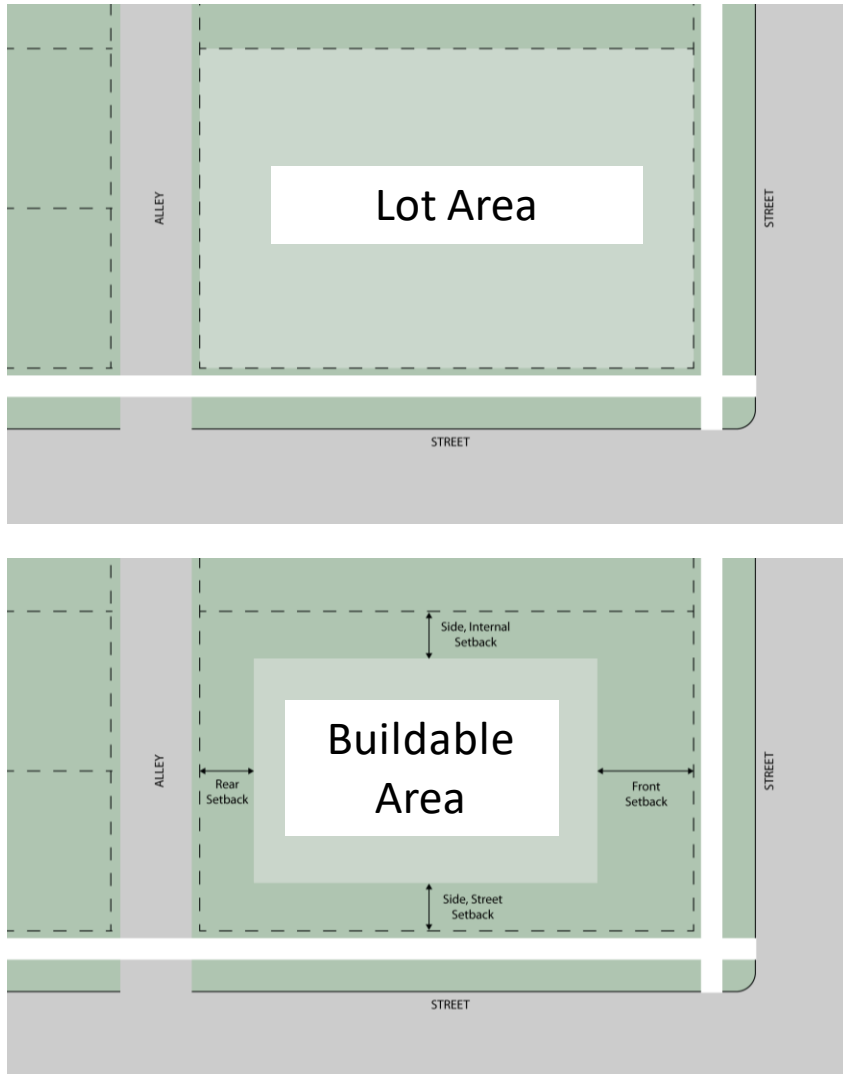


Development with Market and Affordable Units

Inclusionary Zoning Example



Bonus Density



Understanding the Strategy

This strategy is intended to:

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

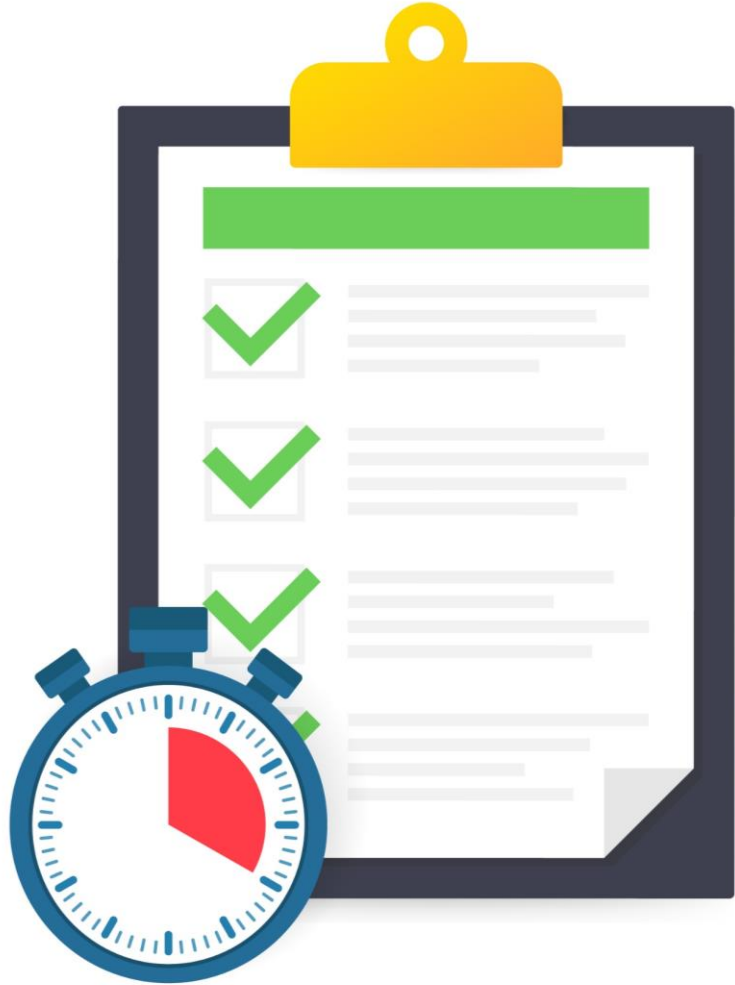
It works by:

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.



Expedited Development Approval

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

Understanding the Strategy

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.





Questions?

Upcoming Opportunities for Input

- **August 13:** Under the Stars
- **August 17:** Joint Centennial City Council/P&Z Update
- **October 4:** Workshop #3: Review Batch 2 strategies
- Keep an eye on the project website for updates and opportunities to weigh in: centennialco.gov/housing

Open House

- ✓ **LEARN** about and **WEIGH IN** on potential strategies
- ✓ **SPEAK** with the project team.

Share your ideas and ask questions!

Inclusionary Zoning
The Housing Study Group has also identified inclusionary zoning as an initial strategy to evaluate further as part of this process.

Bonus Density
WHAT IS BONUS DENSITY (DENSITY BONUS)?
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.

WHAT ARE SOME EXAMPLES OF BONUSES?
1. Relaxing dimensional standards such as setbacks
2. Permitting a larger number of dwellings
3. Providing a bonus height allowance for construction of additional units
4. Reducing the amount of open space
5. Reducing the required number of parking spaces

HOW DOES BONUS DENSITY WORK?
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.

WHAT IS AFFORDABLE HOUSING/ AFFORDABLE UNITS?
Centennial will need to determine how to define affordable for the community. Residential units that are affordable to households making 80% or less of the area median income in Arapahoe County is about \$94,000.
Rental. A household at this income level can currently afford the average month rent around \$2,500 in Centennial, but rent increases last year were between 10 and 12%.
For Sale. The maximum affordable home price for a household at this income level is around \$250,000. The average sale price for a three-bedroom home in Centennial is around \$420,000. The average sale price for a four-bedroom home was \$620,610. Centennial does not have a price range to meet estimated resident demand.

Why consider bonus density?
Bonus density encourages the creation of mixed-income neighborhoods, providing workforce housing options as recommended by Centennial NEXT. Bonus density also incentivizes private-sector development of affordable housing, reducing the amount of public money invested in the creation of housing.

Will bonus density apply to all new residential development?
No. While bonus density could be applied to all new residential development, it is more typically used in targeted areas of a community. This often includes areas that are already planned for, and/or can more easily accommodate higher density development, such as near transit stations, or along major roadway corridor. Centennial will need to consider where bonus density is appropriate and work with the development community to ensure that the bonuses offer enough of an incentive to make desired development patterns financially feasible.

WHAT IS INCLUSIONARY ZONING?
The locations of inclusionary zoning projects include a project, developers, housing, and needs.

Accessory Dwelling Units
One strategy included in Centennial NEXT to provide more housing opportunities is to explore the allowance for accessory dwelling units (ADUs) within residential areas, subject to operational requirements and design guidelines that respect the context of the City's various neighborhoods.
The Housing Study Working Group has identified ADUs as one of the first strategies that they would like to evaluate further as part of this process. As the City begins a discussion about how to implement this strategy, we want your feedback on the various types of ADUs including where they would fit in Centennial and design considerations.

Are there different types of ADUs?
Yes! While many people think of ADUs as a unit above a detached garage, there are several other possible configurations, as illustrated below.

Detached ADU: Accessory Building or Above Detached Garage
Images showing a detached green ADU building and a two-story house with an ADU above the garage.

Attached ADU: Interior Conversions
Images showing interior conversions of a house into ADUs, labeled 'BEFORE' and 'AFTER'.

Attached ADU: Addition to Primary Home
Images showing a detached house with an attached ADU (above the garage) and a house with an attached ADU.



Thank you!
