



TOWN OF ERIE

645 Holbrook Street
Erie, CO 80516

Town Council

Board Meeting Date: 1/25/2022

File #: 22-47, Version: 1

SUBJECT:

Inclusionary Housing Update

DEPARTMENT: Planning & Development

PRESENTER: Paul Glasgow, Interim Director of Planning & Development

TIME ESTIMATE: 30 minutes

STAFF RECOMMENDATION:

Information only: Project Update.

Background:

Diverse and affordable housing contributes to community vitality and economic development, helps promote family stability, improves environmental outcomes, and increases public safety. Twenty-two years ago, in 2000, Town leadership recognized the lack of affordability when it adopted the Comprehensive Plan. That Comp Plan stated the Town lacks affordable housing and starter homes. The Plan also identified actions to mitigate the lack of housing affordability. It recommended the development of an Inclusionary Housing Ordinance and encouraged participation in regional partnerships.

In 2020 the Board of Trustees followed-through on this intention by joining the Boulder County Regional Housing Partnership (BCRHP), which has the goal of ensuring 12% of the housing inventory will be permanently affordable to low, moderate, and middle-income households by 2035. Since joining BCRHP, Town staff has been actively collaborating with the other jurisdictions in the Partnership, reviewing the policies and programs they have implemented to achieve the 12% goal. Based on this review and numerous discussions with BCRHP members, Town staff, with the assistance of the Town Attorney, is drafting an inclusionary housing ordinance that draws on the best elements of each jurisdictions' policies as well as other policies the Town Attorney is familiar with.

In addition to work on the inclusionary housing ordinance, in 2021, the Town's Economic Development department applied for and was awarded a Planning Grant from DOLA authorized by Colorado House Bill 21-1721, which provides resources and incentives to promote affordable housing. Using funding from this grant, Town staff will be completing a draft Housing Needs Assessment and Affordable Housing Strategy to most effectively address the lack of affordable housing in Erie. As part of this work, staff is preparing a Request For Qualifications for a consulting

firm to help identify the extent of the affordable housing problem and develop the most effective strategies to address affordability in Erie. The selected consultant will create data-driven strategies sensitive to Erie's market and identify the population that needs housing assistance. This information will help inform how to tailor elements of the Inclusionary Housing Ordinance to fit Erie's specific affordable housing needs. It will also identify the possible long-term impact of the Inclusionary Housing Ordinance on the Erie housing market. The Town is hoping to solicit bids in the next few weeks, with a project completion date of June 2022. Town staff also expects to have an Inclusionary Housing Ordinance ready for review by June 2022.

Inclusionary Housing ordinances have proven to be an effective way to create affordable housing units. However, once they are created, they need to be managed on an ongoing basis to ensure they are occupied by eligible buyers and renters, that they remain affordable when they are sold, and that they remain in compliance with all other applicable policies. This is a significant management responsibility that requires specialized expertise and organizational capability. Accordingly, Town staff is also reviewing with BCRHP members possible strategies to manage affordable units on a regional basis that could achieve economies of scale and maintain the appropriate organizational capability.

Board Priority(s) Addressed:

- ✓ Engaged and Diverse Community
- ✓ Prosperous Economy
- ✓ Small Town Feel
- ✓ Safe and Healthy Community
- ✓ Effective Governance
- ✓ Environmentally Sustainable
- ✓ Fiscally Responsible

ATTACHMENTS:

1. DRAFT Town of Erie Housing Needs Assessment and Affordable Housing Strategy RFQ
2. Expanding Access to Diverse Housing for Our Community A Boulder County Regional Partnership Report
3. Example ordinances
 - a. Boulder Inclusionary housing ordinance
 - b. Louisville Inclusionary housing ordinance
 - c. Vail Inclusionary housing ordinance
4. Inclusionary Housing Creating and Maintaining Equitable Communities - Lincoln Institute
5. Inclusionary Housing Presentation