

## DOLA LOCAL PLANNING CAPACITY GRANT - PROP 123

**Date:** January - March 2025 (Q1)

**From:** Eva Henson, Soluvera LLC

### January 2025 Notes

#### **Project Coordination Kickoff:** Prop 123 Fast Track Requirements

- In January, Soluvera began initial coordination and outreach efforts with each of the four government partners—City of Durango, La Plata County, and the Towns of Bayfield and Ignacio. This included establishing lines of communication, confirming key points of contact, and initiating scheduling for individual kickoff meetings. These meetings were held throughout February to begin collaborative planning around the DOLA Local Planning Capacity Grant and Prop 123 requirements and implementation efforts.

DOLA Local Planning Capacity Grant Program – awarded \$192,400 to Town of Ignacio, on behalf of the RHA and four government partners, in advancing local housing strategies and requirements associated with Proposition 123 requirements. Grant Terms: in July 2024-May 2026

#### **Key objectives:**

- One-time funds from state
- Top Priority: Intent of program is to build capacity for local governments and support efforts to implement the new ***fast track (expedited review) requirements of Prop 123***
- Can also support increasing capacity to advance local affordable housing goals
- Implement strategies to increase the number of affordable units to be built
- Overall goal to achieve Prop 123 commitments

Proposition 123	Baseline Commitments
City of Durango	184
La Plata County	108
Bayfield	14
Ignacio	14
<b>Total</b>	<b>320</b>

#### **Guidance on Implementation of Expedited Review Requirements**

- ❖ Proposition 123 states that, in order to remain eligible for Proposition 123 funds in the next three-year cycle (2027 to 2029), local governments must demonstrate they have implemented an expedited review process for housing projects where at least half of the

units are affordable. While the law states that expedited review must take place within 90 calendar days of a complete application submission, there are many additional details to consider.

- ❖ The Local Planning Capacity Grant Program provides funding to support local governments with implementation of this requirement.
- ❖ In order to help local governments navigate the expedited review (fast-track) requirements of Proposition 123, the Department of Local Affairs (DOLA) has published guidelines.
- ❖ DOLA's guidance does not prescribe an approach but instead provides a list of strategies and approaches.
- ❖ Each community will need to determine which strategies are most effective for their local processes.
- ❖ Strategy Examples for Implementing Expedited Review - <https://cdola.colorado.gov/strategies>

DOLA Scope of Work: check that apply:

1)	Exploring (and or implementing) land use development code amendments that seek to expedite review of affordable housing projects
2)	Exploring and implementing lean process improvements that will streamline review of affordable housing (such as improved inter-agency collaboration)
3)	Purchasing, implementing or upgrading software or IT solutions that will expedite review and permitting affordable housing projects
4)	Planning efforts to inventory properties for potential development of future affordable housing projects
5)	Pursuing funding for development of future affordable housing projects (grant writing, grant management)
6)	Designating an affordable housing liaison to advance affordable housing projects (drafting development agreements, project management, exploring strategies to incentivize affordable housing projects, ensuring expedited review of application/permits)
7)	Tracking/documentation of Prop 123 related efforts (such as local government commitments or fast track compliance)
8)	Regional collaboration: describe which jurisdictions are involved and what the collaboration entails
9)	Other: clearly state how the proposed scope of work is directly related to your jurisdiction's affordable housing or Prop 123 goals

### Proposed Next Steps for Prop 123 Fast-Track and Support:

- a. Engage 4 Government Partners
  - **Action:** Survey four government partners to understand current efforts related to Prop 123 requirements.
  - **Goal:** Identify where capacity is needed to support compliance and development.
  - **Method:** Hybrid survey approach:
    - Begin with in-person meetings for open dialogue.

- Summarize takeaways and follow up if needed
- Utilize responses to help inform procurement processes for land use and policy consultant
- b. Consultant Procurement (Q2)
  - **Action:** Check on Ignacio's Procurement Processes.
  - **Purpose:** To contract a land use and policy consultant to:
    - Research and identify best practices from peer communities.
    - Community and Stakeholder engagement
    - Create a comprehensive database of best practices that informs a database for Prop 123 fast track requirements for each of the four government partners
- c. Development Tracking Support – Soluvera
  - **Action:** Create and maintain a Prop 123 grant tracker
  - **Purpose:** Monitor and track Prop 123 affordable housing development pipeline.
- d. Stakeholder Engagement for Local Funding: Soluvera
  - **Action:** Reconvene the Stakeholder Taskforce Evaluation and Endorsement Revenue-streams (S.T.E.E.R.) Committee
  - **Purpose:** Engage stakeholders in effort to identify permanent funding sources for affordable housing. This effort includes research and educational activities (no advocacy efforts).

Soluvera Survey Outline (hybrid approach) – Start with in person meetings for open discussion; summarize takeaways and send a follow up email; seek any additional input if needed; identify procurement processes to identify a land use and policy consultant; then if needed, send a structured survey to fill in gaps or collect more standardized data

#### General:

1. Who is the appropriate staff person to engage with on Prop 123 implementation and related housing efforts?
2. Is there anyone else in your department or organization who should be involved in these discussions?
3. Would you like to be part of the RFQ/RFP land-use policy consultant process/committee?

#### Prop 123 Efforts & Capacity Needs

4. What steps has your jurisdiction already taken to comply with Prop 123 requirements?
5. What challenges or barriers have you encountered in meeting Prop 123 commitments?
6. What additional resources or support does your jurisdiction need to fulfill Prop 123 requirements?
7. Is your jurisdiction tracking Prop 123-related housing efforts? If so, how?
8. Do you have dedicated staff working on Prop 123 implementation, or would external assistance be beneficial?

#### Land Use & Fast-Tracking

6. Have you made any changes to your land use policies to support affordable housing fast-tracking?
7. Are there specific zoning or permitting constraints that make fast-tracking difficult?

8. What would help your jurisdiction streamline development approvals for affordable housing?
9. Do you have a system in place to verify compliance with Prop 123 fast-tracking requirements?

### **Tracking Prop 123 & Housing Commitments**

11. How are you currently tracking affordable housing projects that count toward Prop 123 goals?
12. What types of tracking tools or systems does your jurisdiction already use?
13. Would a centralized tracking tool for Prop 123 commitments, fast-track efforts, and pipeline projects be useful to your jurisdiction?

### **Permanent Local Funding for Housing**

14. Has your jurisdiction explored or implemented a permanent local funding source for affordable housing? If so, what type?
15. What challenges do you foresee in establishing a dedicated local funding stream?
16. What additional information or research would be helpful in evaluating local funding options?

### **Deed Restriction Guidelines & Resale Controls**

17. Does your jurisdiction currently utilize deed restrictions for affordable housing? If so, what policies are in place?
18. What challenges have you encountered in managing deed restrictions and resale controls?
19. Would your jurisdiction benefit from standardized deed restriction guidelines?
20. What key considerations or concerns should be addressed in a uniform approach to deed restrictions?

<b>February 2025 Notes</b>
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### **Project Moxie and Legal Needs for Framework Development**

**Action:** Project Moxie, Consultant, is wrapping up their scopes of work including research on deed restrictions/resale controls and there are legal needs for standardized framework in collaboration with stakeholder partner, HomesFund. Project Moxie also completed their work on Preservation database and potential preservations strategies for the community and RHA's consideration.

**Purpose:** Project Moxie's scope of work included development of resale controls that work with new state guidelines and create uniformity across municipalities; Grant writing and technical assistance on state applications; and assist with preservation database and identify potential public parcels for housing.

#### **Summary:**

- Research and education for policymakers and stakeholder partners on how to incorporate these practices into ongoing administrative programs.

- Outcomes will help support all four government partners with a regional approach to deed restriction program and Prop 123 requirements.
- Preservation and proposed strategies for a regional approach included: Preserving aging affordable housing; protecting existing affordable inventory; mapping Colorado's multifamily housing stock; engaging with managers and owners of income-restricted properties.
- Project Moxie assisted Rock Creek with Prop 123 gap funding state application and was notified of funding approval - \$462,000.
- Project Moxie won't be proceeding forward with the scope identifying public parcels for housing due to possible conflicts of interest with other contract work.

### **Follow-Up: Proposed Scope Based on Initial Conversations**

Soluvera met with each of the four government partners and discussed capacity needs and current efforts on Prop 123 requirements that can help inform next steps for procurement processes to identify a land-use and policy consultant.

The proposed effort emphasizes practical research and peer-based learning:

#### **Key Goal:**

- Identify and translate successful strategies from peer communities to support local fast-tracking and affordable housing efforts for each of the four government partners.

#### **Proposed Approach:**

- 1. Identify Peer Communities**
  - Select comparable municipalities for Durango, Bayfield, Ignacio, and La Plata County based on population, geographic characteristics, and housing challenges.
- 2. Outreach to Planning Staff**
  - Conduct targeted outreach to peer communities' planning departments to gather insights on effective permitting strategies and affordable housing initiatives as well as incentives.
- 3. Stakeholder and Community Engagement**
  - Engage key stakeholders, including planning staff, developers, and community organizations, to gather input and ensure alignment with local needs (e.g. focusing on Equity, Diversity, Inclusion, and Accessibility.)
- 4. Compile a Strategy Matrix**
  - Organize findings into a comparative matrix, categorizing strategies by jurisdiction, size, housing typology, and implementation context.
- 5. Local Evaluation and Adaptation**
  - Present findings to each jurisdiction's planning staff for review, input, and consideration of local code alignment or adaptation.

**Note of Caution:** Due to the current high-interest rate environment, development activity may be slower, making it more difficult to observe the immediate impacts of certain fast-tracking strategies. This will be monitored and better understood as the project progresses.

## March 2025 Notes

**DOLA:** 3-27-2025; Sarah Tober requested that Eva Henson, with Soluvera, be added to the contact list so that she'll receive grant-related correspondence in the future.

### Legal Needs & Procurement Process Support:

The RHA took the lead on the procurement process for a Request for Qualifications (RFQ) to select law firms experienced in working with the four government partners. This procurement was driven by the real-time legal needs identified by the RHA Board during their February 13 meeting. HomesFund, previously contracted by each jurisdiction to administer the Deed Restriction/Resale Control Program, collaborated with Soluvera, acting as the RHA Contract Director, to manage the procurement process. Soluvera provided ongoing updates throughout the search for qualified attorneys, coordinating with the RHA Attorney, the Ignacio Housing Authority Attorney, and a previously used attorney from the City of Durango. After engaging with these firms, *New Communities Law* was selected as the preferred legal partner to assist with the deed restriction/resale control program. This partnership will support the development of a regional standardized deed restriction program and the implementation of Prop 123 requirements in conjunction with HomesFund.

### City of Durango

- **Grant Activity:** The City has submitted for the DOLA Local Planning Capacity Grant.
- **Complementary Efforts:** The RHA capacity grant aligns with concurrent grant work by the City's Prosperity Office to achieve Prop 123 compliance. If the City is awarded, coordination will be essential to ensure efforts are complementary.
- **Scope Needs:** While the RHA scope is valuable, additional needs exist:
  - **Fast-Track Implementation:** The City will require further support to implement and manage fast-tracking beyond the initial scope.
  - **Policy Alignment:**
  - At this time, unclear when the City would adopt policy for fast-tracking but is aware it needs to occur before November 1, 2026.
  - **Incentives and Offsets:** Development of strategies to incentivize housing and manage offset requirements is a key need.
  - **Process Improvements:** Anticipating a shift from CDC or Council review to administrative approvals at certain planning stages, requiring internal staffing and procedural changes.
  - **Rental Restrictions:** Durango is managing rental restriction projects that may be unique; tailored processes will be needed.
  - **Staffing Needs:** The City is seeking funding to hire a Planning and Policy Administrator focused on offsets/incentives and fast-track process administration. Early-stage projects will require a "white glove" approach to reduce review cycles.
  - **Consultation Needs:** The City is also seeking consultant support for issuing RFQs and master planning of City-owned properties.
- **Alignment with RHA:** Durango recognizes the value of RHA's work:
  - Best practices will support code and process changes.
  - Interest in legally reviewed, standardized forms, project tracking tools, and long-term funding solutions.



- Shared efforts between RHA and the City will advance Prop 123 goals and housing inventory creation.
- **Consultant Support Needed:** The City sees value in consultant expertise to:
  - Conduct foundational research and peer community comparisons.
  - Community Engagement to inform ordinance drafting for readiness of policy adoption.

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### Town of Bayfield

- **Leadership Transition:** The Town anticipates hiring a new Town Manager and a Community Development Director in the near future. Participation from these roles will be important once filled.
- **Project Progress:** *Pine River Commons* is progressing well, with several units completed and additional units under construction.
  - Lessons learned from the Pine River Commons project could inform Prop 123 efforts
- **Current Support:** The Town has contracted SEH (Nancy Dosdall) for on-call planning services to assist with current development pipeline needs.
- **Policy Alignment:**
  - At this time, unclear at this time when the Town would adopt policy for fast-tracking but is aware it needs to occur before November 1, 2026.
- **Consultant Support Needed:** The Town sees value in consultant expertise to:
  - Conduct foundational research and peer community comparisons.
  - Community Engagement to inform ordinance drafting for readiness of policy adoption.

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### Town of Ignacio

- **Project Progress:** Rock Creek Phase I (10 units) remains on track with unit completion expected by May 2025.
- **Current Support:** The Town has contracted SEH (Nancy Dosdall) for on-call planning services to assist with current development pipeline needs.
- **Funding Success:** The Town has been awarded \$462,000 in Prop 123 gap funding for 6 units in Phase II that meet Prop 123 compliance.
- **Policy Alignment:** Lessons learned from the Rock Creek Project will be leveraged to inform potential code updates and refine fast-track processes.
  - The Town anticipates adopting fast-track policy updates before year-end (e.g. December 31, 2025)—or sooner, if feasible.
- **Regional Coordination:** Soluvera supported and released a regional press release (Feb 26, 2025) covering Prop 123 activities in Ignacio, Pagosa Springs, and Silverton.
- **Consultant Support Needed:** The Town sees value in consultant expertise to:
  - Conduct foundational research and peer community comparisons.
  - Community Engagement to inform ordinance drafting for readiness of policy adoption.

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### La Plata County

- **Affordable Housing Planning:** The County has developed a placeholder standalone chapter for affordable housing, recognizing the need to build capacity for fast-track implementation.

- **Foundational Needs Identified:**
  - Clear definitions and criteria for affordable housing.
  - Structured incentive tiers to differentiate projects that meet Prop 123 standards or other county housing goals (e.g., 50%+ compliance vs. smaller-scale developments).
  - Flexible standards that accommodate different project types and sizes.
- **Policy Alignment:** foundational work needs to occur first and then work towards informing what fast-tracking policy could look like.
  - At this time, unclear when the County would adopt policy for fast-tracking but is aware it needs to occur before November 1, 2026.
- **Zoning Context:** Most county code is performance-based; only the valley area follows traditional zoning, requiring nuanced approaches.
- **Consultant Support Needed:** The County sees value in consultant expertise to:
  - Conduct foundational research and peer community comparisons.
  - Community Engagement to inform ordinance drafting for readiness of policy adoption.

### Anticipated Next Steps (Q2)

1. On April 7, 2025, Soluvera and Ignacio met with DOLA staff to review the remaining scopes of work and potential funding opportunities. The discussion included guidance on the any availability of supplemental funding for current grantees. DOLA also provided the Contract Project Description, Work Description, and defined expected Outcomes.
2. **Incentive:** DOLA announced [new incentive](#) for Early Adoption of Fast Track to offer \$50,000 Incentive Funding for Local Governments Early Adoption of Fast Track Development Review.
  - Soluvera shared this with the RHA Board at their April 10, 2025 Board meeting.
3. **Land Use and Policy Consultant Procurement**

**Action:** Issue a Request for Qualifications (RFQ) in partnership with Town of Ignacio to procure a qualified land use and policy consultant.

**Purpose:** The selected consultant will support implementation of the DOLA-funded project by advancing fast-track permitting and affordable housing strategies across participating jurisdictions. **Key tasks will include:**

- Researching and identifying best practices from peer communities for fast-track permitting and affordable housing.
- Facilitating community and stakeholder engagement processes.
- Developing a comparative matrix outlining Proposition 123 fast-track permitting requirements by jurisdiction.
- Collaborating with Soluvera to build capacity and align with DOLA project deliverables

**Context:** Based on Soluvera's regional survey work, the Town of Ignacio is well-positioned to advance more quickly than other jurisdictions, due in part to its direct involvement in the Rock Creek housing project. Phase I of the project includes 10 units, with Phase II adding 11 units—six of which will serve households at 100% Area Median



Income (AMI), directly aligning with Proposition 123 requirements. The Rock Creek project offers a real-time, local case study that provides valuable insights and practical lessons to inform regional implementation strategies. As the DOLA grant recipient, the Town of Ignacio has also identified fast-track permitting compliance as a top priority to be achieved by the end of this calendar year.

### **Proposed Approach**

In coordination with the RHA Contract Director, the selected consultant will apply a structured, collaborative process to support Prop 123 implementation across jurisdictions, with an emphasis on peer learning, meaningful community engagement, and strategies tailored to local conditions, while remaining aligned with the project's grant budget of approximately \$15,000. Key responsibilities will be shared with the RHA Contract Director, who will provide additional capacity and oversight to support execution of this work.

#### **A. Identify Peer Communities**

- Select comparable municipalities based on factors such as population size, geography, and housing challenges relevant to Durango, Bayfield, Ignacio, and La Plata County.

#### **B. Outreach to Planning Staff**

- Conduct outreach to planning departments in selected peer communities to gather information on effective fast-track permitting practices, affordable housing strategies, and related incentives.

#### **C. Stakeholder and Community Engagement**

- Identify key stakeholders—including planning staff, elected officials, housing advocates, developers, and community organizations.
- Develop a tailored engagement plan.
- Facilitate listening sessions (virtual or in-person) to gather local insights and feedback.
- Document community and stakeholder input and translate findings into actionable recommendations.

#### **D. Compile a Strategy Matrix**

- Organize research and stakeholder insights into a comparative strategy matrix.
- Categorize strategies by jurisdiction type, housing typology, and implementation context to support ease of reference and practical application.

#### **E. Local Evaluation and Adaptation**

- Present findings to each jurisdiction's planning staff for review, input, and consideration of local code alignment or adaptation.