



### Local Government Affordable Housing Strategies

By April Bernard

Several factors contribute to high housing costs in Colorado, including low inventory and a limited variety of available housing types. Housing cost-burdened refers to families paying more than 30 percent of their income for housing. According to the Colorado Health Institute August 2019 report *Home Equity*, in Colorado 45 percent of renters and 19 percent of homeowners are housing cost-burdened. While there are a number of state programs, including rental assistance and loans to local governments and developers to build housing and supportive services, this *issue brief* focuses on additional strategies that local governments and communities in Colorado are using to meet the housing needs of residents.

#### Local Land Use Policies

In addition to traditional local government housing and rental assistance, several other strategies are available to local communities.

**Community land trust.** A community land trust is a community-based nonprofit that provides stewardship of land for affordable housing, food production, and other purposes that benefit residents.

Under a community land trust, affordable housing options include building units or acquiring structures for renovation. Instead of a traditional sale, homeowners have a long-term renewable lease. The lease typically includes a clause for purchase of the structure by the trust should the homeowner choose to move.

**Rocky Mountain Community Land Trust.** The trust originated in Colorado Springs in 1996.

The first project included the construction of two townhomes. The trust has since acquired a number of homes to provide affordable housing and developed affordable housing on property purchased by the trust. To date, the trust has helped 338 families achieve homeownership.

**Land bank.** A land bank is land held by a public or nonprofit entity for future development, sale, or exchange. Qualifying as a land bank requires certain goals, such as using vacant or abandoned property to build affordable housing.

**City of Fort Collins.** In 2001, Fort Collins authorized a land bank through its municipal code. The first purchase was a five-acre parcel for \$500,000. The land bank now includes 40 acres. Builders selected through the city's request for proposal process build and sell units in exchange for a reduced rate on the sale of the vacant land, 90 percent of fair market value. Development of approximately 60 homes is underway on one site for households with lower incomes, and a second site is complete with 96 apartment homes.

**Deed-restricted housing.** Deed-restricted housing involves the purchase of a home with specific limits and requirements for the homebuyer attached to a deed. These restrictions help keep housing available for local residents who work in the community, rather than for buyers using the property as a second home or rental for tourists. The deed often indicates that a homeowner reselling the property must sell to local residents and may only reap a certain profit on the sale. Buyers usually must meet income guidelines, work in the local area a certain number of hours, and purchase the home as their primary residence.

**Summit Combined Housing Authority.** The housing authority offers such a program. The authority includes the towns of Breckenridge, Dillon, Frisco, Montezuma, and Silverthorne, as well as Summit County. The authority also offers first-time homebuyer classes, financial counseling, down payment assistance, and landlord and tenant resources.

**Accessory dwelling units.** Accessory dwelling units (ADUs) are secondary structures built on the same lot as a single-family home, often in the back of the property near a garage. Property owners build an ADU for rental housing or for family. Several jurisdictions have zoning policies that allow for ADUs, such as Arvada, Englewood, and Jefferson County.

**City of Englewood.** On January 7, 2019, the city of Englewood adopted an ADU ordinance. The ordinance outlines design, occupancy, and use in specifically zoned areas. The city studied changes to its zoning and building laws for four years prior to adoption. ADUs were popular from the 1920s to the 1950s, providing additional housing. Englewood still has more than 180 ADUs.

## Mobile Home Parks

A mobile home park is land used for permanent housing that includes five or more mobile homes. State law defines a mobile home as a building on a frame that includes plumbing, heating, and electric facilities. The home may be set on a foundation permanently or set on a less permanent basis in a mobile home park. Local governments have purchased parks in their communities to preserve this affordable housing.

**Aspen-Pitkin County Housing Authority.** Since the early 1980s, this housing authority has preserved mobile home parks for affordable housing. Five mobile home parks providing 435 housing units are part of the authority. In order to live in a unit or purchase a deed-restricted lot in the park, residents must have employment in the county, meet residency and income

requirements, and not own other real estate in the area.

**City of Boulder.** In 2019, Boulder annexed Ponderosa Mobile Home Park after purchasing the park in 2017. Current plans include replacing older mobile homes with traditional homes. Low-income families may receive loan assistance and lot rent is not charged. Current residents not purchasing or renting a traditional home may stay in their mobile home until they die or choose to leave the park; the city pays assessed fair market value for the home. Residents may repair current homes, but cannot build additions.

**Resident-owned mobile home parks.** In resident-owned parks, homeowners renting space in a mobile home park purchase and run the park. Homeowners may form a cooperative for purchase and management. While lot rent may increase initially to pay for the sale, rents may stabilize over time. Lot rents pay for the park mortgage, community expenses, property taxes, capital projects, and infrastructure.

**Cities of Cañon City and Longmont.** Homeowners in Cañon City and Longmont own the mobile home parks where their homes sit. With the help of nonprofits, a resident-owned community organization, and the Department of Local Affairs (DOLA), residents formed cooperatives to purchase the parks. Funding from nonprofits addressed lot rents and infrastructure.

## Resources

- Colorado Health Institute, [Home Equity: A Vision of Housing Security, Health and Opportunity](#)
- DOLA, [2019 Affordable Housing Guide for Local Officials](#)
- Legislative Council Staff Issue Brief, [Mobile Home Parks Overview](#)
- Joint Center for Housing Studies of Harvard University, [The State of the Nation's Housing 2019](#)