

**BOARD OF TRUSTEES  
TOWN OF WESTCLIFFE  
TUESDAY, JULY 9<sup>TH</sup> 2024  
PATTERSON HALL – 1000 MAIN  
WORKSHOP  
3:00 P.M.**

**Zoom**

Meeting ID: 859 3258 2648 Passcode: 402304

By Phone: 719-359-4580

**Order of Business:**

- a. Update on the Prop 123 – More Housing Now grant
- b. Schedule a Bid Review Committee workshop for the RMS project.
- c. Schedule a Special meeting for the RMS bid opening and award.
- d. Schedule a with the WPAC Committee to review the Memorial Park proposed plan for August 6<sup>th</sup>.

Adjourn

**From:** townmanager@townofwestcliffe.com  
**Sent:** Friday, July 5, 2024 11:54 AM  
**To:** townclerk@townofwestcliffe.com  
**Cc:** 'Kathy Reis'  
**Subject:** BOT Workshop agenda and packet  
**Attachments:** Land use strategies.docx; THE CASE for ACCESSIBLE, AFFORDABLE & AESTHETIC HOUSING for THE TOWN OF WESTCLIFFE-1.docx; MHN Land Use Strategies & Best Practices Form (3).pdf; ^N2 Assessment - Custer County Final Report - UAACOG Housing Needs Assessment 07-01-19.pdf

- Discussion for Prop 123: More Housing Now Grant
  - Town Manager Patterson will discuss items needed to get done before applying for the grant.

Before applying for the More Housing Now Grant the Town of Westcliffe will need to address a few items. The DOLA website has a strategies and examples page on what will need to be done before applying for the grant. It also shows other examples on what other municipalities have done to make affordable housing streamlined in their communities. <https://dlg.colorado.gov/innovative-affordable-housing-strategies> (MHN Land Use Strategies attached)

"Land use Strategies" – These are all examples of what I have planned (some are notes, so excuse any grammar) for the Town. A few things from this will need to be done before applying, from this document. Remember these are all points to hit to be more competitive for the grant:

- 1) Rezone the six blocks- without this, there will be no grant. The higher the density the better
- 2) Eliminate Permit costs – A resolution will be needed for this. Possibly an Ordinance to pass, to add onto the fee schedule. We will add something to the affect to eliminate all building permit fees, but keep still charge for plan reviews for all affordable homes/ Deed restricted properties
- 3) Work to cut costs to reduce local government fees. We will need to work on getting Round Mountain's Tap fees down for single family and multi family units. We will need to work with Black hills to do the same.
- 4) UAACOG- We will need to work with COG to see what subsidies they can offer to home buyers and also see if the Town would like to have them be a housing Authority for these properties.
- 5) TAP fee reinvestment. When the Town uses its \$300,000 from the fund balance to cover this grant we will immediately need to try to get those costs back. Once the fund balance is restored, it is very important on where the rest of the money should go. The Town should sell the land to the developer at a discounted price, if they can promise density, the higher the density the cheaper the Town should sell the land. The Town in this case, will be acting as a developer for putting the infrastructure in place. The money gained from the tap fees should be its own line item in the budget and be spent only (subject to annual appropriation of funds) to either reduce costs for development (by helping with road/sidewalk infrastructure) or other ways if the Board has other ideas
- 6) Property tax relief. The Town should offer property tax relief on the Prop 123 land and deed restricted homes. The Town will need to work with the county to get this done

"The Case for accessible, affordable & aesthetic housing for the Town of Westcliffe"

This document provided here will be Westcliffe's official document for its Affordable housing program. This example was taken from Longmont's Program from the DOLA website:

[https://drive.google.com/file/d/1wGuPEbUX3-h2W6\\_q\\_rgflEm9OqThjeed/view](https://drive.google.com/file/d/1wGuPEbUX3-h2W6_q_rgflEm9OqThjeed/view)

<https://www.longmontcolorado.gov/departments/departments-e-m/housing-and-community-investment/housing-programs/affordable-housing-incentives>

We should adopt this by resolution and have a dedicated page on the Town's website .

## Energy and Mineral Impact Advisory Fund

### More Housing Now Best Practices

Applicant: Town of Westcliffe  
Project Name: Affordable Housing in Westcliffe  
Applicant Contact: Caleb Patterson-Town Manager  
Date: 6/24/2024

For More Housing Now projects only.

#### Land Use Strategies

Please select all of the land use strategies your jurisdiction has adopted from the following (even if they all don't impact this particular project). Land use strategies list included in HB21-1271.

- ☒ Use of vacant publicly-owned property for affordable housing development
- ☐ Subsidize/reduce local government fees
- ☐ Expedited development review for affordable housing up to 120% area median income (AMI)
- ☐ Expedited development review for acquiring or repurposing underutilized commercial property
- ☐ Density bonus program for housing needs
- ☐ Promote sub metering utility charges for affordable housing
- ☐ Dedicated funding source to subsidize affordable housing infrastructure costs and fees
- ☐ Middle multifamily (duplex, triplex, other) use by right in single family residential zoning districts
- ☐ Affordable housing as a use by right in residential zoning districts
- ☐ Accessory dwelling unit (ADU) use by right in single family zoning districts
- ☐ Allow planned unit developments (PUDs) with integrated affordable housing units
- ☐ Allow small square footage residential unit sizes

- ☐ Rural counties - Use intergovernmental agreements (IGAs) with municipalities that designate tiers/growth areas where urban and suburban-level growth will be built only if annexed by the municipality and low level density will occur only in the unincorporated county. These IGAs may require development in areas of municipal interest (i.e., likely to be annexed in the future) to develop to the municipality's infrastructure standards in order to reduce future costs.
- ☐ Establish urban growth area/boundary agreements between neighboring municipalities and/or counties to coordinate future development by directing development toward existing communities. Jurisdictions determine together where it is cost effective to grow, guiding growth where most needed (e.g., infill areas) and away from areas where it can create problems (e.g., high hazard areas, wildlife habitat, prime agricultural land).
- ☐ Rural counties - Use Transfer of Development Rights (TDRs) and Purchase of Development Rights (PDRs) to incentivize housing development in municipalities while allowing some cost recapture/return on investment for agricultural or other large lot landowners.
- ☐ Require Planned Unit Developments (PUDs) to include and/or increase the percentage of integrated affordable housing units.
- ☐ Designate an infill incentive district(s) that allow a mix of uses and prioritize inclusion of affordable housing units in infill locations, including the possible use of property tax abatement, development fee reductions, or other incentives.
- ☐ Rural counties - Establish flexible, by-right, mixed-use zone districts adjacent to towns and in town influence/growth areas to accommodate large developments that are in accord with town and/or county comprehensive plans.
- ☐ Rural counties - Require cluster subdivisions at a community's edge to transition to rural areas. Require conservation subdivisions in rural areas (residential subdivision that devotes at least half of its potentially buildable land area to undivided, permanently protected open space).
- ☐ Create parking maximums, principally focused near active transportation nodes and areas in, or adjacent to, job centers and services.
- ☐ Adopt pedestrian and multi-modal road standards that allow for minimum width roads/streets to reduce construction and maintenance costs, increasing connectivity, multi-modality and walkability (e.g., complete streets, Americans with Disabilities Act (ADA) access, bike lanes, sidewalks, etc.).
- ☐ Adopt water conservation standards, such as permitting recycled water irrigation systems or providing stormwater management credits to protect agricultural land and greenspaces.
- ☐ Codify water rate structures with cost percentage reductions for affordable and denser housing.
- ☐ Adopt energy efficient building codes and design standards that substantially exceed the standards required by HB 22-1362 to ensure lower household utility costs long term.





## Development Review Fees, Impact Fees, and Expedited Process

*From DOLA's Innovative Affordable Housing Development Incentives Grant Program Guidelines, list of qualifying strategies:*

*2. The 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.*

*3. The creation of an expedited development review process for affordable housing aimed at households the annual income of which is at or below one hundred twenty percent of the area median income of households of that size in the county in which the housing is located.*

*4. 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.*

**Overview.** Local jurisdictions can charge developers a range of fees to offset the cost of development review and approval and help pay for expanding infrastructure and other public services related to the new development. Development review and permitting processes are in place to ensure compliance with local land use and zoning laws, building codes, and public health and safety standards. Reducing or waiving development fees and impact fees, as well as expediting the permitting and approval processes, can help incentivize the development of affordable housing or other high-priority community projects.

**Impact.** Particularly in strong markets with high levels of construction activity and communities with high development or impact fees, expedited development review or the waiving of development fees can be effective at incentivizing affordable housing development. The reduction or elimination of these fees can help to make a developers' projects more financially viable and an expedited review process can also help developers avoid project delays and unexpected costs. Both of these strategies may also be tied to other policies in place, such as inclusionary zoning requirements, to help offset added costs to developers.

Programs with the strongest outcomes to date share similar conditions:

- High-level of construction activity (e.g., strong demand for market and affordable housing) or where new development is anticipated;
- Relatively high impact and/or development fees;
- Adequate staff capacity that allows expedited permitting program to be successful without disrupting normal development review process; and
- Balance between making affordable housing development cost-effective for developers while preventing negative funding impacts on other community goals.

**Implementation considerations.** For communities considering these strategies, the following basic questions should be considered before pursuing implementation:

- 1) Are local housing market conditions (e.g., level of construction activity) conducive to make developers take advantage of these incentives?
- 2) Assess cost impact to the jurisdiction and how the revenue from that fee(s) is utilized. Are there other revenue sources available that might be able to cover shortfalls?
- 3) Does staff have capacity to handle influx of development applications on an expedited timeline? Is there administrative capacity to monitor the program and its effectiveness?

**Define program criteria.** In crafting the development fee reduction/waiver and expedited development review strategies, the community must determine:

- Whether the jurisdiction reduces or waives all development impact fees or a subset of fees, and availability of other revenue sources to offset those waivers. Similarly, for expedited development review, whether projects are eligible for all review processes to be expedited or just a subset (e.g., building permits and environmental review).
- What eligibility and affordability criteria must be met to qualify for fee waiver/reduction and/or expedited development review (e.g., number of units provided at a certain AMI%, length of time that units must remain affordable for projects).
- Whether fee waivers/reductions and expedited development review be as-of-right or reviewed on case-by-case basis (note: case-by-case is less predictable for developers and demands more administrative capacity).
- How fee waiver/reduction and expedited review applies to mixed-income developments, renovations, and/or conversion of non-residential property to affordable housing.
- Whether to apply a cap on number or annual amount of fee waivers/reductions.
- Capacity to monitor and administer program to ensure that units benefitting from waiver or expedited review are actually being used as specified in the agreement.

**Advantages and challenges.** Potential advantages of these strategies include:

- Improves the financial feasibility of the developer's project;
- Provides more certainty in the development process; and
- Provides affordable units at a certain AMI level that might not be produced otherwise.

Potential challenges of implementing a development review fee waiver or expedited process include:

- Ensuring fee subsidy/reduction amounts and expedited development review are meaningful incentives for developers;
- Limited capacity for program administration and monitoring; and
- Reduced revenue for infrastructure expenses and other public services.



## Examples from other Colorado communities

### Urban

**Brighton** The City provides for [reduced or subsidized](#) development impact fees for affordable housing constructed within City limits and compliant with applicable fee requirements. The list of fees eligible for reduction, subsidy, or reimbursement includes water plant investment fees and/or water resource fees, sewer plant investment fees, traffic impact fees, drainage impact fees, park development fees, bridge and/or crossing fees, and open space cash-in-lieu fees.

**Colorado Springs:** The City has an [Executive Agreement](#) with Colorado Springs Utilities that authorizes up to \$2M annually to offset utility-related charges for affordable housing projects. The City's [Rapid Response Team \(RRT\)](#) program provides qualifying primary employers with expedited review and approval of land use applications and building permits, primarily reducing the time it generally takes for plans to move through the development review process. The City provides a one-page description of their Rapid Response plan review designation and list of qualified affordable housing projects. Note: while this program is limited to primary employers, it provides a framework and process that could be extended to affordable housing developers.

**Denver:** The City's [Affordable Housing Development Review Team](#) is a special cross-department unit dedicated to reducing the time it takes to review and permit affordable housing developments. Denver also offers up to a [50% reduction in fees](#) for affordable housing.

**City Longmont:** The City's [Affordable Housing Program](#) includes numerous incentives for affordable housing, including:

- **Fee Waivers:** A percentage of certain development fees may be waived for qualifying projects. Reductions can range from 50% to 75% for for-sale units and from 20% to 50% for rental units.
- **Fee Deferral:** As part of the Impact Fee Deferral Program, new residential developments are eligible to defer payment for several City-related fees.
- **Subsidy for Water/Sewer System Developments Fees:** Projects that provide more than the minimum required affordability may qualify for a percentage of the fees to be subsidized.
- **Offsets for Cash-in-Lieu of Raw Water Deficits:** A project that provides a minimum of 25% of total units in a development as affordable may be eligible to receive an offset for a percentage of the raw water deficit cash-in-lieu owed to the City. This incentive is only available to projects that are being platted; redevelopment projects are ineligible.

### Rural

**Bayfield:** The Town recently adopted a new [Building Permit Fee Schedule](#) through Resolution #533, which allows for the waiving of building permit fees for Deed Restricted or Subsidized Affordable/Workforce Housing projects.

**Erie:** Erie's [Unified Development Code \(UDC\) update](#) allows for a "fast-track" administrative review for any development with more than 12% of the units to be affordable. Erie is defining affordable as: For sale units - less than 120% of AMI; and for rent units - less than 80% of AMI. All the units must have a deed restriction. The UDC amendments allow expedited review for any property with at least 12% affordable units.

**Fraser:** Fraser adopted [Ordinance 436](#) amending the Plant Investment Fee (PIF) Schedule to include, among other amendments, the following:

- Reduced PIF for apartments, mixed-use developments, and accessory dwelling units (ADUs)
- Collection of PIF at Certificate of Occupancy versus Building Permit
- Reduced service fees during construction



**Trinidad:** Resolution 1615 created the [Housing Now Economic Development fund](#) for deed restricted affordable workforce housing. In addition to tap fee reductions, it provides an additional \$15,000 subsidy to assist with defraying costs for projects that offer housing at <100% AMI. This fund was originally subsidized with a \$1.5 million contribution from the City. Because of the immediate success and participation by local property owners and developers the City passed an additional \$500,000 in funding to allow this incentive program to continue. The tap fee deferral program will continue after the Housing Now Incentive program with a commitment of 4% of the City's Marijuana tax continuing to replenish this funding in the coming years. Housing Now also provides a \$25,000 per unit subsidy to downtown property owners who rehab, or repair existing mix use commercial properties with rental units. In exchange for this subsidy the owner agrees to rent the unit for <80% AMI and agrees to a deed restriction. Finally, [Ordinance 3077](#) passed by City Council in 2023 includes expedited review procedures for affordable housing.

### **Rural Resort**

**Crested Butte::** The Town's [discounted tap fee program](#) will fund 2/3 of the cost of water and sewer tap fees for any deed restricted unit (for sale or rental) this includes the construction of Accessory Dwelling Units (ADUs).

**Durango:** the [Fair Share Housing section](#) of the City's Land Use and Development Code provides for a variety of fee refunds and waivers for the following elements: building permit fees, use tax, land use application fees, water plant investment fees, sewer plant investment fees, and water tap fees.

**Eagle:** The Town provides a [50% reduction](#) in water tap fees for affordable housing projects.

**Gunnison County:** Essential Housing projects are given priority over other applications that are being reviewed by staff, the Planning Commission, or the Board, per the [Gunnison County Land Use Resolution](#). The resolution stipulates that at each phase of its review, the application must be placed on the first scheduled Commission or Board agenda for which it can be properly noticed. Applies to "an Essential Housing project or a residential or mixed use development in which at least 40% of the residential units are classified as Essential Housing and will maintain such classification due to a deed restriction."

**Lake County / Leadville:** The City's recently passed [2A Short-Term Rental Tax](#) for affordable housing was directed to the [Leadville Lake County Regional Housing Authority](#) (LLCRHA) as they have dedicated funds to assist in the payment of fees for the development of affordable housing. To expedite affordable housing approvals, the County has a single hearing process between the Planning Commission & BOCC which creates significant efficiency for all involved.

**Salida:** The City charges reduced water and wastewater system [development fees](#) for legally-restricted affordable housing.

**Steamboat Springs:** Per [SSMC Sec. 22-226](#), new construction of a qualifying dwelling unit which is the sole residence of an individual employed or self-employed in Routt County is exempt from payment of excise taxes on the first \$150,000 of building permit value. A qualifying unit is any newly constructed single-family, duplex, or multi-family unit with a value, as calculated for purposes of issuing a Building Permit, of \$250,000.00 or less.

**Additional resources.** Information for this factsheet gathered from *Local Housing Solutions* and *National Housing Conference* websites. Additional resources to support development and implementation of the fee waiver/reduction strategy and expedited review process resources are available at the links below.

- Local Housing Solutions - [Reduced or waived fees for qualifying projects](#)
- National Housing Conference - [Common revisions to Impact Fees](#)



- HUD Resources - [Impact Fees and Housing Affordability](#)
- Local Housing Solutions - [Expedited permitting for qualifying projects](#)
- National Association of Home Builders (NAHB) - [Expedite Approvals for Affordable Projects](#)

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*Many thanks to Root Policy Research for drafting this fact sheet and to Plan Tools, LLC and SE Group for reviewing and contributing. Please reach out to DLG program staff if you have additional questions or would like to share your best practice with other communities.*

## Energy and Mineral Impact Advisory Fund

### More Housing Now Best Practices

Applicant: Town of Westcliffe

Project Name: Affordable Housing in Westcliffe

Applicant Contact: Caleb Patterson- Town Manager

Date: 6/24/2024

For More Housing Now projects only.

### Land Use Strategies

Please select all of the land use strategies your jurisdiction has adopted from the following (even if they all don't impact this particular project). Land use strategies list included in HB21-1271.

#### Use of vacant publicly-owned property for affordable housing development

The Town will use its current land, approx. 186,000 square feet (4.2 acres), for its affordable housing project.

#### Subsidize/reduce local government fees

The Town's Affordable Housing Program includes numerous incentives for affordable housing, including:

- Eliminating all building permit costs to help lower all building costs for apartments or condos for proposition 123 housing units. (might need a resolution for the building dept to do this)
- Discounted water and sewer tap fees for all Prop 123 buildings as much as 20-40%????IDK
- After the infrastructure is installed, the Town will sell the land to a developer at a discounted price in order to help lower building costs to meet a 120% AMI and lower!
- Work with UAACOG for subsidies!!!!!!<waiting on Max Hansen
- The Town will use the money from people going into the Tap fees to reinvest in road infrastructure to help offset development costs, or \_\_\_\_\_ VERY IMPORTANT, NEED MORE IDEAS

#### Expedited development review for affordable housing up to 120% area median income (AMI)

#### **Expedited development review for acquiring or repurposing underutilized commercial property**

With this grant, as an add alternate, the Town would like to bore a sewer line under CO S 69 to help out the commercial properties to give the buyers/renters of the units a place to work. When the Town gets the housing units, we will also need more place for people to work in order to help boost the local economy.

#### **Density bonus program for housing needs**

The Town plans on building 3/4 story apartments and condos on approx. 186,000 sqft area (approx. 4.2 acres) up to several 60 unit buildings made up of apartments/condos on its Prop 123 land.

#### **Promote sub metering utility charges for affordable housing**

Reduced costs for water fees

Talk to black hills on reduced costs to electrical fees.

#### **Dedicated funding source to subsidize affordable housing infrastructure costs and fees**

The money made from Tap fees from people hooking into the mains can go into the roads, and can also be used to help people get subsidies for affordable homes- WORK WITH UAACOG ON THIS. You can work around TABOR.

#### **Middle multifamily (duplex, triplex, other) use by right in single family residential zoning districts**

The Town is using the middle two blocks for triplexes, town homes, as housing option and is the land owners right.

#### **Affordable housing as a use by right in residential zoning districts**

The Town will work with Verotouch and Dreamwood homes in order to bring affordable options to people looking for single family homes. Talk about both unique building practices. The Town will eventually (once the infrastructure is in) to use a land banking grant to buy the land to put these homes in.

#### **Accessory dwelling unit (ADU) use by right in single family zoning districts**

The Town has ADU's as a Use by right in the single family/ Tiny home zones. The Town recently allowed Ordinance\_\_\_\_\_ Tiny homes for 500 sqft and lower.

#### **Allow planned unit developments (PUDs) with integrated affordable housing units Allow small square footage residential unit sizes**

Yes- need to make PUD a use by right in the 6 blocks

#### **Reduce minimum parking requirements for new affordable housing**

The Town will have developers (in the Prop123 lots and two blocks to the right) make a minimum parking area of 5-10% or one parking spot per unit. MAKE AVAILABILITY FOR ON STREET PARKING. The developer has the option (on Prop 123 lots) to vacate and reorganize the roads in order to have higher density etc.



Possibly even vacating the existing roads for the Town owned lots, in order for more parking??

**Land donation/acquisition/banking program**

Once the infrastructure is in for the entire area, the Town aims to buy one/two blocks from the Tiny home/ one story area to work with Verotouch and Dreamwood homes to make even more affordable units.

**Inclusionary zoning ordinance (House Bill 21-1117)**

In the Prop 123 lots, the land must be sold to those with a lower AMI, locals, disenfranchised groups, and is accompanied with a 99 year deed restriction.

**Other novel, innovative, creative approaches – General**

Consider having a housing authority to help govern the deed restrictions, hiring local employees (application process for housing to ensure locals are living there, especially those who work locally- get extra points), have a grading criteria for applicants

**Other novel, innovative, creative approaches - Housing Authorities None**

**Comments:**

*The following below is from the DOLA website:*

Land Use Best Practices

Please select all of the best practices your jurisdiction has adopted from the following (even if they all don't impact this particular project). Land use best practices list created through HB22-1304.

Establish higher minimum density mixed use development (by-right) in downtown areas, workforce centers, and around multimodal transportation nodes (or other walkable areas).

Rural counties - Establish higher densities in areas close to jobs and services that are served by public water and sewer. In areas served by well and/or septic systems, reduce allowed densities.

Reduce or eliminate minimum lot size requirements to increase options for affordable housing development.

Rural counties - Increase minimum lot size in prime agricultural lands, critical habitat corridors or spaces, and hazard areas in counties to avoid and mitigate impacts from development (e.g. 70 or 120 acres).

Rural counties - Affordable housing subsidies and/or incentives - Create subsidy and/or incentive tools to support affordable housing development (served by public water and sewer) near jobs and services (e.g., fee waivers or reductions, funding source to buy down costs, use of vacant publicly owned land, reduced parking, etc.).

Alternative building options - Remove barriers and/or update zoning to permit alternative housing options, including but not limited to, modular, manufactured, and prefabricated homes.

Update annexation policies to require or incentivize mixed use development that includes affordable housing and ensures connectivity with roads, transit, trails, parks and schools.

Rural counties - Use intergovernmental agreements (IGAs) with municipalities that designate tiers/growth areas where urban and suburban-level growth will be built only if annexed by the municipality and low level density will occur only in the unincorporated county. These IGAs may require development in areas of municipal interest (i.e., likely to be annexed in the future) to develop to the municipality's infrastructure standards in order to reduce future costs.

Establish urban growth area/boundary agreements between neighboring municipalities and/or counties to coordinate future development by directing development toward existing communities. Jurisdictions determine together where it is cost effective to grow, guiding growth where most needed (e.g., infill areas) and away from areas where it can create problems (e.g., high hazard areas, wildlife habitat, prime agricultural land).

Rural counties - Use Transfer of Development Rights (TDRs) and Purchase of Development Rights (PDRs) to incentivize housing development in municipalities while allowing some cost recapture/return on investment for agricultural or other large lot landowners.

Require Planned Unit Developments (PUDs) to include and/or increase the percentage of integrated affordable housing units.

Designate an infill incentive district(s) that allow a mix of uses and prioritize inclusion of affordable housing units in infill locations, including the possible use of property tax abatement, development fee reductions, or other incentives.

Rural counties - Establish flexible, by-right, mixed-use zone districts adjacent to towns and in town influence/growth areas to accommodate large developments that are in accord with town and/or county comprehensive plans.

Rural counties - Require cluster subdivisions at a community's edge to transition to rural areas. Require conservation subdivisions in rural areas (residential subdivision that devotes at least half of its potentially buildable land area to undivided, permanently protected open space).

Create parking maximums, principally focused near active transportation nodes and areas in, or adjacent to, job centers and services.

Adopt pedestrian and multi-modal road standards that allow for minimum width roads/ streets to reduce construction and maintenance costs, increasing connectivity, multi- modality and walkability (e.g., complete streets, Americans with Disabilities Act (ADA) access, bike lanes, sidewalks, etc.).

Adopt water conservation standards, such as permitting recycled water irrigation systems or providing stormwater management credits to protect agricultural land and greenspaces.

Codify water rate structures with cost percentage reductions for affordable and denser housing.

Adopt energy efficient building codes and design standards that substantially exceed the standards required by HB 22-1362 to ensure lower household utility costs long term.

Restrict development in high risk, hazard, and environmentally sensitive areas (e.g., floodplains, wildfire, protected wildlife habitat areas, etc.), using overlays and other tools that require mitigation measures.

None



# *THE CASE for ACCESSIBLE, AFFORDABLE & AESTHETIC HOUSING for THE TOWN OF WESTCLIFFE*

## **Overview**

Housing affordability and accessibility are central concerns for the Town of Westcliffe. New housing development, both free-market and affordable is an important factor in ensuring a vibrant future for Westcliffe

Workforce or affordable housing can be defined as housing that is targeted to attract and retain “essential workers” in a community.

Affordability is seen as the relationship between income and housing costs. Income for affordable housing residents is often restricted to 30-120% of the area median income or AMI, with total housing costs equaling no more than 30% of annual income. It can include single-family, multifamily, owner occupied or rentals, ADUs, and mixed-use units. Affordable or workforce housing can be made lower cost by government subsidies for infrastructure development, writing down the cost of land, deed restrictions, public/private partnerships, or land trusts, among other strategies.

## **Mission**

Whether a young family, looking to put down roots, a single professional looking for an outdoor oriented lifestyle, or a retired individual, looking for a residence that meets their financial, physical, and social needs, a wide range of housing types should be provided that are attainable and aesthetically desirable.

The Planning Commission has discussed options of how to ensure affordable housing is provided. Of the options discussed, support has been voiced for revising the Land Use Code to include affordable housing policies.

The Land Use Code should also allow that more affordable housing can be built throughout the Town of Westcliffe through changes to density parameters, dimensional standards, and allowing a broader range of housing types that will ensure affordable housing projects are viable for developers.

Finally, the Land Use Code should contain incentives to developers to build affordable housing such as fee waivers, density bonuses, expedited review, etc., and should contain provisions for their long-term status as affordable housing to prevent conversion to market rate units.

Outreach and education of the community should be pursued to ensure broad community support for affordable housing programs.

## **Why is a new Outlook on Housing Important?**

Many people in the community report they cannot find housing that they like or that they can afford. This lack of housing options has a negative impact on the efforts to diversify the Town’s economy. If the economy is to expand beyond primarily being a seasonal tourist dominated economy, new and varied housing stock must be provided to attract new companies and remote workers to relocate to Westcliffe. The lack of affordable housing can be seen as an economic development bottleneck for the community.

# *THE CASE for ACCESSIBLE, AFFORDABLE & AESTHETIC HOUSING for THE TOWN OF WESTCLIFFE*

New housing options will also ensure that potential and current residents can find housing that suits their needs and provide certainty that they can call Westcliffe home for many years to come. Finally, more housing options will build a critical mass of full-time residents sufficient to support a year-round economy.

## **What Type of Housing Is Needed?**

A wide variety of housing options should be explored. These range from emerging concepts such as tiny houses and live/work opportunities to more traditional housing such as continuum of care/senior housing, accessory dwelling units, townhomes, condominiums, and multi-family housing developments. Factory built and robotic additive technologies should be considered to reduce costs.

Given the Town's limited potential for annexation, encouraging greater housing density in certain existing locations will be necessary. Greater density should also focus development where cost-effective infrastructure improvements can be provided in an efficient manner, such as the vacant properties west of the grocery store on Main St.

The Town's largest opportunity for both density and housing variety is the undeveloped 13-acre property south of Hermit Park. These parcels currently lack road, electrical, and sewer/water infrastructure and are ideal for a mix of higher density, workforce, senior, veteran, and alternative housing options. The Town owns 4.2-acres of this property not including roads and alleys is adjacent to SH69. This 2-acre property would be an ideal for 3-story 1- and 2-bedroom apartment development and would be walkable to Main St. and schools.

The property slopes from east to west and would aesthetically best be tiered from two to one story construction. One higher density option would be one- or two-story Townhomes with 1-bedroom ADU's rental units facing an alley mini-street to provide income for the Townhome owner.

1-3/4 acres would be set aside for veterans housing in the southwest corner of the property. This land would be donated by a private party and possibly put in a trust and with provisions to prevent conversion to market rate units.

Much of the development would lend itself to factory built and/or robotic 3D concrete construction.

# *THE CASE for ACCESSIBLE, AFFORDABLE & AESTHETIC HOUSING for THE TOWN OF WESTCLIFFE*



Figure 1. ADU Development Incorporating the Alley as a One-way *Mini Street*

## **Additional Land Use Code Considerations**

Affordable housing should be located on vacant or underutilized lands, developed alongside commercial areas, and within existing neighborhoods to foster community integration and vitality. Accessory Dwelling Units (ADUs) should be considered as a good alternative for adding additional density to existing residential properties and should have a minimal and efficient review process. Incentives for constructing Affordable Housing should be provided in the Land Use Code and through other mechanisms, such as reduced fees, to ensure affordable housing is built. The Land Use Code should provide zoning that would allow affordable housing to be integrated into the fabric of the community. To provide consistency and manage expectations of the community, specific design standards should be made a part of the Land Use Code update. These standards, which establish neighborhood scale and character, and ensure walkability, will assist in maintaining a desirable and accepted community appearance.



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## **Town of Westcliffe's Affordable Housing Program** **“South Westcliffe”**

The Westcliffe Community and Board of Trustees have begun to plan and come together to document hopes for the Town's future and to outline a path to reach those goals. Providing housing for all its inhabitants is a key goal for the Town in its new Master Plan. The solution to the Housing Crisis in Custer County will start with Westcliffe and bring unity, growth, and prosperity to this small mountain community.

The project will be focused on a six-block area south of Town that will be rezoned into a newly defined multifamily district. This area will include affordable housing units, apartments, condos, town homes, tiny homes, ADUs, and single-family homes. The Town will seek grants with an objective of completing the infrastructure work no later than 2026.

Once the infrastructure is in the Town will partner with one or more developer(s) in order to provide affordable housing on its 186,000 square foot (4.2 acres) area. Building is expected to start in 2026/2027. As the entire area is not owned by the Town, it is expected to take up to 10 years for the project to be fully developed.

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**Green: Entire Multi-Family District**  
**Blue: Town of Westcliffe Public Land**  
**Prop 123**



*\*Map not yet updated\**

**This effort is centered on these three goals:**

**Prosperity:** The Wet Mountain Valley community is a very special community with 64+ non-profits and multiple events (music festivals, concerts, plays, art shows, car show, rodeo, parades, etc.) throughout the year, we are truly one of a kind. Yet, there are weaknesses in the community. Tourism is seasonal and many businesses close during the winter due to a lack of revenue. In addition, approximately 25% of our housing stock are vacation homes. These seasonal residents also contribute to the decline in Main St. winter revenue.



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**Unity:** Affordable housing supports growth and helps to bring the community together. With rising home prices, the Town recognizes this growing problem and is making every effort to ensure those that need entry level housing, at an affordable price will be welcome and be able to work in the community and contribute.

**Growth:** The Town recognizes that the increase in housing costs and the lack of affordability and housing choice is a threat to the long-term vitality of the town and region. In addition, as the Baby Boom Retirement Boom comes to an end in 2030, Custer County population is expected to decline as net in migration fades and deaths exceed births in our aging population. This combined threat to the Town and region makes it imperative that the Town actively recruit a younger demographic of new remote worker residents and actively begin to solve the housing crisis.

Our affordable housing initiative will start with multi-unit complexes, townhomes, tiny homes, and apartments/condos. In addition, we will adopt an ADU policy and engage contractors and local banks in creating turn-key solutions for our homeowners.

## **The long-term project will be focused on these five outcomes**

### **Reducing Water/Sewer Tap Fees**

The local Water and Sewage district is currently facing difficult challenges in upgrading their treatment capacity to position for future growth. They are currently using a combination of the grants, loans, and increased tap fees to finance these improvements. However, the Town will need to work with the district to reduce tap fees which have become another obstacle in the way of creating affordable housing.

### **Population Growth and the Economy**

The Town of Westcliffe has very limited opportunity to annex new land for growth. If the Town expects increase its population and economic vitality, it will need to encourage greater density and multifamily housing choices. This in turn will boost the local economy giving businesses more foot traffic, a stable workforce, support businesses year-round with increased profitability, and provide Town with increased sales tax revenue.

### **Demographics and Median Age**

The Town currently has a median age of 54.1. With an affordable housing, and a new resident recruiting program, the Town aims to bring that number down by 5-7 years. A younger population will contribute to the sustained growth and vitality of the Town and region.

### **Future Infrastructure Improvements**

With the prospect of sustained population growth, a year-round economy, and increased sales tax revenue the Town be able to create newer park features to make the community more livable, more sidewalk to make the Town walkable, and more funds to maintain its current infrastructure.

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## **Ways developers can satisfy requirements**

- **On Site:** Provide required affordable housing within the Town owned lots
- **Off site:** Buy lots in the six blocks, within the Multifamily District
- **Land Donation:** Donate land to the Town or a non-profit housing developer
- **Voluntary Alternative Agreement:** A developer and/or builder can propose to City Council an alternative way of meeting the requirements that are not an Ordinance or resolution.
- **Attainable housing:** Provide housing for three classes of income in the area, that do not exceed 30% of their income.

## **Three classes of income**

(will need to be updated after new housing needs assessment-going on 2019 HNA) UNIT  
**INCOME PERCENTAGE FOR PROP 123 LOTS**

Very low-income bracket (\$23,000 per year): 10% of units  
Low-income bracket (\$31,000 per year): 20% of units  
Middle income bracket (\$45,000 per year): 30% of units  
Workforce Housing bracket (\$55,000 per year): 20% of units  
Attainable housing bracket (\$65,000 per year): 20% of units

Developers that can stay within the guideline for unit percentages can receive a lower cost for land during a Public Private Partnership. All units must be accompanied with a 30 year deed restriction that must renew upon sale, end of lease, or case of vacancy.

Town owned lots and lots 19, 20, 33, 34 will have no density restrictions, please refer to the Town of Westcliffe's Municipal Code on the zoning on the lots.

## **Current Land use incentives for the Multi-Family District**

- **Multiple mixed-use zones:** The multifamily district allows for multiple types of homes like 3/4 & 2/3 story apartments, tiny homes, condos, townhomes, and smaller single family homes.
- **No Density limit:** There is no density limit for residential builds in the multifamily zone.
- **Diverse Housing types:** There are different zones that allow multiple types of housing for the area giving options to developers.
- **Building height:** Increased building heights are available that transcend the current Westcliffe Municipal code allowing for higher density housing.
- **Reduced and Flexible Parking Requirements:** Only one space per affordable housing unit is required. The Town of Westcliffe will also consider alternative parking plans to accommodate innovative proposals.
- **Reduced Utility fees:** Developers who create affordable units are eligible to receive lower water/sewer taps and electric installations and fees.
- **Reduced property taxes:** Currently working with the county on a solution for this.
- **Building permit cost reduction:** The Town will offer free building permits for developers willing to put affordable housing units. Developers must still pay for plan review fee.

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- **Lot size and lot width reduction:** Developers and builders are able to have smaller setbacks with all units in the multifamily district. Lots 17 & 18 are able to be half the size of a regular Town lot of 25'x125' (can be 25'x62.5').
- **Reduced development standards:** No need to worry about restrictive development standards driving up the housing prices. The Town will accept applications with flexibility as long as it incentivizes higher density and proper planning.
- **Reduced land development costs:** No need to worry about infrastructure, the Town has you covered. The Town will offer its current land at a discounted price to developers who can meet higher density and the unit income percentage above.
- **Experimental housing types:** The Town is willing to look into unique housing solutions to help bring affordable housing to its citizens.
- **Tap fee reinvestment:** Once the Town covers its cost for the initial development of the water and sewer infrastructure receives money from people buying tap fees. The Town is committed to reinvest the funds back into Developers and properties that have deed restrictions and are affordable. Reinvestment is dependent upon the income bracket. The lower income brackets a developer can provide, the more funding they are eligible for. Funds are limited. **TABOR may restrict this!**

A G R E E M E N T

This Agreement made this 12 day of May,  
A.D., 1975 by and between the Town of Westcliffe, Colorado,  
hereinafter referred to as "Town" and the Round Mountain Water  
and Sanitation District, hereinafter referred to as "District".

WHEREAS, the town has conveyed to the District all of its  
water system,

AND WHEREAS, the District has been organized to provide  
both water and sanitary sewer to the residents and inhabitants  
of the Town of Westcliffe,

AND WHEREAS, the Town of Westcliffe is the owner of the  
streets and alleys or has an easement over these streets and  
alleys of said Town.

NOW, THEREFORE, for the considerations hereinafter named,  
the parties agree as follows:

That Town hereby grants to the District the right to  
install, repair, and maintain water and sewer lines in the  
streets and alleys of Westcliffe.

That the District agrees to make said installation repair  
and maintenance in a workmanlike manner.

Any work that is done in streets that have blacktop paving  
on it, the District agrees to repair said street in a workmanlike  
manner, with the necessary asphalt to bring the street into the  
same condition as was prior to any repairs, installation, or  
maintenance of said line.

IN WITNESS WHEREOF, the parties have hereunto set their  
hands and seals the day and year first above written.

TOWN OF WESTCLIFFE

BY [Signature]  
ROUND MOUNTAIN WATER AND SANITATION DISTRICT

BY [Signature]

Recorded at 3:05 o'clock P. M., March 18, 1975  
Reception No. 11054 Bks. 170 Pg. 672 Mary Kattning Recorder.

THIS DEED, Made this 15 day of March, 1975,

between the Town of Westcliffe,

of the County of Custer and state of Colorado, of the first part, and the Round Mountain Water and Sanitation District,

of the County of Custer and state of Colorado, of the second part,

WITNESSETH, That the said part y of the first part, for and in consideration of the agreement of the District to operate and maintain same, and to make water and water service available to all customers and residents, to the said part y of the first part in hand paid by the said part y of the second part, the receipt whereof is hereby confessed and acknowledged, has remised, released, sold, conveyed and QUIT CLAIMED, and by these presents does remise, release, sell, convey and QUIT CLAIM unto the said part y of the second part, its heirs, successors and assigns, forever, all the right, title, interest, claim and demand which the said part y of the first part has in and to the following described lot or parcel of land situate, lying and being in the County of Custer and State of Colorado, to wit:

Lots 20, 21 and 22, in Block 44 of the Town of Westcliffe, according to the official plat on file in the office of the County Clerk and Recorder of Custer County, Colorado, and the town's waterworks, including all wells, pumps, mains, lines and meters and all existing easements therefor, for so long as the party of the second part operates and maintains same, makes water and water service available, and sells water and water service to all customers and residents within the Town of Westcliffe, subject to reversion of the water system (with any improvements) back to grantor in the event grantee fails to do so,

State Documentary Fee

Date MAR 18 1975

TO HAVE AND TO HOLD the same, together with all and singular the appurtenances and privileges thereunto belonging or in anywise thereunto appertaining, and all the estate, right, title, interest and claim whatsoever, of the said part y of the first part, either in law or equity, to the only proper use, benefit and behoof of the said part y of the second part, its heirs and assigns forever.

IN WITNESS WHEREOF, The said part y of the first part has hereunto set its hand and seal the day and year first above written.

Witnessed, Sealed and Delivered in the Presence of

*Christal M. Yankovich*  
Town Clerk and Recorder

STATE OF COLORADO,  
County of Custer ss.

TOWN OF WESTCLIFFE [SEAL]

by *Wilbur R. Vickerman* [SEAL]

Wilbur R. Vickerman [SEAL]

[SEAL]

The foregoing instrument was acknowledged before me this 15 day of March 1975, by Wilbur R. Vickerman, as Mayor of the Town of Westcliffe.

My commission expires 20 February, 1979. Witness my hand and official seal.



*Christal M. Yankovich*  
Christal M. Yankovich, Notary Public.