

Matrix of Possible Affordable Housing Tools, Policies, and Programs

Excerpt from Regional Affordable Housing Initiative Final Report - www.hmcnews.org/housing/FINALHOUSING-jan2000.pdf

MATRIX OF AFFORDABLE HOUSING PROGRAMS								
TYPE	Program Selected Communities Employing	Program Description	Public Administrative Responsibilities	Number of Units Produced	Types of Units Produced	Primary Group Served	Political or Legal Issues	Considerations & Unintended Consequences
INCENTIVES	Density Bonus <i>Aspen/Pitkin Cty. Rancho Mirage, CA San Miguel Cty. Aspen/Pitkin Cty. Garfield Cty.</i>	Provisions allowing an increase in density if all or part of the increased density is deed restricted	Administration of zoning and deed restrictions/ If price controls are a part of the deed restriction, additional responsibilities may include development, construction management	Up to 100% of housing needed by middle income households, less where price controls are required	Single-family, or multi-family where price controls or required	Wide range of needs may be met	Nexus not required/ conflict w/open space goals, growth rate concerns./ N.I.M.B.Y. (Stipulating maximum bonus might help mitigate political issues)	Price controls are strong disincentive to private sector participation/ Without price controls low income, seasonal and entry level housing needs are unlikely to be met
	Accessory Units <i>Aspen/Pitkin Cty. San Miguel Cty. Snowmass</i>	Optional, small second units attached to or within single family units	Administration of zoning and deed restrictions	Most successful in high cost areas	Small apartments	Seasonal, Singles, Couples	Growth rate & quality of life concerns (may be addressed w/size & occupancy regs.)	Should be deed restricted, occupancy requirement extremely difficult to enforce
EXACTIONS	Inclusionary Zoning Requirements <i>Aspen/Pitkin CO/60% San Miguel Cty./15% Snowmass/60% Basalt, CO/20% Garfield/10%</i>	Mandatory inclusion or setaside of affordable or local housing units (usually the same type or similar to other units in development), or cash-in-lieu, as a quid quo pro for development approval	Administration of zoning and deed restrictions	Limited only by political & economic tolerance, and "takings" rulings	Single-family, Multi-family	Target income group, Singles, Couples, Families	Nexus not required, Only impacts development community	Potential adverse effect on value of free market units, Locational issues including transportation impacts and the desirability socio-economic mix within developments
	Commercial/Industrial/Lodging Linkage <i>Aspen/PitkinCty./60% San Miguel, CO/15% Snowmass, CO/60% Whistler, B.C./20-30% Basalt, CO/20%</i>	Zoning provisions that require new development to provide funds or housing to meet some portion of identifiable impacts of new development (15% to 60%) range, common	Administration of zoning and/or deed restrictions	Up to 100% of housing need generated (limited only by political & economic tolerance)	Multi-family	Low & moderate income households, Entry level, Seasonal, Singles, Couples, Young families	Strong nexus, Development pays its way, Only impacts development community	Possible mass and scale consequences, Site suitability issue (Local residents may not want to live among short-term accommodations)
PRODUCTION	Fees-based <i>Whistler, B.C. San Diego, CA</i>	Using dedicated fee-based funding sources to fund a housing trust fund (e.g. linkage fees, Business license fees)	Administration of fund allocation and program compliance	Up to 100% of seasonal & low income housing need	Most likely limited to multi-family	Low income households, Entry level, Seasonal, Singles, Couples, Young families	N.I.M.B.Y./Fees have highest nexus standards, Increased spending is subject to Tabor, Multiple funding sources can spread burden thru community	Tendency to use funds for low and moderate income groups/ Middle income & families needs might not be met (unless complemented with other programs)
	Tax-based <i>Boulder, CO \$0.25/ft Basalt, CO \$0.50/ft.</i>	Using dedicated tax-based funding sources to fund a housing trust fund (e.g. sales tax, housing excise tax, head tax, property tax)	Administration of fund allocation and program compliance	Up to 100% of seasonal & low income housing need	Most likely limited to multi-family	Low income households, Entry level, Seasonal, Singles, Couples, Young families	N.I.M.B.Y./Increased spending is subject to Tabor – may require a vote of people/ Multiple funding sources can spread burden thru community	Tendency to use funds for low and moderate income groups/ Middle income & families needs might not be met (unless complemented with other programs)
	Community Land Trust <i>Hundreds of examples across the U.S. Boulder Colorado Sprgs Denver Jackson Hole</i>	Effective method to maintain affordability/ Covenant requires improvements be sold and/or leased to households meeting defined income requirements/Land cost usually not included in total dev. costs	Oversight by non-profit	Depends on the underlying zoning	Townhomes and single family homes	Low to moderate Income Households	Crafting a 99-year land lease with covenants that is acceptable to lenders, tenants and the oversight entity	Establishing a self-managing entity to oversee the land trust requirements

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PRODUCTION	Land Banking	<i>Land is purchased or donated or acquired when purchasing property for other public purposes (e.g. park and open space) and held for future affordable housing development</i>	Zoning oversight and possibly covenant/ restrictions imposed as a condition land purchase	Number and types of units produced depends upon the parcel size & zoning	Multi-family and single family homes	Mixed Income	NIMBY/ Adjacent residents become accustomed to thinking of the land-banked property as open space	Land values can increase over time, causing some to suggest "rolling" the parcel to raise money to acquire more housing
	Community Dev. Corp. or Other Entity As Developer <i>Aspen/Pitkin Cty. Telluride</i>	Community Development Corporation or other public or quasi-public entity assumes an active role as developer and builds needed affordable housing	Development, Construction monitoring, Management, Administration of zoning and deed restriction	Limited only by political will & financial capability	Single-family, Multi-family	All types, including entry level, seniors, singles, couples, young families	Nexus not required, N.I.M.B.Y.	Requires experienced staff, exclusively dedicated to development and management tasks
PLANNING AND ZONING	Size Restrictions	Restricting the size of units implies that over time they will remain relatively more affordable	Zoning administration	Town homes, single-family /moderate-income households	Condos, townhomes and small single family	Low to moderate income households	Developers often do not like to consider size restricted housing	In high cost areas, smaller units' resale value can quickly outpace the ability of low to moderate-income households to purchase or rent
	Mixed Use	Residential uses are integrated with commercial or industrial uses, ideally in pedestrian-oriented project	The public body would oversee the zoning and land use requirements	Units produced will vary	Apartments or condos	Small (1-2) households	Concerns about the density, parking and shared spaces.	Site suitability and design are primary considerations
	Mobile Home Park Zoning	Mobile home parks are a primary source of single family, owner occupied units in many areas	Zoning Administration	About 10 per acre	Single-family, mobile homes	Low to moderate to incomes households	N.I.M.B.Y. / Landowners tend to hold them for redeveloped into a higher and better use	A mobile home w/ deeded lot can escalate much faster than a mobile home on a rental lot, lot rents can become excessive.
	Flexible Development Standards <i>Aspen/Pitkin Cty. San Miguel Cty. Montgomery Cty, MD</i>	Modification of zoning, site, street & other design requirements to lower housing costs	Zoning and deed restriction administration/ Increased plan scrutiny	Developers can address broader market if combined with density increase	Single-family, Multi-family	All income households and groups	Potential conflicts w/other master planning goals/Difficult to verify that cost savings directly reduce sales costs.	Site plan standards must be carefully designed and towns must conduct thorough review to ensure quality projects
	Annexation Policies	Annexation policies can require that land with significant development or redevelopment potential, include affordable housing	Develop and enforce an annexation policy and affordable housing requirements	Results depend upon the parcel size and amount off affordable housing required			Determination that affordable housing is a community benefit as part of a comprehensive planning process/Requires high level of cord. with county.	This program is not popular among landowners.
	Fee Waivers or Deferrals <i>Many examples</i>	Fees payable for services or for public costs incurred used to subsidize housing development	Establish specific criteria and procedure, Administration of program	Marginal increase in available units	All	All	Program is subject to potential equal protection challenge, unless fee funds reimbursed	Facility/service revenue shortfalls should be made up (i.e. General Fund, other source)
	Fast Track Approvals	Shortening of public review process & limit public comment and participation	Prioritize affordable housing reviews/ Faster completion of thorough review	In the long run, no more units produced	All	All	N.I.M.B.Y. exacerbation, Potential conflicts w/other master planning goals	Potential for poor quality projects and conflicts w/ flexible development standards

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F I N A N C I A L	Rehabilitation Loans (Revolving Fund)	Low (3-5%) loans made available to income qualified households for code and safety repairs/ Loans are typically repaid upon sale	Administration, inspections to determine rehab needed and estimate of cost, obtain bids and const. mgt.	Maintains existing stock		Mostly low-income households are served	Creating contracts/ liens to be recorded against the property	Requires seed funds and a mechanism for inspection, contracting, recapturing funds
	Downpayment Assistance and Gap Financing	Down payment assistance is provided to income qualified buyers in exchange for deed restriction on resale	Covenant adm. and enforcement /Works best where a list is kept of interested, qualified, buyers /Homebuyer-training program	No units produced; however, existing housing stock is made more affordable	Program typically involves townhomes and condos, depending on cost and availability	Moderate-income households	Lenders will be concerned about their ability to foreclose upon loan default and to the notes on the secondary market	High cost of housing relative to the income of targeted households /Resale risks/ Works best in high-end markets
	Low Income Housing Tax Credit	Federal program used by both private and non-profit developers to generate equity for affordable housing/ Must set aside not <20% of units for households earning <50% of the AMI, <u>or</u> , not <40% for households earning <60% of the AMI for not <15 years	Zoning administration/ Support of the developer for the tax credits	Tax credit projects work best if at least 100 units are developed	This is a rental program	Primarily low to moderate-income families	Very few political or legal issues for the locality. Projects require local support to receive the credit	Tax credits are very competitive and are awarded on a point system/ Most developers provide more than the 60% set aside & either permanent or 30-year affordability requirements
	Community Development Block Grant/HOME and Other State Funds	Federally funded programs administered by State/ CDBG provides funds for a broad range of uses, including affordable housing	Local support required to receive funds.	Varies	All types of units/ New and acquisition	Households earning no more than 80% of the AMI	Usually involves using funds from several different sources. This can be confusing to the developer	Competition for fund is keen and most developers set aside housing for households earning less than the 80% of AMI
	Non-Profit Corp./ Private Developer Partnership (63- 20) Finance Program <i>Edwards/Lake Creek Avon/Eagle Bend Keystone/WinterGreen</i>	Tax exempt financing issued for non-profit, project-specific corporation formed under Internal Revenue Tax Code No. 63-20/ Employers can participate with subordinate financing	Sponsorship of formation of corporation and issuance of revenue bonds (no general obligation)	Not less than 100 units per project due to bond issue, underwriting, and placement costs/ ownership reversion to sponsoring gov.	Multi-family, Rentals	Low & middle income households/ Seasonal workers (up to 50% of units may be master leased)	Projects are tax exempt/ Impacts to school district and other taxing authorities/ N.I.M.B.Y.	No public staffing required/ Sponsoring government controls the board of the corporation