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Title: HomeCOS: Housing Our Future, A Comprehensive Affordable and Attainable Housing Plan for the City of Colorado Springs, Colorado

Presenter:
Steve Posey, HUD Program Manager, Community Development Division
Peter Wysocki, Director of Planning and Community Development

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HomeCOS: Housing Our Future, A Comprehensive Affordable and Attainable Housing Plan for the City of Colorado Springs, Colorado

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Summary:

HomeCOS, Housing Our Future, is a comprehensive affordable and attainable housing plan to support the Mayor's goal of building, preserving, or creating opportunities for homeownership at an average of 1000 units each year.

HomeCOS recognizes that a diverse population has unique and varied housing needs. In alignment with the 'big ideas' brought forward in PlanCOS, the City's recently adopted comprehensive planning

document, this housing plan proposes to further the vision of 'Housing for All' by establishing a set of six core objectives that avoid exactions and requirements and rely instead on incentives to achieve a full spectrum of housing opportunities located throughout the City. The objectives included in HomeCOS are:

- Reduce homelessness by facilitating the movement of individuals and families out of the shelter system into housing.
- Increase the supply of affordable rental units, particularly for fixed-income, disabled, and lower hourly wage-earning households.
- Increase opportunities for homeownership among low- to moderate-income households.
- Address the need for housing that caters specifically to the region's aging and disabled populations.
- Encourage innovative design and development solutions to address housing needs.
- Create and promote alternative finance tools that supplement the Low Income Housing Tax Credit program.

In order to establish context for the objectives in HomeCOS, the plan includes an overview of the City's existing housing stock while comparing average rents and home prices to current household income levels. The plan also includes an in-depth look at the housing challenges faced by aging seniors, homeless individuals and families, and speaks to the economic and social benefits that derive from addressing housing needs. The objectives included in the housing plan are supported by related strategies, some of which are already underway.

In the context of HomeCOS, affordable housing is defined as housing that does not require more than 30% of household income to secure and is subject to affordability restrictions in the form of long-term rent limits or, in the case of for-sale housing, re-sale to a subsequent low- to moderate-income household. Typically, affordable housing requires financing through the Low-Income Housing Tax Credit program supplemented with a portion of the City's grant funds available through the Department of Housing & Urban Development. Attainable housing, by contrast, may be built with conventional financing and priced to meet the needs of lower-income households in the region, but is not typically subject to long-term rent restrictions or re-sale provisions. Both are essential to meeting the region's current and projected housing needs.

The plan includes two metrics for measuring success with meeting the objectives of the plan. The Housing Opportunity Index (HOI) is an annual gauge of the affordability of homes for sale that compares area median income (AMI) to home prices. The Affordable Rent Ratio compares the average rent for a 2BR/1BA apartment to the AMI for a 3 person household. Both of these metrics are currently trending toward less affordability in the region.

Background:

In 2019, the City of Colorado Springs issued a Homelessness Initiative that included five goals. Goal 4, Increase Access to Housing, included putting together an affordable/attainable housing plan for the City. HomeCOS: Housing Our Future is the realization of that goal.

Previous Council Action:

N/A

Financial Implications:

HomeCOS includes Strategy 2C: Create and implement a tiered development fee structure that is prorated according to affordability levels. At the direction of Chief of Staff, Jeff Greene, the Planning

and Community Development Department brought together a task force made up of representatives from the Housing and Building Association, Colorado Springs Utilities, the Pikes Peak Regional Building Department, El Paso County Board of County Commissioner Cami Bremer, City Council Members Dave Geislinger & Tom Strand, and staff from the City Auditor's Office to discuss the creation and implementation of a tiered development fee structure to encourage development of affordable/attainable housing.

One of the outcomes of the task force is a fee model created by the City Auditor's Office that can be used to assess the impact to jurisdiction revenue of full or partial waivers of fees based on development type and number of units. The Planning and Community Development Department continues to work with stakeholders to develop a tiered development fee structure and anticipates bringing forward models for consideration later this year.

City Council Appointed Board/Commission/Committee Recommendation:

N/A

Stakeholder Process:

Staff from the Planning & Community Development Department gathered information from various public events, including presentations from the Housing & Building Association, materials distributed at community roundtables led by CM Geislinger, public input received during the creation of PlanCOS and the City's Infill Plan Supplement, and responses to the City's housing survey conducted in 2019. Staff also referenced housing related elements of the Renew North Nevada Plan, the Mill St. Neighborhood Plan, Age-Friendly Colorado Springs, and the 2014 Housing Needs Assessment prepared in collaboration with El Paso County. Staff used the information, along with current research and demographic data specific to the region, to inform the core objectives and related strategies included in HomeCOS. During the implementation phase of the plan, staff will host an ongoing series of focused conversations with interested stakeholders.

Alternatives:

Endorsement of HomeCOS creates a unique opportunity for the leadership of the City of Colorado Springs to communicate its commitment to, and support for, understanding and addressing housing needs in the region. Population growth, along with a strong business-friendly environment, will continue driving the need for a variety of housing types at multiple price-points. By creating a framework for an ongoing conversation about affordable and attainable housing, HomeCOS will enable the many stakeholders in the for-profit and non-profit sectors to collaborate in meeting the region's current and future housing needs.

Proposed Motion:

No action required at this time.

N/A