

Affordable Housing Development Planning Grant Program (HB 21-1271)

What is the Planning Grant Program?

The Planning Grant Program will assist eligible Colorado communities to fund critical planning work to adopt qualified strategies that will make them eligible/competitive for the Incentives Grant Program.

Which communities are eligible to apply?

Municipalities and counties are eligible to apply for funds. Housing authorities, councils of governments, and nonprofit organizations are not eligible as applicants but can partner with applicant jurisdictions.

What are eligible uses for the funds?

Eligible communities must use the funds to pursue adoption of at least one of the qualifying strategies listed in the Incentives Grant Program guidelines (see back of this page for the list). Projects can also include housing needs analyses, vacant property inventories, or other relevant analyses or studies that demonstrate a nexus with adopting a qualifying strategy. All applicants are expected to describe how their public engagement processes will be inclusive and equitable.

What costs are ineligible?

Funds cannot be used for administrative costs, such as funding salaries for existing staff, or to fund a master development plan for an affordable housing project (DOLA considers this type of plan a predevelopment cost, which may be eligible as part of an Incentives Grant).

What is the award limit? Is there a match requirement?

Approximately \$6,816,000 is available for awards and DOLA expects applicants will typically apply for \$50,000-\$200,000. There is not a maximum grant request limit. A 25% local cash match is required (no in-kind match but leveraging is encouraged). Local governments with an economic hardship may request a match reduction or waiver by talking with their DOLA Regional Manager.

When do the funds need to be spent by?

All funds must be fully expended (not just encumbered) before June 30, 2024, but those wishing to apply for Incentives Grants should aim to complete work by the fall of 2022 (applicants do not have to intend to apply for an Incentives Grant to be competitive for a Planning Grant).

When does the application process begin?

Applications are currently open. To be considered for the first of round of awards, local governments must submit their application by September 20th. Rolling grant cycles will occur (approximately monthly) until all funds are depleted. Consult with your DOLA Regional Manager prior to submitting.

List of Qualifying Strategies to be Eligible to Apply for Incentives Grants:

1. The use of vacant publicly owned real property within the local government for the development of affordable housing;
2. The creation of a program to subsidize or otherwise reduce local development review or fees, including but not limited to building permit fees, planning waivers, and water and sewer tap fees, for affordable housing development;
3. The creation of an expedited development review process for affordable housing aimed at households the annual income of which is at or below one hundred twenty percent of the area median income of households of that size in the county in which the housing is located;
4. The creation of an expedited development review process for acquiring or repurposing underutilized commercial property that can be rezoned to include affordable housing units, including the preservation of existing affordable housing units;
5. The establishment of a density bonus program to increase the construction of units that meet critical housing needs in the local community;
6. With respect to water utility charges, the creation of processes to promote the use of sub-metering of utility charges for affordable housing projects and the creation of expertise in water utility matters dedicated to affordable housing projects;
7. With respect to infrastructure, the creation of a dedicated funding source to subsidize infrastructure costs and associated fees related to publicly owned water, sanitary sewer, storm sewers, and roadways infrastructure;
8. Granting duplexes, triplexes, or other appropriate multi-family housing options as a use by right in single-family residential zoning districts;
9. The classification of a proposed affordable housing development as a use by right when it meets the building density and design standards of a given zoning district;
10. Authorizing accessory dwelling units as a use by right on parcels in single family zoning districts that meet the safety and infrastructure capacity considerations of local governments;
11. Allowing planned unit developments with integrated affordable housing units;
12. Allowing the development of small square footage residential unit sizes;
13. Lessened minimum parking requirements for new affordable housing developments;
14. The creation of a land donation, land acquisition, or land banking program;
15. An inclusionary zoning ordinance (per CRS 29-20-104(1)), and
16. Other novel, innovative, or creative approaches to incentivize affordable housing development.