

BOARD OF COUNTY COMMISSIONERS BRIEFING PAPER

Topic: Development Fee Reduction Refund Program for Affordable Housing Projects

Presented by: Chris O’Keefe, Planning and Zoning Director

Date: 6/10/2025

☐ For Information

☒ For Discussion/Board Direction

☐ Consent to
Place on Business/
Hearing Agenda

Issue: Creating a Development Fee Reduction Refund Program for Affordable Housing Projects.

Background:

HB21-1271 (§ 24-32-130, C.R.S) created three programs for the Colorado Department of Local Affairs (DOLA) to provide state assistance to local governments to promote development of affordable housing strategies, including the Innovative Housing Planning Grant Program (IHOP). As an IHOP recipient, Jefferson County is committed to adopting a strategy to aid in increasing the supply of affordable housing. The menu of options for doing so under the law includes “[t]he creation of a program to subsidize or otherwise reduce local development review or fees, including but not limited to building permit fees, planning waivers, and water and sewer tap fees for affordable housing development.” § 24-32-130(3)(b)(I)(B), C.R.S

Pursuant to County regulations and the attached Development Application and Permit Fees Policy (Policy), Jefferson County charges fees for development applications and permits including, rezoning, preliminary and final plat, and building permit applications. The fees are charged in accordance with the Development Application and Permit Fees Table, attached. Generally, the fees are based on the size and impact of the development project.

Development fees contribute to housing costs and can create barriers to the construction of affordable units. Some example development fees for County land use processes are:

- 20-acre rezoning - \$8000
- Site Development Plan for a 20-unit apartment building - \$5,500

- 20 lot subdivision for Preliminary and Final Plat process - \$4350 for the Preliminary and Final Plat process
- Zoning Review Fee for Building Permits - \$250

Section C.2. of the Policy gives the Director of Planning and Zoning the discretion to reduce development fees for developments providing affordable housing units, if certified as affordable by the Community Development Division.

Pursuant to the law, "Affordable Housing" for renters means the "annual income of the household is at or below eighty percent of the area median income of households of that size" in the County. "Affordable Housing" for owners means the annual income of the household is at or below one hundred forty percent of the area median income of a household of that size" in the County. § 24-32-130(1)(a), C.R.S.

Discussion: To satisfy the County's commitment to promote the development of affordable housing in the County, the attached Development Fee Reduction Refund Program ("Program") is proposed.

This Program:

- Can be implemented by the Director of Planning and Zoning under Section C.2. of the Policy
- Requires no amendments to existing land use regulations or the Development Application and Permit Fees Policy or Fee Table
- Incorporates the statutory definition for Affordable Housing
- Involves coordination with the Community Development Division to certify that the proposed units are Affordable Housing units ("Certified Units")
- Identifies the percentage of development fee reduction based on the AMI percentage for Certified Units
- Sets a minimum 20-year Affordable Housing term
- Supports the goals of the 15-Year Housing Plan, Together Jeffco, the adopted Comprehensive Master Plan, and the forthcoming Comprehensive Plan and Unified Land Use Code

The short-term fiscal impact of the Program is expected to be minimal based on current construction trends, and the Program provides:

- A foundation for expanding affordable housing efforts;
- A measurable incentive to developers;
- A mechanism for tracking the number of affordable units built,

particularly by the private sector.

As a first step and with other initiatives outlined in the 15-Year Housing Plan, the goal for this Program is to contribute to the County's affordable housing stock.

Fiscal Impact: ☒ yes ☐ no

Potential revenue loss to the General Fund of \$50,000.

- Year(s) of impact: Beginning 2025
- Existing grant or project: Innovative Housing Planning Grant Program (IHOP) award
- New grant or project: New
- Requested in adopted budget: No
- Ongoing or one-time: Ongoing
- General Fund impact: Small percentage of building permit revenue
- Staffing impact: none
- Match requirements: none
- Mandate/Contractual obligation: required as part of grant

SPA Review: Support with concerns regarding potential revenue loss of around \$50,000 to the General Fund. Zoe Jenkins, June 3, 2025

County Attorney Review: Kristin Cisowski, June 3, 2025

Facilities Review: No fiscal impact. Tim Doiel, June 3, 2025

BIT Review: Supports, Andy Corbett, June 3, 2025

Fleet Review: No fiscal Impact. Janice Mayer, June 3, 2025

County Human Resources Review (new FTE only): No FTE

Recommendations: Staff recommends the Board direct staff to implement the Development Fee Reduction Refund Program for Affordable Housing Projects pursuant to the Director of Planning and Zoning's authority set forth in the Development Application and Permit Fees Policy. The Policy gives the Director the authority to assess, reduce, or prorate application and permit fees based on the number of affordable units.

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