

HomeCOS

HOUSING OUR FUTURE

AN AFFORDABLE & ATTAINABLE
HOUSING PLAN FOR THE CITY OF
COLORADO SPRINGS

**STEVE POSEY, HUD PROGRAM MANAGER
COMMUNITY DEVELOPMENT DIVISION**



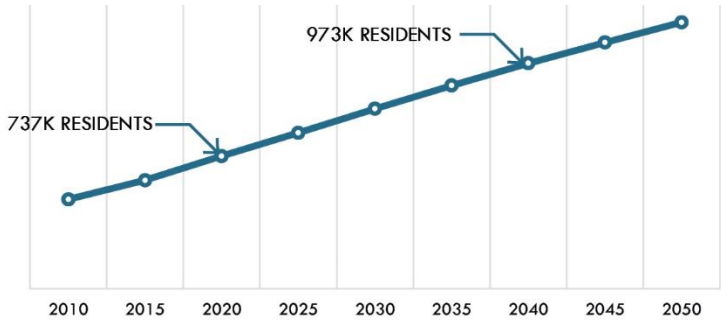
MAYOR SUTHERS' 2018 COMMUNITY GOAL:



**BUILD, PRESERVE, & CREATE OPPORTUNITIES TO PURCHASE
1,000 UNITS OF AFFORDABLE HOUSING EACH YEAR**

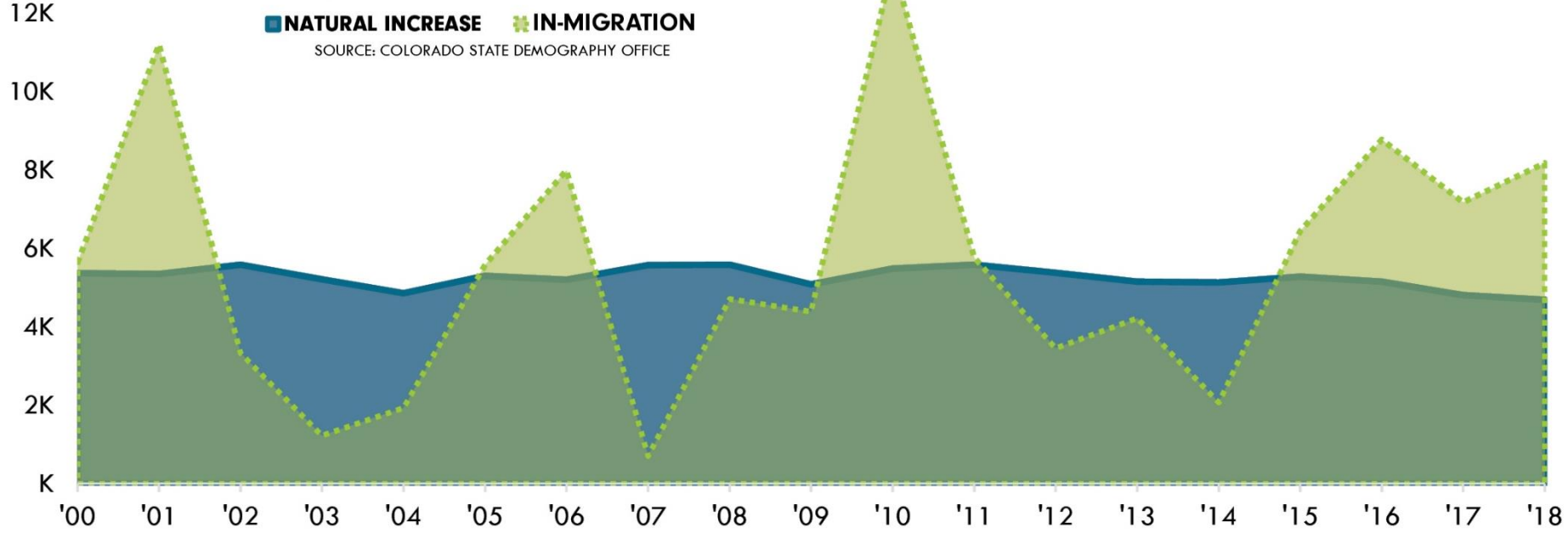
THE REGION IS GROWING

Newcomers continue to drive growth to the region. More than 3,000 people per year are moving into the Pikes Peak region as net in-migration outpaces the natural growth rate.⁶



EL PASO COUNTY WILL SEE A 32% INCREASE IN POPULATION IN THE NEXT 20 YEARS
SOURCE: COLORADO STATE DEMOGRAPHY OFFICE

NATURAL INCREASE & NET IN-MIGRATION

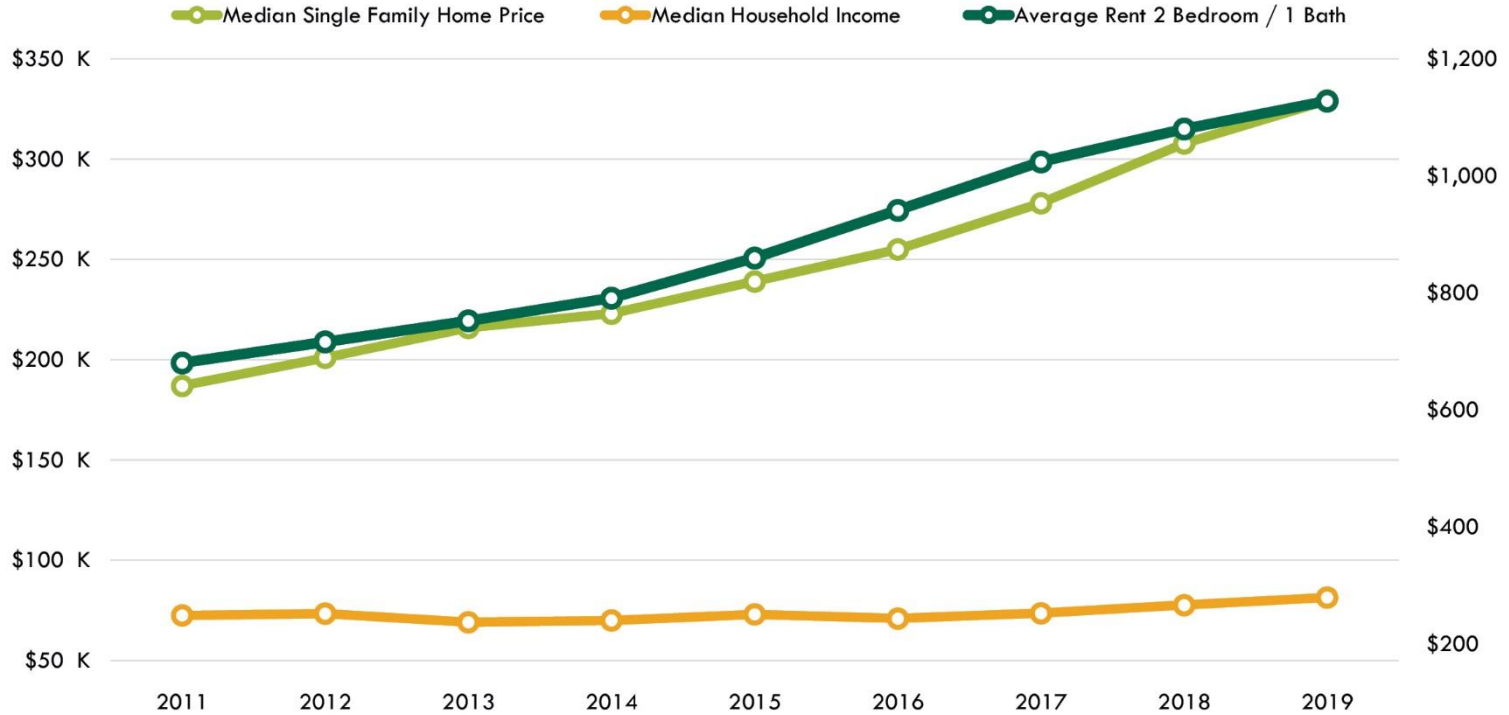


HOUSING COSTS ARE INCREASING FASTER THAN HOUSEHOLD INCOMES



MEDIAN HOME PRICES, MEDIAN RENTS, MEDIAN INCOME

SOURCES: APARTMENT ASSOCIATION OF SOUTHERN COLORADO¹⁴, PIKES PEAK ASSOCIATION OF REALTORS, HUD INCOME LIMITS



HomeCOS: HOUSING OUR FUTURE CHART

INCOME El Paso County Area Median Income for a household of 4 in 2018: \$77,700	Extremely-Low Income \$25,100 and Below	Very-Low Income \$25,101 - \$46,620	Low Income \$46,621 - \$62,150	Moderate Income \$62,151 - \$93,240	High Income \$93,241 and Above
EPC HOUSEHOLDS Total Households in El Paso County 260,851	40,319 - 16% INDIVIDUALS / HOUSEHOLDS Homeless Disabled and Seniors in Poverty Retirees	45,421 - 17% INDIVIDUALS / HOUSEHOLDS Retail Workers Construction Workers Accommodation & Food Service	36,062 - 14% INDIVIDUALS / HOUSEHOLDS Registered Nurses Enlisted Military Entry Level Teachers	55,885 - 21% INDIVIDUALS / HOUSEHOLDS Network & Computer Systems Admins Middle Managers Accountants	83,164 - 32% INDIVIDUALS / HOUSEHOLDS Computer Engineers Radiologists Executives Doctors
HOUSING NEEDS Types of housing that are typically affordable to households within an income bracket.	AFFORDABLE RENTAL HOUSING		ATTAINABLE RENTAL HOUSING		
COST-BURDENED <p>32% of households (82,235) are paying more than 30% on housing (cost-burdened) in El Paso County, with 13% (34,069) paying more than half of their income on housing.</p> <p>● Total Households in EPC ● Cost-Burdened ● Extremely Cost-Burdened</p>	<p>85% of households in this income bracket (34,347) are cost-burdened, with 64% (25,879) paying more than half of their income on housing.</p>	<p>56% of households in this income bracket (25,322) are cost-burdened, with 13% (6,131) paying more than half of their income on housing.</p>	<p>35% of households in this income bracket (12,631) are cost-burdened, with 3% (1,100) paying more than half of their income on housing.</p>	<p>14% of households in this income bracket (7,685) are cost-burdened, with >1% (479) paying more than half of their income on housing.</p>	<p>3% of households in this income bracket (2,250) are cost-burdened, with >1% (479) paying more than half of their income on housing.</p>
RENTERS / HOMEOWNERS in El Paso County					
HomeCOS: HOUSING PLAN OBJECTIVES	REDUCE HOMELESSNESS THROUGH HOUSING FIRST		INCREASE HOMEOWNERSHIP OPPORTUNITIES		
INCREASE THE SUPPLY OF AFFORDABLE RENTALS			HOUSING FOR THE AGING & DISABLED POPULATION		
INNOVATIVE DESIGN & DEVELOPMENT SOLUTIONS			ALTERNATIVE FINANCING		
ALTERNATIVE FINANCING					

Source: U.S. Census Bureau, 2018 PUMS, El Paso County, Colorado.

WHY DOES HOUSING MATTER?

Families that spend less than 30% of their income on housing spend five times more on healthcare, three times more on nutritious food, and twice as much on retirement savings.¹⁵



x 5



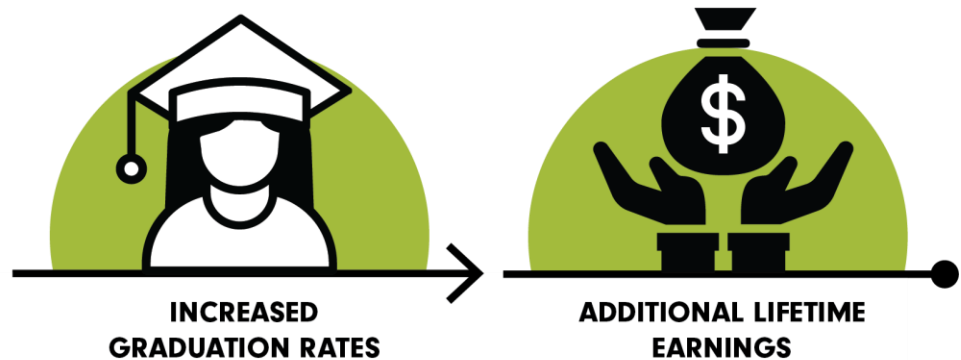
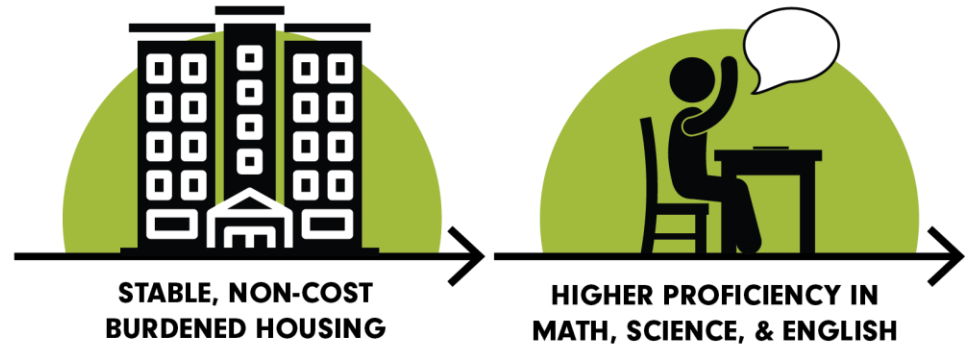
x 3



x 2

WHY DOES HOUSING MATTER?

Children who experience housing instability are less likely to be proficient in math, science, and English. Studies have also found that children in substandard housing are less healthy, and are at higher risk of developing lifelong problems including learning, behavioral, and mental health disorders.¹⁶



WHAT ARE THE ECONOMIC BENEFITS?

Workforce stability and increased productivity are linked to employee retention.¹⁸ Regional housing costs play an important role in retaining qualified employees instead of losing them to out-migration.



ESTIMATED ONE-YEAR ECONOMIC BENEFITS OF HOUSING CONSTRUCTION

Statewide, housing construction generates \$12 billion in economic activity in the first year and \$29 billion over ten years with more than 20,000 jobs introduced into the market.¹⁷

ESTIMATED ONE-YEAR ECONOMIC BENEFITS OF HOUSING CONSTRUCTION

SOURCE: NATIONAL ASSOCIATION OF HOME BUILDERS



**100 SINGLE
FAMILY HOMES**



**\$28.7 MILLION
LOCAL INCOME**



**\$3.6 MILLION
IN TAXES**



**394 LOCAL
JOBS**



**100 RENTAL
APARTMENTS**



**\$11.7 MILLION
LOCAL INCOME**



**\$2.2 MILLION
IN TAXES**



**161 LOCAL
JOBS**

WHAT'S IN THE PLAN?



**OBJECTIVE 1:
REDUCE
HOMELESSNESS
THROUGH HOUSING
FIRST APPROACH**



**OBJECTIVE 4:
HOUSING FOR THE
AGING & DISABLED
POPULATION**



**OBJECTIVE 2:
INCREASE THE SUPPLY
OF AFFORDABLE
RENTALS**



**OBJECTIVE 5:
INNOVATIVE DESIGN
& DEVELOPMENT
SOLUTIONS**



**OBJECTIVE 3:
INCREASE
HOMEOWNERSHIP
OPPORTUNITIES**



**OBJECTIVE 6:
ALTERNATIVE
FINANCING**

OBJECTIVE 1:

HOUSING INDIVIDUALS EXPERIENCING HOMELESSNESS

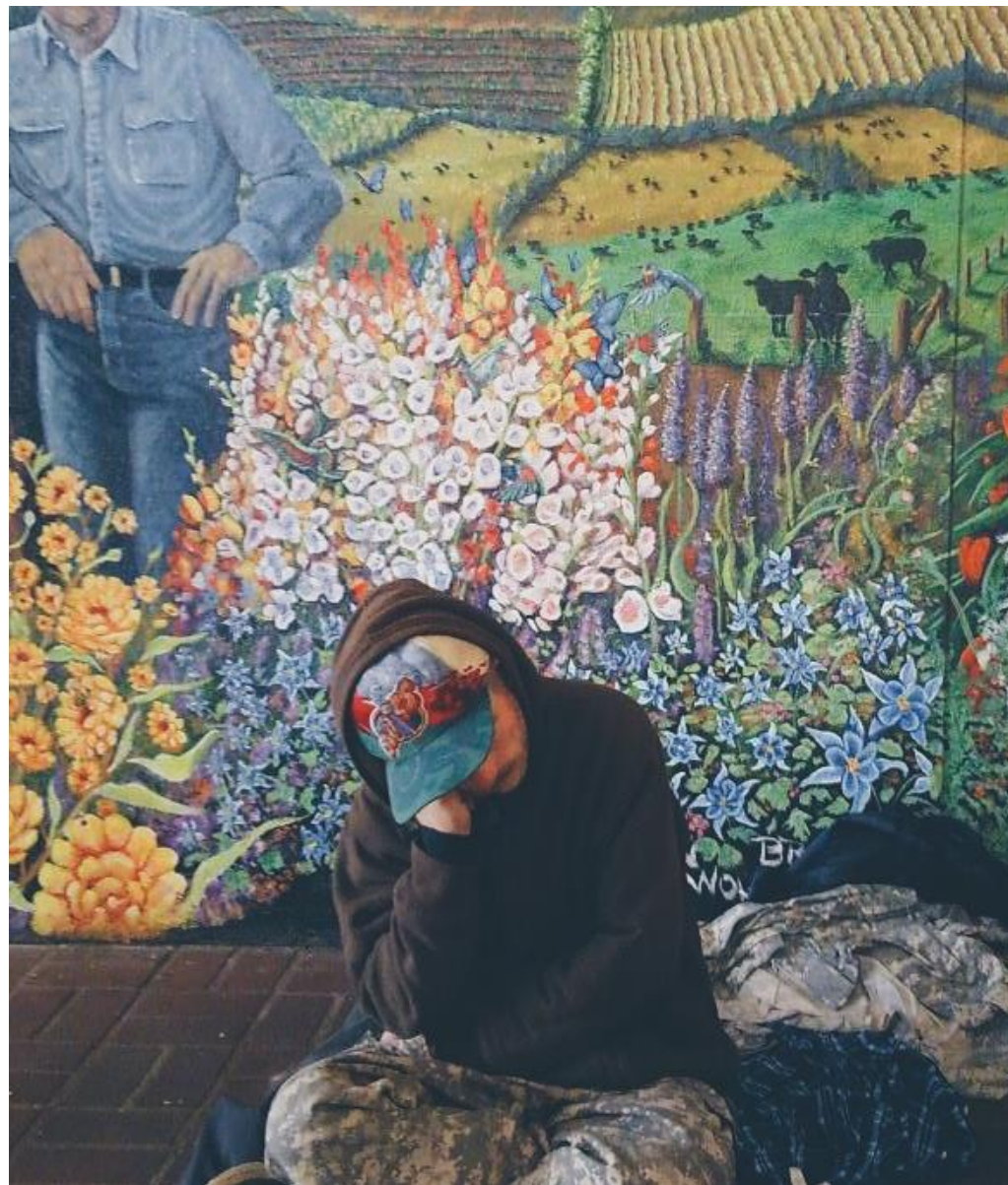
STRATEGIES

1A

**PRIORITIZE USE OF THE
CITY'S HUD ENTITLEMENT
FUNDS FOR HOUSING
PROJECTS SERVING VERY-
LOW & EXTREMELY-LOW
INCOME HOUSEHOLDS**

1B

**INCREASE LANDLORD
ACCEPTANCE OF HOUSING
VOUCHERS FOR VETERANS**



OBJECTIVE 1:

**HOUSING FAMILIES
EXPERIENCING
HOMELESSNESS**

STRATEGIES

1C

**SUPPORT EFFORTS BY LOCAL
HOUSING PROVIDERS TO
CREATE ADDITIONAL
HOUSING OPPORTUNITIES
FOR VERY-LOW & EXTREMELY-
LOW INCOME FAMILIES**

1D

**COLLABORATE WITH
PROPERTY OWNERS AND
PROPERTY MANAGERS TO
REDUCE THE NUMBER OF
UNJUST EVICTIONS**

**THERE ARE GAPS
IN THE SUPPORT
SERVICE NETWORK
FOR HOMELESS
FAMILIES**

OBJECTIVE 2:

INCREASE THE SUPPLY OF AFFORDABLE RENTALS

STRATEGIES

2A

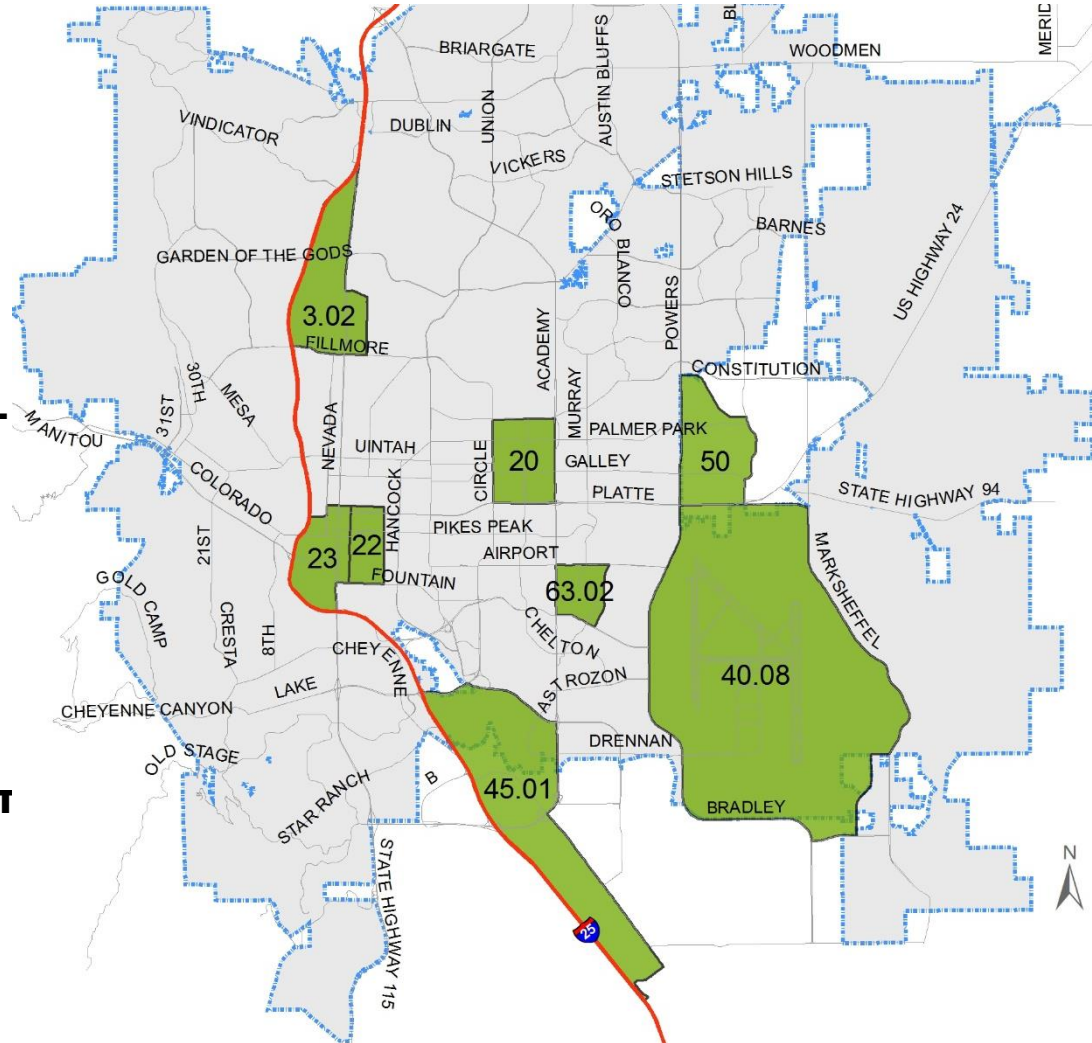
CREATE & IMPLEMENT AN INCENTIVE PACKAGE THAT FACILITATES AFFORDABLE AND ATTAINABLE HOUSING AS INFILL DEVELOPMENT

2B

CREATE & IMPLEMENT A TIERED DEVELOPMENT FEE STRUCTURE THAT IS PRORATED ACCORDING TO AFFORDABILITY LEVELS

2C

CREATE PUBLIC-PRIVATE PARTNERSHIPS WITH THE BUSINESS COMMUNITY TO INCREASE AFFORDABLE RENTAL HOUSING



OBJECTIVE 2:

INCREASE THE SUPPLY OF AFFORDABLE RENTALS

2D

**COLLABORATE WITH
MILITARY INSTALLATIONS
IN THE REGION TO
DESCRIBE & ADDRESS
RENTAL HOUSING NEEDS
FOR SERVICE PERSONNEL**

2F

**MONITOR LOW-INCOME HOUSING TAX
CREDIT (LIHTC) PROPERTIES AT RISK
OF CONVERTING TO MARKET RATE**

2E

**CREATE AN INVENTORY OF
THE CITY'S NATURALLY
OCCURRING AFFORDABLE
HOUSING (NOAH) &
COLLABORATE WITH
PROPERTY OWNERS AND
INVESTORS TO MINIMIZE
DISPLACEMENT OF LOW-
INCOME RENTERS**

2G

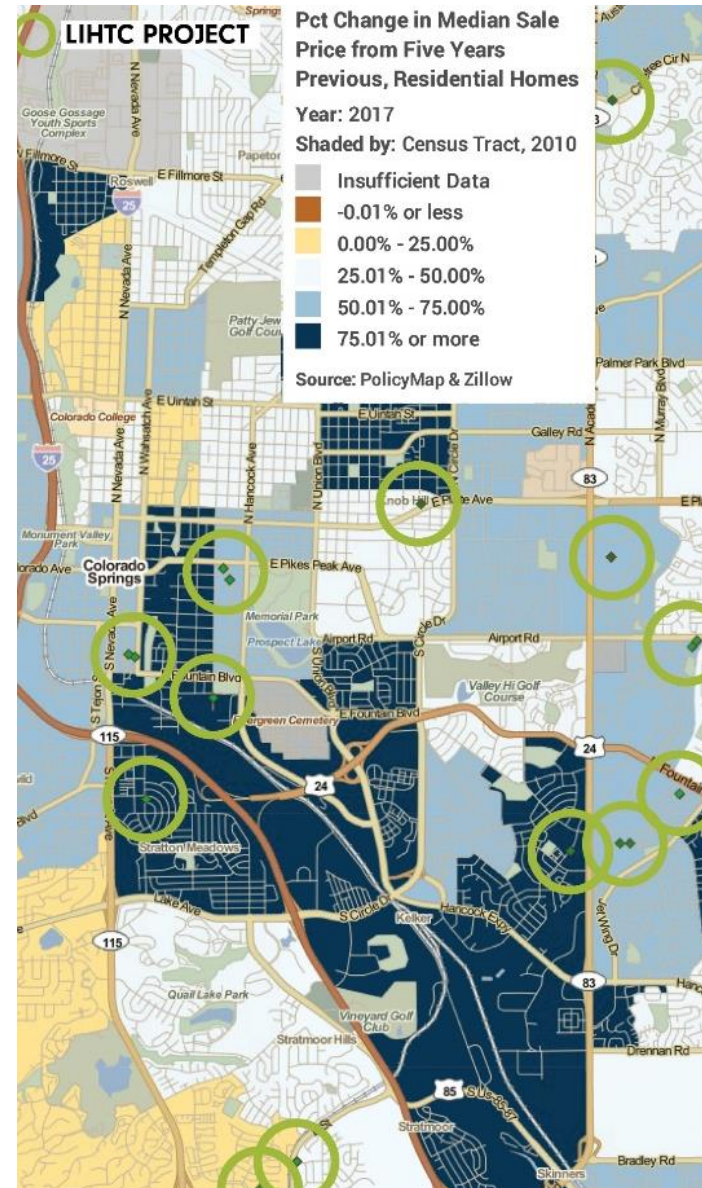
**PRIORITIZE NEW AFFORDABLE
MULTIFAMILY PROJECTS IN THE LAND
DEVELOPMENT REVIEW PROCESS**

OBJECTIVE 2:

INCREASE THE SUPPLY OF AFFORDABLE RENTALS

2H

ADDRESS NEIGHBORHOOD OPPOSITION TO AFFORDABLE MULTIFAMILY RENTAL PROJECTS BY EMPHASIZING POSITIVE OUTCOME SFOR RESIDENTS AND NEIGHBORHOODS



OBJECTIVE 3:

INCREASE HOMEOWNERSHIP OPPORTUNITIES

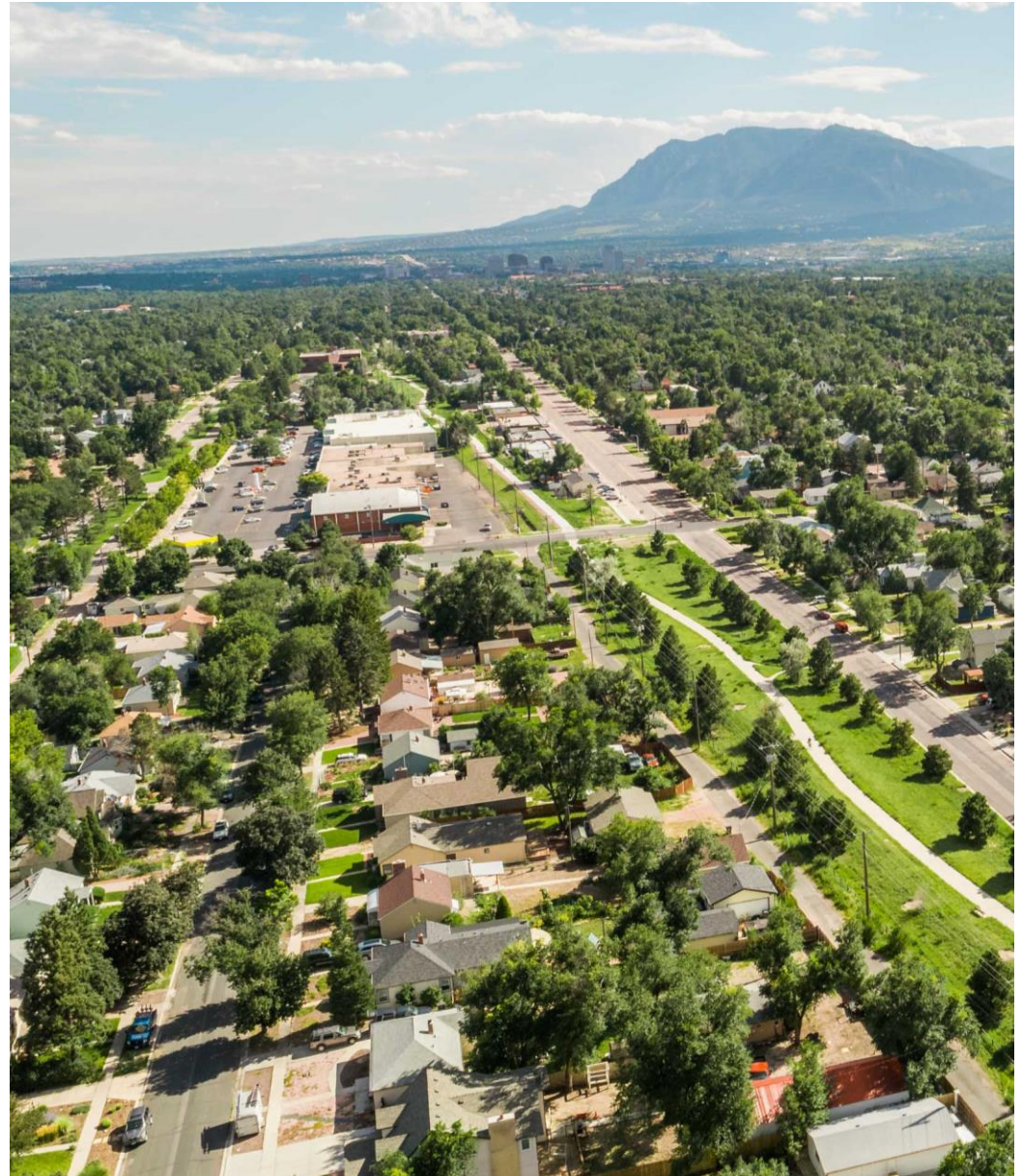
STRATEGIES

3A

**CONDUCT OUTREACH TO
NON-ENGLISH SPEAKING
COMMUNITIES TO INCREASE
AWARENESS OF DOWN-
PAYMENT ASSISTANCE
PROGRAMS**

3B

**SET-ASIDE A PORTION OF
THE CITY'S FEDERAL GRANT
FUNDS TO SUPPLEMENT
DOWN-PAYMENT
ASSISTANCE PROGRAMS**



OBJECTIVE 3:

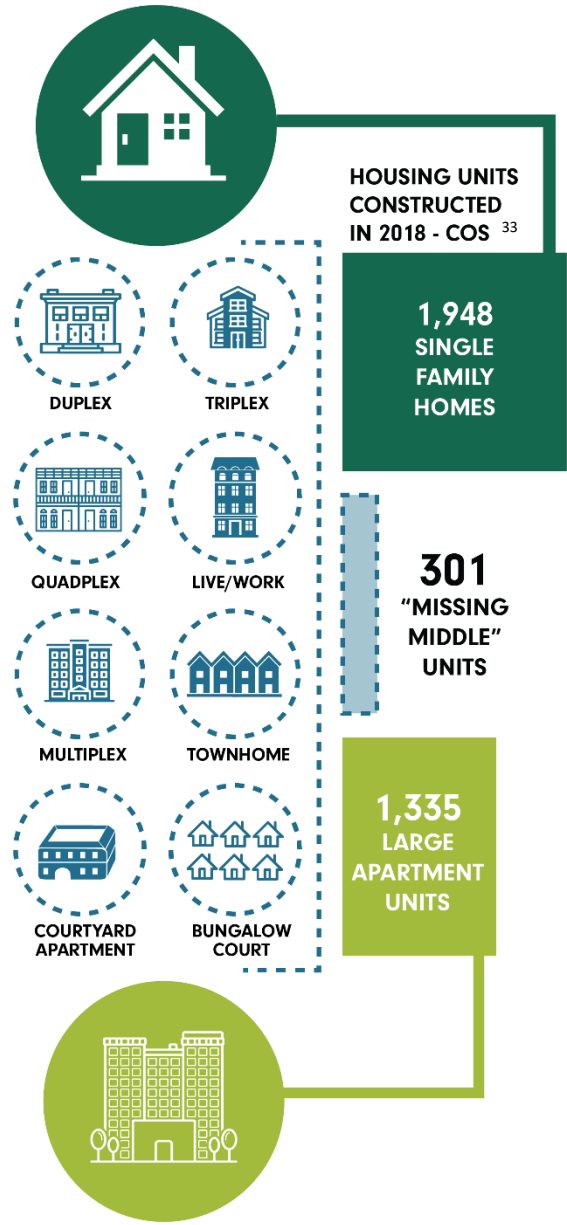
INCREASE HOMEOWNERSHIP OPPORTUNITIES

3C

AMEND THE CITY'S LAND USE POLICIES TO REMOVE BARRIERS TO HIGH-DENSITY RESIDENTIAL DEVELOPMENT, INCLUDING SMALL LOT SUBDIVISIONS, TOWNHOMES, AND CONDOS

MISSING MIDDLE HOUSING

- Approximately: 2-9 units, 1-3 stories, 1-2 bathrooms, 700-1,900 sq-ft
- Compatible in scale with detached single family homes
- Offer lower priced ownership opportunities
- Help to meet the growing demand for walkable urban living



OBJECTIVE 3:

INCREASE HOMEOWNERSHIP OPPORTUNITIES

3D

ENCOURAGE PARTNERSHIPS BETWEEN THE HBA'S CAREERS IN CONSTRUCTION PROGRAM & LOCAL NON-PROFIT HOUSING PROVIDERS TO MAKE HOMES BUILT BY TRADE SCHOOL STUDENTS AVAILABLE TO LOWER-INCOME HOUSEHOLDS

3E

PROMOTE THE EL PASO COUNTY HOUSING AUTHORITY 'TURNKEY' DOWN-PAYMENT ASSISTANCE PROGRAM



HBA CAREERS IN CONSTRUCTION PROGRAM
PHOTO: COLORADO SPRINGS GAZETTE

OBJECTIVE 4:

HOUSING FOR THE AGING & DISABLED POPULATION

STRATEGIES

4A

EXTEND THE SERVICE LIFE & AFFORDABILITY OF THE CITY'S EXISTING HOUSING STOCK

ONE OUT OF FIVE



RESPONDENTS 62+ ARE LOOKING FOR A HOME THAT IS ACCESSIBLE, AND CAN'T FIND IT.

COS HOUSING SURVEY RESULTS

4B

CREATE & IMPLEMENT A PROGRAM TO FINANCE AFFORDABLE ACCESSORY DWELLING UNITS



4C

COLLABORATE WITH THE INDEPENDENCE CENTER TO INCORPORATE THE PRINCIPLES OF "UNIVERSAL DESIGN" INTO ONE OR MORE UPCOMING RESIDENTIAL DEVELOPMENTS

4D

PROVIDE FUNDING FOR THE COLORADO SPRINGS HOUSING AUTHORITY TO ACCOMPLISH ITS SECTION 504 TRANSITION PLAN

OBJECTIVE 5:

INNOVATIVE DESIGN & DEVELOPMENT SOLUTIONS

STRATEGIES

5A

**ENCOURGE ADAPTIVE RE-
USE OF VACANT BUILDINGS
TO MEET HOUSING NEEDS**



CREEK AT COTTONWOOD
NEW BUILD: AFFORDABLE UNIT PROJECT



ROCKY MOUNTAIN APARTMENTS
ADAPTIVE RE-USE: AFFORDABLE UNIT PROJECT

OBJECTIVE 6:

ALTERNATIVE FINANCE TOOLS

6C

**PROMOTE THE USE OF THE EL PASO
COUNTY HOUSING TRUST FUND IN
AFFORDABLE HOUSING PROJECTS**

STRATEGIES

6A

**PROVIDE DEVELOPERS WITH
A STREAM-LINED
APPLICATION PROCESS FOR
GAP FINANCING THROUGH
THE COMMUNITY
DEVELOPMENT DIVISION**

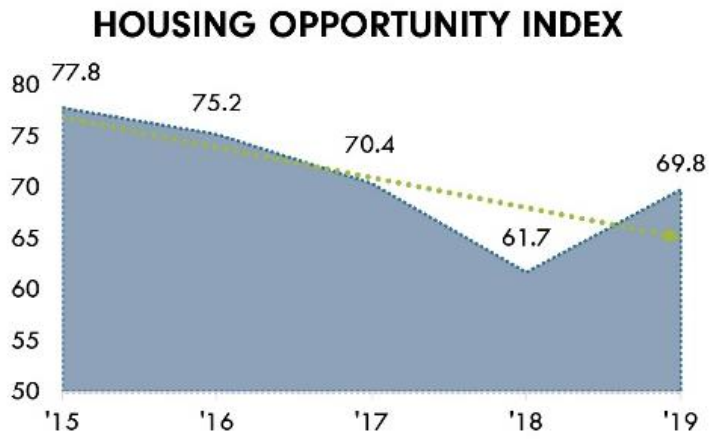
6B

**SET-ASIDE PRIVATE
ACTIVITY BOND (PAB)
ISSUER FEES TO CREATE A
DEDICATED AFFORDABLE
HOUSING PRE-
DEVELOPMENT FUND**



MEASURING SUCCESS

Progress towards the plan's goals will be included in the Planning Department's annual report, as well as Community Development's Consolidated Annual Performance Report to HUD. In addition, PlanCOS includes two metrics related to housing affordability: The Housing Opportunity Index (HOI) and the Affordable Rent Ratio (ARR).



HOI:
COLORADO SPRINGS



HOI:
DENVER COLORADO



HOI:
UNITED STATES



HOW TO CALCULATE THE AFFORDABLE RENT RATIO:

**3-PERSON HOUSEHOLD
HUD 50% 2019 AMI = \$36,650**

THIS HOUSEHOLD CAN AFFORD TO PAY
\$916.25 / MONTH ON 2BD/1BA APARTMENT

2019 AVG 2BD/1BA APARTMENT
COLORADO SPRINGS=\$1,128



$\$1,128 / \$916.25 = 1.23$
AFFORDABLE RENT RATIO: 1.23



CONCLUSION:

HomeCOS IS THE BLUEPRINT

Colorado Springs is at a pivotal moment in its history. HomeCOS provides the framework for key stakeholders in the public and private sectors to work together and realize Mayor Suthers' goal of building or preserving 1,000 units of affordable housing each year. HomeCOS is the blueprint for housing our future.

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[www.coloradosprings.gov/
communitydevelopment](http://www.coloradosprings.gov/communitydevelopment)

