

# Housing Advisory Board Strategic Plan – DRAFT

## Introduction

### Background

Manitou Springs, a small community of just over 5,000 residents, is a beacon for people of all walks of life. Over recent years the City, like many others across the nation, has experienced rising housing prices that are excluding many of our diverse community members that want to call Manitou home. We are a charming and artistic community, but young artists struggle to find decent, affordable housing or live-work space here. The rising cost of ownership and rental housing; lack of buildable land; desire for increased sustainability and resiliency; and periodic flood and other natural hazards must be taken into account when developing new housing in Manitou Springs. Moreover, the typical small homes are often unsuitable for family accommodations and our aging housing stock is in need of rehabilitation, maintenance and energy efficiency improvements. This has become a growing concern for the community over the past few years.

The Affordable Housing Taskforce (AHT) was convened by community members in 2015 to respond to these concerns and build awareness in the community around housing issues. Soon after in early 2016, a comprehensive master and hazard mitigation planning process was initiated. A robust community engagement process was undertaken that indicated substantial support for addressing Manitou's housing issues. At master plan Community Meeting #1, community members shared their priorities regarding housing. Approximately one-third of the comments (30) related to housing affordability, and about one-fifth (12) related to housing condition and quality. Based on this early feedback, a plan section devoted to Housing & Neighborhoods was created. The final master plan, *Plan Manitou*<sup>1</sup>, was adopted by City Council in March, 2017. City Council's first official implementation action of *Plan Manitou* was to form the Housing Advisory Board (HAB)<sup>2</sup>, which held its inaugural meeting in June of 2017. In *Plan Manitou*, the HAB is designated to lead the development of a short-term, strategic action plan for addressing the City's housing needs, based on the vision, goals, policies and actions defined in the comprehensive master plan. This strategic plan lays a foundation for the group's efforts over the next two to five years.

### Housing Manitou Springs

The HAB's purpose is to facilitate and promote safe, sustainable, resilient, affordable, and habitable housing and make recommendations to City Council based on the goals, policies, objectives and actions outlined in *Plan Manitou*. While the board is tasked with addressing housing for the entire community, our focus is on those most in need.

**Workforce:** 82% of employed Manitou residents work outside of the city and only 12% of those employed within the city live in Manitou (DOLA, 2018). Much of Manitou's workforce cannot afford to live in the city, specifically those in the service industry and the city's many artists and artisans, who are a substantial economic driver for the City.

**Seniors:** Manitou's population is aging, the percentage of residents 60 years or older increased from 15% in 2000 to 24% in 2014. The median age was 44.7 years in 2014, up from 41.2 in 2000.

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<sup>1</sup> <http://planmanitou.com/>

<sup>2</sup> <http://www.manitouspringsgov.com/government/city-boards/hab>

Conversely, the number of family households with children under 18 has decreased from 22% in 2000 to 10% in 2014. This population needs affordable aging-in-place solutions. (City of Manitou Springs, 2017a)

***Entry-level Family Housing:*** According to the housing inventory conducted in 2016 for *Plan Manitou*, many homes that had previously served single families have been converted to multiple units. The number of family households with children decreased by over 50% between 2000 and 2014. With flat wages and rising homeowner costs, providing a more affordable vehicle for families to purchase a home in Manitou Springs will help us re-build the generational diversity our community values.

A gap analysis was conducted as part of Plan Manitou’s data collection activities. The following table describes the results of this in number of housing units by housing tenure. Based on this information targets were set for *Plan Manitou* which focus on affordability for residents earning below 50% of AMI for rentals and between 60 and 100% AMI for ownership.<sup>3</sup> HAB strategies to address housing solutions in Manitou Springs and particularly for the community members described above will place an emphasis on these AMI targets.

AMI Levels	Surplus/Deficit (# Units)	
	Renter	Homeowner
0-50%	-70	-222
51-80%	445	-70
81-100%	-88	51
101-120%	-143	102
Above 120%	-144	138

\*Source: Economic & Planning Systems

The 2016 median household income in Manitou Springs was \$52,646. As such the affordability targets apply to renter households earning no more than about \$26,000 annually and owner households earning between about \$31,500 and \$52,500 annually (see the table below). The U.S. Department of Housing and Urban Development (HUD) defines cost-burdened families as those who pay more than 30% of their income for housing. At 50% of AMI a household has only \$658 to spend on housing before being cost burdened; however median gross rent in 2016 was \$841. As is shown in the table below the affordability for homeownership is just as challenging. In 2016, 28% of home owners and 43% of renters were cost-burdened (U.S. Census Bureau, 2016b).

	Renter	Homeowner
Median household income	\$52,646	
Affordability target	50% <\$26,323	60-100% \$31,588 - \$52,646
Maximum affordable monthly housing payment <sup>1</sup>	\$658	\$790 - \$1,316
2016 median monthly housing costs	\$841	\$1,496

\*Source: U.S. Census Bureau, 2016a & U.S. Census Bureau, 2016b.

<sup>1</sup>Based on paying no more than 30% of income towards housing based on HUD’s definition of cost burdened

<sup>3</sup> These targets are based on *Plan Manitou’s* Policy HN-3.1.

### The Manitou Context

Due to our beautiful foothills setting, access to trails and open spaces, and our historic character, Manitou is a desirable place to live. However, Manitou has limited growth opportunities with only 20 acres of vacant, unconstrained land for development, much of which is situated on steep grades where destabilization is a concern, and/or in areas with no improved roads or utility access (City of Manitou Springs, 2017b). Therefore, creative solutions are necessary which must include using the available space efficiently and reusing and rehabilitating our existing buildings.

*Plan Manitou* includes a Land Use and Built Environment element with policies to guide the development of all land use types, including housing. The *Future Land Use Plan*<sup>4</sup> and supporting land use category descriptions provide guidance for property owners and decision-makers. The Planning Commission and City Council can apply the land use policies and *Future Land Use Plan*, as well as other pertinent comprehensive plan policies, to evaluate any proposed zoning code or policy changes.

A key theme in *Plan Manitou* is sustainability. The HAB is sensitive to the need to integrate environmental, economic, and social sustainability and resiliency in any solutions that are to be proposed. The *Future Land Use Plan* provides definitions and supporting design principles to inform decisions regarding future growth in ways that will reduce risks for context sensitive infill and redevelopment projects. This includes reducing the vulnerability of existing housing in high hazard areas, such as those susceptible to floods and wildfires.

Following are key data points that characterize Manitou Springs as it relates to housing and affordability.

- Manitou Springs' population was 5,509 in 2016 with a growth rate of 2.3% from 2015 (DOLA, 2018). The population of Manitou Springs is estimated to grow by about three hundred and fifty people over the next twenty-five years (City of Manitou Springs, 2017). It is expected that while some new development and redevelopment will occur to accommodate this growth, the rehabilitation and adaptive reuse of existing structures will comprise the majority of construction activity in Manitou Springs.
- There are 2,504 households with an average household size of 1.98 people. About 50% of households are families where at least two of the people are related. Almost 18.8% of households have children under the age of 18 years. (U.S. Census Bureau, 2010)
- In 2016 60% of occupied housing units were owner occupied and 40% were renter occupied. This is representative of the surrounding region. A higher percentage of renters are cost burdened than are home owners; 43% of renters versus 28% of home owners. (U.S. Census Bureau, 2016)
- According to the Pikes Peak Association of Realtors, the average sale price of a home in Manitou was \$304,801 in 2015, over \$64,000 higher than the El Paso County average. The median home price in 2014 was 35% higher than El Paso County and 21% higher than Colorado (City of Manitou Springs, 2017c). According to the Pikes Peak Realtor Services Corp the median single family home price increased 21.5% from 2016 to 2017 to \$373,000.
- Over three-quarters of the housing units are single family detached or attached homes. Almost all of the remaining units are small multi-family buildings containing two to nine units each. Over 35% of the housing stock was built before 1940 and roughly 90% is at least 25 years old (U.S. Census Bureau, 2016). Many of these buildings need rehabilitation including routine

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<sup>4</sup> [http://planmanitou.com/wp-content/uploads/2017/02/PlanManitou\\_FutureLandUse\\_11x17\\_022217.pdf](http://planmanitou.com/wp-content/uploads/2017/02/PlanManitou_FutureLandUse_11x17_022217.pdf)

maintenance, hazard mitigation measures, and energy efficiency upgrades to increase affordability by reducing utility costs and reduce our greenhouse gas emissions.

The City received 57 Section 8 housing vouchers and formed the Manitou Springs Housing Authority in 1985. Due to limited expertise and resources, the vouchers were managed by the Housing Authority of Colorado Springs until 2011, at which time they were transferred to Colorado Springs. The Manitou Springs Housing Authority was dissolved in 2015.

## Guiding Principles

The following vision, mission, and objectives, supported by the guidance set forth in *Plan Manitou*, serve as the HAB’s guiding principles.

### Vision

Residents of all ages, abilities and means have access to safe, affordable and quality housing in a livable neighborhood.

### Mission

Our mission is to address all aspects of housing and neighborhoods to define, research, facilitate and promote safe, sustainable, resilient and habitable housing and options for affordable housing for our community.

### Objectives

The following table summarizes the HAB objectives and associated long-term targets.

<b>Objective</b>	<b>Target</b>
1. Increase reinvestment in existing housing stock city-wide.	<i>Increase in home renovations that target energy efficiency, safety, and resiliency.</i>
2. Expand housing options that support the community’s workforce & families.	<i>Increase the percentage of employees that work and live in the City. Increase the number of family households with children.</i>
3. Increase the inventory of affordable rental housing units.	<i>Eliminate the deficit of rental units for renters making 50% or less of AMI.</i>
4. Support opportunities to obtain and sustain affordable homeownership.	<i>Eliminate the deficit of owner occupied units for those making 80% or less of AMI.</i>
5. Reduce the vulnerability of existing housing in high hazard areas.	<i>Increase in the number of homes in compliance with floodplain standards as part of major renovations. Increase the number of homes in the WUI that have established defensible space.</i>
6. Encourage the adaptive reuse of older and historic structures.	<i>Increase of conversions of existing buildings to residential occupancy where appropriate.</i>

## Action Plan

### Strategies

Eight major strategies have been defined that lay the foundation for achieving the objectives described above. Specific action items which are described in the table on the following pages are organized according to each of these strategies.

- 1) Develop an incentive program to expand housing options for people with average wages/income in the community.
- 2) Work with key stakeholders to reduce regulatory barriers (increase flexibility) to housing opportunities.
- 3) Identify and collaborate with key partners to accomplish our housing goals/needs.
- 4) Promote re-purposing of existing structures to meet housing needs.
- 5) Promote re-investment in and rehabilitation of our housing to ensure safe, energy efficient, and resilient homes.
- 6) Develop a strategy for community engagement and education around meeting housing needs.
- 7) Evaluate publicly- and privately-owned opportunity sites.
- 8) Collect data to further inform appropriate housing strategies.

Action	Timeline	Major Activities	Notes	Relevant Plan Manitou Items
<b>1) Developer incentives</b>				
a) Identify high impact incentives to recommend to City Council to encourage developers to provide housing to meet the City's needs.	2019	<ul style="list-style-type: none"> <li>Review Manitou codes</li> <li>Interview developers &amp; builders</li> <li>Review best practices</li> <li>Develop recommendations</li> </ul>	<ul style="list-style-type: none"> <li>Consider planned unit development zoning, development fee waivers or deferrals, parking reduction for innovative projects.</li> <li>Provide greater density, setbacks &amp; height allowances for affordable housing inclusion.</li> </ul>	Goal HN-3; Policy HN-3.4; Actions FA-2.4, HN-3.1
b) Support the URA in development of a strategy to attract the development of mixed-use projects with a residential component through the use of URA proceeds and other incentives.	2018 - 2022	<ul style="list-style-type: none"> <li>Meet with URA board</li> <li>Develop list of potential strategies</li> </ul>		Goals HN-1, HN-3, LU-1, LU-3; Policies HN-1.1, HN-1.2, HN-3.3, LU-1.2, LU-3.1; Action FA-2.10
<b>2) Reduce regulatory barriers</b>				
a) Identify high impact changes to city code or other city requirements that would increase housing affordability to recommend to City Council.	2019	<ul style="list-style-type: none"> <li>Review Manitou codes</li> <li>Interview stakeholders</li> <li>Review best practices</li> <li>Develop recommendations</li> </ul>	<ul style="list-style-type: none"> <li>Incorporate work already done</li> </ul>	Goal HN-1; Policies HN-1.2, HN-1.4
b) Make recommendations to encourage accessory dwelling units (ADUs).	2018	<ul style="list-style-type: none"> <li>Coordinate with Planning Dep't</li> <li>Present concept to Planning Commission &amp; then City Council</li> </ul>	<ul style="list-style-type: none"> <li>Discuss tap fees reduction/elimination with CSU</li> </ul>	Goals HN-1, HN-3, LU-1; Policies HN-1.2, HN-1.3, HN-1.5, HN-3.5, LU-1.2
c) Encourage opportunities to incorporate the City's goals of affordable housing into live/work spaces.	2018	<ul style="list-style-type: none"> <li>Identify specific incentives &amp; strategies to control cost</li> <li>Review impact to city services</li> </ul>	<ul style="list-style-type: none"> <li>Consider strategies such as low impact caretaker housing adjacent to greenhouses</li> </ul>	Goal HW-1, HN-1, HN-1.2, HN-1.3, HN-3; Policies HW-1.2, HN-3.3, HN-1.4
d) Investigate regulatory barriers to rehabilitating homes, particularly historic homes.	2019	<ul style="list-style-type: none"> <li>Meet w/ HPC &amp; other stakeholders</li> <li>Identify major challenges</li> </ul>		Goals HC-3, HN-2, HN-3; Policies HC-3.1, HC-3.5, HN-2.3, HN-3.3

Action	Timeline	Major Activities	Notes	Relevant Plan Manitou Items
<b>3) Partnerships</b>				
a) Identify/partner with regional housing providers.	Ongoing		<ul style="list-style-type: none"> <li>• DOLA, HUD, El Paso County, AARP, CSU</li> <li>• Coordinate with DCI on list of other partners</li> </ul>	Goals HN-1, HN-3; Policies HN-1.1, HN-1.4, HN-3.2; Action FA-2.11
b) Identify potential revenue sources that could be created or leveraged to develop an affordable housing fund.	2020	<ul style="list-style-type: none"> <li>• Review best practices</li> </ul>	<ul style="list-style-type: none"> <li>• Consider strategies such as a rental license program, developer impact fees, &amp; land banks</li> <li>• ULI as potential partner</li> </ul>	Goal HN-3; Policies HN-3.2, HN-3.3; Action HN-3.2
<b>4) Repurposing of buildings</b>				
a) Investigate opportunities for partnering with local developers and property owners to develop a demonstration pilot project for the redevelopment of a seasonal rental project into permanent affordable housing.	2022	<ul style="list-style-type: none"> <li>• Investigate options for pilot project with DOLA/DOH for conversion of motels to housing</li> <li>• Meet with property owners &amp; interested investors</li> </ul>		Goal HN-1; Policy HN-1.1; Action HN-2.4
b) Identify methods to support & encourage re-purposing of existing buildings.	2019	<ul style="list-style-type: none"> <li>• Identify barriers</li> <li>• Meet with the Planning Commission &amp; other stakeholders</li> <li>• Convene regional stakeholders for focus group</li> <li>• Develop guideline document</li> </ul>	<ul style="list-style-type: none"> <li>• Fire sprinklers are a big barrier</li> </ul>	Goals HN-2, HN-3, LU-1; Policies HN-2, HN-3.3, LU-1.2

Action	Timeline	Major Activities	Notes	Relevant Plan Manitou Items
<b>5) Rehabilitation of existing homes</b>				
a) Support the Planning Department to develop a home improvement guide and list of potential funding programs and grants available for home owners and host this information on the City webpage. Develop a strategy to publicize these resources.	2019		<ul style="list-style-type: none"> <li>Collaborate with the MS Sustainable Environment Workgroup to encourage energy reduction measures in new &amp; existing houses</li> </ul>	Goals HN-2, IP-1; Policies HN-2.3, IP-1.5; Action FA-2.7
b) Develop an incentive program to address improvements to existing homes, focusing on safety and energy efficiency.	2018		<ul style="list-style-type: none"> <li>Development underway</li> </ul>	Goal HN-2; Policy HN-2.1; Action FA-2.8
c) Investigate grants to which the City can apply that support rehabilitation of historic properties.	2019		<ul style="list-style-type: none"> <li>Coordinate with the Historic Preservation Commission</li> </ul>	Goals HC-1, HN-2; Policies HC-1.1, HN-2.1; Action FA-2.8
d) Support the Planning Department to explore the feasibility of adopting a property maintenance code, such as the most recent edition of the IPMC.	2019			Goals HN-2, IP-1; Policies HN-2.4, IP-1.5; Action FA-2.6
e) Support the Planning Department to educate the community on best practices to reduce risk from flooding, geologic hazards, and wildfire.	2020		<ul style="list-style-type: none"> <li>Employ lessons learned from Planning for Hazards project</li> </ul>	Goal HN-2; Policies HN-2.1, HN-2.2, HN-2.3
<b>6) Community engagement</b>				
a) Collaborate with the Planning Department to develop a community engagement strategy.	2018	<ul style="list-style-type: none"> <li>ID stakeholders</li> <li>Develop initial messaging</li> </ul>	<ul style="list-style-type: none"> <li>HAB should have presence in the community (attend public meetings)</li> <li>Educate what affordable housing is</li> <li>CONO</li> </ul>	Goal HN-1; Policy HN-1.1
b) Develop logo.	2018		<ul style="list-style-type: none"> <li>Completed</li> </ul>	Goal HN-1; Policy HN-1.1
c) Develop HAB website.	2018			Goal HN-1; Policy HN-1.1

Action	Timeline	Major Activities	Notes	Relevant <i>Plan Manitou</i> Items
d) Conduct survey of populations in Manitou including workforce, seniors, educators, public officials.	2018		<ul style="list-style-type: none"> <li>Collaborate with Age Friendly Manitou Springs</li> </ul>	Goal HN-1; Policies HN-1.4, HN-1.5
<b>7) Evaluate properties</b>				
a) Examine city owned sites that could be developed for affordable housing	2018			Goals HN-1, HN-3; Policies HN-1.4, HN-3.3; Action FA-2.3
b) Solicit a developer for joint project on one of the sites identified	2020			Goals HN-1, HN-3; Policies HN-1.4, HN-3.3; Action FA-2.3
c) Identify privately owned opportunity sites.	2020		<ul style="list-style-type: none"> <li>Look at creative solutions like building vertical</li> <li>Encourage use through zoning tools</li> </ul>	Goals HN-1, HN-3; Policies HN-1.4, HN-3.3; Action FA-2.3
<b>8) Data Collection</b>				
a) Identify additional data needs & develop plan for data collection.	2018-2022	<ul style="list-style-type: none"> <li>ID community data needs</li> <li>ID sources of funding &amp; support</li> </ul>	<ul style="list-style-type: none"> <li>Grant opportunity through EPC Housing Authority</li> </ul>	Goal HN-1; Policy HN-1.2

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