

Community Housing Toolbox

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Incentives				
Tools	Definition	Ownership or Rental	Income	Examples
Density Bonus	Providing addition density or floor area in exchange for restricted community housing. Must be large enough to entice development yet small enough for livability and compatibility. Can be used with impact fees or inclusionary zoning.	Both	Moderate - Middle	Bend, OR Fort Collins, CO Frisco, CO Whitefish, MT
Fee Waivers*	Water/sewer tap fees, impact fees, building permit or other fees waived in part or whole to reduce cost to build and encourage the construction of restricted community housing. General funds or other source needed to cover cost of fees waived.	Both	Very Low - Middle	Fort Collins, CO Burlington, VT Truckee, CA
Fast Track Processing	Gives priority to development applications with restricted community housing.	Both	Low - Middle	Fort Collins, CO Burlington, VT Longmont, CO
Accessory Dwellings*	Allowing/encouraging accessory dwellings if used by residents and employees. Appropriate in many neighborhoods yet compliance monitoring is needed.	Rental	Low - Moderate	Fort Bragg, CA Fort Collins, CO Burlington, VT
Removal of Regulatory Barriers*	Updating/modifying code provisions and procedures that impede community housing development. Complex PUD requirements can be barriers to building a variety of dwelling types. Complete code review and rewrite might be required.	Both	Full Spectrum	Buena Vista, CO Mammoth Lakes, CA
Flexible Development Standards*	Reductions in parking, setbacks, open space, height limits, road widths, etc. to reduce the cost to build and encourage a variety of dwelling types, including small lots for modest/tiny homes, live/work units, and mid-size multi-family (duplex to 4-plex).	Both	Full - Spectrum	Bozeman, MT Missoula, MT Bend, OR
STR (Short Term Rental) Restrictions	Prohibitions in zones where employees and residents reside, limiting the number in defined areas, requirements that dwelling units be occupied as primary residences part time, prohibiting STR of restricted community housing.	Both	Low - Middle	San Francisco, CA Durango, CO Park City, UT

Regulations				
Tools	Definition	Ownership or Rental	Income	Examples
Inclusionary Zoning (IZ)*	A percentage of residential units in new subdivisions/ PUDs are restricted community housing. Market homes support below market units. Only effective if new subdivisions/PUDs are developed.	Both Ownership more common	Moderate - Middle	Bozeman, MT Whitefish, MT Davis, CA Burlington, VT
Residential Linkage (also called Impact Fee)	Requiring new residential development to contribute to restricted community housing relative to employee demand generated by the new residential units. Mitigation rate often increases with house size. The fees in lieu provide a revenue stream that fluctuates with building activity. Nexus required.	Both Rental more common	Low - Moderate	Aspen, CO Boulder, CO Berkeley, CA
Commercial Linkage*	Requiring new commercial development to provide restricted community housing for a portion of employees generated. Nexus required. Alternatives in application and compliance methods (on site, off site, land, fees in lieu) create flexibility yet complexity.	Both Rental more common	Low - Moderate	Aspen, CO Portland, ME Boulder, CO
Annexation Policies*	Negotiating restricted community housing as part of annexation agreements. Policy based. Municipalities have discretion in negotiations.	Both	Low - Middle	Breckenridge, CO Boulder, CO Ashland, OR
Partnerships				
Tools	Definition	Ownership or Rental	Income	Examples
Public/Private/Institutional Land*	Partnering with developers to build homes on a publicly-owned site. Competes with other uses for public land. RFQ/RFP process effective for selecting development partners. Public ownership of land can be retained with long term leases.	Both	Low - Middle	Crested Butte, CO Breckenridge, CO Vail, CO Missoula, MT
Employer Assisted Housing*	Master leasing, development, mortgage assistance, units for temporary relocation. Public sector can provide TA and develop projects. Housing for emergency services personnel and seasonal workers often provided by employers.	Both Rental more common	Low – Upper Middle	Breckenridge, CO Jackson, WY Vail, CO
Property Management	Contracting to manage rental units. Could work both ways – public sector hires private firm or private sector hires public/non-profit. Could be used with Employer Assisted Housing.	Rental	Low - Moderate	Breckenridge, CO Mammoth Lakes, CA Summit County, CO

Preservation/Rehabilitation

Tools	Definition	Ownership or Rental	Income	Examples
Housing Rehabilitation and Weatherization*	Repairing, updating, enlarging, improving energy efficiency, and providing handicapped accessibility, typically with Federal or State grants. Staff/time intensive.	Ownership Rental possible	Low	Whitefish, MT Bozeman, MT
Condominium Conversion Policy	Limiting or prohibiting conversion of apartments to condominiums to retain rental housing. May require some portion of converted units to be restricted community housing or provide first right of refusal of sales to apartment occupants, among other conditions.	Ownership	Low - Middle	Ashland, OR Jackson, WY Truckee, CA
Acquisition of Market Units	Usually involves investing public funds to lower the sales price in exchange for restricted community housing. Inability to obtain condo mortgages can result in units being rented. Public sector purchases can drive up prices for low-end market units.	Both	Moderate - Middle	Breckenridge, CO Whitefish, MT Vail, CO
No-Net Loss/Replacement Policy*	Requiring replacement of below-market dwellings occupied by residents when redevelopment occurs. Similarly-priced units should be replaced on site or another site, or a fee-in-lieu of replacement could be allowed. Demolition tax used to fund replacement.	Both Rental more common	Low - Moderate	Basalt, CO San Luis Obispo, CA Portland, OR

Housing Programs/Initiatives

Tools	Definition	Ownership or Rental	Income	Examples
Public Sector Development	Initiating, designing, financing and constructing dwelling units by municipalities, counties and/or housing authorities. Less cost, greater quality control and similar developing other public infrastructure. More financial risk and specific expertise required.	Both	Low - Middle	Breckenridge, CO Monterrey Co., CA Fort Collins, CO
Home Buyer Assistance*	Down payments or second mortgages for purchasing units. Can be used for restricted or market units.	Ownership	Low - Moderate	Bozeman, MT Whitefish, MT
Land Banking*	Acquiring land through purchase, USFS trades, donation (non-profits) for eventual community housing development when specific project not known.	Both	Low - Middle	Summit Co, CO Fort Collins, CO
Habitat for Humanity*	International organization with local chapters that use volunteers and donations to build modest homes. Inventory of homes may not be permanent.	Ownership	Low	Gallatin Valley (MT) Jackson, WY Whitefish, MT
Self Help Build	Home buyers receive low interest loans and technical assistance for their construction of homes. Requires large time commitment.	Ownership	Low	Crested Butte, CO National Affordable Housing Network (MT)
Co-op or Co-Housing	Common ownership and management of purpose-built communities. Co-op ownership can be used to share large homes by multiple employees and to preserve mobile home parks.	Ownership	Moderate - Middle	Boulder, CO MT Cooperative Development Center

				(Great Falls, MT)
Community Land Trusts*	Non-profit, community-based organizations that develops housing and ensures stewardship and perpetual affordability by maintaining ownership of the land and leasing it to those who own the homes built on the land.	Ownership	Moderate-Middle	NW MT Community Land Trust
Senior Housing*	High density, smaller, low maintenance units designed for retiring residents. Can free up housing stock for employees, esp. if strategy prevents purchase by second-home buyers or STR conversion.	Rental Ownership Possible	Low	Whitefish, MT Bozeman, MT Fort Collins, CO
Deed restricted housing (permanent)*	Dwelling units permanently restricted by occupancy (local employee/resident), income level, and with rent/resale restrictions to retain affordability in rising housing cost markets.	Both	Full Spectrum	Whitefish, MT Missoula, MT Burlington, VT Fort Collins, CO
Permanent supportive housing (PSH) and Transitional housing*	PSH is a model that pairs housing assistance with case management and supportive services to help chronically homeless individuals and families lead more stable lives and help them transition from homelessness to home security. Transitional housing refers to a supportive – yet temporary – type of accommodation that is meant to bridge the gap from homelessness to permanent housing by offering structure, supervision, support, life skills, and training.	Rental	Very Low	Bozeman, MT Fort Collins, CO Missoula, MT Davis, CA Butte, MT (vouchers)
Funding				
Tools	Definition	Ownership or Rental	Income	Examples
General Funds*	An annual or occasional budget allocation primarily to support staffing, pre-development and gap financing.	Both	Full Spectrum	Missoula, MT Bozeman, MT Fort Collins, CO Truckee, CA
Impact (or linkage) Fees*	A fee directly linked to the need for community housing generated by new development through jobs created. Nexus required.	Both	Low - Moderate	Summit County, CO Boulder, CO Berkeley, CA
Taxes*	Sales, property, lodging, real estate transfer, excise tax. Voter approval required in most states. Revenue stream can be used for most housing-related activities. Recent ballot initiatives have had mixed results. Approval requires extensive public education.	Both Can respond to changing needs	Very Low - Middle	Whitefish, MT Summit County, CO Burlington, VT
LIHTC (Low Income Housing Tax Credits) *	Provides project equity for public, non-profit and private developers. Widely used nationwide. Often done through public/private partnerships. Multifamily sites needed.	Rental	Low	Whitefish, MT Bozeman, MT Fort Collins, CO Bend, OR

Special Improvement District (SID)*	Special Improvement Districts (SIDs) are typically formed to fund public improvements, typically infrastructure (roads, sewer, etc.) or maintenance of City facilities or services. Costs are distributed across the properties within the SID that benefit from the improvements. Use specifically for housing is not common.	Both	Full Spectrum	Denver, CO Los Angeles, CA
Tax Increment Financing (TIF)*	Allocation of new property and/or sales tax in urban renewal districts (URD). Usually supports economic development projects; use for community housing is not common. Authorized to improve economic conditions with or connecting to an URD in MT. (see §7-15-4288 MRA)	Both	Full Spectrum	Portland, OR Denver, CO Sacramento, CA Missoula, MT (proposal)
Debt Financing with Favorable Terms	Low interest loans, tax exempt bonds, certificates of participation, HUD multifamily loan insurance and other forms of development financing available to housing authorities, cities, counties and some non-profits.	Both Mostly rental	Very Low- middle	Breckenridge, CO Telluride, CO Eagle County, CO
Private Donations/Grants*	Tax deductible contributions to a non-profit organization, which purchases or develops housing. Competes with other charitable causes.	Both	Full Spectrum	Jackson, WY Placer County, CA
Federal and State Grants/Loans – CDBG, HOME, USDA/Rural Development, Section 8*	Can only serve households earning <80% AMI. Competitive and complicated grant application and administration process. Entitlement City if population reaches 50,000.	Both	Low	Fort Collins, CO Bend, OR Bozeman, MT
Opportunity Zones	The Opportunity Zones investment incentive was established in 2017 to encourage long-term private investments in low-income communities. Two Opportunity Zones are eligible to receive private investments through opportunity funds in the Bozeman area. The program does not explicitly address below-market community housing but may be designed to do so.	Both	Full Spectrum	Many in the works - a couple examples: Cook County, IL Sacramento, CA

Bold – Tools currently utilized

*Recommended for enhancement/utilization