

PLANNING MATTERS



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MAY 2019 HOUSING



Generational Bond:

Affordable Senior Housing Helping Families Grow Old Together

LIMBY

The "Live in My Backyard" invitation

Zoning for Alternative Housing

Meeting the demand with modern code updates

Community Inclusion

A Prerequisite to Solving the Housing Affordability Crisis

THE ART OF SELECTING A GOOD DEVELOPMENT PARTNER

By Willa Williford

Consider this scenario: Your community has a housing problem. Your elected officials have promised solutions. The private sector can't overcome the financial gap alone. There's a nice piece of publicly owned land, and political will to build housing there. Now what? Creating a public/private partnership to share risk and achieve community goals could be the way. Public/private partnerships for housing have loads of creative potential. And, a few common pitfalls. Here we explore some best practices to set your community up for success.

- **Open and transparent process** – Include the public before, during, (and after) your development partner selection. I usually recommend a Request for Qualifications (RFQ) or Request for Proposals (RFP). A well-crafted process creates a competitive playing field where the best proposals and most qualified partners can rise to the top. Public outreach before or during the selection process can stimulate new ideas, create community buy-in, and ensure the project is aligned with community values. In one community, proposing developers were required to give 10- minute pitches and neighbors were able to ask questions and rank responses.

- Clear but flexible goals – Guiding principles communicate a sense of the overall purpose of the project and if a partner might be a good fit. Goals or guiding principles often clarify topics such as:
 - Who are we seeking to house? Owners or renters? At what income or mix of incomes? In what housing types?
 - Sustainability – expectations for quality, durability, density, energy consumption
 - Neighborhood compatibility – what other amenities or aesthetics are important in this context?

Creating clear but flexible goals is a Goldilocks proposition: Requests that are overly open ended are frustrating; prospective development teams feel like they are shooting in the dark. Overly prescriptive requests (build 12 net zero homes for sale to families below 60% AMI) are unrealistic, and usually fail to attract a qualified partner.

- Baseline feasibility and data - Understand the basic parameters of your site. In crafting your process and negotiating with your development partner, be realistic about site constraints, project costs, and market need. Keep in mind that the project is intended to satisfy a public good first, but must also be somewhat profitable.
- Relationship – Who do you want on your team when the chips are down? Building housing takes time, and there will be unexpected hurdles along the way. Does your partner have a good reputation? Do they understand and respect the values of the community and project?

Do your due diligence and check references. Some red flags to consider: no experience in your





community or region, no experience doing similar projects, over estimating the size of the market, unwillingness to be “open book” about finances, and/or previous financial difficulty with projects.

Good luck with your project. And keep in mind, well-crafted public/private partnerships have the potential to draw on the best skills and resources of each sector, creating positive community outcomes neither sector could do alone.

Willa Williford is an affordable housing consultant based in Crested Butte. She works throughout the mountain west helping communities identify and implement their housing goals. She has worked on dozens of successful public/private partnerships, and a few not so successful ones.

2019 AFFORDABLE HOUSING LEGISLATION

By Susan Wood, AICP, Legislative Committee Chair

It is an established fact that rents in Metro Denver are high (and increasing) and the cost of home ownership in the Metro area make it difficult, if not impossible, for many. While this trend is not fully universal across Colorado, the increase in housing cost has affected all, but a few of the most rural and remote communities.

In Denver, for example, the average rent for a one bedroom apartment is \$1,673/month, which is a 3.95% increase from last year¹. Equally concerning, the median sales price for a single-family home in some of the most populated Colorado Front Range counties is inching beyond \$450,000². These figures clearly demonstrate the disproportionate share of monthly income that must be allocated for housing and shed light on the difficulty of many to provide for their families. These statistics also explain why in the last few years, there have been 5 to 10 bills introduced in

each legislative session to address affordable housing. These include extending the Low Income Housing Tax Credit; providing trust funds to assist low income buyers; consumer protections for renters; and more. Most of these were not successful.

The State of Colorado 2019 Legislative Session was no different in regard to the number of housing bills introduced. This session, 16 housing bills were introduced and seven of these were tracked by the APA CO Legislative Committee. There were a couple of exceptions in the type of bills introduced, which are discussed below and another major difference from previous years, is the success of many of the 2019 bills. A summary of the housing bills tracked by APA CO follows on the next page.

The real exceptions in this session’s Affordable Housing lineup were HB19-1245, which introduced

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Resources:

1. <https://www.rentjungle.com/average-rent-in-denver-rent-trends/>; “Rent trend data in Denver, Colorado,” accessed May 8, 2019.
2. <https://www.coloradorealtors.com/market-trends/regional-and-statewide-statistics/>; “Housing Market Sortable Statistics – Single Family,” accessed May 8, 2019.