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# HOUSING CONVENING UPDATE

# Colorado's Statewide Housing Discussion Continues

Follow-up from the September 18, 2023, meeting

## Dear colleague:

On September 18, 2023, the Colorado Municipal League, along with Colorado Counties, Inc. (CCI), held a second convening at housing policy. The meeting was hosted by our partners at Denver Regional Council of Governments (DRCOG). Stakeholder groups present ranged from housing providers, the business community, state and local government partners, home builders, environmental groups, and community organizations. This second meeting emphasized regional collaboration and transit-oriented development (TOD) policy.

#### **DOLA UPDATE ON HOUSING GRANT PROGRAMS**

At the start of the meeting, a Department of Local Affairs representative updated on the Innovative Housing Strategies Grant Program, created by House Bill 22-1271. The presentation included an overview of both the incentives grant program, which has \$37.7 to award to local governments, and the planning grant program, which has \$6.8 to award. The update also included spotlights on several communities who have seen success with the program and future opportunities for local governments.

#### **REGIONAL COLLABORATION**

One of the central themes that emerged from the meeting was the importance of regional collaboration and planning in addressing housing challenges effectively. Participants acknowledged that housing issues transcend the boundaries of individual local governments, who all have unique challenges and solutions, However, there are few examples of regional planning where a region's housing, transit, infrastructure, and water needs are considered. There are several areas that have active housing authorities, however those entities are focused on approving individual housing projects, as opposed to planning. DRCOG and some rural resort areas have begun housing needs planning efforts, but most planning is being done by individual local governments. This policy discussion revealed several key insights:

Regional planning faces limitations when local governments cannot reach a consensus. This highlights the need for mechanisms to resolve disputes and facilitate cooperation.

- Some stakeholders called for an expectation that each community contributes a specified number of
  housing units at different income levels to the region. This notion of shared responsibility aims to ensure
  that housing solutions address the needs of all segments of the population.
- A recurring theme emphasized the importance of housing strategies that cater to a diverse range of
  residents and prevent displacement, including seniors, part-time workers, and individuals often
  overlooked in housing planning.
- It became clear that a one-size-fits-all approach is insufficient. Communities should have the flexibility to adopt housing plans that align with their unique needs and circumstances.
- Resistance to higher-density housing in some communities was noted along with challenges to
  increasing density in the built environment, raising questions about how to balance density with other
  factors in housing planning.
- Stakeholders underscored the need for housing plans that align with regional workforce needs, recognizing that a thriving workforce requires diverse housing options.

A key element of planning for housing includes conducting housing needs assessments. Some stakeholders in the rooms opined that state-level needs assessment might not be the most effective approach to strategically plan for housing. Rather, regional or local needs assessments might be able better illuminate gaps in a different communities' needs, which stresses the importance of flexibility and community involvement in devising housing strategies. This desire for more localized assessments was countered with the state's need for comprehensive data to inform housing policy decisions. From the state's perspective, accurate data is essential to understanding and addressing the housing challenges effectively.

The discussion also included insights from the state demographer who highlighted the need for housing solutions that can withstand economic fluctuations. Recent trends, such as an increase in building permits, were noted, indicating the dynamic nature of the housing market.

Home builders and representatives from the business community raised concerns about the challenges related to inspection and permit deadlines. They also introduced the notion that greenfield development might be more affordable initially due to lower infrastructure costs, sparking debate about the long-term economic implications.

#### TRANSIT-ORIENTED DEVELOPMENT

The second policy discussion focused on transit-oriented development, and various challenges housing providers, developers, and local governments come up against when planning for high density development in transit areas. Stakeholders discussed the state's role in funding TOD projects, emphasizing the need for both density and affordability in TOD planning. Avoiding displacement near transit hubs was also highlighted as a critical concern. The discussion uncovered various barriers to TOD projects, including regulatory requirements, lengthy processes, and legal challenges to decisions. The cost of capital and repeated reviews also presented significant hurdles for home builders.

Several groups raised concerns about securing federal funding for transit projects and noted the limited funding for transit operations. The importance of Bus Rapid Transit (BRT) in TOD was emphasized due to limitations in development near light rail lines.

Stakeholders called for better coordination between housing needs and transit funding. Challenges related to limited support and coordination from the Colorado Department of Transportation (CDOT) were highlighted. Local governments were encouraged to consider housing policies even in the absence of specific development projects. The discussion also acknowledged the need to consider businesses in addition to residents when addressing displacement, recognizing that both are important parts of the community.

#### **CONCLUSION**

This second meeting highlighted several key themes, including the need for regional collaboration, equitable housing distribution, community-driven solutions, comprehensive data collection, and addressing barriers to TOD. These themes underscore the complexity of the issues at hand and highlight the importance of continued dialogue and collaborative efforts in shaping effective policies that will create more affordable housing.

Both CML and CCI are committed to these collaborative efforts and will be conferring internally with our members about specific policies and strategies. Please continue to look for more communication from CML once we have policy proposals to share.

We look forward to the ongoing discussion.

Kevin Bommer

CML Executive Director

### **ATTACHMENTS:**

- Stakeholder groups that CML and CCI have included in these discussion
- DOLA <u>Innovative Housing Strategies Grant Program</u> Slides