



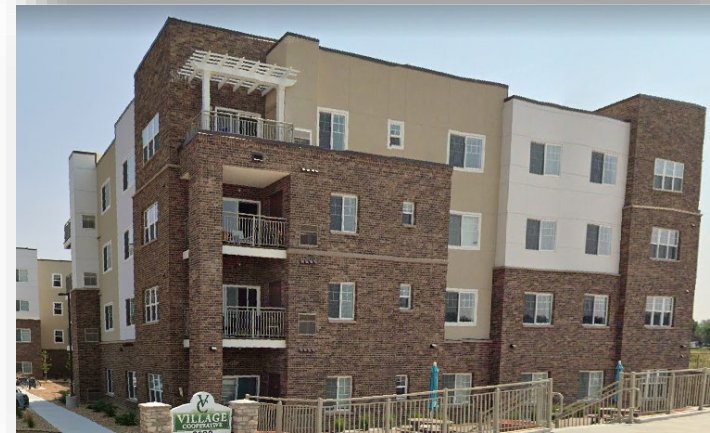
Innovative Housing Strategies Update

MAY 8, 2023



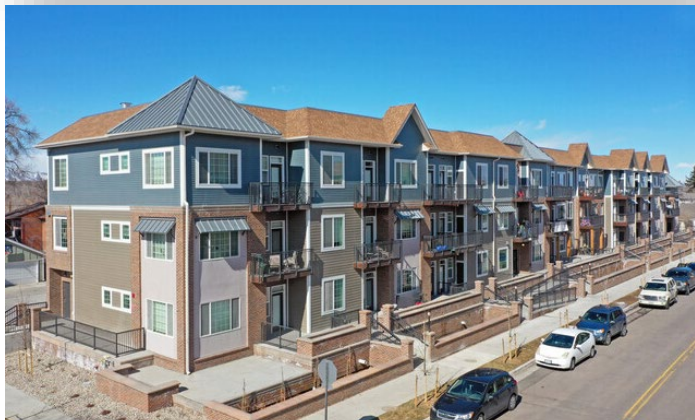
Agenda

- Housing Project Process
- Housing Needs Assessment
- Land Banking
 - Examples and best practices
 - Ordinance Review
- Discussion
- Next Steps



Housing Project Process

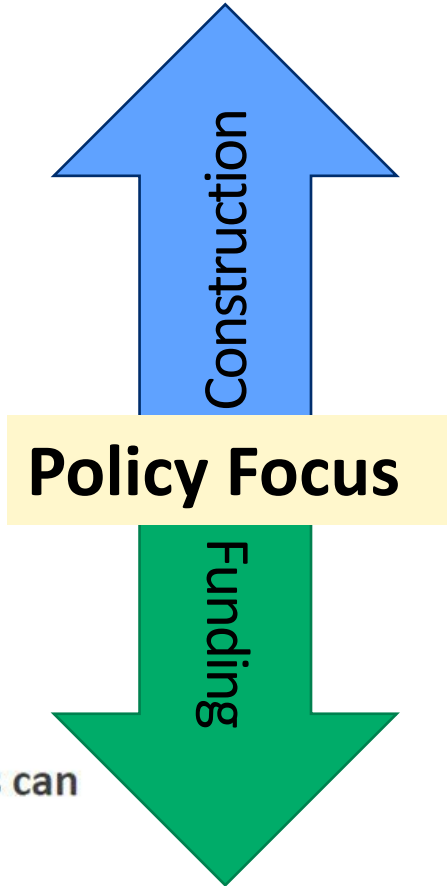
Task 1	Task 2	Task 3	Task 4	Task 5
<i>March – June 2022</i>	<i>June – October 2022</i>	<i>Nov. 2022 to Jan. 2023</i>	<i>February 2023 to now</i>	<i>Late summer 2023</i>
Identify Centennial Housing Needs	Review 9 strategies with Working Group	Prioritize strategies for drafting – 4 chosen	Draft 4 strategies for community consideration	Hearing and determination





























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**



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	 <u>Support</u> short-term action (2023)	 <u>Support</u> mid-term action (2-3 years)	 <u>Support</u> mid-term action (2-3 years)	 <u>Support</u> mid-term action (2-3 years)	 <u>Support (voluntary)</u> mid-term action (2-3 years)	 <u>Support</u> mid-term action (2-3 years)	 <u>Support</u> mid-term action (2-3 years)	 <u>Does not support</u> prefer alternative approach	 <u>Does not support</u> prefer alternative approach
COMMUNITY FEEDBACK	<u>Mixed</u> 	<u>Mixed</u> 	<u>Support</u>  for City fees only 	<u>Mixed</u> 	<u>Support</u> 	<u>Support</u> 	<u>Support</u> 	<u>Support</u> 	<u>Mixed</u> 
P&Z FEEDBACK	 <u>Support</u> short-term action (2023)	 <u>Support</u> short-term action (2023)	 <u>Does not support</u> prefer alternative approach	 <u>Support</u> short-term action (2023)	 <u>Support</u> short-term action (2023)	 <u>Support</u> short-term action (2023)	 <u>Support</u> short-term action (2023)	--	--

Strategy Feedback Refresher

75% Draft Review Process

ADU/Expedited Review

- May 1-12: ADU Public Review

Inclusionary Zoning/Land Banking

- May 1: Joint Review Inclusionary Zoning

➡ May 8: Joint Review Land Banking

- May 9: Council Work Session
- May 15: Public Review through May 26



Land Banking

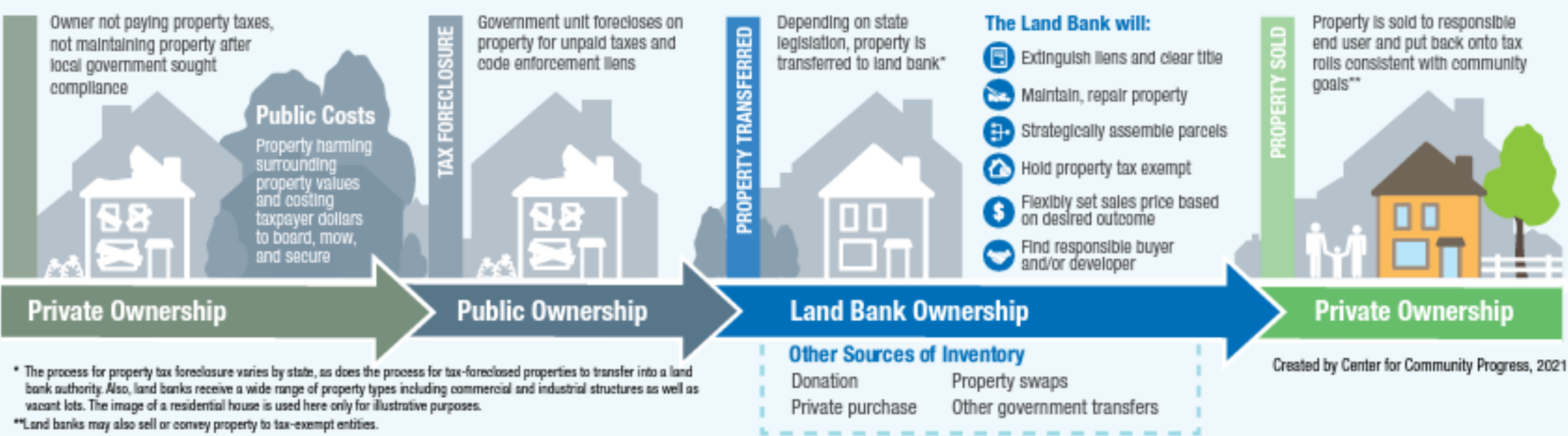
Staff Report Recommendation

- Hear feedback on the Land Banking strategy.
- No formal motion will be expected.

Questions

- What policy goals could/should a land bank be crafted to address?
- What opportunities exist for partnership with other organizations for administration of a land bank?
- What criteria should the land bank consider when acquiring properties or seeking development partners?

Graphic 1: How a Land Bank Works



Also: unbuilt or vacant land, “extra”
parcels from City or CDOT

Graphic 2: How a CLT works



* CLTs subsidize the cost of new construction or rehabilitation primarily using philanthropic or governmental funding, which is how CLTs are able to offer homeownership at an affordable price. This subsidy stays with the property forever, underwriting the purchase price again and again for generations to come.

Created by Center for Community Progress, 2021

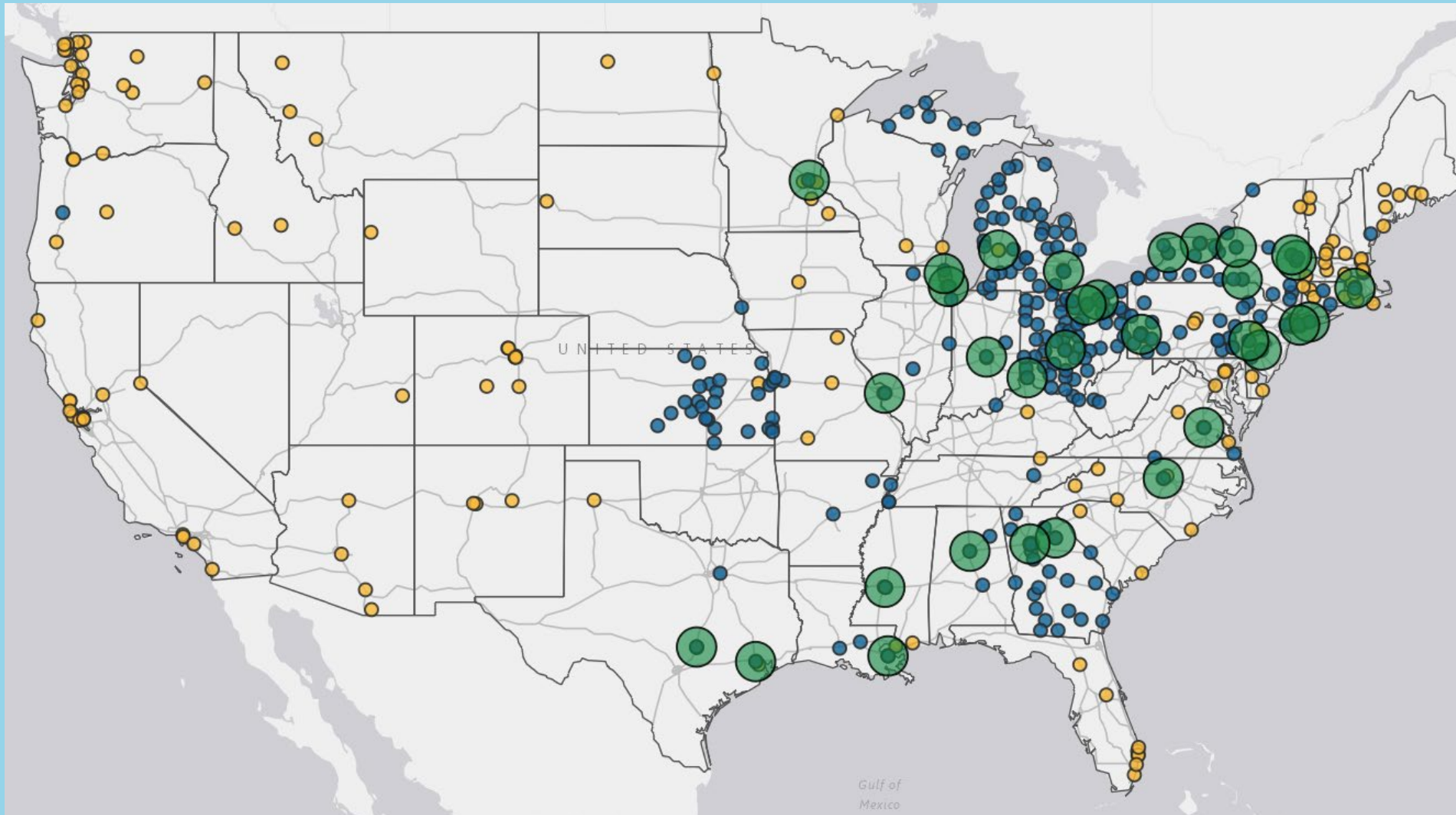
Land Banking and Community Land Trusts

Land Bank

- Public entity or Nonprofit
- Acquire, hold, sell property
- Accept land and money donations
- Property is tax-exempt while held by land bank
- Can be transferred/sold for less than market value

Community Land Trust (CLT)

- Nonprofit organization
- Governed by nonprofit representatives, public sector representatives, and residents
- Provide, maintain, and administer affordable housing
- Typically for-sale properties



Land Banks

Community
Land Trusts

Potential
Shared
Service
Areas

Land Banking and Community Land Trusts

Colorado Land Banks

- City of Fort Collins Land Bank
- Urban Land Conservancy, Denver
- Grand Junction (\$3,000,000 ARPA seeding)
- Chaffee Housing Trust

Colorado Community Land Trusts (CLT)

- Colorado Community Land Trust + Habitat for Humanity of Metro Denver
- Elevation Community Land Trust (statewide)
- Rocky Mountain Community Land Trust (Colorado Springs and El Paso County)

Littleton Homes

Habitat Metro Denver is renovating and selling affordable homes in Littleton.

These 2-, 3- and 4-bedroom homes are available through a partnership between Habitat and South Metro Housing Options (SMHO), which is making 60 total homes available to buyers making up to 80% of the area median income.

Click below to view available homes and learn about the Habitat home-buying process.

[See Littleton Homes](#)

[See the home buying process](#)

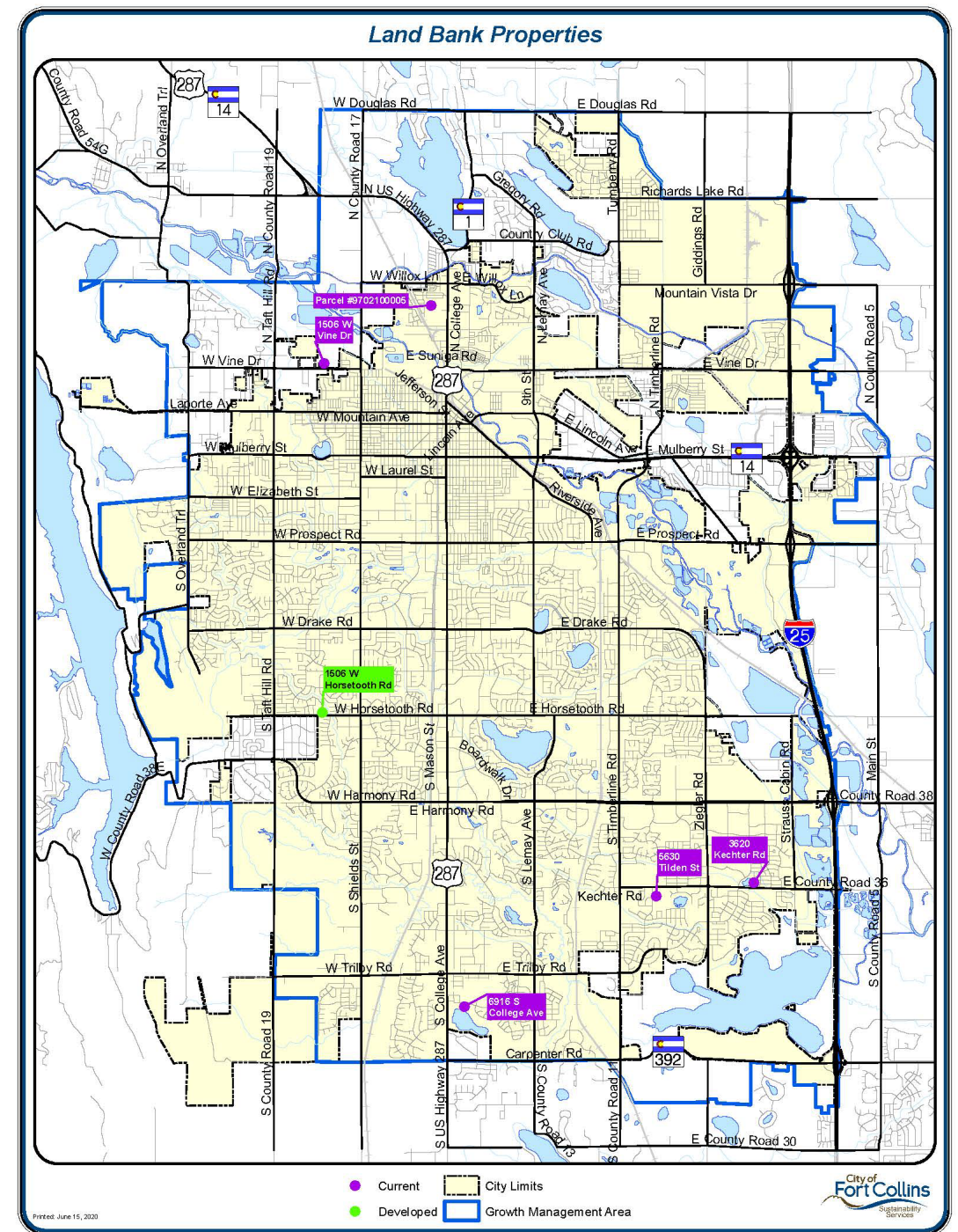


Case Study: Littleton









Case Study: Fort Collins

“The Land Bank program is Fort Collins' only long-term affordable housing tool. Between escalating land prices and the realities of a fixed Growth Management Area (GMA), this program ensures land will be available in the future to increase the stock of affordable housing units. The strategy is to acquire sites currently lacking infrastructure, which lowers the price, and then wait until development occurs. As surrounding projects construct the utilities and streets, in theory, the Land Bank property will be less expensive to develop in the long run.”




Case Study: Fort Collins

Address	Date Purchased	Date Sold	Request for Proposal (RFP) Date	Acreage	Expected Number of Affordable Units**
 3620 Kechter Rd	April 2002	2021	9/2018 and 1/2019	5.00	54
 6916 S College Av	October 2002			17.00	170-204
 1506 W Horsetooth Rd	February 2003	2016	11/2015	8.29	96
 5630 Tilden Street	January 2006			15.97	150-191
 1500 Block West Vine St.	June 2006			2.7 (4*)	48
 N. College Ave.	May 2020			5.00	75
Total				56.22	594-674

*Total after flood plain mitigation through Land Bank and Storm Water holdings.


**Calculations based on the assumption of 10-12 dwelling units per acre (du/ac)

Case Study: Fort Collins

 Program Assumptions vs. Program performance	
Original Assumptions	Performance
<ul style="list-style-type: none">• It would cost the City money to have a land bank.• The bank would grow a few acres annually.• The City would use credit to purchase new parcels.	<ul style="list-style-type: none">• The program has always cashflowed – including maintenance expenses• 5 parcels were purchased between 2002 and 2006 and held.• General Fund dollars only.

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Case Study: Albany County, New York, Land Bank

<div>  <div>ALBANY COUNTY LAND BANK CORPORATION</div> </div> PERFORMANCE HIGHLIGHTS			
	2022	2015-2022	
Buildings Acquired	2	397	
Lots Acquired	0	845	
Total Properties Acquired	2	1,242	
Buildings Sold	27	340	
Lots Sold	91	608	
Total Properties Sold	118	948	
Buyers: Located in Albany County	82%	83%	
Buyers: Same Municipality as Property	48%	68%	
Vacant Structures Demolished	1	112	
Grant Funding Leveraged	\$4,273,321	\$11,600,000	
Estimated Assessed Value Returned	\$3,600,600	\$28,147,562	
Estimated Private Investment Generated	\$3,911,188	\$37,438,790	

Albany County RFQ for Redevelopment

Building Public-Private Partnerships to Foster Equitable Development



In April 2022, the Albany County Land Bank issued a Request for Qualifications (RFQ) seeking responses from a qualified and experienced development team to plan, finance, and redevelop four vacant properties into a high-quality, mixed-income affordable housing development that includes a multi-purpose community hub space.

The project concept emerged through the Land Bank's extensive community outreach and engagement with a wide variety of community stakeholders including residents, neighborhood groups, community organizations, local elected officials, non-profit organizations, and businesses regarding the challenges and opportunities of redeveloping the site.

The RFQ was structured to facilitate connections between developers that possess the expertise, experience, and capacity necessary to redevelop challenging sites and community-based organizations and businesses that provide services that could benefit the surrounding neighborhood.

The Land Bank selected a development team in November 2022 and is working in partnership with community groups, neighborhood stakeholders, and local government to advance the redevelopment project.

Top: The project site was assembled by the Land Bank and comprises approximately 1.86 acres in the heart of Albany, New York.

Left: Vacant building acquired by the Albany County Land Bank and assembled for the project



Case Study: Columbus/ Franklin County, Ohio



CHANGING NEIGHBORHOODS, CHANGING LIVES

The First 10 Years of COCIC's
Impact in Franklin County

350 affordable homes

COCIC has funded or financed 350 homes and rentals that are affordably priced for low- and moderate-income families

1,658 market rate homes

COCIC has facilitated the preservation or construction of nearly 1,700 homes that sold or rent at market prices

205 acres of commercial land reclaimed

COCIC has extinguished delinquent taxes and fees, removed dilapidated properties, and/or maintained nearly a square mile of commercial parcels around the county

careful stewards of resources, \$1 : \$1.47

For every \$1 COCIC received from Franklin Co., the land bank has generated another \$1.47 through grants and programs

\$320M+ in increased property values

Demolition of blight, renovations of existing property, and new property built on cleared land has preserved or increased property values in Franklin Co. by at least \$320 million in the last decade



COCIC

Central Ohio Community Improvement Corporation

WWW.COCIC.ORG

Land Bank Purpose

- a) Establish the City of Centennial Land Bank with **authority acquire, hold, and sell real property to assist housing providers** (whether publicly affiliated, philanthropic, or private-sector for-profit) in providing affordable ownership and rental housing;
- b) Assist in **providing land that developers can feasibly purchase** for affordable housing;
- c) Create a method to **eliminate barriers to returning or converting** underutilized, vacant, or abandoned **properties to productive use**;
- d) Assist in the **early identification of sites for affordable housing** development so that adjacent property owners will be aware of the plans for these sites; and
- e) Systematically secure affordable housing sites so that **developments can be dispersed throughout the community** by strategically selecting sites for affordable housing projects in desirable locations.



Land Banks address Centennial goals

- **Local control over geography**
- **Takes advantage of market fluctuations**
- **Can prioritize ownership or financial equity generation**
- **Can preserve existing naturally affordable units**
- **Capitalize on external funding**



Authority and Governance

- a) The Land Bank shall be governed by a Board of Trustees (Board). The City Council shall either appoint a Board of Trustees or serve as the Board of Trustees.
- b) The City Council shall advance funds to the Land Bank to pay the initial expenses of establishing the Board and the Land Bank.
- c) The Land Bank may be dissolved by City Council ordinance. If the City Council dissolves the Land Bank, all property of the Land Bank shall be transferred to and held by the City and may be disposed of as otherwise provided by law.

Governing Law

- a) Prepare a budget for City review and approval
- b) Keep accurate financial records
- c) For any where there are transactions, perform an audit and submit an annual report to the City Council
- d) Subject to Colorado Open Records Act (CORA)

Appointment of Officers and Creation of Bylaws

- a) Board selects chair, vice chair, and treasurer
- b) All members are subject to Colorado conflicts of interest requirements
- c) Board establishes bylaws to describe:
 - 1) Appointment of officers;
 - 2) Meeting notice, frequency, quorum, and agenda requirements;
 - 3) Requirements for recommendations and decisions;
 - 4) Appointment of staff;
 - 5) Making and keeping of records and reports; and
 - 6) Standards and requirements for budget, financial, and property transactions



Powers of the Land Bank

- Authorize the City Manager to appoint and remove staff and provide for the compensation thereof;
- Study, develop, and prepare reports and plans as the Board deems necessary;
- Acquire, by purchase, gift, or devise, and convey any real property, including easements and reversionary interests, and personal property subject to the provisions of this chapter;
- Manage and use funds appropriated by City Council for the purchase or maintenance of Land Bank properties; *[Note: if the City opts-in to Prop. 123 funding (passed in November 2022, not current SB213), additional land banking funds may be available.]*
- Pursue funding from any appropriate source, including but not limited to:
 - Philanthropic foundation grants and private sector donations from organizations interested in affordable housing; and/or
 - State and federal funding opportunities.



Funding

1. A predictable, recurring funding source is preferred.
2. A land bank needs self funding + investment
 1. Property tax recapture
 2. Proceeds from sales
 3. Bond issuance/dedicated tax
 4. Shared staffing
3. Partnerships can fill funding gaps
 1. Local foundations
 2. Affordable housing developers
 3. School districts
 4. Neighborhood associations
4. Land Bank directors should be entrepreneurial and seek out one-time or limited funding opportunities
 1. Grants
 2. Contributions
 3. Issue-specific: Brownfield Redevelopment Financing

Case Study: Chaffee Housing Trust

Donor and Investor Opportunities

- Bricks & Mortar Fund: small and medium-sized donations for construction costs
- Impact Investment Fund: allows investor participation with a modest return on investment

“These funds are pooled to acquire properties when the timing is right, and not miss out to fast-acting private money. The fund is secured by the land itself, for two to five years, until construction financing can take out the loan, paying back investors with interest.”

DONATE NOW



CHAFFEE HOUSING TRUST
Bricks & Mortar Campaign

You can be part of the solution!

With your donation, we can help build homes for individuals and families priced out of the housing market.



Criteria for Land Acquisition

Property considered for acquisition shall be fully served by public facilities and services and meet at least one of the following criteria:

- a) The land is acquired from a willing seller (without the threat of condemnation).
- b) The cost of acquiring the land does not, in the Board's opinion, exceed the fair market value thereof.
- c) Either at the time of acquisition the land is, or in the judgment of the Centennial Community and Economic Development Director, the land within 10 years likely will be, within one-half (½) mile of at least two of the following four existing or planned facilities:
 - i. City bus or other public transit route;
 - ii. Public/charter school;
 - iii. Park, as designated by the City or other appropriate agency; or
 - iv. Commercial or employment center as identified in the comprehensive plan.
- d) The purchase complements properties already included in the Land Bank.



Criteria for **Property Inclusion** in Land Bank

- 1) Property acquired by the Board;
- 2) Parcels of tax delinquent property that have been foreclosed on through the appropriate process and that have the potential for development within a reasonable period of time;
- 3) Property currently held in the name of the City;
- 4) Parcels of property donated by other governmental entities; and
- 5) Property offered to and accepted by the Land Bank.

Property Administration

- a) Manage, maintain, and protect or temporarily use for a public purpose;
- b) Compile and maintain a written inventory of all such property;
- c) Evaluate potential, present, and future uses that would provide for the effective reutilization of the property;
- d) Use the best efforts to sell or dispose of property at times and upon terms deemed appropriate;
- e) Establish and maintain records and accounts reflecting all transactions, expenditures and revenues relating to the Bank's activities; and
- f) 30 days prior to the sale of any property, publish a notice in the official City newspaper announcing the sale.

Taxes and Assessments

- a) Property in land bank is exempt from property taxes
- b) Property purchased or included in the land bank is exempt from taxes, assessments, charges, and penalties/interest due on the property.

Disposition (Letting it Go)

- a) Disposition Priorities. Preference for use of Land Bank property that is conveyed for private development shall be in the following order:
 - 1) Owner-occupied affordable housing units,
 - 2) Affordable rental housing units, and
 - 3) Owner-occupied market rate housing units.
- b) The Land Bank shall consider the adopted comprehensive plan and most recent housing needs assessment and make reasonable efforts to coordinate the disposition of property in compliance with the plan and community housing needs.

Disposition (Letting it Go)

- f) The City may sell or trade property acquired pursuant to this chapter for purposes other than affordable housing if the Board determines that the property is no longer appropriate for the land bank program because:
 - 1) An affordable housing project on the property is not supported by a market study obtained by the City;
 - 2) At least two of the facilities described in Section 11-10-70(a)(3) do not exist within 10 years of acquisition of the property;
 - 3) The City has not received a satisfactory response to a request for proposals to develop the property; or
 - 4) The property is too difficult or costly to develop as affordable housing due to the size, location, physical condition, or other limitations on the property.
- g) Property deemed inappropriate may be used for any of the following:
 - 1) Additions to side or rear lots of adjacent parcels,
 - 2) Neighborhood parks or open space, or
 - 3) Other use consistent with applicable zoning and the comprehensive plan.



Consultation with Community Groups

- a) When a development project is proposed for property held by the Land Bank, Land Bank staff shall consult with any neighborhood association/community group/business association that may be affected the project and pass on to the Board the recommendations and concerns of such neighborhood associations/community groups/business associations.
- b) Proposals will be reviewed by the Land Bank staff and forwarded to the Board along with the recommendations and/or concerns of affected neighborhood groups/business entities.



Use of Proceeds

- a) Except as provided in paragraph (b), any moneys derived from the sale of property by the Land Bank shall be retained by the Land Bank for the purposes and operations thereof. Any funds not immediately required for the purposes of the bank shall be invested in the manner provided by Colorado Statutes.
- b) The Board may use all or any part of the proceeds from the sale described in paragraph (a) to reimburse the City for delinquent ad valorem taxes or special assessments due on the property.

Policies and Procedures

- a) The Land Bank shall develop policies and procedures consistent with the provisions of this chapter. The following goals shall guide the activities and policies of the Land Bank:
 - 1) Facilitate the acquisition of vacant and abandoned properties by qualified developers for development or redevelopment as affordable housing.
 - 2) Support and encourage the creation of infill affordable housing development that demonstrates beneficial community impact.

Land Banking

Staff Report Recommendation

- Hear feedback on the Land Banking strategy.
- No formal motion will be expected.

Questions

- What policy goals could/should a land bank be crafted to address?
- What opportunities exist for partnership with other organizations for administration of a land bank?
- What criteria should the land bank consider when acquiring properties or seeking development partners?

Next Steps

- **May 1-12** – Public Review of Batch 1 and Comment period
- **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