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Memorandum

To: Mayor & Council
From: Dave Reynolds
Re: Agenda Item: Discussion of Affordable Housing
Date: 1/02/24

Purpose:

The purpose of this Agenda Item is to discuss the need for affordable housing in our area and more specifically review the tools that towns may have to increase their local inventory of affordable or obtainable housing.

Like many small Colorado communities, New Castle finds itself in a position where housing costs are growing beyond the reach of many who work in and around our community. Recognized as a regional problem for the last few decades, housing prices in relation to average area incomes have created an imbalance of affordability for portions of the area's labor force and many retirees. Towns find that while affordability for their area workforce is critical, the economics of development often lead to unobtainable housing costs for families who are at or below the area median income. Towns also find that zoning restrictions, density requirements, comprehensive plans, owners vested rights, neighboring compatibility, investor goals, and other factors are often at odds with the need for greater affordability.

Historically towns have looked to the following as tools to provide some level of affordability and relief to rising housing costs:

- Developer education and partnerships
- Developer incentives
- Regional housing collaboratives and partnerships
- Private industry partnerships and incentives
- Zoning considerations
- Deed Restricted Properties
- Increased density allowances
- Waived or reduced fees and permit costs
- Mandated affordability targets
- Comprehensive Plan guidance

Town staff and our Town Attorney will review the tools available to New Castle and help facilitate a discussion regarding affordability options for the Town.