

# Affordable Housing Definition & Fee Matrix Update

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CITY COUNCIL STUDY SESSION – April 8, 2025

City Staff Representative:  
Department:

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Community Development

# Brighton Housing Authority Project Updates

- Duplex conversion agreement amendment.
- Ravenfield and Adams Point site plans - first review.
- Gathering feedback while drafting revisions to fee reductions & criteria and modeling Ravenfield fee reductions.

# Affordable Housing Strategies Updates

At City Council's request, a simplified definition has been posted to the City website:

- “Affordable housing are homes whose rental rates or sales prices are restricted to households with certain income levels.”
- Brightonco.gov > Government > Community Development > Planning & Zoning > Housing Needs Assessment and Incentives Implementation

# Affordable Housing Strategies Updates

- ADU (accessory dwelling unit) - related amendments to development code are in process, taking into account:
  - State statute.
  - How tiny-homes or other factory-built homes may be used as ADUs.
- Application for Prop 123 grant funds was made to:
  - Study and recommend how impact fees for ADUs may be reduced.
  - Define and evaluate city infill development opportunities.

# Study Session – Purpose

- Present revisions to the draft definition of “affordable housing” previously reviewed at the January 28<sup>th</sup> study session:
  - Duration of restrictions,
  - Alternate methods of restricting affordable housing units.
- Present draft revisions to terms for three population groups for which affordable housing fee reductions are evaluated.
- Present a revised draft table of fee reductions for affordable housing.

# Background – Affordable Housing Definition

## Restriction Duration

- The draft definition presented in January included a restriction duration of 15 years based on the minimum reporting period required by the Colorado Housing and Finance Authority (CHFA).
- City code does not currently include a minimum duration, and the fee reduction application includes a question as to whether the project will be restricted for at least 10 years for rental housing or 5 years for owner-occupied housing.
- More than 15 years better ensures the lasting impact of affordable housing.

# Background – Affordable Housing Definition

## Affordability Mechanism

- The draft definition included a deed restriction requirement to ensure the developer's obligation to provide affordable housing.
- The Brighton Housing Authority has requested not to place multiple restrictions on their projects, but rather the City accept their Land Use Restriction Agreements with CHFA.
- The Colorado Dept. of Local Affairs has prepared a list of “affordability mechanisms” for use when complying with Proposition 123 that includes:
  - Deed restrictions,
  - Land use restriction agreements,
  - Covenants running with the land, or other regulatory agreements.

# Background – Population Considerations

The application for affordable housing development impact fee reductions includes a question as to whether the project will provide units serving certain populations including large-family, elderly, or disabled residents.

- “Large-Family”
  - Affordable housing income limits are organized by household size and bedroom count, allowing higher incomes to qualify.
  - State regulations prohibit discrimination based on familial status and using familial relationships as a basis for setting occupancy limits.
- “Elderly” – Not defined, more commonly called “Senior” housing that ranges from minimums of 55 to 62 years of age.
- “Disabled” – The more person-first and accepted term is “Persons with Disabilities.”



# Background – Fee Reductions


Since presenting a draft affordable housing fee and dedication reduction table to City Council in January:


- A concern was raised that the reductions were too large.
- An evaluation of the impact on the general fund, which finances the enterprise fund fee reductions, found that the water and storm water fee reductions were too large.

# Staff Analysis – Revised Draft Table

- Apply reductions that are closer to the current Attainable Housing Matrix.
  - In general, set reductions to reflect 100 minus the % AMI (i.e. 60% AMI = a 40% reduction).
  - Increase reductions for senior affordable housing projects to 100% for Transportation and General Services fees at 60% AMI and lower developments.
- Using Ravenfield data as the variable inputs, the revised draft table provides reductions similar to those granted to the BHA's Libretto Senior Apartments.

# Staff Analysis – Revised Draft Table





## AFFORDABLE HOUSING FEE & DEDICATION REDUCTION TABLE

Qualification Threshold	% Area Median Income (AMI) Restriction	Water Dedication	Water Impact & Wst Wtr Con'n Fees	Storm Drainage Impact Fee	Park Related Impact Fees	Park & Open Space Land	Transportation Impact Fee	General Services Impact Fee	Use Tax	Land Use & Devlp't Code (LUDC)	Capital Facility Fee^	School Land Dedication^
An owner-occupied detached home or severed ownership single unit of a duplex, multi-unit house, row house, or condominium.	100% AMI or less. %AMI restriction requires approval and may vary amounts of incentives.	Fee in lieu of dedication accepted	20% fee reduction	20% fee reduction	No reduction	Standard dedication required	20% fee reduction	20% fee reduction	Tax not collected if owner is exempt	See LUDC for any reductions	No reduction	Fee in lieu of dedication accepted
A tenant-occupied single unit described below* shall be restricted to a given %AMI. Tenant-occupied multi-unit buildings shall be restricted by complying with one of the following:  1) Units are restricted to varying %AMI and reductions applied to each unit pro rata of all units. 2) All units average a given %AMI.	80% AMI or less	Fee in lieu of dedication accepted	20% fee reduction	20% fee reduction	20% fee reduction	50% dedication reduction	20% fee reduction	20% fee reduction	Tax not collected if owner is exempt	See LUDC for any reductions	20% fee reduction	Fee in lieu of dedication accepted
	70% AMI or less	Fee in lieu of dedication accepted	30% fee reduction	30% fee reduction	Fees waived if near a park,** otherwise 50% reduction	Dedication waived if near a park,** otherwise 50% reduction	30% fee reduction	30% fee reduction			20% fee reduction	Fee in lieu of dedication accepted
	60% AMI or less	Fee in lieu of dedication accepted	40% fee reduction	40% fee reduction	Fees waived if near a park,** otherwise 50% reduction ***	Dedication waived if near a park,** otherwise 50% reduction ***	40% fee reduction ***	40% fee reduction ***			40% fee reduction	Fee in lieu of dedication accepted
	50% AMI or less	Fee in lieu of dedication accepted	50% fee reduction ^^	50% fee reduction ^^	Fees waived	Dedication waived	50% fee reduction *** ^^	50% fee reduction *** ^^			50% fee reduction ^^	Fee in lieu of dedication accepted

## NOTES

\* A detached home, ADU, or single unit of a duplex, multi-unit house, row house, or condominium.

These units do not qualify for the multi-unit building compliance options if they are severally owned.

\*\* "Near a park" means within a 10-minute walk of an existing or planned public park.

\*\*\* 100% reduction at senior affordable housing.

Reductions and incentives are not guaranteed and require approval per the process outlined in municipal code.

<sup>^</sup> Subject to change and to school district approval.

<sup>^^</sup> 40% AMI = 60% reduction. 30% AMI = 70% reduction.

Not all fees due appear here and all fees are subject to change.

Fees are calculated using amounts in effect at time of permit issuance.

Fees are due at time of permit issuance.


3/24/2025

DRAFT

# Staff Analysis – Applied Reductions

## RAVENFIELD - Brighton Housing Authority Senior Affordable Housing

<u>Fee</u>	<u>Standard Amount</u>	<u>% Reduction</u>	<u>Amount of Reduction</u>
Park Related	184,736	100%	184,736
Transportation & Multimodal	139,058	100%	139,058
General Services	40,204	100%	40,204
Storm Drainage	106,260	40%	42,504
Water	415,147	40%	166,059
Wastewater Connection	25,272	40%	10,109
<b>Total</b>	<b>\$910,677</b>	<b>64%</b>	<b>\$582,670</b>



Reduction requires a contribution to the Enterprise Fund  
from the General Fund totaling **\$176,168**

Not all fees due at permit issuance are shown, including fee in lieu of water dedication and external agency fees. Those fees not shown are not included in affordable housing fee reduction incentives, except school district fee reductions which are considered by the school district.

# Staff Recommendations

Reset the Affordable Housing Fee & Dedication Reduction Table amounts closer to those of the current Attainable Housing Matrix.

- In general, set reductions to reflect 100 minus the % AMI  
(i.e. 60% AMI = a 40% reduction)
- Extend senior affordable housing projects at 60% AMI and lower a 100% reduction of Transportation and General Services fees.

# Staff Recommendations

- Set an affordable restriction minimum of 30 years.
- Accept alternate affordability mechanisms as recognized by DOLA's Prop 123 programs.
- Refine terms for three population groups.

# Staff Recommendations

- Delete “Large-Family” and consider a project given its overall bedroom count mix.
- Replace “Elderly” with “Senior” and consider a project given its level of age restriction, if any, with a minimum age set at 55 years.
- Replace “Disabled” with “Persons with Disabilities.”

# City Council Consideration

- Direct Staff to proceed with drafting the code amendments as outlined here.
- Direct Staff to proceed with drafting the code amendments as modified based on the study session discussion.
- Direct Staff not to proceed with drafting the code amendments differently than was previously presented.



# THANK YOU

## Questions?

