



Innovative Housing Strategies Update

MAY 1, 2023

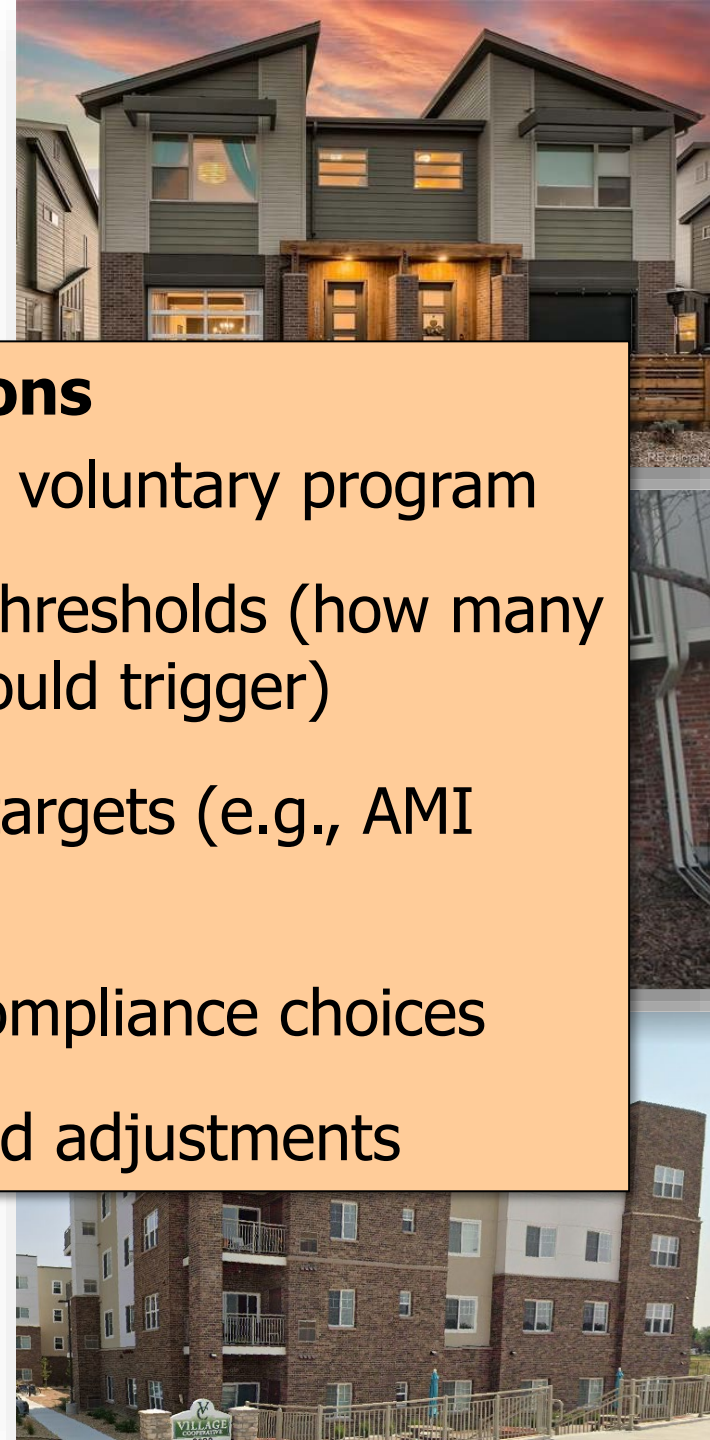


Agenda

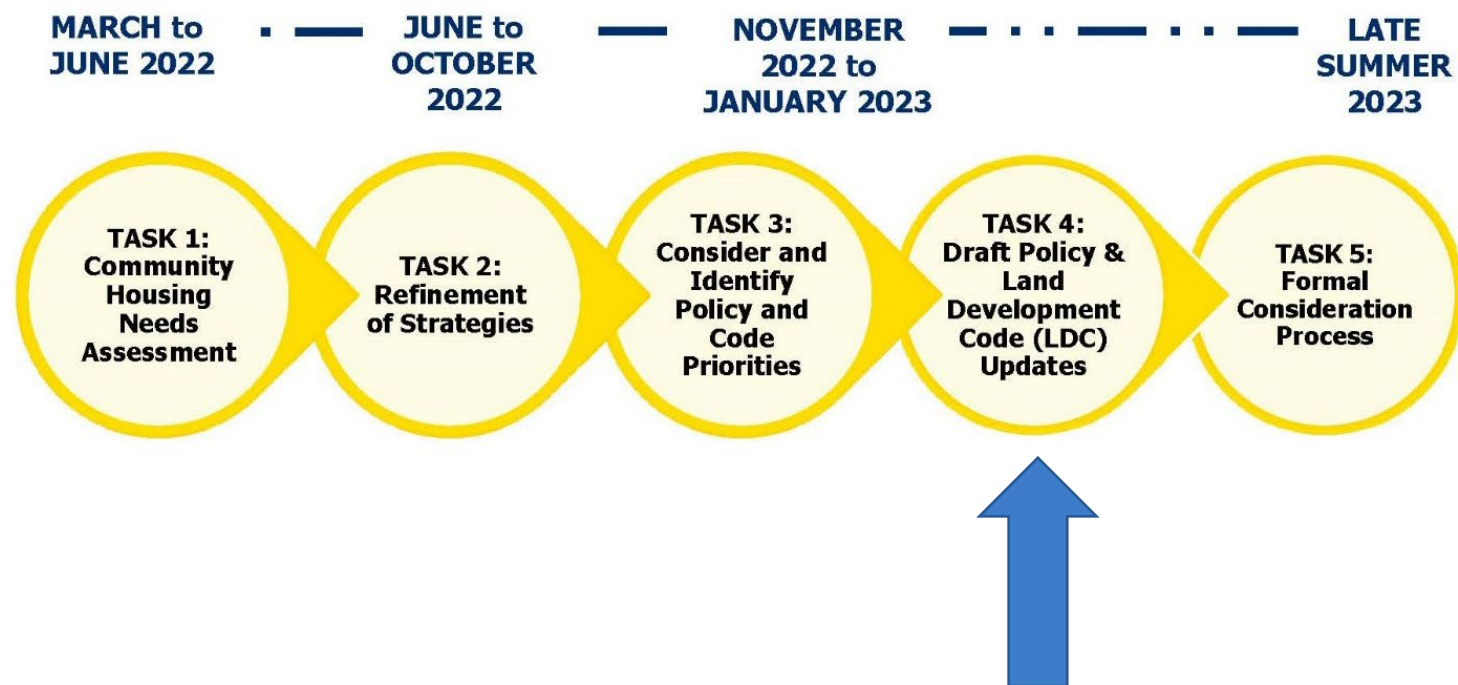
- Project Process Status
- Housing Needs Assessment
- Inclusionary Zoning Feasibility Analysis
- Inclusionary Zoning Strategy
- Discussion
- Next Steps

Policy Questions

- Mandatory or voluntary program
- Applicability thresholds (how many new units should trigger)
- Affordability targets (e.g., AMI levels)
- Alternative compliance choices
- Incentives and adjustments



Housing Project Process



75% Draft Review Process

Batch 1 Strategies: ADUs and ~~Expedited Review~~

- May 1: Public Review through May 12

Batch 2 Strategies: Inclusionary Zoning and Land Banking

➡ **Tonight: Joint review Inclusionary Zoning**

- May 8: Joint review Land Banking
- May 9: Council Work Session
- May 15: Public Review through May 26



Inclusionary Zoning

Requiring or encouraging the set-aside of a portion of residential units as income-restricted.

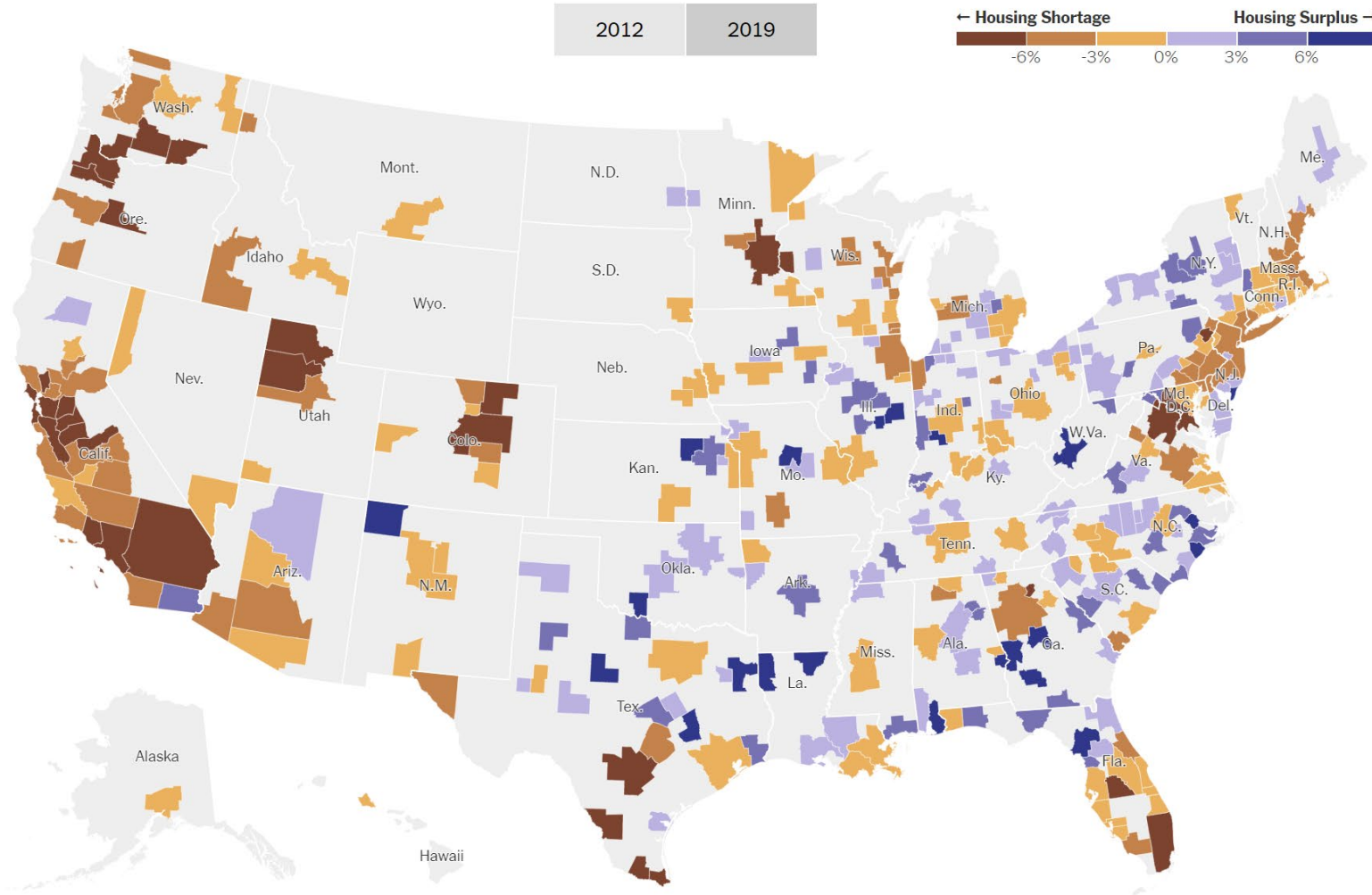
Goals

- Increase in total number of affordable units
- Distribute affordable units throughout the community
- Leverage construction abilities of private sector

Limitations

- Only occurs with new development that meets threshold
- Does not provide housing for very low-income residents
- “Compliance Alternative” required, units may not be built

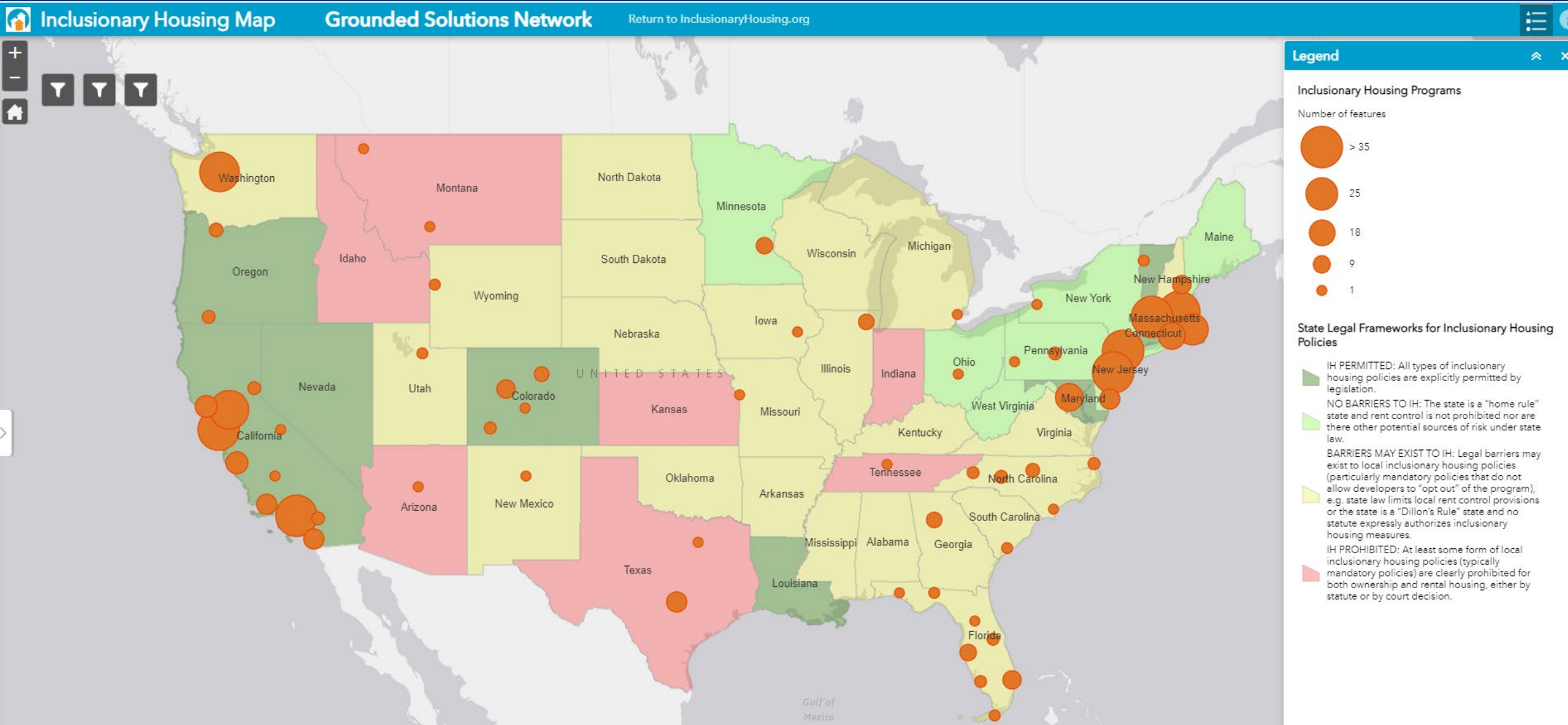
The housing shortage has spread to more parts of the country



NYT: The Housing Shortage Isn't Just a Coastal Crisis Anymore



Innovative Housing Strategies - Update



Centennial Housing Studies

- **June 2022 Housing Needs Assessment (HNA)**
- **October 2022 Inclusionary Housing Feasibility Analysis (Feasibility Analysis)**



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**

IZ Feasibility Analysis

- Tested both a **5%** and a **10%** inclusion
- Tested at 80% AMI for ownership and 60% AMI for rental
- Potential **incentives** (tested collectively):
 - Fee rebate (\$2,500 per affordable unit);
 - A 25% density bonus on single-family and townhome prototypes, measured as an increase in the allowed DU/A;
 - Parking reductions (down to 1.5 spaces per unit) for MF rental; and
 - Height bonus applied to the 3-story multifamily rental, resulting in a 5-story prototype and a 7-story prototype.

Note: height bonuses result in different construction approaches, including structured parking and, for the 7-story, a change from wood to steel construction.

	Persons in Family				
	1	2	3	4	5
Income Limit					
30% AMI	\$24,650	\$28,150	\$31,650	\$35,150	\$38,000
50% AMI	\$41,050	\$46,900	\$52,750	\$58,600	\$63,300
60% AMI	\$49,260	\$56,280	\$63,300	\$70,320	\$75,960
80% AMI	\$62,600	\$71,550	\$80,500	\$89,400	\$96,600
100% AMI	\$82,100	\$93,800	\$105,500	\$117,200	\$126,600
120% AMI	\$98,520	\$112,560	\$126,600	\$140,640	\$151,920
Affordable Home Price					
30% AMI	\$101,021	\$115,364	\$129,708	\$144,052	\$155,731
50% AMI	\$168,231	\$192,205	\$216,180	\$240,154	\$259,416
60% AMI	\$201,877	\$230,646	\$259,416	\$288,185	\$311,299
80% AMI	\$256,547	\$293,226	\$329,905	\$366,379	\$395,886
100% AMI	\$336,462	\$384,411	\$432,360	\$480,309	\$518,832
120% AMI	\$403,754	\$461,293	\$518,832	\$576,370	\$622,598
Affordable Rent					
	Studio	1 Bdrm	2 Bdrm	3 Bdrm	4 Bdrm
30% AMI	\$615	\$659	\$791	\$914	\$1,020
50% AMI	\$1,026	\$1,099	\$1,318	\$1,523	\$1,700
60% AMI	\$1,231	\$1,319	\$1,582	\$1,828	\$2,040
80% AMI	\$1,642	\$1,759	\$2,110	\$2,438	\$2,720
100% AMI	\$2,052	\$2,198	\$2,637	\$3,047	\$3,400
120% AMI	\$2,463	\$2,638	\$3,165	\$3,657	\$4,080

Summary of Findings

- A 5% affordable housing set-aside
 - Almost fully offset by the proposed incentives under all prototypes.
 - Without incentives, a 5% set-aside has only a modest impact on returns.

The City can provide sufficient incentives and adjustments for ownership and rental units for the developer to make the same amount of profit with a 5% affordable housing set-aside.

- A 10% affordable housing set-aside
 - Is offset by incentives only on the for-sale prototypes
 - Has a more substantive impact on returns than the 5% set-aside when imposed without incentives.

It's harder for the City to provide sufficient incentives to support a 10% set-aside for rental units.

Based on the results of the analysis, Root **does recommend the City consider an inclusionary housing policy paired with incentives.** Determination of a potential inclusionary structure should balance the feasibility results with the City's housing goals and other strategies being considered by the City.

	Single Family	Townhome	3-Story Multifamily
Base Zoning Standards			
Minimum lot size (per unit)	4,000	2,600	1,800
DU/Acre	4.9	11.6	30.0
Max height	30 ft	35 ft	50 ft
Max building coverage ratio	50%	60%	25%
Parking per unit	2.00	2.25	2.25
Site and Prototype Characteristics			
Parcel Size (acres)	4.20	1.75	3.00
Lot size per unit (SF)	9,148	3,812	1,815
Total Units	20	20	72
Avg SF per unit	2,450	1,800	1,050
DU/Acre calculation from lot size	4.76	11.43	24.00
Parking type	2-car garage	1-car garage	surface
Parking ratio	2	2.5	2.25
Development Costs			
Land Costs	\$2,900,000	\$1,900,000	\$3,960,000
Hard Costs	\$7,900,000	\$6,500,000	\$15,570,000
Soft Costs	\$1,422,000	\$1,170,000	\$2,736,000
Total Development Cost	\$12,222,000	\$9,570,000	\$22,266,000
<i>Total Development Cost per Unit</i>	<i>\$611,100</i>	<i>\$478,500</i>	<i>\$309,250</i>
Revenues and Operating Expenses			
Sales Revenue	\$14,100,000	\$10,900,000	
Sale Price Market Rate (per unit)	\$705,000	\$545,000	
Annual Rental Revenue			\$1,887,840
Market-Rate Rent (per unit /mo)			\$2,300
Vacancy Rate			5%
Operating/Sales Expenses			
Cost of sale/marketing (2% of revenue)	\$282,000	\$218,000	
Annual operating cost			\$576,000
Valuation Detail			
Net Sale Value or Net Op Income (NOI)	\$13,818,000	\$10,682,000	\$1,311,840
Return on Cost	13.1%	11.6%	5.89%

**Base Case:
No Affordable
Set-Aside**



	Single Family		Townhome	
	No Incentives	Density Bonus & Fee Rebate	No Incentives	Density Bonus & Fee Rebate
Base Zoning Standards				
Minimum lot size (per unit)	4,000	4,000	2,600	2,600
DU/Acre	4.9	6.0	11.6	14.3
Max height	30 ft	30 ft	35 ft	35 ft
Max building coverage ratio	50%	50%	60%	60%
Parking per unit	2.00	2.00	2.25	2.25
Site and Prototype Characteristics				
Parcel Size (acres)	4.20	4.20	1.75	1.75
Lot size per unit (SF)	9,148	7,318	3,812	3,049
Total Units	20	25	20	25
Affordable Units	1.00	1.25	1.00	1.25
Avg SF per unit	2,450	2,450	1,800	1,800
Parking type	2-car garage	2-car garage	1-car garage	1-car garage
Parking ratio	2	2	2.5	2
Development Costs				
Land Costs	\$ 2,900,000	\$ 2,900,000	\$ 1,900,000	\$ 1,900,000
Hard Costs	\$ 7,900,000	\$ 9,875,000	\$ 6,500,000	\$ 8,125,000
Soft Costs	\$ 1,422,000	\$ 1,774,375	\$ 1,170,000	\$ 1,459,375
Total Development Cost	\$ 12,222,000	\$ 14,549,375	\$ 9,570,000	\$ 11,484,375
Total Development Cost per Unit	\$611,100	\$581,975	\$478,500	\$459,375
Revenues and Operating Expenses				
Sales Revenue	\$13,761,379	\$17,201,723	\$10,684,905	\$13,356,131
Sale Price Market Rate (per unit)	\$705,000	\$705,000	\$545,000	\$545,000
Income Restricted Sale Price (per unit)	\$366,379	\$366,379	\$329,905	\$329,905
Operating/Sales Expenses				
Cost of sale/marketing (2% of revenue)	\$ 275,228	\$ 344,034	\$ 213,698	\$ 267,123
Valuation Detail				
Net Sale Value	\$13,486,151	\$16,857,689	\$10,471,207	\$13,089,008
Return on Cost	10.3%	15.9%	9.4%	14.0%

For Sale
5% Set-Aside
80% AMI



	3-Story Base Height		Up to 5-Story Bonus Height		Up to 7-Story Bonus Height	
	No Incentives	Parking Reduction & Fee Rebate	Height Bonus Only (to 5 Stories)	Height Bonus, Parking Reduction, & Fee Rebate	Height Bonus Only (to 7 Stories)	Height Bonus, Parking Reduction, & Fee Rebate
Base Zoning Standards						
Minimum lot size (per unit)	1,800	1,800	512	792	402	792
DU/Acre	30	30	85	55	108	55
Max height	50 ft	50 ft	70 ft	70 ft	112 ft	112 ft
Max building coverage ratio	25%	47%	67%	39%	50%	23%
Parking per unit	2.25	1.50	2.00	1.50	2.00	1.50
Site and Prototype Characteristics						
Parcel Size (acres)	3.00	3	3.00	3	3.00	3
Lot size per unit (SF)	1,815	1,815	512	792	402	792
Total Units	72	72	255	165	325	165
Affordable Units	3.60	3.60	12.75	8.25	16.25	8.25
Avg SF per unit	1,050	1,050	950	950	875	875
Parking type	surface	surface	structure	structure	structure	structure
Parking ratio	2.25	1.50	2.00	1.50	2.00	1.50
Development Costs						
Land Costs	\$ 3,960,000	\$ 3,960,000	\$ 4,356,000	\$ 4,356,000	\$ 4,791,600	\$ 4,791,600
Hard Costs	\$ 15,570,000	\$ 15,300,027	\$ 76,500,000	\$ 45,787,500	\$ 105,007,500	\$ 49,599,000
Soft Costs	\$ 2,736,000	\$ 2,727,000	\$ 10,200,000	\$ 6,579,375	\$ 13,000,000	\$ 6,579,375
Total Development Cost	\$ 22,266,000	\$ 21,987,027	\$ 91,056,000	\$ 56,722,875	\$ 122,799,100	\$ 60,969,975
Total Development Cost per Unit	\$309,250	\$305,375	\$357,082	\$343,775	\$377,843	\$369,515
Revenues and Operating Expenses						
Annual Rental Revenue	\$ 1,858,373	\$ 1,858,373	\$ 8,926,945	\$ 4,482,141	\$ 9,127,198	\$ 4,833,808
Market-Rate Rent (per unit /mo)	\$ 2,300	\$ 2,300	\$ 2,425	\$ 2,425	\$ 2,510	\$ 2,510
Income Restricted Rent (per unit /mo)	\$ 1,582	\$ 1,582	\$ 1,582	\$ 1,582	\$ 1,582	\$ 1,582
Vacancy Rate	5%	5%	5%	5%	5%	5%
Annual operating cost	\$ 576,000	\$ 576,000	\$ 2,167,500	\$ 1,402,500	\$ 2,762,500	\$ 1,402,500
Valuation Detail						
Net Operating Income	\$1,282,373	\$1,282,373	\$4,759,445	\$3,079,641	\$6,364,698	\$3,231,308
Return on Cost	5.76%	5.83%	5.23%	5.43%	5.18%	5.30%

**For Rent
5% Set-
Aside
80% AMI**



	Single Family		Townhome	
	No Incentives	Density Bonus & Fee Rebate	No Incentives	Density Bonus & Fee Rebate
Base Zoning Standards				
Minimum lot size (per unit)	4,000	4,000	2,600	2,600
DU/Acre	4.9	6.0	11.6	14.3
Max height	30 ft	30 ft	35 ft	35 ft
Max building coverage ratio	50%	50%	60%	60%
Parking per unit	2.00	2.00	2.25	2.25
Site and Prototype Characteristics				
Parcel Size (acres)	4.20	4.20	1.75	1.75
Lot size per unit (SF)	9,148	7,318	3,812	3,049
Total Units	20	25	20	25
Affordable Units	2.00	2.50	2.00	2.50
Avg SF per unit	2,450	2,450	1,800	1,800
Parking type	2-car garage	2-car garage	1-car garage	1-car garage
Parking ratio	2	2	2.5	1
Development Costs				
Land Costs	\$ 2,900,000	\$ 2,900,000	\$ 1,900,000	\$ 1,900,000
Hard Costs	\$ 7,900,000	\$ 9,875,000	\$ 6,500,000	\$ 8,125,000
Soft Costs	\$ 1,422,000	\$ 1,771,250	\$ 1,170,000	\$ 1,456,250
Total Development Cost	\$ 12,222,000	\$ 14,546,250	\$ 9,570,000	\$ 11,481,250
Total Development Cost per Unit	\$611,100	\$581,850	\$478,500	\$459,250
Revenues and Operating Expenses				
Sales Revenue	\$13,422,757	\$16,778,447	\$10,469,809	\$13,087,262
Sale Price Market Rate (per unit)	\$705,000	\$705,000	\$545,000	\$545,000
Income Restricted Sale Price (per unit)	\$366,379	\$366,379	\$329,905	\$329,905
Operating/Sales Expenses				
Cost of sale/marketing (2% of revenue)	\$ 268,455	\$ 335,569	\$ 209,396	\$ 261,745
Valuation Detail				
Net Sale Value	\$13,154,302	\$16,442,878	\$10,260,413	\$12,825,517
Return on Cost	7.6%	13.0%	7.2%	11.7%

For Sale
10% Set-Aside
80% AMI



	3-Story Base Height		Up to 5-Story Bonus Height		Up to 7-Story Bonus Height	
	No Incentives	Parking Reduction & Fee Rebate	Height Bonus Only (to 5 Stories)	Height Bonus, Parking Reduction, & Fee Rebate	Height Bonus Only (to 7 Stories)	Height Bonus, Parking Reduction, & Fee Rebate
Base Zoning Standards			Requires PD or variance		Requires PD or variance	
Minimum lot size (per unit)	1,800	1,800	512	792	402	792
DU/Acre	30	30	85	55	108	55
Max height	50 ft	50 ft	70 ft	70 ft	112 ft	112 ft
Max building coverage ratio	25%	47%	67%	39%	50%	23%
Parking per unit	2.25	1.50	2.00	1.50	2.00	1.50
Site and Prototype Characteristics						
Parcel Size (acres)	3.00	3	3.00	3	3.00	3
Lot size per unit (SF)	1,815	1,815	512	792	402	792
Total Units	72	72	255	165	325	165
Affordable Units	7.20	7.20	25.50	16.50	32.50	16.50
Avg SF per unit	1,050	1,050	950	950	875	875
Parking type	surface	surface	structure	structure	structure	structure
Parking ratio	2.25	1.50	2.00	1.50	2.00	1.50
Development Costs						
Land Costs	\$ 3,960,000	\$ 3,960,000	\$ 4,356,000	\$ 4,356,000	\$ 4,791,600	\$ 4,791,600
Hard Costs	\$ 15,570,000	\$ 15,300,027	\$ 76,500,000	\$ 45,787,500	\$ 105,007,500	\$ 49,599,000
Soft Costs	\$ 2,736,000	\$ 2,718,000	\$ 10,200,000	\$ 6,558,750	\$ 13,000,000	\$ 6,558,750
Total Development Cost	\$ 22,266,000	\$ 21,978,027	\$ 91,056,000	\$ 56,702,250	\$ 122,799,100	\$ 60,949,750
Total Development Cost per Unit	\$309,250	\$305,250	\$357,082	\$343,650	\$377,843	\$369,390
Revenues and Operating Expenses						
Annual Rental Revenue	\$ 1,828,907	\$ 1,828,907	\$ 6,804,415	\$ 4,402,857	\$ 8,955,309	\$ 4,546,542
Market-Rate Rent (per unit /mo)	\$ 2,300	\$ 2,300	\$ 2,425	\$ 2,425	\$ 2,510	\$ 2,510
Income Restricted Rent (per unit /mo)	\$ 1,582	\$ 1,582	\$ 1,582	\$ 1,582	\$ 1,582	\$ 1,582
Vacancy Rate	5%	5%	5%	5%	5%	5%
Annual operating cost	\$ 576,000	\$ 576,000	\$ 2,167,500	\$ 1,402,500	\$ 2,762,500	\$ 1,402,500
Valuation Detail						
Net Operating Income	\$1,252,907	\$1,252,907	\$4,636,915	\$3,000,357	\$6,192,809	\$3,144,042
Return on Cost	5.63%	5.70%	5.09%	5.29%	5.04%	5.16%

**For Rent
10% Set-
Aside
80% AMI**



Summary, with Incentives

	Base Case	Return on Cost	5% at 80%	Return on Cost	10% at 80%	Return on Cost
Single Unit	\$ 705,000	13%	\$ 705,000		\$ 705,000	
Single Unit Affordable	n/a		\$ 366,379	15.9%	\$ 366,379	13.0%
Townhome	\$ 545,000	11%	\$ 545,000		\$ 545,000	
Townhome, Affordable	n/a		\$ 329,905	14.0%	\$ 329,905	11.7%
Rental	\$ 2,300	5.89%	\$ 2,300		\$ 2,300	
Rental, Affordable	n/a		\$ 1,582	5.83%	\$ 1,582	5.7%



Centennial Housing Strategies Policy Development – Batch 2

Inclusionary Zoning



Applicability

New residential development as follows:

Affordable Units Required	
Number of Units Proposed [1]	Number of Affordable Units Required
0-4 Units	0 Units
5-20 Units	1 Unit
> 20 Units	5% of Total Units [2]

[1]: ADUs do not count toward the total number of dwelling units proposed.

[2]: If the final calculation of the number of required units includes a fractional unit, if the fraction is 0.5 or higher, the number of units is rounded up to the nearest whole number, and if the fraction is below 0.5 the number of units is rounded down to the nearest whole number.



Peer Communities

	Centennial (Proposed)	Littleton	Superior	Longmont	Broomfield
Development Threshold	5 + units	5+ units	10+ units	All residential development	25+ units
Exemptions	<ul style="list-style-type: none"> • Accessory dwelling units • Any project providing affordable housing on land provided by the Centennial Land Bank (proposed) • Conversion of a residential building to a group care home 	N/A	Housing authorities exempted	<ul style="list-style-type: none"> • Accessory dwelling units • Adding a single unit to a residential building • When converting to a group home, this shall apply to additional spaces 	<ul style="list-style-type: none"> • Less than 25 units • N/A to City or Broomfield Housing Authority • N/A to charity or non-profit • N/A for gov. backed funding for AH projects

Peer Communities

	Centennial (Proposed)	Littleton	Superior	Longmont	Broomfield
Area of Applicability	Citywide	Citywide	Citywide	Citywide	Citywide
Amount Required	<ul style="list-style-type: none">5-20 units: 1 unit> 20 units: 5% of units	5+ units: 5% of units, rounded up	10+ units: 15% of units, rounded up	All units: 12% of units	25+ units: <ul style="list-style-type: none">For sale: 12% of unitsFor rent: 20% of units

Affordability Requirements

- **For sale** units shall be affordable to households whose earnings do not exceed **80 percent of the AMI**.
- **For rent** units shall be affordable to households whose earnings do not exceed **60 percent of the AMI**.

	HB 1271 DOLA Strategies	Proposition 123	Root Policy Recommendation
Ownership	140% of AMI	100% of AMI	80% of AMI
Rental	80% of AMI	60% of AMI	60% of AMI



Summary with Incentives

	Base Case	Return on Cost	5% at 80%	Return on Cost	10% at 80%	Return on Cost
Single Unit	\$ 705,000	13%	\$ 705,000		\$ 705,000	
Single Unit Affordable	n/a		\$ 366,379	15.9%	\$ 366,379	13.0%
Townhome	\$ 545,000	11%	\$ 545,000		\$ 545,000	
Townhome, Affordable	n/a		\$ 329,905	14.0%	\$ 329,905	11.7%
Rental	\$ 2,300	5.89%	\$ 2,300		\$ 2,300	
Rental, Affordable	n/a		\$ 1,582	5.83%	\$ 1,582	5.7%



Peer Communities

		Centennial (Proposed)	Littleton	Superior	Longmont	Broomfield
Income Requirements	For Sale	80% AMI	80% AMI	80% AMI	80% AMI	<ul style="list-style-type: none">• Single-Family: 100% AMI• Townhome: 90% AMI• Multifamily: 90% AMI
	For Rent	60% AMI	60% AMI	80% AMI	50% AMI	<ul style="list-style-type: none">• Single-Family: 80% AMI• Townhome: 70% AMI• Multifamily: 60% AMI



Compliance Alternatives

- **On-site construction (preferred)**
 - **Fee in-lieu:** allows developers to pay a specified fee instead of constructing the affordable units.
-
- **Credits** for excess units may be redeemed to offset an equivalent number of affordable housing units that would otherwise be required
-
- **Off-site construction:** allows developers to construct affordable units in a different location than the market-rate units
 - **Land dedication:** allows developers to provide land to the City (must be able to support the amount of required units without variance, modification, or rezoning)

Peer Communities

	Centennial (Proposed)	Littleton	Superior	Longmont	Broomfield
Options to Satisfy Requirement	<ul style="list-style-type: none"> • Fee-in-Lieu • Off-site Location – equal quantity • Land Dedication – equal quantity • Redemption of Credits 	Fee-in-Lieu	Fee-in-Lieu for development of 10 units or less	<ul style="list-style-type: none"> • Fee-in-Lieu • Off-site Location – equal quantity • Land Dedication – equal quantity • Redemption of Credits • Middle Tier Housing Reduction • Alternative Agreement 	<ul style="list-style-type: none"> • Negotiated alternative agreement approved by CC • Fee-in-Lieu

Incentives and Adjustments

- Intended to create development flexibility
- To allow this development to take place to get to final number of units
- To off-set developer costs of providing the affordable units

Incentives & Adjustments

- **Fee Reduction:** \$2,500 per affordable unit reduction of Community Development fees (rebate at time of certificate of occupancy)
- **Projects with 100% Affordable Units:** Developer may propose alternative adjustments to any numerical bulk or height standard required by the zoning district (approved by City Council)

Incentives & Adjustments

- **All Zoning Districts**

Development Standard	Adjustment Allowed
Minimum setbacks	Up to 20%
Maximum building coverage	Up to 20%
Minimum lot size	Reduce up to 20%
Maximum Height	Current max of 30: Up to 35 feet Current max of 35: Up to 38 feet
Off-Street Parking	Reduced to 1.5 spaces per dwelling unit
Open Space	Reduced by up to 50% (if public park or open space located within 1,320 feet)
Maximum units permitted per Use Table	One additional unit (e.g., duplex allowed where Use Table limits district to single-family)

Incentives & Adjustments

- **Multifamily Zoning**
 - Maximum density bonus of up to an additional 20% per acre

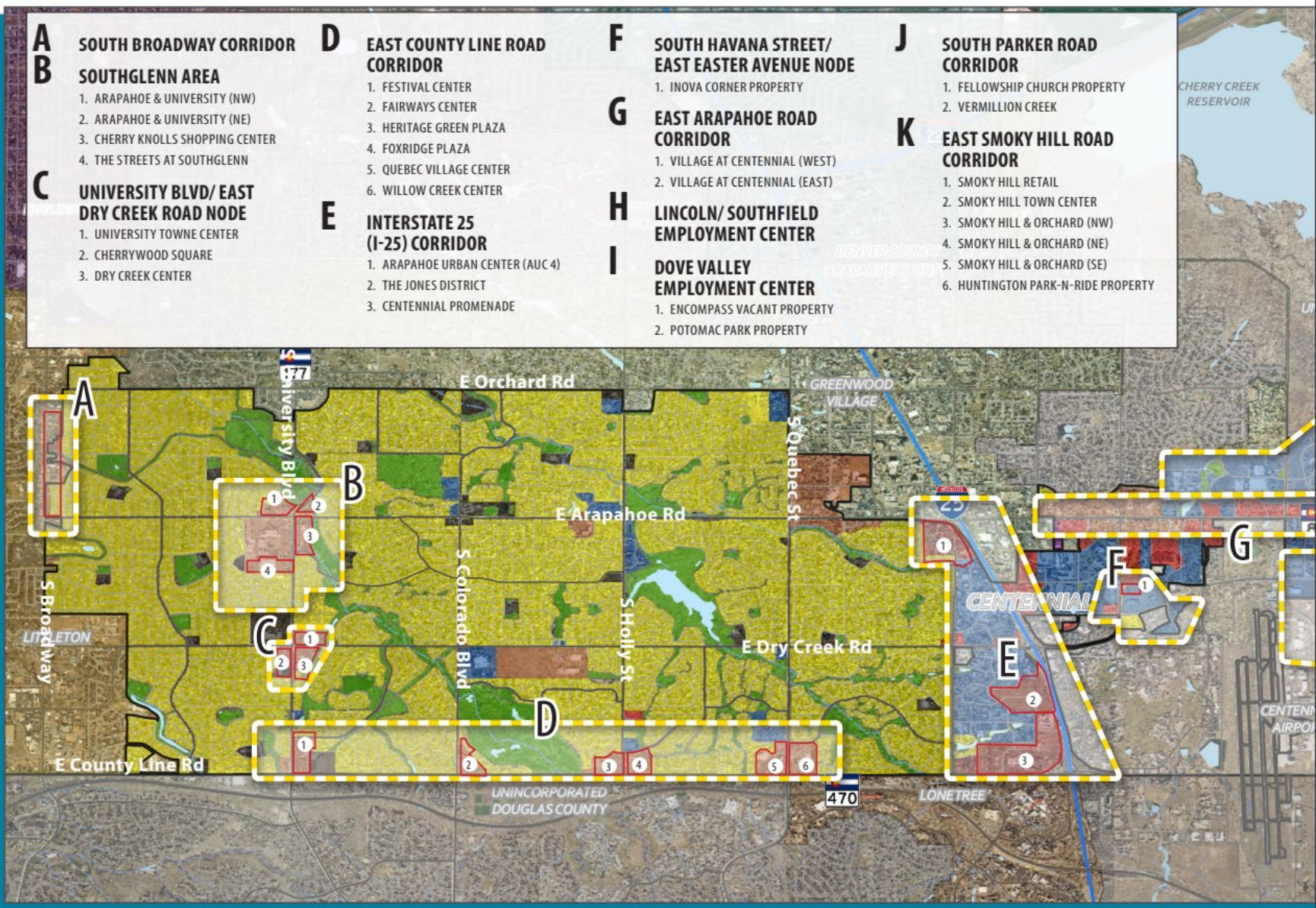
Maximum Building Height Bonus		
Maximum Building Height of Zoning District [1]	Additional Height Allowance in General Areas	Additional IZ Overlay Map
0-30 feet	5 feet	1 story
31-50 feet	1 story	2 stories
51-75 feet	2 stories	3 stories
75-100 feet	3 stories	4 stories

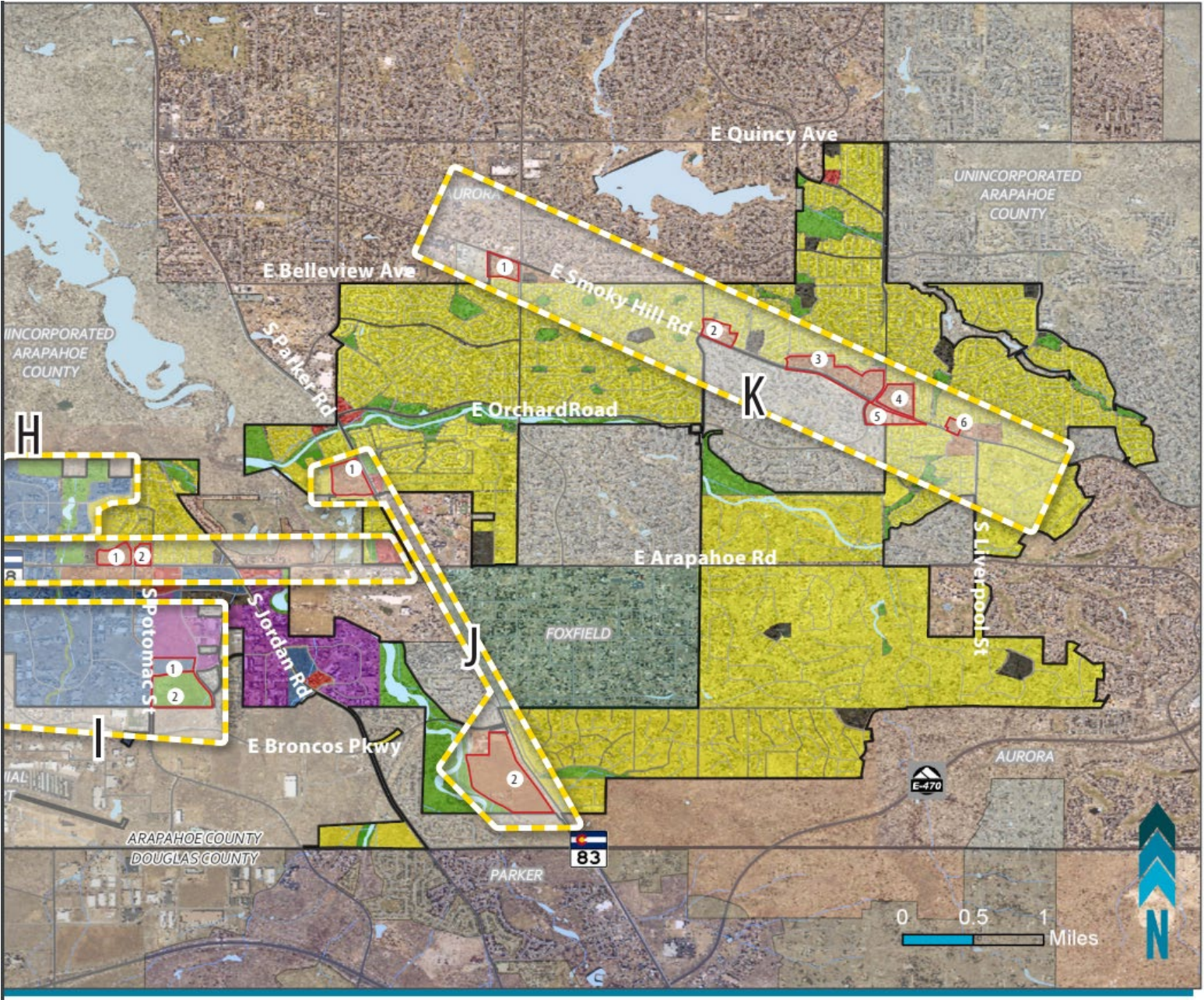
[1] Or as noted in the approved regulating plan or preliminary development plan.

[2] As identified in Centennial NEXT Comprehensive Plan.

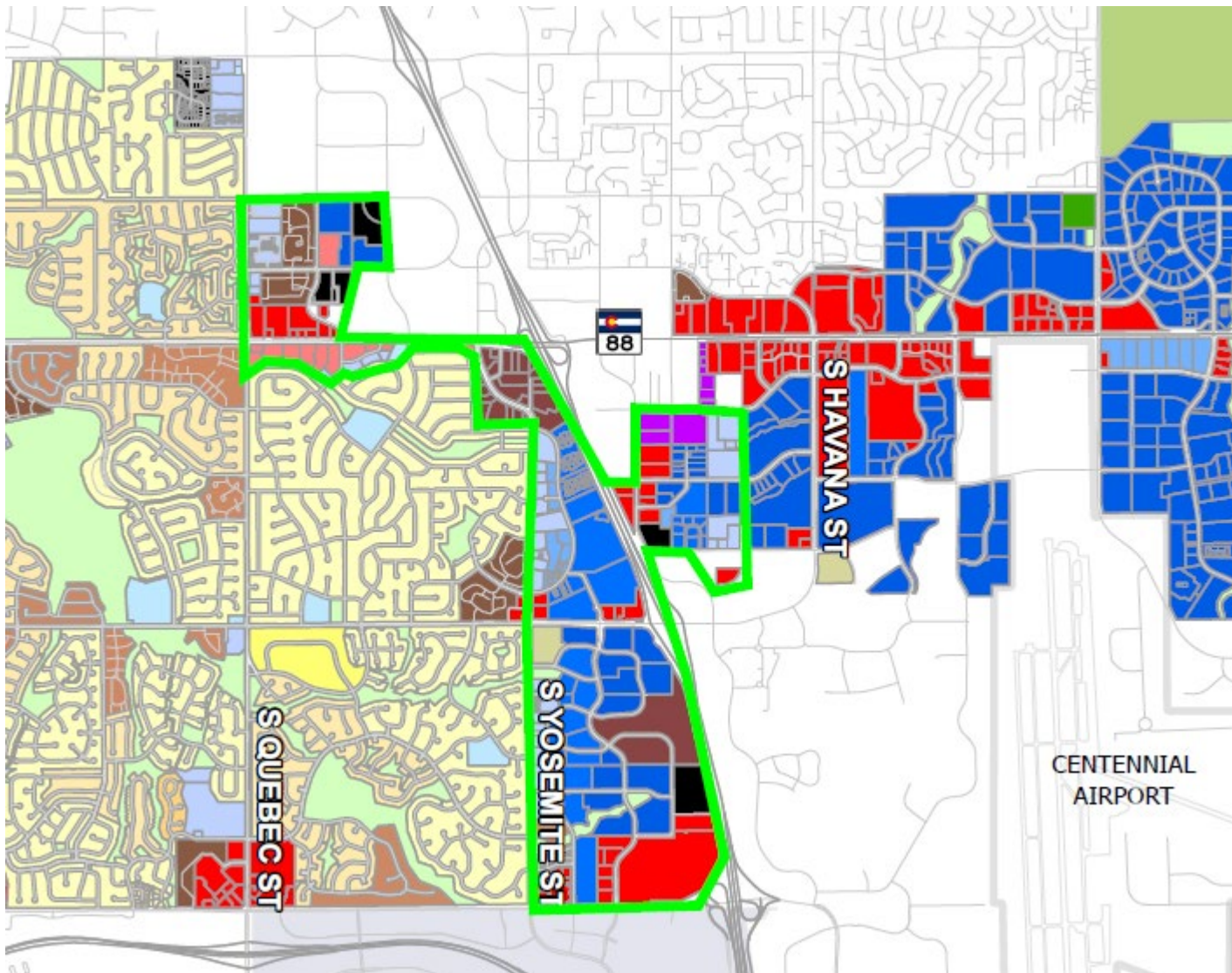


SPOTLIGHT AREAS





Alternative Height Bonus Map



Peer Communities

		Centennial (Proposed)	Littleton	Superior	Longmont	Broomfield
Incentives	Fees	Permit fee rebate	Permit fee rebate	N/A	N/A	50% reduction in fees and taxes
	Process	N/A	<ul style="list-style-type: none"> Expedited application One town meeting (reduced from 2) 	N/A	N/A	N/A
	Code	<ul style="list-style-type: none"> Alternative adjustments to any bulk or height standard for 100% affordable units 20% adjustment of: setbacks, lot widths, building coverage and lot size 1 additional unit than allowed by Residential Use Table Height bonus (targeted areas) Parking reduction 	<ul style="list-style-type: none"> Parking reduction Open space reduction Density limit increase Minimum lot size reduction 	N/A	N/A	N/A

Other Requirements

- Affordable units must be of comparable quality, design (including size), and materials to the market units
- Affordable units must have equal access to amenities shared with market-rate units (outdoor play areas, fitness centers, parking facilities, etc.)
- Deed restrictions or rental covenants required
- Affordable housing agreement with City required

Additional Considerations

- **Inclusionary Zoning Program Administration**
- Generally administered by a City's housing department, a housing authority, or planning staff
- Responsibilities include:
 - Verifying income eligibility for property owners and/or tenants
 - Compliance with occupancy requirements
 - Tracking of affordable unit credits
 - Distribution of housing fund (from fee-in-lieu)
 - Updating fees (typically on an annual basis)
 - Dedicated land management

Inclusionary Zoning Discussion

Preliminary Policy Questions:

- Mandatory or voluntary program
- Applicability thresholds (how many new units should trigger)
- Affordability targets (e.g., AMI levels)
- Alternative compliance choices
- Incentives and adjustments



Next Steps

- **May 1-12** – Public Review of Batch 1 and Comment period
- **May 8 (Special Meeting)** – Joint Council and P&Z review of Land Banking 75% draft
- **May 9** – Council follow-up discussion on Strategies, Proposition 123, and Affordable Housing Goals
- **May 15-26** – Public Review and Comment period
- **June 13** – Joint Council and P&Z review of public feedback and updates to recommendations
- **July/August** - Council and P&Z consideration

2023 Project Calendar





Centennial

C O L O R A D O