



**CITY OF MANITOU SPRINGS
HOUSING ADVISORY
BOARD MEETING MINUTES
Monday, May 13, 2019, 6:00 pm
Council Chambers**



I. CALL TO ORDER

Board Chair Coreen Toll called the meeting to order at 6 pm. The following individuals were in attendance:

PRESENT:

Coreen Toll, chair
Alea German, vice-chair
Dale Latty, member
Alan Delwiche, member
Alison Gerbig, member
Whitney Lewis, member
Michael Maio, alternate member

STAFF:

Kim Johnson, Planning Director

ABSENT:

Andy Wells, member
Regina DiPadova, alternate

CITY COUNCIL:

Becky Elder, Council Liaison

Chair Toll distributed two items: 1) a one-page introduction to the purpose of the Manitou Springs Housing Advisory Board (included at the end of this summary) and 2) a sign-up sheet for attendees interested in receiving advanced notice about future meetings regarding the Cheyenne Village property. Toll stated that one of the Board's jobs is to look at opportunities, and make recommendations to City Council for affordable housing in our community.

As the public continued to pour in there was a brief discussion about switching the order of the agenda placing the discussion about Cheyenne Village first, as most folks were present for that item. In the end, the decision was made to continue with the agenda order as published as Mr. Guman,, representing New Frontier Manitou Springs (Dillon Motel Property), already had his power point cued up and poster on display. He also indicated that his presentation would be brief. Council Chamber was completely full with several people standing and overflows of interested people in the hall. There were about 50-60 people in attendance.

Chair Toll stated that this meeting of the HAB, is a regularly scheduled board meeting open to the public. She explained that the board is listening to two proposals tonight – both for the first time – however, there was information distributed to the board members ahead of time through their packets.

Chair Toll explained the “ground rules”: First, we would hear the presentation; secondly, Board members may ask questions; and thirdly, she would call on members of the public for their questions. She asked that the public limit their comments to three minutes. All were reminded to treat one another with respect whether in agreement with that person or not.

II. APPROVAL OF MINUTES

Member Lewis moved for approval of minutes of the April meeting. Member Gerbig seconded. Motion passed 6-0.

III. PUBLIC COMMENTS ON NON-AGENDA ITEMS (3 min per comment)

There were no comments from the public.

IV. NEW BUSINESS

1. Welcome of Michael Maio as a newly appointed HAB alternate

Chair Toll introduced and welcomed Michael Maio as a newly appointed alternate to the Board.

2. HAB review of “New Frontier Manitou Springs” Concept Plan for Dillon Motel Property presented by Bill Guman, Architect and Roger Guzman, property owner

Mr. Guman displayed a large poster board illustrating a map of the 1 1/4 acres of undeveloped land on the backside of the Dillon Motel property. He explained that the concept is to provide attainable housing for workforce minimum wage earners and the “underemployed.” It will also be affordable for a single parent with a child, the elderly, and disabled veterans. The concept is not designed to serve the homeless. Bill explained that the above sectors are often unable to afford an apartment for a standard rent of \$1300 to \$1500 per month for an apartment or townhome or condominium. However, the New Frontier concept focuses on Tiny Houses, a concept currently popular nationwide to help solve the housing crisis. These people would be able to afford a rent of \$500 to \$600/month.

Unlike a single-family home situated on a 5000-7000 sf lot, Tiny Houses can fit up to six, small, single, self-contained houses on a 40x80 sf urban lot. New Frontier is proposing a density of 38 tiny homes on the 1/1/4 acre parcel. They recognize that existing beside Fountain Creek as it does, their development would have to invest in flood plain mitigation.

Mr. Guzman also owns the Car Wash adjacent to the Dillon Motel. As this is the only car wash in Manitou, he plans on keeping it and perhaps adding a Pet Wash there.

Member Maio asked the following question, “Are you contemplating splitting off some of the motel property in order to accomplish Tiny Village”? Mr. Guman explained that the Dillon goes behind the carwash, encompasses the motel and twelve cottages around the swimming pool and the carwash as well as the 1 ¼ acres behind the motel next to the creek. No additional land is needed.

Member Maio asked “What kind of mitigation are they proposing?” Mr. Guman explained that the concept plan he is presenting is strictly preliminary. They have done no engineering and have discussed no mitigation needs and requirements. They have met with Planners Anthony and Johnson to show them their ideas and also Director Jim Reese and Chair Ann Nichols of the URA for a brief overview. New Horizons knows there are many levels of planning discussions and lots of challenges to address in the future. At this point, they are seeking review and feedback to know which direction they need to go for the development.

Member Latty asked, “As far as access off of Manitou Avenue have you contemplated any alternative routes so you need less road surface for automobiles?”

Mr. Guman’s response was to address open space concerns in the development. They plan to provide access across the creek to Fields Park and install recreational amenities like a tot lot playground. Of course, they already have a swimming pool, which they plan to keep.

Chair Toll asked if their concept is for rental AND purchase. Property owner Mr. Guzman replied that his goal is to address the development as a residential park. With a sense of community in mind it would be better if people owned the Tiny Homes rather than rent them. He feels that owning is affordable as tiny homes range in price from \$20,000 to \$120,000. A loan for such a purchase would require only a small monthly payment to the bank. Then the tenant would have a small lease fee for the land. The whole cost could be as low as \$600 to \$700 a month. Tiny homes are very energy efficient and can be individualized with other features. They range in size from 160 to 450 sq. ft. They have appliances, kitchens, laundry, and bathroom. They are well finished - some with laminate flooring and granite counter tops. They will be tied into the City’s wastewater and fresh water systems. There is no plan for paving roads; rather, the roads will be permeable.

Currently Mr. Guzman has a few tiny homes in his Pikes Peak RV Park which he rents for about \$100 night. The public is so interested in experiencing a tiny home that they are completely booked through the summer.

Member Maio asked, “Are you contemplating a legal subdivision and permanently affix the tiny homes”? Mr. Guman replied that the homes would be built off site then moved to the park and installed on a foundation. There will be no wheels. The land will not be subdivided for individual units. The tenant will own their tiny home and have independent hookups to City services. They will be a member of the Park Association and pay a monthly fee for utilities, lot location, streets and maintenance. Mr. Guzman would have a park manager and there would be rules about how the park operates – what is allowed and not allowed for the common good.

Planning Director Kim Johnson said that currently there are no tiny home provisions in Manitou’s code.

Mr. Guman ended his presentation and Chair Toll asked the Board for their questions.

Member Delwiche asked if they planned on one parking space per unit. Mr. Guman replied that there is parking for 50 vehicles at a ratio of 1.5 spaces common for this kind of development. Member Delwiche said if the units were 2 bedrooms, those units would require 2 parking spaces according to our code.

Mr. Guzman noted that for this kind of development access to public transportation is critical and Manitou Avenue has bus services.

Chair Toll asked if they planned to continue to operate the hotel. Mr. Guzman said they are currently remodeling some of the motel cottages, which are not in great shape. They are not insulated so can only be summer cottages. He may try to see if the motel and Tiny Home Park can coexist.

Member Delwiche brought up the proximity of the proposed development auto access to the CDOT highway. While at this preliminary stage Mr. Guman has not approached CDOT, he explained that there is another access on their east side next to the Days Inn, which could solve any potential problem.

Member Maio asked, “Who are the intended beneficiaries of the project”? Owner Guzman replied that they haven’t gotten that far. These tiny homes will be available at a price point and we will see who wants them.

Member Latty commented that the HAB has explored similar concepts for 3 years and he is pleased to hear this proposal and feels support from the community.

Member Delwiche asked what happens if a tenant decides to leave? Do they have to take their tiny home away? Owner Guzman said he anticipates that the Tiny Home owner will put up a For Sale Sign and sell the home where it is. It is possible that they can move it to another location. It’s too soon to dictate anything at this point.

Owner Guzman also stated that he would like to create a Covenant Community to prevent speculators from coming in and buying everything up.

Member Gerbig commented on how teachers and social workers, even with two incomes, cannot afford today’s house prices. She believes it is important for people just starting out to have attainable homes like this.

Chair Toll invited the public to ask questions:

1. Regarding Workforce people, will you be working with the County Workforce Development Center? Owner Guzman said the only way to do that is to provide rentals and his first choice is tiny home ownership for his park. He explained that workforce people generally have jobs but low wages.
2. A suggestion was offered to be clear down the road about what are you aiming at in terms of the population you want to occupy this park, and how the park will be maintained. Owner Guzman emphasized that he has 30 years of experience operating trailer parks and wants to take this to the “next level” and create a tight-knit community.
3. This is a “great concept.” Will you try to get people working in Manitou already and if they decide to sell their Tiny Home, they can’t sell to someone who works in Colorado Springs?
4. Cool Concept: A. how does it fit into the city? B. how will you control behavior so the place doesn’t deteriorate? Answer – It’s all management – establishing and enforcing rules.
5. How will this benefit the City? Owner Guzman says he is hiring people for various projects and they can’t find affordable housing, which already demonstrates the need for attainable housing. Councilwoman Elder says one solution for order in the development would be for our police officers to be able to live there rather than commute from Security and elsewhere.

Chair Toll reminded people that this presentation was merely a concept plan. There is much work to be done to refine the plan. When the plan is ready it will have to go before the Planning Commission, which will provide a public hearing.

3. Discussion with the Rocky Mountain Community Land Trust about the Cheyenne Village Property – Nate Clyncke and John Ballweber, presenters

Chair Toll started this item with a couple of comments. Based on some phone conversations she had with Cheyenne Village neighbors she wanted to dispel some misconceptions:

- a. The idea that a new owner could go in and raze the existing buildings.

Ms. Toll explained that the entire Cheyenne Village property is in the Log Cabin Historic District. Compliance with Manitou’s Historic Codes requires that the Historic Planning Commission approve the tearing down of any historic building – such approval is a rare occurrence. After approaching the HPC one must approach City Council for approval followed by approval from the State Historic Division. This is a lengthy and expensive process.

- b. Much of the property is in the Flood Plain.

Manitou Springs will soon adopt new flood mitigation codes which the new owner must also comply with.

Nate Clyncke, Executive Director of the non-profit Rocky Mountain Community Land Trust began by explaining that the RMCLT has been working throughout El Paso County since 1996. He has been talking with HAB members the last few months to see how the Land Trust can partner with Manitou Springs to help meet our housing needs.

The Mission of the RMCLT is “To provide permanent supportive housing in our community through partnering with low-income families in homeownership”.

Mr. Clyncke then referred to a power point presentation attached to these minutes. The presentation explains the structure of the Land Trust.

Further Comments by Mr. Clyncke:

- Mainly RMCLT has worked in CO Springs
- They partner with a lot of agencies including Greccio Housing, PP Habitat for Humanity and Partners in Housing
- Despite stereotypes, visually, you can’t tell a land trust home from others – recent examples you can see are: Broadway Bluffs @ 31st & highway 24, where there are fourteen affordable homes, and Woodmen Vistas – located at Woodmen & Powers

Land Trust Purchase Economics Basics:

- The Land trust brings 20 – 25% of purchase price into the transaction.
- The Land Trust has the title to land and the income qualified homeowner to the improvements on the land. The Homeowner then leases back the land from the Land Trust which amounts to \$70/month currently. The lease can extend for 99 years.
- Lease also has built into it a way for the Land Trust to increase their investment.
- A well written lease protects both the family and the community.
- Resale of property would be allowed for income qualifying families only.

- Scenarios on ways to partner with MS:

REPORT BY JOHN BALLWEBER ON POSSIBLE DEVELOPMENT AT CHEYENNE VILLAGE:

John has worked with the RMCLT since 2001.

John said they recognize the Historical factor of the property. Some of the buildings are in extreme disrepair and others could be rehabbed. A thorough evaluation needs to be done.

The property is in both the 500 year flood plain and the 100 yr. floodplain which adds additional insurance costs – that can be a huge issue for any developer. John feels the RMCLT would like to maintain an open feel to the property for the neighborhood, keeping the trees. He would like to see the City create a greenway park meandering through the property. The important thing is to make any development right for the community – not to make money.

Some of the buildings can be saved and made more energy efficient.

Should the property be replatted into more than one parcel or developed as a Planned Unit Development (PUD)? Which is best?

Planning Director Johnson explained that a PUD is a commonly used overlay zoning district which lays out development criteria for a specific property. It can be simple or complex. Manitou Springs doesn't have one in our code (which is unusual for a municipality) so we have to develop one. The purpose of a PUD is to meet the objectives of the community that can't be met through traditional development.

John said, if the RMCLT built new housing there the price point would be in the mid \$200,000s. The exteriors would likely have popular stucco finishes and other popular aesthetic features. The homes would be single level living, ranging from 1,200 to 1,400 square feet. Due to the flood plain, it would be good for them to be "Slab on Grade". New housing can be built on the flatter field located above the existing cottages. Also, the historically noncontributing (newer) duplexes may need to be razed to support new separate homes.

QUESTIONS FROM THE NEIGHBORS TO MR. BALLWEBER & ANN TURNER FROM CHEYENNE VILLAGE:

1. Question - Are we talking about high density?
2. Answer - No - Single family, free standing homes. They may have to do a couple of attached units which would share one wall on the lot line for density purposes and economic feasibility.

Currently there are over 30 units on 9.5 acres. RMCLT would actually lower that number to 20-24 single family homes.

3. Q - How is it going to look with the existing historic buildings and other more modern buildings mixed in?

A – That would depend on the Historic Preservation Commission requirements.

Q - Most current residents of Cheyenne Village take the bus or walk. Crystal Park Road already has a traffic issue and we don't need more cars.

A – As a development plan proceeds there might have to be a traffic study.

Ann Turner, the Executive Director of Cheyenne Village commented here. Ann said there is lots of traffic in and out of the Village now - as many as 20-25 employees daily. So traffic may not be as big a concern as people think. Occupancy for the Village currently is 13 clients. At its height there were 30 people living there. The Board of Cheyenne Village is moving clients to single family homes mainstreamed into communities. Ann went on to say that Manitou Springs, and especially the immediate neighbors have been kind to Cheyenne Village for 48 years which is greatly appreciated.

4. Q – Would it be possible to develop some commercial enterprises there – like adding a coffee shop or breakfast place in one of the historic buildings to facilitate the building of the neighborhood community?

A – Again, it's up to the City and the HPC.

5. Q - There are a lot of high level homes around that property. Many of us are concerned about property values and more traffic for kids walking to school.

A – It is a City decision whether to proceed not the Land Trust. Property values at Woodman Vistas in Colorado Springs did not go down.

Chair Toll commented here that her greatest fear is a buyer coming in who rents the cabins “as is” with no improvements. The HAB’s goal is to facilitate a solution better suited for the neighborhood and community as a whole.

6. Q – Why is Cheyenne Village leaving? Why not upgrade the facility?

A – Ann Turner explained that the CV Board has been exploring options for the last 12 years. Both the buildings and the utilities infrastructure are very hard to maintain. A complete plan for utility remodeling was undertaken in 2008 and the cost was extremely high. The CV Board feels it would be best to sell the property and relocate the clients. Additionally the US Department of Health and Human Services has mandated that people with developmental disabilities should not be living in congregated facilities. They must be mainstreamed into a larger community, not separated. This mandate along with the cost of upgrading has encouraged the CV Board to figure out something else. Ann feels this is the right thing to do for the clients.

Ann went on to say she was thrilled when Chair Toll contacted her about the HAB taking an interest to begin a conversation about the next best use for this property.

7. Q -There are 5 or 6 noncontributing properties on the site that are in good shape. Can some clients remain there as part of a new development?

Ann replied that the Board has considered this but it's a complicated process.

8. Q – As a non-profit, Cheyenne Village doesn't pay taxes. Would the RMCLT contribute tax money to Manitou Springs?

Answered by John – Yes, Land Trust homes and land are assessed the same as any other homes and properties and pay taxes.

Member Latty stated that historically a subcommittee of the HAB started researching available models for attainable housing 1.5 years ago. The Land Trust is a model that allows someone who could afford a moderate house to buy one. It brings more tools to the table allowing for greater

community housing diversity. RMCLT Director Clyncke educated the subcommittee on the Land Trust model, then word about changes at Cheyenne Village arose and it feels like a good fit. Mr. Latty would rather have a Land Trust there than have a buyer come in and build modern, high density apartments.

9. Q – The Crystal Park Cantina has about 80 cars in and out of that area all night. Do they own some of the parking in front of the Village?

A- No.

10. Manitou Resident Shelley Laur said the HPC codes are easy to find on the City Website. This is a great opportunity if done right. As an avid historian who has lived here all her life she would be happy to research and help with anything to help preserve these historic buildings and develop the best possible plan.

Planning Director Johnson commented that having a nonprofit develop the property will help bring other partners to the table. We need to identify partners who could help meet community goals. When you bring nonprofits together there are lots of benefits. They bring more resources to the table.

11. Q – What is the time frame to move people out of CV?

Ann Turner - CV is fundraising and being strategic and thoughtful about relocating clients. One size does not fit all.

12. Q - Will the RMCLT only build small structures?

A – Flood plain issues create restrictions so we can't build in the 100 yr. flood plain.

Planner Johnson said that whatever happens park land dedication for the new owner will be necessary. Using the flood plain for a park is a good idea.

13. I am concerned about higher density. It seems like two homes with a common wall equals a Duplex. I do not want duplexes.

14. This is a great start. Plan Manitou mentions a need for senior housing. I hope you will consider that demographic for this property.

A – Depending on funding sources, the RMCLT can specify age 50+ or Manitou workforce for this property.

Councilwoman Elder said that she is tired of seeing artists friends move away. We should “ditch the phrase “Low income” and all of its negative connotations. Under-paid people are hardworking, good people who add a great deal of value to our community.

Chair Toll indicated that this was the end of the public process as the HAB has more work to do.

BOARD DISCUSSION

Member German said she didn't get to ask the questions she wanted to but so many people showed up she understood that we needed to engage in public process.

Planner Johnson said we do not have a concrete project to evaluate for Cheyenne Village. The City doesn't have any assets to bring to the table. Cheyenne Village is not in the URA.

Regarding the Tiny Home Village proposal Planner Johnson said her meeting with them was based on very broad concepts. There are Land use and zoning issues that have to be dealt with. They are asking for 2-3 times the density that is allowed in that zone and that's usually not the type of density increases allowed in a PUD. We have to have a PUD.

Member Maio asked if we have a legal framework that does exist for PUDs or condos. Planner Johnson said there is language in the code that allows zero lot line development but lot area requirements still have to be met. There is something in the code that talks about reduced setbacks but we don't have any PUDs , or tiny home development provisions in code. You can get a variance for height, bulk and density but you have to show a hardship. It's not easy to show a hardship for tripling the density on a piece of property. Ms. Johnson believes it is inappropriate to approach that from a variance perspective. You have to have an overlay zone so you can create your own zoning district using the base zoning as a guide.

Member Delwiche – Right now (according to the URA overlay) it's commercial on the first floor and the second floor can have residential.

Member Latty stated that if a developer comes to us and we say, "you have to show a hardship" what is the purpose of that? We have to look at how the community is being served.

Ms. Johnson responded "that's the purpose of a planned development" (PUD). There have to be community goals i.e. circumstances related to the flood plain - those kinds of things. The process to get a planned development is pretty rigorous. They often require extra open space. A PUD starts with the base zoning and adds to it. A PUD has been in every municipal code Kim has previously worked with. Manitou will have to create one. Any PUD we create should be codified clearly for posterity.

The purpose of a variance is about circumstances that exist that make the property undevelopable.

Member Maio asked, is there a state framework related to this? Ms. Johnson explained that state statutes usually are more general standards which allow us to have zoning. Planning hasn't had the time to look into the applicable state statutes.

Member Latty expressed concern about lacking the needed code. Without the code, tonight's two proposed projects won't be allowed. Shouldn't we figure out how to fund the creation of these new codes as soon as possible?

There was a discussion that perhaps we could talk to the URA about funding the creation of these new codes starting with a talk with Jim Reese, the new URA director. If the URA really wants to do some planned development they may need some new codes, as well. Having a planned unit development provision in their toolbox could help. Kim has already talked to URA Director Reese about it and he was receptive. Perhaps the existing URA redevelopment overlay would allow the Dillon Motel proposal to get there faster.

A discussion followed about money available for paying for the development of a PUD. Planner Johnson will do research about the cost to be considered next month. It is time to discuss the HAB 2020 budget requests overall.

V. OLD BUSINESS

1. Consideration of HAB Strategic Plan

This item was postponed to the June meeting.

VI. REPORTS

There were no reports.

V. ADJOURNMENT

Board Chair Toll adjourned the meeting at approximately 8:25 pm.

Attachments:

1 – Rocky Mountain Community Land Trust Presentation

Members:

Alan Delwiche (Term exp. 06/30/2019)
Andy Wells (Term exp. 06/30/2019)
Dale Latty (Term exp. 06/30/2020)
Alea German (Term exp. 06/30/2020)
Coreen Toll (Term exp. 06/30/2021)
Whitney Lewis (Term exp. 06/30/2021)
Alison Gerbig (Term exp. 06/30/2021)

City Council Liaison: Becky Elder

Staff: Karen Berchtold, Senior Planner (Staff Liaison)
Michelle Anthony, Senior Planner

Alternates:

Regina DiPadova (Term exp. 06/30/2021)
Mike Maio (Term exp. 06/30/2022)

(1 vacancy for alternate board member)

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