

Memorandum

To: Clear Creek County Commissioners
Affordable Housing Task Force Members

From: Melanie Rees, Rees Consulting, Inc.
Kathy McCormick, McCormick and Associates, Inc.

RE: Implementing Attainable Housing Strategies

Date: September 30, 2003

This memorandum summarizes the outcome of the September 25th work session. It lists the actions to be taken to initiate work on the top priorities for workforce housing in Clear Creek County over the next three years. These priorities were established after a lengthy list of ideas for housing projects and programs that had been compiled from past needs assessments and the recent work of the Affordable Housing Task Force was reviewed. Although 42 distinct actions that could be taken to enhance and expand workforce housing opportunities in Clear Creek County were identified in the initial effort, a total of nine priorities were identified that, when combined, formed an actionable housing strategy for the county. These actions were evaluated based on five factors:

- Vision
- Public policy
- Need
- Feasibility
- Timing

The nine priority actions included:

- Developing a public policy in conjunction with the municipalities, school district and sanitation district regarding where workforce housing should be developed.
- Creating a housing rehabilitation program to increase the quality of the county's supply of older single-family homes.
- Developing new mobile home parks on sites more appropriate for residential use and converting existing park sites along I-70 to commercial uses.
- Allowing accessory dwelling units in the county.
- Developing new mid-level units for homeownership.

- Promoting small to moderate scale infill development on parcels served by existing infrastructure.
- Establishing a positive set of conditions under which housing development can take place including a clearinghouse for developers, a project review and support system, streamlined processing, incentives, and modification of subdivision and zoning codes.
- Addressing zoning and other barriers to the renovation of existing units; creating an overlay zoning district to encourage landlords to renovate units.
- Setting up a homeownership training and credit counseling program for potential homebuyers that network them with below-market interest rate mortgages and down payment assistance.

Implementation Strategies The nine priorities were discussed at the September 25th workshop and actions defined to initiate work on each of these items. The discussion included identification of key participants who needed to be involved for the success of the effort, timing and a lead person(s) who would follow up on each of the items. It was generally acknowledged that, for success throughout the county, involvement by each of the local governments would be critical. There was also discussion about individual task force members meeting with elected officials, planning commission members and employers to review some of the findings of the needs assessment and the actions that were being pursued to address both the housing needs in the area as well as some of the opportunities.

It is important to note that one challenge Clear Creek County faces in implementing a housing strategy is the reliance on volunteers and elected officials to carry out much of the research and administrative work needed to evaluate approaches and implement the agreed upon tasks. A staff person who was dedicated to working on some of the tasks would improve the overall success of these efforts. As discussed, a full-time person would not be needed at this time.

Through the course of the discussion, some of the nine actions were collapsed under one umbrella as they involved similar agreements or program approaches. These are presented below, along with some of the program strategies that were presented at the workshop. Included is the proposed timeframe and follow-up actions that were agreed upon at the session

1. Develop a public policy to identify suitable locations for development of workforce housing. As described, this would include participation from the municipalities, school district and sanitation district.

Key Considerations Typically, key considerations in identifying locations for workforce housing include proximity to existing employment, ease of access (close to major transit line), availability of land and favorable zoning conditions, (such as multi-family zoning), and willingness of local governments to entertain development proposals.

Discussion Highlights Ideally, agreements will be reached about potential locations for workforce housing among the county and incorporated communities. These agreements could be folded into the master planning process, although the master planning process is almost complete. Because of this, it is likely that these agreements will be reached outside of this

process and the master plan would be amended to accommodate the changes. There was agreement that a key factor to success of any of these efforts was to gain the support of local governments, and would include discussions with employers, local governments, property owners and other interested individuals or organizations. It was decided that a facilitated discussion using an outside consultant would be the best method for achieving these agreements. Other key discussion points included:

- The outcome would interface with various land use strategies that were identified as part of this process.
- Preparation of background materials that were specific to each jurisdiction would need to be prepared. This would include a description of vacant land and current/proposed zoning.

Follow-Up: JoAnn Sorenson agreed to convene a subcommittee of the Housing Task Force to begin working on a meeting with local governments. The meeting is scheduled for October 16, 2003.

2. Establish a positive set of conditions under which housing development can take place.

Key Considerations Developers often state that local regulations add unnecessarily to housing costs. On the other hand, local governments use regulations to promote development that fits with the character of the area and enhances the overall livability of a community. A review of existing regulations to identify those that may add to cost, either in time, materials, review procedures or other requirements will mean modifying some codes and regulations to better support development. It will include using incentives, such as fast tracking or delaying collection of fees that could result in some developments receiving a priority over others and have an impact on cash flow to local governments.

Discussion Highlights Several of the actions that were identified previously would fall under an examination of zoning, program fees and use of regulations to promote desired development and redevelopment/renovation in Clear Creek County. Done well, creating a positive set of conditions would also:

a. Allow accessory dwelling units. This would promote use of existing land and buildings to provide additional affordable housing. It was understood that to accomplish this would require the development of regulations that will support accessory units.

b. Provide opportunities to develop new mid-level homes for purchase. Increasing ownership opportunities for mid-level buyers is desired and will involve use of incentives, such as fee deferrals, density bonuses and fast tracking of development approvals. Locating developers willing to build small developments to address the need in the area will also be an important consideration. Ideally, vacant parcels that would be suitable for residential development and allow densities that would support more affordable housing development (e.g. 8-10 dwelling units per acre) would be identified as part of the process used to locate sites for workforce housing.

c. Promote small to moderate scale in-fill development. In-fill development is desired because it uses existing infrastructure and locates new development (typically) within town boundaries. This means that new residential development will be added to areas where roads, water, sewer and related infrastructure exists and that in-fill is a desired use on small lots within towns.

d. Address zoning and other barriers to the renovation of existing units; create an overlay zoning district to encourage landlords to renovate units. This approach implies that current property owners will receive some type of incentive to renovate properties. This could include increasing/decreasing density within a development, waiving all or a portion of some fees or providing some type of property tax abatement. For example, property taxes would be rebated or held at existing levels for a five-year period of time to help defray some of the redevelopment costs. Another is to gain a clear understanding about what portion of property taxes could be abated or remain fixed over time.

Follow-Up: Steve and Lisa agreed to begin working on the regulatory issues in January 2004, with a targeted completion date of June, 2004. Their primary focus will be on a review of existing regulations/fee structures that could be modified to support various community housing efforts.

3. Develop new mobile home parks in residential areas and convert existing sites to commercial uses.

Key Program Considerations To be successful, there will need to be vacant land that is suitable for mobile home development and possible relocation of some units. This would also involve identifying current sites that are the most suitable for commercial uses and working with existing owners to gain agreements to redeveloping the site. The formation of improvement/redevelopment districts may be an effective way to promote redevelopment of these locations and potentially provide revenue to offset the pre-development expenses. Other considerations include:

- Leadership will be needed to promote redevelopment of the sites and encourage municipalities to accept new mobile home development within their jurisdictions;
- Explore use of improvement/redevelopment districts as a way to encourage and support redevelopment. Typically, outside consultants skilled in this topic are used to evaluate the possibilities and develop needed legal parameters; and,
- Gain agreements from local governments to pursue redevelopment of these sites.

Discussion Highlights

- Before redevelopment of existing parks can be established, it will be critical to have general agreements among local governments that this is a strategy to be pursued.
- Identify potential sites for new mobile home park developments early on and gain agreements that this will be an acceptable use of the site. This holds true for converting existing sites to non-residential uses.
- Create an inter-governmental agreement to redevelop key sites and provide funding for and/or assign a staff person to undertake related tasks.
- Explore existing organizations, such as the Clear Creek Economic Development Corporation, Historic Georgetown or comparable redevelopment agency to provide leadership/expertise, develop a plan of action and follow through on agreed upon strategies.
- Talk with others who have done redevelopment, such as the Mayor of Lakewood or Frank Gray, the Redevelopment Director in Lakewood to learn about redevelopment options.

- Use the State Division of Housing Definitions for mobile homes and manufactured housing.

Follow-up: This topic will be included in the discussion of suitable locations for workforce housing. A more detailed description of follow-up tasks will be mapped out after the tasks for #1 have been completed. JoAnn Sorenson will include this as part of the efforts to be undertaken by the Housing Task Force Sub-committee.

4. Create a housing rehabilitation program targeted toward older, single-family homes.

Key Considerations Rehabilitation programs are a very effective way of improving the housing stock and tend to be easy to implement. They are often established as low interest loans that have payments deferred until a later date, such as when a unit sells, is refinanced or for one year. This allows the funds to revolve. In some instances, funds are made as grants for very-low-income households. CDBG funds are eligible for this type of program and allow for some funding to be used for program administration. An individual or entity that will manage the program is needed. Often, the rehabilitation itself is sub-contracted to a general contractor from the area.

Discussion Highlights

- Funding for a rehabilitation program may be available through the Division of Housing. This funding allows 20% of the dollars to be used for program administration.
- Two options will be explored:
- Clear Creek County or another local agency may be interested in overseeing the program, including administration of funds, outlining program parameters, advertising and client selection and locating qualified contractors to perform the work.
- Sub-contracting with another entity, such as the Jeffco Housing Authority (contact Alan Feinstein, Executive Director), the Longs Peak Energy Conservation (Amy Hollandar 303-441-3829) or other organizations that currently oversee rehabilitation programs to perform the work. Interviews with these entities will be done and a recommendation made to the Task Force about how to proceed will be provided.

Follow-Up: JoAnn Sorenson and Bob Loeffler, with support from Ann Watts, will explore these two options. They will make a recommendation by December 1, 2003.

5. Set up homeownership training and credit counseling programs for potential buyers.

Key Considerations: Several organizations provide homeownership and credit counseling for potential buyers throughout Colorado. These agencies receive funding from HUD to provide these services, although local governments often supplement their revenues. Because of this, it may be fairly easy to initiate this program in Clear Creek County. For example, Consumer Credit Counseling has offices throughout metro Denver, in El Paso County, and Grand Junction. The Summit County Housing Authority is also approved to provide homeownership and credit counseling as is the Colorado Housing Assistance Corporation. These agencies are usually well connected to and familiar with down payment assistance programs, below market rate mortgages and can help buyers evaluate different mortgage products available through private lenders (such as adjustable rate mortgages). Funding for down payment assistance and homebuyer training could be obtained from federal grants, foundations or local lenders. Ideally, another organization would include Clear Creek County in their funding requests.

Discussion Highlights:

- Ideally an existing agency would be used to provide this program;
- This is the type of program that can be implemented easily and show success early; and,
- Other groups, including the Rural Resort Region have joined together to promote and locate funding for down payment assistance.

Follow-Up: JoAnn Sorenson and Bob Loeffler, with support from Anne Watts, will talk with Summit County Housing Authority and a few other agencies that provide down payment assistance and homebuyer education and find out what would be needed to provide these services in Clear Creek County. They will make a recommendation by December 1, 2003

Implementation Steps – Clear Creek County September 30, 2003

Implementation Strategies	Who makes decision (s)/ needs to be involved?	How will this be initiated?	When will tasks be started?	Who will follow-up?
<p>1. Develop public policy to identify suitable locations for workforce housing development.</p>	<ul style="list-style-type: none"> • Elected Officials from local governments and county • Planning commissions • Key Staff • Property Owners • Employers • Housing Task Force Members 	<ul style="list-style-type: none"> • Initially start with a facilitated discussion among local governments. Goal is to create a set of agreements to jointly pursue land use and regulatory changes that support key strategies. Ideally, an IGA would be executed that outlines areas of agreement • Preparation of background material at least one month prior to meeting. Material will be specific to each jurisdiction and include current and proposed zoning/vacant land as identified through the comprehensive plan and employment information 	<ul style="list-style-type: none"> • October 16th – meeting of a Housing Task Force Sub-Committee 	<ul style="list-style-type: none"> • JoAnn Sorenson
<p>2. Establish positive set of conditions for housing development, including a clearinghouse, project review and support system, streamlined processing, incentives and modification of subdivision and zoning codes. Desired outcomes of this effort include:</p> <ul style="list-style-type: none"> • More mid-priced homes for potential employees/residents of Clear Creek County. • Allowing accessory dwelling units. • Promoting small to moderate scale in-fill development served by existing infrastructure. • Addressing zoning and other barriers for renovation of existing units and creating 	<ul style="list-style-type: none"> • Local governments • Planning commissions • Housing Task Force 	<ul style="list-style-type: none"> • Work on these items will follow agreements reached through creating policy agreements about locations and methods to achieve workforce housing • Review of existing regulations and fee structure and making changes that will support local goals. Preparation of code changes for consideration by County and local governments 	<ul style="list-style-type: none"> • Start date – January 2004 • Completion – June 2004 	<ul style="list-style-type: none"> • Steve • Lisa

incentives to encourage landlords to renovate units.				
Implementation Strategies	Who makes decision (s)/ needs to be involved?	How will this be initiated?	When will tasks be started?	Who will follow-up?
3. Develop new mobile home parks in residential areas and convert existing sites for commercial uses.	<ul style="list-style-type: none"> Elected Officials from local governments and county Planning commissions Key Staff Property Owners Employers Housing Task Force Members 	<ul style="list-style-type: none"> This topic will be incorporated into the discussion of suitable locations for workforce housing. 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> JoAnn Sorenson
4. Creating a housing rehabilitation program targeted toward older, single-family homes 5. Set up a homeownership training and credit counseling program for potential buyers	<ul style="list-style-type: none"> Could be a county initiated program with support from local governments 	<ul style="list-style-type: none"> Explore options for subcontracting. Contact Jeffco Housing Authority and investigate other programs for rehabilitation Evaluate bringing rehab program in-house Talk with Summit County and Colorado Housing Assistance Corporation about Homeownership Counseling 	<ul style="list-style-type: none"> December 1, 2003 	<ul style="list-style-type: none"> JoAnn Sorenson Bob Loeffler Anne Watts