

DURANGO HOUSING PLAN

October 2017

This plan establishes the goals, priorities and implementation measures for the Durango Housing Program and serves as the foundational document for the program.

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◆ ACKNOWLEDGEMENTS

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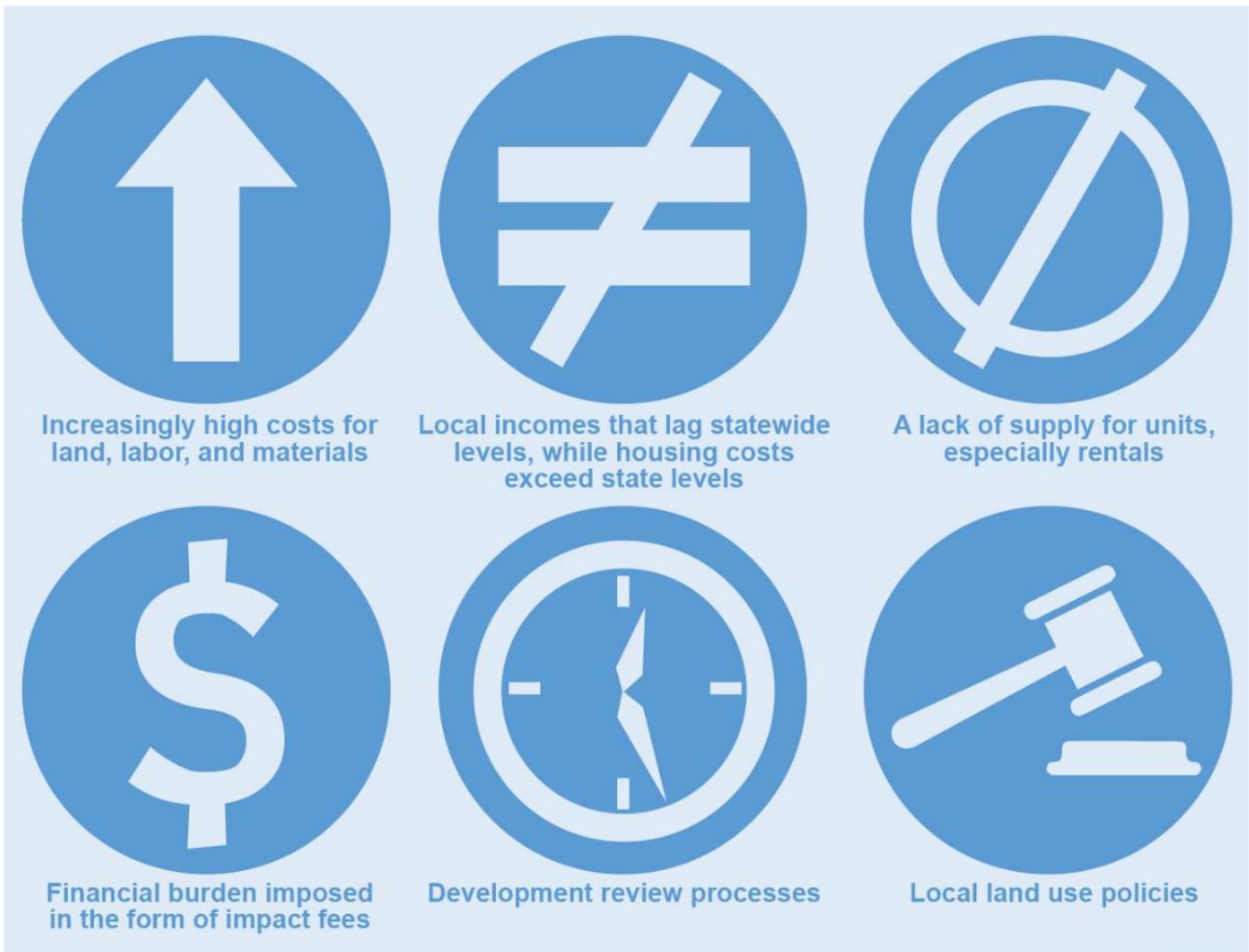
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◆ EXECUTIVE SUMMARY

Unmet housing needs in Durango are becoming more commonplace for all, and the City of Durango wants to do its part in helping to address this issue. This Plan serves as the foundation for a housing program within the City of Durango to address the city's housing issues. Much of the cost of housing stems from forces beyond local control, but there are things Durango can do to affect cost, quality and availability of housing.

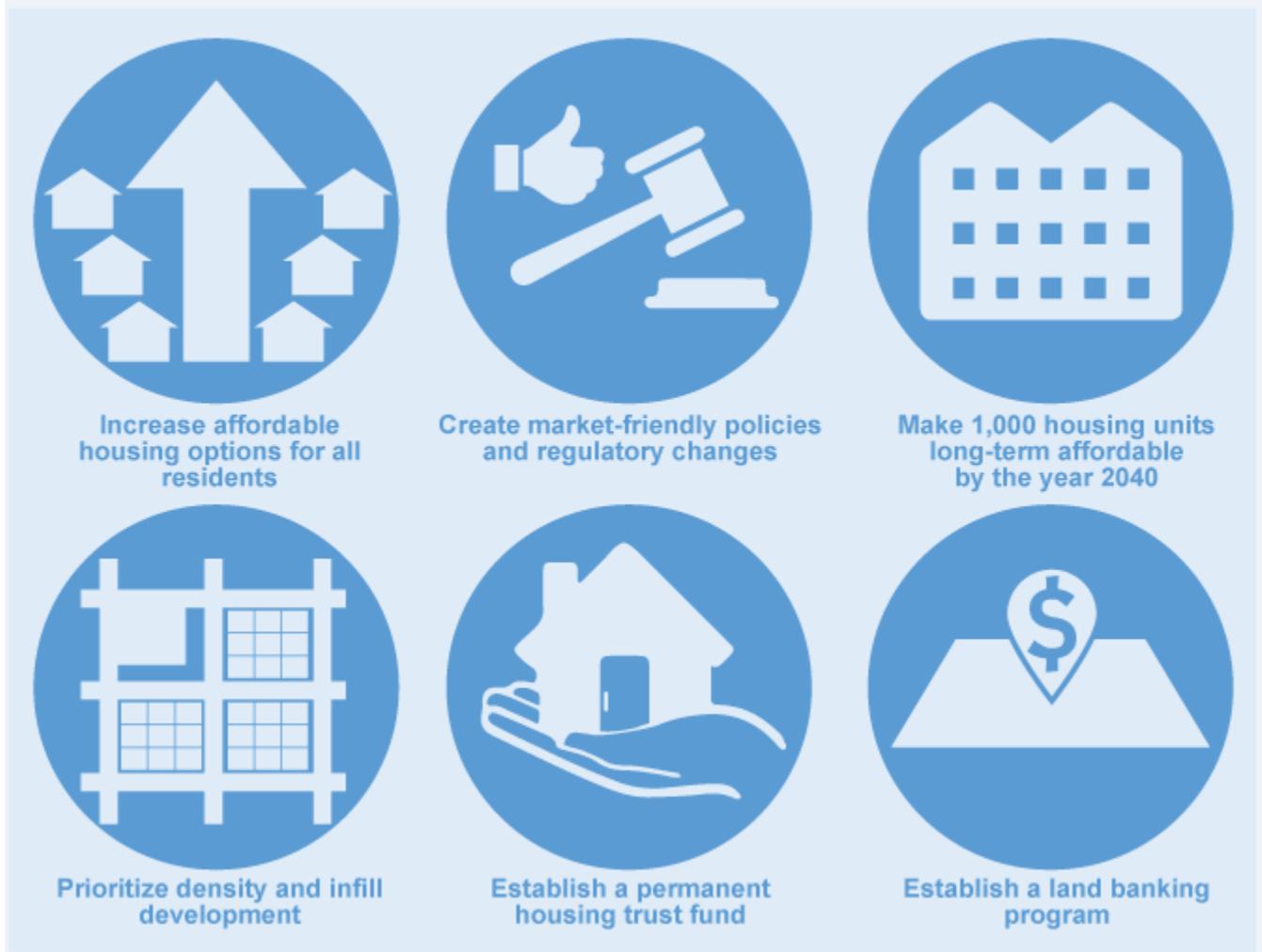
Housing affordability relates directly to:



The image displays six circular icons arranged in two rows and three columns, each with a corresponding text label below it. The icons are: 1. An upward-pointing arrow. 2. A not-equal sign. 3. A circle with a diagonal slash through it. 4. A dollar sign. 5. A clock face. 6. A gavel.

- Increasingly high costs for land, labor, and materials**
- Local incomes that lag statewide levels, while housing costs exceed state levels**
- A lack of supply for units, especially rentals**
- Financial burden imposed in the form of impact fees**
- Development review processes**
- Local land use policies**

This Plan has six primary policy goals based on ideas and feedback from the Housing Policy Advisory Committee, City Council, and outside housing agencies, public meetings and outreach, and staff initiatives:



The Durango Housing Plan and Program will advance actions that can be taken now, such as amendments to the development Land Use and Development Code (LUDC) to incentivize more residential development, while some proposals such as land banking will take years to accomplish. The action items are compiled at the end of the Plan, before the Appendices.

1. PRINCIPLES

The Durango Housing Plan is guided by principles that have emerged during the Plan's development. The housing strategies implement the following ten principles:

- Quality housing should be available to all residents of Durango.
- Durango is a place where you can live, work, raise a family, start a business and retire. Preserving Durango's livability requires housing to stay affordable for as many as possible.
- This plan recognizes that Durango is a small part of a vast economic system, but local actions make a difference.
- Community-wide support is essential for the housing program – all of Durango has a stake in housing.
- The City must evaluate land use planning and regulatory authority to allow developers to respond to housing market needs: Developers must continue to create the high-quality places expected by Durango residents.
- The Plan promotes housing in what are referred to as the Areas of Change because of the importance of infill development and redevelopment.
- The Areas of Stability will continue to absorb more housing.
- Growth on the periphery is likely to surpass infill development because land is cheaper and more abundant away from the core of Durango. These are Areas of Growth.
- Quality housing, whether it is infill or greenfield development, must have dense, walkable neighborhoods with access to multi-modal transportation options including transit, bike lanes and sidewalks.
- Housing is a foundation for Durango's local economy and for its residents to build wealth through equity and financial stability.

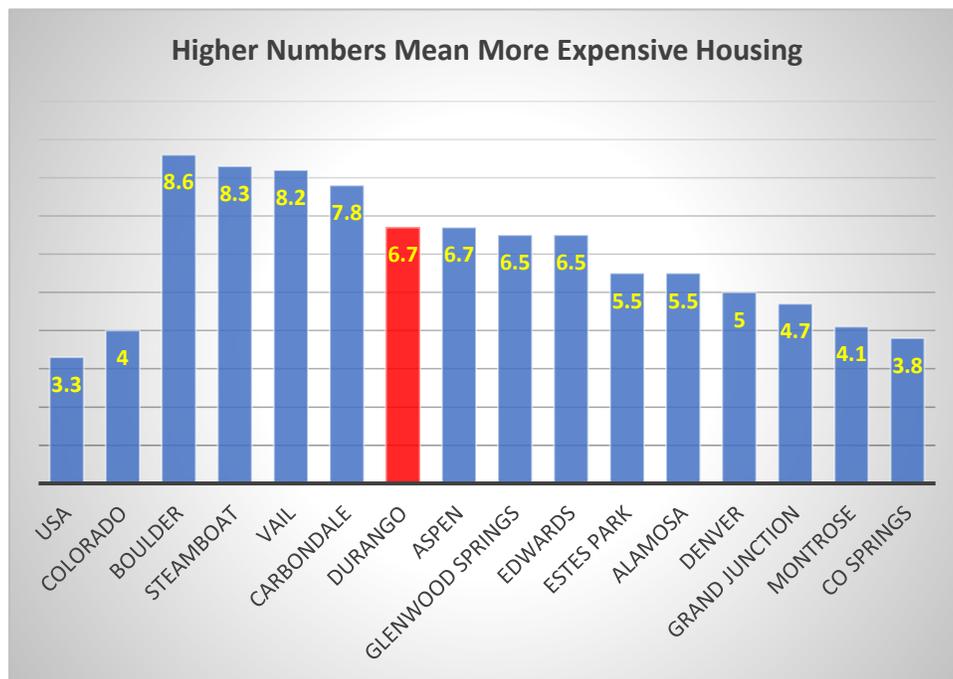
2. INTRODUCTION

2.1 STATEMENT OF THE ISSUE

Durango has a housing affordability issue, and this Plan will provide alternatives to help alleviate those issues. The central role of housing in shaping the character of a community makes housing as crucial to Durango as the road network or utility system, but many factors in Durango make affordable housing increasingly difficult to obtain. Housing affordability depends on land use regulation, housing supply, the cost of materials and labor, the availability of land, the cost of infrastructure, adequate densities for infill development, incomes commensurate with housing costs, and the strength of affordable housing programs.

As the people who make Durango work—the teachers, waiters, first responders, Fort Lewis professors, young families—find it increasingly difficult to afford housing, Durango is in danger of losing its identity. Prices will continue to escalate, and are likely to continue to accelerate faster than income growth, with significant implications for Durango’s future social and economic health. Local employers, including Fort Lewis College, local banks and the 9R school Durango have all commented on the difficulty of hiring new employees or retaining new hires, with obvious potential consequences for Durango.

Figure 1
Home Price to Income Ratio



*Almost half of the housing units in Aspen are publicly owned subsidized housing, otherwise the ratio would be much more.

Housing prices are expected to continue to accelerate faster than income growth, a situation with significant implications for Durango’s future social and economic health. Housing prices have grown faster than income for at least two decades, as Figure 2 shows.

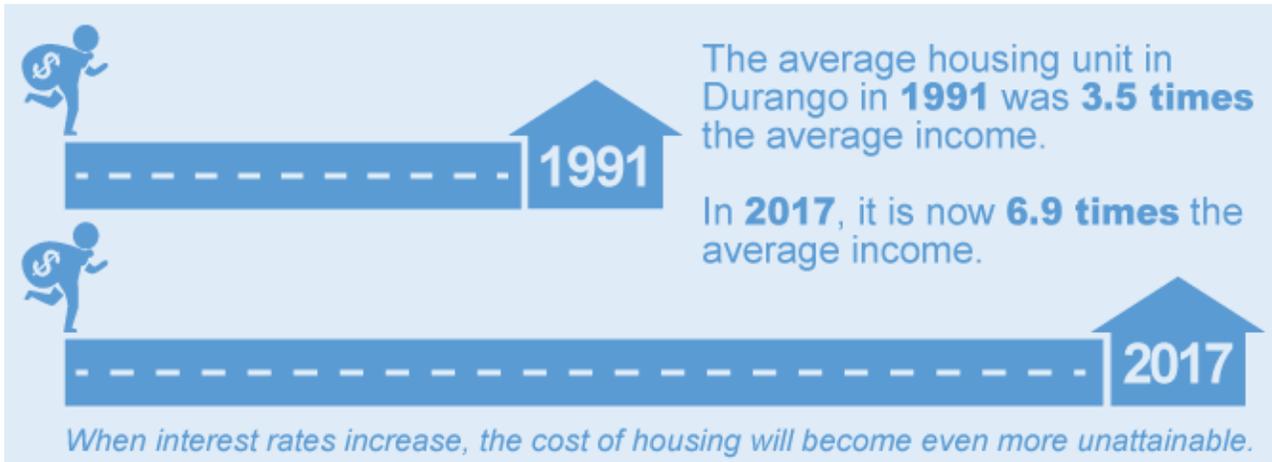
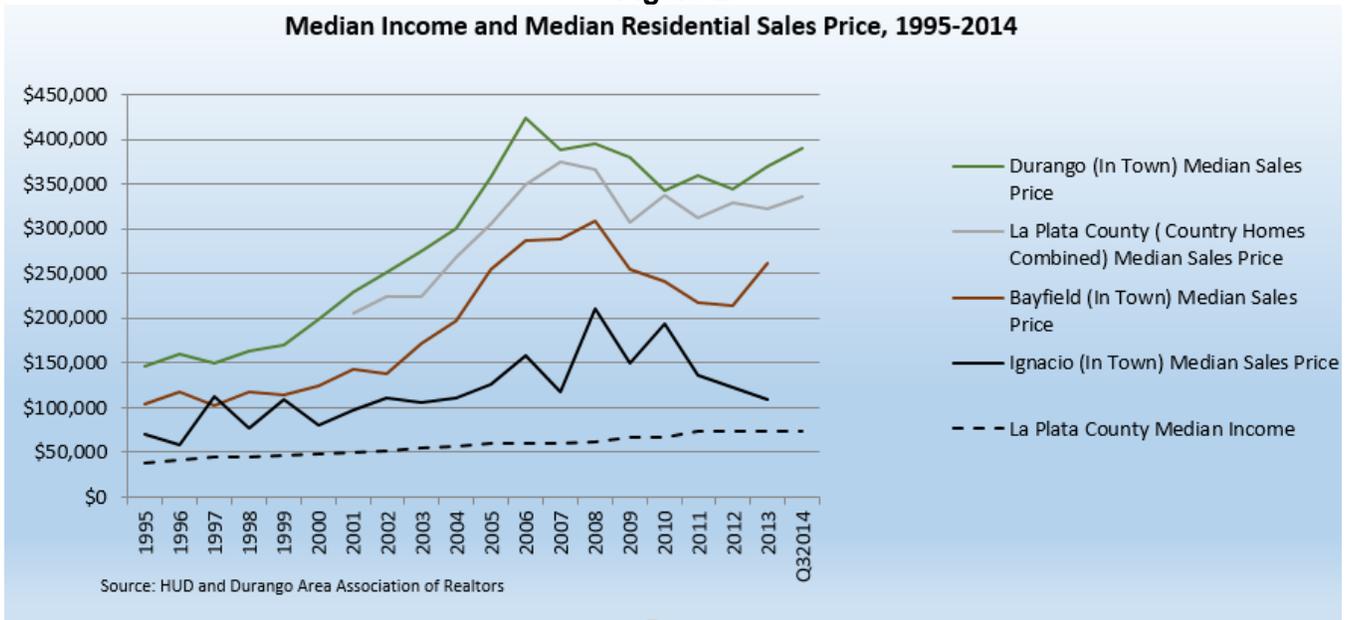


Figure 2
Median Income and Median Residential Sales Price, 1995-2014

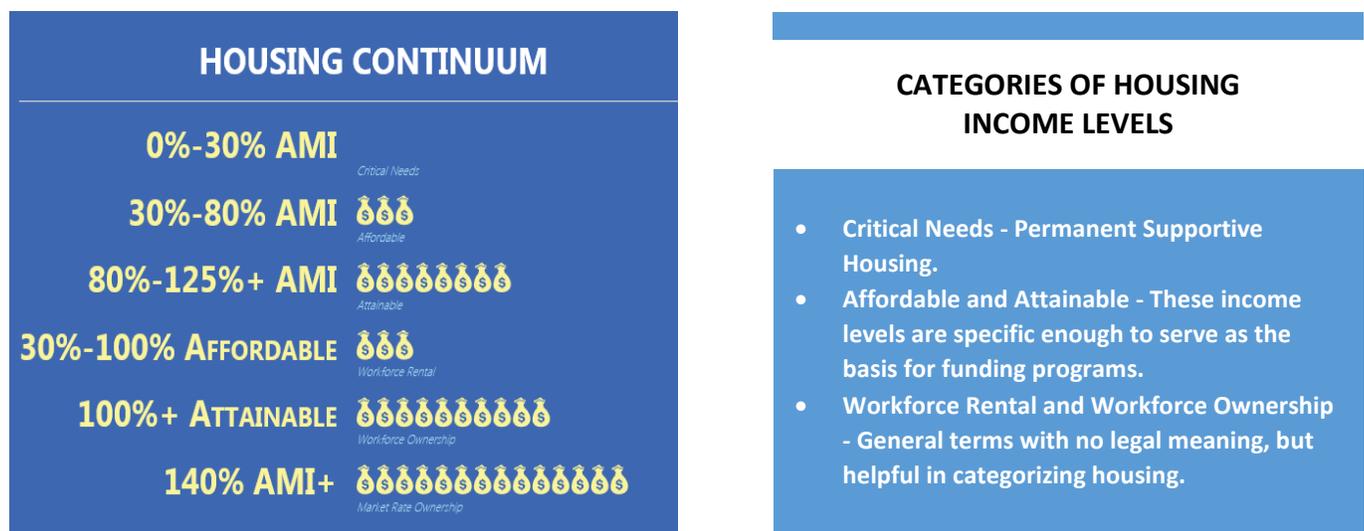


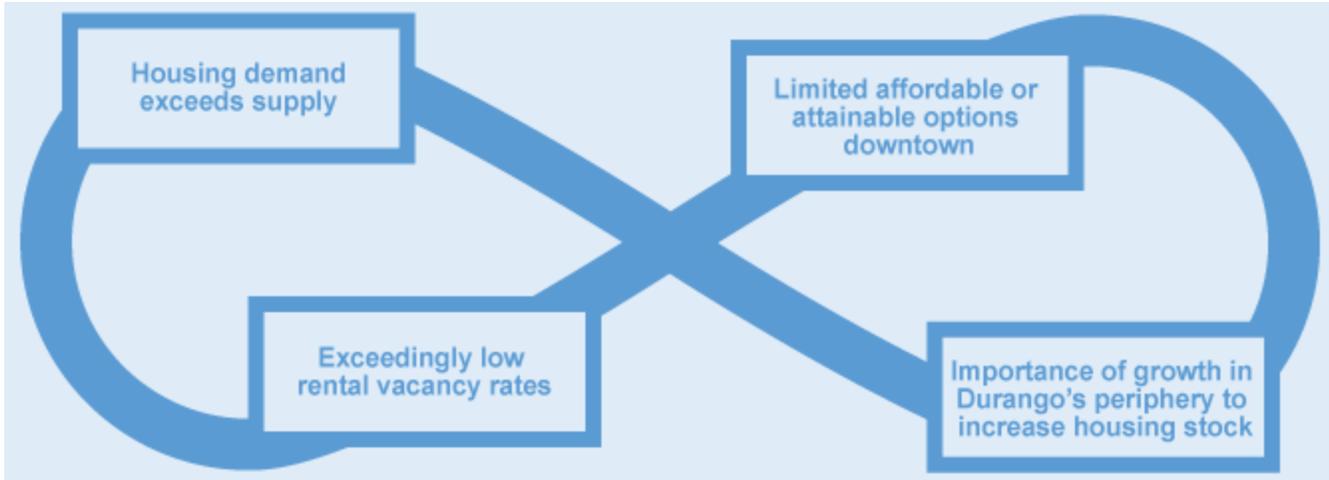
One of the premises of the Plan is that more housing will benefit all residents regardless of income. To do this, the Plan proposes to mix market-based approaches, as adopted in the Land Use and Development Code (LUDC) and other City regulations, with funding sources, land banking and other ways to subsidize workforce housing, which is defined as both affordable and attainable housing. Housing for lower income residents requires some type of subsidy such as gap funding, tax credit

financing and other funding mechanisms or subsidization managed by the City or other agencies. Without the additional assistance, development of affordable housing will be very difficult. Residents higher up the housing spectrum will benefit more from regulatory changes, which are intended to increase the supply of market rate housing and decrease the cost to develop housing.

Affordable and attainable housing have specific meanings in relation to income, as determined by the Department of Housing and Urban Development (HUD). These terms are based on the level of Area Median Income, or AMI, as determined by HUD, as shown in Figure 3. Housing spectrum is a common phrase in this document and it is used as a way to describe housing costs from critical needs housing for the least well-off up to housing for those making well above average incomes.

**Figure 3
The Housing Continuum**





One way to assess affordability, for rentals in this instance, is a comparison of median income and median housing costs¹. The Census American Community Survey (ACS) of July 2015 and the quarterly Colorado Multi-Family Vacancy & Rental Survey from the Colorado Division of Housing shows the following:

**Figure 4
Housing Affordability for La Plata County Workers – Elementary School Teacher
July 2015**

Median Hourly Wage in Durango	\$21.15
Equivalent Annual Income	\$44,070
Monthly Budget of 30% For Housing	\$1,101.75
Median Durango Rent	\$1,131.83
Median Housing Unit Sales Price in Durango	\$373,492

Source: Census ACS, Durango Area Association of Realtors

Elementary school teachers, for instance, are important people to every town, and in Durango the majority of teachers on one salary would have to spend more than 30% of their income on rent. In Durango as in most places, renters make less money than home owners. More than half of Durango’s renters are cost burdened, compared to one-quarter of homeowners. A teacher would have an even harder time affording the median for sale unit (which includes houses, townhouses and condominiums), priced at \$373,492 in 2015.

¹ The median is the number in the middle of a range of numbers, e.g. 5 is the median of 2, 3, 5, 6, 14. The mean is the average, or sum divided by the total number of instances, so the mean for the same numbers is 6. The median is used for housing analysis because the median does not allow an outlier, a \$10,000,000 house for example, to distort the measurement.

COST BURDENED

The national standard of housing to be affordable is that it should be less than 30% of occupant income.

40-43% of owner-occupied households, in Durango, are cost burdened. **50-53% of renting households** are cost burdened.

Burdened households have less money to spend on other essentials, and even less to support local restaurants, stores, and services.

Another common affordability measurement is income based on the number of people in a household. Figure 5 shows income limits based on a median income of \$69,500 for a four-person household, and how that income ranks for AMI.

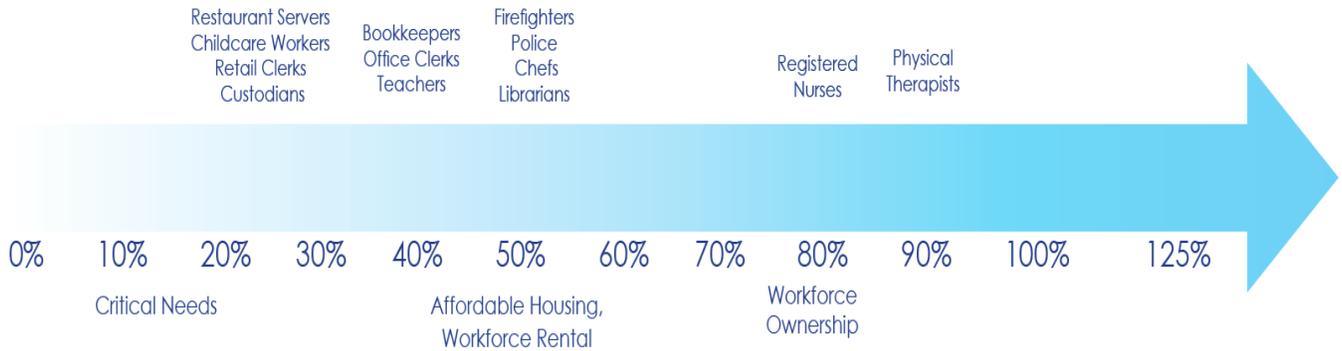
Figure 5
Household Income Threshold

Household Income Level	1-Person	2-Person	3-Person	4-Person	5-Person
Extremely Low (0%-30%)	\$14,850	\$17,000	\$20,160	\$24,300	\$28,440
Low (31%-60%)	\$29,700	\$33,950	\$38,200	\$42,400	\$45,800
Below Median (61%-80%)	\$39,600	\$45,250	\$45,250	\$56,550	\$61,100
Median (80%-125%)	\$48,650	\$55,600	\$55,600	\$69,500	\$75,100
Above Median (>125%)	\$61,900	\$70,700	\$79,550	\$88,400	\$95,500

Source: Department of Housing and Urban Development

Durango is too small to have its own data for this measurement, so County-level data has to be used. Figure 6 shows what the typical employee in La Plata County earns, with the inference showing how challenging it is for Durango's workforce to afford housing. People in essential jobs frequently earn less than they need for housing: teachers earn \$45,000-\$50,000 or less, food service workers average in the \$20,000s, and many workers in construction trades make in the \$25,000-\$45,000 range. When the Plan states the importance of affordable workforce housing, ***these are the people who are most affected by the lack of it.***

Figure 6
AMI Levels of Common Occupations in La Plata County for a Four Person Household



Source: Bureau of Labor Statistics

Note Concerning Plan Scope

The Plan is not intended to directly address homelessness, habitability or senior housing. Durango’s homelessness issues are the focus of a separate initiative. Habitability is the concept that every dwelling unit should be maintained to a minimum standard, which would require rehabilitation of older units. The City had previously examined adopting a habitability code without success. Given its importance, minimum living standards may be something the City will again take up for consideration in the future.

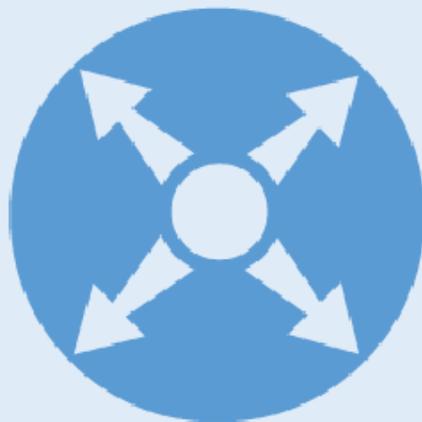


ECONOMIC DEVELOPMENT

Difficulties with workforce retention will increase. Multiple local employers discussed retention issues during development of the Plan. Employees are more likely to leave the area to find work than they are in larger cities, diminishing the local talent pool. As Roger Zalneritis of the La Plata County Economic Alliance has observed, Durango cannot maximize sales tax revenue unless people who work in Durango also live and shop in Durango.

ECONOMIC DIVERSITY

No community can have a strong economy without having a diversity of workers for different jobs. Many of these workers cannot find affordable housing in Durango. Providing opportunities for workers to be able to afford to live in Durango is a key objective in this Plan.



SPRAWL

Many affluent places in Colorado are too expensive for the local workforce, which in turn leads to sprawl and increased air pollution for extra vehicle trips. Many people must “drive till they qualify.” Every house built in the unincorporated county equates to more time driving and increased transportation costs for the buyer, more air pollution, and increased infrastructure construction and maintenance costs.

MISSING 1ST GENERATION HOME BUYERS

Durango attracts the young and adventurous. When this part of our population wants to settle down, or to start a career, or to buy a house, they discover the challenges and inequities in the Durango housing market. The City is at risk of losing an important part of its demographic because of our housing situation, as young families and first-time home buyers are forced to look in the county or neighboring communities for housing, or to leave the area completely.



2.2 HOUSING ASSESSMENT

La Plata County Housing Demand Study

The 2015 Housing Demand Study for La Plata County, prepared by the Regional Housing Alliance (RHA), shows that housing supply is not keeping up with demand, and that is significant because as demand exceeds supply home prices rise, driving less affluent buyers and renters out of the market. The study used county-level data, so data specific to Durango must be extrapolated, but the primary lessons of the plan are that La Plata County will need 560-790 or more units annually to meet demand. Durango is approximately one-third of the county, and that demand equates to 185 to 260 units in Durango annually. Durango averaged 134 building units annually from 1995-2015, indicating that demand continues to exceed supply. Demand for housing will continue to be strong, driven by Durango's high quality of life, new jobs created by local employers and demand for new housing types to serve changing demographics.

Additional findings of the Demand Study include:

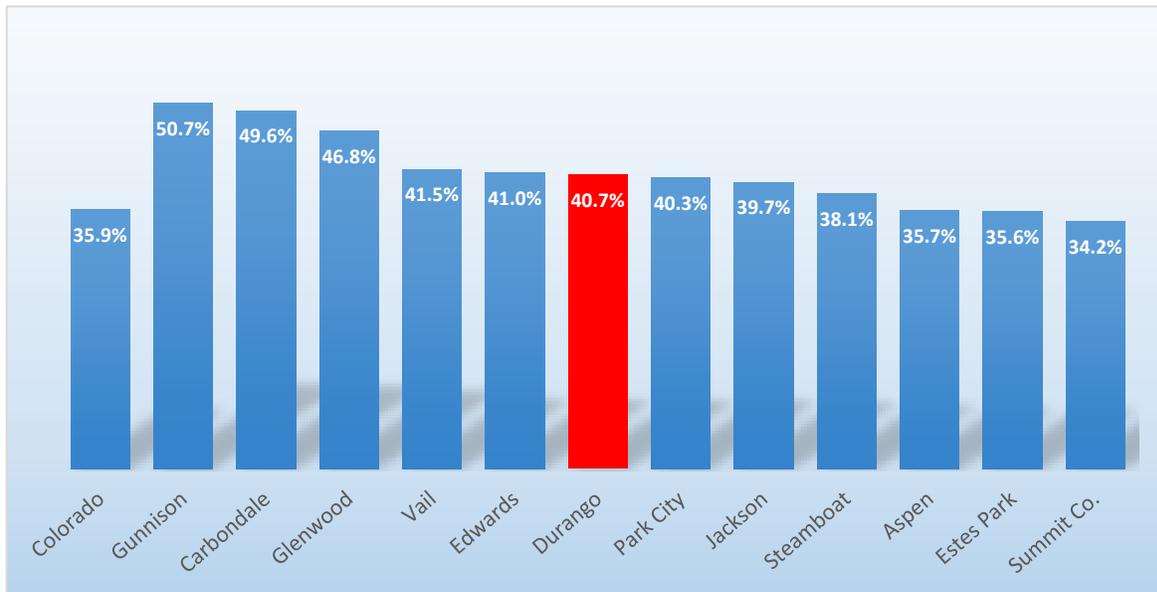
1. Individuals over the age of 80 will be the fastest growing age group, growing 237 percent (or 3,900 persons) by 2035. Baby Boomers have a strong desire to age in place, however those who expect to move show a shifting preference for attached housing, low-maintenance single-story homes, and homes that are close to parks and medical facilities.
2. The millennial generation (and younger Generation Xers) will drive growth in individuals age 35-54. This age group will grow 71 percent (or 10,000 persons) by 2035. Currently, this generation is driving demand for multi-family units and they value walkable, diverse communities with access to urban amenities. However, as this generation establishes careers and families, they will likely shift their preference to single-family homes and townhomes, preferably those that can combine good schools, moderate yards, and walkable/bikeable access to basic amenities such as grocery stores, parks, and restaurants.
3. The service sector and tourism industry are projected to have the largest number of new jobs over the next 20 years. While the service sector and tourism industry represent a wide range of occupations and salaries, the average wage is traditionally low (\$42,000 and \$28,000, respectively). This will increase the demand for affordable housing including smaller single-family homes, townhouses, and multi-family units. It will also increase demand for rental units.
4. Assuming that the cost of construction and land continues to increase in La Plata County, this will lead to an increase in demand for smaller units that economize both on the amount of land consumed and the construction cost per unit.

MARKET STUDY VS. HOUSING ASSESSMENT

A Market study is an independent confirmation that a specific housing proposal will be successful in the marketplace, and is different from a housing assessment. Market studies are performed by developers and usually required by lenders. Durango housing policies are intended to help provide housing, meeting the needs identified in the assessment; builders will determine features like bedroom count through a market study.

- Assuming that the real cost to commute will incrementally increase over the twenty-year forecast horizon, this will likely create more demand for housing that is close to employment and services.
- Current real estate indicators demonstrate strong demand and short supply of both rental units and entry-level homeownership, especially in Durango.

Figure 7
Percentage of Households Spending More Than 30% on Housing - 2015



Source: Census ACS Data

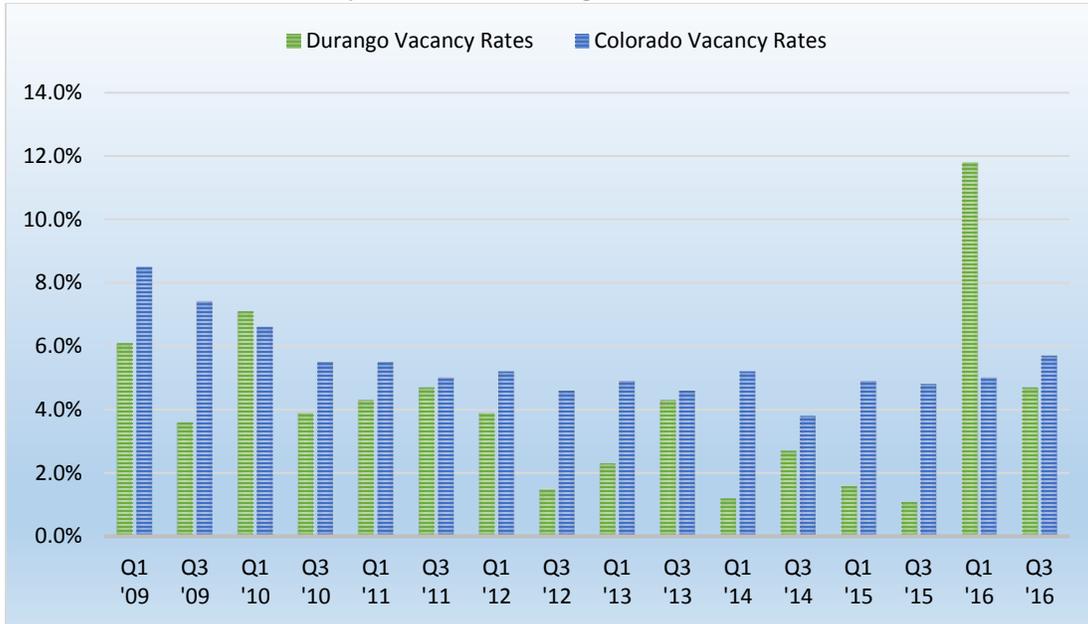
Rental vacancy rates in Durango are lower than Colorado’s, pushing up prices (see Figures 8 and 9), and are comparable to those in Summit County, Aspen and Steamboat Springs. Durango’s consistent low vacancy rates indicate the need for greater supply. Several new rental projects have either recently been completed or are in some stage of review or development and will add more than to 400 units to Durango’s rental market. Based on the forecast of the Housing Demand Study, these new developments could provide Durango with housing to meet two to three years of demand. Changes to rental vacancy rates and market prices in this period will be informative about the relationship between local supply and demand and its effect on prices.

Importance of Rental Housing

Rental housing provides housing for those who cannot afford to own or who choose not to own. Workers in essential services such as services and tourism need rental housing due to the expense of owning. Renters as a group have lower incomes, and are thus more impacted by rising rents. To the extent that the Housing Program can focus on providing more rental housing, the City is preserving the ability of its workforce to live in Durango. Each new household with access to affordable housing means

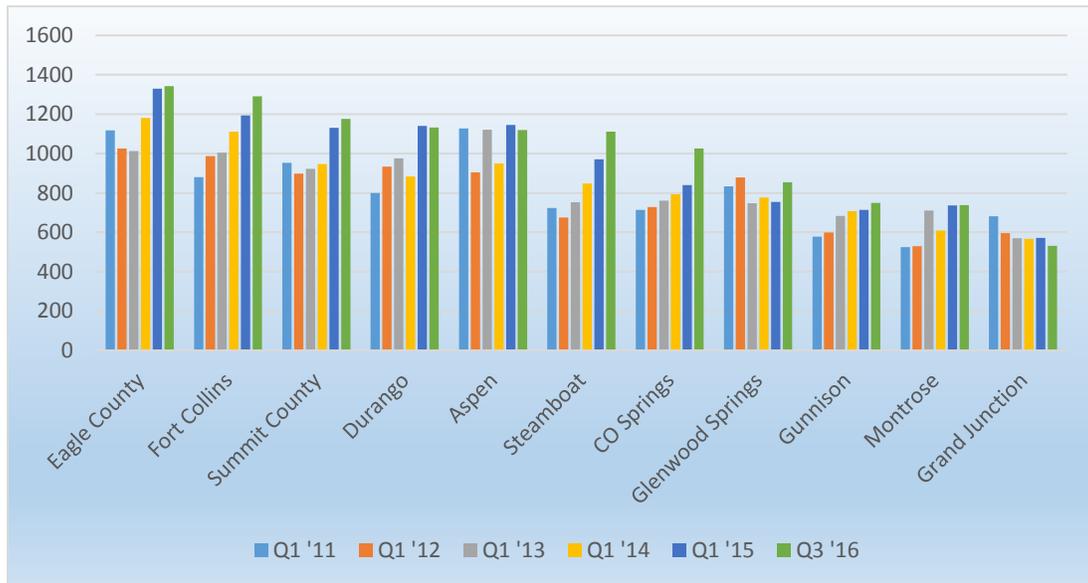
an additional household with more income to spend in the local economy, as lower housing costs equal more opportunity for purchasing goods and services.

Figure 8
Rental Vacancy Rates in Durango and Colorado 2009-2016



Source: Colorado Department of Housing, University of Denver

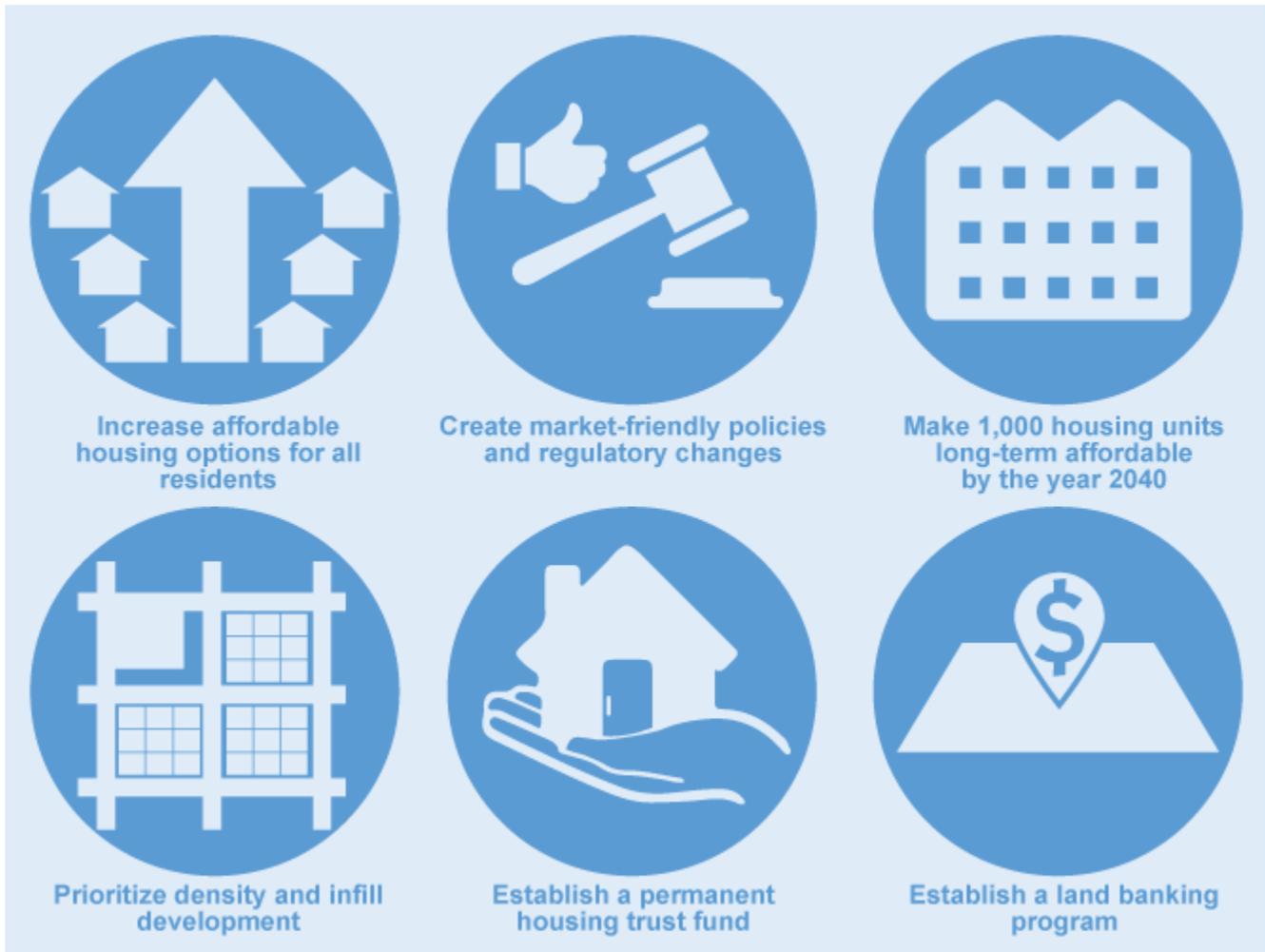
Figure 9
Median Rent - Selected Colorado Places 2009-2016



Source: Colorado Department of Local Affairs, University of Denver

2.3 HOUSING GOALS

Between 2015 and 2017, the City of Durango Community Development staff, working with the Housing Policy Advisory Committee and with input and direction from City Council, analyzed Durango's housing situation with the goal of alleviating the core problem: housing in Durango is increasingly unaffordable. The housing team vetted policy and regulatory options and developed the following policies to improve housing options in the long-term:



Increase affordable housing options for all residents.

Durango does not have enough quality affordable workforce housing units and needs around 200 or more new rental and ownership units to be built each year to meet demand. The current economics of the housing market makes building attainable housing difficult and building affordable housing impossible without some type of subsidy. Federal and state housing policies such as housing vouchers

and tax credits are primarily focused on households with lower incomes. Durango needs to help people on the lower end of the income spectrum, but also focus on new housing for residents and households making up to 125% and even 140% AMI and above, a group largely comprised of the essential workforce.

Market-Friendly Housing Policies

Over time, an increased supply of market-rate housing will improve the availability and affordability of housing in Durango. New housing has positive implications for the local economy, through increased development activity, household retention and wealth creation, as well as reducing the costs borne by the City and affordable housing developers to provide traditional affordable housing products. Creating policies to promote more housing is a primary housing policy goal.

The City is a regulatory body and it would be easy for the City to create additional regulations that developers must comply with, but the City is cognizant that without proper incentives, the housing program will not achieve its policy goals. One characteristic of a healthy housing market is that supply matches demand, and that balance cannot exist unless there is a favorable market for home builders that includes a reduction in barriers and, in some cases, incentives. If the City is to help increase the supply of housing, changes to the LUDC will be necessary to improve the development climate, to maximize the number of affordable units within Durango, and to minimize other uses that conflict with housing supply, such as vacation rentals. Staff is undertaking a comprehensive review of the Land Use and Development Code as it relates to creating housing and will propose numerous changes. Potential revisions are presented later in this Plan.

Durango grew as new neighborhoods developed, from the first neighborhoods in the 1880s, Crestview and Riverview in the 1950s, Skyridge in the early 2000s, to Three Springs and Twin Buttes currently under construction. One central theme in this development pattern is that new undeveloped areas have been annexed and have provided a new source of housing, creating the supply Durango needed. That pattern of the housing development should continue in neighborhoods such as Three Springs and Twin Buttes, while the existing neighborhoods will continue to absorb more density through infill development.

The City's decision to stress the market-friendly approach was further strengthened by a number of insightful white papers published on housing development by the White House Council of Economic Advisors' during President Obama's second term. These papers generally focus on the selective removal of local barriers to housing creation, and stress the importance of creating more housing supply as it relates to local economies.

Long Term Affordability

Durango's housing affordability problem dates to at least the 1980s. A long-term problem needs a long-term solution, therefore long-term affordable housing should be a part of the solution. Many communities with successful affordable housing programs, including Aspen, Boulder and Fort Collins, have goals ranging from 10% to 60% for the percentage of housing stock to be permanently affordable. Numerical targets are important policy tools because they provide a quantifiable goal, and bring

accountability to the goals in this plan. Currently there are 10 housing developments in the City with permanent or long-term affordability. Collectively these 10 developments contain 435 affordable units, which is equal to about 6.5 percent of Durango’s total of approximately 8,000 housing units, as shown in Figure 15. One thousand housing units, which should have long-term affordability by 2040, would equate to nine percent of the total housing stock in the City.

This Plan outlines strategies on how to build more affordable housing units in Durango. Because affordable units don’t get built without some type of subsidy, below are some programs that can help:

- Land banking, with the City providing discounted land for affordable housing developers;
- A permanent housing trust fund. The trust fund can be used in any number of ways, such as leverage for grants or loans, to pay down developer costs or fees or to loan money to developers.
- Changing city development regulations. Regulations are a common theme in this Plan, and are examined in much greater detail below.

FIGURE 10
Subsidized Affordable Housing in Durango

Project	Affordable Units	Year of Construction
Lumien	50	2015
Pinion Terrace	65	2006
Valle de Merced	45	2005
Merced de Las Animas	50	1998
Mercy Housing Colorado VI LTD (Behind Ski Barn)	50	1998
Westwood Apartments, 60 Westwood Pl	12	1998
Durango Housing, 510 7th Ave	16	1971
Springtree Village	27	2003
Tamerin Apartments	67	1979
Cedar View I and II	53	2006
TOTAL	435	

Prioritize higher density infill development

In many cases zoning decisions made decades ago have become engrained in the city’s fabric. Industrial areas are now commercial, for instance, but the low density physical form has never changed, and that has implications for the Housing Program.

Through the Housing Plan the City will review the legacy of the decisions that created Durango’s physical framework, and propose regulatory and design changes to accommodate higher density infill development. Code changes that could reduce parking requirements, allow density and height bonuses in exchange for affordable housing, and reexamine density are all examples of potential changes. Infill areas already have infrastructure, are walkable, and can more easily absorb housing density. More

Snapshot of Durango Housing

Number of housing units – 7,851

Subsidized Units – 435

Vacation Rental Units – 1.5% of housing stock

Rental Vacancy rates in Durango have consistently been below 3%, and even below 2%, since 2012.

Low Density on Camino del Rio – Density along Camino del Rio adjacent to downtown is 10% of the density on Main Avenue downtown, and a little over half of the Home Depot/Wal-Mart area density.

According to the Harvard Joint Center for Housing Studies, Durango has some of the least affordable housing for households making at least \$45,000 per year. Those households are our workforce.

314 – The number of residential building permits issued by the City from 2008 through 2013. Durango is still catching up to this long dip in production.

Three Springs and Twin Buttes are approved for close to a combined total of approximately 2,800 housing units.

housing in these areas, as explained more thoroughly in the Areas of Change and Areas of Stability discussion, also means reduced transportation costs for residents compared to housing in undeveloped areas farther from downtown.

Land Banking

The City should have a supply of land that can be made available to housing developers for the creation of workforce housing. These lands should be developable, close to transit, services and employment centers and zoned to accommodate medium to high density residential uses.

Many successful housing programs have relied on land banking as an essential means of delivering affordable housing. Land banking means that the government, a nonprofit or a private partner purchases land or acquires it through annexation or land-in-lieu agreements to hold for future housing development. The local development community has stated clearly and frequently that land costs are one of the biggest obstacles to the provision of affordable housing. The power of land banking is that as the cost of land rises through time, the banked land can be made available to developers at no cost or reduced cost, thus reducing the cost for eventual development. The biggest hurdle to establishing a land bank is raising the capital to make the purchase, and for this reason the Housing Trust Fund and development pipeline should be considered in tandem.

Permanent Housing Trust Fund and Diversification of Funding Options

The City should formalize a Housing Trust Fund as a repository of funds dedicated to affordable and attainable housing. An evaluation of appropriate funding sources and their potential uses is a focus of the Plan. Existing revenue from the Fair Share Program will be reexamined to analyze their effectiveness. New funding sources such as a commercial linkage fee, impact fees, developer-implemented transfer fees, dedicated tax funding, state and federal funds, and other sources will be analyzed.

Funds collected through Fair Share, the City's inclusionary housing ordinance, provide mortgage assistance, but additional ways to use the funding could be to pay down other development fees; to provide leverage for additional funds; to purchase land for land banking; or even to address infrastructure costs. Successful housing programs typically have a dedicated funding stream available to leverage other resources to complete projects. Funding agencies look more favorably upon applicants with dedicated and substantial reserves, so it is imperative that the City's funding options are maximized.

The City has negotiated a long-term funding source for housing with Three Springs. Three Springs has instituted a voluntary Home Owner Association transfer fee on the sale of homes for a half percent (0.5%) fee on every real estate transaction, not including the initial sale of a new house by Three Springs to the initial buyer. Over the next 40 years this fee is expected to generate more than \$25 million dollars for housing programs in Durango.

Voluntary Transfer Fees may be a viable alternative for generating funds for affordable and attainable housing over a long-term period. An important difference of transfer fees over the current Fair Share model is that under Fair Share the developer pays a one-time upfront fee. With a transfer fee the City collects less money initially, as the required Fair Share contributions are significant, but with a transfer the City collects every time a property is sold. The transfer fee also removes the burden of an additional development expense that compounds already expensive land, labor and materials.

2.4 HOUSING PROGRAM DEVELOPMENT

The Plan serves as the foundation for the Durango Housing Program, which will be administered as a part of the Community Development Department's routine activities. The Housing Program will provide a more focused approach to promoting, analyzing and managing housing-related issues. The focus of the Program will be to implement the six primary policy goals listed above by:

- Allocating housing trust fund monies.
- Administering and updating the Fair Share program.
- Managing the land banking program.
- Fostering public/private partnerships and maintaining relationships with nonprofits and other organizations to create affordable housing.
- Proposing and advancing regulatory, administrative and legal procedures to create a favorable environment for housing construction.
- Participate in long-range planning efforts to promote increased housing opportunities.
- Annual monitoring to track the progress the City is making towards meeting its housing goals, identifying problem area, and creating new solutions.

3. IMPLEMENTATION STRATEGIES

3.1 IMPLEMENTATION TOOLS

If there is a way to create more housing options, chances are it has been tried somewhere. Durango can learn from the experiences of other communities, and has included initiatives such as the Areas of Change and Stability, first used in Denver, in the Plan. This section contains market oriented approaches designed to bolster attainable and market rate housing. Section 4, Financial Analysis, focuses on generating revenues that are needed to help create affordable and subsidized housing. Action items are called out after each subsection in Section 3 and 4, and are compiled at the end of the Plan.

Areas of Change, Stability and Growth

New housing units are going to be built in one of three places: existing neighborhoods, along mixed-use corridors, and in the new growth areas such as Three Springs and Twin Buttes.

Like any city or town Durango has residential areas suited for slow growth, such as Crestview and Riverview, where big changes could be politically difficult and physically constrained. This is not to say that stability is synonymous with stagnation, as people will reinvest in these areas, and residents may want options such as Accessory Dwelling Units, or ADUs. These stable areas will evolve, but the Plan directs the vast majority of additional growth in Durango to areas that more easily accept change. The Areas of Change are the high intensity corridors such as North Main, the Rocket area, and the Florida Road corridor. Three Springs, Twin Buttes and other growing areas on the edge of Durango fall into a third category to be called Areas of Growth, as they are mostly undeveloped and are already targeted for development, and much of Durango’s new housing is likely to occur in the Areas of Growth.

Many Areas of Change such as downtown, North Main and the College and Eighth Avenue corridors are mixed use, meaning residential units can (and should) be built in tandem with commercial uses to create the walkable, urban environments Durango values. Most of these areas are underdeveloped relative to maximum possible densities permitted by zoning, meaning there is significant development potential. The Camino corridor is a perfect example. The Camino corridor lies between the Highway 160/550 intersection and the Camino/14th Street/Main Avenue intersection. The area between the railroad and the river developed as a low-density light industrial area, composed of large, low industrial

DURANGO RESIDENTS

Rachel Landis is the type of resident that makes Durango so interesting – advanced college degree, Director of the Fort Lewis Environmental Center, member of many local boards, ski patroller in the winter. But, she says the high cost of housing makes it difficult for her to commit to the long term here in Durango.

Floor Area Ratio

Floor area ratio, or FAR, is the ratio of a building's total floor area to the size of the piece of land upon which it is built. For example, a lot of 10,000 square feet with a building that has 5,000 square feet of floor area has an FAR of 0.5. A 10,000 square foot building would have an FAR of 1.0, and a 20,000 square foot building would have an FAR of 2.0.

buildings, and the low intensity legacy has endured to the present day. The Camino corridor has an FAR of 0.15. By way of comparison, the Wal-Mart—Home Depot corridor has an FAR (see the following inset for an explanation of FAR) of 0.27, a number that will rise after the Rocket Apartments and Purple Cliffs developments are built. Main Avenue downtown, just a block east of the Camino corridor, has an FAR of at least 1.5, or ten times the intensity of the Camino corridor.

Florida Road is another area with development potential. The corridor is zoned for medium density and mixed-use, but large swaths of the Florida Road corridor contain single-family homes or are undeveloped. The City should emphasize appropriate density along Florida Road, and several multi-family developments are being planned or have been approved in this area. Many medium and high density developments have already occurred along the Florida corridor, and densities of at least 12 units per acre are appropriate in this area.

The implication of this analysis is that much of the mixed-use areas in Durango are underdeveloped, and collectively they are good locations for hundreds of new housing units. Just as importantly, increasing density in these areas has positive fiscal and economic implications for the City. Infill development is more fiscally efficient than new development farther from Durango's urban core, and should have the lowest net cost to serve. Constraining factors in denser areas near Durango's center include higher land costs, high parking requirements that can limit density, and the general complexity of infill development that make in-town development more expensive and riskier to develop.

The areas to contain the most growth, however, are the Areas of Growth. Three Springs and Twin Buttes alone are approved for more than 2,000 additional housing units beyond those already built, and other master planned communities may develop in the future. Three Springs in particular is the primary source of new attainable housing in Durango. The City must continue to plan for workforce housing on the periphery, and pursue land planning that supports these areas.

Action 3.1: Evaluate ways to increase housing in the Areas of Change.

Action 3.2: Support new housing and development in the Areas of Growth.

Market Friendly Approach

Durango cannot regulate its way into workforce housing. Approaches that make building housing easier also need to be considered. These approaches include changing Durango's high parking standards comparable to those of other communities; eliminating density caps in some areas; reducing buffering standards in more urban areas; and through the adoption of other code standards such as a construction defects ordinance and changes to residential demolition requirements.

The breadth and depth of the City's regulatory authority allows the City to make important changes to how housing gets built, if the political will exists to do so. However, these regulations do not exist in a vacuum, and other considerations, perhaps most importantly neighborhood character, will serve as a check as possible code amendments work their way through the City.

Over time, an increased supply of market-rate housing will improve the availability and affordability of housing in Durango. New housing has positive implications for the local economy, through increased development activity, household retention and wealth creation, as well as reducing the costs borne by the City and affordable housing developers to provide traditional affordable housing products. Creating policies to promote more housing is a primary housing policy goal.

Infrastructure Loans

Infrastructure costs vary by project, but are always a significant cost. The City has a long standing policy that development must pay its own way, and that approach is the only realistic way for Durango to grow: the City simply will never have enough money to pay for development infrastructure, nor should it. What could be possible is that when the housing trust fund is adequately funded infrastructure loans or grants may be a possibility.

These program can provide money up to a certain point to meet off-site infrastructure requirements for a project that meets criteria to be determined by the City on a case-by-case basis, and affordable housing would be a priority. The option of infrastructure loans will make affordable housing developments more financially viable. Because infrastructure is so expensive it is probable that loans will cover a portion of the actual cost, and that the loan will be one of many factors that help developers get to a favorable pro forma.

Realistic Analysis of Current Housing Densities and Uses

A factual assessment of how Durango's housing stock is being used and how it has developed over 136 years would surprise many City residents. This very brief analysis of the state of Durango's neighborhoods shows what is happening, and provides examples of what living arrangements and building types have evolved in the city's neighborhoods.

The status of Durango's Accessory Dwelling Units, or ADU's, is a good example. Before the City began permitting existing ADU's in 2014 it was anyone's guess as to how many there were. The City has so far legalized approximately 265 preexisting ADUs, and permitted another 13 new ones since July 2014. There are still an unknown number of unpermitted ADUs in Durango, including a substantial number of

lots in the EN-1 zone (aka the Grid, or Old Durango) with three, four or even more units on one lot. Two units per lot is the maximum legal number allowed in the EN-2 zone, which is parallel to Main Avenue north of the Main Avenue Bridge, and EN-1 zones. ADUs are now legal in the EN-3 zone in East Animas City as well, as shown on the map on the following page. It is almost certain that substantially more than 300 lots in Durango have ADUs, including single-family zoned parcels with three or more units.

The EN-1 neighborhood is zoned for a density of up to eight housing units per acre.² A more realistic number, reflecting what is already in much of EN-1, is a density of 10-12 units per acre. Because the City has not yet addressed the lots with three or more units it is not unreasonable that sections of the EN-1 zone exceed 12 units per acre, and that 12 unit per acre threshold is the point at which an area is classified as high density residential. High density is often synonymous with overcrowding, a lack of parking and cheaper housing, and some would say that describes the Grid, yet the Grid has the highest per square foot land values in Durango, it is the most walkable neighborhood in the city, and to many it is Durango's most desirable area.

The lesson that can be inferred from this assessment is that design, walkability and character are more impactful on neighborhoods than density alone. Not every neighborhood or every part of already dense neighborhoods can absorb more units, but design and density can provide a critical tool for providing more housing and a variety of housing options. Put another way, if the city strictly adhered to its density limits and banned existing multi-family EN-1 lots, many places to live units and some of Durango's vitality would be lost. Replacing these units would cost millions of dollars, with a loss of character that would be just as great. The legal status of these multi-family units is currently in limbo, but they house a substantial population. The status of these units must be addressed by the City. City Council in the past has stated they do not want people to lose their housing, so a solution for this situation will need to be found.

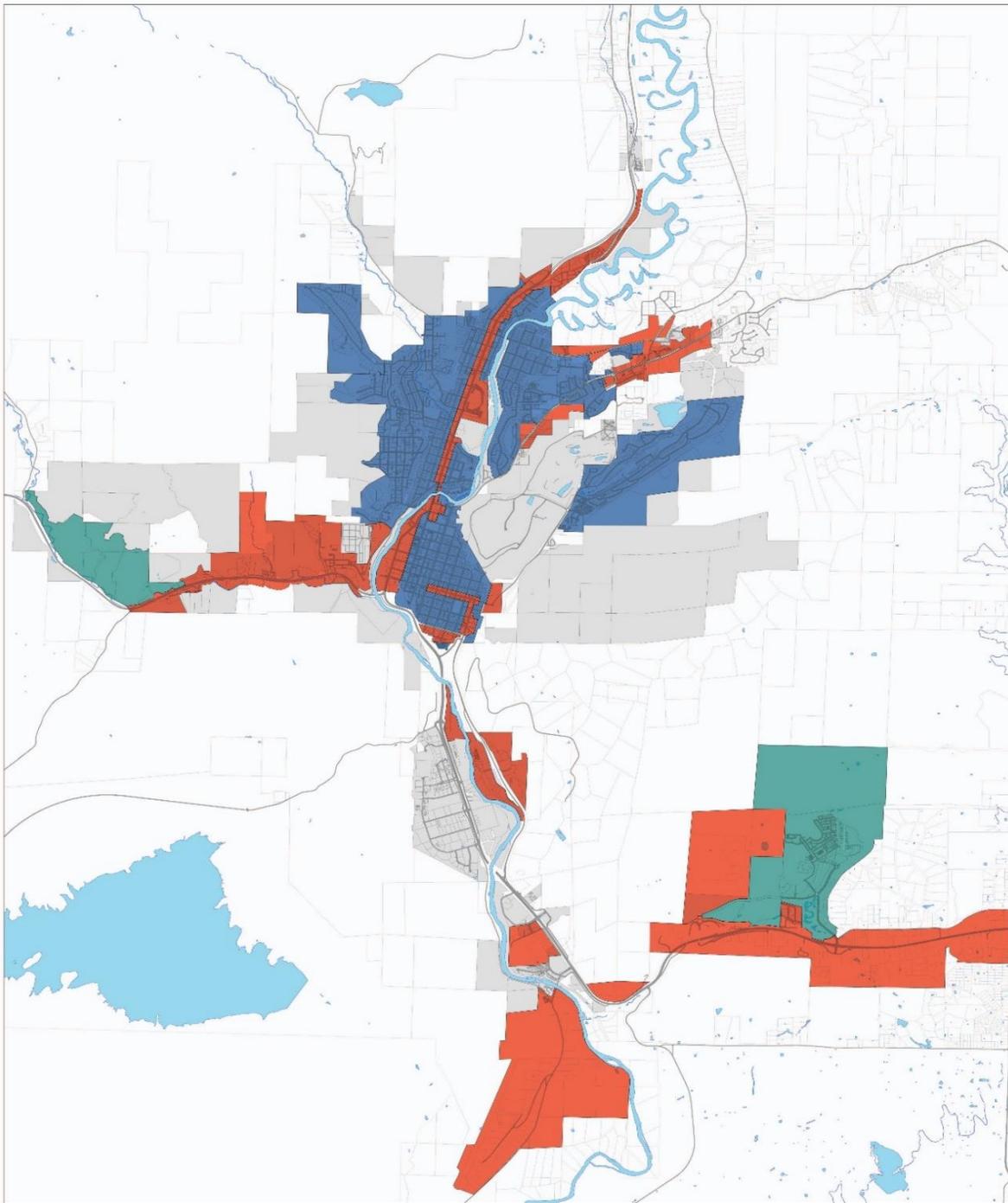
[Action 3.3: Evaluate expansion of ADUs to additional Durango neighborhoods.](#)

[Action 3.4 Establish a program for addressing the many illegal but vital lots with three or more units in the older parts of town.](#)

[Action 3.5 Reassess design and density standards in high density neighborhoods.](#)

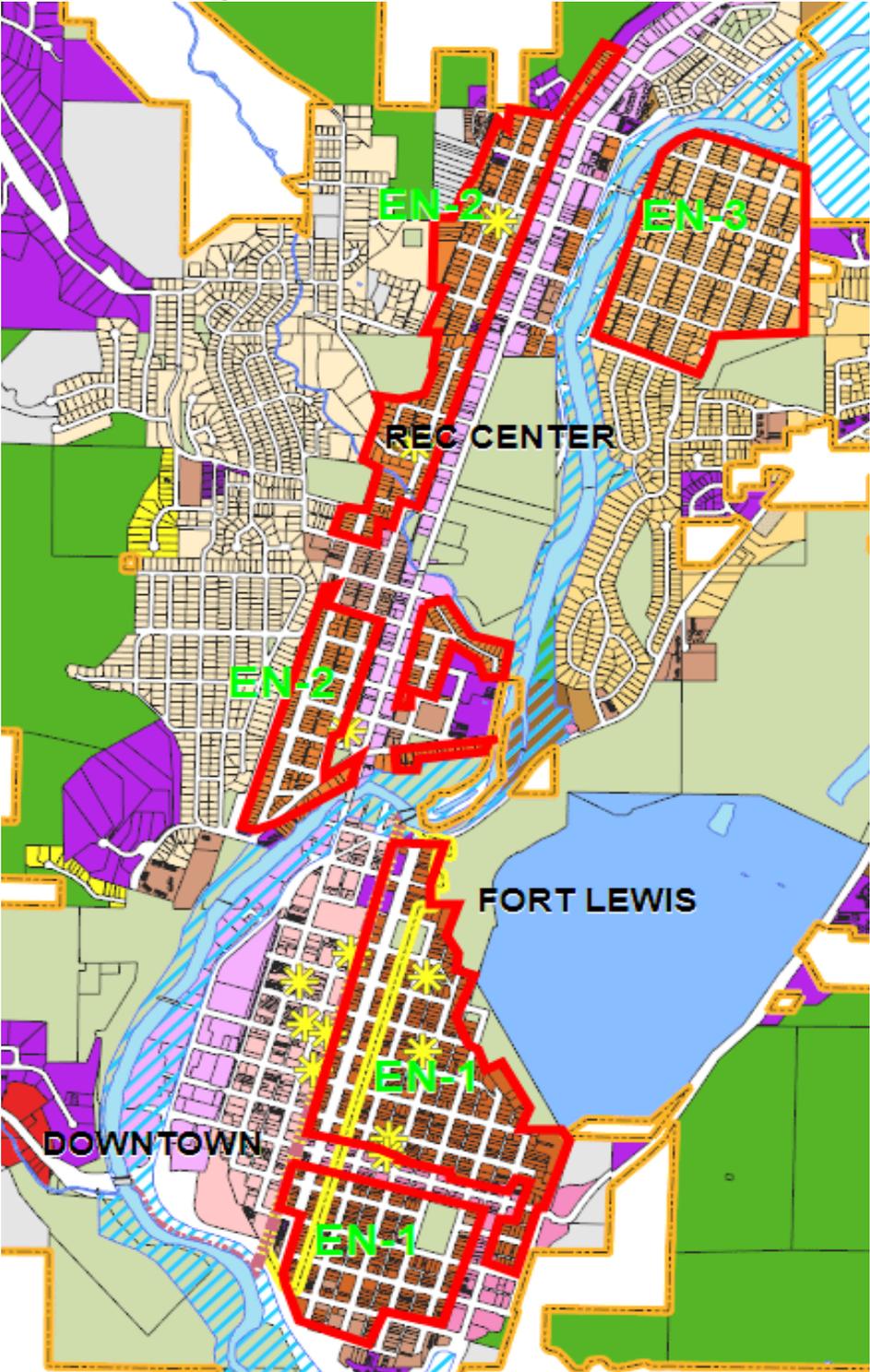
² Parts of old Durango are zoned for multi-family, and because high density housing is already legal on these lots they are not a part of this discussion.

Figure 11: Areas of Change, Stability and Growth



Areas of Change are in Red, Areas of Stability are in Blue, Areas of Growth are in Green, and Open Space area are gray

Figure 12: Areas That Allow ADUs



ADUs are allowed in the EN-1, EN-2 and EN-3 zones.
The yellow asterisks are historic structures.

Land Use Development Code Analysis

The Land Use and Development Code (LUDC) sets the standards for development, and it represents the City's best effort to uphold community design and development values. The LUDC is a long, complex and always evolving document, and there are opportunities to modify and update the Code to reflect current values including helping to create housing. The following section identifies Code sections that should be modified to facilitate housing development.

LUDC Standards—Changes to Mixed-Use Zones

In 2014, the City of Durango adopted two new zone districts which emphasized the desire of allowing having commercial and residential uses in the same building. The zones were applied in the Main Avenue, College Drive and 8th Avenue corridors to more accurately reflect the desired development trend. A series of development-related text amendments should be undertaken in conjunction with the Durango Districts Initiative where feasible, to address the process and content of LUDC mixed-use standards to become even easier to develop. The Durango Districts Initiative is the City's plan to take major ideas from the *Comprehensive Plan* and apply those recommendations at the district level. The findings from the assessments and community visioning processes will result in proposals to update the Land Use and Development Code (LUDC) and zoning map to ensure future development and redevelopment is compatible with community desires. The Housing Program will incorporate some these principles of compatibility to promote housing.

Figure 13
Example of High Density Mixed Use



Many of these changes are addressed in the following chapter and deal with standards such as parking, height and density. One of the goals of these possible changes is to allow development that works, that has been built in the past, which would not be allowed under the current code. Examples of projects that could not be built currently include the mixed-use project on the southwest corner of College and E 3rd Avenue, as shown in Figure 13, and the mixed-use project on the north side of College between 7th and 8th Streets.

This mixed use development on College Drive would not be allowed under current zoning standards for the Mixed-Use Neighborhood zone district. It was built shortly before the standards from the 1989 LUDC were changed in the 2014 LUDC to lower density in this area.

The evaluation of areas in Durango to make development more suited to current demands dovetails with the Durango Districts Initiative. Areas like north Main Avenue, the College and 8th Corridors and the Camino corridor between Highway 160 and the Main Avenue Bridge are in development or planned for development.

Figure 14: Example of Mixed Use Building



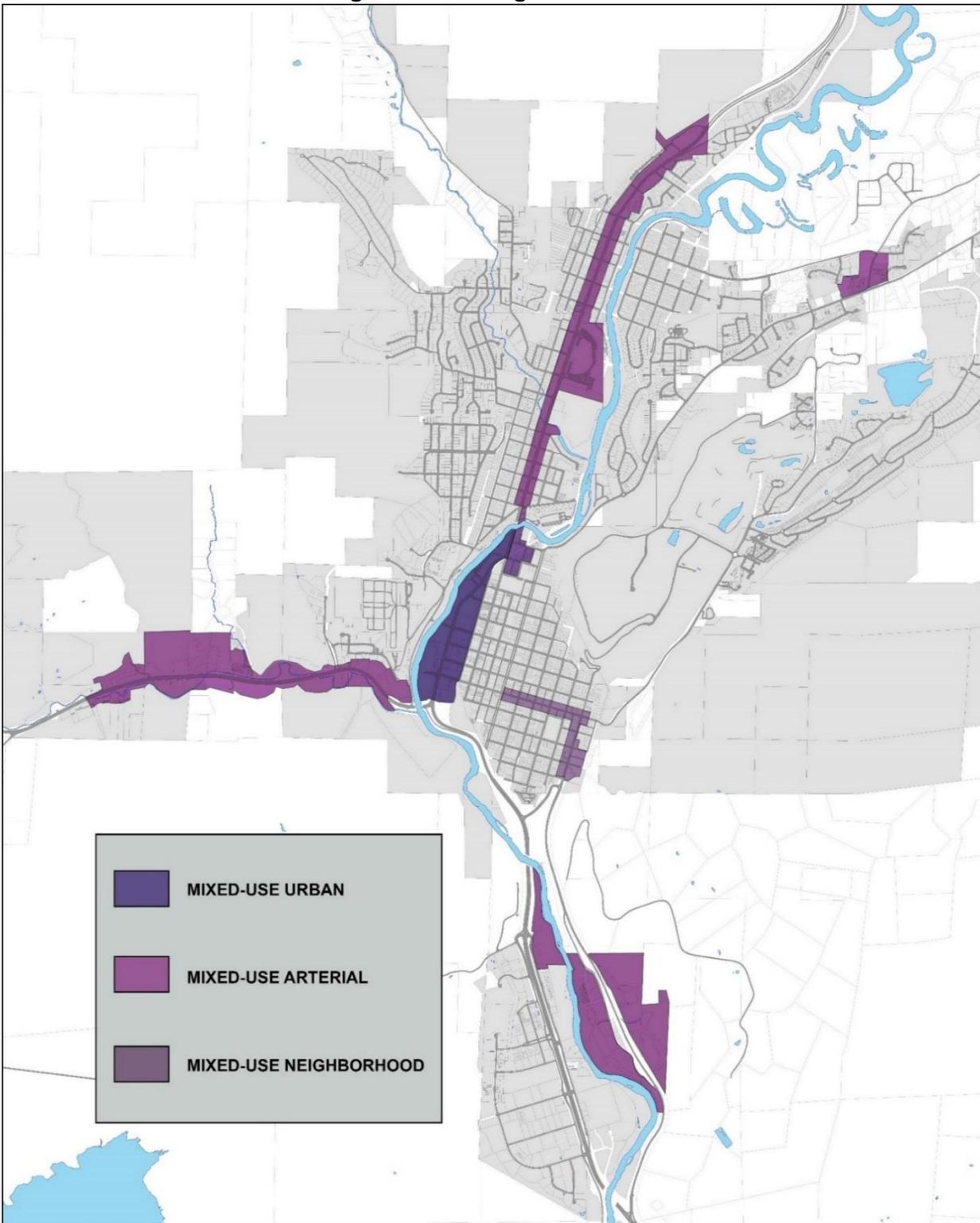
*Good design and density are essential to walkable
Mixed use neighborhoods*

An idea to come out of the Housing Plan's development is a new mixed-use zone. The Mixed-Use Urban zone would be a more intense zone than Mixed-Use Arterial, allowing greater heights and density, and reduced setbacks and landscaping requirements, something close to the CB zone, but which reflects being located on or near Camino. A conceptual rezoning of some areas to Mixed-Use Urban is shown on Figure 20. The map is intended to provoke discussion about mixed-uses, but the term MU-U and the locales of the zone are hypotheticals at this point.

Action 3.6: Combine efforts of Durango Districts Initiative and the Housing Plan to examine the potential for denser mixed-use zones such as Mixed-Use Urban.

Action 3.7: Evaluate current mixed-use zoning standards for ways to increase density and flexibility.

Figure 15: Durango Mixed-Use Zones



Parking

The importance of accurate parking standards cannot be overstated for medium and high density housing or in mixed-use projects. Parking can add anywhere from 20% to 40%, or more, to the cost of a project; in the case of one city creating its first ever parking requirement of one parking space per apartment unit increased housing costs by 39%.³

Durango's multi-family residential parking standards are among the highest in the region. This is partially due to the explicit allowance that up to five unrelated individuals can live in a unit together. However, the parking requirement for studios and one-bedroom units, where it is unlikely that five unrelated people would not live together, is still higher than most other cities. The increase in parking in larger units to reflect the possibility of five roommates seems to have inflated the parking standards for smaller units as well. A reassessment of Durango's parking standards should have a significant impact on multi-family housing costs.

Special Parking Studies

Until Durango's parking standards are revised, special parking studies are an option developers may use on a case-by-case basis. A parking study was used by the developers of the Rocket Apartment complex to justify the reduction in the parking requirement by 22.5%. The particular circumstances of every development are different, but the parking study was informative, as described in the side bar, and is a valuable tool in evaluating parking standards on a case-by-case basis.

Action 3.8: Evaluate and propose new parking standards for certain residential land uses.

Action 3.9: Continue to use special parking studies as a way to match parking demand to supply.

Construction Defects

A construction defects ordinance was adopted in May 2016. The purpose of the construction defects ordinance is to allow builders to develop condominium projects without being subject to the numerous lawsuits that have brought condominium construction in Colorado almost to a halt. Multi-family construction is a necessity to get the density and number of workforce housing units needed to put a dent into Durango's housing problem, especially in in-town

³ The High Cost of Free Parking, Donald Shoup

A CASE STUDY IN PARKING

The Rocket Apartments is a 194-unit complex that should have 408 parking spaces, if the current code had been applied strictly. The City instead asked the developers to perform a special parking study of other apartment complexes in Durango to assess parking demand.

The result? 316 spaces were required, plus uncouncted tandem parking spaces. The study had a survey of parking lot use in existing apartments in Durango. The survey, taken at different times and days at six complexes, found parking lots were rarely more than 60% full even at peak hours.

The analysis also used data provided by the developer for other projects it had constructed, showing similar parking demand as the apartment study.

Data indicated that sometimes Durango's parking standards are excessive. Parking is a major cost for builders—reducing these costs can be a way to housing costs.

Durango. Unless the Colorado Legislature acts further to reform defects law, condominium construction in Colorado is unlikely to represent more than a few percentage points of new construction, and will remain a state-wide problem.

Vacation Rentals

Vacation rentals are increasingly popular in Durango and there are approximately 85 permitted rentals, plus approximately 30 illegal rentals at any given time. The total of 115 or so rentals means that about 1.5% of Durango's housing stock is used for short term rentals, defined as a rental used for less than 30 days by one tenant. Each unit used as a vacation rental takes a unit out of the housing pool, reducing supply and putting upward pressure on housing prices. In 2014, City Council capped the number of rentals in the EN-1 zone at 22 and in the EN-2 zone at 17. The Crimson Cliffs and Ryler Park developments are also capped, at six and two, respectively, but areas such as the downtown CB zone, mixed-use zones, and several higher density zones are uncapped. The CB in particular is seeing strong growth in vacation rentals, and buildings such as the Jarvis Suites and the Mears House have more vacation rental units than permanent residential units, functionally making them hotels.

The City has made enforcement against unpermitted vacation rentals a priority, and tracks compliance through a second party firm. The appeal of operating a vacation rental continues to be strong because of the high nightly rates vacation rental owners can charge. With the high return, and because the City regulates vacation rentals carefully, demand exceeds supply and unpermitted rentals will continue as an enforcement issue for the City.

City Council, City Staff and the public have had many conversations about vacation rentals and their place in Durango, and staff needs to evaluate the growth rentals have on the housing market. One potential way to address the issue is to assess an annual fee on vacation rentals, to be used for the housing fund. Another potential revenue source is to assess houses containing vacation rentals at the commercial property tax rate, which is higher than the residential rate. Continuing to prohibit vacation rentals in other neighborhoods and vacation rental caps in commercial areas would preserve more housing for Durango residents.

Action 3.10: Evaluate the steady growth of vacation rentals on Durango's housing market. Additional fees on vacation rentals should be considered to offset the cost of impacts created by the vacation rental market and limitations on vacation rentals should be considered for other zones.

Townhouse and Condominium Standards

Minimum lot standards prevent what are reasonable development models in higher density residential zones. Townhouses, for example, are limited by the City's LUDC lot size standards in the EN-MF and MU zones. In the EN-1 and EN-2 zones the minimum lot size for a new lot is 4,000 square feet, but the most common lot size is 7,500 square feet. Two units on a 7,500 square foot lot are allowed, but both must remain under the same ownership and cannot be subdivided. Reducing the minimum lot size to

3,750 sf would allow separate ownership and would change development patterns in some areas, but not in all areas. The City's standards for duplexes allow a homeowner and a renter in the second unit, but changing the ordinance would allow many renters to become homeowners.

Reducing the minimum lot size is a big change and not one the City should approach lightly. Any move to reduce minimum lot size should be undertaken with the understanding that it could encourage demolitions of existing houses so that two replacement houses could be built. In order to promote both the values of building new housing and preserving neighborhood character, appropriate zoning tools should accompany the reduction of lot sizes.

Action 3.11: Evaluate the viability of reducing minimum lot sizes in the EN-1 and EN-2 zone districts.

More Detailed Goals for Development in 30% Slopes

Preservation of steep slopes is important for a number of reasons, including the views that are integral to Durango's identity and safety. Some slopes should be able to be developed, however. Slopes that have low visibility could be one criteria, and these standards will need to be further evaluated.

Manufactured Home Parks and Tiny Homes

The City has three manufactured home parks that provide affordable housing to more than five hundred people.⁴ The City should work to preserve these parks because of their importance to the affordable housing supply. The LUDC contains standards for manufactured home parks, but staff will reevaluate the Code to ensure that a new park could be successfully built. The City views manufactured home parks as an important potential source of housing for the City's workforce.

Tiny homes are a popular, yet untested, housing option in Durango. The City has worked with a couple of different tiny home developers, but nothing has yet come to fruition. The City will work to make it easier for tiny homes to be used in Durango.

Action 3.12: Evaluate the LUDC to identify and remove barriers to the use of tiny homes.

Density Bonuses

Cities frequently use tools such as density bonuses to encourage more efficient land use. Density bonuses provide for an increase in density over the otherwise maximum developable density when a project incorporates a certain ratio of affordable units to market units and when units stay affordable for a designated period of time. Density bonuses should be allowed in the appropriate situations—a subsidized affordable project with a low parking need is a good example.

Action 3.13: Develop a schedule or density bonuses and guidelines for their implementation.

⁴ Staff estimate

Annexations

Durango's attainable new housing is currently being built in an area that was not in the City in 2000. The City annexed Three Springs knowing the project would greatly expand the City's housing supply that is affordable to most residents. The City must continue to identify annexation areas in the Comprehensive Plan where large scale projects can provide housing. State statutes provide municipalities the authority to impose many requirements on annexations, and in Durango the City has used that authority to require master planned development communities that are dense, walkable and with transit access, with a range of housing prices to serve all categories of residents.

Action 3.14: The City should continue to use annexation policies that implement principles such as good urban design, a mix of housing types and price points and innovative affordable housing approaches found in projects such as Three Springs, Twin Buttes and Skyridge for use in all residential annexations where feasible.

4. FINANCIAL ANALYSIS

Financing affordable housing is not an easy proposition. Local subsidies in Durango are currently limited, and used exclusively for down payment mortgage assistance, and state and federal funds are subject to cuts and competition for funds. Federal funds seem likely to decrease in the near term and have already grown more limited in recent years. Locally, housing is not the only critical need vying for local money, as Durango will always have multiple funding demands, therefore it is important for the City to continue to seek additional dedicated funding streams specifically to fund affordable housing. One of the primary policy goals of the Plan is to establish a Housing Trust Fund to provide resources for affordable housing opportunities.

A goal of the Plan is to identify and examine different revenue sources to maximize housing creation, including the existing Fair Share program, a linkage fee, impact fees, a dedicated tax stream and other sources. Ultimately these funding sources will enable a housing pipeline for workforce and affordable housing, by providing matching funds for grants, leverage for attracting state and federal grants and loans, or fund to defray costs for developers of qualified projects.

Most of the funding discussed in this section is likely to be for affordable housing at the lower end of the housing spectrum, as developers cannot build affordable housing without a subsidy of some type. Durango has a number of affordable housing projects, as discussed above, and these all received a tax credit or other type of government subsidy.

4.1 TRUST FUND DEVELOPMENT STRATEGIES

Potential Funding Sources

A diverse funding base will provide a greater opportunity to assist with the development of affordable housing. It would be optimal to source the City's funding portfolio broadly, with federal, state and local funds, residential and commercial developers, and from private sources when possible. Potential funding sources could include:

1. Fair Share Ordinance
2. Voluntary Development Transfer Fee
3. Commercial Linkage Fee
4. Demolition Fee
5. Second Home Assessment
6. Dedicated Sales Tax
7. Excise Tax
8. Progressive Fees and Fee Waivers
9. State and Federal Funding
10. Equity Purchases in Rental Properties by the City

Fair Share Inclusionary Housing Ordinance

Fair Share, adopted in 2009, is the City's sole dedicated revenue source for housing and requires for-sale housing developments with four or more units to provide 16% of the units as affordable housing. The ordinance requires built units as the priority, but provides an option whereby City Council can allow developers to make fee-in-lieu payments or to donate land instead of building units. The fee-in-lieu payment is a lesser cost option for developers under the current system.

Fair Share is inclusionary zoning, a method for affordable housing provision used by more than 500 local governments across the nation. The in-lieu funds generated by Fair Share are directed to the mortgage assistance program managed by the Homes Fund, the successor to the now dormant La Plata County Regional Housing Alliance. The mortgage assistance program provides money to qualified homebuyers who could not otherwise come up with enough money for the downpayment. The Homes Fund receives a portion of the funds to be reinvested into its assistance fund upon the sale of the property. Through 2017, the RHA and the Homes Fund have received \$174,424 from City Fair Share fees, and has deployed more than \$131,000 in mortgage assistance to eight families. The program has granted many more mortgage assistance loans from funding sources other than Fair Share.

Fair Share is criticized by developers as cumbersome and hard to understand. Many developers feel the fee makes housing more expensive, as the Fair Share costs are passed to the home buyer, thus exacerbating housing cost issues. The benefit of Fair Share is that people who could not otherwise afford to own housing can use the assistance program to buy a home, and the City anticipates a growing greater community benefit from Fair Share as housing growth continues.

Expanding Fair Share to include developments of one to three units should also be considered. The City will undertake a re-evaluation of the Fair Share process in 2018.

Working is not a cure for housing affordability problems, as more than half of non-elderly households with severe cost burdens include at least one worker earning half the household income. Many of these workers are in service occupations that are vital to their communities, yet in some places their housing costs far exceed their incomes. As long as the economy continues to demand low-wage jobs that provide little opportunity for advancement, the plight of the working poor will continue.

*--A Reality Check for Housing Affordability Advocates, **Rachel Drew***

Action 4.1: Amend the Fair Share Ordinance to make more effective and easier to administer.

Voluntary Development Transfer Fee

New government-imposed real estate transfer taxes are no longer allowed in Colorado. Communities that had established such taxes prior to their prohibition have found such tax to be an effective method for funding affordable housing programs.

The City of Durango, through negotiated development agreements, receives a 0.5 percent transfer fee from the Three Springs Home Owner's Association upon the sale of each home. While not a government imposed transfer tax, the fee functions similarly, and satisfies requirements of the Three Springs Development Agreement pertaining to affordable and attainable housing commitments. The City should evaluate the merit of utilizing this tool with future planned developments as an alternative to the Fare Share fee-in-lieu.

[Action 4.2: Evaluate future utilization of voluntary developer transfer fees as an alternative to Fare Share fee-in-lieu.](#)

Commercial Linkage Fee

With the assistance of TischlerBise, a firm specializing in financial analysis of municipal impact fees, a housing linkage fee study was completed in 2017. The purpose of the study was to define and analyze the relationship between new nonresidential development and the demand for housing for workers of the new development. Through the analysis of existing types of nonresidential development, income levels of employees, and the composition of worker households, the analysis defined the demand for affordable housing created by each type of nonresidential development and an associated cost per new job to effectively house the workers in the community. The concept behind a commercial linkage fee is to establish a funding mechanism to bridge the gap between what a worker at a new business can afford to pay and the cost of market rate housing. Linkage fees have been used throughout Colorado and the United States since the 1980s.

Linkage fees must be created methodically and in a justifiable manner—there must be a demonstrable nexus and proportionality in order to establish a linkage fee. The maximum supportable fees established in the study are shown in Figure 16. While these figures have been identified as supportable, they are not recommended fees. The determination of if a fee should be established, and at what level, is a political decision. Housing linkage fees may be adopted at levels lower than the maximum supportable fees.

Figure 16: Maximum Supportable Linkage Commercial Fee

Housing Cost per Sq. Ft. of Building Area ¹	Housing	Affordability	Assisted					
	Prototype	Gap per Unit	Industrial	Institutional	Living	Lodging	Office	Retail
Extremely Low (0% - 30%)	Rental	\$190,200	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Low (31% - 60%)	Rental	\$118,500	\$3.40	\$0.55	\$0.00	\$5.53	\$3.15	\$9.30
Below Median (61% - 80%)	Ownership	\$99,210	\$11.38	\$3.01	\$14.53	\$6.32	\$9.64	\$15.66
Median (81% - 125%)	Ownership	\$32,560	\$5.72	\$6.22	\$2.97	\$1.62	\$6.46	\$5.52
Above Median (>125%)	Excluded							
Total			\$20.50	\$9.78	\$17.50	\$13.47	\$19.25	\$30.48
					\$7,000	\$8,100		
					Per Bed ²	Per Room ²		

1. TischlerBise analysis (housing demand per square feet of bulding area multiplied by affordability gap).

2. Converted from square feet based on 400 square feet of gross building area per bed for assisted living and 600 square feet of gross building area per room for lodging.

The concept of a commercial linkage fee and the preliminary finds of the study were presented to City Council in the spring of 2017. Imposition of a commercial linkage fee on nonresidential development would require City Council action. If considered and adopted, the fee would function as a development impact fee and assessed at the building permit stage of the development. Findings of the study are valid for 3 – 5 years. Given the volatility of the commercial retail market in Durango in 2017, further consideration of a fee should be weighed against the impact such a fee could have on the viability of new development

Action 4.3: Further evaluate the viability and potential effectiveness of a commercial linkage fee to assist in establishing more workforce housing in Durango.

Demolition Fees

Demolition of residential structures is a common occurrence and is not inherently a negative activity. Many of the houses that are demolished are rundown and substandard in some way. Approximately 35 houses have been demolished in Durango during the past decade. Without exception, the older houses were replaced with much larger houses with typical sales prices of \$700,000 to \$800,000. While the City will need to continue to allow residential demolitions, it should consider changing the way it administers demolitions. Demolitions are driven by the high value of land in Durango, which far exceeds the value of many smaller and poorly maintained houses, a situation that is unlikely to change.

As of 2017, the demolition permit fee is \$15. Most fees, such as road and utility impact fees, assessed to new houses are not assessed to new houses that are replacing demolished houses. The City is essentially incentivizing the demolition of older less expensive homes for replacement by homes that are in some cases valued at more than \$1,000,000.

Potential changes to the demolition permit process could include:

- Charge a demolition fee based on the value of the new house and consider the full assessment of fees charged to a new home built on a vacant lot.
- If a demolition is to occur, the City could still charge the fixed demolition permit fee but waive the utility fees (for one unit) if the resulting structure has an affordable unit, or if the lot is developed into three or more units, where such development is allowed by code.

Action 4.4: Revise demolition permit standards to reflect the costs of demolition and construction and incentivize lower cost housing.

Second Home Assessment

Durango is a desirable location for vacationers and second home owners, but second-home ownership does present an opportunity cost problem with respect to City revenues. Second home owners do not live in Durango and therefore cannot support the local economy on a regular basis, as permanent residents do when they buy groceries, eat at restaurants or buy other goods. Every house used as a second home also removes a house for full-time residents, shrinking supply and putting upward pressure on prices.

Dedicated Taxes

Sales and property taxes are the two most frequently used taxes for the support of affordable housing. The use of sales tax money for housing is a viable option and should be explored through a public process. Sales taxes are inherently regressive taxes which disproportionately impact those with less money. A sales tax that benefits people in need of affordable housing, however, has a direct link to the benefit, i.e. those who are most affected by the tax are helped most by the tax, which is an equitable use of sales tax.

Action 4.5: Evaluate the possibility and process for establishing a dedicated sales tax revenue to support the creation of workforce and affordable housing.

Excise Tax

Excise taxes are taxes paid when purchases are made on a specific good. Some cities have adopted excise taxes on residential and commercial development. The benefit of an excise tax is that, unlike inclusionary housing, the tax can be spread to all development, not just multifamily development. Some jurisdictions tax all development with a set percentage, such as Portland, which charges 1%. Other cities, such as Boulder, assess a fee based on square footage of the development.

Action 4.6: Evaluate the possibility and process for establishing an excise tax to support the creation of workforce and affordable housing.

Progressive fees and fee waivers

An idea proposed by at least one member of the Housing Policy Advisory Committee is a progressive fee schedule for residential development. A progressive fee is simply one that assesses a smaller fee for less expensive housing. A one million dollar house will have larger fees than a \$300,000 condominium, but under this model the percentage any fees are based on would be higher as well. Staff must evaluate these concepts, but these are ways to encourage workforce housing while not increasing overall fee collection.

Delay, deferral or waivers of some development fees for projects serving 30% to 40% of AMI could be possible at the discretion of City Council. If granting a waiver will not jeopardize City finances. Delays in assessing impact fees for projects serving low income residents could serve as a tool to assist in having a cash flow for the project and ease the burden of upfront costs that make it difficult to finance low-income housing.

State and Federal Funding

Private Activity Bonds

Private Activity Bonds (PAB) are a potential funding source for affordable housing. The Colorado Department of Local Affairs allocates private activity bonds on a prorated share, based on population, to Colorado counties and cities. PAB funding is required for 4% tax credit housing. PAB funds are expensive and are difficult to use for any housing projects aimed at an AMI of less than 50%. Projects targeting 50% to 60% AMI should cash flow enough to work with PAB funding, which broadens the pool of potential developers for affordable housing projects. La Plata County receives a PAB allocation of \$2.7 million, and often does not use it, although its 2016 allocation was used. The County and City can elect to make affordable housing a priority for its PAB allocation.

Some cities have used a bifurcated structure with a mix of market rate and subsidized housing, requiring bond capacity only for the affordable portion of the project. The reduction in the usage of bonding capacity can allow more affordable housing projects to be built.

[Action 4.7: Work with private nonprofit developers to assess feasibility of using PAB for housing development.](#)

Federal Grants and Funds

Federal government programs for housing include HOME investment partnerships. HOME dollars provide competitive funding to local government, non-profit and private developers and can be used for homebuyer assistance and tenant-based rental assistance, among other things.

Action 4.8: Develop a schedule of potential development fee changes to allow delays, deferrals or waivers in certain circumstances for review by Council.

Low Income Housing Tax Credits (LIHTC)

LIHTC funding has been used to fund many projects in Durango over the years. The credits reduce the debt necessary to develop a project, allowing rents to stay affordable. If the City establishes a housing trust fund it can supplement LIHTC funded-projects to increase the potential for affordable housing projects.

4.2 LAND BANKING

Land acquisition and banking

The high cost of land is one of the major impediments to the construction of affordable housing for residents of Durango. The City is exploring ways to acquire and use land for housing. Land acquisition can be through the Fair Share Program, and as an in-lieu to cash or housing development. At least two parcels of land, with the potential for as more than 150 housing units, may be dedicated to the City in the near future.

Land banking involves acquiring land and holding it for future development. The City owns very little developable land, but it does have some. Land banking may play a role in future development. Many successful housing programs around the country have relied on land banking as a primary means for delivering affordable housing. If there is a litmus test for land banking it is if affordable housing will still be a need 20 years or more in the future. The idea of land banking is simple: the City would hold a parcel of land for future housing development. Land can be obtained in different ways, whether through donation, a Fair Share obligation of development, by purchase, or it could be land the City already owns.

Land costs are one of the biggest obstacles to the provision of housing. The power of land banking is that as the cost of land rises through time, the purchased land becomes more valuable. When a decision is made to develop the land, the land cost has been eliminated. The biggest hurdle to establishing a land bank, as with everything in affordable housing programs, is raising the capital to make the purchase, and for this reason the Housing Trust Fund and land banking are considered in tandem.

The true payoff for land banking may take decades to fully appreciate, but when the time comes to develop the benefits are enormous. The City of Fort Collins, for example, began purchasing land for its land banking program in the 1990s and is now beginning to develop these parcels. Fort Collins' land banking program was, as one housing official from there stated, possibly the most important decision that city made in their housing program.

In Durango, parcels on the periphery of the city are more likely to be used for land banking because land is cheaper and bigger parcels are easier to find. Areas that are also candidates for land banking include the areas not currently in the City which are in the City's planning area, where Durango planning standards apply to new construction.

[Action 4.9: Establish a land banking program to hold for future development.](#)

Creation of Affordable Rental Units

Building affordable rental products in Colorado can be constrained by the State's prohibition on rent control. Rents in new development can be kept affordable, however, when government money is involved in the creation or retention of the ownership of the property. Without such an exception, Low Income Housing Tax Credit projects would not be feasible. Government funds may also be used to purchase equity stakes in rental projects to keep rents affordable and available to the City's workforce, and the City should examine the potential of using this strategy.

[Action 4.10: Evaluate the option of equity purchases by the City in rental projects to more easily create affordable rental products.](#)

5. CONCLUSION

The City of Durango has a problem with housing availability and affordability. Housing costs have been an issue for several decades and costs continue to grow faster than incomes, and more than four in ten Durango residents must spend more 30% of their income on housing. The City has taken steps to address its housing issues, including the formation of the Regional Housing Alliance (now part of the Homes Fund) and the adoption of the Fair Share Ordinance in 2009, and now proposes to use a combination of market friendly approaches to funding regulations to address Durango's workforce housing issues.

The lack of affordable housing is forcing many to live outside the city and even the county. The large number of commuters means fewer children in Durango schools, less sales tax collection from workers who do not live in Durango, and less discretionary income to spend for the 40% of Durango residents who are housing burdened. Many of the people who are facing these problems—such as teachers, food service workers, first responders and young families—are the people who make Durango a real community.

There are many examples in Colorado and the Rocky Mountain West of communities where the working class and even professionals have no chance to own market rate housing. This is not an imminent threat in Durango, especially with less expensive housing available on Durango's edges, but people should also have access to reasonably priced, quality housing in Durango. Many of the solutions proposed in this plan will require making potentially difficult decisions, and decisions that will have financial consequences. In the coming months and years ahead, the City will undertake additional research and a variety of actions in order to implement this Plan. An implementation table for proposed items that will be brought to public discussion and Council consideration is listed below.

◆ IMPLEMENTATION OF HOUSING ACTIONS

The table below contains the anticipated timeline for implementing the action items contained in the Housing Plan. The timelines are grouped into three categories: short-, mid- and long-term. Short-term actions are things the City can do immediately, such as amendments to the LUDC. Mid-term changes will require more planning and input from the public or elected officials before they become effective. Longer term items, such as creating a land bank and developing financial resources, are going to take time to develop and implement, and may even require help from outside agencies or consultants.

Action	Timeline
Action 3.1: Evaluate ways to increase housing in the Areas of Change.	Short-term
Action 3.2: Support land use planning, housing and development in the Areas of Growth.	Long-term
Action 3.3: Evaluate the possibility of expanding ADUs to additional Durango neighborhoods.	Short-term
Action 3.4 Establish a program for addressing the many illegal but vital lots with three or more units in the older parts of town.	Short-term
Action 3.5 Reassess design and density standards in high density neighborhoods.	Mid-term
Action 3.6: Combine efforts of character districts initiative to examine the potential for denser mixed-use zones such as Mixed-Use Urban.	Short-term
Action 3.7: Evaluate current mixed-use zoning standards for ways to increase density and flexibility.	Short-term
Action 3.8: Evaluate and propose new parking standards for certain residential land uses.	Mid-term
Action 3.9: Continue to use special parking studies as a way to match parking demand to supply.	Short-term
Action 3.10: Evaluate the steady growth of vacation rentals on Durango's housing market. Additional fees on rentals could help to offset the upward pressure on housing prices caused by the number of rentals in the city.	Short-term
Action 3.11: Evaluate the viability of reducing minimum lot sizes in the EN-1 and EN-2 zone districts.	Mid-term
Action 3.12: Evaluate the LUDC to identify and remove barriers to the use of tiny homes.	Mid-term
Action 3.13: Develop a schedule of density bonuses and guidelines for their implementation.	Short-term
Action 3.14: The City should continue to use annexation policies that implement principles such as good urban design, a mix of housing types and	Short-term

price points and innovative affordable housing approaches found in projects such as Three Springs, Twin Buttes and Skyridge for use in all residential annexations where feasible. Springs, Twin Buttes and Skyridge for use in all residential annexations where feasible.	
Action 4.1: Amend the Fair Share Ordinance to make more effective and easier to administer.	Mid-term
Action 4.2: Evaluate future utilization of voluntary developer transfer fees as an alternative to Fare Share fee-in-lieu.	Mid-term
Action 4.3: Further evaluate the viability and potential effectiveness of a commercial linkage fee to assist in establishing more workforce housing in Durango.	Short-term
Action 4.4: Revise demolition standards to more accurately reflect the costs of demolition and construction.	Short-term
Action 4.5: Evaluate the possibility of using City general revenue funds as seed money for the housing trust fund.	Mid-term
Action 4.6: Evaluate the possibility and process for establishing an excise tax to support the creation of workforce and affordable housing.	Mid-term
Action 4.7: Work with private nonprofit developers to assess feasibility of using PAB for housing development.	Long-term
Action 4.8: Develop a schedule of potential development fee changes to allow delays, deferrals or waivers in certain circumstances for review by Council.	Mid-term
Action 4.9: Establish a land banking program to hold for future development.	Long-term
Action 4.10: Evaluate the option of equity purchases by the City in rental projects to more easily create affordable rental products.	Mid-term

APPENDIX A

HOUSING COSTS BY THE NUMBERS: WHY IS HOUSING IN DURANGO SO EXPENSIVE?

Demographics

The first step in the housing program’s development was to assess the state of housing affordability in Durango. A quick review of real estate websites or rental listings shows how expensive housing is, but a more pressing question is the relationship of housing costs to income, i.e. what can people in Durango afford? One of the fundamental parts of understanding any housing market is to quantify demand and supply, and one of the initial actions of the housing program was commissioning in 2015 a housing demand study by the Regional Housing Alliance (RHA). With assistance from the Colorado State Demographer and the Colorado Department of Local Affairs, the RHA produced a study indicating strong current and future housing demand in La Plata County.

One of the most striking conclusions of the study was the absolute demand for housing, with an estimated 550 to 950 new units needed annually in La Plata County. From 1995 to 2015 on average, 555 building permits were issued countywide, with 134 of those in Durango, as shown in Figure 17. Building permit numbers are highly volatile on a yearly basis, ranging as little as 186 in 2009 to as much as 869 in 1995 countywide. However, over the long term, the number of permits to be issued will need to approach the number suggested by the demand analysis to keep pace with demand.

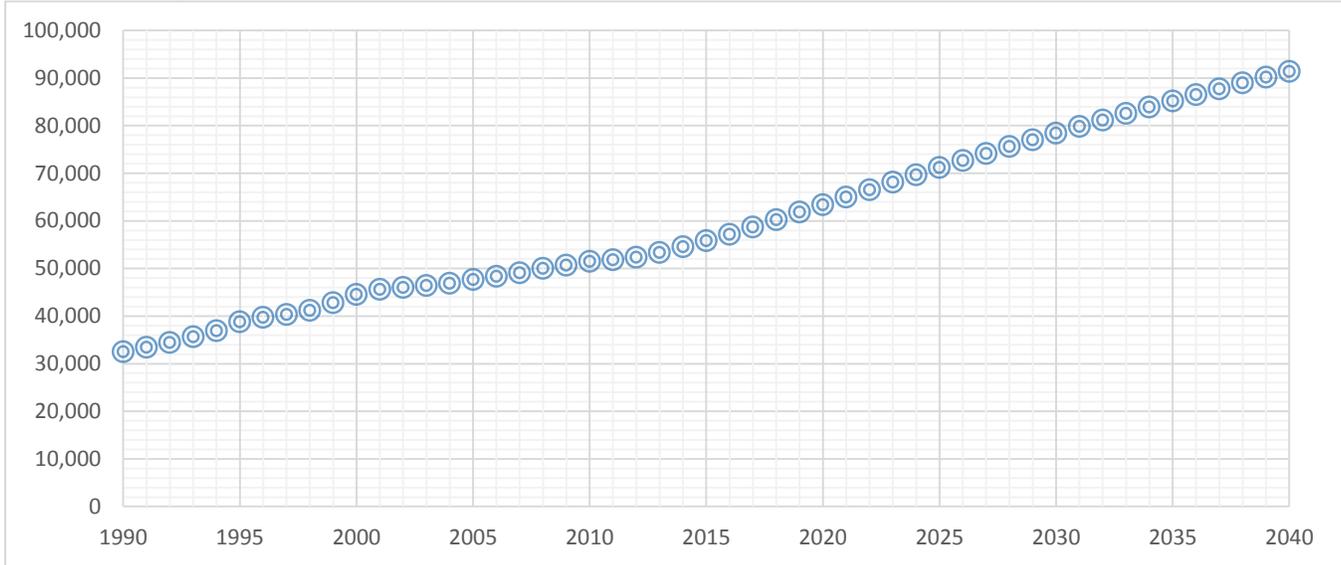
Figure 17: Building Permits in La Plata County and Municipalities

Residential Building Permits Issued by Year 1995-2015				
Year	Durango	Bayfield	Unincorporated La Plata County	Total
Total	2,805	486	8,211	11,107
Average	134	23	391	555

Source: La Plata County and Durango Building Departments

La Plata County’s population was less than 40,000 in 1995 but is now 56,000, and as the county and Durango population grow, the forecasted annual demand should continue to increase as well. Larger population bases typically produce greater population increases, and the demand for new housing is likely to steadily increase as well. La Plata County’s population is expected to reach 85,000 by 2030, as shown in Figure 16.

Figure 18: Population Growth and Projections for La Plata County 1990-2040



Source: US Census data

Much of the study data was available only at the county level, thus the numbers for Durango must be extrapolated from the larger La Plata County numbers, but demand at both the City and County levels is driven by steady population growth, and Durango accounts for one-third of La Plata County's population, but that percentage is shrinking as new residents have to look elsewhere in the county to find housing they can afford.

National Housing Trends and Durango

Housing is getting more expensive in many places, and to a significant extent what happens in the rest of the Mountain West, and the nation, is happening in Durango. Nationally, housing prices climbed slowly until the end of the 1990s, forming the housing bubble that burst in 2008, contributing to the Great Recession. Housing prices are again climbing, and are nationally at 95% of the 2008 peak, according to data from the Zillow housing website. In Durango, the 2008 median home price of \$358,000 has now been eclipsed by the 2016 \$382,000 median home price.

Many desirable areas of the West are experiencing limited growth in supply, high land and labor costs and increased housing demand due to steady population growth. Among the most 25 most populous states in the U.S., Colorado has the 5th most expensive housing, and Durango housing is more expensive on average than Colorado. The increase in home prices in Durango and the West is not linked to equivalent increases in income, however.

Many areas in the West, as in Durango, have rental markets where more than half of the renters are housing burdened. Homeowners as a class have more wealth than renters, but the share of housing burdened homeowners is also rising. The higher the share of housing as part of a person's income, the

less money people have not just for disposable income—to buy clothes, go to the movies, eat at a restaurant—but the less there is for necessities as well. The higher the housing burden, the less there is for groceries, health care, and transportation.

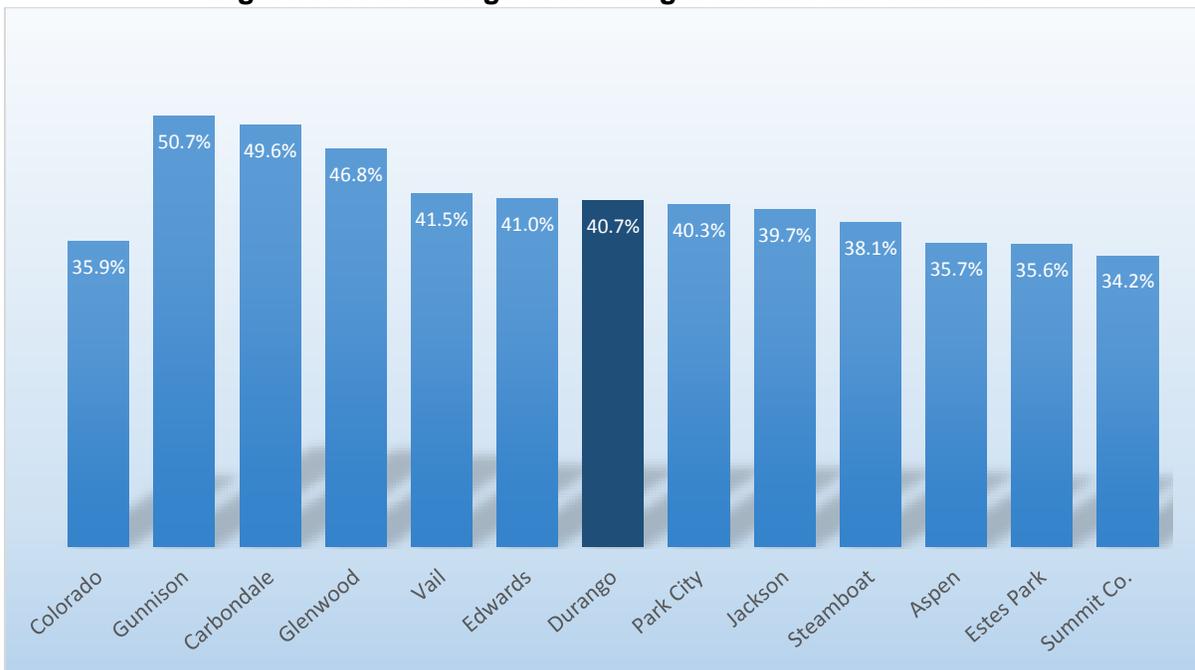
The absolute measure of percentage of income spent on housing shows how expensive Durango is, with almost 41% of Durango residents being housing burdened. The fact that Aspen, at 35.7% housing burdened, is comparatively low is due to the success and length of time of their affordable housing program.

The presence of vacation rentals can also have an effect on housing prices. In Durango as much as two percent, or about 160 units, of the housing stock is used as vacation rentals. Two percent may not jump off the page as a huge number, but if a developer were to build 160 new units the process would cost millions of dollars. In Durango’s rental market, which often has a vacancy rate of less than two percent, 160 units is a significant number.

Comparable Communities

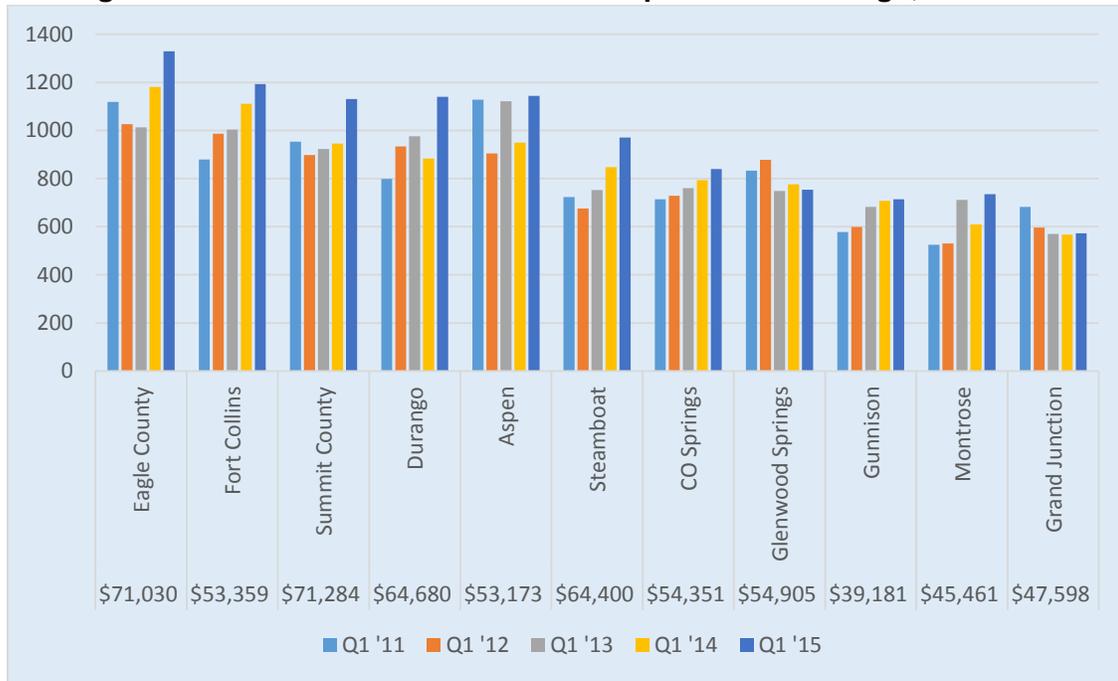
Durango lives in a very pricey region, that of the Colorado mountain town. While Durango may will never be as expensive as Aspen or Telluride, Durango is expensive and, as noted in the introduction, relatively low wages exacerbate high housing costs. The relative measure of housing costs and income gives a more accurate picture of cost alone, and as shown in Figures 20 and 21. Durango is in expensive company.

Figure 19: Percentage of Housing Burdened Households



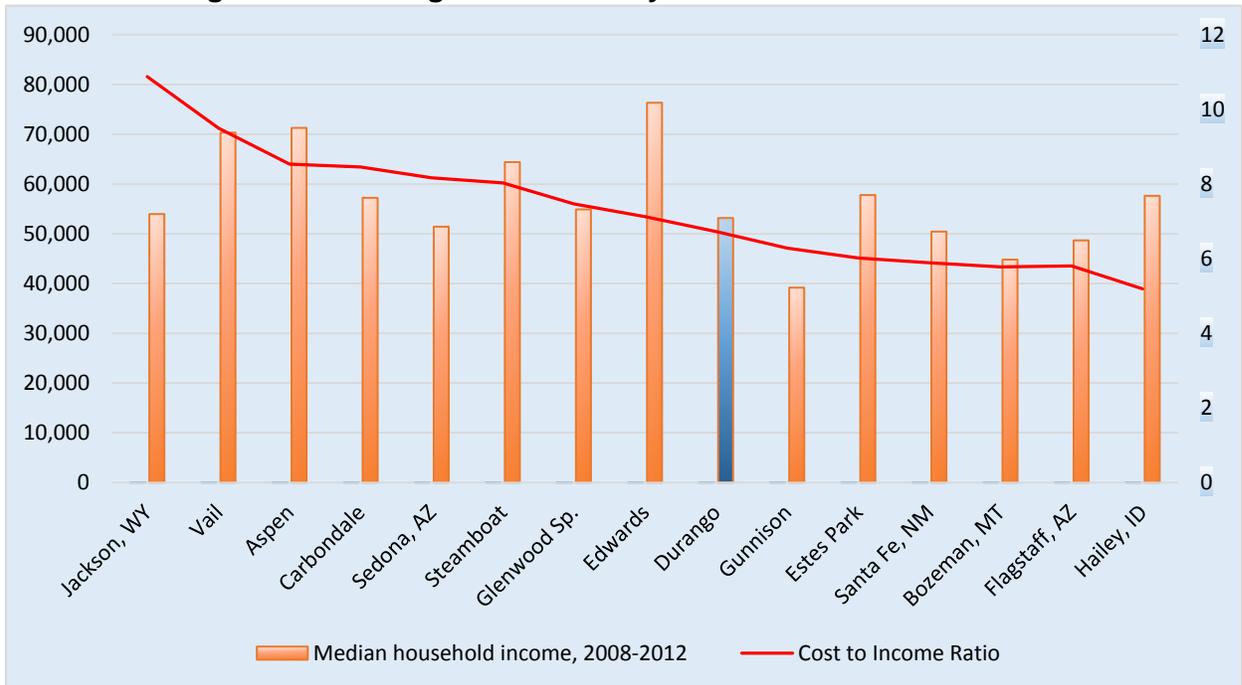
Source: Staff analysis based on U.S. Census American Community Survey

Figure 20: Rents in Colorado Places Comparable to Durango, 2011-2015



Source: Colorado Multi-Family Housing Vacancy & Rental Survey, Ron Throupe and Jennifer Von Stroh

Figure 21: Housing Costs in Rocky Mountain Destination Towns



Source: Staff analysis based on U.S. Census American Community Survey

◆ APPENDIX B

2017 COMPREHENSIVE PLAN GOALS

The Durango Comprehensive Plan was updated in 2017 and included revised and additional housing goals. There is a great deal of overlap between the objectives of the housing section of the Comprehensive Plan and the goals of the housing plan but they are not the same. The implementation of the housing program will include the implementation of the Comprehensive Plan housing goals, and the goals are listed as follows.

6.5 Housing Goals, Objectives and Policies

Goal 13: To continually improve the sustainability of Durango's housing and neighborhoods.

Objective 13.1: Reduce energy demand and water use on a per-unit basis.

Policy 13.1.1: Routinely update City energy codes to improve energy efficiency and foster use of renewable energy technologies.

Policy 13.1.2: Use building codes, landscaping standards, fee structures and other measures to reduce water demand in new and existing homes.

Policy 13.1.3: Pursue a range of incentives and requirements to measure and improve the energy efficiency of existing and new housing units.

Policy 13.1.4: Pursue a range of incentives and requirements to reduce water demands for existing and new housing units.

Policy 13.1.5: Enhance mobility options for existing and new neighborhoods through improved bicycle, pedestrian and transit access from homes to goods and services

Policy 13.1.6: Consider environmental justice and priorities in the location and design of new as well as the redevelopment of existing housing and neighborhoods.

Goal 14: To provide for the development of a variety of housing types throughout the Durango planning area that meets the diverse needs of the community.

Objective 14.1: Promote housing affordability for all residents through efficient development patterns as well as design standards that minimize long-term costs to residents, considering up-front costs, operating costs and health impacts of construction materials. The City will also consider diverse housing types and promote development patterns that minimize transportation costs.

Policy 14.1.1: Encourage the provision of various types of housing in mixed-use and mixed-income projects.

Policy 14.1.2: Encourage residential development in areas where the necessary public facilities and services can be provided economically and efficiently.

Policy 14.1.3: Encourage high-density residential development in areas that are located near work, retail, service and community facilities (such as parks, playgrounds and schools) to reduce transportation related costs.

Policy 14.1.4: Promote subdivision design that provides bike and pedestrian access to trails and transit routes.

Policy 14.1.5: Protect the existing housing stock by limiting nonresidential uses into residential neighborhoods.

Objective 14.2: To provide for opportunities for a variety of housing types.

Policy 14.2.1: Encourage a mix of housing types and allow greater densities to provide a greater number of workforce housing units

Policy 14.2.2: Incentivize the construction of smaller units.

Policy 14.2.3: Encourage residential development with convenient pedestrian and bicycle access to schools, neighborhood commercial centers and other public facilities designed to serve neighborhood residents. For large developments, on-site development of such facilities will be encouraged.

Policy 14.2.4: Facilitate development of mixed-density and mixed-income projects and other creative housing options that reduce housing costs and provide adequate amenities.

Goal 15: Increase housing opportunities for workforce and special needs housing populations (target populations) through public/private partnerships.

Objective 15.1: Support local and regional efforts to identify housing needs and advance coordinated public and private sector efforts through the creation of a Regional Strategic Housing Plan.

Policy 15.1.1: Develop a City housing program that will: (1) maintain data documenting the demand for and supply of housing for Durango's workforce and special needs households, (2) quantify the linkage (rational nexus) between new residential and non-residential development and affordable housing demand; (3) facilitate provision of needed housing options; and (4) create policies, in partnership with La Plata County, which will facilitate development of housing that is affordable to target populations. (5) Create additional funding strategies that will increase access to affordable housing and workforce. Policy 15.1.2: Assist local and regional efforts to develop and implement a comprehensive toolbox of effective affordable housing strategies to increase housing options for target populations.

Policy 15.1.3: Support the retention of existing housing through active monitoring of the supply of housing by type, condition and tenure, encouraging the maintenance and rehabilitation of units in substandard condition and requiring rehabilitation or demolition of dangerous housing units. Illegal units should be brought into compliance with zoning and housing codes or vacated.

Policy 15.1.4: Work with local and regional partners to establish a permanent housing trust fund and its potential sources of revenue. The fund will be used to subsidize the development of workforce and special needs housing.

Policy 15.1.5: Ensure that housing units meet minimum safety codes.

Policy 15.1.6: Encourage the provision of various types of affordable housing in mixed-use and mixed-density projects. Assist local and regional partners in identifying and acquiring land for the development of mixed-income neighborhoods that will provide a range of opportunities to the target populations. Policy 15.1.7: Permit development of

accessory apartments on parcels that are large enough to compatibly accommodate structures and required parking.

Policy 15.1.8: Work with the local and regional housing providers to increase the development capacity of both for profit and nonprofit developers to deliver housing that is affordable to the target populations. Policy 15.1.9: Support public/private sector housing initiatives to increase housing options that are compatible with market rate housing and surrounding development for the target populations.

◆ APPENDIX C

Plan Development and Public Engagement Process

In December 2014, the City Council, in an effort to more clearly understand Durango's housing issues, tasked the Community Development Department with analyzing Durango's housing situation, and to propose a suite of solutions. One of the first steps in the program development was engagement of those more specific housing knowledge or skills that would benefit the incipient housing program.

Housing Policy Advisory Committee

The City created a Housing Policy Advisory Committee (HPAC), composed of builders, real estate professionals, bankers, neighborhood activists, Fort Lewis employees, and others to provide guidance and perspective on housing issues. Vetting proposed concepts with the HPAC ensured the Housing Plan's content and approach has informed staff's approach, especially the market friendly approach.

Engagement with Stakeholder Groups

Staff has worked with the Regional Housing Alliance to quantify local housing affordability issues and coordinate policies to ensure plan effectiveness. While there are some policies and regulations which are nearly universal in their appropriateness and effectiveness in addressing workforce housing in Colorado, the process of research and consultation with a diverse set of communities and stakeholders aided the staff in developing a plan suited for Durango's market and community needs.

Research Process

Staff had a series of dialogs with local developers, and have met in person with the housing authorities in Denver, Boulder, Fort Collins and Aspen, along with numerous State of Colorado housing officials and private sector experts. Research was an important first step in understanding local housing issues, market conditions, regional and national trends and the policy and regulatory approaches taken by other communities. Staff reviewed professional and industry journals, news sources, planning documents and web-based information from housing programs around Colorado to gather relevant information and inform the development of this plan.

Engagement with Elected and Appointed Officials

Staff regularly updated City Council on the progress of the Housing Program at more than a dozen study session updates during a period of two years. Staff presented a Housing Program overview to the City of Durango Planning Commission.

Public Engagement

The City hosted a community housing forum on December 1, 2016, with more than 60 members of the public in attendance. Attendees submitted 95 written comments related to housing in Durango, and some of those comments are compiled below. The City also posted a housing survey on Virtual City Hall on its website and got 130 responses. The results of the survey are also below. Respondees to the

survey skewed more heavily to home owners than the general public, pointing to the need for staff vigilance in finding opinions that represent all members of the public.

Selected Responses from Virtual City Hall Survey, online in February 2017.

In which neighborhood(s) would you prefer to live? (Top 3 responses):

Animas City – 26.8%
Downtown Durango – 25.2 %
Crestview/North Durango – 21.1%

How satisfied are you with your current residence?

Somewhat or very satisfied – 74%
Somewhat or very dissatisfied – 24.5%

If you are dissatisfied with your current housing, please tell us why.

Too expensive – 37.2%
Size/configuration – 27.9%
Residence needs repairs I cannot afford, and Bad/Rude/Loud neighbors tied– 12.8%

Why have you not moved from your current residence?

Want to stay in my current residence – 52.5%
Cannot find an affordable place to live – 34.4%
Lack of appealing options – 23.0%

What is most important to you when choosing your residence?

Like the neighborhood – 71.8%
Affordability – 63.4%
Close to services – 41.2%
Close to work – 40.5%
Yard size – 33.6%

What percentage of your total household income do you spend on rent/mortgage payments?

20% or less - 35.9%
21-30% - 28.1%
31-35% - 11.7%
36-40% - 8.6%
41-50% - 7.8%
More than 50% - 7.8%

Housing Forum Comments - 12/1/2016

1. What parcels of land does the City own, and are any suitable for affordable housing.
2. Is land cost one of the biggest barriers?
3. Island Cove – like that they can own their own unit – quality affordable housing. Where do they go now if it is sold? Have more mobile home parks where they own their own land as well.
4. Smaller lots and smaller houses make it easier to own. *Many comments supporting tiny houses.*
5. Everyone should contribute to affordable housing, it keeps us resilient. Land trust would be beneficial with larger developments. *Numerous comments supported land trust.*
6. ½ cent sales tax for affordable housing? Could be reallocated by voters and City Council.
7. Different tax structure for second homes? Santa Barbara has successfully done this.
8. Visitability requires all new SF homes to have one accessible entrance. Is this a possibility in Durango?
9. Q - What has the private sector told us they need to contribute to affordable housing? *A, from Staff - Often hear parking and density. Height and density are incentives.*
10. Work with employers to provide workforce housing. Burden should not fall on developers. Fair Share does not work in current form.
11. Yes! Increase demo fee to preserve more existing historic housing.
12. A commercial linkage fee makes much desirable redevelopment becomes uneconomic.
13. Propose affordable housing bond, more impact than airport. Specific projects, be shovel ready.
14. Encourage owner occupied ADUs.
15. Rentals with 5 unrelated adults is too many. Three is more appropriate. Five often turns into 8+.
16. ADU available throughout town.
17. This all looks great! Especially density cap removal, also: Yes to increased height and density!
18. Do we have a goal relative to this indicator (Incomes to Housing Cost Ratio)? Is there a way to know if we've "succeeded in addressing the affordable housing issue?"
19. Affordable and attainable housing is a necessity for a resilient local economy.
20. Are we attracting young professionals and entrepreneurs to stay and buy homes?!
21. I love bungalow courts – they build community.
22. Encourage more ADUs (less parking regs).
23. The denser the housing=More tenants = more places for their vehicles.
24. Courtyard apartments can be aesthetically pleasing and have lots of units.
25. Charge higher property taxes to owners of rental units and out of state property owners.
26. Great idea! (Missing middle types). Especially as Durango transitions gradually to more density.
27. Allow buildings to go vertical on North Main and College Drive, 3-4 stories...and on Camino.
28. Multi-story apts. on major streets—Main, College, 8th Ave. Durango is a city, not a rural town.
29. I would love housing that enable me to walk to work in the downtown area.
30. Not everyone can walk to work, a better, more realistic measurement would be cycling to work.
31. North Main is difficult to cross as a pedestrian.
32. Need more designated bike lanes and paint pedestrian crossings.
33. Grant SUP for existing nonconforming housing stock.
34. Create mobile homes parks where the land is zoned.
35. Development of close relationships with health-care providers, job provider, work skill developers very important. Stable housing only the first step.
36. When implemented these goals MAINTAIN high quality of life for people.
37. Provide density incentives, but do not subsidize costs of infrastructure.