

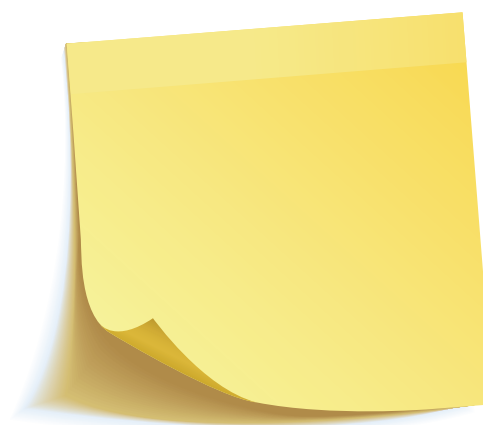
► How this works

At this open house, there are four stations. At each you will find a board with information on the four housing policy topics that are a focus of the Glenwood Springs Strategic Housing Plan Update. Either a member of the consultant team or City staff will be present at each station to talk through the topic and to answer questions you might have.



► Your Participation Today

1. We will also provide you with sticky notes to write comments and feedback. You can post these notes in the specified area on each board, which the team will review after the open house.
2. Complete a survey.
3. Please feel free to ask any questions and share your thoughts!



Overview of Project

The City of Glenwood Springs has identified housing as one of its key priorities because of the link to economic resiliency, quality of life, and community vibrancy. The Strategic House Plan is an important document to help guide the City and inform leaders and residents on housing issues. The updated plan will provide possible strategies to increase the availability of affordable housing in Glenwood Springs and provide supporting information and data about the City's housing market and dynamics.

The purpose of the plan is to provide an evaluation of potential policy tools that the City can implement to advance housing goals. Throughout the project, EPS has worked with City staff to formulate detailed proposals for four key housing policy areas, which include:

- Use of vacant public land to develop housing through a public-private partnership model
- Preservation of existing affordable housing
- Density bonus program
- Dedicated funding sources for housing

For each policy area, EPS has conducted extensive research and has drawn insights from other entities that have implemented similar tools, while also considering the context of how these policies might be applied in Glenwood Springs.

► What is it?

City-owned vacant land is a key asset for accommodating future affordable housing development. With high land costs and a limited amount of developable land, City-owned parcels present an opportunity to create new housing and expand affordable housing inventory. Establishing P3s (public private partnerships) with a developer is critical for implementation. A P3 works best when both parties can achieve the needed returns to justify the investment. For the private side, this takes the form of financial returns. For the public side, it represents advancing community goals (e.g., affordable housing inventory).

► What are the benefits?

Implementing P3s is an important policy tool for the City to achieve the following goals:

- Expand avenues for affordable housing development by leveraging City-owned land.
- Build buy-in and support from elected officials and community members.
- Create clarity and transparency for prospective developers, making housing development on City-owned parcels less challenging.

Sales vs. Lease Model

SALE MODEL - City directly sells property to a developer.

Advantages to the City include:

- City generates revenue from the sale.
- City would no longer be responsible for managing and maintaining the land.

Potential disadvantages include:

- Less City control

LEASE MODEL - City leases land to developer.

Potential advantages to the City include:

- City able to achieve goals, like affordability, over the long term.

Potential disadvantages include:

- Limited capacity to manage the land as the long-term landlord.
- A lease arrangement may not be as attractive to prospective developers as a sale.

Potential criteria for city-owned land

Affordability - needs to exceed the affordability prescribed by the existing inclusionary housing ordinance, recognizing the importance of lower AMI units.

Housing diversity - provide units with a variety of sizes and bedroom count.

Community benefits - examples include infrastructure improvements, high-quality public space, ground floor retail, or community space.

Financial feasibility - projects should be supportable in the market with a reasonable return on investment to the development entity and have minimal commitment of City financial resources.

Revenue generation - in some cases, P3 development can create a recurring source of revenue for the City.

Comments:



PRESERVATION

► What is it?

With rising home prices and rents, many residents have experienced a growing financial burden to stay housed and are vulnerable to market pressures and displacement. Preservation policies aim to ensure the affordability of existing housing by mitigating market pressures and providing renters and homeowners with resources to remain in their home, and in some cases, to make critical improvements to it. Preservation complements efforts to build new housing. While new housing is important, it is also critical to maintain the housing stock that currently exists.

► What are the benefits?

Preserving existing housing units and ensuring their long-term affordability is essential to improving housing stability and supporting the ability of residents to stay in Glenwood Springs. Moreover, preservation is an effective way to increase housing stability while investing fewer resources than is required by new development, as preserving the affordability of a housing unit is generally less expensive than developing one. Preservation programs can improve living conditions and reduce the financial burden for residents by making investments in habitability and maintenance.

Comments:



Potential Preservation Actions

Community land trusts

A model of land stewardship to ensure community control of land and long-term housing affordability. With its land holdings, CLTs separate land ownership from home ownership by selling the home itself to the buyer, but leasing the land beneath. This approach keeps land under the permanent control of the CLT.

Mobile Home Park Preservation

Currently, there are seven mobile home parks with 246 units in Glenwood. Preserving mobile home parks is critical to a preservation strategy. Policy approaches to advance preservation include:

- Resident purchase of mobile home parks
- Connecting residents with resources and outreach
- Land use overlays
- Maintenance and infrastructure support

Apartment Acquisition Fund

Low-interest loans or grants to land trusts, nonprofits, or tenants to acquire a rental building that is for sale. The program would target smaller, market-rate apartment buildings that house low-income renters.

Rental Rehabilitation

Financial support to owners of older rental housing stock to make essential habitability repairs that improve tenant quality of life, in exchange for affordability commitments.

Hotel/Motel Acquisitions and Conversions

Into housing units for locals.

Home Repair Loans and Grant Program

To help low- and middle-income homeowners alleviate the financial burden of home repair costs.

Property Tax Abatements

Direct property tax relief to lower the financial burden for lower-income homeowners.

DENSITY BONUS

► What is it?

A land use tool that enables new residential developments to build a greater number of units than would otherwise be permitted by the underlying zoning. A density bonus can take several different forms depending on local zoning context, community character, or other development constraints. The policy goals of a density bonus include:

- Provide an incentive for developers to build more housing units.
- Better utilize existing land and maximize the buildable area of a lot to enable infill development.
- Clearly define parameters for developers seeking additional density.

Glenwood Springs has a density bonus in the inclusionary housing ordinance, although it has not yet drawn interest from prospective developers.

► What are the benefits?

A density bonus is a valuable housing policy tool because it provides the market an avenue to deliver workforce/affordable housing units while requiring minimal additional investment from the City. Allowing greater density on existing parcels can reduce per-unit development costs, making housing development more attractive. As the city has a limited amount of developable land remaining, allowing greater density is also an effective way to utilize existing land without growing outward.

Comments:



How a density bonus works

Typically, a density bonus is set as a percentage of the units permitted by zoning on a given parcel. Additional units can be achieved in several different ways, including:

- Allowing for more units on a lot (e.g., allowing four units on a lot previously zoned for one unit).
- Increasing the allowable floor area of a project.
- Reducing the required minimum lot size of a project.
- Reducing requirements related to setbacks.
- Reducing requirements related to parking.
- Increasing the allowable height of a project (i.e., more stories)

Potential criteria for a density bonus

Affordability - A percentage of bonus units set aside as affordable.

Neighborhood context - Allow for duplexes, triplexes, and fourplexes within established residential areas.

Redevelopment potential - In commercial corridors, allow for a density bonus as part of redevelopment plans.

Height considerations - Allow for additional height in appropriate zoning contexts.

Development standards - Allow for variations to zoning standards related to setbacks, lot size, and parking requirements.

Inclusionary zoning considerations - Affordability requirements in addition to current baseline standards.

► What is it?

The ability to establish streams of funding that generate revenue specifically for affordable and workforce housing programs. Revenue is typically generated from a tax or fee and requirements vary as to how revenue is used. Several funding options exist, each with particular benefits, limitations, and revenue potential.

► What are the benefits?

Dedicated funding sources provide a strong platform to expand affordable housing development and programs. Public investment ensures that policies and programs have a positive impact on housing affordability, stability, community vitality, and economic health.

Current funding

Lodging tax

In 2022, voters passed a 2.5% increase in the local lodging tax, which is expected to generate \$1.3 to \$1.5M in revenue annually. The revenue will be placed into a Workforce Housing Fund that will fund various housing programs and projects including property acquisition, property rehabilitation, mobile home park maintenance, motel conversions, gap financing, down payment assistance, and buy-downs of units.

Comments:



Potential Funding Sources

- **Linkage fee** - impact fee levied on new residential and/or commercial development to fund affordable housing.
- **Short-term rental (STR) fee** - regulatory fee levied on short-term guest rentals, often on an annual per-bedroom basis. Fee typically applies to property owners with an STR license. Estimated to generate \$100,000 – \$150,000 annually.
- **Property tax** - a property tax levy of 2.00 mills would generate approximately \$800,000 – \$900,000 annually.
- **Sales tax** - a quarter-cent (0.25%) sales tax increase would generate \$1.3 – \$1.6M in revenue annually.
- **Occupational privilege tax** - commonly known as a 'Head Tax', this is levied on employers for each employee and could generate \$600,000 – \$800,000 in revenue annually.
- **Vacancy tax** - levied on vacant homes (a home that is not the owner's primary residence and is also not rented out for any significant amount of time over the course of a year). A vacancy tax could generate approximately \$600,000 – \$800,000 annually.
- **Attractions tax** - levied on any charge imposed to gain admission to any place, event, performance, or scheduled activity open to the public. Given the high volume of visitation to attractions in Glenwood, this could generate a significant amount of revenue.
- **State funding** - bills recently passed allocated \$400M to housing programs. Additionally, Proposition 123 will allocate \$300M annually to affordable housing programs. This represents a significant amount of funding that Glenwood Springs should take steps to access.
- **No additional funding** - the option to not dedicate any additional municipal funding to housing.