

2024



INNOVATIVE HOUSING OPPORTUNITIES PLAN

—
Huerfano County, La Veta, Walsenburg



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TABLE OF CONTENTS

Introduction & Community Goals	04
Data Summary	18
Tactics to Increase Affordable Housing	29
Finding Locations for Affordable Housing	55
Opportunity Sites Analysis	72
Housing Stakeholders & Development Process	172
Funding	177



INTRODUCTION & COMMUNITY GOALS

**The vision for affordable housing in Huerfano County,
Walsenburg, and La Veta**

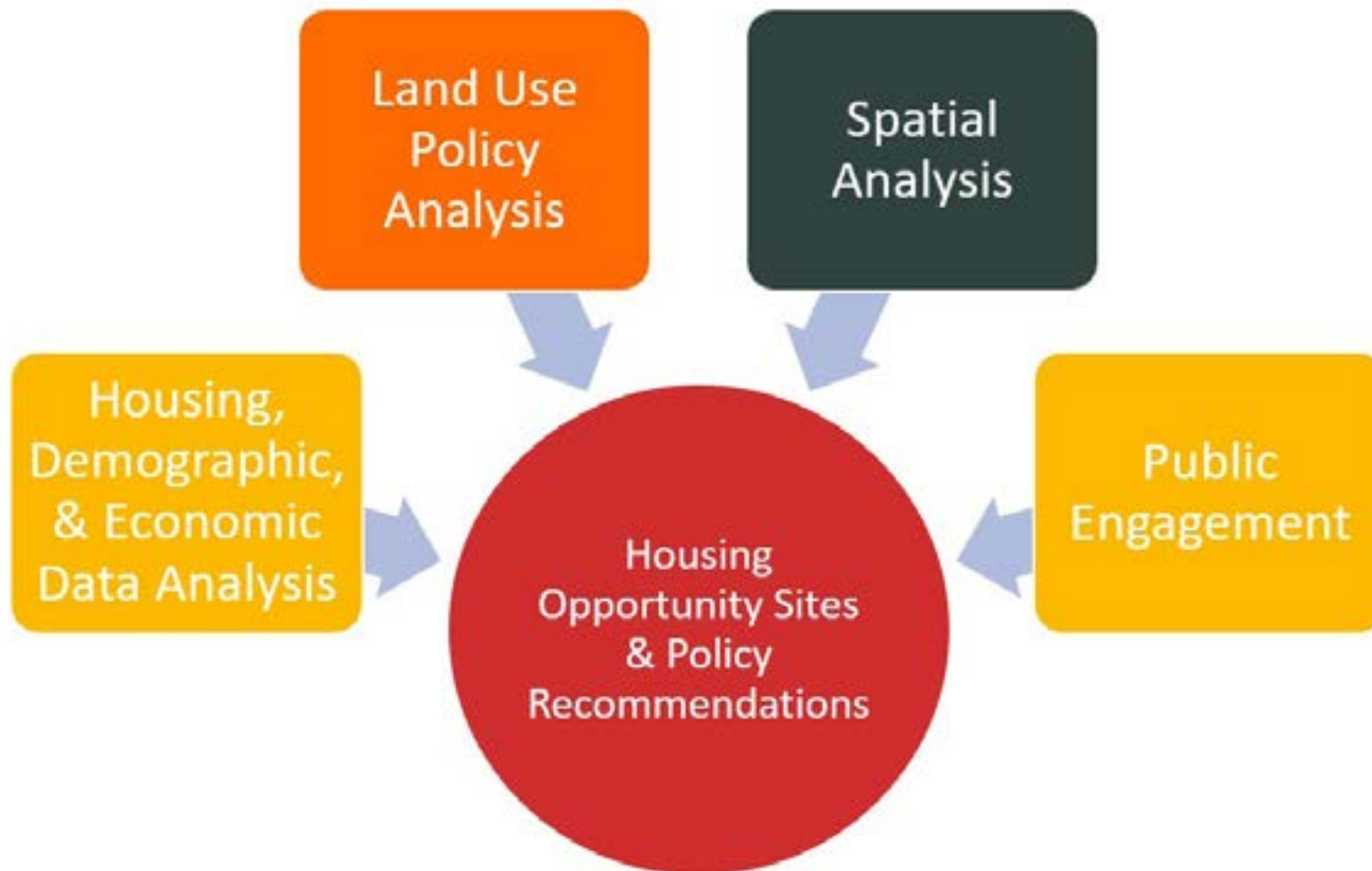
About the Project

This is a plan to support the generation of affordable housing in Huerfano County, Walsenburg, and La Veta. This Innovative Housing Opportunities Plan, or IHOP, is a document that summarizes over a year of research, analysis, and public engagement. This document is intended to serve multiple primary purposes:

1. Guide and inform updates to land use codes in project area (Huerfano County, Walsenburg, and La Veta) to better encourage the development and preservation of affordable housing.
2. Support collaborative decision-making on affordable housing between local governments, developers, employers, development partners, organizations, and community members in the project area.
3. Summarize public priorities with regard to affordable housing (including general priorities for affordable housing and priorities for specific potential affordable housing sites).
4. Guide future development of affordable housing in all three jurisdictions; support and direct the development of affordable housing on the 13 identified affordable housing sites in the project area.
5. Provide information and insight on the suitability of additional affordable housing sites in the project area based on a thorough spatial analysis that included hazard mapping information from the county's 2024 Hazard Mitigation Plan.
6. Summarize information on available funding sources for affordable housing development and preservation in the project area; support the acquisition of grants to fund affordable housing efforts in the project area.
7. Complement the goals and land use recommendations of the 2024 Huerfano County Comprehensive Plan Update.

Four Project Pillars

This planning process consisted of four main components, as summarized in this graphic.



Housing & Demographic Data Analysis

This component consisted of a thorough update and review of the County's demographic and housing data, as summarized in the County's 2023 Housing Needs Assessment (HNA). View the full HNA in Appendix A.

Land Use Policy Analysis

This component consisted of a thorough review of the land use codes of Huerfano County, Walsenburg, and La Veta to determine which jurisdictions have adopted the 15 Qualifying Strategies for Affordable Housing as set by H.B. 21-1271. This review also contained suggestions and considerations for each strategy for each jurisdiction to use if they choose to adopt that strategy. View the full analysis in Appendix B.

Spatial Analysis

This component used mapping and spatial analysis to answer a key question: what areas are most suitable for affordable housing development in the project area? As described in the "Finding Locations for Affordable Housing" section of this plan, we analyzed all parcels in Huerfano County using several variables that make a parcel more or less suitable for affordable housing development (e.g., proximity to roadways and other infrastructure, steep slopes, etc.).

Public Engagement

This component consisted of a Visioning Survey (which also supported the County Comprehensive Plan update), 2 Open Houses (which also supported the County Comprehensive Plan update), 15 focus group meetings, site visits to the 9 project sites with stakeholders, and ongoing engagement with a Steering Committee with representatives from the project area. The project team also engaged with regional housing experts, including representatives from the Division of Housing and Neighborworks Southern Colorado.

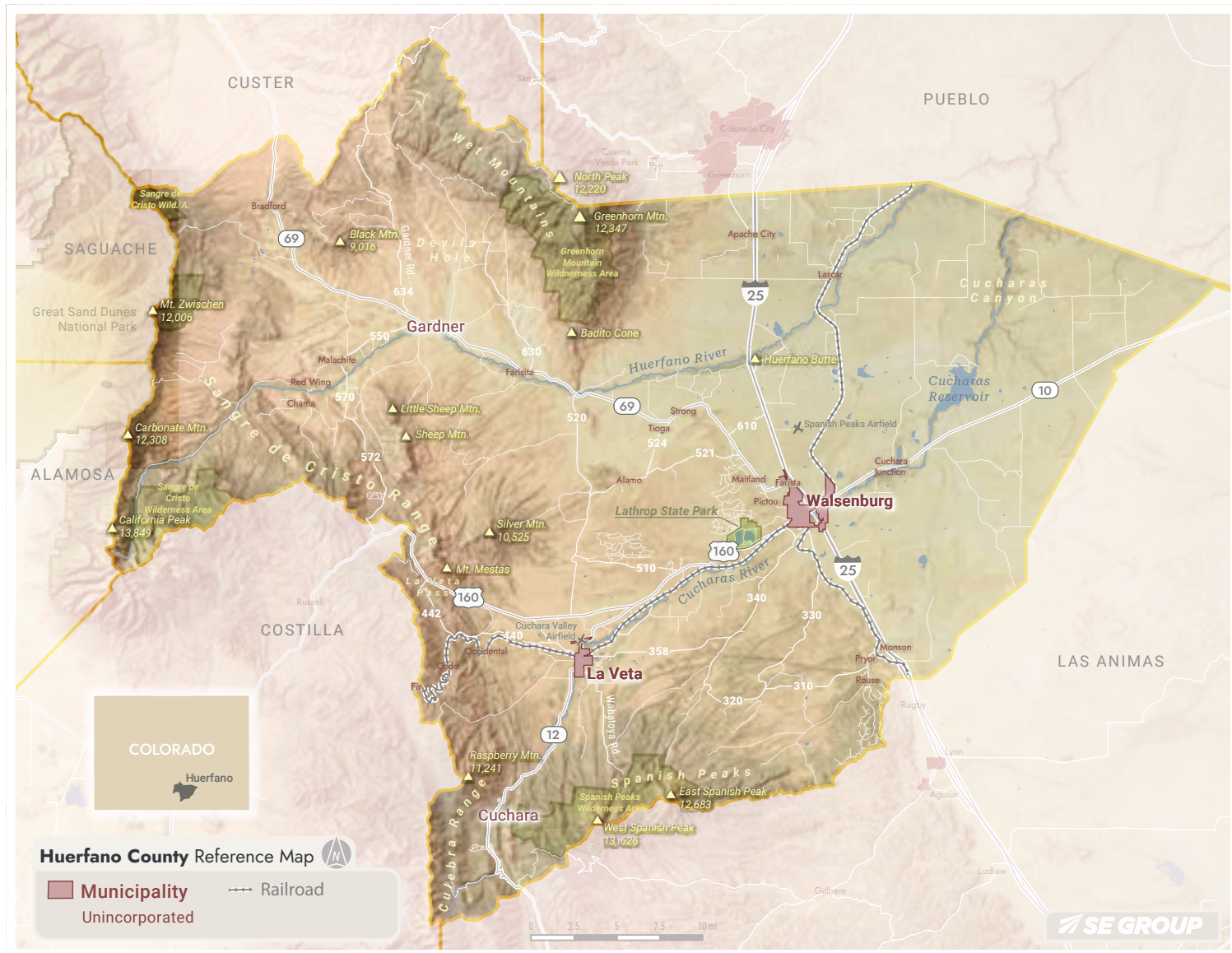
These four main pillars of the project all supported the selection and analysis of the 12 affordable housing opportunity sites and final land use policy recommendations.

Huerfano County Coordinated Planning Projects

This plan was coordinated alongside several other planning projects:

- 2023 Huerfano County Housing Needs Assessment Update
- 2024 Huerfano County Comprehensive Plan Update
- 2024 Huerfano County Hazard Mitigation Plan Update

Innovative Housing Opportunities Plan



The IHOP project area included Huerfano County, Walsenburg, and La Veta.

How to Use this Document

If I want to...

I should look in the..

Learn about the top recommendations of this plan



Introduction (p. 4)

Learn about housing market & needs, public input



Appendix A: Housing Needs Assessment

Learn about recommended policies for affordable housing



Appendix B: Affordable Housing Strategies Review

Learn about suitable sites for affordable housing



Finding Locations for Affordable Housing (p.55)

Learn how to assess a site for affordable housing



Finding Locations for Affordable Housing (p. 70)

Learn about housing partners, development process, funding sources



Housing Stakeholders & Development Partners (p. 173); Appendix C: Funding Guide

Why Affordable Housing?

What is Affordable Housing?

Affordable housing is defined as housing that is priced affordably for the person living in it, generally considered to be around 30% of their income. There are various sub-types of affordable housing, such as naturally occurring affordable housing and new-build affordable housing. These can include senior housing and accessible housing, which caters to individuals with specific needs. Affordable housing can come in many forms, including new constructions, adaptive reuse of existing structures, and shared equity models. It is not limited to public housing and can encompass both rental and ownership options.

The concept of affordable housing spans rental and ownership models. In rental housing, tenants pay a portion of their income towards rent, often supported by government subsidies or affordable housing programs. In ownership models, initiatives like shared equity programs help individuals purchase homes at reduced prices, making homeownership more accessible.

A crucial element in determining affordability is the Area Median Income (AMI), which is set by the U.S. Department of Housing and Urban Development (HUD). AMI varies by location and household size, with specific limits established to ensure housing remains affordable for different income levels and family structures. HUD's guidelines play a vital role in defining who qualifies for affordable housing and the level of assistance they receive. Want to learn more? See [DOLA's Affordable Housing 101 Toolkit](#) for more information.

The Need for Affordable Housing

When a community lacks affordable housing, several things happen: residents struggle to pay for housing costs they cannot afford with their current salaries. These individuals may take on additional jobs to make ends meet or they may leave the community altogether. Prospective residents do not relocate to the area for jobs because they cannot find housing. Young people tend to leave the area because they lack housing options they can afford. Vulnerable demographics, such as older residents, consistently lack housing options that are right for them because they have nowhere else to go. Residents struggling with addiction, domestic violence, and other challenges struggle to improve their situations because it is challenging to find safe, affordable housing.

In short, affordable housing is essential for public health, quality of life, and the local economy. Without adequate housing, a community cannot sustain a workforce or meet the needs of vulnerable members of its population.

The Need for Affordable Housing In Huerfano County

Housing Costs have Steeply Increased

Average sales prices have quadrupled since 2015, from about \$80,000 to nearly \$350,000 in 2022.

Median sales prices have also increased about 72% from about \$160,000 in 2018 to about \$275,000 in 2022.

Housing Costs Exceed Local Earning Power

Statewide, the lowest earners are highest cost-burdened – this means the people earning the least are paying the highest percentage of their income on housing costs. Cost burden is also higher for renters than homeowners in Colorado and disproportionately affects minority residents.

As illustrated in the table below, the average annual income in Huerfano County is \$42,336. For an individual earning this amount, the maximum affordable rent, defined as 30% of their income, is \$1,234 per month. The median gross rent in Huerfano County is slightly over \$600. Notably, over 25% of renters in the county are paying more than \$1,000 per month in rent, a figure that has increased since the last Housing Needs Assessment. The table also shows that the maximum affordable home sale price for the county’s average income is \$192,135. However, in April 2023, average home sale prices were significantly higher, with properties in Walsenburg selling for \$263,292, in Gardner for \$305,400, in Cuchara for \$379,739, and in La Veta for \$469,920.

“My cousin, recently divorced with four kids, cannot find anything bigger than a 2 bedroom rental and even that rental is too expensive, even though she works full time.” – 2023 Visioning Survey respondent

Huerfano County, Affordable Prices at Average Wage, 2022

	AVERAGE WAGE 2021*	AFFORDABLE RENTER COST	AFFORDABLE SALES PRICE
Huerfano County	\$42,336	\$1,234	\$192,135

Source: Colorado Department of Labor and Employment

* The average annual wage is calculated based on the earnings of an individual and not the combined earnings of a household. It's important to note that the household income may surpass this average wage if there are multiple earners within the household. The average wage for an individual in Huerfano County in 2022 falls within the range of 60-80% of the Area Median Income (AMI).

Lengthy Commutes and Difficulty Recruiting and Retaining Workforce

As noted in the Huerfano County Housing Needs Assessment, from 2015 to 2020, the number of people commuting into Huerfano County stayed roughly the same. However, as of 2020, 16% fewer people live and work in the county, and 26% more residents worked outside the county. Nearly half of workers have a commute greater than 50 miles. Anecdotally, employers consulted during this planning process have shared that it is highly challenging to retain staff because of a lack of suitable and affordable housing options within Huerfano County, Walsenburg, and La Veta.

An Aging Population with Specialized Housing Needs

Huerfano County's population is expected to age and decline in the future. In the next 10 years, there is expected increase of 13% in the population aged 75-84 and a significant 52% increase in the population aged 85 and above in the next 10 years. The County's population is projected to continue decreasing to under 5000 in 2047. That's down from 7,823 in the to mid-2000s (7,823). These trends indicate that there will be a strong need for senior housing going forward, as well as housing for nurses and other skilled workers who will be needed to support older residents in Huerfano County.

Homelessness

According to the National Alliance to End Homelessness, Colorado has the 12th highest homelessness rate in the nation.

Homelessness does not always refer to living in a shelter or on the street; it can also refer to transitional housing or overcrowded living situations.

We have plenty of nice options for older and retired folks that have decades of savings to work with, but practically nothing for growing family's who want to live in our Walsenburg. Not having dignified housing options for people here is actively preventing our growth as a community." – 2023 Visioning Survey respondent

Housing Needs

As noted in the table below, there is a strong need for rental units in the project area. The needs for **rental units** are as follows:

AMI Brackets	Huerfano County Needs	Walsenburg Needs	La Veta Needs
0 - 30%	<i>(86 unit surplus)</i>	<i>(112 unit surplus)</i>	<i>(20 unit surplus)</i>
31- 50%	49 units	34 units	<i>(12 unit surplus)</i>
51 - 60%	98 units	78 units	11 units
61 - 80%	<i>(11 unit surplus)</i>	7 units	<i>(19 unit surplus)</i>
80 - 100%	379 units	24 units	3 units
100% +	104 units	29 units	32 units

It should be noted that the above housing needs are estimates based on local housing and earnings data. Demographic data collection in rural areas is challenging and can have some inaccuracies. As noted in the 2023 HNA, Area Median Income (AMI) can sometimes be an inaccurate measure of true earnings and cost of living in rural communities, where residents often have higher transportation and energy costs.

The Challenges

Huerfano County's housing market is made up of multiple different submarkets. Some parts of the county suffer from an "inverted market," in which property values are low and the cost to build exceeds market value. Other parts of the county are characterized by a mountain resort market, which is characterized by limited buildable area due to topographic challenges, low wages associated with seasonal industries, and inflated second home prices.

Development is challenging in almost any context, but it is especially challenging in Huerfano County. As a remote region, it is challenging to source construction crews and house them while they are building in the county. The region also lacks local capacity to build housing; few developers and contractors live within the county. Local governments also lack robust funding to directly support and manage affordable housing. In addition, Huerfano County is a place with high constraints due to water availability and complexity and hazards (e.g., fire and flood risk). Historically, the region has lacked comprehensive information about potential affordable housing sites. The region also does not have a housing coalition, office, or organization with a mission to support affordable housing development. In addition, with the high cost of constructing housing, the cost of development may exceed what the local market can afford; this means that new housing must be developed "below-market" to be affordable to most residents.

"I had to live with my mother as a grown adult until I could find a rental for myself and my child. I was only able to get a rental house because a friend decided to rent her home out. I get a break on rent, the friend could easily charge more, but they are kindly giving me a discount. Even then it's a struggle to break even every month. I applied for a preapproval for a mortgage but I could not get enough to get a house in decent shape. I don't have the skills or resources to purchase a home that needs work. I am working hard towards a higher education degree so I can earn more money, but I'm afraid even that won't be enough because the cost of housing is so high in Huerfano. I will gladly move back down south where the towns are small and friendly like Walsenburg, but at least I can afford a home of my own." – 2023 Visioning Survey respondent

The Opportunities

While development in Huerfano County has clear challenges, there are also clear opportunities and upsides. First, housing development in any one jurisdiction (the unincorporated County, Walsenburg, or La Veta) may benefit the entire region. For example, an individual might live in La Veta but work in the County or vice versa. Second, the abundance of inexpensive land provides a cost-effective opportunity for development. Third, even a small amount of housing development would have a significant positive impact on the region, particularly in terms of workforce development and retention. Lastly, providing affordable housing boosts community health by ensuring that residents have stable, secure homes, which is a foundational aspect of overall well-being.



The Plan to Provide Affordable Housing

Community Goals



1. There is abundant, quality housing for **workforce and community-serving professionals**.



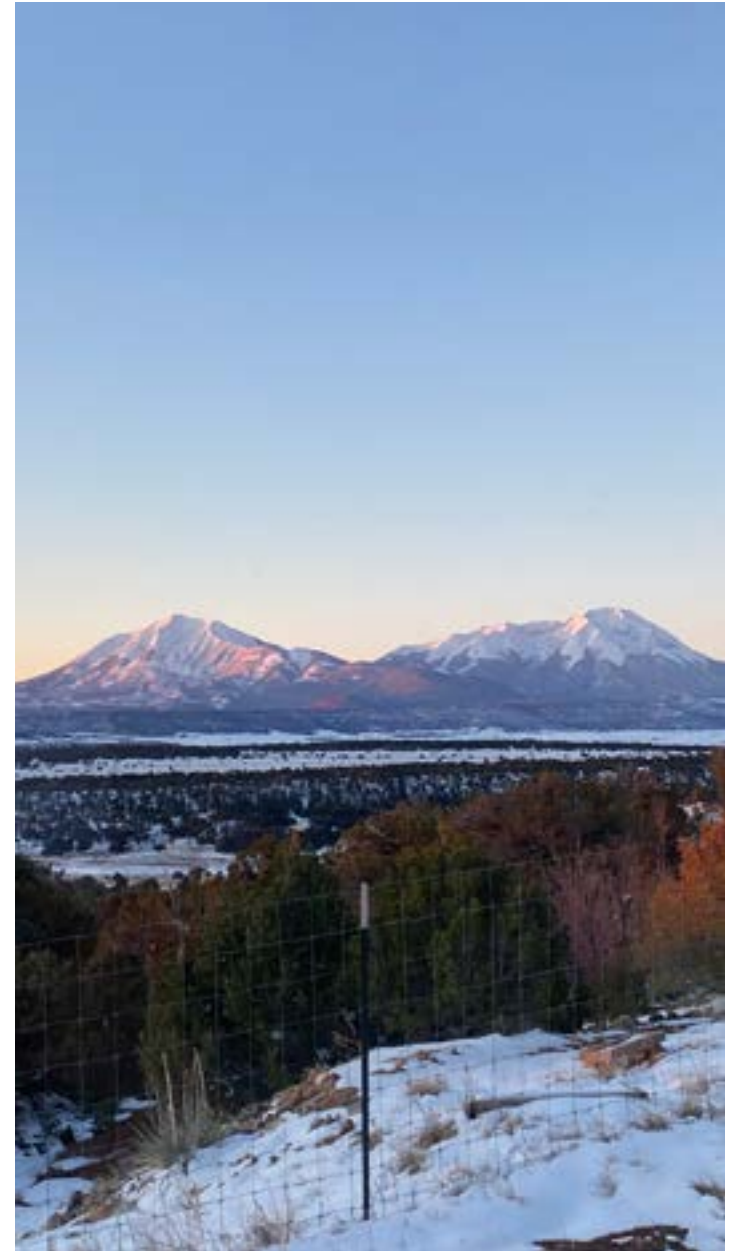
2. There is abundant, quality **specialized housing (transitional housing, etc)**.



3. There is **sustainably built and sited housing** (hazard and water-conscious practices, adaptive reuse, sustainable materials).



4. Huerfano County residents have access to housing, improving **economic vitality and community health**.



Top Tactics to Increase Housing Opportunity



01.

Build capacity to plan, construct, and manage affordable housing and support the process.



02.

Identify and provide a designated funding source for affordable housing.



03.

Establish a clear and effective development process to facilitate diverse housing development.



04.

Facilitate local ownership and occupancy, year-round community.



05.

Preserve and maintain Naturally Occurring Affordable Housing (NOAH).



06.

Site housing away from hazards and close to community amenities.



DATA SUMMARY

This section provides an overview of relevant population, economic, and housing data for the project area. For additional detail and information, please refer to Appendix A: 2023 Huerfano County Housing Needs Assessment.

Population

2021 Huerfano County Population: 6,945

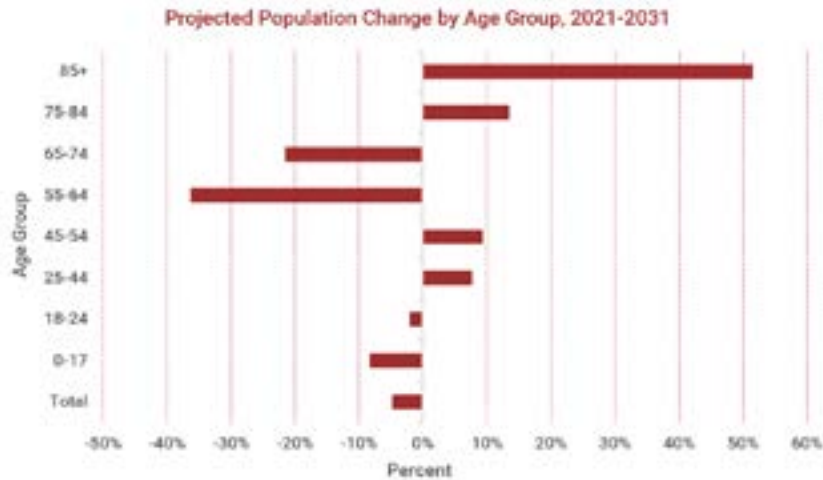
Unincorporated Huerfano County
2,997

La Veta
870

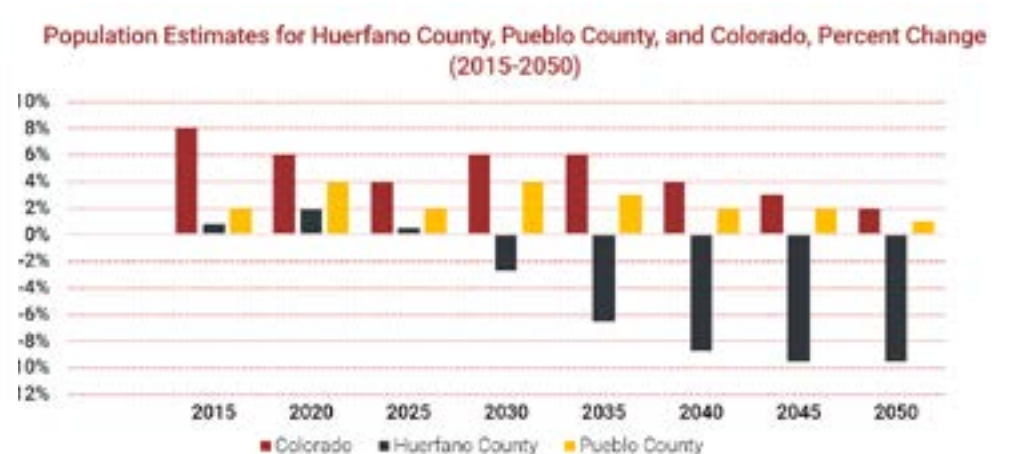
Walsenburg
3,078

Projected Population Changes

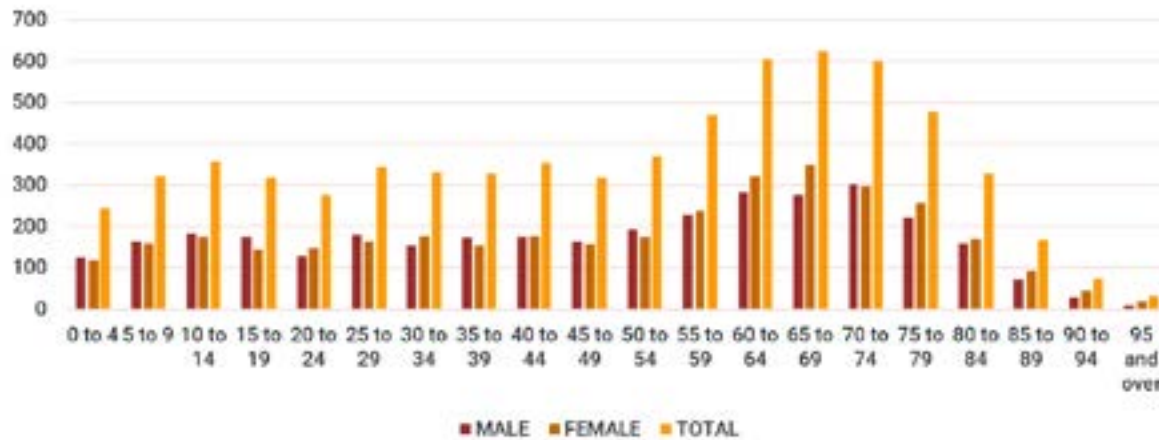
The following graph shows Huerfano County's projected population compared to neighboring Pueblo County and Colorado as a whole. Huerfano County's population is expected to steeply decline in coming decades, while Pueblo County and Colorado are expected to modestly grow.



Source: Colorado State Demographer, Department of Local Affairs



Huerfano County Age Distribution by Gender, 2021



Source: U.S. Census Bureau, American Community Survey, 2021

Household Composition

	Huerfano County	Colorado
% of households with children under the age of 18	10%	26%
% of households with a member over the age of 65	25%	10%

Huerfano County and Colorado, Population Rates by Race and Ethnicity (2021)

	HUERFANO COUNTY	COLORADO
American Indian, non-Hispanic/Latino	1.1%	0.6%
Asian, non-Hispanic/Latino	0.7%	3.4%
Black, non-Hispanic/Latino	0.9%	4.1%
White, non-Hispanic/Latino	61.4%	67.1%
Hispanic/Latino	34.1%	22.2%

Source: Colorado State Demographer, Department of Local Affairs.

Huerfano County has a predominantly white and Hispanic population, with few residents belonging to other racial or ethnic groups.

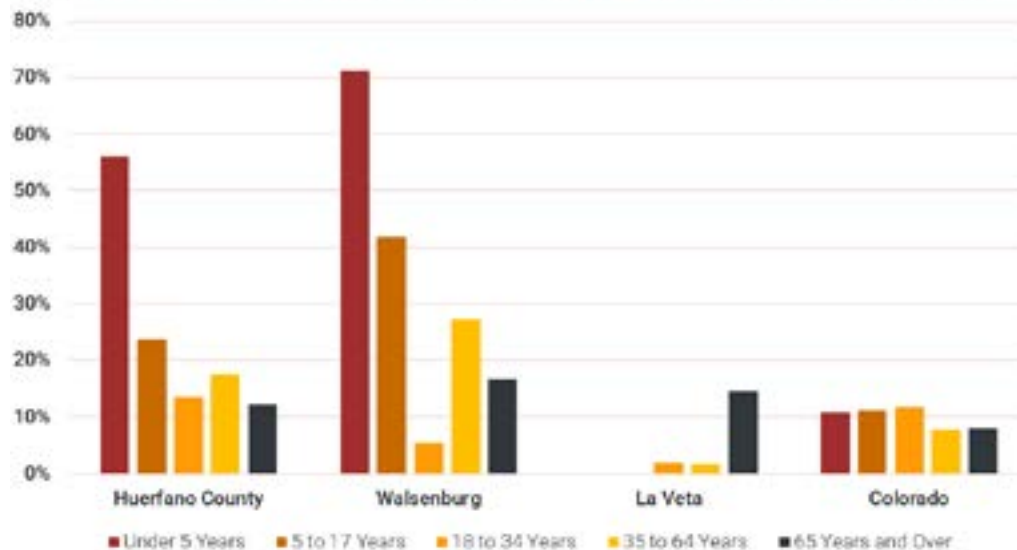
Huerfano County and Colorado, Most Common Type of Disability, Percentage, 2021

MOST COMMON TYPE OF DISABILITY	HUERFANO COUNTY	WALSENBURG TOTAL %	LA VETA TOTAL %	COLORADO TOTAL %
Ambulatory: Having Serious Difficulty walking or climbing stairs.	14.5%	20%	13.8%	4.9%
Independent Living: Because of a physical, mental, or emotional problem, having difficulty doing errands alone.	9.7%	15.9%	3%	4.4%
Cognitive: Because of a physical, mental, or emotional problem, having difficulty remembering, concentrating, or making decisions.	9.5%	15.6%	1%	4.5%

Source: U.S. Census Bureau, American Community Survey, 2021

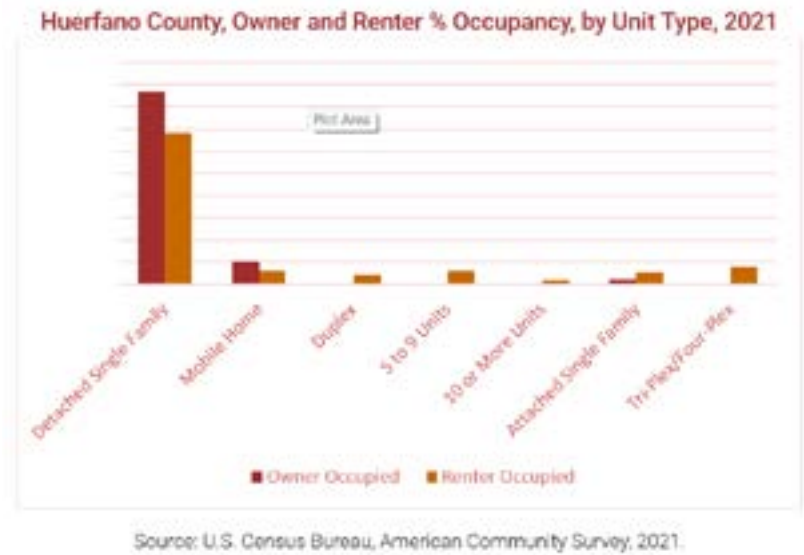
The most common disabilities in Huerfano County communities are ambulatory disabilities and the inability to live independently due to a physical, mental, or emotional problem.

Percent of Population Living Below Poverty Level by Age Group and Location, 2017-2021



Sources: U.S. Census Bureau, American Community Survey, 2021.

Housing

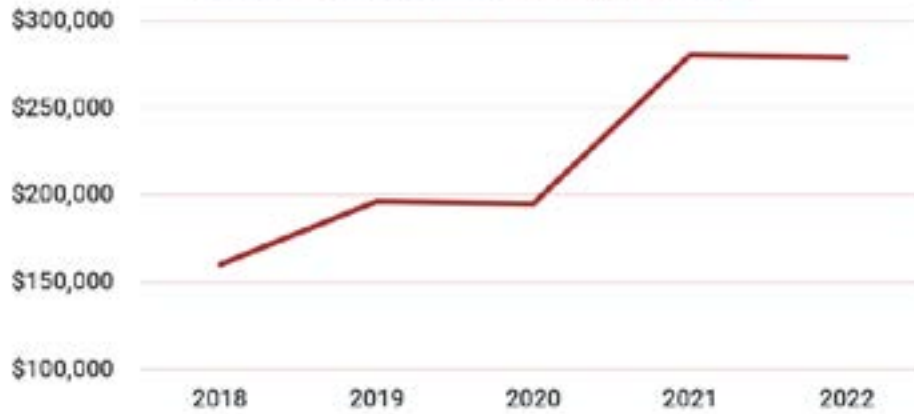


Huerfano County, Occupied Housing Units by Bedrooms and Tenure, 2021

	OWNER OCCUPIED UNITS	RENTER OCCUPIED UNITS
No Bedroom	.5%	6%
1 Bedroom	2%	25%
2-3 Bedroom	66%	62%
4 or More Bedroom	32%	7%

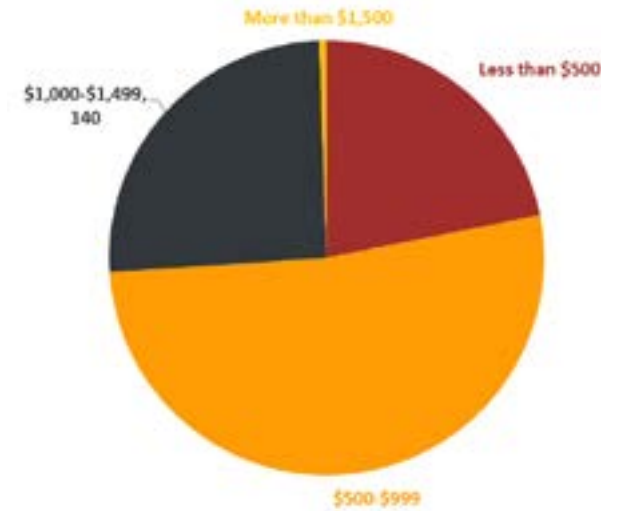
Source: U.S. Census Bureau, American Community Survey, 2021.

Median Residential Sales Price, 2018-2022



Source: MLS, Huerfano County, 2022

Huerfano County, Gross Rents 2021

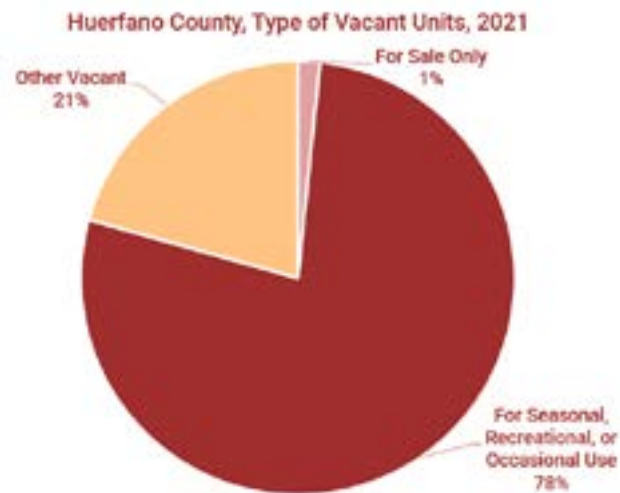


Source: U.S. Census Bureau, American Community Survey.

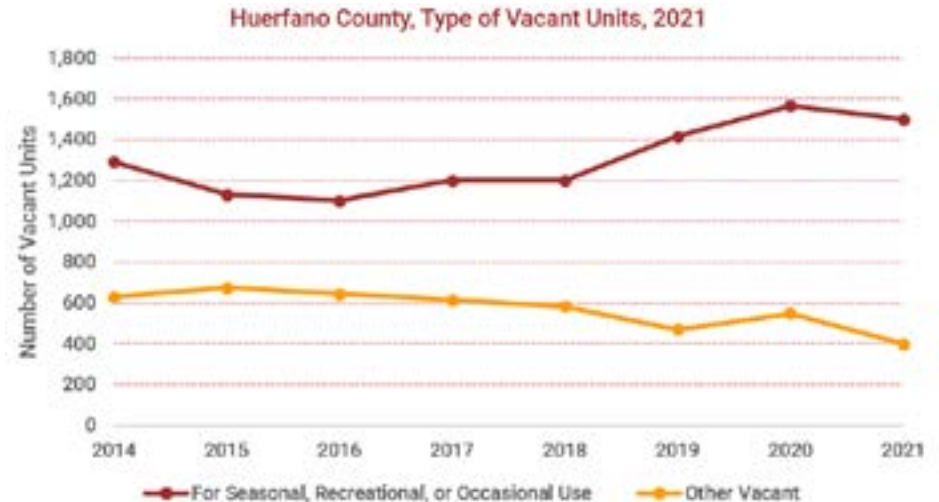
Huerfano County and Colorado, Median Gross Rent, 2014-2021



Source: U.S. Census Bureau, American Community Survey.

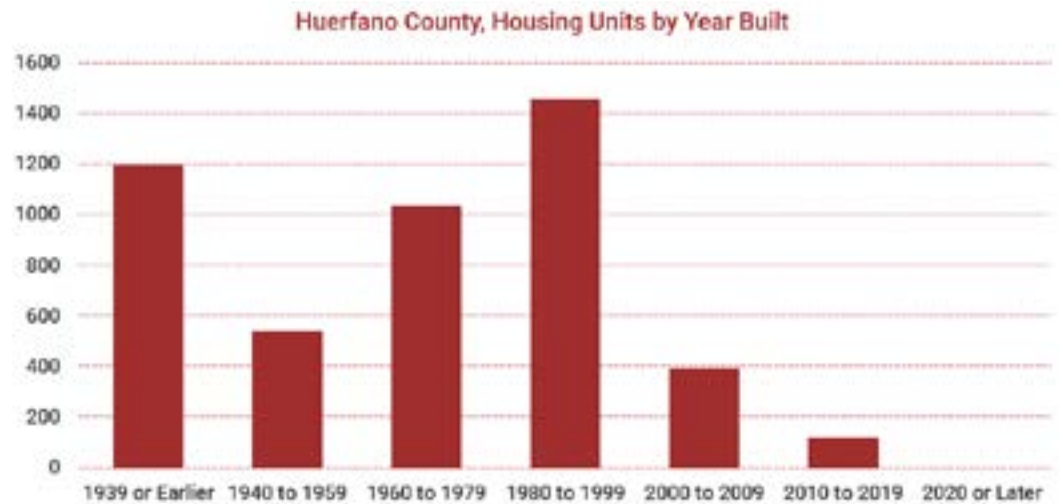


Source: Colorado State Demographer, Department of Local Affairs, American Community Survey 2021.

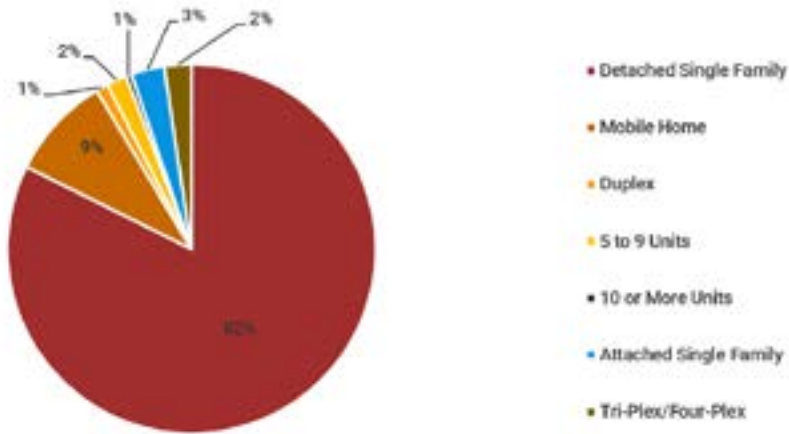


Source: Colorado State Demographer, Department of Local Affairs, American Community Survey 2021.

As of the 2021 Census, many of the homes built in the last 10 years are in unincorporated Huerfano County. And while the census estimated that no homes have been built between 2020 and 2021, according to building permit data there has been an increase in permitting and building activity in the last couple years throughout the county beginning in 2020.

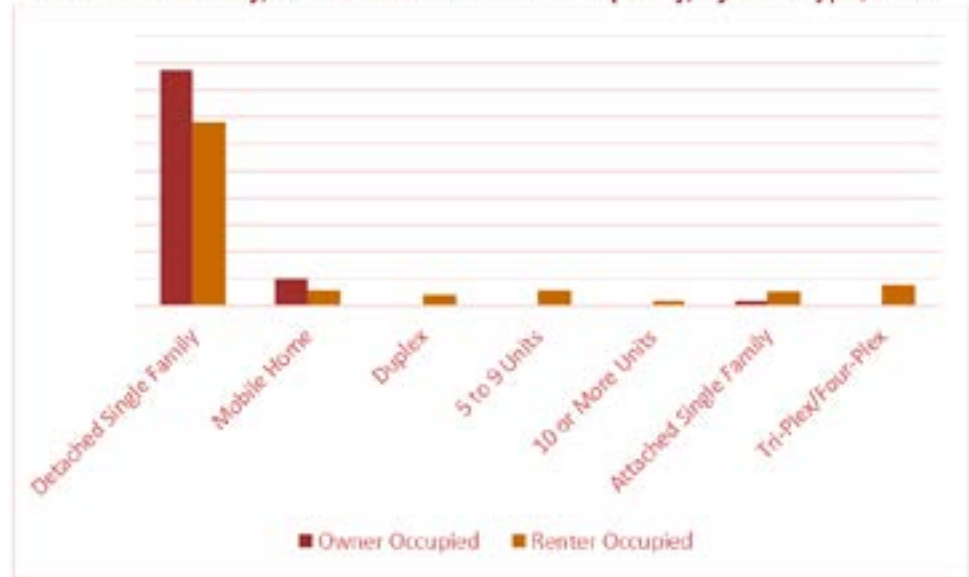


Huerfano County, Characteristics of Occupied Housing Units



Source: Colorado State Demographer, Department of Local Affairs, American Community Survey 2021.

Huerfano County, Owner and Renter % Occupancy, by Unit Type, 2021



Source: U.S. Census Bureau, American Community Survey, 2021.

Housing Insecurity

- 10% of respondents to the 2023 Huerfano County Coordinated Planning Projects Visioning Survey indicated that they feel housing insecure.
- Of the respondents who indicated that they felt housing insecure, 73% cited that they were having a hard time finding other options. Other respondents indicated that they would like to move but can't afford higher rent or moving costs, or they feel uncomfortable or unsafe aging in place in their housing.

What is Housing Insecurity?

If an individual is housing insecure, they lack consistent, safe, and affordable access to adequate housing. Housing insecurity can mean living in overcrowded or substandard housing, being unable to afford rent or mortgage payments, experiencing homelessness, or facing or at risk of eviction or foreclosure.

Innovative Housing Opportunities Plan

Generally, households should spend no more than 30% of gross monthly income on rent. This “30% Rule” is used by housing entities, such as the Colorado Housing Finance Authority (CHFA), to identify maximum rental rates for developers utilizing the LIHTC or CHFA loans to develop rental properties. The chart below should be used for general guidance on affordable rental rates in the County. It should be updated in future years to reflect current data as available.

Huerfano County Maximum Rents Defined by HUD and Used by CHFA, 2022

	STUDIO	1 BDRM	2 BDRM	3 BDRM	4 BDRM
30% AMI	\$432	\$462	\$555	\$641	\$715
50% AMI	\$720	\$771	\$925	\$1,068	\$1,192
60% AMI	\$864	\$925	\$1,110	\$1,282	\$1,431
80% AMI	\$1,152	\$1,234	\$1,480	\$1,710	\$1,908
100% AMI	\$1,440	\$1,542	\$1,850	\$2,137	\$2,385
120% AMI	\$1,728	\$1,851	\$2,220	\$2,565	\$2,862

Source: CSI

Median incomes in Huerfano County are lower than the rest of the state. Renters have lower median incomes than owners, as detailed in Table 11. Walsenburg has a lower median income than that of the rest of Huerfano County.

Median Household Income, By Tenure, 2021

AGES	MEDIAN INCOME	OWNERS	RENTERS
Huerfano County	\$45,724	\$54,829	\$22,210
La Veta	\$45,991	\$46,368	n/a
Walsenburg	\$33,372	\$40,764	\$22,365
Colorado	\$82,254	\$101,183	\$53,626

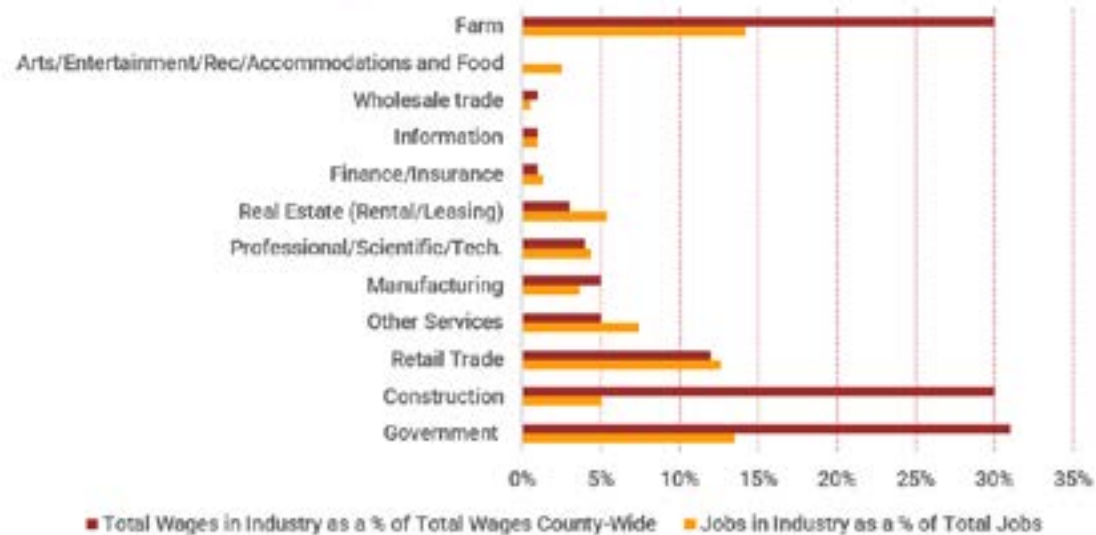
Source: U.S. Census Bureau, American Community Survey, 2021

Huerfano County and Neighboring Counties, Unemployment Rate, 2017-2022

	2017	2018	2019	2020	2021	2022
Huerfano	5.3	6.1	5.5	8.8	8.6	6.1
Alamosa	3.2	3.8	3.8	6.8	6.4	4.1
Costilla	3.3	4.1	6.4	4.7	3.4	4.3
Custer	2.8	3.4	2.9	4.6	4.3	2.9
Las Animas	3.7	4.4	3.8	6.9	7.0	4.6
Pueblo	4.0	4.5	3.9	7.6	8.0	4.4
Saguache	4.1	4.4	3.9	6.6	6.2	3.4

Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

Major Industries & Annual Wages

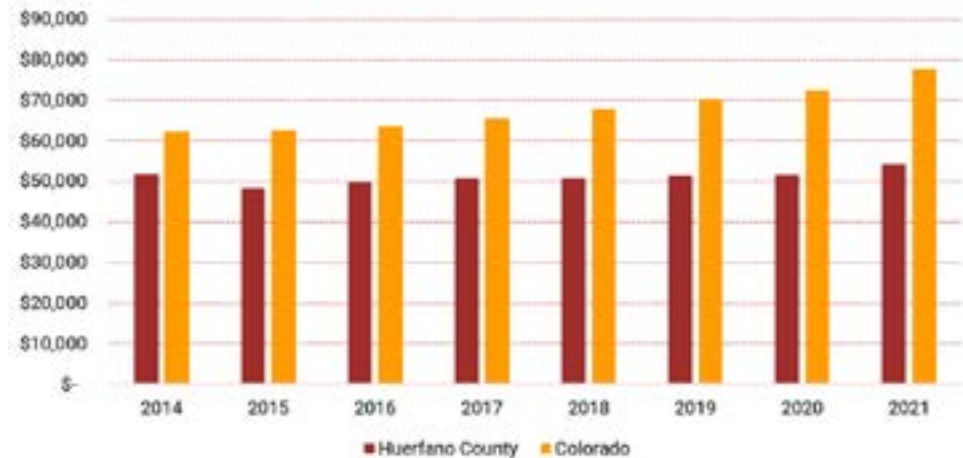


Source: Bureau of Economic Analysis, 2021

Innovative Housing Opportunities Plan

According to the [Housing and Transportation Index](#), a tool developed by the Center for Neighborhood Technology that tracks housing and transportation costs, Huerfano County's average housing and transportation costs make up 67% of median household income in the county. For about 13% of county residents, housing and transportation costs make up over 87% of their income. At an average of 35% of median household income, transportation costs are particularly steep in Huerfano County. For households earning about \$30,000 dollars a year (about 80% of the median household income for the county), typical housing and transportation costs make up 82% of income. It should be noted that the Housing and Transportation Index may draw on different data sources for housing cost than those that are used elsewhere in this report.

Huerfano County and Colorado, Average Annual Earnings, (full-time workers) 2014-2021 (Inflation-adjusted dollars)



Source: U.S. Census Bureau, American Community Survey, 2021 Estimates.

Commute Distances



Source: U.S. Census On the Map, 2020.

About a quarter of all Huerfano County workers commute less than 10 miles to work. However, nearly half of workers have a commute of greater than 50 miles. This is a significant change which has occurred over the last 5 years. In 2015, nearly half of workers lived within 10 miles of work.

Huerfano County is rural and spread-out in its geography, making reliance on a personal vehicle high for residents and workers. With limited alternatives (e.g., public transportation options), this raises the cost of living for workers, as described in Housing & Transportation Index section above.



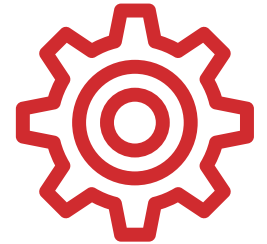
TACTICS TO INCREASE AFFORDABLE HOUSING

How this Plan Incorporates DOLA's Innovative Housing Strategies

This IHOP was funded by DOLA to facilitate the planning of affordable housing. In future grant opportunities that offer funding for implementation (e.g., site planning and construction), DOLA will be looking to see these strategies (from the 15 Qualifying Strategies list or an acceptable "other" strategy) adopted in the appropriate land use code (County, City or Town). **It will not be sufficient to simply have these strategies identified as a priority in this plan or other plan documents – they must be adopted so they can be implemented.** It is important to note that any of the recommended strategies and actions in this plan could likely qualify as an acceptable "other" strategy, as long as that strategy/action is adopted in one or more local land use codes. For further information on DOLA funding and support for affordable housing, see Innovative Affordable Housing Strategies | Division of Local Government (colorado.gov).

TACTIC 01.

Build capacity to plan, construct and manage affordable housing and support the process through a dedicated housing organization, such as a housing authority or coalition.



Tactic Purpose

To accomplish almost any goal, you need the right team with the knowledge, expertise, and time to work on the initiative. To build and maintain affordable housing in the project area, there is a strong need for a **dedicated organization to oversee housing programs and initiatives**, such as a housing non-profit or multi-jurisdictional housing authority.

This organization could help fulfill the following functions:

1. Apply for grants and loans to fund affordable housing construction
2. Serve as a development partner and coordinating entity for the Opportunity Sites and additional development sites
3. Own and/or manage housing complexes
4. Develop and/or support future housing studies
5. Monitor grant funding opportunities and serve as a liaison between local governments in the Project Area and relevant state agencies (e.g., DOLA, DOH, CHFA).
6. Help conduct predevelopment work/feasibility studies to speed up the development process, reduce costs for developers, and attract the development community
7. Help provide opportunities for the public to learn about, participate in, and facilitate the development of affordable housing; provide information about available housing resources
8. Serve as a coordinating entity for a land bank

How to Achieve Tactic 01. in the Project Area

Action 1.1

In summer 2024, apply for a Division of Local Government Local Planning Capacity Grant to **fund a Housing Coordinator position**. The role of a coordinator will be essential to create a housing coalition or similar dedicated organization. This coordinator could help connect key stakeholders, facilitate the development of the Opportunity Sites identified in this report, and apply for important grants to support the development of affordable housing.

Action 1.2

Create a working group/core team to get the housing coalition/dedicated organization off the ground. This group should be **multijurisdictional** and contain representation from the County, Walsenburg, and La Veta. The group should also have representation from major employers, contractors, and developers. Ensure that there are organizations and individuals participating who can support the need for housing for specialized groups, such as transitional housing for individuals in recovery and accessible/age-in-place options for older and disabled residents. Use the [Stakeholder Map \(page 175\)](#) to help build this group. This group should start as an informal organization, then pursue 501(c)(3) designation when feasible. When funds run out from the Local Planning Capacity Grant, the Housing Coordinator position could be housed and funded within this 501(c)(3) organization. **Explore an Intergovernmental Agreement (IGA) between Huerfano County, Walsenburg, and La Veta to support this housing coalition and core team (including line items to jointly support the salary of the Housing Coordinator and the operations of the housing coalition).**

Action 1.3

As a working group, select one or more sites (ideally, an [Opportunity Site](#)) as **pilot projects to develop needed affordable housing**. The role of the working group in this pilot project is to support the development team (landowner, developer, local government) with efforts to conduct needed feasibility studies, apply for grant funding, and help educate the public about the pilot project.

Action 1.4

Convene a housing summit. Invite members of the community and all parties represented on the [Housing Stakeholder map \(page 175\)](#) to a housing summit organized by the working group, County, and the municipalities. This event should include people and organizations that are impacted when housing needs are not met. This could include local organizations, small businesses, healthcare providers, major employers, and housing-insecure community members. The event should also include representatives from Neighborworks, Total Concept, Division of Housing, DOLA, and local developers who can share critical perspectives on their experiences and available resources to develop affordable housing in the project area. Share lessons learned from affordable housing projects to date, provide opportunities for discussion, and advertise opportunities for attendees to get involved in the organization.

Action 1.5

All three jurisdictions (and the Housing Coalition) should utilize public-private partnerships (PPPs) for development of affordable workforce housing. Jurisdictions can enter into PPPs with developers and other affordable housing organizations for the purpose of developing affordable workforce housing. Jurisdictions can provide financial backing and/or land for development in this arrangement.

Action 1.6

Create a “Construction Trades Training Program” or a “Homebuilding Apprenticeship Program” in which local students and community members are trained in construction techniques to build affordable housing. These initiatives aim to address the shortage of skilled labor in the construction industry while simultaneously providing affordable housing solutions for communities. Such programs may also be part of broader workforce development or vocational training initiatives aimed at empowering local residents with valuable skills and opportunities for employment.

Important Considerations

- A multijurisdictional approach will be most likely to be successful in the long term. The SLVHC serves multiple municipalities and counties in its region. Because they are working in a spread-out rural area, they work to combine the resources of their entire 5-County service area to support their work.
- Non-profit status is very advantageous. While the County could reactivate its housing authority to fulfill this strategy, a non-profit housing coalition model that is supported by the County may be a more advantageous and nimble organization. Housing authorities are beholden to requirements from HUD and are limited to a certain number of HUD-funded units, while a housing coalition would not have any such requirements or limits.

Case Study: San Luis Valley Housing Coalition



The San Luis Valley Housing Coalition (SLVHC) is a non-profit organization that funds, constructs, owns, and manages affordable housing developments in the San Luis Valley of Colorado. The organization, which has existed since 1993, mainly uses downpayment assistance loans and home rehabilitation loans acquired from the Division of Housing to fund a variety of affordable housing projects within their service area. The SLVHC was the first organization to use these two loans simultaneously. The organization has a staff of three and maintains a very strong working relationship with the state, which allows them to exercise some degree of flexibility with funding.

The SLVHC has used its non-profit status in several important ways. First, the organization's nonprofit status enables the organization's staff to dedicate substantial time and resources to acquiring grant funding.

Second, because the organization is a nonprofit, the organization can provide a tax write-off to contractors who provide their services to SLVHC. For example, a contractor visiting a potential adaptive reuse site to determine the structural integrity of the building could report that time/service as a tax-deductible donation to the organization as a form of payment for their services. The SLVHC has also found inventive ways to engage rural communities with limited resources. The organization has invited community members to attend virtual meetings and discussions at a local library or school with video conferencing capabilities; this helps local community members engage with the process even if they do not have internet access at home.

TACTIC 02.

Identify and provide a designated funding source for affordable housing development.



Tactic Purpose

Funding is a critical element to the development of affordable housing. Because affordable housing is often housing that is sold or rented below market-rate, there is nearly always a need for supplemental or “gap” funding to support the development of affordable housing. Affordable housing projects are almost always funded through multiple sources, in what is known as a “capital stack.” This capital stack typically includes a mix of loans, tax credits, grants, or other financing assistance to cover the difference between development costs and future revenues.

DOLA Qualifying Strategy #7 pertains to designated funding sources, specifically for infrastructure: “Dedicated funding source to subsidize affordable housing infrastructure costs and fees.” This is a very useful strategy, as grant funding can come and go. It also requires substantial capacity to secure grant after grant; a dedicated funding source can provide a more consistent funding mechanism in addition to grants or loans. This can facilitate long-term planning for projects.

There are several mechanisms to incentivize affordable housing development, including:

- Fee rebates for permit fees (e.g., a rebate of permit fees for each number of affordable units built)
- Fee waivers for affordable housing construction

There are also many ways to raise funding for affordable housing construction, including:

- Federal, state, or private grants and loans to fund affordable housing construction for rental or ownership. See **Funding Guide (page 175)** for more information.
- Funds to offset exemptions from fee waivers (e.g., funding to cover waived tap fees)
- Dedicated sales, property taxes, property transfer taxes that support affordable housing through a dedicated fund
- Mixed-income developments, with market-rate units subsidizing below-market units, often through an inclusionary zoning policy
- Linkage fees on commercial or residential development
- Fee-in-lieu payments (in communities with inclusionary zoning)
- Excise taxes on luxury homes or taxes on specific goods (e.g., “sin” taxes on marijuana)
- STR/second home fees
- Crowdfunding

How to Achieve Tactic 02. in the Project Area

Action 2.1

Determine the appropriate managing entity of a dedicated funding source (e.g. Community Housing Fund, Affordable Housing Fund) for affordable housing. This entity could be a multijurisdictional housing coalition as previously described, or it could be Huerfano County Economic Development Inc. It could also be individually or jointly managed by the county and municipalities. There may be multiple dedicated funding sources.

Action 2.2

Determine the **appropriate dedicated funding source(s)**. Possible funding sources could include a **tax on short-term rentals (STRs)** or vacant homes. If the tourism industry grows successfully in Huerfano County, the County could consider levying a **tax on tourism-oriented lodging** (healthcare-oriented lodging would be exempt). A tax on vacant homes would be a highly suitable funding source for all three jurisdictions (see sidebar). Another highly suitable funding source would be a **fee on commercial developments over a certain size**, as well as luxury residential developments. One drawback to the use of this fee as a funding source is that development of this type may be highly inconsistent from year to year, and thus the funding gathered would be inconsistent from year to year. Additional funding could be gathered through **tax-deductible donations to the housing coalition** as described in Tactic #1. This would require a public information campaign to encourage higher paid employees in the County to make a tax-deductible donation to the Housing Coalition. The County could partner with major employers (e.g., SPRHC, Chae Organics, CS Woods, school districts) on this initiative.

Vacancy Rates

45% of homes are listed as vacant in Huerfano County, 17% in La Veta and 14% in Walsenburg. "Vacant" homes include unoccupied homes with absentee owners as well as vacation homes. For this reason, a tax on vacant homes is suitable for housing markets with a strong second home market (La Veta) and struggling housing markets with a large number of empty homes with absentee owners (Walsenburg).

Formula: # of homes x Annual Vacant Homes tax = annual allocation to the Community Housing Fund

Action 2.3

Determine how the funds will be allocated. The funds should be used at least in part to address infrastructure costs, which are often a major cost and barrier to affordable housing development. Infrastructure costs can include water and wastewater service extensions, stormwater improvements, electrical, and more. Determine whether the funds will serve one, two, or all three jurisdictions. For example, a tax levied by the Town of La Veta on its short-term rentals and/or vacation homes should support a fund that serves affordable housing development in the Town of La Veta.

Action 2.4

Support mixed-income housing developments in all three jurisdictions. For example, require developments over a certain size (by units or square footage) to have some number or percentage of affordable units. As mentioned above, mixed-income housing can be an effective means of subsidizing affordable housing units at the scale of an individual project.

Important Considerations

- Construction costs have been rising rapidly in the Intermountain West. This trend is expected to continue.
- Lack of skilled labor is a huge built-in cost to affordable housing construction. For example, it will be challenging and expensive to find a construction team and specialized trades that can serve a remote area like Gardner.
- Consider a sunset provision on the allocation of funds, so that the allocation can be changed if needed. For example, at present, funding is most needed to finance infrastructure for the construction of affordable housing. In the future, it may be advantageous to dedicate funding to maintenance instead once more units have been built.
- Huerfano County has very limited funds; however, even a small, dedicated funding source can still be impactful for affordable housing development.
- If a major industry like mining comes back to the county, consider a tax on production that funds affordable housing. In the Iron Range in northern Minnesota, a regional organization called the Iron Range Resources and Rehabilitation Bureau (IRRRB) levies a tax on the production of iron ore that funds community development projects.

Case Study: Residential Vacancy Taxes



Many communities of all sizes have successfully adopted vacancy taxes, or taxes on homes that are unoccupied more than 6 months per year. Occupancy is typically determined through affidavit and utility usage. Vancouver, Canada was an early adopter of a vacancy tax (or “empty home tax”) in 2016. If a homeowner wants to avoid paying a vacancy tax, they can simply rent their property out to a full-time resident. This adds to the supply of housing, likely reducing overall price pressure in the local housing market. Between 2017 and 2019, over $\frac{1}{4}$ of all formerly vacant homes in Vancouver became primary residences or rental properties. The tax, which was initially levied at 1% of the vacant property’s assessed taxable value, raised over \$61.3 million in support for affordable housing between 2016 and 2019.

Crested Butte, CO has adopted a vacancy tax inspired by Vancouver. The tax is levied as a flat fee, not a rate, in accordance with state tax law. Crested Butte also collects a 3% land transfer excise tax, which supports the preservation of open space and the Town’s General Capital Fund, and a 7.5% excise tax on short-term rentals. South Lake Tahoe, CA is currently considering an annual vacancy tax that would begin at \$6000/year for the first year and \$3000/year each year after.

TACTIC 03.

Establish a clear, efficient, and effective development process that facilitates and incentivizes the development of a variety of housing types.



Tactic Purpose

The process of developing affordable housing can be long, arduous, and expensive. Extensive permitting fees and structures and challenging zoning ordinances can hinder even the most well-financed, well-intentioned affordable housing developers. This tactic can help facilitate access to affordable housing by making it easier to build housing of all kinds.

The DOLA Qualifying Strategies pertain to streamlining the development process to facilitate the development of affordable housing. Huerfano County, the City of Walsenburg, and the Town of La Veta have all adopted at least one of these strategies. In order to be eligible for Prop 123 funding in the next commitment cycle, at least three of these strategies must be adopted in official ordinance. In order to be eligible for Prop 123 funding for the 2027-2030 commitment period, all jurisdictions must adopt an ordinance by November 1, 2026 to require expedited review of projects with 50% or more affordable units. Prop 123 defines “affordable” as rental housing at or below 60% AMI, for-sale housing at or below 100% AMI, and both of which cost less than 30% of household monthly income, however this “fast-track” incentive can be extended to other housing projects that align with community housing goals, as articulated in this plan or similar documents.

DOLA Qualifying Strategies

The most relevant DOLA strategies for the project area have been highlighted in **bold**:

1. **Use of vacant, publicly owned real property for the development of affordable housing**
2. **Subsidize/reduce local government fees (including permitting fees)**
3. Expedited development review for affordable housing up to 120% AMI
4. Expedited development review for acquiring or repurposing underutilized commercial property
5. **Density bonus program for housing needs**
6. Promote sub-metering utility charges for affordable housing
7. **Dedicated funding source to subsidize infrastructure costs and associated fees (including water, sewer, and roads)**
8. **Middle multifamily (duplex, triplex, other) housing as a use-by-right in single-family residential zoning districts**
9. Designate affordable housing as a use-by-right in residential zoning districts
10. **Designate ADUs as a use-by-right in single-family zoning districts**
11. Allow planned unit developments (PUDs) with integrated affordable housing units
12. Allow small square footage residential unit sizes
13. **Lessen minimum parking requirements for new affordable housing units**
14. **Land donation/acquisition/banking program**
15. Inclusionary zoning ordinance
16. Other acceptable strategies

The Actions included below draw on the Qualifying Strategies that are most relevant to the project area. The Actions below also include additional strategies that could count as acceptable “Other” strategies. For further information on the most applicable DOLA strategies, please see [Affordable Housing Strategies Analysis \(Appendix B\)](#).

How to Achieve Tactic 03. in the Project Area

Action 3.1

All three jurisdictions should **adopt a policy to dedicate publicly owned real property for the use of affordable housing**. This policy should require the County/municipality to develop or use an existing suitability analysis (see [Suitability Analysis page 55](#)) to indicate whether the land in question is suitable for residential development. The policy should also encourage the public purchase or donation of privately owned land that has high suitability for housing or land banking for the development of affordable housing.

Action 3.2

All jurisdictions should **identify if development fees (e.g., utility hookups) should be completely waived, reduced by a certain amount or percentage, deferred to a later date, or given increased payment flexibility by using a payment plan for affordable housing developments**. Jurisdictions should consider identifying alternative funding sources to cover the administrative costs or impact costs of public utility hookups that are being waived. Each jurisdiction will have to develop a policy for fee waivers, reductions, or deferrals for mixed-income developments, which may be able to share the cost of fees between market-rate and below-market units.

Action 3.3

Pursue actions to **support expedited development review of affordable housing projects that meet community goals**. In order to be eligible for Prop 123 funding for the 2027-2030 commitment period, all jurisdictions must adopt an ordinance by November 1, 2026 to require expedited review of projects with 50% or more affordable units. Prop 123 defines “affordable” as rental housing at or below 60% AMI, for-sale housing at or below 100% AMI, and both of which cost less than 30% of household monthly income, however this “fast-track” incentive can be extended to other housing projects that align with community housing goals, as articulated in this plan or similar documents. The process to receive necessary permits and approvals should be **clear, streamlined, and accomplishable within 90 days**. Consolidation of review processes and **establishing a single point of contact for each jurisdiction (or all three)** can also assist with the ease of navigating permitting processes. Expedited review can refer to a shortened timeline of review or the waiving of multiple rounds of review, for example. See DOLA guidance and draft ordinance for this requirement.

Action 3.4

All jurisdictions should consider adopting a density bonus provision to encourage the development of affordable housing. This is particularly relevant for Walsenburg and La Veta, which have concentrated downtown areas where demand may be greater for higher-density developments. This density bonus must offer a real incentive to developers; a density bonus that is too small (e.g., allows the construction of 1 additional unit) may not entice developers enough to help their projects pencil. Consider pairing this density bonus program with a deed restriction program to encourage local residency (i.e., requiring bonus units to be deed-restricted or allowing bonus units if a certain number are deed-restricted).

Action 3.5

Huerfano County should adopt a provision requiring the sub-metering of utility charges for affordable housing projects. This model allows households to be charged the true cost of their utilities, which can reduce costs compared to a “master metering” model. Walsenburg and La Veta have already adopted policies to this effect.

Action 3.6

The City of Walsenburg should consider allowing duplexes and triplexes by right in A-0, R-0, and R-2 zones in addition to R-1 and R-2 zones and allow multi-family developments at least conditionally in all residential zones with some dimensional standard limitations. **The Town of La Veta should consider allowing triplexes by right in all residential zones, in addition to duplexes, and expanding multi-family development conditionality in all residential zones.** While tap fees may make the cost of triplexes prohibitive in La Veta, triplexes are still recommended as a method of encouraging infill and reducing pressure on outward growth. Use design guidelines and dimensional standards to reduce bulk and mass concerns. Huerfano County has already taken substantial steps to allow missing middle housing types throughout the county.

Action 3.7

All three jurisdictions should support and facilitate the formation of a community land trust or land banking program. Ideally, this program would be facilitated by a regional, intergovernmental entity, such as the Housing Coalition (as described in Strategy 1). The project area is well positioned to benefit from a land banking program or a land trust dedicated to the development of affordable housing, especially with the high rate of vacant and blighted properties in Walsenburg and parts of Huerfano County. This action is also referenced in Tactic #5.

Action 3.8

Walsenburg and La Veta should pass an ordinance to allow ADUs in all residential zoning districts and avoid zoning requirements that inhibit ADU development, such as small minimum lot size requirements, minimum parking requirements, excessively large setback requirements and excessively small maximum square footage requirements. **The City of Walsenburg should update the zoning code to clarify where ADUs are permitted** and should allow them as a use by right in any zone that allows single family dwellings as a use by right. Additionally, the maximum square footage of 400 square feet should be increased to 800 – 1,000 square feet. **The Town of La Veta should update the municipal code to include regulations for ADUs and allow them in all districts that allow single family dwellings as a use by right.** The Town of La Veta should consider not requiring an additional tap for an ADU. As Huerfano County has updated its Land Use Code to allow at least two dwellings per lot (and up to six in some zones), the County should work to educate landowners and developers about the changed residential densities and how this may apply to the development of ADUs.

Action 3.9

The City of Walsenburg should consider reducing parking requirements for apartments, multi-family dwellings, and townhouses for affordable housing developments. These reductions in restrictions may apply across zones, or within specific zones, depending on potential impact and need. As La Veta currently does not have any parking requirements, other than those for mobile home parks, no parking requirement restriction reductions are necessary. However, if parking requirements are implemented in further iterations of Land Use and Zoning Regulations, La Veta should consider including exceptions for affordable housing developments in all or some of their zones. Huerfano County may consider reducing or eliminating the minimum parking requirements for affordable housing developments, especially in the higher density Urbanizing Residential zoning district.

Important Considerations

- Different strategies will be more suitable for different jurisdictions. The strategies that will work best for La Veta may not work best for Walsenburg and vice versa.
- A land trust model could also be beneficial for providing other community-serving uses, such as pocket parks.

Case Studies



Community Land Trust

The Chaffee Housing Trust (CHT) in Chaffee County, Colorado exemplifies the community land trust (CLT) model's effectiveness in addressing affordable housing challenges. Established in 1994, CHT acquires land to develop affordable housing units, ensuring perpetual affordability through a ground lease mechanism. Collaborative partnerships and innovative financing have enabled projects like RiversEdge, providing over 200 permanently affordable homes. CHT's approach fosters equity, sustainability, and community empowerment, offering valuable insights for addressing affordable housing nationwide.

Density Bonus

Density bonuses are effective ways of incentivizing certain types of development, including affordable housing. In 2021, the City of Alamosa adopted Ordinance 26-2021, which amended the Unified Development Code (UDC) to allow for an affordable housing density bonus. The number of dwelling units that may be built on a site can be increased by 5 units per acre or 25% of the zone density, whichever is less, in any residential or mixed-use zoning district. Such development is subject to a covenant on the property that limits the sale price or rent charged for 25% of the units or 3 of the units, whichever is greater, to an amount affordable to 80% AMI for Alamosa County.

TACTIC 04.

Facilitate local ownership and occupancy of units; support a year-round community of workers, families, and retirees.



Tactic Purpose

There is a strong need to support local ownership and occupancy in the project area. Housing for community-serving professionals (e.g., teachers, nurses, police officers) is a top priority for many stakeholders surveyed. Homeownership is also a top priority for these individuals; this helps retain essential workers in the community and enable community members to build wealth through homeownership.

How to Achieve Tactic 04. in the Project Area

Action 4.1

Develop a program to **provide mortgage and housing payment assistance for civil servants, teachers, and other community-serving professionals** to help reduce the burdens of homeownership for essential workforce members. This program could be employer-assisted or could involve working directly with a local bank or other lending institution to administer this program. **Employer-based housing assistance has proven to be an important recruitment tool** in many communities. This type of program could also offer subsidies for closing costs or low-interest loans. This program would be best managed by the Housing Coalition; project area jurisdictions should seek assistance from Neighborworks SC to get this program off the ground.

Action 4.2

Provide long-term rental incentives for property owners. Create programs to incentivize property owners to rent to full-time residents seeking housing rather than rent their property as a short-term rental or sell it as a second homes that would remain vacant for much of the year. These programs could include upfront financial incentives or could qualify homeowners for other programs including energy efficiency upgrade assistance or low-interest loans for remodeling. This strategy is closely related to a deed restriction program, such as Vail InDEED, in which the local housing authority acts on behalf of the Town of Vail to purchase deed restrictions on units for rent or purchase. See below for additional information on deed restrictions.

Action 4.3

Adopt a deed restriction model to encourage local occupancy of units. Jurisdictions could explore various models of deed restrictions based on different requirements, such as household income, primary residency, and/or local employment. These deed restrictions could be placed on the unit upon development, could be voluntary at the time of purchase, or voluntary at any point during homeownership tenure. Deed restrictions could apply to owner-occupied and rental properties, as in the Vail InDEED program. A voluntary program will be the least costly to implement initially; if the jurisdictions or the housing coalition eventually obtain enough access to capital, they could consider efforts to acquire deeds of homes.

Action 4.4

Educate and encourage residents of Huerfano County to pursue USDA Rural Development Home Loans, such as the USDA Single Family Housing Guaranteed Loan Program. A Housing Coalition could help provide this type of education and technical assistance for individuals looking to access these loans.

Action 4.5

Too many short-term rentals (STRs) can sometimes threaten the long-term housing supply in a community. La Veta has recently adopted regulations to address this issue; **Walsenburg and Huerfano County should also develop Short-Term Rental regulations**. Jurisdictions can choose to regulate short-term rentals by only permitting them in certain zones, requiring an application/registration and associated fee, or can implement STR moratoriums as a way to control the share of STRs within the total housing stock, preserving housing options for local residents and long-term renters. As discussed in Tactic #2, STR fees can help support funding for affordable housing development.

Action 4.6

Develop and expand existing utility assistance programs for low- to middle-income households (heat, weatherization, electricity bill, etc.). The Colorado Weatherization Assistance Program provides energy conservation services for low-income households. Jurisdictions and/or the Housing Coalition could establish weatherization programs for those who do not qualify for the Colorado WAP, but still need financial assistance and resources to properly weatherize their homes. The jurisdictions could work with San Isabel Electric Association to establish this type of program.

Important Considerations

- It will likely be unrealistic for the jurisdictions to pursue all of the actions for this Tactic at once. Future working groups and housing advocates should return to this list periodically to evaluate whether there is enough available capacity, capital and financing to support additional recommended programs.
- State programs, such as first-time homebuyer programs offered by the Colorado Housing and Finance Authority (CHFA), may have better access to capital to help facilitate homeownership and local occupancy in Huerfano County. A Housing Coalition or similar organization could help connect individuals and employers to these programs and help them navigate available resources. Strong collaboration with Neighborworks, Total Concept, and other leading groups with expertise in growing homeownership will be critical to the success of these types of programs.

Case Studies

USDA Self-Help Homeownership Program

The USDA Rural Development Self-Help Homeownership and 502 loans program enables low-income households (80% AMI or less) to contribute sweat-equity – a specified number of hours of physical labor – towards the construction of their home. Neighborworks Southern Colorado is also employing the Self-Help Homeownership program for the [Pikes Peak Park](#) development in Pueblo, CO. This development will consist of over 600 housing units, where approximately 74% of the single-family homes will be available for affordable homeownership for those in the 50-120% AMI income levels.

The [Arroyo Crossing Affordable Housing Development](#) in Moab, UT has several phases of Self-Help Homeownership, managed by the Housing Authority of Southeastern Utah and the nonprofit, Community Rebuilds. As of 2024, the subdivision includes 43 completed, deed-restricted self-help homes and townhomes for locally employed households that make less than 80% AMI.



Arroyo Crossing Subdivision, Moab UT

Deed Restrictions

The City of Salida adopted an [Inclusionary Housing Program](#) in 2018 to promote the construction of housing that is affordable to the community's workforce, to retain opportunities for people that work in the City to also live in the City, to maintain a balanced community with housing for all income levels and needs. Homes built under the Inclusionary Housing Program are deed-restricted and regulated by income levels, residency, household size relative to home size, and rental rates for both rental and for-sale homes. The Chaffee Housing Authority manages all the deed restrictions for this program. The deed restricted homebuyer application is available [here as an example](#).

TACTIC 05.

Preserve and Maintain Naturally Occurring Affordable Housing (NOAH).



Tactic Purpose

While it is highly recommended to incentivize the new construction of affordable housing in Huerfano County, Walsenburg, and La Veta, it is equally important to preserve and maintain existing workforce housing in Huerfano County. This includes Naturally Occurring Affordable Housing (NOAH), which is housing that is typically older and cheaper due to deferred maintenance needs. There is a need to preserve this type of housing through ongoing upgrades while retaining its affordability. In Walsenburg, where there is a high occurrence of NOAH, efforts to preserve and maintain existing housing will be especially important. In areas where NOAH cannot be preserved and maintained, strategic redevelopment should be pursued and encouraged.

Important Considerations

Public education about rehabilitation and demolition programs will be extremely important. Homeowners may be understandably concerned about the ways the recommended policies and programs would affect them. The Housing Coalition and local governments should ensure that homeowners and community members can access clear, up-to-date information about these programs as they develop.

How to Achieve Tactic 05. in the Project Area

Action 5.1

All jurisdictions should develop and/or utilize existing programs to assist and incentivize rehabilitation and preservation of existing housing. Financial incentives such as grants for façade improvement and historic preservation or funding from an affordable housing trust fund (as discussed in Tactic #2) can be leveraged to encourage housing rehabilitation to create high quality, attainable housing. Jurisdictions should adopt a policy to dedicate specific rehabilitation programs and financial incentives for the maintenance of affordable and/or attainable housing units. Existing programs to leverage include the following:

- [Housing Development Grant Fund \(HDGF\)](#) – Division of Housing
- [Single Family Housing Repair Loans & Grants \(Section 504 Program\)](#) -- USDA Rural Development
- [Habitat for Humanity Home Preservation Programs](#), such as the “Brush with Kindness” program
- [Community Development Block Grants](#)

Action 5.2

Encourage the development of ADUs to increase housing supply and provide a revenue source that homeowners can use to finance upgrades to existing housing. As discussed in Tactic #3, ADUs should be encouraged in all three jurisdictions. If a homeowner constructs an ADU, that homeowner could use the revenue from rents to fund upgrades to their home. Alternatively, the Housing Coalition could help facilitate a revolving loan program that funds ADU construction and/or upgrades to existing housing.

Action 5.3

Strategically support the demolition and redevelopment of unsafe housing into affordable or attainable housing for the community. All three jurisdictions should **adopt a Demolition and Redevelopment ordinance** that outlines ways to classify unsafe buildings, identifies specific redevelopment zones and incentives for redevelopment (e.g., tax abatement, density bonuses, etc.). The ordinance should **require that a certain percentage of units developed in redevelopment zones and/or using redevelopment incentives be affordable to low and middle-income households.** Use the [Suitability Analysis \(page 55\)](#) and other tools to determine appropriate redevelopment zones and accompanying incentives. See [Evans, CO](#) as an example of community with a Redevelopment Agency dedicated to urban renewal in blighted zones.

Action 5.4

Support the establishment of a land bank that could help purchase blighted or underutilized properties. This recommendation is particularly relevant in Walsenburg. As a trial area, this plan recommends acquiring property in the northeastern part of Walsenburg, which was identified as highly suitable for additional housing development as part of the Suitability Analysis (See Map X). The land bank should be operated by the Housing Coalition or should partner with its members (e.g., key developers, community groups, and major employers). To spur redevelopment, all jurisdictions using the land bank should require that properties held by the land bank return to the tax roll (preferably through redevelopment) within a certain period of time, such as 2 years.

Action 5.5

All jurisdictions should support upgrades to the energy efficiency of existing housing, which can reduce heating costs and improve sustainability. Existing programs such as Energy Outreach Colorado can assist homeowners with weatherization and insulation projects.

Revitalizing Neighborhoods: How Land Banks Simplify Property Renovation Financing

Land banks play a pivotal role in facilitating loans that integrate both the acquisition of a property and the necessary upgrades into a single package. They typically acquire distressed properties, often through foreclosure, and focus on stabilizing and revitalizing these properties and the surrounding neighborhoods.

In this process, land banks collaborate with local lenders, community development financial institutions (CDFIs), or other financing partners to structure loans covering both the property acquisition cost and the anticipated renovation expenses. By bundling these costs into a unified loan package, they streamline the financing process for buyers or developers interested in rehabilitating the property.

This approach reduces barriers to entry for potential buyers or developers, particularly those lacking access to conventional financing or deterred by the complexities of securing separate loans for acquisition and renovation. Consequently, it facilitates the rehabilitation of blighted properties, contributing to neighborhood stabilization and revitalization efforts by transforming vacant or deteriorated properties into quality, affordable housing options.

Case Studies

Improving Energy Efficiency, Lowering Costs

The Climate Smart Homes (CSH) initiative in Wilmington, DE aims to preserve naturally occurring affordable housing and keep housing affordable for residents by reducing their overall energy costs, making their community more sustainable in the process. The graphic below lists examples of upgrades the CSH program has pursued to increase the sustainability of homes and improve long-term affordability. Read more about the initiative [here](#).

New Construction		Gut Rehabilitations
<ul style="list-style-type: none"> ENERGY STAR and ZERH certification Envelope: <ul style="list-style-type: none"> Continuous exterior wall insulation Above the deck & roof cavity insulation Above-code air tightness ENERGY STAR Windows U = 0.25; SHGC = 0.23-0.36 HVAC: <ul style="list-style-type: none"> ASHP: ≥18 SEER; 10.5 HSPF; prefer ducted Heat Pump Hot Water Heater: UEF ≥ 3.5 Energy Recovery Ventilation Slab on grade (wherever possible) 	 	<ul style="list-style-type: none"> ENERGY STAR and ZERH protocols to extent practical Envelope: <ul style="list-style-type: none"> Continuous wall insulation Above the deck & roof cavity insulation Above-code air tightness ENERGY STAR Windows U = 0.25; SHGC = 0.23-0.36 HVAC: <ul style="list-style-type: none"> ASHP: ≥18 SEER; 10.5 HSPF; prefer ducted Heat Pump Hot Water Heater: UEF ≥ 3.5 Energy Recovery Ventilation Foundation water proofing

Land Banking

The Town of Ignacio, CO, located in La Plata County, has been land banking for several years, amassing over 32 acres of land. While most of that land can be used for affordable housing development, about 3 acres can be used for mixed-use development. The land bank also includes the Rock Creek parcel, acquired with assistance from DOLA in the 1990s to facilitate the construction of affordable housing. The Town of Ignacio [2021-2023 Strategic Plan](#) outlines their Land Banking opportunities, policies, and strategies to increase affordable housing.

TACTIC 06.

Site housing away from hazards and close to community amenities.



Tactic Purpose

Huerfano County contains several areas that have hazard probability, including areas with elevated burn and flood risk. This plan includes a **Suitability Analysis** that assesses the suitability of each parcel in the county for housing development. A parcel should be considered highly suitable if it is sufficiently far from hazards and sufficiently close to amenities and necessary infrastructure, particularly water and wastewater. **Although Huerfano County has a strong need to address its housing shortage, the development of housing should still be conscious of hazards and factors that make housing development unsafe or challenging.** Smart siting of new housing is important for human health and safety as well as affordability – in many cases, it will be more expensive to build housing in hazard-prone areas.

Important Considerations

The quality of siting decisions for housing in Huerfano County will greatly depend on the quality of the data available. The County, Walsenburg, and La Veta should strongly prioritize efforts to maintain quality spatial data of important local infrastructure, hazards, and other key information. This could facilitate future updates to the Suitability Analysis and help ensure that local leaders and the development community are well-informed about the risks of developing in certain areas of the County.

How to Achieve Tactic 06. in the Project Area

Action 6.1

Consider offering a density bonus for affordable housing on suitable parcels that have adequate water access. All jurisdictions should consider offering a density bonus for affordable housing developments on highly suitable parcels. As discussed in the Suitability Analysis section of this plan, “suitability” means high proximity to community amenities and infrastructure (including water and wastewater) and adequate distance from hazards. The [Suitability Analysis \(page 55\)](#) in this plan can serve as reference for this density bonus policy. However, as stated in this plan, that analysis does not include comprehensive water data information and reflects the best available data in 2024. The analysis will need to be updated over time to ensure its accuracy and usefulness as a tool.

Action 6.2

Ensure adequate separation between oil/gas/hazardous development and new/existing housing. Require new hazardous development to have an appropriate buffer from housing development. This has been recommended in the 2024 Huerfano County Comprehensive Plan update (see [ZLU Policy 5.6](#)).

Action 6.3

If the project area begins to see stronger development pressure, consider establishing a program of transferable development rights (TDR) in Huerfano County. Allowing a transfer of development rights enables landowners to preserve their asset value by selling or transfer the rights to build a house or other structures on property unsuitable for development to another location where higher-density development is allowed and encouraged. As there are many properties within Huerfano County that are unsuitable for development due to lack of infrastructure and access, this concept could financially benefit those landowners, while also enabling higher density development closer to services and established communities. This type of program is more suited to metropolitan areas or areas with more development activity and pressure; for this reason, transferable development rights have not been recommended at present in the 2024 Huerfano County Comprehensive Plan. However, if TDR becomes more relevant, the program should use the County future land use map to identify receiving areas for growth.



FINDING LOCATIONS FOR AFFORDABLE HOUSING

About the Housing Suitability Model

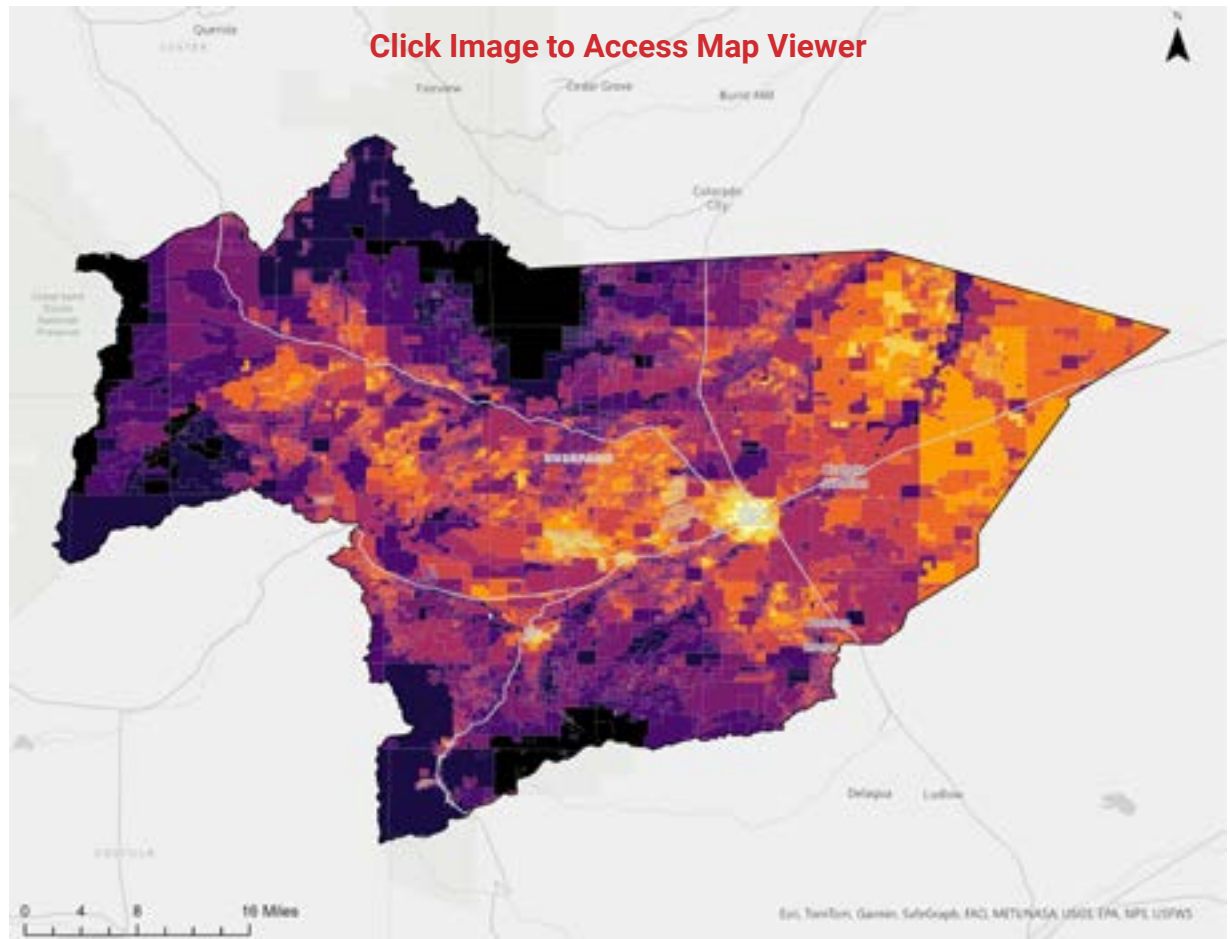
The purpose of this suitability analysis was to analyze where new housing development, including affordable housing, is most appropriate and suitable in Huerfano County, La Veta and Walsenburg. This analysis serves as a tool for policymakers, planners, and housing developers to make informed decisions about land use regulation and resource investment for housing development projects. This tool considers a variety of variables that affect the suitability of a site for housing, including natural hazards, proximity to roadways and other infrastructure, and proximity to businesses and community amenities. The tool is intended to assist in site selection for affordable housing, promoting housing opportunities that are strategically located, accessible to a diverse range of residents within a region, and harmonious with natural resources to the degree possible.

What is a Suitability Analysis?

A suitability analysis map is a powerful tool in local and regional planning that helps identify the most suitable locations for various land uses, such as housing development, including affordable housing. This analysis ranks every parcel in Huerfano County, Walsenburg, and La Veta on its suitability for housing development based on a range of factors and criteria. For example, parcels in the county that are close to factors that are beneficial for housing development (e.g., roadways, treated water and wastewater facilities, and businesses) and far from factors that are undesirable for housing development (e.g., natural and manmade hazards) will rank highly in this model. These maps were created by combining various readily available data sources and analytical techniques to provide valuable insights for decision-makers.

What This Model Does:

This model ranks all the parcels in Huerfano County, La Veta, and Walsenburg on their proximity to amenities that are desirable for housing development (e.g., schools, libraries, roadways, businesses) and their distance from factors that are less desirable for housing development (e.g., burn risk areas, steep slopes, hazardous waste sites).





Analysis Description

This analysis is intended to identify suitable lots for housing and affordable housing in the project area. Suitability analysis maps consider multiple factors. This includes proximity to essential amenities like schools, healthcare facilities, public transportation, and grocery stores. They also take into account environmental factors such as flood risk, wildfire risk, and slope. Additionally, the analysis considers development factors like location of existing infrastructure, such as roads, broadband, and public water and sewer systems. By overlaying and weighting these criteria, the map highlights areas that are most suitable for housing development, with a specific focus on affordable housing to address housing needs for low to moderate-income populations.

Data Used in the Suitability Analysis:

- Parcel data
- Agricultural soils
- Parcel Legal Restrictions (e.g., conservation easements)
- Wilderness Areas
- Wetlands
- Floodplain
- Slopes
- Roads
- Areas with high burn probability (as identified in the 2024 Huerfano County Hazard Mitigation Plan update)
- Public Water Services
- Waste Water Facilities
- Broadband Access
- Bus Stop Locations
- Fixed Route Transit
- Brownfield Sites
- Mining Sites
- Transmission Lines
- Businesses
- Schools
- Medical Facilities
- Post Offices
- Fire Stations
- Parks

The data layers utilized for this analysis were the result of a selection process, during which the project team evaluated and determined the most suitable data to include in the analysis and how the data should be weighted and considered. The primary sources of geospatial data for this model were national and state databases, with additional data sourced from local municipalities and additional public sources. All data layers used are public and readily available; no ground-level surveys were taken and no original data was collected. (See Appendix x for details on data sources).

Submodels

The data layers listed above were grouped to generate three submodels. A submodel is a collection of similar data (e.g., all infrastructure data). These submodels served as the primary inputs into the final suitability model (Figure 1). The sub models and the data used in each sub model include:



Infrastructure Proximity

- Transmission Lines
- Public Water Services
- Waste Water Facilities
- Broadband Infrastructure
- Roads
- Fixed Transit Lines
- Bus Stops



Site Constraints

- Agricultural Soils
- Parcel Legal Restrictions and Public Lands
- Wilderness Areas
- Wildfire Risk
- Wetlands
- 100-Year Floodplain
- Slopes
- Brownfield Sites/Mining Sites



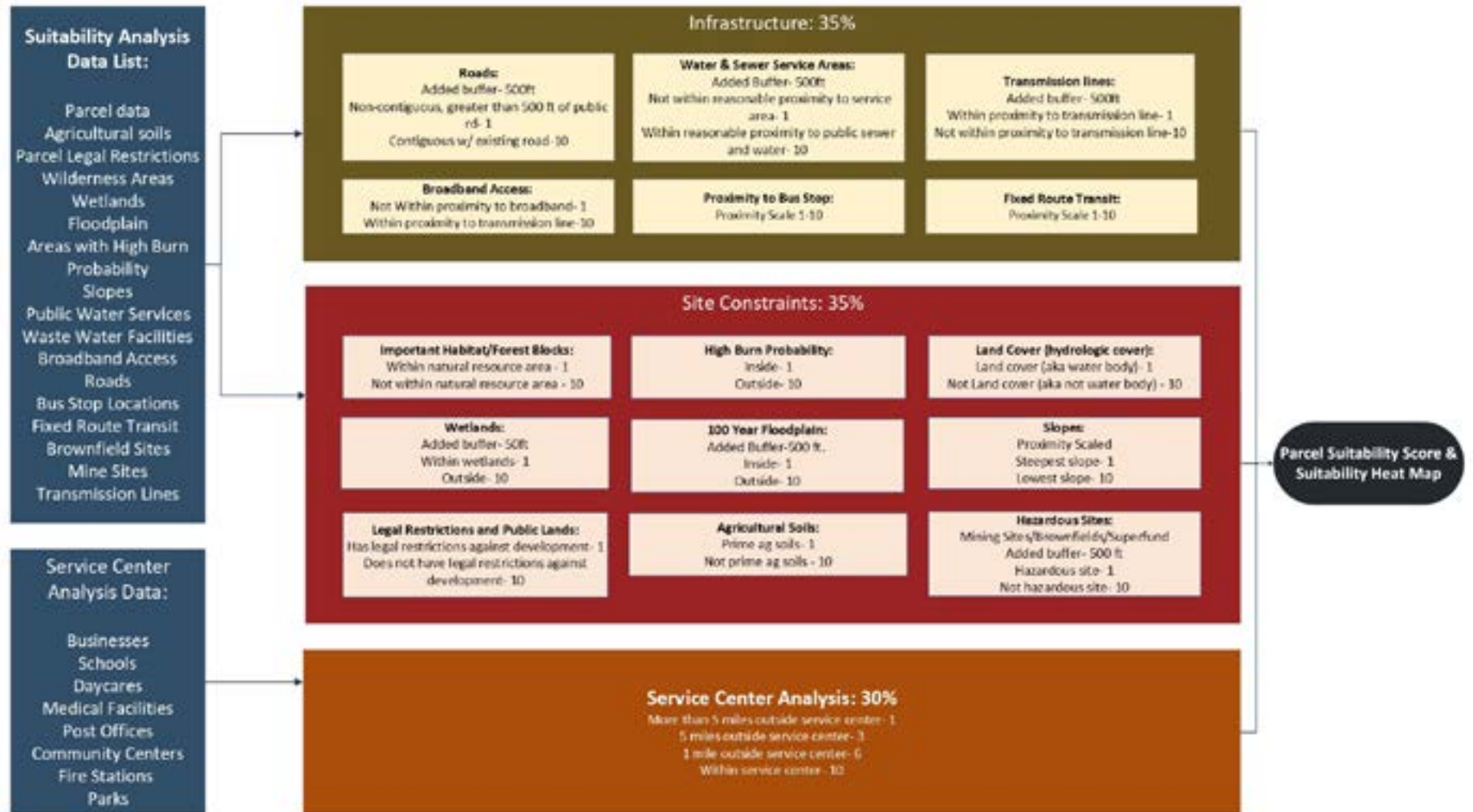
Service Center Analysis

- Businesses
- Schools
- Post Offices
- Parks
- Medical Facilities
- Fire Stations
- Community Centers

For the Infrastructure and Site Constraints Submodels, each data point within these submodels underwent classification on a 1 to 10-point scale, ranging from least suitable to most suitable.

The Service Center Analysis underwent a slightly different analysis process. Instead of classifying and weighing different data, a kernel cluster analysis was performed. This analysis calculates the distance between each pair of data points in the dataset and identifies “clusters,” or high concentrations of essential services such as grocery stores, schools, or hospitals. This information is valuable for pinpointing areas that currently have many of these services and may be ideal for affordable housing.

Figure 1. Suitability Model Process Diagram



As shown in Figure 1, each parcel received a score on each data point. A parcel's final suitability score was determined by its scores on the Infrastructure submodel (35% of final score), Site Constraints submodel (35% of final score), and Service Center Analysis (30% of final score).

Combined Suitability Model

The three submodels were aggregated and assigned weights to create the combined or overall suitability model. All of the submodels were given equal weight. The overall suitability model takes the results of each submodel's analysis and calculates a compounded suitability score for each mapping pixel. This suitability score was subsequently applied at the parcel level, yielding scores for every parcel in the project area.

This analysis was performed for three different areas in Huerfano County: the primary analysis was applied to the area of Huerfano County as a whole, including municipalities within the county. For comparison, the project team also applied the suitability model to the City of Walsenburg and the Town of La Veta, constraining the boundaries of the analysis to municipal boundaries. These two versions of the model yield different rankings for suitability. The municipality-specific analyses highlight the suitability of downtown parcels, which are close to jobs and businesses.

Feedback from Stakeholders on the Suitability Model

During Stakeholder Interviews conducted during this planning process, various community leaders and community members had the opportunity to review a preliminary version of the suitability analysis. Please see Plan Appendix for a summary of stakeholders consulted. Feedback from these stakeholders is summarized below:

- On the whole, stakeholders were very enthusiastic about the suitability analysis and wanted to see it used in the county to support the development of affordable housing
- Stakeholders were concerned about possible development in Cuchara, which they viewed as a very challenging place for new development, due to the area's significant environmental constraints and distance from essential services. Stakeholders also perceived lack of local support for housing in Cuchara
- Stakeholders wanted to encourage new development that is contiguous with existing development and redevelopment of blighted or vacant properties, such as vacant school properties in Walsenburg and La Veta. Stakeholders were less excited about parcels that were not contiguous to existing development (e.g., suitable lots south of Gardner)

Model Limitations

Water Information Limitations

This model does not capture the full complexities of water rights and availability in Huerfano County, Walsenburg, and La Veta. In the process of creating this Suitability Analysis, the project team and the Project Steering Committee determined that due to limited site-specific water data and the complicated legal environment that governs water in this region, it would be impossible to accurately represent water availability on every lot in the county as part of this mapping analysis. However, the project team recognizes that water availability is critical for any housing development to occur on any parcel. For this reason, the model incorporates a 3-mile buffer around treated water/wastewater facilities in the county.

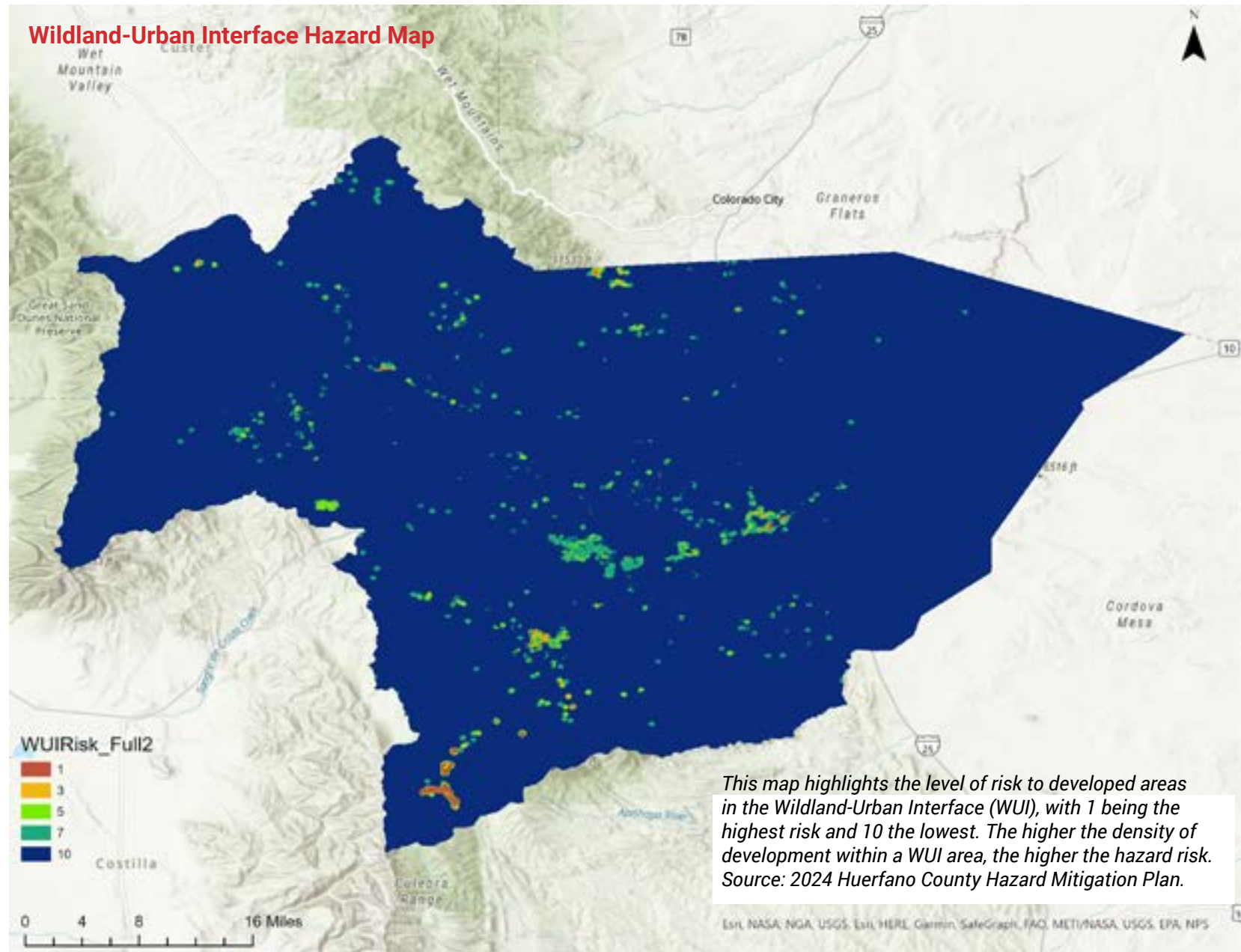
The model also includes water service area boundaries in Gardner, Cuchara, the Navajo West subdivision, La Veta, and Walsenburg. In Walsenburg, the Northlands area has been excluded from the water service boundary due to the complications of water augmentation in that area. The project team was unable to acquire complete water data from the City of Walsenburg, particularly related to the Highway 160 corridor between Walsenburg and La Veta. The project team excluded water service districts for some private subdivisions in the county that do not have additional service capacity.

The Wildland Urban Interface

FEMA defines the Wildland Urban Interface (WUI) as “the zone of transition between unoccupied land and human development. It is the line, area or zone where structures and other human development meet or intermingle with undeveloped wildland or vegetative fuels.” This area is considered to have elevated risks for wildfire and other hazards. Almost all of Huerfano County lies within the WUI.

The WUI was not included as a Site Constraints layer in this analysis because it applies to almost the entire county and decreased the viability of almost all parcels in terms of suitability, making it harder to see differentiations between the suitability of different parcels within the WUI. Other hazard layers related to the WUI, such as a high burn risk area, were included in the analysis. It should be assumed that all parcels within the WUI (which is to say, almost all parcels within the county) come with a certain degree of risk for development; it is incumbent upon developers and local governments to adequately assess and guard against risks to life and property.

To learn more about the WUI, please [click here](#).



Other Data Limitations

The suitability estimates prepared for this project are only as accurate as the data sources used. This analysis was developed using readily available, publicly accessible geospatial data from local, state and federal sources. These data layers vary in their precision and accuracy. Some are based on field-collected data, while others were developed using computer models. Some data layers provide precise geospatial information while others are intended for more regional applications. The final suitability model estimates housing development suitability down to the parcel level. Within a given parcel area, there may be additional topographic constraints or site-specific conditions that limit or enhance the development potential of the site. Before constructing housing on any parcel in the county, a site visit and follow-up analysis of the site should be conducted to “ground truth” the suitability of each parcel.

Need for Further Analysis and Due Diligence

Identifying suitable land does not guarantee its current feasibility for development. Properties still require comprehensive evaluation to determine if they are viable for development. This includes checking whether relevant zoning regulations permit additional development and assessing land availability. Additional constraints, such as restrictive covenants or water availability, can also render specific areas nonviable for development. Moreover, this analysis does not account for land costs or construction costs, which are important considerations for development.

Note: This analysis has been used to inform zoning recommendations for the 2024 Huerfano County Comprehensive Plan. However, the suitability map itself is not a zoning map and does not directly enable development on any particular parcel.

Unexpectedly High Scores for Northeastern Huerfano County

One idiosyncrasy in the suitability model is the high-ranking nature of some parcels in the northeastern portion of the county, east of I-25. Although these parcels are not close to more populated areas of the county, they rank highly because there are very few natural and manmade hazards in that area. Because these sites receive a high score in the “Site Constraints” submodel, they received a higher score overall. However, common sense tells us that this area is not the most opportune area for development just because it has few hazards. Other factors, such as proximity to jobs, schools, roadways, and other infrastructure should also inform the decision of where to encourage new housing.

Analysis at the Lot Level

This model analyzes housing potential on individual lots in the project area. The analysis ranks each lot as a whole and does not split parcels that have different levels of suitability in different areas of the parcel. For example, the model does not differentiate between parcels that are entirely within a burn risk area or only partially within a burn risk area – if a parcel boundary overlaps with the burn risk area, that parcel receives a lower score no matter the percentage of the area affected. The model also does not account for development that could occur on multiple lots. However, the model has identified clusters of suitable lots, which could be developed separately or together through a PUD or other method.

Potential of Less Suitable Sites

Although this suitability analysis highlights areas with the highest suitability for development, some of the areas that rank as less suitable may still be developable. The purpose of this analysis is to point out potential complications for development, such as floodplain issues or limited access to services and roads. To genuinely determine a site’s viability for housing development, more research is essential to assess the scale and impact of these constraints and limitations thoroughly.

Need for Additional Input from Landowners and the Public

This model is intended to act as a reference for future housing development in Huerfano County, La Veta, and Walsenburg. Public input and opinions on specific sites were not integrated into the model. Future housing development in the project area must be accompanied by a public process and input opportunities to ensure that new housing adequately serves the community.

This model analyzes both public and private lands in the county for housing development. However, not all landowners were consulted as part of this analysis. A parcel may rank highly in suitability, but a landowner may not be amenable to development or redevelopment on their parcel. Consultation with landowners is a critical part of the development process.

Opportunity Site Results Key Takeaways

The suitability analysis for Huerfano County, Colorado reveals several critical factors influencing land use and housing development potential within the region.



Water Services Influence

The presence of water services emerges as a crucial determinant of suitability. This became particularly evident in the Navajo West Subdivision and in La Veta, which has a finite limitation on water to serve residents within existing town boundary. Access to reliable water infrastructure elevates the suitability of this area, highlighting the importance of water resource management in land use planning.



Prominent Environmental Constraints

As described previously, the assessment identified wilderness areas, fire risk areas, and floodplains, as significant environmental constraints. This is most evident when observing the relatively high suitability of parcels in the northeast corner of the County. These parcels do not have adequate infrastructure or services for housing; however, their lack of major environmental constraints contributed to their relatively high rank. This does not indicate that these far-flung parcels should be considered for housing development, however this finding does underscore the need for careful planning and mitigation strategies to ensure the safety and sustainability of future housing.



Importance of Service Area Clusters

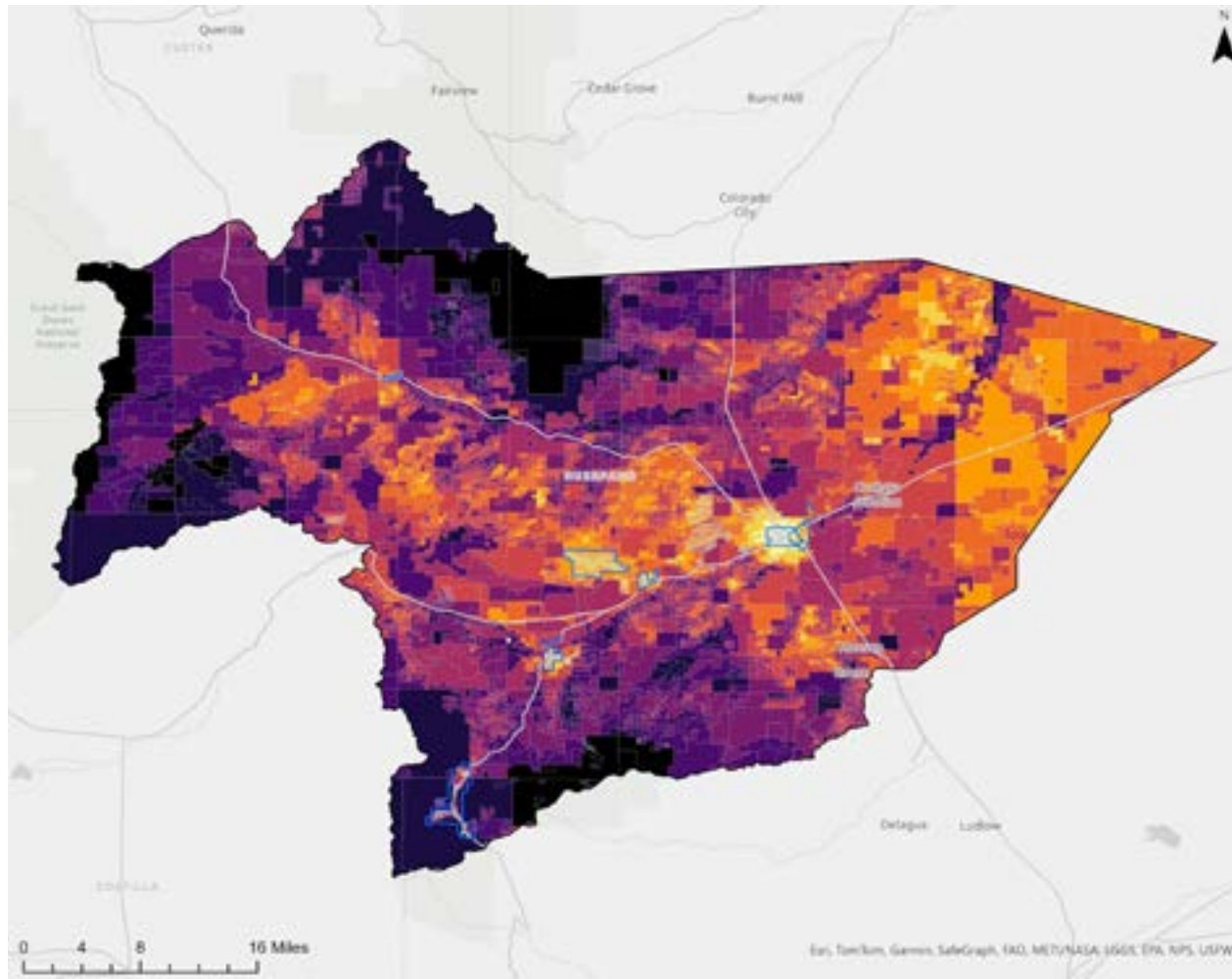
The analysis underscores the concentration of businesses in clusters, particularly in Walsenburg and La Veta. These areas emerge as the primary hubs of economic activity, benefitting from consolidated services and infrastructure. In particular, Walsenburg's relative separation from some environmental constraints (e.g., burn risk areas) enhances its suitability for development, making it a key focal point for future growth and investment.



Cuchara's Constraints

Despite its scenic appeal, Cuchara faces challenges due to its proximity to wildfire risk zones and wildlands. These environmental factors diminish its suitability for extensive development, necessitating cautious consideration of land use policies to preserve its natural beauty and mitigate potential hazards. In addition, this area has limited access to services (e.g., gas stations, grocery stores, emergency services) and can be challenging to access in bad weather.

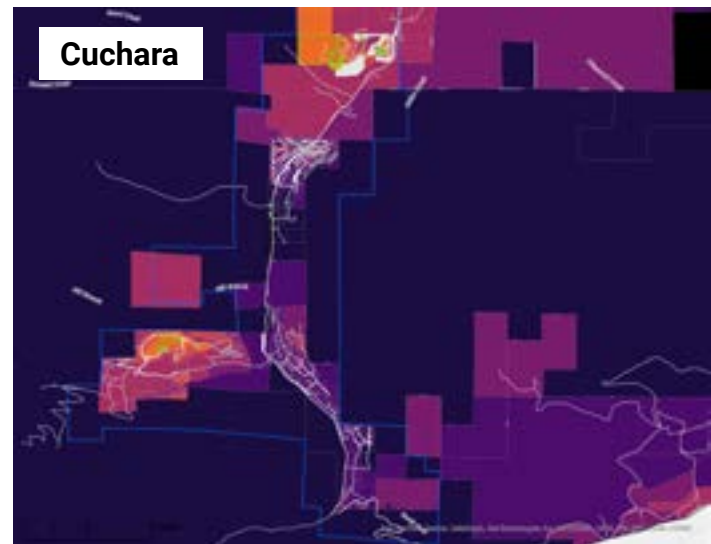
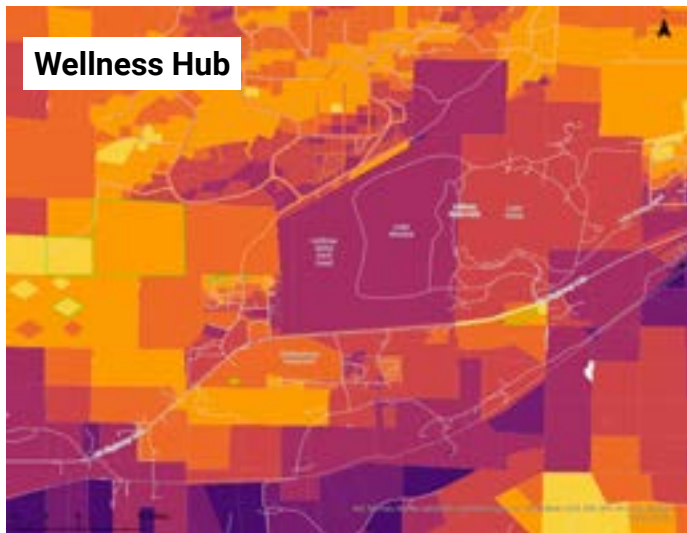
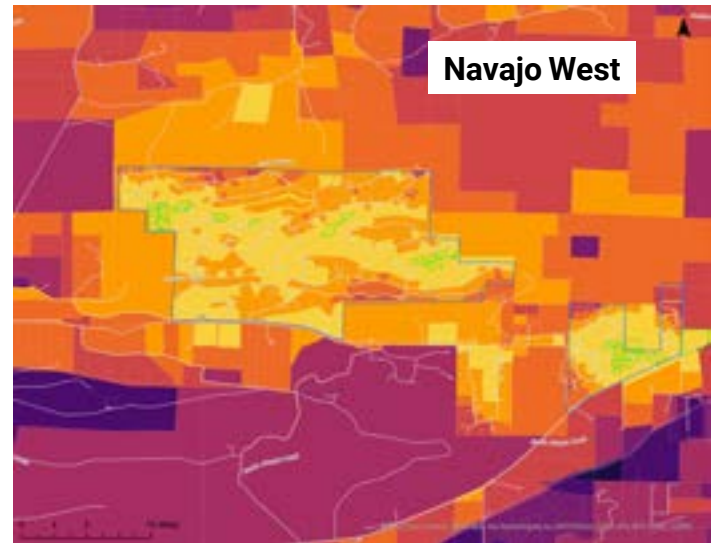
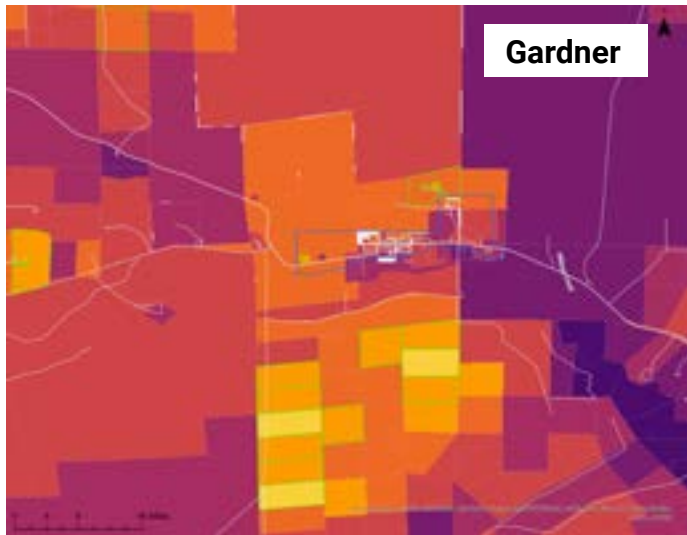
Top Parcels: Huerfano County



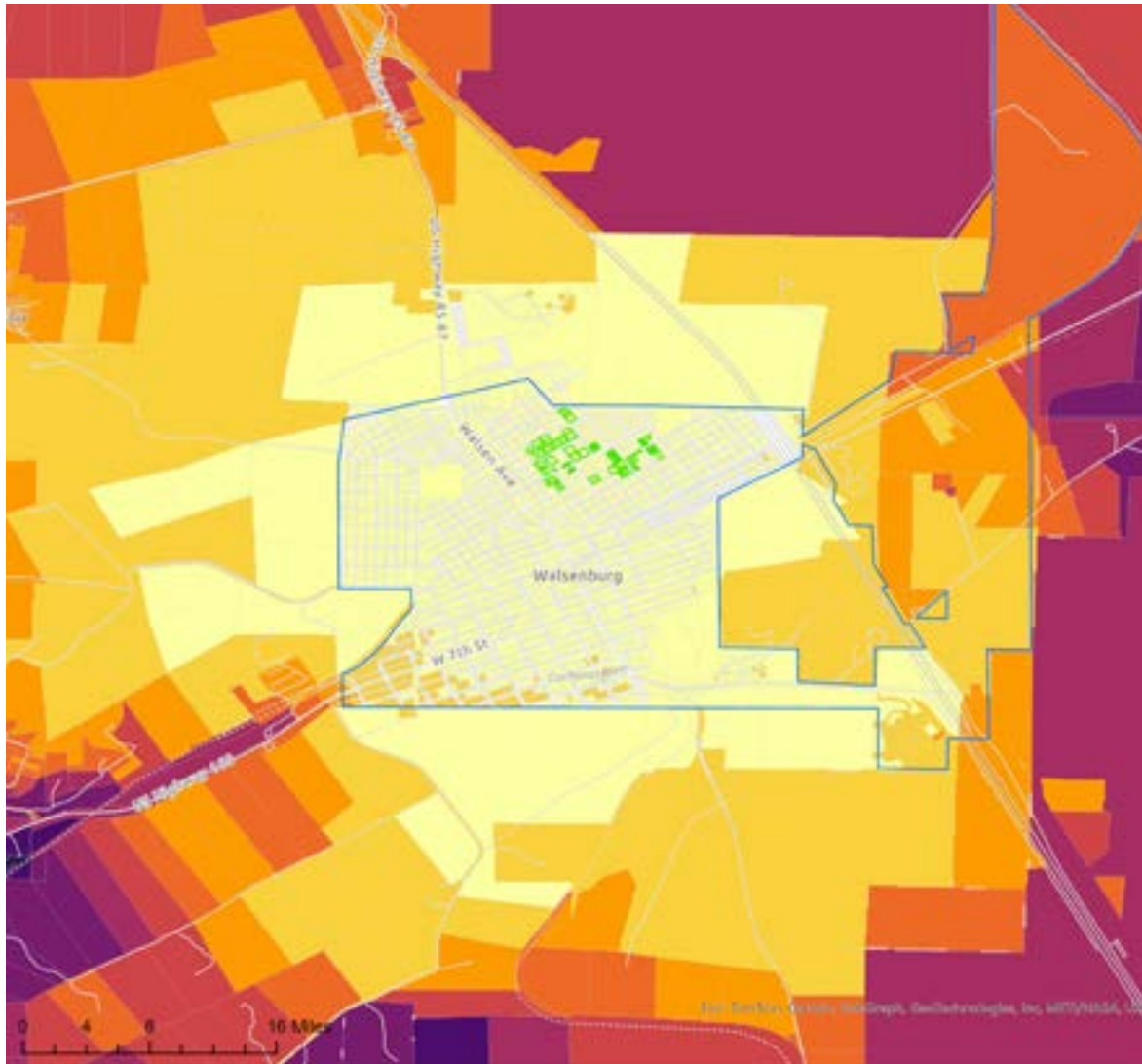
The top parcels identified through the suitability analysis predominantly cluster in the vicinity of Walsenburg, reflecting the area's robust infrastructure, abundance of services, and fewer site constraints. These parcels emerge as prime candidates for future development initiatives, offering favorable conditions.

While Walsenburg boasts the highest concentration of top-rated parcels, other regions within Huerfano County also feature parcels of considerable suitability. Noteworthy sites outside Walsenburg, including those in La Veta, Gardner, near the hospital, and other areas across the county, exhibit some potential for development. Figures x-x highlight the distribution of these highly suitable parcels, showcasing the diverse opportunities available throughout Huerfano County beyond its primary urban center.

Top Parcels: Huerfano County



Top Parcels: Walsenburg



Site constraints are notably limited in the downtown area, enhancing the prominence of services and infrastructure availability as the primary influences of site suitability. When examining the model of Walsenburg in isolation, downtown Walsenburg emerges as the most suitable area for site selection. Proximity to essential services, coupled with minimal site constraints, distinguishes this downtown core as a prime location for development initiatives. The concentration of businesses, amenities, and walkable spaces further solidifies downtown Walsenburg's position as a preferred location for housing.

The analysis underscores the critical role of water infrastructure in shaping site suitability within Walsenburg, where a stark delineation is made between the city center and the northern most part of the city (Northlands). As noted in the discussions of limitations of this model, the project team excluded the Northlands area from the water service boundary in recognition of the complexity of water access and drainage issues in that area.

Top Parcels: La Veta

In line with the Walsenburg model, the analysis of La Veta highlights the significance of services concentration in determining site suitability. Many top-rated sites are clustered within the downtown core, benefiting from proximity to essential services and amenities.



However, unlike Walsenburg, La Veta exhibits more pronounced site constraints, reflecting the diverse landscape and pronounced site constraints such as floodplains, riparian areas, and wetlands. These natural features present both opportunities and challenges for development, requiring a nuanced approach to land use planning to ensure the sustainable and resilient growth of the community.

The project team acknowledges the complexity of water access within La Veta, noting that while the model assumes universal access throughout the city limits, the reality is more nuanced. A limit on water taps effectively caps population at 1200-1500 people. At the time of writing, the town's population was approximately 1200 people, which may impose constraints on housing density and development potential and possibly impact the financial feasibility of housing projects.

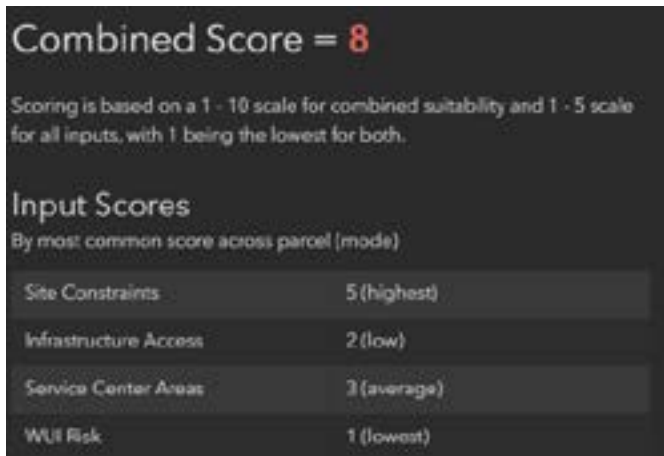
How to Identify a New Site Using the Suitability Analysis Model

While the Suitability Analysis Model was constructed to identify the twelve opportunity sites included in this report, it is a tool that can be used to identify other properties for affordable housing development that are not analyzed in this report.

[Click Here to View the Model](#)

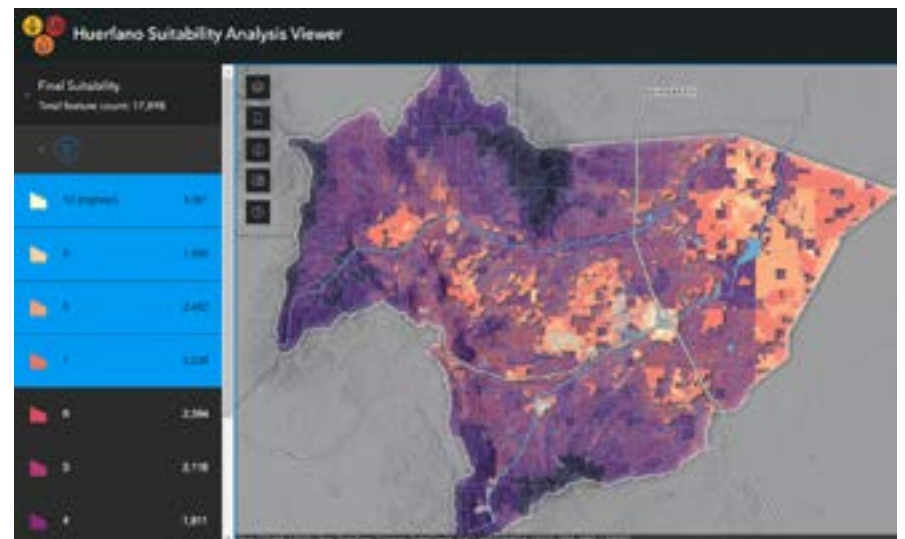
I have a property in mind...

This model can be used to analyze a specific property to better understand which site constraints will need to be mitigated. To do so, select the property in question in order to see the overall suitability score (out of 10), and the associated input scores; Site Constraints, Infrastructure Access, Service Center Areas, and WUI Risk, all of which are scored with 5 being the most desirable. The example score below indicates that while there are few site constraints at this property, there is little infrastructure access and high WUI risk, both of which must be mitigated.



I am looking for a new property...

This model can also be used to identify new sites that have high development potential and few site constraints. To do so, select the suitability score filters on the left side of the viewer to highlight only high-scoring parcels (generally a score of 7 or higher is considered "high suitability"). Analyze the highlighted high-scoring parcels based on ownership status and parcel size to identify potential for development.

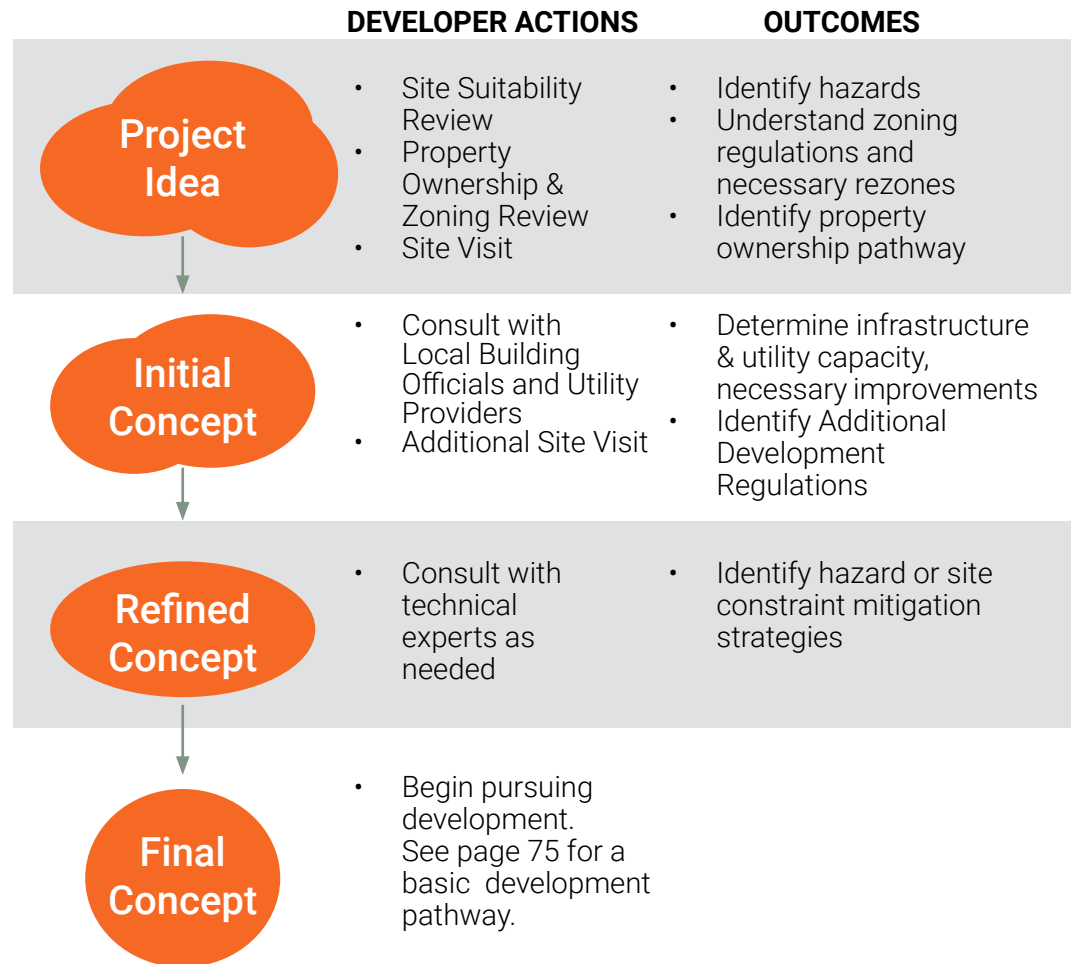


Due Diligence and Site Selection Process

To ensure informed decision-making during the site selection process, it is imperative to recognize that the top sites identified by the model may not always align perfectly with the specific needs or objectives of a development project. The process of “due diligence” is a series of steps that help analyze a site and any constraints present on it. **While this model provides valuable insights into site suitability, it should be viewed as one of many tools in an affordable housing developer’s toolkit rather than the sole determinant of site selection.**

Conducting thorough due diligence is an essential part of the development process. This involves investigating potential zoning or covenant restrictions that may impact development plans, as well as understanding the ownership structure of the parcel and any associated legal considerations. Additionally, evaluating infrastructure needs such as access to utilities and transportation networks is crucial for determining the feasibility of development. Therefore, developers or development partners should follow a structured process when utilizing this model for site selection. In its most basic form, this process consists of the following steps:

Due Diligence Process

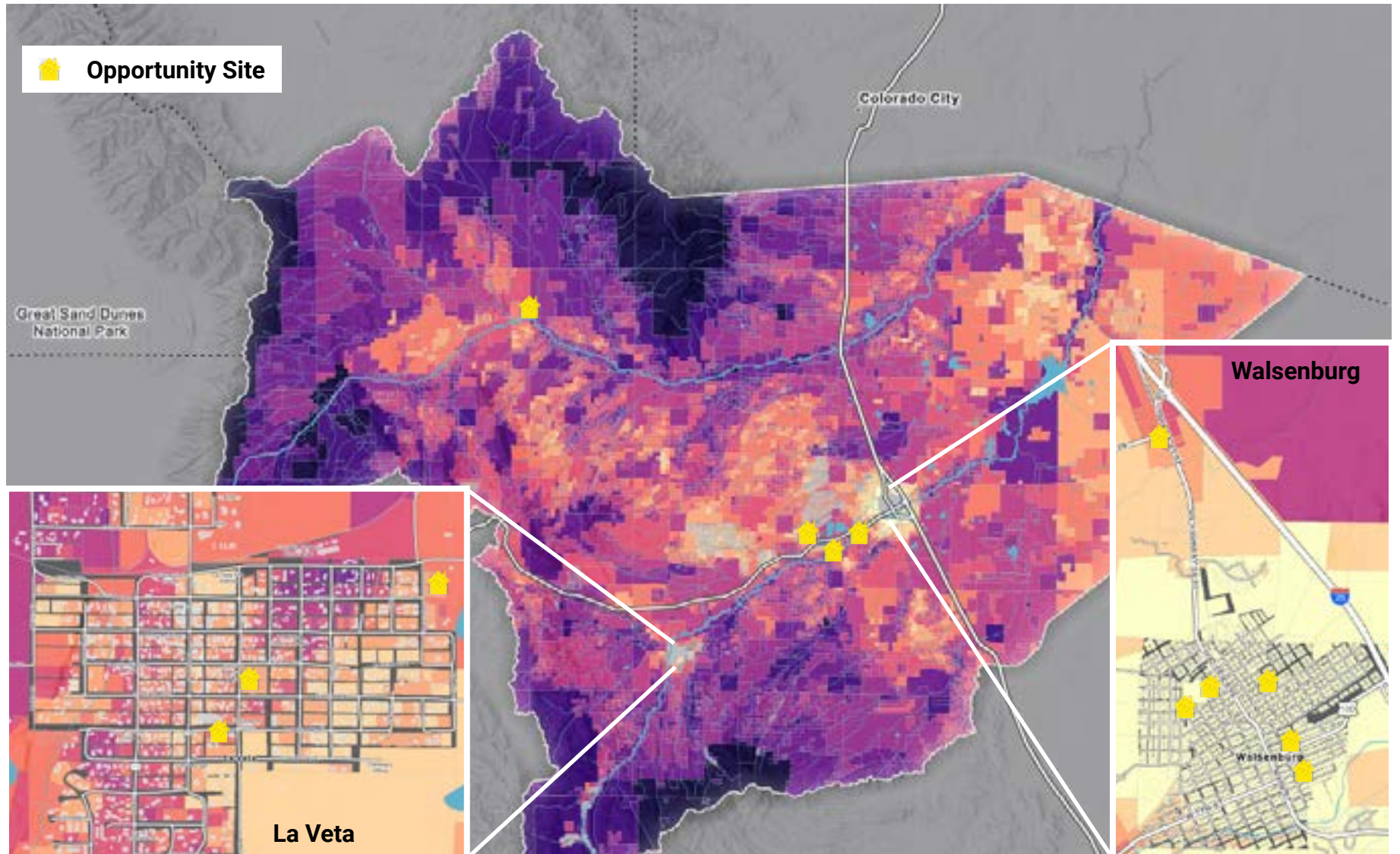




OPPORTUNITY SITES ANALYSIS

The following twelve Opportunity Site Profiles highlight properties throughout Walsenburg, La Veta, and Huerfano County that have been identified as potential sites for affordable housing development. These profiles are intended to inform affordable housing developers, documenting the beginning of the due diligence process and providing a draft concept for housing development. These profiles do not indicate a development agreement and are intended only as background research and a summary of stakeholder feedback. Developers will have to conduct additional due diligence before pursuing a project.

Opportunity Sites



Opportunity Sites

Town of La Veta



School Campus
Tier 1



Ballfields
Tier 3



Hoobler Property
Tier 2

City of Walsenburg



Spruce and Sproul
Tier 1



Former Football Field
Tier 2



St. Mary's School
Tier 3



Former Motel
Tier 2



Washington School
Tier 2



Polk Ave School
Tier 2

Huerfano County



Rio Cucharas Inn
Tier 2



Gardner PUD Site
Tier 1



Black Knight Inn
Tier 3



Youth Camp
Tier 2

How to Use the Opportunity Site Profiles

Each Opportunity Site Profile contains background information about the property and a preliminary site concept for affordable housing development. The type of information provided in these profiles is listed below:

Site Background

- **Opportunity Tier** - *based on site constraints, ownership status, administrative hurdles*
 - Tier 1: Shovel-Ready Site*
 - Tier 2: Moderate Site Limitations*
 - Tier 3: High Site Limitations*
- **Site Planning Status** - *if housing is currently being planned here*
- **Narrative Property Description**
- **Address**
- **Current Zoning**
- **Ownership Status**
- **Parcel Number**
- **Suitability Score** - *using the Suitability Analysis Model*
- **Water and Wastewater Infrastructure**
- **2024 FLUM Designation** - *if in the unincorporated county*
- **Site Strengths**
- **Site Constraints**
- **Stakeholder Feedback**

Preliminary Site Concept

- **Potential unit mixes** - *number and type of units*
- **Income targets**
- **Audiences served**
- **Relevant community goals** - *see page 16 for the full list of community goals*
- **Development Pathway, following this basic structure:**
 - Site Acquisition
 - Create a Development Team
 - Develop a Site Plan
 - Receive Necessary Approvals
 - Complete Construction or Rehabilitation
 - Manage Housing
- **Funding Opportunities**
- **Relevant Case Studies**

County Site #1: Rio Cucharas Inn

Tier 2: Moderate Site Limitations
Planning Status: Active

Located on the northwest side of Highway 160 between Walsenburg and La Veta, the inn is approximately 50 years old and went out of business 8 years ago. The inn consists of approximately 35 rooms, including a mix of 1, 2, and 3-bedroom hotel rooms. The property was recently donated to the county, and the county has released an RFP seeking a qualified development partner to enter into a public-private partnership to develop “economically and environmentally sustainable affordable and attainable housing in a way that encourages and supports the development of small businesses and industry as well as improves the overall quality of life throughout the County.”

SITE INFORMATION

Address: 77 Taylor Blvd

Zoning: Commercial-Service

Ownership: Public, Huerfano County

Parcel Number: 367682

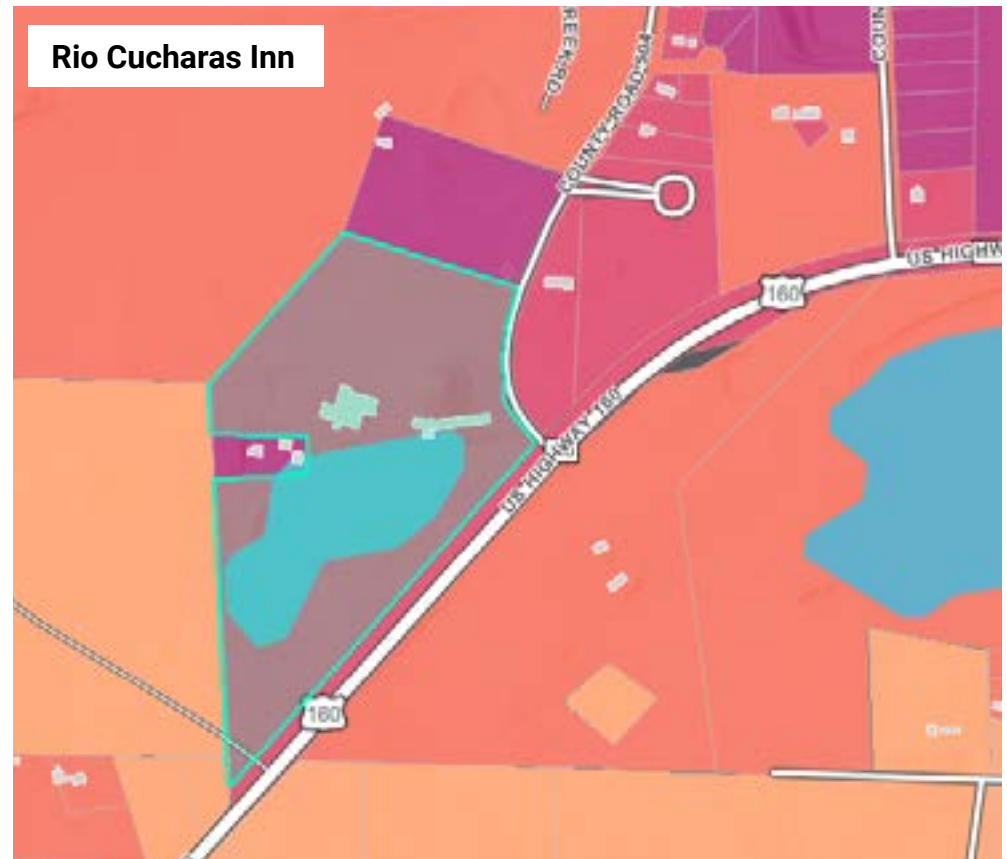
Parcel Size: 25.9 Acres

Suitability: 6 out of 10 (Medium)

Water: Walsenburg Municipal Water System

Wastewater: None

2024 County FLUM Designation: Wellness Hub



Site Strengths

- County-owned property
- High proximity to the County's two largest employers (Chae Organics and SPRHC)
- A former community meeting place – community members remember using the pool and meeting room
- Connected to Walsenburg municipal water
- Commercial zoning has the highest allowable density of any county zoning district (6 or more units per acre)
- Central location within the County with easy access (via personal vehicle) to Walsenburg and/or La Veta
- Communal kitchen could be useful for hotel-style units for traveling nurses
- Close proximity to Lathrop State Park and Walsenburg Reservoir, potential for wellness uses as part of "Wellness Hub" envisioned in the 2024 Huerfano County Comprehensive Plan

Site Constraints

- Inn building and outbuildings are in questionable condition. The building may be structurally sound, but it is mechanically in poor condition and needs new plumbing. Some fire damage to the site.
- Pool building is in poor condition.
- Not connected to municipal sewage line – there is a need to identify sewage treatment
- Not a walkable location, personal vehicle required.

Stakeholder Feedback

Stakeholders have expressed strong enthusiasm for redevelopment of this site to housing. Stakeholder feedback supports use of the property as a community amenity using the existing pool, spa, and tennis courts. Some stakeholders have suggested restoring the hotel and returning it to operation while constructing housing on the open area of the parcel to the northeast.



Street view of Rio Cucharas from the east

Rio Cucharas Inn

Preliminary Site Concept

SITE POTENTIAL

Projected Unit Potential: 24-30 units, mix of studio/hotel-style, 1 BR, 2 BR, and 3 BR units plus additional tiny homes possible

Projected Unit Types: Rental, some short-term stays possible

Potential Income Targets: Mixed-income with units priced at 60-80% AMI

Relevant Stakeholders: Huerfano County, nearby employers (Chae Organics, SPRHC)

Potential Housing & Lodging

The Rio Cucharas Inn site has strong potential as a workforce housing location due to its close proximity to the county's two largest employers. The site has the potential to include 24-30 units, with a mix of studio/hotel-style, 1 BR, 2 BR, and 3 BR units plus possible additional tiny homes. With its close proximity to SPRHC, the hospital would be interested in opportunities to house traveling staff (tour of duty rooms) either at this location or adjacent to the current Youth Camp site. The hospital has also highlighted a need for short-term stays for people visiting family members in the hospital or living in veterans' housing at SPRHC. There is an important opportunity to use revenue from these short-term stays to finance the long-term units. Tiny homes with above-ground septic systems may be a suitable option for these short-term stays. Another option is to restore the hotel for use as a lodging establishment and construct long-term housing on the open area to the northeast of the hotel.

Community Amenities & Wellness

Several community members have expressed interest in ensuring that the rehabilitated site functions as an amenity for the broader community, in addition to providing housing. Amenities such as the former hotel restaurant could function as a communal kitchen for residents in efficiency units. This could serve as an important cost-saving mechanism for some units. While it may not be possible to fully rehabilitate the existing pool and spa, it may be possible to fill in the pool and convert the space to an indoor recreation space or gathering space. As noted in the 2024 Huerfano County Comprehensive Plan, paths for walking/biking between the Rio Cucharas Inn, Lathrop State Park, Chae Organics, and SPRHC would be highly beneficial and should be encouraged in future site development.

Relevant Community Goals



Housing for Community-Serving Professionals



Adaptive Reuse & Sustainability



Economic Vitality & Community Benefit

Wastewater Needs

Wastewater treatment options will need to be addressed in future planning efforts. When the hotel was in operation, sewage treatment lagoons were used in front of the building. These permits have lapsed and would need to be re-permitted. An underground septic system is not an option due to the site's close proximity with Lathrop State Park and drainage towards that area. Above-ground engineered septic may also be an option.

Recommended Development Pathway

- 1. Secure an MOU between SPRHC and County regarding the future redevelopment of the site into workforce housing.**

While SPRHC is not interested in taking on responsibility for developing workforce housing, they are still a valuable partner for the future redevelopment of the Rio Cucharas Inn site into workforce housing. This MOU should establish shared goals for the site and introduce the possibility of future financial contributions to the site from both the County and SPRHC. Ideally, this MOU should cover multiple redevelopment sites in the Wellness Hub area. Note: while SPRHC may be interested in “reserving” a block of rooms for hospital workers, this designation may inhibit the project from using certain state funding sources. The state cannot allocate funds for the development of housing for a particular private employer.
- 2. Solicit development support and continue to gather a development team.**

The County should work with developers procured through the recent RFP process to establish a path forward for the site. Consult the Stakeholder Map to identify possible development partners. The process should follow a phased approach to development, as outlined below. As part of the first phase, the selected development partner must determine whether the building is structurally sound and is a candidate for adaptive reuse.
- 3. Determine structural integrity of building and potential for rehabilitation.**

The development team should conduct a series of studies and assessments to determine if the building is structurally sound, beginning with a visual inspection and materials testing (testing of existing building materials to assess their condition). Retain a structural engineer to conduct a structural engineering assessment of the building and/or non-destructive testing (NDT) that can help identify structural defects. Consider the building’s proximity to potential natural hazards and conduct a soil assessment to determine if the building’s foundation is adequately supported.
- 4. Investigate any historic significance of the site.**

Consult historic registers and local historical documents to determine if the site holds any historic significance and could be eligible for historic preservation tax credits.
- 5. Determine feasibility of project components, including wastewater system.**

Following Steps 3 and 4, determine the feasibility of the overall project and its various components. What structural improvements are needed? Will it be possible to convert the entire building or just a portion? What unit mix will be possible? What possibilities exist for the pool building and former restaurant? What wastewater system will be possible to include?

- 6. Conduct a market feasibility study, finalize unit mix, and secure necessary financing.**
Conduct a market feasibility study to evaluate the demand for the potential units provided through the redevelopment. Use the 2023 HNA (and any other relevant data) to assess demographics, economic and market conditions, and housing preferences to understand the viability of the proposed development. Determine the absorption rate, or the expected rate that the housing units will be leased in a certain time period. Following this, determine the final unit mix and then secure a funding stack using the suggested funding sources below.
- 7. Mitigate fire damage and address other structural issues identified in Step 3.**
With at least some level of funding secured, the development team should next mitigate fire damage on the structure and address preliminary physical improvements to the structure and site. Ensure that improvements to the structure and property are compliant with relevant building codes adopted by Huerfano County, as well as any grant requirements for any funding obtained for the project.
- 8. Finalize site plan and design.**
The project team should finalize the site plan and design, using professional assistance from a developer and designer. Ensure that the final site plan meets the requirements of local building codes and grant requirements. Review the final site plan for compliance with this document and the 2024 County Comprehensive Plan. Pursue a PUD if required by County zoning.
- 9. Begin and complete construction.**
Install plumbing and mechanical systems, and complete redevelopment activities to convert the units.
- 10. Place deed restrictions on some or all of the homes.**
Ideally, use a regional housing authority or regional housing non-profit to establish and manage these deed restrictions. Consult the Stakeholder Map to identify possible managers of deed restrictions, including Total Concept or Neighborworks.
- 11. Identify property manager or management company..**
The development team identifies a management entity to maintain the units and assist with managing leases. This could be the same manager of the deed restrictions or a different party.

Relevant Funding Sources

Funding Source	Applicability	Notes
LITHC	LIHTC can be used for a portion of a project, often combined with other funding sources to finance different unit types in a project.	See HUD income limits information for 2024 here. Only applicable up to 80% AMI.
Colorado Housing Investment Fund (CHIF)	Can be used as gap financing or as short-term loans available for new construction and rehabilitation	
Equity partnerships with local employers/institutions	Involves partnership between relevant stakeholders	
HOME Investment Partnerships	Can be used for rental housing rehabilitation and construction	
Community Development Block Grants (CDBG)	Intended for use on rehabilitation of public facilities, elimination of blight	Could be applicable to infrastructure and recreational facilities on site
Rural Development Water & Waste Disposal Loan & Grant Program	Could be beneficial for establishing new waste system	
Colorado Heat Pump Tax Credits	For a heat pump that serves more than one unit in a multifamily building, a registered contractor may claim one tax credit for each unit served by that heat pump.	Tax credits are \$1,500 per unit served, and contractors must provide one-third of the total tax credit amount to the customer at the time of installation.

Case Study: Durango Best Western Conversion

Durango, Colorado

Durango, CO is currently working to convert an old Best Western Inn & Suites to affordable housing geared towards households making 30-50% AMI. The project is scheduled to be completed in 2025. The City has partnered with Indianapolis company TWG Development to complete the conversion to residential units, which will total 120 units and will include studio, 1-BR, 2-BR, and 3-BR units.

The City did two innovative things to achieve this project:

1. The City used low-income housing tax credits (LIHTC) for this project – the first project of its kind in Colorado to do so. This program is designed to encourage private investment in affordable housing. By selling the tax credits to investors (e.g., banks or corporations), the developer can secure enough funding to complete the project. In exchange, investors obtain equity in the project. Projects receiving LIHTC must abide by the program's requirements (e.g., income limits and other restrictions) for a certain compliance period.
2. To avoid being subject to taxes on federal grant funding, the City changed its financing structure to treat the funding for the project as a loan to TWG Development from the City (a tax-exempt entity in this project). This is a critical cost savings measure that could be explored in the Rio Cucharas Inn conversion if taxable funds are involved.



Durango Local News

County Site #2: Gardner PUD Site

**Tier 1: Shovel-Ready
Planning Status: Active**

The Gardner PUD site is a nearly 30-acre area that is located along Hwy 69 and is part of the eastern gateway to Gardner. The area is currently open land and is located adjacent to Gardner’s community center and rodeo grounds. Previous planning for this site has envisioned a very large buildout of the site that would accommodate new businesses and homes provided at a variety of price points. At present, there does not seem to be adequate demand to justify the scale of such development. However, a smaller development that retains some of the uses and characteristics of previous concepts could be very appropriate for the site.

SITE INFORMATION

Address: 77 Taylor Blvd

Zoning: Urbanizing Residential

Ownership: Public, Huerfano County

Parcel Number: 114271

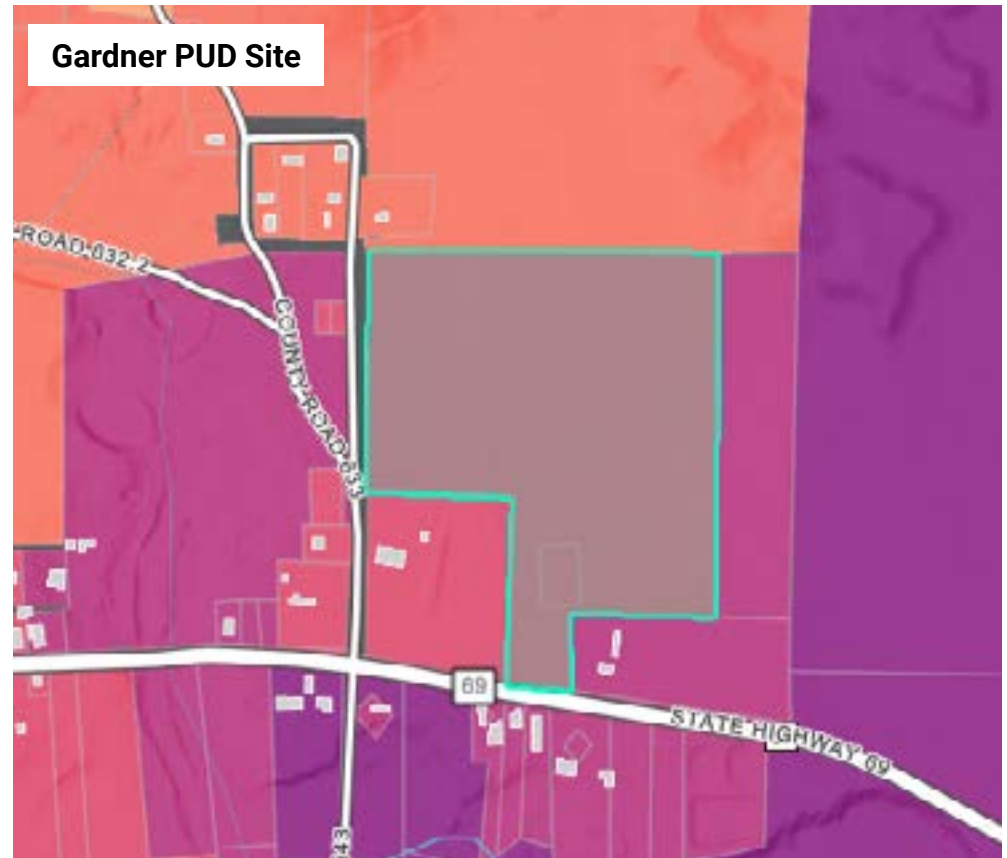
Parcel Size: 29.2 Acres

Suitability: 6 out of 10 (Medium)

Water: Within Gardner Public Improvement District

Wastewater: Within Gardner Public Improvement District

2024 County FLUM Designation: Wellness Hub



Site Strengths

- County-owned property, adjacent to Ray Aguirre Community Center
- Community support for the development
- Gardner Community Economic Development & Illustrative Mixed Use Master Plan developed in 2023 outlines the housing development planned for this parcel
- Urbanizing Residential zoning is opportune for high-density housing; current PUD application for more allowable density



Gardner PUD Site looking north

Gardner PUD

Site Constraints

- Likely barriers to obtaining fire insurance in Gardner
- May need to demonstrate adequate demand for housing, absorption to secure funding for construction
- Concerns regarding ingress/egress to the site – current plans only show one point of access from CR 633
- Current plans do not designate a specific location for the coop. The Huerfano Community Corporation has ordered the building that will serve as the Co-op on the Community Center parcel.
- The current location of the public bathroom in front of the community center may limit new uses and ingress/egress options for that area
- Existing electrical lines impact helicopter flight patterns

Stakeholder Feedback

Stakeholders have expressed interest in siting housing on locations like this one, which is contiguous to the Gardener village area. Stakeholders have expressed support for existing plans for this area. Stakeholders in Gardner have also expressed enthusiasm for creating opportunities for students and community members to participate in the construction process and learn how to build their own homes.

Preliminary Site Concept

SITE POTENTIAL

Projected Unit Potential: 15-20 units to start. Consider STRs to fund affordable units.

Projected Unit Types: studio/1 BR, 2 BR and 3 BR units; rental and ownership

Potential Income Targets: Mixed-income with affordable units priced at 40-80% AMI.

*Note that Huerfano County’s median income is \$45,724, but that area median income (AMI) is likely an inaccurate measure of the true cost of living in Gardner, which transportation costs are high due to distance from jobs and services. According to the 2022 Gardner Master Plan, only 25% of Gardner residents work full time with earnings.

Relevant Stakeholders: Gardner Main Street Board, Gardner Valley School

Please see the [Gardner Master Plan](#) for further information on the community-supported site concepts. The Core Values for the development of the site as articulated in that plan are as follows:

1. Create synergy and support for all other efforts in the community of Gardner.
2. Preserve the fabric of the community of Gardner.
3. Invest in affordable housing options that provide space for current and future residents and service providers for the community of Gardner.
4. Help bring the infrastructure changes & upgrades necessary so that the community of Gardner can meet its future: including housing, economic development, recreation, securing water, growing local food, providing fuel, electric car charging & shared transit, connecting the area through broadband and upgraded library services.
5. Building a local sustainable resilient economy so that it is easier for people to make a living and support themselves and their families. The future of the community of Gardner requires a solution that enables a space for people to build an economic base.

Site Organization

As shown in the illustrative concepts below from the 2023 Gardner Community Economic Development & Illustrative Mixed Use Master Plan, the 28-acre site is envisioned to include a mix of mixed-use (live-work) units, housing, commercial/industrial uses, and a coop in addition to the existing uses of the rodeo grounds and community center. The helipad currently on this property will remain. Access to the site will be through the County Road, not the state highway.

Relevant Community Goals



Housing for Community-Serving Professionals



Specialized Housing for Vulnerable Populations



Adaptive Reuse & Sustainability



Economic Vitality & Community Benefit

Preliminary Site Concept

Phased Approach to Development

Due to Gardner’s limited population and employment opportunities, it may be challenging to justify the level of development currently planned for Gardner in the 2023 Master Plan. **This IHOP recommends a phased approach to development that begins with 15-20 units in a mixed-income development.** If this development is successfully “absorbed” (e.g., all units are purchased), then further development could be justified. If this occurs, adding incubator spaces for new businesses/commercial uses and live/work units could **help create a critical mass of density and activity on the site that helps sustain the development and Gardner community.**

Community Housing & Economic Opportunities

Gardner currently has no rental housing. This project represents an opportunity to provide a substantial level of new rental housing within Gardner. The Gardner Master Plan recommends pursuing deed restrictions for community-serving professionals as part of this development. The plan also recommends facilitating cooperative business development as part of the mixed-use portion of the development. See page X in 2024 Comprehensive Plan for further information and recommendations related to cooperative business models. The community could explore a cooperative ownership model for the housing on the lot.

Additional economic opportunities for the site/the Gardner community include arts businesses and makerspaces and hospitality. Multipurpose spaces that can function as pop-up storefronts for makers as well as event spaces/meeting spaces could be beneficial

and well-utilized as a part of this site. Possible lodging opportunities highlighted in the Main Street Plan include a “tiny home hotel” and STRs. One possible development pathway could use revenues from these units to offset the construction and rents of permanent rental/ownership units in the development.

Community Sustainability & Connectivity

The Gardner Master Plan identifies several methods of ensuring the sustainability of construction, such as heat pumps, pre-fabricated roofs, high-performance windows, and water-wise xeriscaping (see page 49). The plan also identifies ways to increase local food production, including within the site. The development also has high potential to increase walkability and active transportation within Gardner. This is a critical consideration in Gardner, where the median age of residents is 64.6 years old and many residents lack personal vehicles. Sustainability and eco-consciousness are very important values to the Gardner community and should inform the development of this site.

Connectivity to downtown Gardner from the site will be important to the success of this project. There are current plans for a multi-use path and bridge repairs that would support this connectivity. Internal connectivity within the site (sidewalks/paths) will be important for quality of life for residents and visitors to the area.

Recommended Development Pathway

- 1. Solicit development support and continue to gather a development team.**

The County should work with developers procured through the recent RFP process to establish a path forward for the site. Consult the Stakeholder Map to identify possible additional development partners. The process should follow a phased approach to development, as outlined below and in the Gardner Main Street Master Plan.
- 2. Solicit support from potential employers for employee housing as a part of the site.**

The development team should contact local employers (e.g., CS Woods, Gardner Valley School) to understand local workforce housing needs within Gardner specifically. Note: while employers may be interested in “reserving” a block of rooms for hospital workers, this designation may inhibit the project from using certain state funding sources. The state cannot allocate funds for the development of housing for a particular private employer.
- 3. Investigate fire insurance or adequate alternatives.**

Due to Gardner’s distance from emergency services and location within the Wildland-Urban Interface, it may be extremely challenging for the properties on the parcel to obtain necessary fire insurance following construction. The development team should explore these insurance options. If the team exhausts all other options, the team should pursue coverage through the Colorado FAIR program, which provides funding for homes that are unable to be covered through traditional insurance. Collaborate with the Upper Huerfano Fire District, Huerfano County Emergency Services, and others on this phase as necessary.
- 4. Conduct a market feasibility study, finalize unit mix, and secure necessary financing.**

Conduct a market feasibility study to evaluate the demand for the potential units provided through the redevelopment. Use the 2023 HNA (and any other relevant data) to assess demographics, economic and market conditions, and housing preferences to understand the viability of the proposed development. Determine the absorption rate, or the expected rate that the housing units will be leased in a certain time period. Following this, determine the final unit mix and then secure a funding stack using the suggested funding sources below. This market feasibility study should help determine the final number of units and potential additional phases of construction. The Gardner Master Plan recommends that the coop building be constructed prior to affordable/attainable housing construction; this timeline may still make sense given available resources and community priorities.

5. Consider non-traditional methods of community development that could lead to increased community vibrancy and affordability, such as cohousing or a housing coop.

In a rural setting like Gardner, where traditional housing options may be limited, cohousing and housing co-ops offer an alternative that prioritizes community well-being and sustainability. These models foster a sense of community and encourage the sharing of resources. In a cohousing setup, residents actively participate in the design and management of their community, fostering strong social connections and a sense of belonging. This model encourages shared spaces and resources (i.e., shared kitchens, common spaces), promoting collaboration and mutual support among neighbors. Similarly, housing co-ops empower residents to collectively own and govern their housing, ensuring affordability and stability. By pooling resources and sharing responsibilities, residents can reduce housing costs and maintain control over their living environment.

The design for individual units should consider these models, which align well with Gardner's values and community character.

6. Design and construct horizontal infrastructure.

With at least some level of funding secured, the development team should design and construct horizontal infrastructure for the site (see Phase 1 in Gardner Master Plan). The development team may decide to limit the scope of the horizontal infrastructure to just the initial phase of the project or complete additional horizontal infrastructure for future phases of the project.

7. Finalize site plan and design.

The project team should finalize the site plan and design for Phase 1, using professional assistance from a developer and designer. Ensure that the final site plan meets the requirements of local building codes and grant requirements. Review the final site plan for compliance with this document and the 2024 County Comprehensive Plan. Pursue a PUD if required by County zoning.

8. Begin and complete construction.

There is some community interest in getting the community involved in the construction process, particularly through some sort of training program for students. The Gardner community is very tight-knit and community-oriented, and they are interested in amenities created by and for the community. Use the Stakeholder Map to identify possible partners in this endeavor.

9. **Place deed restrictions on some or all of the homes.**
 Ideally, use a regional housing authority or regional housing non-profit to establish and manage these deed restrictions. Consult the Stakeholder Map to identify possible managers of deed restrictions, including Total Concept or Neighborworks.
10. **Identify property manager or management company.**
 The development team identifies a management entity to maintain the units and assist with managing leases. This could be the developer and/or the same manager of the deed restrictions.

Relevant Funding Sources

Funding Source	Applicability	Notes
LITHC	LIHTC can be used for a portion of a project, often combined with other funding sources to finance different unit types in a project.	See HUD income limits information for 2024 here. Only applicable up to 80% AMI.
Colorado Housing Investment Fund (CHIF)	Can be used as gap financing or as short-term loans available for new construction and rehabilitation	
Equity partnerships with local employers/institutions	Involves partnership between relevant stakeholders	Possible partners include Gardner Valley School and CS Woods; could include sweat equity
HOME Investment Partnerships	Can be used for rental housing rehabilitation and construction	Not applicable for units for purchase
Community Development Block Grants (CDBG)	Intended for use on rehabilitation of public facilities, elimination of blight	Could be applicable to infrastructure and recreational facilities on site

Relevant Funding Sources Continued

Funding Source	Applicability	Notes
Colorado FAIR Program	Could be a critical method of ensuring fire insurance if traditional insurance methods fail	The applicant must show that traditional insurance alternatives have been exhausted
Colorado Heat Pump Tax Credits	For a heat pump that serves more than one unit in a multifamily building, a registered contractor may claim one tax credit for each unit served by that heat pump.	Tax credits are \$1,500 per unit served, and contractors must provide one-third of the total tax credit amount to the customer at the time of installation. In the Gardner Master Plan, heat pumps are referenced as a preferred element of sustainable construction in the new units.
Colorado Health Foundation	Affordable housing funding available through grants and impact investing partnership	Funding is administered on an invitation-only basis, projects can inquire to the foundation if they think they might qualify. This funding may be especially applicable to help kickstart a construction trades training program that could help the Gardner community and Huerfano County students get involved and learn important construction skills.
Division of Housing Transformational Housing Loan Fund	Low-interest flexible, and below-market financing for projects serving extremely low income to middle income individuals and families	

Case Study: Two Rivers Commons

Salida, Colorado

The Chaffee Housing Trust's Two Rivers Commons in Salida, Colorado, is a prime example of rural affordable housing that integrates mixed-income units and sustainable development. Completed in 2020, the project offers 20 units catering to a range of income levels, ensuring economic diversity and inclusivity. The development incorporates energy-efficient designs, solar panels, water conservation measures, and sustainable materials, aligning with environmental stewardship goals.

This initiative not only provides affordable housing but also promotes community cohesion through shared green spaces and proximity to public transportation. By leveraging federal grants, state funding, and local partnerships, the Chaffee Housing Trust overcame funding challenges and engaged the community to address concerns and incorporate feedback. The success of Two Rivers Commons sets a precedent for expanding affordable and sustainable housing in rural Colorado.



Two Rivers Salida

County Site #3: Former Black Knight / Spanish Peaks Inn

Tier 3: High Site Limitations
Planning Status: Inactive

Located immediately to the south of Highway 160 between Walsenburg and La Veta, this former motel was built in the 1970s. According to county assessor’s data, the motel had 36 bedrooms, a pool, a pool building, and an office. In January 2023 the pool building caught fire and the motel closed. The motel has sat empty since the fire and is currently owned by a hotel group LLC, a representative of which stated their intention to redevelop the property into a motel again.

SITE INFORMATION

Address: 22808 Hwy 160 West

Zoning: Commercial - Service

Ownership: Private

Parcel Number: 33275

Parcel Size: 5 Acres

Suitability: 7 out of 10 (Medium)

Water: Connected to Walsenburg Municipal Water

Wastewater: Unknown

2024 County FLUM Designation: Wellness Hub



Site Strengths

- Opportune location in the wellness hub, close to the two largest employers (Chae Organics and SPRHC) and Lathrop State Park.
- Zoned Commercial – Service, which allows the highest amount of residential density
- Connected to municipal water and sewer
- Existing left turn lane on the highway
- Proximity to a privately owned pond/water feature



Fire damage on motel and pool house

Stakeholder Feedback

There is interest in demolishing the existing structures and building housing on this site due to its proximity to the Spanish Peaks Regional Health Center, Chae Organics, and Lathrop State Park.

Site Constraints

- Privately owned by a hotel group which is looking to redevelop the site into another hotel. Little demonstrated interest in affordable housing
- Would require demolition of existing structures
- Not walkable or bikeable from either Walsenburg or La Veta – requires personal vehicle transportation



Side view of former motel

Preliminary Site Concept

SITE POTENTIAL

Projected Unit Potential: 20 - 30

Projected Unit Types: Long-term rental units, potential for short-term units.

Potential Income Targets: Middle-income rental units (80 - 100% AMI)

Relevant Stakeholders: Property owner group, City of Walsenburg, Huerfano County, nearby employers (Chae Organics, SPRHC)

Workforce Housing

As this property is located near the two largest employers, Chae Organics and the Spanish Peaks Regional Health Center, this site would be prime for middle-income, employee housing. Due to its location between Walsenburg and La Veta and the necessity of personal vehicle transportation, this site wouldn't be as appropriate for low- to very-low income households who may not have personal vehicles and may need access to supportive services typically located in downtown areas.

Overnight Accommodations

There are few hotels in Huerfano County, none of which are close to the Spanish Peaks Regional Health Center or Lathrop State Park. This property and the Rio Cucharas Inn used to serve hospital visitors, however neither are currently functional. This property could also have an overnight rental component through the rehabilitation of the existing motel or construction of new motel or hotel units. These overnight accommodations would create a diverse funding system to support the development and maintenance of the affordable housing units.

Adaptive Reuse Potential

Due to the structural fire in the pool house in 2023 and several years of vacancy, it is unclear whether the existing motel building is salvageable. If there is opportunity for adaptive reuse, the motel building could be converted into studio, one- or two-bedroom housing units, or maintained as a motel and new construction of long-term dwelling units could take place on the southeast corner of the property. If the motel building is unsalvageable, the existing structures could be demolished and new housing developed, with an option for overnight rentals as well.

Relevant Community Goals



Housing for Community-Serving Professionals



Adaptive Reuse & Sustainability



Economic Vitality & Community Benefit

Recommended Development Pathway

- 1. Secure the land for affordable housing development**

Work with current landowners to either develop an affordable housing concept as part of the property revitalization, or work with the landowners to sell the property to the county or an affordable housing developer.

- 2. Establish a development team**

Depending on the eventual landowner and developer for this project, a development team should be assembled to include expertise in project management, real estate development, architecture, engineering, construction, financing, market analysis, legal implications, and community engagement. This team can be small or large, as one person may have expertise in many of these topics. Consult the Stakeholder Map.

- 3. Determine structural integrity of building and potential for rehabilitation.**

The development team should conduct a series of studies and assessments to determine if the building is structurally sound, beginning with a visual inspection and materials testing (testing of existing building materials to assess their condition). Retain a structural engineer to conduct a structural engineering assessment of the building and/or non-destructive testing (NDT) that can help identify structural defects. Consider the building's proximity to potential natural hazards and conduct a soil assessment to determine if the building's foundation is adequately supported.

- 4. Investigate any historic significance of the site.**

Consult historic registers and local historical documents to determine if the site holds any historic significance and could be eligible for historic preservation tax credits.

- 5. Determine feasibility of project components, including infrastructure.**

Following Steps 3 and 4, determine the feasibility of the overall project and its various components. What structural improvements are needed? Will it be possible to convert any portion of the building, or will all built structures need to be demolished? What unit mix will be possible? What is the state of the existing water and wastewater infrastructure?

-
- 6. Conduct a market feasibility study, finalize unit mix, and secure necessary financing.**

Conduct a market feasibility study to evaluate the demand for the potential units provided through the development of the site. Use the 2023 HNA (and any other relevant data) to assess demographics, economic and market conditions, and housing preferences to understand the viability of the proposed development. Determine the absorption rate, or the expected rate that the housing units will be leased in a certain time period. Following this, determine the final unit mix and then secure a funding stack using the suggested funding sources below.

 - 7. Negotiate a master lease with SPRHC, Chae Organics, or any other area employers**

As a way to reduce risk associated with the development, the housing developer can negotiate and sign a master or block lease with area employers to rent one or more units to the employer, who then provides those housing units for their employees. This guarantees that a certain portion of the units will indeed be rented, and thereby reducing the risk of financial losses for the developer. Regardless of the master lease, the employees will have to meet the qualifications of the housing covenants, which is most commonly income restrictions based on Area Median Income and determined by the funding used in the development. Verify that none of the funding sources identified in Step 7 preclude the use of a master lease to help finance the development.

 - 8. Mitigate fire damage and address other structural issues identified in Step 3.**

If redevelopment of any part of the structure is deemed appropriate, and with at least some level of funding secured, the development team should next mitigate fire damage on the structure and address preliminary physical improvements to the structure and site. Ensure that improvements to the structure and property are compliant with relevant building codes adopted by Huerfano County, as well as any grant requirements for any funding obtained for the project.

 - 9. Finalize site plan and design.**

The project team should finalize the site plan and design, using professional assistance from a developer and designer. Ensure that the final site plan meets the requirements of local building codes and grant requirements. Review the final site plan for compliance with this document and the 2024 County Comprehensive Plan. Pursue a PUD if required by County zoning.

 - 10. Begin and complete construction.**

Either rehabilitate and redevelop the existing motel units as long-term or short-term rental units, or demolish the existing structures and construct new housing units and optional short-term rental units as well.
-

-
- 11. Place deed restrictions on the homes (or a portion of the homes).**
 Ideally, use a regional housing authority or regional housing non-profit to establish and manage these deed restrictions. Consult the Stakeholder Map to identify possible managers of deed restrictions, including Total Concept or Neighborworks.
-
- 12. Identify property manager or management company.**
 The development team identifies a management entity to maintain the units and assist with managing leases. This could be the same manager of the deed restrictions or a different party.
-

Relevant Funding Sources

Funding Source	Applicability	Notes
Colorado Middle Income Housing Authority	For housing units serving 80 – 120% AMI	MIHA was established as a pilot program with the authority to select up to 3,500 middle-income units for bond financing using tax exempt revenue bonds.
Colorado Housing Investment Fund (CHIF)	Can be used as gap financing or as short-term loans available for new construction and rehabilitation	
Division of Housing Transformational Housing Loan Fund	Low-interest flexible, and below-market financing for projects serving extremely low income to middle income individuals and families	

Relevant Funding Sources Continued

Funding Source	Applicability	Notes
Community Services Block Grant	Grants to alleviate the causes and conditions of poverty in communities, can include housing projects	The South Central Council of Governments is the eligible entity for Huerfano County.
CHFA Housing Opportunities Fund	Up to \$1 million in gap financing	Can be used for non-housing credit projects
CHFA Sizeable Multifamily Affordable Risk Share Tool	\$3-\$6 million in permanent insured financing	Can be used for non-housing credit projects
Colorado Health Foundation	Affordable housing funding available through grants and impact investing partnership	Funding is administered on an invitation-only basis, projects can inquire to the foundation if they think they might qualify.
FHLBank Topeka	Grant-based funding, maximum subsidy per unit: \$75,000, \$150,000 per project	Neighborworks SC is an alternate to receive a nearly \$1 million grant for downpayment assistance
USDA Rural Development	Multifamily housing direct loans, loan guarantees	Specific AMI requirements based on loan type or loan guarantee
Colorado Heat Pump Tax Credits	For a heat pump that serves more than one unit in a multifamily building, a registered contractor may claim one tax credit for each unit served by that heat pump.	Tax credits are \$1,500 per unit served, and contractors must provide one-third of the total tax credit amount to the customer at the time of installation.

Case Study

Timberview Apartments

Trinidad, Colorado

Located in Trinidad, the [Timberview Apartments](#) have 8 one-bedroom units at 80% AMI, 4 one-bedroom units at 120% AMI, 2 two-bedroom units at 80% AMI, and 10 two-bedroom units at 120% AMI, for a total of 24 units. This apartment complex's aim is to supply affordable housing for Trinidad's "missing middle" or workforce income group of individuals and families. This project was developed by JRA Real Estate.



Photo: DOLA

County Site #4: Former Youth Camp

Tier 3: High Site Limitations
Planning Status: Inactive

This site is a large parcel adjacent to the Spanish Peaks Regional Health Center and across from Lathrop State Park. The parcel is currently owned by the City of Walsenburg; negotiations to transfer the building to the SPRHC have not yet been finalized. The buildings on the site were used as part of residential youth camp which was in operation until YEAR; the facilities include a large commercial kitchen. The SPRHC is currently in the midst of a strategic planning process that sets goals and objectives for the facility for the next 10 years and guides expansion efforts during that time. The hospital is attempting to update its facilities and services to address the changing demographics and medical needs of the county. For example, the hospital’s Community Health Needs Assessment highlights an increasing need to address diabetes in the community. For this reason, the hospital is interested in creating a Wellness Center on the current youth camp site with wellness classes, such as classes on preparing healthy meals. The hospital recently had a survey done on the property. Huerfano County Economic Development has planned to use a portion of a recent EPA grant to facilitate future housing on the site.

SITE INFORMATION

Address: 223500 US-160

Zoning: Commercial - Service

Ownership: City of Walsenburg

Parcel Number: None

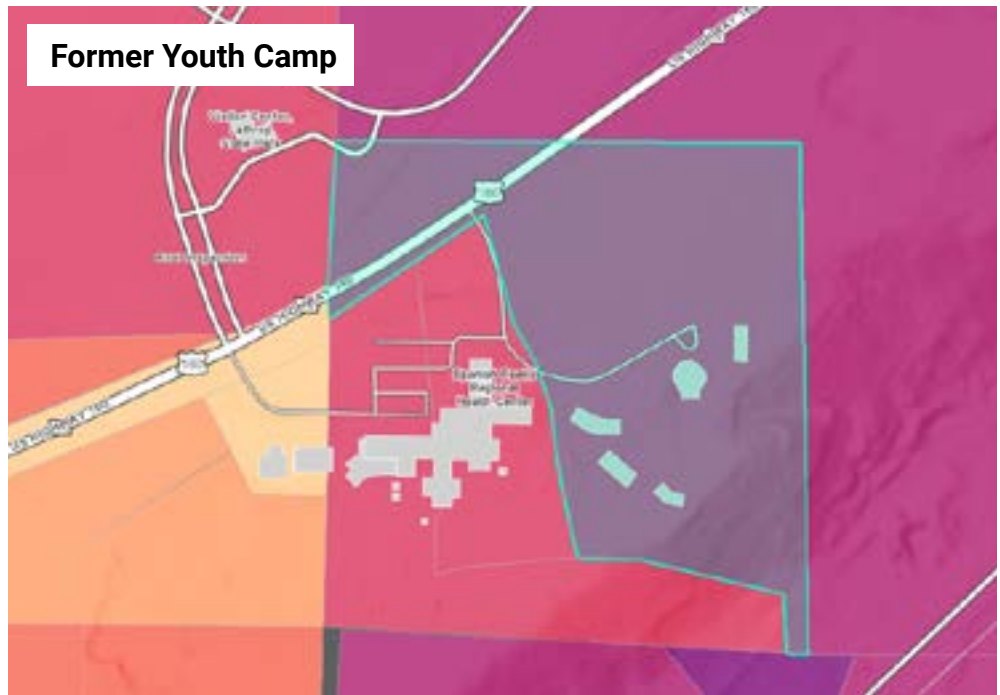
Parcel Size: 19 Acres

Suitability: 5 out of 10 (Medium)

Water: Connected to Walsenburg Municipal Water

Wastewater: Unknown

2024 County FLUM Designation: Wellness Hub



Site Strengths

- Connected to municipal water and sewer.
- Located in the “Wellness Hub” area on the County Comp Plan Future Land Use Map; this area is intended to accommodate new housing, new walking paths and other transportation improvements, and wellness-oriented uses.
- If the hospital acquires the land, they would be interested in selling the front lot abutting the highway, which could be used to develop housing.
- Hospital maintains the grounds in this area, many of the buildings would be somewhat easily rehabilitated for office/facility use, and potentially as housing.
- The site is currently well-utilized as a place for hospital workers, patients, and their families to walk for fresh air and exercise.



Youth Camp Dormitories

Site Constraints

- There are issues with the current water system, no currently operating fire hydrant or water on the property.
- Some competing priorities for this site that need to be resolved, between the Hospital wanting to use it for facility expansion and others seeking to redevelop the site as housing alone
- Currently zoned agricultural, would need to be rezoned to enable new housing development.
- Not in a walkable location, requires personal vehicle to reach the grocery store, schools, and services other than the hospital. The layout of current walking paths connecting the Youth Camp to the hospital area is considered unsafe. A bridge or other method of safe crossing will be critical to link new residents of the Youth Camp parcel to Lathrop State Park. Bus services to connect residents to nearby municipalities will also be essential.
- New state energy guidelines dictate that any building over 50K sf must meet state energy guidelines; the hospital is currently at 64K and is factoring this requirement into the strategic plan for expansion
- The kitchen building needs new boilers – this is a potential an extremely large expense.

Preliminary Site Concept

SITE POTENTIAL

Projected Unit Potential: 15 units

Projected Unit Types: 1-2 bedroom rental units

Potential Income Targets: HUD-defined public housing income limits - 102% AMI.

Relevant Stakeholders: Walsenburg Housing Authority, City of Walsenburg, Huerfano County Economic Development

Workforce Housing & Senior Living

This property is located adjacent to the Spanish Peaks Regional Health Center, making it a prime location for middle-income employee housing as well as senior housing/assisted living for veterans. Due to its location between Walsenburg and La Veta and the necessity of personal vehicle transportation, this site wouldn't be as appropriate for low to very low income households and households in need of transitional housing/supportive services who may not have personal vehicles and may need access to supportive services typically located in downtown areas.

The hospital has a current housing need of at least 15 "tour-of-duty" rooms. 40% of hospital staff live outside of Huerfano County and drive to the hospital for a 2-3 day "tour of duty" shift and then go home. These workers currently stay at a hotel in Walsenburg; if they had access to workforce housing, these employees may decide to relocate to Huerfano County full-time and Walsenburg hotels could accommodate visitors, supporting a tourism economy in Walsenburg.

The need for senior housing is well-defined in Huerfano County's most recent Housing Needs Assessment. While there are some notable drawbacks to the location of the Youth Camp for senior housing (e.g., distance from services aside from hospital, car-dependent area), there are also some compelling upsides (e.g., proximity to Lathrop State Park and wellness services to be offered at the Youth Camp).

Relevant Community Goals



Housing for Community-Serving Professionals



Specialized Housing for Vulnerable Populations



Adaptive Reuse & Sustainability



Economic Vitality & Community Benefit

Preliminary Site Concept

Renewable Energy & Sustainability

As a commercial facility of a certain size, the hospital is required to reduce all energy consumption per Colorado state regulations. Acquisition of the Youth Camp would be subject to these energy efficiency standards. This requirement could make the property eligible for renewable energy funding opportunities that could facilitate adaptive reuse and new construction projects on the site. If the hospital acquired the property and sold the area adjacent to the Highway 160, any development on that parcel would not be subject to those standards.

Adaptive Reuse Potential

As described in the Site Background above, the hospital's plans for reuse of the Youth Camp structures mostly pertains to moving billing operations to the Youth Camp and reviving the commercial kitchen to support wellness classes geared towards treating and preventing diabetes. With these planned uses, there may be limited room and opportunity for adaptive reuse to residential units in existing buildings. There may be opportunities for new structures within the existing Youth Camp complex, as well as on the portion of the parcel closest to the highway, an area that could be subdivided into its own parcel.

Expansion Potential

City of Walsenburg also owns 80 acres of property abutting this property to the east. If the City proves to be a willing partner in developing this property for affordable housing or other supportive uses (including recreational trails), this area could also be included in overall site development.

Youth Camp

Stakeholder Feedback

There is substantial interest in developing this parcel into housing. The hospital has included this parcel in their master plan and is interested in moving billing and other services to the Youth Camp site. The hospital and other stakeholders have expressed interest in new housing development on the portion of the parcel closest to the highway. Other stakeholders have expressed interest in transitional housing and/or housing for individuals with substance use disorder, as well as veterans' housing. Since 40% of hospital employees live outside of Huerfano County, the hospital is also interested in housing opportunities that could serve their workforce and their families.



Aerial view of Youth Camp, displaying vacant property to the north

Recommended Development Pathway

- 1. Secure the land for affordable housing development.**

Work with City of Walsenburg and SPRHC to either develop an affordable housing concept as part of the property revitalization, or work with the landowners to sell the property to the county or an affordable housing developer.
- 2. Establish a development team.**

Depending on the eventual landowner and developer for this project, a development team should be assembled to include expertise in project management, real estate development, architecture, engineering, construction, financing, market analysis, legal implications, and community engagement. This team can be small or large, as one person may have expertise in many of these topics. Consult the Stakeholder Map.
- 3. Determine structural integrity of building and potential for rehabilitation.**

The development team should conduct a series of studies and assessments to determine if the building is structurally sound, beginning with a visual inspection and materials testing (testing of existing building materials to assess their condition). Retain a structural engineer to conduct a structural engineering assessment of the building and/or non-destructive testing (NDT) that can help identify structural defects. Consider the building's proximity to potential natural hazards and conduct a soil assessment to determine if the building's foundation is adequately supported.
- 4. Determine feasibility of project components, including infrastructure.**

Following Steps 2 and 3, determine the feasibility of the overall project and its various components. What structural improvements are needed? Will it be possible to convert any portion of the building. Will any structures need to be demolished? What unit mix will be possible? What is the state of the existing water and wastewater infrastructure?
- 5. Conduct a market feasibility study, finalize unit mix, and secure necessary financing.**

Conduct a market feasibility study to evaluate the demand for the potential units provided through the development of the site. Use the 2023 HNA (and any other relevant data) to assess demographics, economic and market conditions, and housing preferences to understand the viability of the proposed development. Determine the absorption rate, or the expected rate that the housing units will be leased in a certain time period. Following this, determine the final unit mix and then secure a funding stack using the suggested funding sources below.

Recommended Development Pathway

- 6. Negotiate a master lease with SPRHC, Chae Organics, or any other area employers**

As a way to reduce risk associated with the development, the housing developer can negotiate and sign a master or block lease with area employers to rent one or more units to the employer, who then provides those housing units for their employees. This guarantees that a certain portion of the units will indeed be rented, and thereby reducing the risk of financial losses for the developer. Regardless of the master lease, the employees will have to meet the qualifications of the housing covenants, which is most commonly income restrictions based on Area Median Income and determined by the funding used in the development. Verify that none of the funding sources identified in Step 7 preclude the use of a master lease to help finance the development.
- 7. Address structural issues identified in Step 3.**

If redevelopment of any part of the campus is deemed appropriate, and with at least some level of funding secured, the development team should next mitigate damage and structural issues and address preliminary physical improvements to the structure and site. Ensure that improvements to the structure and property are compliant with relevant building codes adopted by Huerfano County, as well as any grant requirements for any funding obtained for the project.
- 8. Finalize site plan and design.**

The project team should finalize the site plan and design for both the adaptive reuse and new-build portions of the project, using professional assistance from a developer and designer. Ensure that the final site plan meets the requirements of local building codes and grant requirements. Review the final site plan for compliance with this document and the 2024 County Comprehensive Plan. Pursue a PUD if required by County zoning. In particular, ensure that the site plan emphasizes pedestrian connectivity within the site, as well as to the hospital and state park, if feasible.
- 9. Begin and complete construction.**

Rehabilitate existing structures and construct new units on the site as outlined by the site plan.
- 10. Identify property manager or management company.**

The development team identifies a management entity to maintain the units and assist with managing leases. There could be one manager or two managers; if transitional housing or veteran's housing is planned for the site, a manager that specializes in that type of housing may be best.

Relevant Funding Sources

Funding Source	Applicability	Notes
Colorado Middle Income Housing Authority	For housing units serving 80 – 120% AMI	MIHA was established as a pilot program with the authority to select up to 3,500 middle-income units for bond financing using tax exempt revenue bonds.
Colorado Housing Investment Fund (CHIF)	Can be used as gap financing or as short-term loans available for new construction and rehabilitation	
Division of Housing Transformational Housing Loan Fund	Low-interest flexible, and below-market financing for projects serving extremely low income to middle income individuals and families	
Community Services Block Grant	Grants to alleviate the causes and conditions of poverty in communities, can include housing projects	The South Central Council of Governments is the eligible entity for Huerfano County.
CHFA Housing Opportunities Fund	Up to \$1 million in gap financing	Can be used for non-housing credit projects
CHFA Sizeable Multifamily Affordable Risk Share Tool	\$3-\$6 million in permanent insured financing	Can be used for non-housing credit projects
Colorado Health Foundation	Affordable housing funding available through grants and impact investing partnership	Funding is administered on an invitation-only basis, projects can inquire to the foundation if they think they might qualify.

Relevant Funding Sources

Funding Source	Applicability	Notes
FHLBank Topeka	Grant-based funding, maximum subsidy per unit: \$75,000, \$150,000 per project	Neighborworks SC is an alternate to receive a nearly \$1 million grant for downpayment assistance
USDA Rural Development	Multifamily housing direct loans, loan guarantees	Specific AMI requirements based on loan type or loan guarantee
Colorado Heat Pump Tax Credits	For a heat pump that serves more than one unit in a multifamily building, a registered contractor may claim one tax credit for each unit served by that heat pump.	Tax credits are \$1,500 per unit served, and contractors must provide one-third of the total tax credit amount to the customer at the time of installation.
Equity partnerships with local employers	Involves partnership between relevant stakeholders	
HOME Investment Partnerships	Can be used for rental housing rehabilitation and construction	
Rural Development Water & Waste Disposal Loan & Grant Program	Could be beneficial for establishing new waste system	

Case Study

Rendezvous

Montrose, Colorado

Developer: Volunteers of America (VOA) National Services

Rendezvous will serve older adults ages 55 and older in Montrose and will involve both preservation and new construction. Residents will have access to health, wellness, and financial services, volunteering opportunities, group meals, grocery delivery, and other services coordinated by a parttime services coordinator and VOA Colorado's Montrose campus. The site is adjacent to a bus stop, near a healthcare services center and the Montrose Senior Center, and proximate to a grocery store, pharmacy, bank, healthcare, and shopping opportunities. The Montrose County Housing Authority will provide eight project-based vouchers. The new construction portion of the development will use an all-electric-ready design.

- 52 Units: 28 One-bedroom; 24 Two-bedroom
- 9 units @ 30% AMI; 5 units @ 40% AMI; 14 units @ 50% AMI; 24 units @ 60% AMI
- State Credit Awarded: \$1,100,000
- Federal 4 Percent Credit Awarded: \$958,961



Pavilion Gardens, a similar development also managed by VOA in Montrose

Walsenburg Site #1: Spruce and Sproul Property

Tier 1: Shovel-Ready Site
Planning Status: Active

This undeveloped property is located on the northeast side of Walsenburg, on the corner of W Spruce Street and N Sproul Ave. This property was acquired by the Walsenburg Housing Authority in 2020 as part of an effort to transition from managing fifteen single-family affordable rental homes throughout the city to developing a multi-family affordable housing rental complex. The Housing Authority has worked extensively with the US Department of Housing and Urban Development (HUD) to enable this transition and has secured funding for the multi-family development through the sale of the fifteen single family homes, which raised approximately \$3 million. The Housing Authority has preliminary design renderings but has not formalized architectural or engineering designs or contracted with a developer or other technical professionals.

SITE INFORMATION

Address: W Spruce St and N Sproul Ave

Zoning: R-1 Low Density Residential

Ownership: Public - Walsenburg Housing Authority

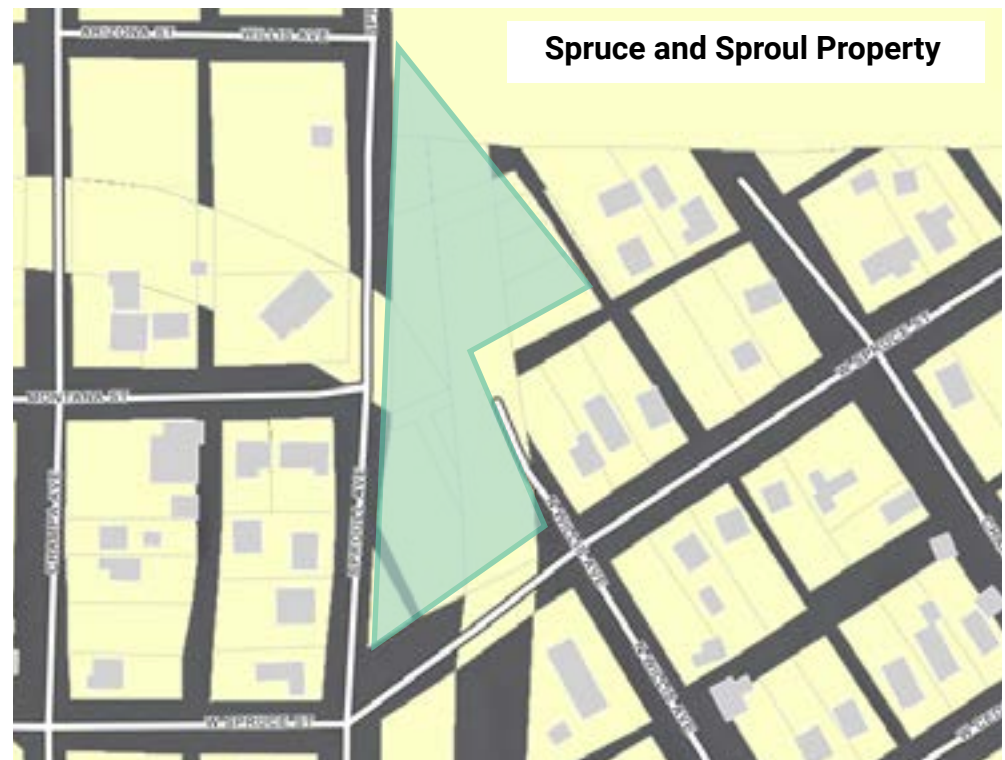
Parcel Number: 4251010

Parcel Size: 1.3 acres, approx 57,000 sf

Suitability: 10 out of 10 (High)

Water: Within municipal boundaries, no existing water infrastructure.

Wastewater: Within municipal boundaries, no existing wastewater infrastructure. Some concerns about infrastructure capacity in this area.



Site Strengths

- Owned by the Walsenburg Housing Authority, which has the funding to develop 15 new multi-family units.
- High suitability score.
- No demolition or remediation of the site is needed.



View of the property facing south

Stakeholder Feedback

The Walsenburg Housing Authority has a preliminary concept for the site. Other stakeholders did not have any feedback on this site.

Site Constraints

- Only low density is permitted by the current zone (R-1).
- Potential issues with sewer infrastructure in this area.
- Triangular lot configuration restricts building envelope.
- Property acreage is below the required lot area for a PUD in Walsenburg (10 acres).
- HUD regulations require the same square footage as the original single-family homes managed by the housing authority.



View of the property facing north
Spruce and Sproul Property

Preliminary Site Concept

SITE POTENTIAL

Projected Unit Potential: 15 units

Projected Unit Types: 1-2 bedroom rental units

Potential Income Targets: HUD-defined public housing income limits - 102% AMI.

Relevant Stakeholders: Walsenburg Housing Authority, City of Walsenburg, Huerfano County Economic Development

Relevant Community Goals



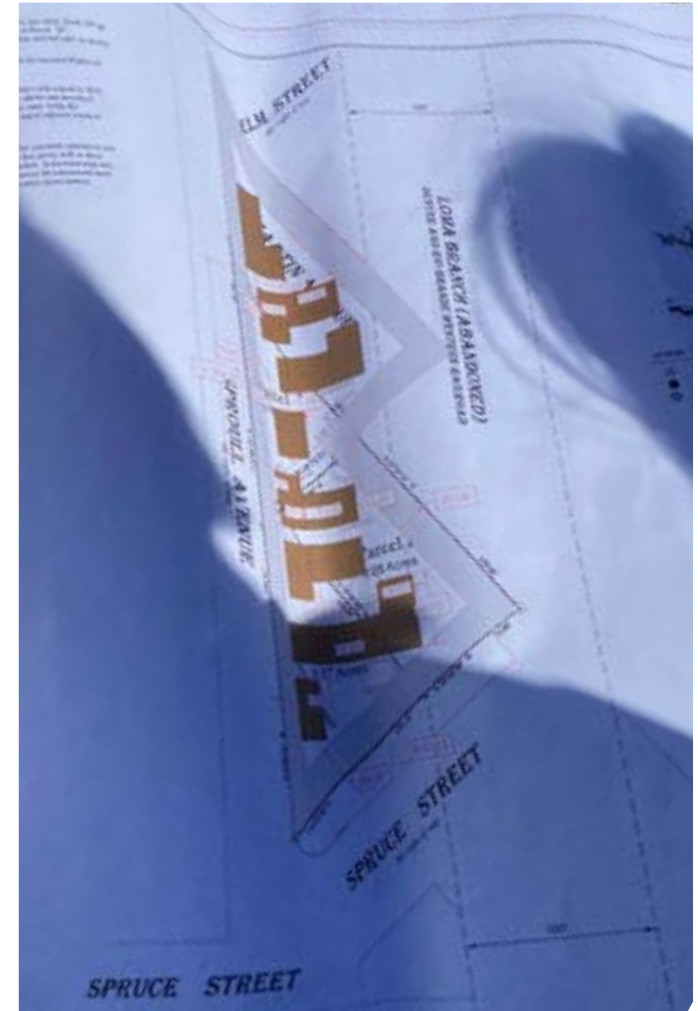
Housing for
Community-Serving
Professionals



Economic Vitality
& Community
Benefit

The Housing Authority has identified a need for smaller 1-2 bedroom rental units, which is supported by the findings of the 2023 Huerfano County Housing Needs Assessment. Due to this, all fifteen units are projected to be 1-2 bedroom units.

The Housing Authority has developed preliminary design renderings for this property.



Preliminary layout of property, Walsenburg Housing Authority

Development Considerations

Property Rezone

This parcel is currently zoned R-1, which allows a maximum density of a triplex per minimum lot size of 12,000 sq ft. Duplexes are permitted on a minimum lot size of 9,000 sq ft. To effectively accommodate fifteen multi-family units, it will be necessary for the Walsenburg Housing Authority to pursue a rezoning of the property to either the R-2 or C-1 districts. The R-2 district will likely be more suitable, as it is more representative of the neighborhood character and surrounding R-1 properties, however both R-2 and C-1 permit multi-family residential development, including row houses, townhouses, apartments, condominiums, and other forms of multi-family housing units at a maximum density of 16 units per acre.

The rezoning policy is outlined in [Section 16-3-320](#) of the Walsenburg Municipal Code. While there is no future land use map for the City of Walsenburg to guide rezone requests, their policy requires that the applicant demonstrates clear and convincing evidence that the rezoning is necessary because of one or more of the following reasons:

1. The land to be rezoned was zoned in error and as presently zoned is inconsistent with the policies and goals of the Comprehensive Plan.
2. The area for which rezoning is requested has changed or is changing to such a degree that it is in the public interest to encourage a redevelopment of the area or a new approach to development.
3. The proposed rezoning is necessary in order to provide land for a community-related use which was not anticipated at the time of the adoption of the Comprehensive Plan, and such rezoning will be consistent with the policies and goals of the Comprehensive Plan.
4. The area for which rezoning is requested has unusual and particular suitability to a certain use not permitted under its present zoning classification.

Section 16-3-340 outlines the rezone request procedure, which must go before the Planning Commission for a public hearing, upon which the Planning Commission will make a recommendation to the City Council for resolution.

If a rezone is unsuccessful or non-feasible, it could be possible to subdivide the lot into four, five, or six lots with either a duplex or triplex on each lot, in conformance with the provisions of the R-1 zoning district. This may prove to be challenging due to the nontraditional lot shape. Not all 15 units may fit on the property, but it would be a method of developing the property without needing a rezone. ***Because of these obstacles, it may be worth pursuing a variance to facilitate the development of affordable housing on this project site.***

Wastewater Infrastructure

While this property is located within the municipal boundaries and within the Walsenburg water and sewer districts, there is some concern about wastewater infrastructure capacity in this area of the city. It will be necessary for the Walsenburg Housing Authority to clarify the water and wastewater hookup process and system capacity with the Walsenburg Public Works director as part of the due diligence process before the plans for the development have been solidified. State and federal funding may be an option to help pay for the cost of any infrastructure upgrades needed for this development.



Spruce and Sproul property, aerial view

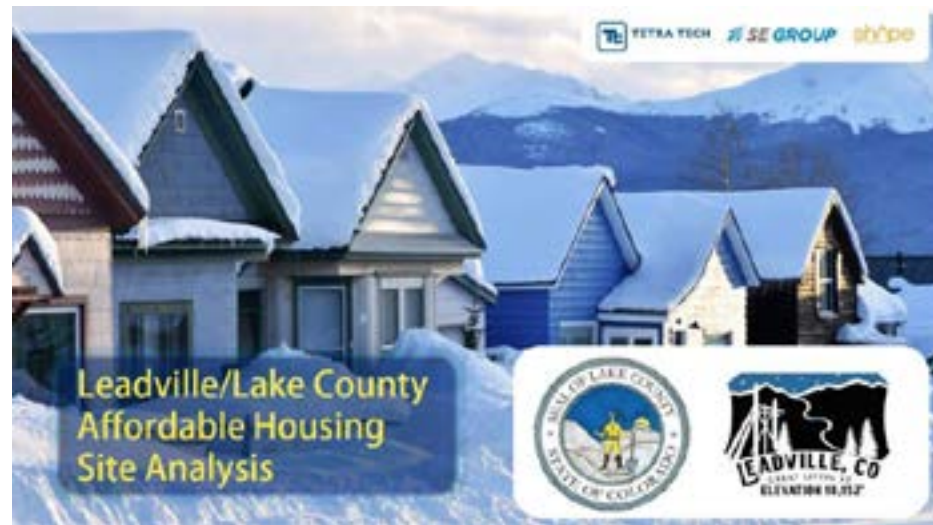
Relevant Funding Sources

Funding Source	Applicability	Notes
Community Development Block Grants (CDBG)	Intended for use on rehabilitation of public facilities, elimination of blight. Example projects include sewer and water systems and must benefit primarily low to moderate income people.	Could be applicable to infrastructure improvements, including water and sewer for this property.
HOME Investment Partnership Program	Can be used for rental housing rehabilitation and construction	
IHOI Incentives Grant Program	Grants for local governments to develop one or more affordable housing developments in their community that are livable, vibrant, and driven by community benefits.	These incentive grants can help cover tap fees, infrastructure, parks/playgrounds and other needs and amenities that support the affordable housing project. Local government must adopt three DOLA IHOP strategies to qualify.
Colorado Heat Pump Tax Credits	For a heat pump that serves more than one unit in a multifamily building, a registered contractor may claim one tax credit for each unit served by that heat pump.	Tax credits are \$1,500 per unit served, and contractors must provide one-third of the total tax credit amount to the customer at the time of installation.
FHLBank Topeka	Grant-based funding, maximum subsidy per unit: \$75,000, \$150,000 per project	Neighborworks SC is an alternate to receive a nearly \$1 million grant for downpayment assistance

Case Study: Leadville/Lake County Housing Authority Triangle Lots

Leadville/Lake County, CO

The Leadville Lake County Housing Authority is in the process of developing affordable housing to serve the local workforce. In 2022, using a DOLA Technical Assistance Grant, LLCHA hired a consultant team to assess three publicly owned potential study areas, including five individual sites, for affordable housing and to develop feasible designs for development. The designs developed through this analysis took into consideration the sites' challenging lot triangular configurations and other constraints.



Following this study, the LLCHA received a [\\$1 million grant from DOLA](#) in 2023 to fund infrastructure costs for three of the sites, and in 2024, received [\\$850,000](#) from the US Department of Housing and Urban Development for additional horizontal infrastructure improvements. It is estimated that approximately 31 residential units could be supported by two of the county-owned sites, while the third site's capacity hasn't been determined yet. There will be a combination of deed-restricted ownership and rental units for Lake County residents.

Walsenburg Site #2: Former Football Field

Tier 2: Moderate Site Limitations
Planning Status: Inactive

This vacant lot was once a football field for the Walsenburg School District. The current Spanish Peaks Library, which is adjacent to the property, was a former school in the Walsenburg School district. The football field was purchased by a private LLC in 2021, which voiced intentions of developing housing on the property. Adjacent to the property is the SCCOG Early Learning Center and the Huerfano Masonic Cemetery. Some football field infrastructure remains, including overhead lighting.

There is an irrigation ditch that runs along the west side of the property and has historically placed the property within the floodplain. FEMA updates to the Walsenburg floodplain maps indicate that this property may no longer be part of the floodplain, however the draft maps have not yet been finalized.

SITE INFORMATION

Address: 415 Walsen Ave, West Spruce St.

Zoning: A-O Agricultural-Open

Ownership: Private

Parcel Number: 38541

Parcel Size: 3 acres, approx 129,400 sf

Suitability: 10 out of 10 (High)

Water: Within municipal boundaries, no existing water infrastructure

Wastewater: Within municipal boundaries, no existing water infrastructure.



Site Strengths

- High suitability, barring current mapping of floodplain.
- Close proximity to community resources, such as the Spanish Peaks Library, the SCCOG Preschool, and the Walsenburg High School.
- No need for existing structure demolition.
- The property owner is interested in developing affordable housing or selling the property for affordable housing development.
- The center of the property is very flat, negating the need for substantial grading.



Former football field, looking north towards library

Former Football Field

Site Constraints

- Currently in floodplain due to irrigation ditch on the west side of the property, FEMA flood maps may be updated soon.
- State funding will not be available to any property in the floodplain, even if buildings are raised above base flood elevation level.
- Currently zoned as Agricultural, property would need to be rezoned to allow for higher density residential development.
- Steep slopes on the eastern side of the property constrain development.
- Potential access issues; ideally the property would be accessed from the northern side of the parcel along the current fence line
- Need to take down fence line on northern side of the parcel; the owner of this fence is unknown

Stakeholder Feedback

Support for development if floodplain map concerns are addressed due to property owner support of affordable housing development and opportune location.

Preliminary Site Concept

SITE POTENTIAL

Projected Unit Potential: 15 - 20

Projected Unit Types:
Transitional, supportive, and/or multigenerational housing

Potential Income Targets: Low-Income (80% AMI or lower)

Relevant Stakeholders:
Property owner group, City of Walsenburg, Spanish Peaks Library District, Crossroads Turning Points, Spark the Change Colorado.

Transitional or Permanent Supportive Housing

This three-acre site has high potential for transitional or permanent supportive housing due to its central location and excellent proximity to community resources. There is a demonstrated need for transitional and supportive housing to help Walsenburg and Huerfano County residents struggling with homelessness or substance use disorders, as the nearest transitional and supportive housing services are located in Pueblo and Trinidad. If developed as transitional or supportive housing, the property could accommodate community outdoor spaces and other amenities.

Specialized Housing Opportunities

While there is the highest need for transitional or supportive housing services, this site would also be a prime location for senior housing services, or traditional affordable housing units. This could be multigenerational housing that includes units for seniors but also families. This site's proximity to essential services could also make it a suitable location for housing for individuals with disabilities.

Relevant Community Goals



Specialized Housing for Vulnerable Populations



Adaptive Reuse & Sustainability



Economic Vitality & Community Benefit

Floodplain

The results of the FEMA floodplain remapping will have a large impact on the type of development possible on this property. If the property remains in the floodplain, it is unlikely that it will qualify for state affordable housing funding, even if the base elevation is raised to an appropriate level above the floodplain. If this is the case, other private funding opportunities must be pursued. Homes to the south of the property have engineered the irrigation ditch with raised banks to allow for safe residential development adjacent to the ditch.



Irrigation ditch on northwest side of property



View of property from the east



Irrigation ditch on northwest side of property



Neighboring property's irrigation ditch infrastructure

Former Football Field

Recommended Development Pathway

1. Determine FEMA floodplain status

It is estimated that the FEMA floodplain remapping project will be completed by 2025. Once this remapping is completed, it will be determined whether or not this property is within the floodplain. The following development pathway assumes that the property will not be within the floodplain.

2. Establish landowner involvement

The current landowner has voiced interest in either developing the property as affordable housing or selling the property to an affordable housing developer. Work with the property owner to determine if they will be involved in the development team or if they will sell the property.

3. Establish a development team

Depending on the eventual landowner and developer for this project, a development team should be assembled to include expertise in project management, real estate development, architecture, engineering, construction, financing, market analysis, legal implications, and community engagement. If the project is to have an element of transitional, supportive, or senior housing, it will be necessary to involve area nonprofits and service providers such as Crossroads Turning Points and Spark the Change Colorado. This development team can be small or large, as one person may have expertise in many of these topics. Consult the [Stakeholder Map](#).

4. Pursue a rezone of the property

The property is currently zoned A-O, which only permits very low residential density. The property should be rezoned to either R-2 or C-1 to allow for multi-family dwellings at a maximum density of 16 units/acre. The rezoning policy is outlined in [Section 16-3-320](#) of the Walsenburg Municipal Code.

-
- 5. Conduct a market feasibility study, finalize unit mix, and secure necessary financing**

Conduct a market feasibility study to evaluate the demand for the potential units provided through the development of the site. Use the 2023 HNA (and any other relevant data) to assess demographics, economic and market conditions, and housing preferences to understand the viability of the proposed development. Determine the absorption rate, or the expected rate that the housing units will be leased in a certain time period. Following this, determine the final unit mix and then secure a funding stack using the suggested funding sources below. If this project is to have an element of transitional, supportive, or senior housing, work with providers of these specific services throughout this feasibility study and in securing funding. Determine a program or property management agency.

 - 6. Finalize site plan and design**

The project team should finalize the site plan and design, using professional assistance from a developer and designer. Ensure that the final site plan meets the requirements of local building codes and grant requirements. Review the final site plan for compliance with this document and the Walsenburg General Plan.

 - 7. Begin and complete construction**

The use of sustainable building materials and practices is encouraged during the construction of the housing units.

 - 8. Place deed restrictions on the homes**

Ideally, use a regional housing authority or regional housing non-profit to establish and manage these deed restrictions. Consult the [Stakeholder Map](#) to identify possible managers of deed restrictions, including Total Concept or Neighborworks.
-

Relevant Funding Sources

Funding Source	Applicability	Notes
Colorado Health Foundation – Supporting Coloradans in Recovery Through Non-Clinical Programs	Funding is provided to support individuals with mental health and/or substance use challenges in accessing culturally responsive non-clinical support services close to home that will make recovery possible.	Applicants may request a grant of up to \$150,000 over two years. Applicant must be a nonprofit, government organization, or partnered with a nonprofit fiscal sponsor.
DOLA Creation of Supportive Housing	This program is designed to increase the production of Supportive Housing (SH), also known as Permanent Supportive Housing (PSH), for extremely low-income people experiencing homelessness with complex barriers to housing stability.	This RFA has variable deadlines based on type of application. This program works in tandem with other DOH funding programs.
LIHTC	LIHTC can be used for a portion of a project, often combined with other funding sources to finance different unit types in a project.	See HUD income limits information for 2024 here. Only applicable up to 80% AMI. LIHTC projects are administered by CHFA in Colorado.
Colorado Health Foundation - Affordable Housing	Affordable housing funding available through grants and impact investing partnership	Funding is administered on an invitation-only basis, projects can inquire to the foundation if they think they might qualify.
Colorado Housing Investment Fund (CHIF)	Can be used as gap financing or as short-term loans available for new construction and rehabilitation	
Division of Housing Transformational Housing Loan Fund	Low-interest flexible, and below-market financing for projects serving extremely low income to middle income individuals and families.	

Relevant Funding Sources Continued

Funding Source	Applicability	Notes
Community Services Block Grant	Grants to alleviate the causes and conditions of poverty in communities, can include housing projects	The South Central Council of Governments is the eligible entity for Huerfano County.
CHFA Multifamily Lending	Programs include Sizeable Multifamily Affordable Risk Share Tool (SMART), Small Multifamily Permanent Loan (SIMPLE), Construction and Permanent Affordable Bond Loan (CAPABLE), and Partnership-to-Perm Affordable Bond Loan (PAIRABLE)	Some lending options require the participation in certain tax credit programs (4% or 9% LIHTC)
CHFA Housing Opportunities Fund	Up to \$1 million in gap financing,	Can be used for non-housing credit projects
FHLBank Topeka	Grant-based funding, maximum subsidy per unit: \$75,000, \$150,000 per project	Neighborworks SC is an alternate to receive a nearly \$1 million grant for downpayment assistance
USDA Rural Development	Multifamily housing direct loans, loan guarantees	Specific AMI requirements based on loan type or loan guarantee
Colorado Heat Pump Tax Credits	For a heat pump that serves more than one unit in a multifamily building, a registered contractor may claim one tax credit for each unit served by that heat pump.	Tax credits are \$1,500 per unit served, and contractors must provide one-third of the total tax credit amount to the customer at the time of installation.

Case Study

Espero Apartments

Durango, Colorado

SW Housing Solutions is a nonprofit based in Southwest Colorado and serving Archuleta, Dolores, La Plata, Montezuma, and San Juan counties. This organization works to construct affordable housing for seniors, families, and persons with disabilities including rental apartments and single-family homes.

Housing Solutions, in partnership with Blue Line Development, constructed the Espero Apartments in 2021. This development is located in the City of Durango and consists of 40 1-bedroom apartments for people who are moving from homelessness, are low-income, and have a disabling condition.

Project Funding:

- 9% Low-Income Housing Tax Credits awarded by CHFA
- Grant Funding through the Colorado Division of Housing
- Land donation by the City of Durango

Housing Solutions also operates two other housing developments which provide affordable rental homes and senior housing units.



SW Housing Solutions
Former Football Field

Walsenburg Site #3: St. Mary's School

Tier 3: High Site Limitations
Planning Status: Inactive

This school was part of the St. Mary Church Complex, all of which was constructed during the late 1800's and early 1900's. It is estimated that the first part of the school was constructed in 1912, with the west wing addition constructed in 1922, and the east wing added in 1926. The school has two stories of classrooms with a raised basement. Each level of the school contains approximately 16,300 square feet. The school opened in 1913 and elementary through high school students were taught by religious Sisters, who lived in the convent behind the school. The school closed in the 1970s and has been vacant since. Due to years of vacancy, the structure is in considerable disrepair following a fire in the auditorium in the mid-1970s. Several sections of the roof have fallen in and most windows were broken before being boarded up. In 2001, the school was nominated to the Colorado State Register of Historic Properties, full application available here.

SITE INFORMATION

Address: Russell and East 7th Street

Zoning: C-2 Commercial-Community

Ownership: Private

Parcel Number: 162002

Parcel Size: 1.15 acres, approx 50,600 sf

Suitability: 10 out of 10 (High)

Water: Within municipal boundaries, infrastructure unknown.

Wastewater: Within municipal boundaries, infrastructure unknown.



Site Strengths

- High suitability score.
- Great walkability and location downtown.
- Historic designation enables state and national historic tax credit funding.



St. Mary's School street view from the north

Site Constraints

- Listed on the State Register of Historic Places – would need to be rehabilitated rather than demolished.
- No functioning roof, very poor building condition.
- C-2 zoning designation does not allow for many residential uses.



St. Mary's School street view from the south

Stakeholder Feedback

Stakeholder interest in rehabilitation of existing buildings, additional interest in development on the open land on property behind the school.

Preliminary Site Concept

SITE POTENTIAL

Projected Unit Potential: Lower-Density Build-Out: 15 - 20 units; Higher-Density Build-Out: 35 - 40 units.

Projected Unit Types: Long-term rental units, transitional housing, senior housing.

Potential Income Targets: Low-Income (80% AMI or lower), potential mix of incomes

Relevant Stakeholders: Property owner, City of Walsenburg, Walsenburg Housing Authority, Spark the Change Colorado, Crossroads Turning Points.

This site could be partially or completely rehabilitated to develop affordable, transitional, or supportive housing. Due to its downtown location and proximity to resources, this site could be a location for transitional, permanent supportive, or senior housing. Due to the size of the structure and potential for development opportunity, this site could support a mix of unit types, including larger unit types (e.g., 3 BR units).

The rehabilitation of this building will be intensive and expensive, but there is a community desire to see this building used once more, and there is a need for transitional housing and senior housing that is close to community services and amenities. This site could be an opportunity to implement sustainable and innovative development practices, such as high-performance windows and energy-efficient lighting.



St. Mary's School street view from the north

Relevant Community Goals



Specialized Housing for Vulnerable Populations



Adaptive Reuse & Sustainability



Economic Vitality & Community Benefit

Recommended Development Pathway

1. **Coordinate with current property owners**

Work with current landowners to either develop an affordable housing concept as part of the property revitalization, or work with the landowners to sell the property to the city, the county, or an affordable housing developer.

2. **Establish a development team**

Depending on the eventual landowner and developer for this project, a development team should be assembled to include expertise in project management, real estate development, architecture, engineering, construction, financing, market analysis, legal implications, and community engagement. If the project is to have an element of transitional, supportive, or senior housing, it will be necessary to involve area nonprofits and service providers such as Crossroads Turning Points and Spark the Change Colorado. This development team can be small or large, as one person may have expertise in many of these topics. Consult the [Stakeholder Map](#).

3. **Determine structural integrity of building and potential for rehabilitation**

The development team should conduct a series of studies and assessments to determine if the building is structurally sound, beginning with a visual inspection and materials testing (testing of existing building materials to assess their condition). Retain a structural engineer to conduct a structural engineering assessment of the building and/or non-destructive testing (NDT) that can help identify structural defects. Consider the building's proximity to potential natural hazards and conduct a soil assessment to determine if the building's foundation is adequately supported.

4. **Determine State Historic Register requirements**

Work with the State Historic Preservation Office (SHPO) to understand the requirements for property rehabilitation and/or partial or complete demolition in the event that parts or the entire structure cannot be rehabilitated. Conduct analyses of the cost of property rehabilitation, partial demolition, or complete demolition. While the goal is to rehabilitate this property, it will be up to the development team, the City, and the SHPO to determine the course of action for this property.

5. Pursue a rezone of the property

The property is currently zoned C-2, which only permits very low residential density. The property should be rezoned to either R-2 or C-1 to allow for multi-family dwellings at a maximum density of 16 units/acre. The rezoning policy is outlined in [Section 16-3-320](#) of the Walsenburg Municipal Code.

6. Conduct Structural, Environmental, Mechanical, and Electrical Assessments

Conduct a market feasibility study to evaluate the demand for the potential units provided through the development of the site. Use the 2023 HNA (and any other relevant data) to assess demographics, economic and market conditions, and housing preferences to understand the viability of the proposed development. Determine the absorption rate, or the expected rate that the housing units will be leased in a certain time period. Following this, determine the final unit mix and then secure a funding stack using the suggested funding sources below. If this project is to have an element of transitional, supportive, or senior housing, work with providers of these specific services throughout this feasibility study and in securing funding. Determine a program or property management agency.

7. Remediate hazardous substances and secure structure

Using a state or national Brownfields grant, remediate any asbestos and other hazardous substances in the building found during environmental assessments. Reinforce structure and complete any other necessary rehabilitative construction before developing housing units.

8. Conduct a market feasibility study, finalize unit mix, and secure necessary funding

Conduct a market feasibility study to evaluate the demand for the potential units provided through the redevelopment. Use the 2023 HNA (and any other relevant data) to assess demographics, economic and market conditions, and housing preferences to understand the viability of the proposed development. Coordinate with local organizations about community needs, especially if pursuing transitional, supportive, or senior housing. Reference the Stakeholder Map. Determine the absorption rate, or the expected rate that the housing units will be leased in a certain time period. Following this, determine the final unit mix and then secure a funding stack using the suggested funding sources below.

9. Finalize site plan and design

The project team should finalize the site plan and design, using professional assistance from a developer and designer. Ensure that the final site plan meets the requirements of local building codes, grant requirements, and the State Historic Preservation Office. Review the final site plan for compliance with this document and the Walsenburg General Plan.

10. Begin and complete construction

The use of sustainable building materials and practices is encouraged during the construction of the housing units.

11. Place deed restrictions on some or all homes

Ideally, use a regional housing authority or regional housing non-profit to establish and manage these deed restrictions. Consult the [Stakeholder Map](#) to identify possible managers of deed restrictions, including Total Concept or Neighborworks.

Relevant Funding Sources

Funding Source	Applicability	Notes
Community Services Block Grant	Grants to alleviate the causes and conditions of poverty in communities, can include housing projects	The South Central Council of Governments is the eligible entity for Huerfano County.
Colorado Brownfields Program	Contaminated properties can participate in the Voluntary Cleanup Program, which provides both federal and state remedial plan approval in one step. Banks will accept a "No Action Determination" letter from the program as assurance that the state or the EPA won't order a costly, conventional cleanup.	Assistance is in the form of environmental site assessments, tax credits, revolving loans, and grant funding. Applicant must be the property owner.

Relevant Funding Sources Continued

Funding Source	Applicability	Notes
EPA Brownfields Program	Assessment, cleanup, multipurpose, and revolving loan fund grants available for properties contaminated with hazardous substances.	Asbestos is a qualifying hazardous substance. Note that this program has a finite amount of annual funds it issues each year; apply early in the year to increase the likelihood of receiving funding.
Colorado Historic Tax Credits	Federal and state tax laws provide tax incentives for historic preservation projects that follow the Secretary of the Interior's Standards for Rehabilitation. The amount of credit that can be obtained is calculated as a percentage of the overall rehabilitation costs associated with the project.	Tax credits apply to building rehabilitation for residential purposes. History Colorado's Office of Archaeology and Historic Preservation is the contact for tax credit project applications.
Community Development Block Grants (CDBG)	Intended for use on rehabilitation of public facilities, elimination of blight. Example projects include sewer and water systems and must benefit primarily low to moderate income people.	Could be applicable to infrastructure improvements, including water and sewer for this property.
Colorado Health Foundation	Affordable housing funding available through grants and impact investing partnership	Funding is administered on an invitation-only basis, projects can inquire to the foundation if they think they might qualify.
FHLBank Topeka	Grant-based funding, maximum subsidy per unit: \$75,000, \$150,000 per project	Neighborworks SC is an alternate to receive a nearly \$1 million grant for downpayment assistance

Relevant Funding Sources Continued

Funding Source	Applicability	Notes
<u>IHOI Incentives Grant Program</u>	Grants for local governments to develop one or more affordable housing developments in their community that are livable, vibrant, and driven by community benefits.	These incentive grants can help cover tap fees, infrastructure, parks/playgrounds and other needs and amenities that support the affordable housing project. Local government must adopt at least three DOLA IHOP strategies to qualify.
<u>Colorado Health Foundation – Supporting Coloradans in Recovery Through Non-Clinical Programs</u>	Funding is provided to support individuals with mental health and/or substance use challenges in accessing culturally responsive non-clinical support services close to home that will make recovery possible.	Applicants may request a grant of up to \$150,000 over two years. Applicant must be a nonprofit, government organization, or partnered with a nonprofit fiscal sponsor.
<u>DOLA Creation of Supportive Housing</u>	This program is designed to increase the production of Supportive Housing (SH), also known as Permanent Supportive Housing (PSH), for extremely low-income people experiencing homelessness with complex barriers to housing stability.	This RFA has variable deadlines based on type of application. This program works in tandem with other DOH funding programs. Relevant if developing supportive housing units.
<u>LIHTC</u>	LIHTC can be used for a portion of a project, often combined with other funding sources to finance different unit types in a project.	See HUD income limits information for 2024 here. Only applicable up to 80% AMI. LIHTC projects are administered by CHFA in Colorado.

Case Studies

Boyd School

Alamosa, Colorado



Collab Architecture

The San Luis Valley Housing Coalition is in the process of rehabilitating and expanding the [Boyd School](#) site in Alamosa, CO into an affordable housing development. The scope includes the renovation of the 34,000 square foot school facility to include 19 units which will vary in size and type to accommodate single occupancy to families. In addition to the renovation of the school facility, there are 1.94 buildable acres that will be transformed into 32 additional units and community-centric site amenities.

Amenities include a playground, community garden, and an amphitheater. There will also be an early childhood education center, community gathering spaces, and administrative offices housed within the existing facility. View [Floor Plans](#).

Pancratia Hall

Denver, Colorado

This project preserved the historic four-story gothic-style [Pancratia Hall](#), constructed in 1929, which had been vacant since 2017, and repurposed the building's



Loretto Community

use for affordable housing. This building was a prior school and dormitory building on the historic Loretto Heights college campus. 74 units of affordable housing were developed for families. Amenities include a community garden, computer room, fitness center, picnic area, playground, storage lockers, bike workshop, and a conference room. The site has excellent access and frontage along an arterial street with a high volume of passing traffic that provides good visibility.

Project Funding

- \$12,500,000 issuance of Private Activity Bonds
- \$8,225,000 permanent Partnership-to-Perm Affordable Bond Loan (PAIRABLE) loan with a 40-year term
- \$600,000 CHFA Capital Magnet Fund (CMF) loan with a 17-year term
- \$150,000 CMF grant
- Federal 4 percent Housing Tax Credits

Walsenburg Site #4: Former Motel

Tier 2: Moderate Site Limitations
Planning Status: Inactive

Located on Highway 85, north of downtown Walsenburg and immediately off exit 52 on Interstate 25, this property was formerly a Budget Host Motel with approximately 20 rooms. An office building is located on the property. Records show that this motel was closed sometime between 2018 and 2021. County Assessor tax data indicate that the property was sold in 2019 and later in the year filed a permit for and completed a building reroofing, although it is unclear if the office or the motel roof was redone. The property is privately owned and has been vacant since closing.

SITE INFORMATION

Address: 553 US-85

Zoning: C-1 Commercial-Neighborhood & Tourist

Ownership: Private

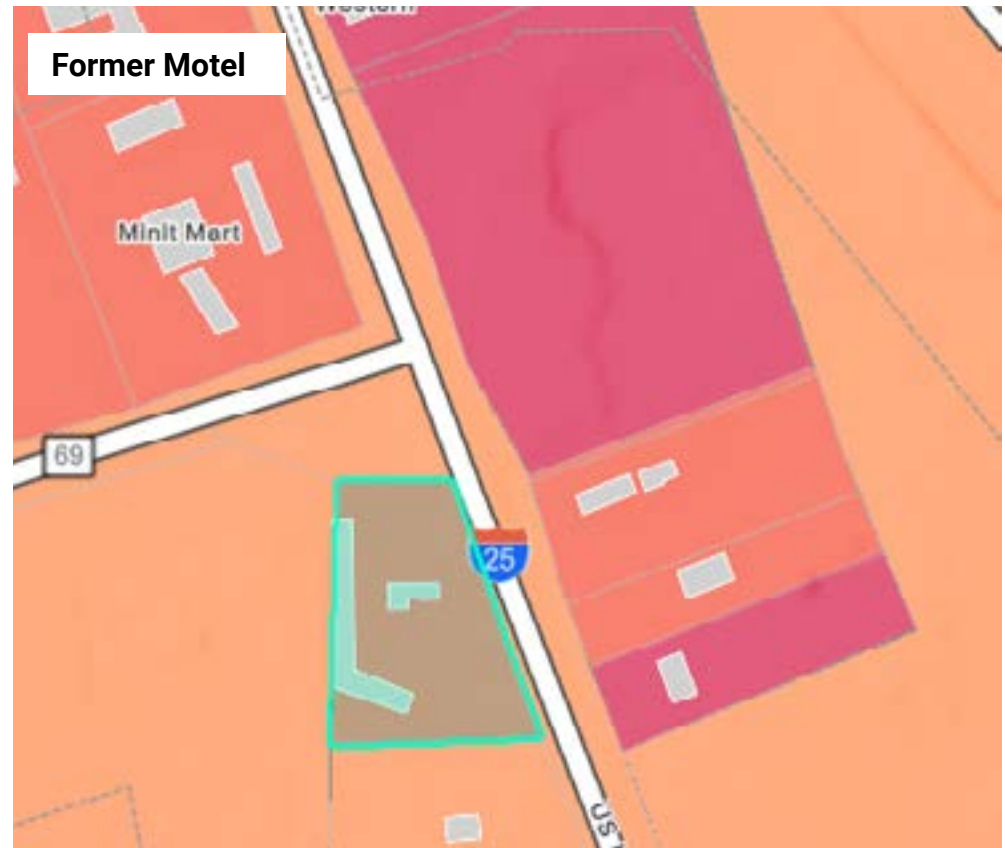
Parcel Number: 23076

Parcel Size: 1.4 acres

Suitability: 7 out of 10 (High)

Water: Previously had water service for the Motel, current infrastructure capacity and condition is unclear

Wastewater: Previously had wastewater service for the Motel, current infrastructure capacity and condition is unclear.



Site Strengths

- The motel structure is in decent condition.
- An opportunity for adaptive reuse.
- Within Walsenburg City Limits and very close to Interstate 25.
- Current zoning designation allows for multi-family residential development.

Stakeholder Feedback

Interest in developing transitional housing at this site, however it is not a highly walkable location.

Site Constraints

- Privately owned property with no indication of redevelopment plans.
- Disconnected from the primary downtown area of Walsenburg, requiring personal vehicles for all transportation.
- Water and wastewater concerns in the northern area of the city.
- Connectivity issues – located on major highway, but little to no pedestrian connectivity to Walsenburg. Car transportation required.



Street view of former motel property

Preliminary Site Concept

SITE POTENTIAL

Projected Unit Potential: 10 - 20 studio, 1 BR, or 2 BR units.

Projected Unit Types: Transitional, supportive, or traditionally affordable housing units.

Potential Income Targets: Low or very low-income households.

Relevant Stakeholders: Huerfano County Health Department, Crossroads Turning Points, City of Walsenburg, Huerfano County Economic Development. the Change Colorado.

This former motel could be rehabilitated to create small apartments, either as traditional affordable housing or as transitional housing for those who have experienced homelessness. Considerations would have to be made with regard to resident transportation needs and access to key services, as the vulnerable populations who often seek transitional housing frequently do not have personal vehicles.



Aerial view of former motel property

Relevant Community Goals



Specialized Housing for Vulnerable Populations



Adaptive Reuse & Sustainability



Economic Vitality & Community Benefit

Walsenburg Site #5: Former Washington School

Tier 2: Moderate Site Limitations
Planning Status: Inactive

This former elementary school, known as the Washington School, was originally constructed in 1936. While it is unclear when the school ceased to operate in this location, the building has housed the Huerfano School District Re-1 Administrative Offices at least since 2012, as well as the Colorado Workforce Center, more recently. This property is located on Russell Street in the downtown Walsenburg area and has a playground to the east of the building, as well as an empty lot even further to the east of the playground. The empty lot on the east side of the parcel is approximately 15,000 square feet.

SITE INFORMATION

Address: Russell and 5th St

Zoning: R-1 Low Density Residential

Ownership: Public - Walsenburg School District

Parcel Number: 60304

Parcel Size: 1.3 acres, 57,500 sf

Suitability: 10 out of 10 (High)

Water: Within city limits, access to municipal water system.

Wastewater: Within city limits, access to municipal wastewater system.



Preliminary Site Concept

SITE POTENTIAL

Projected Unit Potential: 3 - 6 units

Projected Unit Types: Triplex of townhomes, multi-family apartments.

Potential Income Targets: Low- to middle-income housing units for local workforce.

Relevant Stakeholders: City of Walsenburg, Huerfano School District RE-1

Relevant Community Goals



Housing for Community-Serving Professionals



Economic Vitality & Community Benefit

Site Strengths

- High suitability score.
- Downtown location with high walkability and proximity to services.
- Publicly owned by the School District.

Site Constraints

- Current zoning only permits residential density up to a triplex.
- No contact with the School District about plans for this parcel.
- Would likely require a subdivision and/or rezoning of the property.

This property could be subdivided in order to make the empty lot on the east side of the property into an independent parcel. This property could then pursue a rezone to R-2 in order to allow for multi-family development or maintain the R-1 zoning and develop a triplex. If ownership is maintained by the school district, units could be developed specifically for teachers and school staff, or the property could be sold to an affordable housing developer to develop low- to middle-income housing units.

Stakeholder Feedback

Interest in vacant area to the east for affordable housing development catered to local workforce.



Empty parcel to the east of Washington School
Former Washington School

Walsenburg Site #6: Former Polk Ave Hill School

Tier 2: Moderate Site Limitations
Planning Status: Inactive

This former school was originally built in 1935. After use of this school was discontinued, the building sat vacant until its sale in 2019, at which point part of the building was partially remodeled to develop several loft apartments. The building is three stories tall, each of which are 4,200 square feet. The building was sold again in 2022 and is now owned by a private LLC. The property was subdivided into two lots, one of which has the former school, and the other is vacant. The vacant parcel is characterized by a steep slope. This property was identified by Huerfano County Economic Development as a potential Opportunity Zone development site in 2021.

SITE INFORMATION

Address: 126 North Polk Avenue

Zoning: R-1 Low Density Residential

Ownership: Private

Parcel Number: 45262, 45261

Parcel Size: Two parcels, 22,000 sf each

Suitability: 10 out of 10 (High)

Water: Within city limits, access to municipal water system.

Wastewater: Within city limits, access to municipal wastewater system.



Site Strengths

- High suitability.
- Central location, walking distance to many services and institutions.
- Opportunity for both adaptive reuse and new construction.
- Ability to connect to municipal water and sewer.



Polk Ave School view from the north

141

Site Constraints

- Steep slopes on vacant parcel, requiring additional grading and infrastructure for new construction. Slope differential of about 30 feet, north to south.
- Privately owned properties with no publicly available redevelopment goals or plans.



Polk Ave School view from the south

Former Polk Ave School

Preliminary Site Concept

SITE POTENTIAL

Projected Unit Potential: 16 units total

Projected Unit Types: 8 loft-style apartments in the former school building, 8 multi-family units of 1-2 bedrooms.

Potential Income Targets: Middle-income households (former school buildings), low or middle-income households and senior residents (new construction).

Relevant Stakeholders: City of Walsenburg, Huerfano County Economic Development, Walsenburg Housing Authority.

Further adaptive reuse of the school building structure could yield a total of ten loft-style apartments if the property is rezoned to R-2. It is unclear how many of these apartments have currently been developed. These loft-style apartments could be designated for middle-income households. On the vacant parcel of land, up to eight units could be constructed, assuming the property is rezoned to R-2, which allows for multifamily residential development of up to 16 units/acre. These new units could be for low-income households or middle-income households, including senior residents.

If these properties are developed by the same developer, the rent of the higher-end loft-style apartment could help to subsidize the affordable units located on the other parcel.

Relevant Community Goals



Housing for Community-Serving Professionals



Economic Vitality & Community Benefit



Polk Ave School view from the north, view of adjacent parcel to the east

La Veta Site #1: Former School Campus

Tier 1: Shovel-Ready Project
Planning Status: Active

The former La Veta High School was originally constructed in 1911, with several additions constructed over multiple decades, including a gymnasium in 1936. The school underwent asbestos treatment in 2001 for all above-ground floors, and eventually closed in 2021 following the construction of a new La Veta High School. The school building has two floors of classrooms, and the gymnasium is currently used by a local pickleball group in the winters. The property was purchased in 2021 by first-time developers hoping to develop affordable housing units in the school but were unsuccessful. New developers currently have the property under contract, pending the town-initiated rezone of the property.

SITE INFORMATION

Address: 110 E Garland St

Zoning: R-1

Ownership: Private

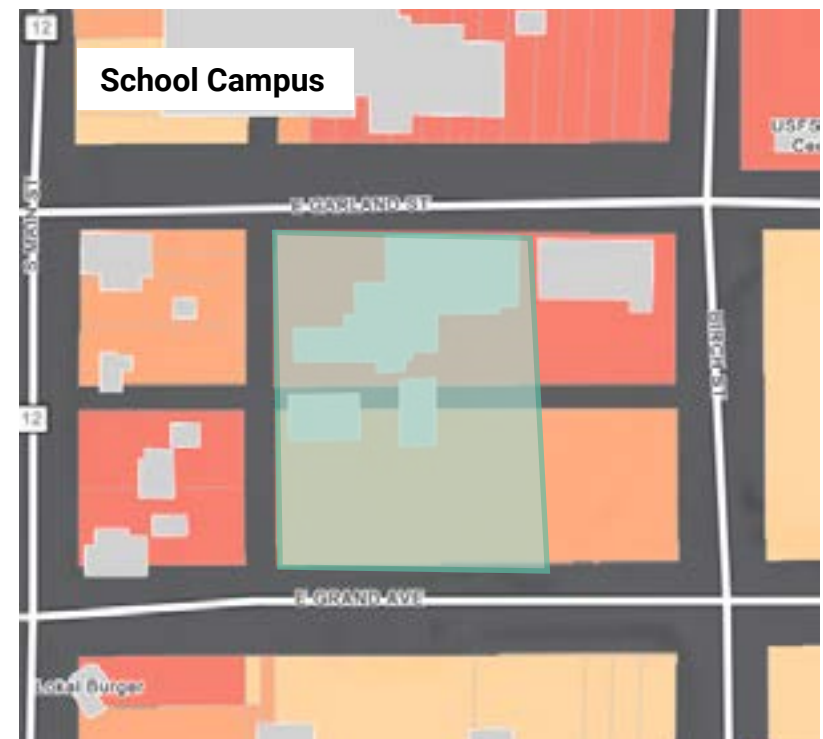
Parcel Number: 62011

Parcel Size: 1.5 acres

Suitability: 7 out of 10 (High)

Water: 14 water taps have been allocated to this property

Wastewater: On municipal wastewater system.



Site Strengths

- Was an operable school until 2021 and is still structurally sound.
- There is a new roof, windows, and heating system
- Underwent asbestos treatment in 2001, basement may not have been treated.
- High suitability; central, downtown location.
- Not currently on the national historic registry or in the town's historic district.
- Approximately 14 water taps have already been allocated to this site by the town.



Former La Veta High School aerial view

La Veta School Campus

Site Constraints

- Currently R-1 zoning district, must wait for town process to rezone the entire block.
- Concern that the property could be nominated to the historic district at any point, adding additional regulations, time, and costs.
- Potential DOLA historic requirements based on property age, distinct from historic district or national registry status.
- Interested developers have not closed on the property.
- Property may need variances to the setbacks based on 7 ft side setback requirements.



Former La Veta High School street view

Stakeholder Feedback

Stakeholder interest in rehabilitation of existing buildings, additional interest in development on the open land on property behind the school.

Preliminary Site Concept

SITE POTENTIAL

Projected Unit Potential: 19 - 25 units

Projected Unit Types: Rental, ownership condominiums, rent-to-own. Primarily studio and 1 - 2 bedroom units

Potential Income Targets: Low to middle-income

Relevant Stakeholders: Property owner, Town of La Veta, Huerfano County Economic Development, Total Concept.

The developers that currently have the project under contract have preliminary concepts for the property with 19-25 units ranging from studio to three bedrooms at a mixture of market rate and affordable price points, with some rental and some condo units. Additional commercial uses and community amenities can be located in the other two buildings on the property. The development team is highly committed to incorporating sustainable construction practices into the development process and design for the site. The prospective property owners have recently signed an agreement with Total Concept, an affordable housing development and management non-profit to help develop housing on this property.

Relevant Community Goals



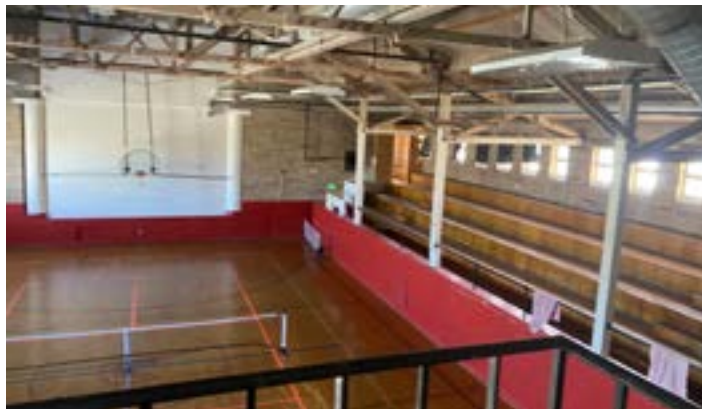
Specialized Housing for Vulnerable Populations



Adaptive Reuse & Sustainability



Economic Vitality & Community Benefit



School gymnasium, still used by the community



Former classroom



Rear access to the school property



Recommended Development Pathway

- 1. Complete property rezone**

The Town of La Veta is in the process of undergoing a town-initiated rezone of the block in which the school property is located. It is currently zoned R-1 which allows only low-density residential development. The town is considering rezoning the property to either Neighborhood Commercial or Commercial zoning, both of which permit multi-family housing developments.
- 2. Purchase of property**

Upon rezone of the property, the interested developer group should complete the purchase of the property.
- 3. Establish a development team**

A development team should be assembled to include expertise in project management, real estate development, architecture, engineering, construction, financing, market analysis, legal implications, and community engagement. Consult the Stakeholder Map as needed.
- 4. Conduct structural, environmental, mechanical, and electrical assessments**

The development team should conduct a series of studies and assessments to ensure that the building is structurally sound and identify necessary improvements. Retain a structural engineer to conduct a structural engineering assessment of the building and/or non-destructive testing (NDT) that can help identify structural defects. Consider the building's proximity to potential natural hazards and conduct a soil assessment to determine if the building's foundation is adequately supported. Assess any necessary asbestos treatment needed in the building's basement. Conduct assessments of the mechanical, plumbing, and electrical systems in the building to understand the condition and improvements necessary to serve residential units.
- 5. Complete community engagement and market feasibility study**

Understand the needs and desires of the community in terms of types of housing units, price points, community amenities. Consult the Stakeholder Map. Building upon the community engagement, conduct a market feasibility study to evaluate the demand for the potential units provided through the development of the site. Use the 2023 HNA (and any other relevant data) to assess demographics, economic and market conditions, and housing preferences to understand the viability of the proposed development. Determine the absorption rate, or the expected rate that the housing units will be leased in a certain time period.

-
- 6. Finalize unit mix, secure necessary financing**

Based on the market feasibility study, determine the final unit mix. If more than fourteen units are proposed, negotiate additional water tap purchases with the Town of La Veta. Secure a funding stack using the suggested funding sources below.
 - 7. Finalize site plan and design**

The project team should finalize the site plan and design, using professional assistance from a developer and designer. Ensure that the final site plan meets the requirements of local building codes and grant requirements. If necessary, apply for a side setback variance due to the gymnasium wall being located closer than seven feet from the property line. Review the final site plan for compliance with this document and the La Veta General Plan.
 - 8. Begin and complete construction.**

Make any structural, mechanical, plumbing, or electrical system improvements. Complete redevelopment activities to create housing units. The use of sustainable building materials and practices is encouraged during the construction of the housing units.
 - 9. Place deed restrictions on the homes (or a portion of the homes)**

Due to the developer's agreement with Total Concept, the deed restrictions will likely be managed by this non-profit. Ensure that the deed restrictions resulting from this development will count towards the Town's Proposition 123 commitment.
 - 10. Identify property manager or management company**

The development team identifies a management entity to maintain the units and assist with managing leases. This could be the same manager of the deed restrictions, Total Concept, or a different party.
 - 11. Develop commercial or community amenities**

Upon completion of, or in tandem with the development of the housing units, the development team may also develop commercial spaces or other community assets on the property. Unless necessary for the financial feasibility of the affordable housing unit development, developers should prioritize the completion of housing units prior to additional amenities.

Relevant Funding Sources

Funding Source	Applicability	Notes
<u>Colorado Middle Income Housing Authority</u>	For housing units serving 80 – 120% AMI	MIHA was established as a pilot program with the authority to select up to 3,500 middle-income units for bond financing using tax exempt revenue bonds.
<u>Colorado Housing Investment Fund (CHIF)</u>	Can be used as gap financing or as short-term loans available for new construction and rehabilitation	
<u>IHOI Incentives Grant Program</u>	Grants for local governments to develop one or more affordable housing developments in their community that are livable, vibrant, and driven by community benefits.	Grants can help cover tap fees, infrastructure, parks/playgrounds and amenities. Local government must adopt three DOLA IHOP strategies to qualify.
<u>LIHTC</u>	LIHTC can be used for a portion of a project, often combined with other funding sources to finance different unit types in a project.	See HUD income limits information for 2024 here. Only applicable up to 80% AMI. LIHTC projects are administered by CHFA in Colorado.
<u>Colorado Affordable Housing Tax Credit (State AHTC)</u>	Often paired with 4% LIHTC, administered by CHFA.	
<u>Division of Housing Transformational Housing Loan Fund</u>	Low-interest flexible, and below-market financing for projects serving extremely low income to middle income individuals and families	
<u>Community Services Block Grant</u>	Grants to alleviate the causes and conditions of poverty in communities, can include housing projects	The South Central Council of Governments is the eligible entity for Huerfano County.

Relevant Funding Sources

Funding Source	Applicability	Notes
CHFA Multifamily Lending	Programs include Sizeable Multifamily Affordable Risk Share Tool (SMART), Small Multifamily Permanent Loan (SIMPLE), Construction and Permanent Affordable Bond Loan (CAPABLE), and Partnership-to-Perm Affordable Bond Loan (PAIRABLE)	Some lending options require the participation in certain tax credit programs (4% or 9% LIHTC)
CHFA Housing Opportunities Fund	Up to \$1 million in gap financing,	Can be used for non-housing credit projects
Colorado Health Foundation - Affordable Housing	Affordable housing funding available through grants and impact investing partnership	Funding is administered on an invitation-only basis, projects can inquire to the foundation if they think they might qualify.
FHLBank Topeka	Grant-based funding, maximum subsidy per unit: \$75,000, \$150,000 per project	Neighborworks SC is an alternate to receive a nearly \$1 million grant for downpayment assistance
USDA Rural Development	Multifamily housing direct loans, loan guarantees	Specific AMI requirements based on loan type or loan guarantee
Colorado Heat Pump Tax Credits	For a heat pump that serves more than one unit in a multifamily building, a registered contractor may claim one tax credit for each unit served by that heat pump.	Tax credits are \$1,500 per unit served, and contractors must provide one-third of the total tax credit amount to the customer at the time of installation.

Case Studies

Boyd School

Alamosa, Colorado



Collab Architecture

The San Luis Valley Housing Coalition is in the process of rehabilitating and expanding the [Boyd School](#) site in Alamosa, CO into an affordable housing development. The scope includes the renovation of the 34,000 square foot school facility to include 19 units which will vary in size and type to accommodate single occupancy to families. In addition to the renovation of the school facility, there are 1.94 buildable acres that will be transformed into 32 additional units and community-centric site amenities.

Amenities include a playground, community garden, and an amphitheater. There will also be an early childhood education center, community gathering spaces, and administrative offices housed within the existing facility.

View [Floor Plans](#).

Pancratia Hall

Denver, Colorado

This project preserved the historic four-story gothic-style [Pancratia Hall](#), constructed in 1929, which had been vacant since 2017, and repurposed the building's



Loretto Community

use for affordable housing. This building was a prior school and dormitory building on the historic Loretto Heights college campus. 74 units of affordable housing were developed for families. Amenities include a community garden, computer room, fitness center, picnic area, playground, storage lockers, bike workshop, and a conference room. The site has excellent access and frontage along an arterial street with a high volume of passing traffic that provides good visibility.

Project Funding

- \$12,500,000 issuance of Private Activity Bonds
- \$8,225,000 permanent Partnership-to-Perm Affordable Bond Loan (PAIRABLE) loan with a 40-year term
- \$600,000 CHFA Capital Magnet Fund (CMF) loan with a 17-year term
- \$150,000 CMF grant
- Federal 4 percent Housing Tax Credits

La Veta Site #2: Ballfield/Block 60

Tier 2: High Site Limitations
Planning Status: Active

The former La Veta ballfield site, also known as Block 60, is currently a prospective affordable housing site, with local stakeholders planning for ~12 units on the site. The site, which is located less than ¼ mile from Main St, is situated within an existing neighborhood consisting primarily of single-family homes on small lots. Plans for the site envision the ballfield site as a close-knit development of deed-restricted single-family homes that blends into the surrounding neighborhood. A river historically crossed the ballfield site before it was rerouted by the railroad. As such, the site is located in a Special Flood Hazard Area (SPFA) and has a Flood Zone designation of AE. This means the site has an estimated 1% chance of flooding annually and a 26% of flooding within a 30-year mortgage.

SITE INFORMATION

Address: E Field Ave and Birch St

Zoning: R-2

Ownership: Public - Town of La Veta

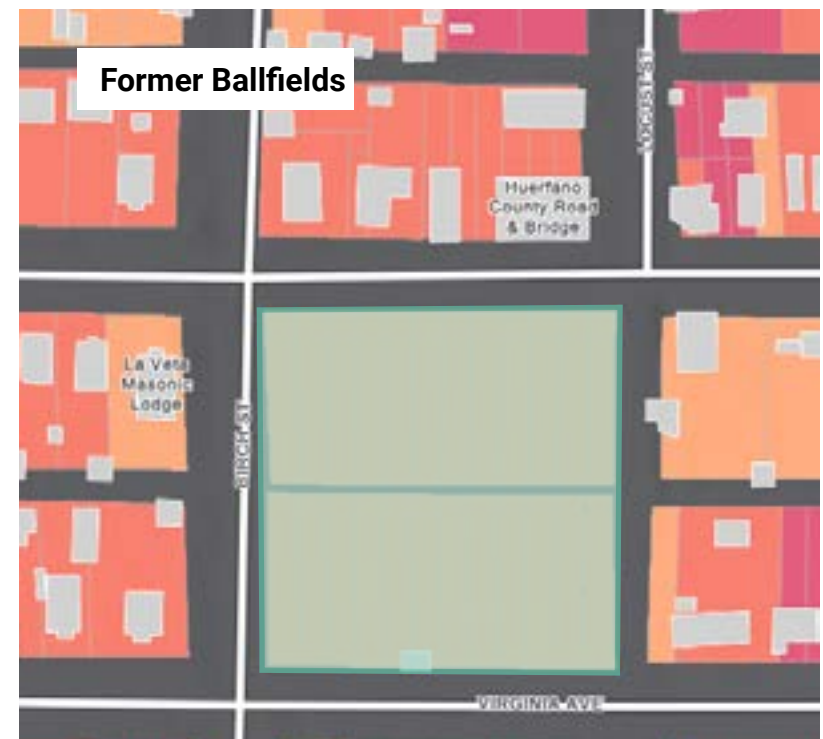
Parcel Number: 60281

Parcel Size: 2 acres

Suitability: 8 out of 10 (High)

Water: 1 tap (3/4 tap) allocated to concession stand

Wastewater: Municipal wastewater connection available.



Site Strengths

- Town interested in developing affordable housing
- No demolition needed
- R-2 zoning permits multi-family dwellings conditionally
- Huerfano County Economic Development has a CHFA technical grant that they are using to support affordable housing development on this property



La Veta Ballfields Concession Stand



La Veta Ballfields

La Veta Ballfields

Site Constraints

- Medium site constraints rating; this is likely due to the property's location in a flood-prone area. As such, the site is located in a Special Flood Hazard Area (SPFA) and has a Flood Zone designation of AE. This means the site has an estimated 1% chance of flooding annually and a 26% of flooding within a 30-year mortgage. A new flood map (anticipated at the end of 2024) will determine whether elevation certificates will be required for construction on the parcel. Currently in the AE flood zone, would need an elevation certificate for each property in order to develop.
- There is a former ditch and vacated on the east side of the parcel that will need to be addressed in future development phases.
- Owned by the town water utility, must be purchased for ~\$625k in order to develop, town needs to reimburse the enterprise fund.
- Only one water tap allocated to the property – would need to purchase several more at a high cost.

Stakeholder Feedback

Planning is underway for this site. Stakeholders are highly interested in long-term or permanent deed-restrictions for affordable housing development on this site.

Preliminary Site Concept

SITE POTENTIAL

Projected Unit Potential: ~12 units

Projected Unit Types: SF homes for purchase. Duplexes or ADUs could also be suitable for this site.

Potential Income Targets: Middle-income (100-120% AMI)

Relevant Stakeholders: Town of La Veta, Huerfano County Economic Development Corp, Neighborworks Southern Colorado

Town officials envision ~12 deed-restricted single-family homes on the site with caps placed on home appreciation. Based on a review of current Town zoning, this site is a prime candidate for a Planned Unit Development (PUD).

Town officials should also consider alternative options for the site, such as:

- The inclusion of some market-rate units to improve the financial viability of the project. This could be in addition to the 12 units or replace some of those units. Further analysis would be required to determine if these market-rate units could or should be deed-restricted.
- A land lease structure for the property, in which residents own their homes but lease the land under them from the Town. This is one method of reducing the cost of purchasing a home for residents.
- Targeting a portion of the units as age-in-place units suitable for older adults; while the primary objective of the development of this site is to increase the supply of workforce housing, there is also a strong need to provide housing options for older adults in Huerfano County, which is aging rapidly as a community
- The thoughtful retention of open space/green space on the property, such as a shared lawn in a cottage court-style development. This would help meet the open space requirement of 25% of the PUD area, as specified in Town zoning. Internal walking paths or shared use paths on the property would support the shared use of and access through the site. Clustering parking in one or two areas of the site could help minimize the space and presence of personal vehicles on the site, making the new neighborhood an ideal place to walk or bike.

Relevant Community Goals



Housing for
Community-Serving
Professionals



Economic Vitality &
Community Benefit

Preliminary Site Concept, continued

- Creative site planning that intentionally mimics or references the development pattern of the surrounding neighborhood. For example, a cottage court development consists of small, single-family homes clustered around a shared courtyard or common area, promoting community interaction and efficient land use.
- Interim use of the site as a location for temporary residential uses for seasonal workers living in camper vans or other similar vehicles. See a current pilot program in Estes Park as an example.



Cottage courts cluster residential development, leaving open space that community members of all ages can use and enjoy. Photo: Missing Middle Housing.org

Recommended Development Pathway

- 1. Explore interim residential uses of the property.**

The Town should consider permitting vehicle-based temporary workforce housing on the lot area to house seasonal workers and construction crews employed in the area. See a current pilot program in Estes Park as an example.
- 2. Determine if the site is a brownfield.**

There are currently some questions about whether the site qualifies as a brownfield due to previous industrial activity in the vicinity of the site. To determine if a site is a brownfield, begin with historical research and a site inspection to identify past uses and visible signs of contamination. Perform a Phase I Environmental Site Assessment (ESA) for a preliminary evaluation. If needed, conduct a Phase II ESA involving sampling and laboratory analysis to confirm contamination. Evaluate the potential health and environmental risks, consult with regulatory agencies, and document findings to confirm the site's brownfield status and outline necessary remediation efforts.
- 3. Review updated flood hazard maps to assess risk to the site area.**

There are current questions about the flood hazard designation for the site. A current effort to remap the Town of La Veta's flood hazard areas will shed light on this issue. When these updated maps are available, review the site's new designation and determine whether costs of flood insurance or other requirements would make the provide financially unviable.
- 4. Issue an RFP to support the assembly of a development team.**

An RFP process represents an excellent opportunity to state community priorities for the development of the parcel and find suitable development partners for the project. The Town board should collectively draft an RFP that addresses the unique needs of the site and the desired conditions of future development on the site. Provide opportunities for the La Veta community to offer input on the RFP at a Town board meeting. Using the RFP, assemble a development team with expertise in mixed-income developments, land leases, deed restrictions, water rights and allocation policy, brownfields, flooding and emergency management, and affordable housing financing. Support continued involvement from Neighborworks Southern Colorado on this site. Consult the Stakeholder Map to identify additional potential partners.

5. Secure infrastructure for the site.

Investigate and pursue a change of use of the current $\frac{3}{4}$ tap for concessions on the site to a residential water tap. Investigate and purchase additional water taps for the property in alignment with the proposed density for the parcel. Seek outside funding to support the extension of water and sewer; DOLA may be a willing partner for this through an implementation grant.

6. Conduct Community Engagement and Market Feasibility Study.

Provide opportunities for the La Veta community to offer input on the direction of the development of the parcel; invite the public to offer comments at a Town board meeting. Conduct a market feasibility study to evaluate the demand for the potential units provided through the development of the site. Use the 2023 HNA (and any other relevant data) to assess demographics, economic and market conditions, and housing preferences to understand the viability of the proposed development. Determine the absorption rate, or the expected rate that the housing units will be leased in a certain time period.

7. Finalize unit mix, secure necessary financing; conduct outreach to local employers.

Based on the market feasibility study, determine the final unit mix. Finalize negotiations for additional water tap purchases as necessary. Secure a funding stack using the suggested funding sources below, as well as additional applicable sources. Determine if the inclusion of market-rate units and/or a land lease would be necessary for the financial viability of the project. Conduct outreach to local employers to gauge their interest in financially supporting the project. While it may not be possible to “reserve” units in the development for a specific employer because of stipulations of public funding sources, it may be possible to target units for a certain income bracket that aligns with salaries offered by key employers in the area.

8. Finalize site plan and design, seek approval as a PUD.

The project team should finalize the site plan and design, using professional assistance from the development team. As highlighted above, the site is a prime candidate for a PUD, as enabled in the La Veta zoning ordinance. To reduce costs for the development team, the Town of La Veta should consider pre-approving or fast-tracking elements of the design, such as a site plan. The development team and Town should ensure that the final site plan meets the requirements of local building codes and grant requirements. Ensure that there is adequate flood hazard control on the site to satisfy local requirements for PUDs. Likewise, ensure that all infrastructure has been secured prior to seeking approval for the PUD.

9. Begin and complete construction

Develop the site to the specifications of the site plan and relevant building codes. The use of sustainable building materials and practices is encouraged during construction.

10. Place deed restrictions on the homes.

Ideally, use a regional housing authority or regional housing non-profit to establish and manage these deed restrictions. Apply appreciation caps as a component of the deed restriction. When the current homeowner sells the property, the difference between the capped sale price and the higher market value can be used to subsidize the cost for the next buyer. This helps keep the home affordable for future purchasers by using the increased value to reduce their purchase price. Consult the Stakeholder Map to identify possible managers of deed restrictions, such as Neighborworks.

11. Identify property manager or management company

The development team should identify a management entity to maintain the units and assist with managing leases. This could be the same manager of the deed restrictions or a different party.

12. Develop community amenities

Upon completion of, or in tandem with the development of the housing units, the development team may also develop park space or shared open spaces on the property. Unless necessary for the financial feasibility of the affordable housing unit development, developers should prioritize the completion of housing units prior to additional amenities.

Relevant Funding Sources

Note: The designation of the property on 2024 flood maps will likely affect the eligibility of this site for certain funding sources. For example, the Division of Housing will not issue grant monies for any project located within a flood zone.

Funding Source	Applicability	Notes
<u>Colorado Middle Income Housing Authority</u>	For housing units serving 80 – 120% AMI	MIHA was established as a pilot program with the authority to select up to 3,500 middle-income units for bond financing using tax exempt revenue bonds.
<u>Colorado Housing Investment Fund (CHIF)</u>	Can be used as gap financing or as short-term loans available for new construction and rehabilitation	
<u>IHOI Incentives Grant Program</u>	Grants for local governments to develop one or more affordable housing developments in their community that are livable, vibrant, and driven by community benefits.	Grants can help cover tap fees, infrastructure, parks/playgrounds and amenities. Local government must adopt three DOLA IHOP strategies to qualify.
<u>Colorado Affordable Housing Tax Credit (State AHTC)</u>	Often paired with 4% LIHTC, administered by CHFA.	
<u>Division of Housing Transformational Housing Loan Fund</u>	Low-interest flexible, and below-market financing for projects serving extremely low income to middle income individuals and families	
<u>CHFA Small-Scale Housing Technical Assistance</u>	Supports access to an affordable housing consultant and funding for projects for sale or for rent that are less than 30 units.	A portion of this grant has already been applied to this site; there may be opportunities to seek further funding through this program.

Relevant Funding Sources Cont.

Funding Source	Applicability	Notes
CHFA Housing Opportunities Fund	Up to \$1 million in gap financing,	Can be used for non-housing credit projects
Colorado Health Foundation - Affordable Housing	Affordable housing funding available through grants and impact investing partnership	Funding is administered on an invitation-only basis, projects can inquire to the foundation if they think they might qualify.
FHLBank Topeka	Grant-based funding, maximum subsidy per unit: \$75,000, \$150,000 per project	Neighborworks SC is an alternate to receive a nearly \$1 million grant for downpayment assistance
USDA Rural Development	Multifamily housing direct loans, loan guarantees	Specific AMI requirements based on loan type or loan guarantee
Colorado Heat Pump Tax Credits	For a heat pump that serves more than one unit in a multifamily building, a registered contractor may claim one tax credit for each unit served by that heat pump.	Tax credits are \$1,500 per unit served, and contractors must provide one-third of the total tax credit amount to the customer at the time of installation.

Case Studies

VBASE

Estes Park, Colorado

In response to the pressing housing challenges faced by the local workforce, the Town of Estes Park, Colorado, introduced a pioneering pilot program called VBASE (Vehicle-Based Accommodation for Seasonal Employees). This initiative, launched in 2024, allows qualified employees to use RVs or similar vehicles as temporary dwelling units at their place of employment. The program offers a viable alternative to traditional housing and aids local businesses in meeting staffing demands. The program, while flexible, includes limitations to ensure the health, safety, and welfare of the community. Businesses must obtain permits, adhere to life-safety standards, and provide access to essential utilities. The one-year pilot aims to demonstrate the potential benefits of such an approach in balancing community needs with workforce support.

Lyons Valley Village

Lyons, Colorado

Lyons Valley Village in Lyons, Colorado, is a successful cottage court development comprised of 18 small-footprint, energy-efficient cottages ranging from 600 to 1,200 square feet, arranged around shared green spaces. Featuring shared gardens, a community house, and sustainable elements like solar panels and rainwater harvesting, the project addresses affordable housing needs while maintaining a quaint, small-town feel in the neighborhood. Despite initial challenges with zoning, infrastructure, and community buy-in, developers worked with local authorities and residents to create a supportive, close-knit community. The project stands as a model for sustainable and community-focused development in rural areas.



Photo: Lyons Valley Village

La Veta Site #3: Hoobler Property

Tier 3: High Site Limitations
Planning Status: Inactive

The Hoobler property consists of 2.5 acres on the northeast side of the Town of La Veta, close to town limits. The property is located at the corner of Moore Ave and Spruce St and is located adjacent to the Wahatoya Lake Reservoir and a farm. The current owners have expressed interest in seeing the property developed as affordable housing. Due to its proximity to the Wahatoya Lake Reservoir, this property is located within a dam inundation area, presenting a hazard to potential residents.

SITE INFORMATION

Address: Corner of Moore Ave & Spruce St

Zoning: R-3 Medium Density. Allowed density in base district: 1 unit per 7,000 square ft, additional 2,500 square ft required for each additional unit.

Ownership: Private - Hoobler Family

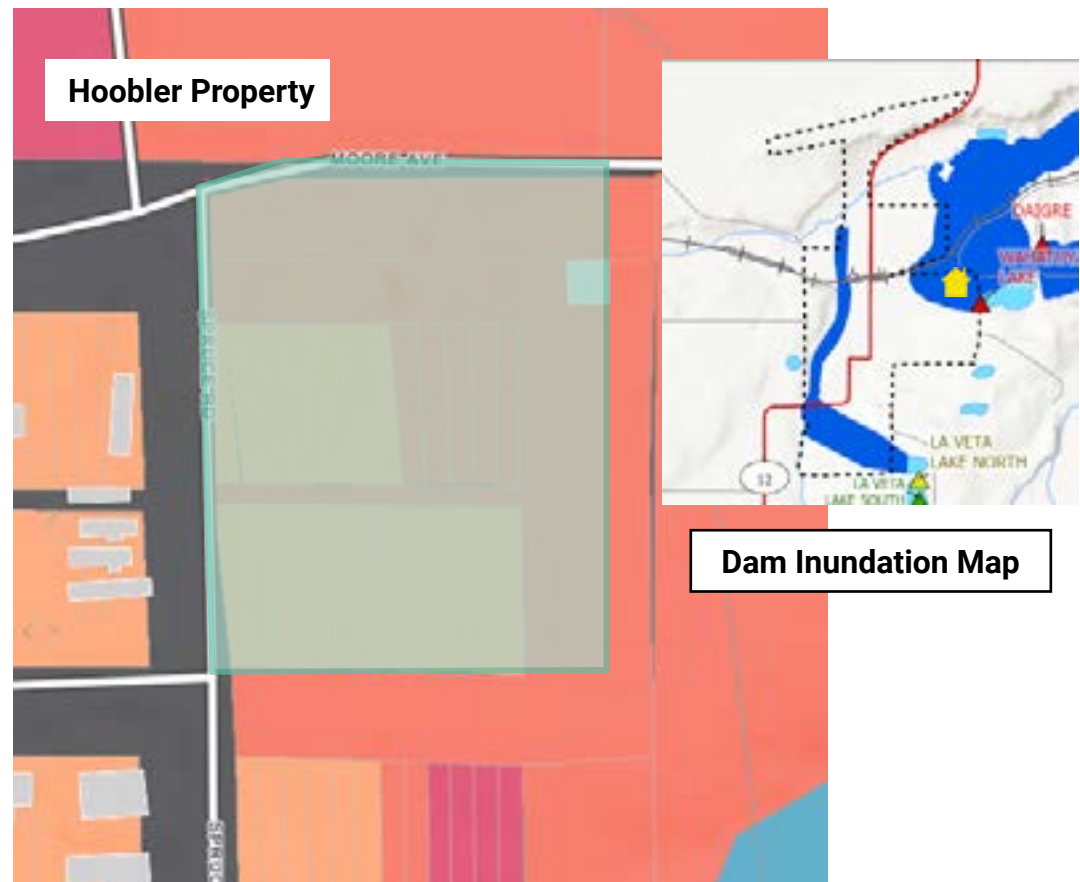
Parcel Number: 11701

Parcel Size: 2.5 acres, including existing home

Suitability: 8 out of 10 (High)

Water: 1 tap allocated to existing home

Wastewater: Connections available via Moore St.



Site Strengths

- Landowner seeking to sell the property, interested in affordable housing development.
- Access along Moore St, which is a county road. The road is paved up until the intersection with Spruce, enabling easy access to the site.
- Water and wastewater connections would be available along Spruce St.
- Zoned R-3, allows for higher density housing.
- Located about 1 mile from La Veta High School, ideal location for housing for teachers and school staff.



View of Hoobler property looking south

Site Constraints

- Property location within the dam inundation area of the Wahatoya Lake Reservoir.
- Potential floodplain concerns; as with the Ballfield site, these concerns may be addressed by current efforts to remap floodplains in La Veta which will conclude in 2024.
- Only one water tap currently allocated to the property, assigned to the single family home on the property. Would need to purchase additional taps for all additional development.
- The site itself would need water and wastewater connections.
- Property is currently owned privately; the Town of La Veta would need to acquire the property prior to affordable housing development.

Stakeholder Feedback

The landowner is reportedly interested in selling the site to be developed as affordable housing; Town representatives are supportive of the idea.

Preliminary Site Concept

SITE POTENTIAL

Projected Unit Potential: ~10 units

Projected Unit Types: 5 duplexes or two triplexes and two duplexes, potentially provided as manufactured housing

Potential Income Targets: Middle-income (100-120% AMI)

Relevant Stakeholders: Landowner, Town of La Veta, La Veta RE-2 School District

Relevant Community Goals



Housing for
Community-Serving
Professionals



Economic Vitality &
Community Benefit

The Hoobler property is an ideal candidate for a Planned Unit Development (PUD) providing deed-restricted workforce housing for the local community. Given the size of the site, the PUD could comfortably provide ~10 homes, assuming that 0.25 acre is carved out for the existing single-family home on the site. A PUD would also help the development avoid setback constraints posed by the R3 district, enabling the development to occur contiguously all on one lot. Because the underlying zoning district permits a variety of housing types by right and by conditional use, several development options exist for this site. The site could host 5 duplexes or two triplexes and two duplexes.

The 2024 Huerfano County Hazard Mitigation Plan has identified the Hoobler site's location within a dam inundation area. This has contributed to the Hoobler site's ranking of Tier 3: High Site Constraints. The site has not been eliminated for consideration for affordable housing construction because of the reported willingness of the landowners to support affordable housing construction and other strengths of the site. Any development team considering development on the site **must** thoroughly analyze risks of hazards affecting the property. **Development should only be undertaken if adequate mitigation measures can be taken to minimize risk to life and property. To view other potential sites, view the Suitability Analysis.**

The Hoobler site would be a strong candidate for manufactured housing. Manufactured housing is a cost-effective and efficient solution for affordable housing in rural areas due to its lower construction costs and shorter building times compared to traditional site-built homes. These homes are built to high quality and durability standards, offering flexibility from single-family to multifamily units, and maximizing land use efficiency.

Preliminary Site Concept, continued

Additionally, manufactured homes reduce infrastructure costs, incorporate energy-efficient materials, and can be designed to blend with local styles, making them a practical and sustainable option for meeting diverse housing needs in rural communities.

Town officials should also consider alternative options for the site, such as:

- The inclusion of some market-rate units to improve the financial viability of the project. Further analysis would be required to determine if these market-rate units could or should be deed-restricted.
- A land lease structure for the property, in which residents own their homes but lease the land under them from the Town. This is one method of reducing the cost of purchasing a home for residents.
- The thoughtful retention of open space/green space on the property. This would help meet the open space requirement of 25% of the PUD area, as specified in Town zoning. Internal walking paths or shared use paths on the property would support the shared use of and access through the site. Clustering parking in one or two areas of the site could help with the preservation of open space on the parcel. The topography of the site may lend itself to clustered parking on the east side of the parcel, near the existing home.



View of Hoobler property and existing home looking east



Shared parking arrangements can use space more effectively, leaving adequate room for additional units on site. Photo: Chris Fuller, The Housing Lab LLC

Recommended Development Pathway

- 1. Complete transfer of ownership.**

The Town of La Veta should complete the purchase/transfer of ownership of the parcel from the Hoobler family to the Town itself.
- 2. Determine if the site is implicated as a flood hazard area.**

There are current questions about the flood hazard designation for the site. A current effort to remap the Town of La Veta's flood hazard areas will shed light on this issue. When these updated maps are available, review the site's new designation and determine whether costs of flood insurance or other requirements would make the provide financially unviable.
- 3. Issue an RFP to support the assembly of a development team.**

An RFP process represents a key opportunity to state community priorities for the development of the parcel and find suitable development partners for the project. The Town board should collectively draft an RFP that addresses the unique needs of the site and the desired conditions of future development on the site. Provide opportunities for the La Veta community to offer input on the RFP at a Town board meeting. Using the RFP, assemble a development team with expertise in manufactured housing, mixed-income developments, land leases, deed restrictions, water rights and allocation policy, flooding and emergency management, and affordable housing financing. Consult the Stakeholder Map to identify additional potential partners.
- 4. Secure infrastructure for the site.**

Investigate and purchase additional water taps for the property in alignment with the proposed density for the parcel. Seek outside funding to support the extension of water and sewer; DOLA may be a willing partner for this through an implementation grant.
- 5. Conduct Community Engagement and Market Feasibility Study.**

Provide opportunities for the La Veta community to offer input on the direction of the development of the parcel; invite the public to offer comments at a Town board meeting. Conduct a market feasibility study to evaluate the demand for the potential units provided through the development of the site. Use the 2023 HNA (and any other relevant data) to assess demographics, economic and market conditions, and housing preferences to understand the viability of the proposed development. Determine the absorption rate, or the expected rate that the housing units will be leased in a certain time period.

- 6. Finalize unit mix, secure necessary financing; conduct outreach to local employers.**
Based on the market feasibility study, determine the final unit mix. Finalize negotiations for additional water tap purchases as necessary. Secure a funding stack using the suggested funding sources below, as well as additional applicable sources. Determine if the inclusion of market-rate units and/or a land lease would be necessary for the financial viability of the project. Conduct outreach to local employers (e.g., La Veta School District RE-2). to gauge their interest in financially supporting or otherwise supporting the project. While it may not be possible to “reserve” units in the development for a specific employer because of stipulations of public funding sources, it may be possible to target units for a certain income bracket that aligns with salaries offered by key employers in the area.
- 7. Finalize site plan and design, seek approval as a PUD.**
The project team should finalize the site plan and design, using professional assistance from the development team. As highlighted above, the site is a prime candidate for a PUD, as enabled in the La Veta zoning ordinance. To reduce costs for the development team, the Town of La Veta should consider pre-approving or otherwise fast-tracking elements of the design, such as a site plan. The development team and Town should ensure that the final site plan meets the requirements of local building codes and grant requirements. Ensure that there is adequate flood hazard control on the site to satisfy local requirements for PUDs. Likewise, ensure that all infrastructure has been secured prior to seeking approval for the PUD
- 8. Begin and complete construction**
Develop the site to the specifications of the site plan and relevant building codes. The use of sustainable building materials and practices is encouraged during construction.
- 9. Place deed restrictions on the homes.**
Ideally, use a regional housing authority or regional housing non-profit to establish and manage deed restrictions on this property. Apply appreciation caps as a component of the deed restriction. When the current homeowner sells the property, the difference between the capped sale price and the higher market value can be used to subsidize the cost for the next buyer. This helps keep the home affordable for future purchasers by using the increased value to reduce their purchase price. Consult the Stakeholder Map to identify possible managers of deed restrictions, such as Neighborworks or Total Concept.

Recommended Development Pathway

10. Identify property manager or management company

The development team should identify a management entity to maintain the units and assist with managing leases. This could be the same manager of the deed restrictions or a different party.

Develop community amenities.

11. Upon completion of, or in tandem with the development of the housing units, the development team may also develop park space or shared open spaces on the property. Unless necessary for the financial feasibility of the affordable housing unit development, developers should prioritize the completion of housing units prior to additional amenities.



Prefabricated home rendering. Photo: Trailhead Homes

Prop 123 Funding & Modular/Manufactured Homes

Gov. Polis and other state representatives have stated that 2025 Prop 123 Funding will prioritize projects that make use of modular and manufactured home building technology. This is an important consideration for the future development of this site and others within the project area.

Relevant Funding Sources

Note: The designation of the property on 2024 flood maps will likely affect the eligibility of this site for certain funding sources. For example, the Division of Housing will not issue grant monies for any project located within a flood zone.

Funding Source	Applicability	Notes
<u>Colorado Middle Income Housing Authority</u>	For housing units serving 80 – 120% AMI	MIHA was established as a pilot program with the authority to select up to 3,500 middle-income units for bond financing using tax exempt revenue bonds.
<u>Colorado Housing Investment Fund (CHIF)</u>	Can be used as gap financing or as short-term loans available for new construction and rehabilitation	
<u>IHOI Incentives Grant Program</u>	Grants for local governments to develop one or more affordable housing developments in their community that are livable, vibrant, and driven by community benefits.	Grants can help cover tap fees, infrastructure, parks/playgrounds and amenities. Local government must adopt three DOLA IHOP strategies to qualify.
<u>Colorado Affordable Housing Tax Credit (State AHTC)</u>	Often paired with 4% LIHTC, administered by CHFA.	
<u>Division of Housing Transformational Housing Loan Fund</u>	Low-interest flexible, and below-market financing for projects serving extremely low income to middle income individuals and families	
<u>CHFA Small-Scale Housing Technical Assistance</u>	Supports access to an affordable housing consultant and funding for projects for sale or for rent that are less than 30 units.	A portion of this grant has already been applied to this site; there may be opportunities to seek further funding through this program.

Relevant Funding Sources

Funding Source	Applicability	Notes
CHFA Housing Opportunities Fund	Up to \$1 million in gap financing,	Can be used for non-housing credit projects
Colorado Health Foundation - Affordable Housing	Affordable housing funding available through grants and impact investing partnership	Funding is administered on an invitation-only basis, projects can inquire to the foundation if they think they might qualify.
FHLBank Topeka	Grant-based funding, maximum subsidy per unit: \$75,000, \$150,000 per project	Neighborworks SC is an alternate to receive a nearly \$1 million grant for downpayment assistance
USDA Rural Development	Multifamily housing direct loans, loan guarantees	Specific AMI requirements based on loan type or loan guarantee
Colorado Heat Pump Tax Credits	For a heat pump that serves more than one unit in a multifamily building, a registered contractor may claim one tax credit for each unit served by that heat pump.	Tax credits are \$1,500 per unit served, and contractors must provide one-third of the total tax credit amount to the customer at the time of installation.

Case Studies

Iron Horse

Alamosa, Colorado

The [Iron Horse](#) development in Alamosa, Colorado, which was completed in 2022, provides 40 affordable units and one manager unit to serve very-low-income households. Project amenities include a clubhouse with fitness center, computer room, laundry room, community garden, picnic area, and playground. The owner plans to hold two tailored resident events per year through partnerships with several local food and health providers. The property is located across the street from the high school.



Alamosa News

Project Funding:

- \$675,000 permanent loan from CHFA Capital Magnet Fund (CMF) and CHFA Housing Opportunity Fund (CHFA HOF) sources, with a 17-year term and 35-year amortization
- \$150,000 CHFA CMF grant

Case Studies

The River Meadows

Montrose, Colorado

The River Meadows in Montrose, Colorado is an affordable housing development consisting of manufactured homes in a rural setting. Designed to meet the housing needs of families and individuals, the community offers a variety of manufactured homes. A community clubhouse provides a gathering space for residents and visitors to the community. Because they are manufactured, units can retain low sale prices, with some homes selling for about \$100,000.



The River Meadows



HOUSING STAKEHOLDERS & DEVELOPMENT PARTNERS

Partnerships are key to developing housing in Huerfano County. This section provides an overview of local stakeholders and how they may be relevant throughout the development process.

Affordable Housing Development Timeline

This timeline outlines the stages and approximate duration of each phase of developing affordable housing, which can generally take anywhere from three to six years to move from initial visioning to completed construction. This timeline is an adaptation of the Colorado Department of Local Affairs Typical Development Timeline.



Development Timeline Phases

Phase 1: Visioning

Visioning requires understanding community's need for affordable housing, the housing types necessary to respond to that need, the jurisdiction's capacity to participate in developing this type of housing, and which additional partnerships may be necessary to fill in your gaps in capacity. This phase can take up to a year.

Phase 2: Planning & Pre-Development

This phase transforms the vision into a specific scope of work. This includes locating and/or purchasing a site to develop, preparing a design concept with a design team, and preparing feasibility assessments and cost estimates. This phase often happens concurrently with Phases 3 and 4 in this predevelopment stage and can take anywhere between one and three years to complete.

Phase 3: Securing Funding

This phase includes obtaining the financing required to design, construct, and operate the development for the duration of the project. This includes identifying and securing multiple financing sources and completing multiple applications for the various funders. This phase can take anywhere from one to three years to complete.

This IHOP report is part of Phase 1: Visioning, in which 12 potential sites for affordable housing have been identified and undergone an initial site analysis. Continued visioning and due diligence will be needed for each site to varying degrees to move on to the next development phase

Phase 4: Design

Final contracting with various design experts including architects, engineers, and surveyors occurs during this phase. This phase often occurs along Phases 2 and 3 and can take several years before the project is ready for construction.

Phase 5: Construction

The phase includes the preparation of the development site for construction and actual construction or rehabilitation. This includes both horizontal and vertical construction and generally takes between one and two years to complete.

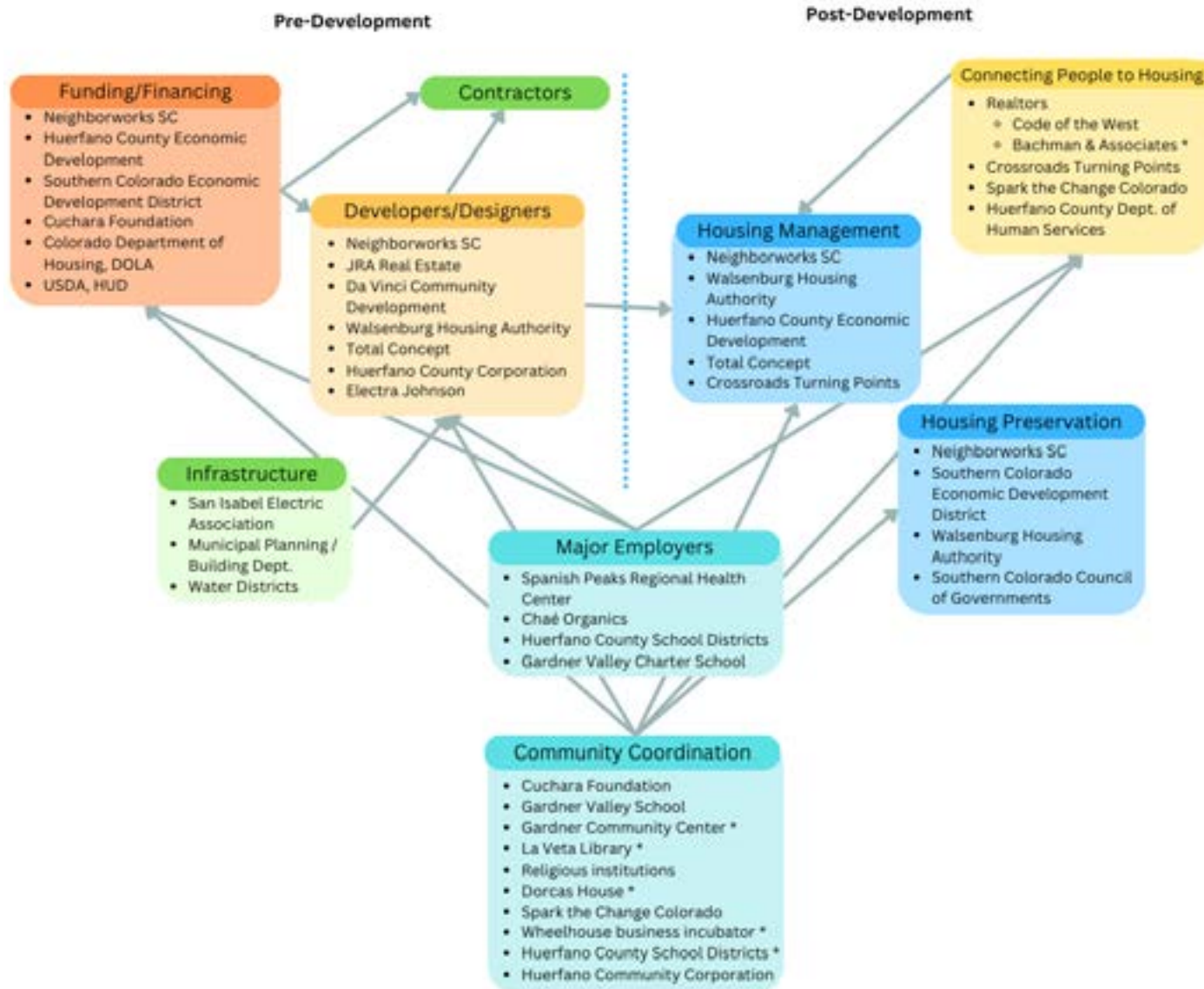
Phase 6: Operation

This is an ongoing phase which includes obtaining tenants and signing leases for rental projects or selling units for for-sale projects. Additionally, this includes identifying service providers and preparing agreements, managing the property or securing a property manager, and overarching long-term stewardship, management, and maintenance of the development.

Community Engagement

Throughout the entire process, it is vital to engage with the community to ensure that the housing project will serve their needs. This includes working with local nonprofit organizations, major employers, and the local government.

Huerfano County Affordable Housing Stakeholder Map



Key Stakeholders

One component of the IHOP project was extensive community and stakeholder engagement. This stakeholder map is an outcome of over fifteen stakeholder conversations and ten in-person site tours with stakeholders in Huerfano County in which we asked stakeholders to identify the roles that they play in the housing process.

This map begins to untangle the many interested and capable organizations and individuals in the county and beyond who are, in some capacity, connected to affordable housing development. While many of these players are involved in multiple phases of the development process, the various stakeholder categories are loosely color coordinated to the development phase in which they play the largest role. We were unable to talk with all relevant stakeholders as part of this plan. Those who we were unable to talk with are marked with an asterisk (*).

Currently, all of the stakeholders on this map are unaffiliated. This leads to a lack of communication, coordination, and efficiency in a community with limited capacity. One of the top affordable housing strategies in this plan is to build capacity to plan, construct, and manage affordable housing. Establishing a housing nonprofit or coalition would create a central organizing body to champion affordable housing projects, and to connect and coordinate with the many relevant stakeholders listed in this map.

How to use this map:

This map is intended for several types of users. The primary audience would be for those seeking to develop affordable housing and wanting to connect with the various stakeholders and community members.

This map can also be used by a future housing organizers or nonprofits to provide a head start to understanding the many housing stakeholders in the area. An important learning from our conversations with the San Luis Valley Housing Coalition is that housing stakeholders do not need to be housing-specific in their mission. For this reason, many other community-serving organizations are included in this stakeholder map because of the valuable understanding that they have of community trends and needs.



Funding

This Funding and Resource Guide is an introductory list of Colorado state, non-governmental, and federal funding opportunities for the development of affordable housing, specifically relevant to the IHOP project. These funding opportunities include grants, loans, and bond financing options. This information is subject to change as applications for funding open and close. Additional relevant funding sources not included in this guide include direct funding from local government and crowd funding.

The complete funding guide is included in Appendix C of this plan.

