

Ouray County
Affordable Housing Action Plan
2009 - 2015

Sponsored by: Ouray County Housing Authority

Drafted by: Rees Consulting, Inc.

Funded by: Colorado Dept of Local Affairs

Introduction

- I. Update of Housing Needs
- II. Policies and Guiding Principles
- III. Goals and Objectives
- IV. Priority Strategies
- V. Implementation and Administration

The Path to Affordable Housing

- 2000 Town of Ridgway Master Plan Update
- City of Ouray Master Plan
- 2002 IGA's between towns and County
- 2006 Blue Ribbon Panel
- 2007 Ouray County Housing Authority established
- 2008 Housing Needs Assessment and Task Force
- 2009 Affordable Housing Strategic Plan for 2015

I. Housing Needs Updated

Catch-Up Needs

- 39 units from unfilled jobs
- 110 units from in commuting
- 149 affordable units needed in total in early 2008
- Adjusted down to 50 with plan to re-examine in 2011

Keep-Up Needs

- 881 units in total by 2015
- Market to meet 70% to 80%
- 174 – 264 affordable units needed
- Market addressing 40%
- 270 affordable units needed by 2015

II. Policies and Guiding Principles

- Sustainability
- Primary/Second Home Relationship
- Jobs/Housing Relationship
- Priorities and Targeting
 - workforce & essential employees
 - family housing (70% families, 30% singles)
 - income mix (1/3 low, 1/3 middle, 1/3 upper)
 - owner/renter mix (75% owner/25% renter)

Policies & Guiding Principles cont.

- Location
- Unit Types and Density
- Responsibility

III. Goals & Objectives

- 50 units Catch-Up
- 160 units Keep-Up
- 210 units total affordable units
- Ridgway – 55% or 116 units
- Ouray – 28% or 58 units
- Ouray County – 17% or 36 units
- 50% low income (80% AMI) 50% moderate/middle income (81% - 150% AMI)

IV. Action Plan Strategies

- Rehabilitation & Weatherization
- Annexation Policy
- Inclusionary Zoning
- Development Incentives
- Residential Linkage
- Commercial Linkage
- Homeownership Counseling & Mortgage Assistance
- Updating Needs
- ADU Incentives
- Tax Credit Apartments
- Use Tax
- Board Development

Rehabilitation & Weatherization, 2009

- Provide staff support
- Develop relationship w/ providers & funders
- Develop implementation plan
- Develop standards & identify contractors
- Target efforts to low income initially then expand to moderate/middle income
- Rehab 21 units by 2015

Annexation Policy, 2009

- Halt shift from primary to 2nd homes with resident occupied (RO) restrictions
- Develop requirements that are higher than for in-town properties to partially address catch-up needs

Inclusionary Zoning, 2010

- All three jurisdictions should impose a 20% affordable housing requirement
- On site generally preferred but standards should be flexible and could vary by jurisdiction
- A partial reduction should be allowed in exchange for a permanent voluntary transfer assessment (RETA)
- Should provide homeownership for moderate/middle income households (81% - 150% AMI)
- IZ should be enacted in 2009/ 2010 before additional subdivision applications are received

Development Incentives, 2010

- Incentives should be put into place simultaneously with IZ and linkage requirements;
- Stakeholders including developers and property owners should be involved in their structure.
- Increased density with high utilization should be allowed for affordable housing, as a means to reduce development costs and promote sustainable land use.

Residential Linkage, 2010

- All 3 jurisdictions should adopt similar linkage requirement
- The mitigation rate should start out low for small units (5% or about \$.05 per square foot) and escalate with unit size (45% or \$4.00 per square foot)
- Options should be offered for ways to meet the requirement
- The program should primarily provide affordable rental housing for low-income households (\leq 80% AMI)
- A housing support study should be prepared to establish the link between development and the requirements
- \$1 million or 7 units should be generated by 2015

Commercial Linkage, 2010

- Ridgway and Ouray should adopt similar commercial linkage requirements; Ouray County should be the same or higher
- The requirement should be based on 5% of the estimated housing demand or impact generated by development
- The program should encourage on-site development of units
- The program should primarily be for moderate/middle households (avg 100% AMI)
- A housing support study should establish the link between commercial development and the requirements imposed
- 3.4 units or \$340,000 should be generated by 2015 through a fee of roughly \$7.00 per square foot on new commercial space.

Homeownership Counseling & Mortgage Assistance, 2009/2010

- Hire or contract for experience to deliver services
- Establish a system to access down payment assistance through the Delta Housing Authority
- Prepare a grant application and submit to the Colorado Division of Housing for a down payment assistance allocation.
- Establish a pipeline for accessing CHFA down payment assistance.
- Involve local mortgage lenders in the OCHA-initiated effort.

Update Needs/ Revisit Goals, 2011

Obtain information to adjust catch-up & keep-up goals including:

- Unemployment rates and job numbers from the Colorado Department of Labor and Employment
- Regional study with San Miguel County
- Data from the Census Bureau on housing and commuting
- MLS listings for home prices and availability
- County Assessor data for sales in the prior year to determine if prices are stable or declining

ADU Incentives, 2010/11

In Ouray and Ridgway:

- Deferral of waivers of tap fees
- Evaluation of programs with possible modification
- Using linkage fees to subsidize construction costs with permanent covenant on long-term rental occupancy.

In Ouray County:

- Increase maximum size of ADUs to 1000 sf
- Eliminate requirement for proximity to primary residential unit
- Close the employee housing loop hole in the land use code
- Waive building permit fee for ADU if permitted simultaneously with primary residence

Tax Credit Apartments, 2012

- Dedicate City and County-owned land in Ouray for project(s)
- Partner w/ developer in Ridgway for up to 20 units
- Explore opportunities to “package” site in Ridgway and Ouray
- Incorporate green building/energy efficiency
- Seek partners in 2011

Use Tax, 2015

- Provide an income stream for the housing authority that could be used for a variety of purposes including construction, land acquisition/banking, acquisition and buy down of existing units and administration
- Pave the way for a \$2.00 per square foot impact fee
- Address the disadvantage that local vendors now have when competing with Montrose stores

Board Development, 2009 - 2015

- Memberships in the Colorado Housing and the National Association of Housing and Rehabilitation Officials (NAHRO)
- Attendance at the annual Housing Colorado NOW conference
- Presentations to the Board by representatives of the Colorado Division of Housing and the Colorado Housing and Finance Authority (CHFA).

Action Plan Quantified

Strategy	Income	Total Units	Ridgway	Ouray	Ouray Co.
Rehab/Weatherization	Low-Mid	21	7	7	7
Residential Linkage	Low	7	3	1	3
Commercial Linkage	Mod/Mid	3	3	1	0
Inclusionary Zoning	Mod/Mid	104	72	8	24
Tax Credit Apartments	Low	27	18	9	0
Total		163	103	26	34

V. Administration

Approach:

- Minimize start-up costs with increases in administrative expenditures as funds become available through fees and program income
- Reach a goal of financial independence from the municipalities and county through revenue generation and cost containment
- Leverage local funds to pursue state and federal funding opportunities
- Develop in-county capacity to administer programs; extensive reliance on regional agencies for program funding and service delivery is not desired long term
- Obtain financial support from all 3 jurisdictions in 2010

Tasks -- 2009

Implementation

- Rehabilitation & Weatherization
- Annexation Policies
- Homeownership Counseling and Mortgage Assistance

Administration

- IGA's; Insurance
- Grant applications
- Financial management system
- Fee collection system
- Public relations; web site
- Standards for rehab program

Tasks – 2010/11

Implementation

- Inclusionary Zoning
- Development Incentives
- Commercial Linkage
- Residential Linkage
- ADU Incentives
- Needs Updating

Administration

- Code drafting – IZ & linkage
- Deed restrictions
- Development of guidelines
- Unit tracking system
- Update incomes, prices, fees in lieu
- Clearinghouse for housing assistance Development review/negotiation
- Applicant qualification/selection

Tasks – 2012 thru 2015

- Tax Credit Apartments
- Use Tax
- Partnership development
- Senior housing
- Program monitoring
- Compliance reporting
- Land acquisition

Next Steps

- Complete questionnaire by June 5th
- Comments to Jen by June 5th
- Task Force follow up meeting
- Final draft – June 24th
- Plan adoption process???