JOINT MEETING

PLANNING AND ZONING COMMISSION

AND

DOLORES AFFORDABLE HOUSING TASK FORCE

AGENDA

DATE MARCH 7, 2023, 6:30 P.M.

420 CENTRAL AVE DOLORES CO. 81323

OR VIRTUALLY BY THE LINK BELOW:

Join Zoom Meeting

https://zoom.us/j/92252992315

Meeting ID: 922 5299 2315 One tap mobile +16699006833,,92252992315# US (San Jose) +12532158782,,92252992315# US (Tacoma)

- 1. CALL TO ORDER
- 2. PLEDGE OF ALLEGIANCE
- 3. ROLL CALL
- 4. IDENTIFICATION OF ACTUAL OR PERCEIVED CONFLICTS OF INTEREST.
- 5. PUBLIC PARTICIPATION 5 minutes per person.
- 6. APPROVAL OF THE AGENDA
- 7. CONSENT AGENDA
 - 7.1 Minutes of February 7, 2023
- 8. STAFF UPDATES Memo Attached
- 9. DOLORES DOLA INNOVATIVE HOUSING STRATEGIES LUC AND POLICY DRAFTING FEBRUARY 2023
 - 9.1 Planner Elizabeth Garvin Presentation
- 10. ACTION/APPROVAL
 - 10.1 CONTINUATION MEETING to discuss the Affordable Housing Strategies and pathway to adoption. Set for March 21, 2023 at 6:30 p.m.

PLANNING AND ZONING COMMISSION

MINUTES

DATE FEBRUARY 7, 2023, 6:30 P.M.

420 CENTRAL AVE DOLORES CO. 81323

OR VIRTUALLY BY THE LINK BELOW:

Join Zoom Meeting https://zoom.us/j/92252992315

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- 1. CALL TO ORDER. Chairperson Robinson called the meeting to order at 6:38 p.m.
- 2. PLEDGE OF ALLEGIANCE
- 3. ROLL CALL. Present at the meeting were Commissioners Powell, Tucker, Watters, Heeney and Chairperson Robinson, Ex Officio Youngquist, Staff members Manager Charles, Building Official Doudy, and Assistant Clerk Swope. One audience member, Mayor Reeves also attended.
- 4. IDENTIFICATION OF ACTUAL OR PERCEIVED CONFLICTS OF INTEREST. None stated.
- 5. PUBLIC PARTICIPATION 5 minutes per person. No public comment.
- 6. APPROVAL OF THE AGENDA

Commissioner Tucker moved and Commissioner Powell seconded to approve the agenda and the two documents submitted for review, the January 31, 2023 notes from the Housing Task Force meeting, and the Manager's February update.

Yes: all No: none

7. CONSENT AGENDA

7.1 Minutes of January 10, 2023

After some discussion about the origin of the information about street lamp types the questions were settled and the Consent agenda was approved.

Commissioner Powell moved and Commissioner Watters seconded to approve the January 10, 2023 minutes in the Consent agenda.

Yes: all No: none

8. Staff updates

8.1 Task Force recommendation to BOT for proceeding with Site Evaluation Development.

The manager's update was reviewed by the Commission. The document was attached to the meeting packet for the record. The manager updated the Commission on the activities of the Board of Trustees and the Parks Commission. He also told them about the grant approvals he has earned so far.

Commissioner Powell asked to ride along to Norwood with the group going to inspect the Fading West housing units being installed by Rural Homes Development. The town has entered into a planning project with Rural Homes for development focused on affordable home ownership. Commissioner Powell is interested in looking at the style and character of the homes from the perspective of Historic Preservation guidelines. The Task Force made a recommendation to the Board of Trustees to have Rural Homes continue the site development study on the properties on 19th street. The notes of the January 31, 2023 meeting are attached to the meeting packet.

Manager Charles will be communicating with Colorado Department of Transportation regarding the requirements for acceleration/deceleration lanes for the large parcel upstream from town limits.

Rural Homes expects to have contracts for services with companies who are qualified to do the survey and geological study on the 19th street properties.

8.2 Housing Task Force meet with Commissioners E. Garvin February 22, 2023 6 p.m.

Manager Charles has scheduled a meeting with the Planner E. Garvin and the Task Force. He has invited the Commission to attend and review the standards Ms. Garvin has created to add to the Land Use Code to qualify for funding available through House Bill 21-1271 regarding affordable housing.

9. Commission updates.

9.1 Commissioner Powell update on Historic Preservation project with Exon building. Commissioner Powell submitted the following statement for the minutes:

"P&Z Commissioner Shirley Powell updated the Commission on the Exon Building and the Historic Preservation Project. Although they were awarded a grant to help pay for exterior rehabilitation, the were unable to get the project contracted.

As an alternative, she is currently working with Scott Darling, co-owner of the Exon Building to prepare a nomination for the building to be listed on the Colorado State and/or National Historic Registers. He is interested in meeting the eligibility requirements to apply for tax credits on upcoming improvements to the building's exterior and interior. If the Building is register-listed, then the owners are eligible for 20–35% tax credits on pre-determined eligible project costs.

Both owner-occupied residences and commercial buildings are eligible for:

- State tax credits if the property is listed on the state historic register and
- Both federal and state tax credits if the property is listed on the national register (which automatically results in the property being listed on the state register).

If the town is designated a Certified Local Government by History Colorado, then listing on the Town's Historic Register meets the historic listing criterion. Dolores is not a CLG even though we have a historic ordinance and a local historic register. If the owner has no appropriate tax burden, then the credits can be sold – generally for 80% of their value.

In the process of preparing the state register nomination, Shirley has been in contact with History Colorado staff Sara Kappel, Tax Credits, and Incentives Specialist; Eric Newcombe, State and National Register Historian, and Lindsey Flewelling, Certified Local Government Manager. All three have expressed interest in visiting Dolores to present a workshop on how these programs work and how they might benefit the Town. They have proposed the afternoon of Wednesday, June 7, 2023. Shirley will follow-up with History Colorado once she has the goahead from Town officials."

- 10. Resignation/Appointment to Dolores Affordable Housing Task Force
 Commissioner Watters resigned from the Housing Task Force Committee. Chairperson Robinson will fill the vacancy.
- **11. Adjournment.** The meeting adjourned at 7:38 p.m.



Manager's Update Dolores Colorado

To:

Planning Commission and Housing Task Force

From:

Ken Charles, Dolores Town Manager

Dt:

March 7, 2023

RE:

Meeting Information Update

Tuesday's Planning Commission/Task Force Joint Meeting

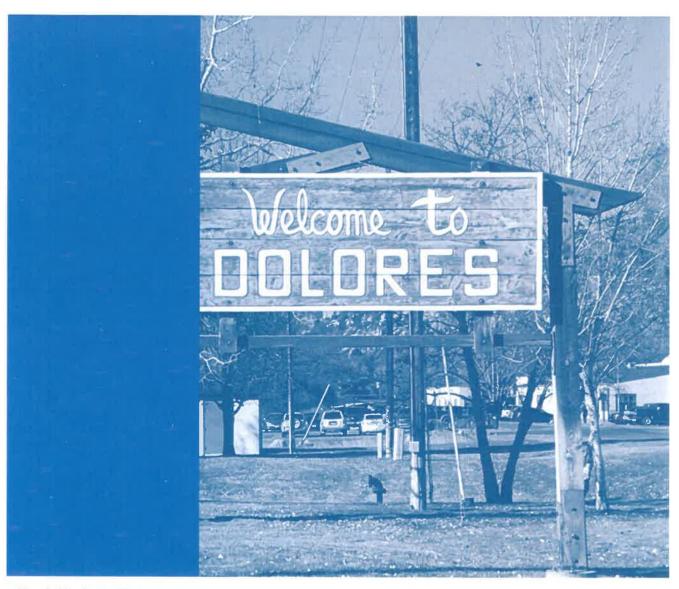
The focus of tonight's joint meeting is to discuss the Innovative Housing Strategies for possible additions to the Town's Land Use Code (LUC) and Policy drafting. Elizabeth Garvin has provided the town with consultant services for entire upgrade of the LUC, the creation of the short-term rentals regulations and the marijuana permitting ordinance. Elizabeth is now under contract with the town to help us develop code updates to guide affordable housing development. We will listen to her recommendations tonight. The updates are based on the Colorado Department of Local Affairs suggested housing strategies for affordable housing. The intent of the strategies is meant to promote the addition of affordable housing in Colorado, break down barriers and provide incentives.

In the initial LUC update the town incorporated four of the sixteen strategies and they are listed in the report. We will review suggestions for additional strategies. Beside the intent to identify the need for affordable housing in Dolores, these suggestions also provide a stronger basis for the town to acquire state financial assistance for affordable housing development.

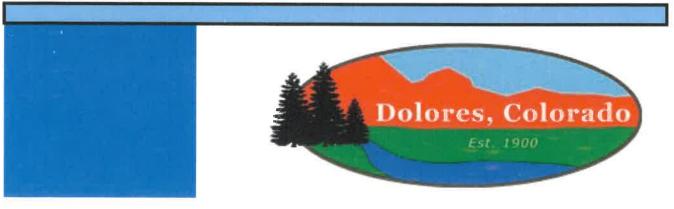
The meeting format is for member of the Task Force and Planning Commission to discuss the individual items in the report and recommend support, support with changes or delete sections. Following those recommendations, Elizabeth will modify the suggestions and present that version to the Planning Commission at the March 21st meeting. Eventually the recommendations are codified in an ordinance to become an amendment to the LUC.

General Updates

- 1. The Planning Commission will take action to set the March 21st meeting.
- 2. Staff is developing materials for the Planning Commission regarding the Source Water Protection planning effort. We will be forwarding you reports, studies and other information.
- 3. Rural Homes has contracted with their sub-consultants to perform preliminary work on the 19th street properties.
- 4. The next meeting of the Task Force will be to host a neighborhood meeting with residents in 200-feet of the 19th street properties.



DOLORES DOLA INNOVATIVE HOUSING STRATEGIES LUC AND POLICY DRAFTING FEBRUARY 2023



Dolores DOLA Innovative Housing Strategies LUC and Policy Drafting | February, 2023

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I. Background: 2021 Updates to the Dolores LUC

The Town incorporated a number of the DOLA strategy recommendations into the LUC update, including:

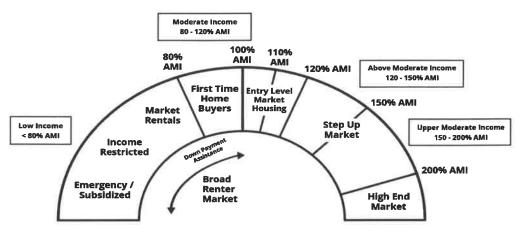
- A. Granting duplexes, triplexes, or other appropriate multi-family housing options as a use by right in single-family residential zoning districts;
- B. Classification of a proposed affordable housing development as a use by right when it meets the building density and design standard of a given zoning district;
- C. Authorizing accessory dwelling units as a use by right on parcels in single family zoning districts that meet the safety and infrastructure capacity considerations of local governments; and
- D. Allowing the development of small square footage residential unit sizes.

II. Next Steps

A. Affordable Housing Definition

Four of the strategies are designed to be specifically applicable to "affordable housing." DOLA requires that affordable housing for rentals be defined at 80% or less of the average median income (AMI) and affordable housing for ownership be defined at 120% or less of AMI. DOLA uses a Housing Bridge graphic to illustrate the typical range of affordability:

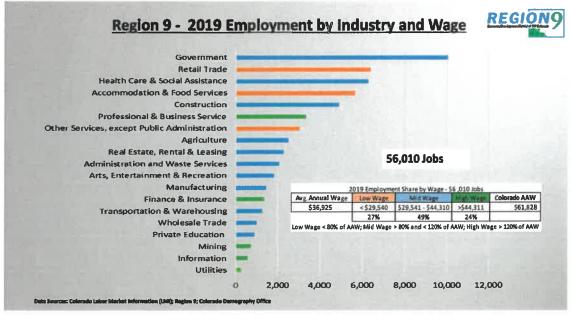
Housing Bridge



Used with permission of McCormick and Associates, Inc.

Dolores can choose to set the affordability cutoff at a lower income level. In many communities, affordable is defined as housing that is affordable to residents with an income of 80% of the county average median income.

To help think about local jobs and salaries, the attached Regional Housing Needs Assessment includes the following recent local information:



Source: Region 9 Economic Development District, SW Forum 2021.





Industry	2019	2023	# Change	% Change	per Worker
Health Care and Social Assistance	5,763	6,093	330	6%	554,949
Other Services (except Public Administration)	2,414	2,673	259	11%	\$27,395
Accommodation and Food Services	5,494	5,630	136	2%	\$24,362
Manufacturing	1,396	1,515	119	9%	549,666
Retail Trade	5,798	5,914	116	2%	\$36,430
Educational Services	703	806	103	15%	\$37,444
Professional, Scientific, and Technical Services	2,163	2,264	101	5%	\$72,162
Government	10,146	10,243	97	1%	\$59,497
Agriculture, Forestry, Fishing and Hunting	471	558	87	18%	\$37,833
Transportation and Warehousing	1,101	1,177	76	7%	575,264
Arts, Entertainment, and Recreation	1,277	1,333	56	4%	527,773
Wholesale Trade	860	903	43	5%	563,764
Real Estate and Rental and Leasing	1,076	1,116	40	4%	\$55,517
Administrative and Support and Waste Management and Remediation Services	1,508	1,544	36	2%	\$35,818
Management of Companies and Enterprises	203	233	30	15%	\$112,729
Information	517	529	12	2%	\$111,809
Onlities	246	236	(10)	(4%)	\$113,090
Mining, Quarrying, and Oil and Gas Extraction	577	562	(16)	(3%)	5147,275
Finance and Insurance	1,172	1,134	(30)	£3%)	\$99,170
Construction	4,172	4,122	(49)	(156)	\$54,098
Total Estimated John	47,055	48,583	1,528		

Source: Region 9 Economic Development District, SW Forum 2021

Data Source: EMSI Q.4 2029 Dataset

Translating the salary information into housing prices, for a two-person household in Montezuma County (30 years at 5.25% interest):

- 1. 120% of AMI: \$78,960 annually and maximum home price of \$370,000.
- 2. 100% of AMI: \$65,800 annually and maximum home price of \$300,000.

The average annual income for community and social service work in Dolores is \$54,642. The average annual income for construction jobs in Dolores is \$53,638.

3. 80% of AMI: \$52,000 annually and maximum home price of \$250,000, maximum monthly rent for a two-bedroom unit of \$1,480.00

The average annual income for an elementary school teacher in Dolores is \$41,981. The average annual household income in Dolores is \$40,137.

4. 60% of AMI: \$40,000 annually and maximum home price of \$150,000, maximum monthly rent for a two-bedroom unit of approximately \$1,100.00.

The average annual wage in Southwestern Colorado is \$36,925

5. 45% of AMI is approximately \$29,610 annually, with a maximum affordable monthly rent of approximately \$832.00

A worker making the Colorado minimum wage of \$13.65/hour makes \$28,293 per year.

B. Colorado Proposition 123 (New information)

In November 2022, Colorado voters passed Proposition 123 which is designed to provide additional affordable housing funding across a variety of categories to local governments, private developers, and Colorado residents. Adoption of Prop. 123 enabled the creation of the State Affordable Housing Fund and dedication of one-tenth of one percent (0.1%) of state income tax revenue to fund housing programs, including:

- Providing grants to local governments and loans to nonprofit organizations to acquire and maintain land for the development of affordable housing;
- Creating an affordable housing equity program to make equity investments in multi-family rental units to ensure that rent is no more than 30% of a household's income:
- Creating a concessionary debt program to provide debt financing for low- and middle-income multi-family rental developments and existing affordable housing projects;
- Creating an affordable home ownership program providing down-payment assistance for homebuyers meeting certain income requirements;
- Creating a grant program for local governments to increase capacity to process land use, permitting, and zoning applications for housing projects; and
- Creating a program to provide rental assistance, housing vouchers, and other case management for persons experiencing homelessness.

Prop. 123 defines affordable slightly differently than DOLA:

- 1. Housing for renters making up to 60% of AMI (DOLA is 80%)
- 2. Housing for homeowners making up to 100% of AMI (DOLA is 120%)

Defining affordable housing in a manner that satisfies Prop. 123 will also satisfy the DOLA requirements.

C. Action

- 1. Define affordable housing. Suggestions:
 - a. In Dolores, affordable units meet the following requirements:
 - 1. Affordable for sale unit means a unit required to be affordable for households making (select a percentage between 80% and 100%) or less of the AMI.

- 2. Affordable rental unit means a unit required to be affordable for households making (select a percentage between 45% and 60%) or less of the AMI.
- AMI or Area Median Income means the median income for Montezuma County, adjusted for household size, as calculated by the U.S. Department of Housing and Urban Development (HUD).
- c. Affordable rent is defined as the Colorado Housing and Finance Authority (CHFA) Income Limit and Maximum Rent Tables for All Colorado Counties.
- 2. Determine period of time for which housing must remain affordable. The typical range is 30 to 50 years.
- 3. Determine whether there will be a workforce or local first requirement (defined by school district boundary).
- 4. Amend the LUC to reference the Town's affordable housing policy to trigger Code standards that are applicable to affordable housing.

III. Town Administration and LUC Updates

- A. Expanding Affordable Housing Through Additional LUC Updates
 - 1. DOLA Strategy: The classification of a proposed affordable housing development as a use by right when it meets the building density and design standards of a given zone district.
 - a. Policy Questions:

What is the minimum required percentage of affordable units needed to qualify as an affordable housing development:

- 1. Any application that includes affordable housing, even just one unit;
- 2. Projects with a minimum number or percentage of affordable units; or
- 3. Only projects with 100% affordable units?
- b. Next Steps

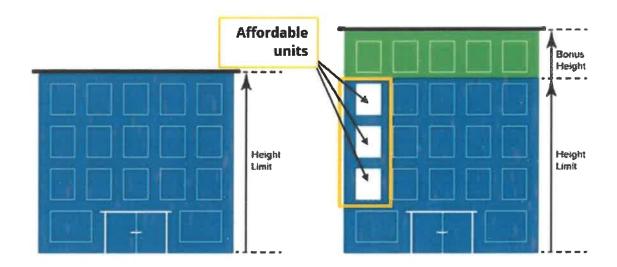
Amend the use table to designate affordable housing as a permitted use when the project qualifies as affordable housing and provides the required number of units. Proposed updated use table on the following page.

Tohlo 4 4. Drimony I loop	LLR	new	R1	new	MRF	MH	CB1 +2	СН	П	mem	۵	R10	R35	Additional
Table 4: 1. Trillialy Oses	LLR1	LLR 2	NR1	NR2 NR3	NR3	₩ a	₩⊃	S ⊃	<u>N</u>	Σ	P1 P2	R10	R35	Use Limitations
	3	y: /P/	Key: /P/ Permitted Use /PL/ Permitted with Use Limitations /C/ Conditional Use // Not Permitted [1] Affordable Housing Required	od Use	/PL/ P.	ermitte	d with	Use Lin	tted Use /PL/ Permitted with Use Limitations /C/ Co	ns /C/	Sonditi	onal Us	9	
RESIDENTIAL														
Households Living (dwelling unit/structure)				18										
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Manufactured Home	!	1	1	ŀ		Д	ŀ	ł	ı	ı	1	ı	ı	Sec. 4.5.A

Drafting notes:

- Definition of "affordable housing development: a residential rental or ownership development in which at least [add number or percentage] of the units are affordable housing and are income restricted for a minimum period of [add number] years.
 - Proposed development must conform with zone district dimensional standards without any requests for variances. ٧į

- 2. DOLA Strategies: The creation of an expedited review process for affordable housing aimed at households the annual income of which is at or below 120% of the area median income of households of that size in the county in which the housing is located; AND/OR The creation of an expedited development review process for acquiring or repurposing underutilized commercial property that can be rezoned to include affordable housing units, including the preservation of existing affordable housing units.
 - a. Are either of these approaches interesting to the Town?
 - b. Dolores Policy Questions
 - 1. What is the qualifying level of affordable units (e.g., 100% of project, 20% of project, 1 unit?)
 - 2. Should expedited approvals for residential projects be limited to specific zone districts/geographic areas?
 - 3. Should expedited approvals for commercial conversions be limited to specific zone districts/geographic areas?
 - 4. Should expedited approvals be limited to projects that meet all LUC criteria without waivers/variances/PD approval/or external design guidelines?
- 3. DOLA Strategy: The establishment of a density bonus program to increase the construction of units that meet critical housing needs in the local community.
 - a. <u>This strategy is intended to</u>: Allow more housing units to be built on a specific site than would otherwise be allowed by the applicable zone district.
 - b. <u>It works by</u>: Changing required zoning standards in a manner that allows the construction of more building area. Bonuses could include:
 - Relaxing dimensional standards such as minimum lot size, lot coverage, or setbacks
 - 2. Permitting a larger number of dwelling units in a building or development site
 - 3. Providing a bonus height allowance or exemption from height restrictions that allows for construction of additional stories
 - 4. Reducing the amount of open space required on a development site
 - 5. Reducing the required number of parking spaces



4. DOLA Strategy: Allowing planned unit developments (PUD(with integrated affordable housing units.

- a. This strategy is intended to: Support the creation of additional affordable housing by requiring the creation of affordable housing as one of the requirements of PUD approval.
- b. It works by: changing the PUD regulations to specify that affordable housing development must be included in any new planned unit development.
- c. **Dolores Policy Questions**
 - 1. Should the PUD regulations be amended to require some amount of affordable housing?
 - 2. How much affordable housing should be required?

Current PUD regulations start on the following page.

Section 13.20 Planned Unit Development

Purpose

The PUD, Planned Unit Development District is designed to provide flexibility in the siting of structures to avoid or mitigate any hazardous areas, historic and prehistoric sites; to take advantage of the sites unique, natural, resource or scenic features; and to preserve open spaces. It is intended for application in all residential districts.

Types of Planned Unit Developments

The Town Board, after public hearing and due notice and after recommendation from the Planning and Zoning Commission, may authorize the creation of the Planned Unit Development Districts on parcels of land containing at least five times the minimum lot area in the underlying zone district. A Planned Unit Development designation may be applied to land intended for residential development purposes.

C. Procedures

1. Common Procedures

Common procedures for a PUD approval are established in Table 13.2.

2. Specific Procedures

Every PUD District approved under the provisions of this LUC shall follow the rezoning procedure of Sec. 13.30. Zoning Map Amendment, and be considered an amendment to the zoning map.

D. Site Plan Requirement

- The establishment of a Planned Unit Development District shall require a comprehensive site plan of the development per Sec. 13.23. The site plan shall be approved as part of the ordinance approving a Planned Unit Development prior to the issuance of any further approvals or permits.
- 2. The site plan and ordinance shall set forth the requirements for ingress and egress to the property with adequate right of way, special setbacks, sidewalks, trails, utilities, drainage, parking space, building height, maximum lot coverage, common open space, screening or fencing, landscaping and other development and protective requirements including a plan for the maintenance of common open space.

Permitted Variation from Zoning Standards

In order to achieve the purpose and intent of the PUD District, variation may be permitted with respect to the minimum lot area, setbacks, lot width, lot coverage, and height.



F. Maximum Density

The maximum density shall be no greater than that permitted in the underlying zone district prior to PUD approval. Densities may be reduced if:

- 1. There is not sufficient water pressure and other utilities to service the proposed development;
- 2. There are not adequate roads to ensure fire protection to the proposed development;
- 3. The land is not suitable for the proposed development because of soil or geologic conditions, flood hazards or the presence of historic or prehistoric sites; or
- 4. The design and location of any proposed structure, road, or driveway in the proposed development is not compatible with surrounding land uses, would adversely affect the neighborhood character or adversely affect critical natural features of the site.

G. Minimum Common Open Space

The minimum common open space shall be 30 percent of the land area in the PUD; provided that, all areas in a PUD that are impacted by geologic hazards, flood hazards, or the presence of historic or prehistoric sites shall be set aside as common open space for the benefit of the residents and occupants of the PUD.

H. Uses

The permitted, accessory, conditional, and temporary uses allowed shall be those of the underlying zone district.

B. Town Participation in Affordable Housing Creation

- 1. DOLA Strategy: Use of vacant publicly owned real property within the local government for the development of affordable housing.
- 2. DOLA Strategy: The creation of a program to subsidize or otherwise reduce local development review fees, including but not limited to building permit fees, planning waivers, and water and sewer tap fees for affordable housing development.

C. Establish an Affordable Housing Linkage Fee

A linkage fee (also called an affordable housing impact fee) is a fee assessed for each square foot of new market-rate construction, both residential and non-residential. The funds collected are used to pay for affordable housing or elements of an affordable housing development, such as land acquisition or construction.

Like all impact fees, an affordable housing linkage fee would be limited to the creation of "new" projects and could not be used to improve existing affordable housing. Funds can be used for renter and homebuyer assistance, which might include down payment assistance. Funds from an affordable housing linkage fee could also be directed to a local affordable housing land bank.

1. This strategy is intended to:

- a. Increase the amount of funding available to support affordable housing.
- b. Leverage all private-sector development to participate in meeting local housing needs.
- 2. It works by: Amending the LUC to require the payment of a linkage fee as part of some or all development approvals. The project types (e.g., all projects, projects over a certain size, exempt single family construction on a lot that was already subdivided) and fee amount are established by the Town.
- 3. Administration: The Town will need to do a fee calculation similar to other impact fees and then determine the appropriate amount of fee to apply. The collected fees will need to be tracked and accounted for to ensure compliance with the program and legal requirements.
- 4. Dolores Policy Questions:
 - a. Does the Town want to consider the establishment of an affordable housing linkage fee to help offset some of the costs of creating affordable housing?
 - b. If the Board is unsure, what information would be helpful to determining the next step in this process?

D. The creation of a land donation, land acquisition, or land banking program

Land banks are public authorities or non-profit organizations created to acquire, hold, manage, and sometimes redevelop property in order to return these properties to productive use to meet community goals, such as increasing affordable housing supply or stabilizing property values.

Land banks can play a number of different roles depending on a community's development goals, including: (a) providing a mechanism for assembling parcels of tax-delinquent or abandoned properties for redevelopment; (b) acquiring and holding strategically valuable properties until the community can develop them as affordable housing, and; c) acquiring properties to convert to other uses such as retail, parks, or open space for flood mitigation. In addition to acquiring and holding land, land banks can maintain, rehabilitate, demolish, and lease or sell property.

1. This strategy is intended to: Establish a local government program that can buy, acquire, and hold land for later development as affordable housing. In a strong housing market, communities tend to make strategic acquisitions in areas that are redeveloping to hold room for future affordable housing development. In a softer housing market, communities tend to focus on purchase of vacant and abandoned properties for clean-up and beneficial reuse.

2. It works by:

- a. Acquiring, possibly assembling, and holding land to be used for affordable housing. Acquisition can be through:
 - Tax foreclosure
 - Donation
 - Land bank purchase (funding from HUD NSP grants, developer's fees, revenue from land sales, rental income)
- b. Reducing land ownership "holding costs" by holding the property tax free (and sometimes clear title issues) before transferring the land to a project sponsor or developer when a project is ready to build
- c. Maintaining the property owned by the land bank
- d. Negotiating the sale or donation of the property
- 3. Administration: Land banking requires specialty experience and is typically administered by either a stand-alone land bank or a housing authority. The Town may need to arrange to have a staff member trained and/or partner with a local or regional land bank organization.

2. Dolores Policy Questions:

- a. Does the Town want to consider the establishment of a local or regional land bank?
- b. If the Board is unsure, what information would be helpful to determining the next step in this process?