



Mancos Housing Needs Assessment



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PURPOSE STATEMENT

The Housing Demand Analysis is being provided to the town of Mancos in support of its ongoing effort to support to build affordable/attainable housing. The analysis provides a review of existing market conditions, a community snapshot, market trends, and an estimate of housing unit demand. The unit demand is further broken down by unit size, and price points that includes separate estimates for rental units and for-sale units.

Specifically, the report provides the following:

1. Community context.
2. Housing market conditions and affordability defined.
3. Community snapshot and trends.
4. Housing demand analysis and unit estimates.
5. Housing demand recommendations.

While the analysis is focused exclusively on the housing needs in the town of Mancos, market conditions are heavily influenced by trends occurring at the regional, state, and federal levels. To the greatest extent possible, the assessment sought to localize the data where necessary and incorporate regional trends as needed.

Area Context:

Community Context:

Mancos, Colorado is in the southeast corner of Colorado and was first established in 1874 along the Mancos River. The area was initially a trading post for Native Americans and early settlers and has quickly grown over the course of history given its location for natural resources. Placed between Durango and Cortez, Mancos finds itself in a unique location which will be further discussed in the report. Mancos has a population of 1,233 residents according to the Department of Local Affairs. Due to its affordability compared to surrounding areas, Mancos has become a high demand community for people looking to relocate. As a result, affordability challenges have emerged for current residents and the local workforce. These housing challenges and opportunities will be addressed throughout the report.

Regional Context:

Mancos is in Montezuma County, the southeast most county in Colorado. To the west, Colorado is connected to Utah through highway 491. In the southwest is Arizona which is connected by both Highway 491 and 160. And to the south is New Mexico via Highway 491. Mancos is located between Cortez and Durango via Highway 160, allowing for efficient and accessible transportation between the communities. Cortez is located 18 miles to the west while Durango is 28 miles to the east. This has brought in new residents over time but is causing some challenges for existing residents. In this report, we will discuss trends seen over time and provide insight into how Mancos can strategically plan around local and regional factors.



Defining “Affordable Housing”

With Mancos opting into the Proposition 123 housing program and for the proposed site for a housing manufacturing facility, it is important to define what affordability means within Mancos and Montezuma County. The term “affordable housing” is not very well defined and can vary depending on one’s perspective. When forming local housing policy, it is important to have a clear definition of “affordable,” “attainable”, and other housing terms as these become important when applying for grants and opportunities.

✓ TIMBER AGE SYSTEMS - FACTORY TO BE BUILT IN MANCOS

\$3.8 million (Proposition 123) Timber Age Systems manufactures panelized homes using timber harvested responsibly from wildfire-prone forests in the Durango area. The timber is milled and manufactured into cross-laminated timber panels and the homes are built to Passive House specifications using all natural materials. The company expects to produce 122 units per year and was previously awarded an IHIP grant of up to \$680,000

Housing affordability is determined by two main factors, housing size and household income. Household income is set by the Federal Department of Housing and Urban Development (“HUD”) and updated every year. HUD publishes the “Area Median Income” (“AMI”) tables which are used by the State of Colorado and the Colorado Housing Finance Authority (“CHFA”) to determine affordability criteria. Mancos is subject to the AMI charts from Montezuma County.

AMI allows agencies and funders to determine eligibility for affordable housing programs, helps establish affordable rent and sale prices, and a method to determine housing costs across multiple markets. Understanding AMI levels in a community also helps to inform “housing burdened”, which occurs when households spend more than 30% of their income on housing costs. The table below shows the AMI rates for Montezuma County and will be used throughout the report to help define what affordability means in Mancos.

| | | Household Size | | | | | | |
|----------------------|------|----------------|--------|---------|---------|---------|---------|---------------------------|
| | | 1 | 2 | 3 | 4 | 5 | 6 | |
| Income Levels by AMI | 140% | 85,260 | 97,440 | 109,620 | 121,800 | 131,600 | 141,400 | Affordable/ Attainable |
| | 120% | 73,080 | 83,520 | 93,960 | 104,400 | 112,800 | 121,200 | |
| | 100% | 60,900 | 69,600 | 78,300 | 87,000 | 94,000 | 101,000 | |
| | 80% | 48,720 | 55,680 | 62,640 | 69,600 | 75,200 | 80,800 | Affordable/ Workforce |
| | 60% | 36,540 | 41,760 | 46,980 | 52,200 | 56,400 | 60,600 | |
| | 30% | 18,270 | 20,880 | 23,490 | 26,100 | 28,200 | 30,300 | Extremely Low Income |

Montezuma AMI chart from CHFA

COMMUNITY SNAPSHOT

The purpose of this section is to interpret the statistics and identify local and regional trends. To the best of our ability, we have used the most up to date data available for the analysis below. This section uses data from the American Community Survey, Census data, Department of Local Affairs, and various housing sites such as but not limited to Redfin.com, Zillow.com, and others.

Demographic Snapshot


For this analysis, the data below has been collected from American Community Survey 5-year estimates, OnTheMap.com Census data, and the State Demographers Office. Over the last decade, Mancos's demographic character has shifted dramatically. Since 2017, the population has decreased from 1,268 in 2017 to 1,233 in 2022. The average age of a Mancos resident increased from 32 years old in 2017 to 47 years in 2022. This suggests a large shift from a younger population to an older retirement age population. This is important in addressing future senior housing needs.

There has also been a demographic shift within the community. Previously in 2017, 13.1% of the population was Hispanic or Latino while 86.9% of the population was white. In 2022, 7.1% of the population is Hispanic or Latino while the percentage of the population that is white alone has increased to 90.5%.


With the slight decrease in total population, there has also been a small increase in total housing units since 2017 from 576 to 595 in 2022⁴. Despite population declines and housing increases over the last 5 years, housing prices have increased. Typically, residents leaving a community would cause prices to decrease as demand for housing is less, that has not been the case for Mancos. This will be further explored in the following section of the Community Snapshot.

Housing Snapshot


Over the last decade, there has been a shift in where residents are employed. This has had a direct impact on the cost of housing. Mancos has seen an increase in residents who work in other communities like Durango and Cortez. For communities like Durango, the cost of housing has increased from \$427,600 to \$569,100 between the years 2017 and 2022. Like many communities in the United States, housing costs have increased over time. While this is also the case for Mancos and Durango, this trend has surged more as residents in Durango are priced out and relocate to Mancos as an alternative living option in exchange for a short commute to work. This housing demand pressure is further influenced by the fact that since 2017, a growing number of residents in Mancos have been employed in Cortez as well. This shows that there is housing pressure coming from both the east and west.




MANCOS SNAPSHOT



POPULATION:
1,233¹



MEDIAN AGE:
46.5 years old
(which has increased since 2017 from 32.6 years²)



NUMBER OF HOUSEHOLDS:
595³

¹ Data was taken from the Colorado State Demographer's Office (2022 – Population Timeseries – [SDO Statistic Lookup Tool](#))

² Data was taken from the ACS (2017 & 2022 – DP05 - [ACS 2022 DP05 5-yr estimates](#))

³ Data was taken from the Colorado State Demographer's Office (2022 – Municipal Housing and Population lookup - [State Demographer data lookup](#))

⁴ Data was taken from the Colorado State Demographer's Office (2022 – Municipal Housing and Population lookup - [State Demographer data lookup](#))

This housing pressure is causing challenges for Mancos’s existing residents, especially people who are employed within the town that are seeing difficulty with affordable housing. In 2022, the average home in Mancos was \$281,000 which has increased by 51% from 2017 when the median home value was \$186,000. Comparatively, Durango and Cortez each have only seen a 27% increase in housing costs between 2017 and 2022. This shows that Mancos’s housing costs are growing significantly faster than the two neighboring communities and is likely a result of the housing pressure from both. This can cause challenges for both Mancos and its neighboring communities. With the migration of new residents, it will be important to maintain Mancos’ community identity as it grows into a bedroom community. Bedroom communities are areas which have a high rate of commuting residents. This is supported by the visual below from Census On-The-Map data, that shows while a large group of residents work locally and work commute to Mancos, a large group of residents also commute to outside areas. These patterns will be explored in the economic portion of the Community Snapshot.



HOUSING SNAPSHOT

2022 MANCOS MEDIAN HOME VALUE:
\$281,000 (65% lower than the average Colorado value of \$465,900⁵)

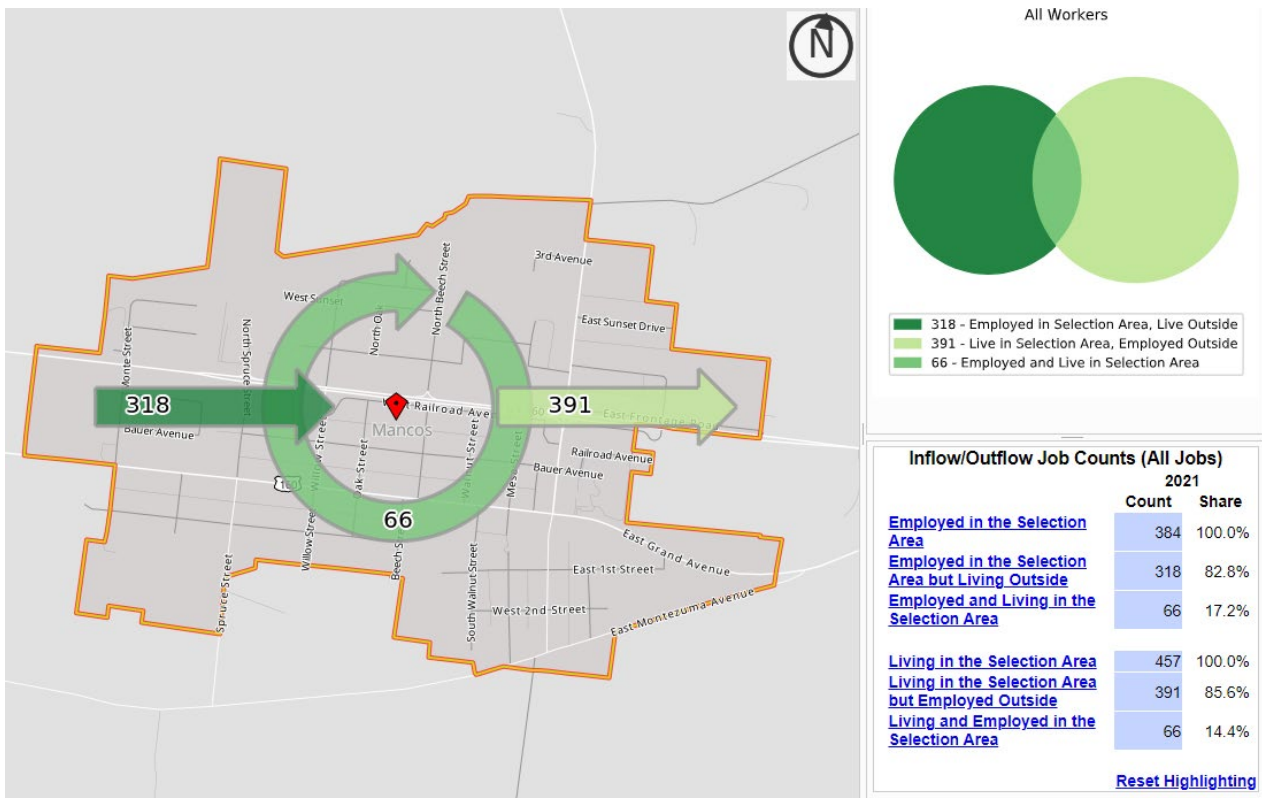
AVERAGE COST PER SOLD HOME IN MANCOS OVER THE LAST 12 MONTHS:
\$455,000⁶

AVERAGE MONTHLY COST WITH A MORTGAGE IN THE AREA:
\$1,500

RESIDENTS WHO OWN THEIR HOMES:
66.2%

RESIDENTS WHO RENT:
33.8%

ALMOST 50% OF HOMEOWNERS ARE BETWEEN THE AGES OF 45 AND 74.



2021 On-the-Map Census Mancos inflow and outflow data

⁵Data was taken from the ACS (2022 – DP04 - [ACS 2022 DP04 5-year estimates](#))

⁶Data was taken from Zillow.com (2024 – Housing Sales Mancos - [Zillow homes search](#))

The Influence Mobile Homes

With housing growing expensive in the area, residents have taken advantage of alternative affordable housing options. This idea is supported by the fact that Mancos has seen a high rate of mobile homes. In 2019, mobile home numbers peaked at 20.9% of housing types in Mancos and has decreased to 17.2% in 2022⁷. Compared to nearby communities like Durango, which have had a consistent rate of 4% for mobile homes since 2017. This shows that while the numbers have reduced in recent years, there is still a high rate in the community. The decrease in mobile homes was confirmed by officials of Mancos who have also confirmed that in the last two years, mobile homes have not been increasing in presence. While mobile home numbers have declined over the past few years, there is still a very high number of them in the community compared to neighboring communities and the state.

While mobile homes can be an affordable option for those seeking housing, this type of housing has downsides compared to standard homes. One reason mobile homes are less beneficial to owners is because they are classified as personal property in the state and the land they are on must be leased. In addition, mobile homes are also a depreciating asset unlike homes, meaning owners are likely to lose equity over time and have difficulty selling the spaces. While this type of housing is an option for affordable housing, mobile homes are a poor long-term investment for residents compared to standard housing.

Economic Snapshot

How are residents in Mancos able to afford to live in the area as the cost-of-living increases from outside pressure? The median household income in Mancos was \$39,417 in 2017 and rose to \$63,185 in 2022; while the median in Durango was \$60,521 in 2017 and rose to \$76,000 in 2022. While Mancos has seen increases in salaries, this could be influenced by people working in Durango and Cortez while living in Mancos. This artificially increases the statistics and does not accurately indicate people in Mancos are earning more. This conclusion was verified by community staff in Mancos. Looking at the table below, 32.8% of households making \$49,999 or less are at 60% AMI or lower. The highest earners in Mancos at \$100,000 or more also make up the largest group of earners at 27.9%. These statistics show large populations on both ends of annual household salaries which is resulting in housing affordability difficulty for lower salaried residents. See the table below for more information.

\$ ECONOMIC SNAPSHOT

LARGEST EMPLOYERS:
Educational services, health care and social assistance - 25% employed in the area⁸

LARGEST EMPLOYERS:
Retail trade- 15.2%

UNEMPLOYMENT RATE:
0.9%

MEDIAN HOUSEHOLD INCOME:
\$63,185 (but is likely being influenced by outside factors which will be further discussed)

AVERAGE TRAVEL TIME TO WORK:
25.6 minutes

| Percentage of Household Salaries | | | | |
|----------------------------------|----------------------|----------------------|----------------------|---------------------|
| \$34,999 and below | \$35,000 to \$49,999 | \$50,000 to \$74,999 | \$75,000 to \$99,999 | \$100,000 and above |
| 21.9% | 10.9% | 27.1% | 12.1% | 27.9% |

Sourced from the American Community Survey 5-year estimates.

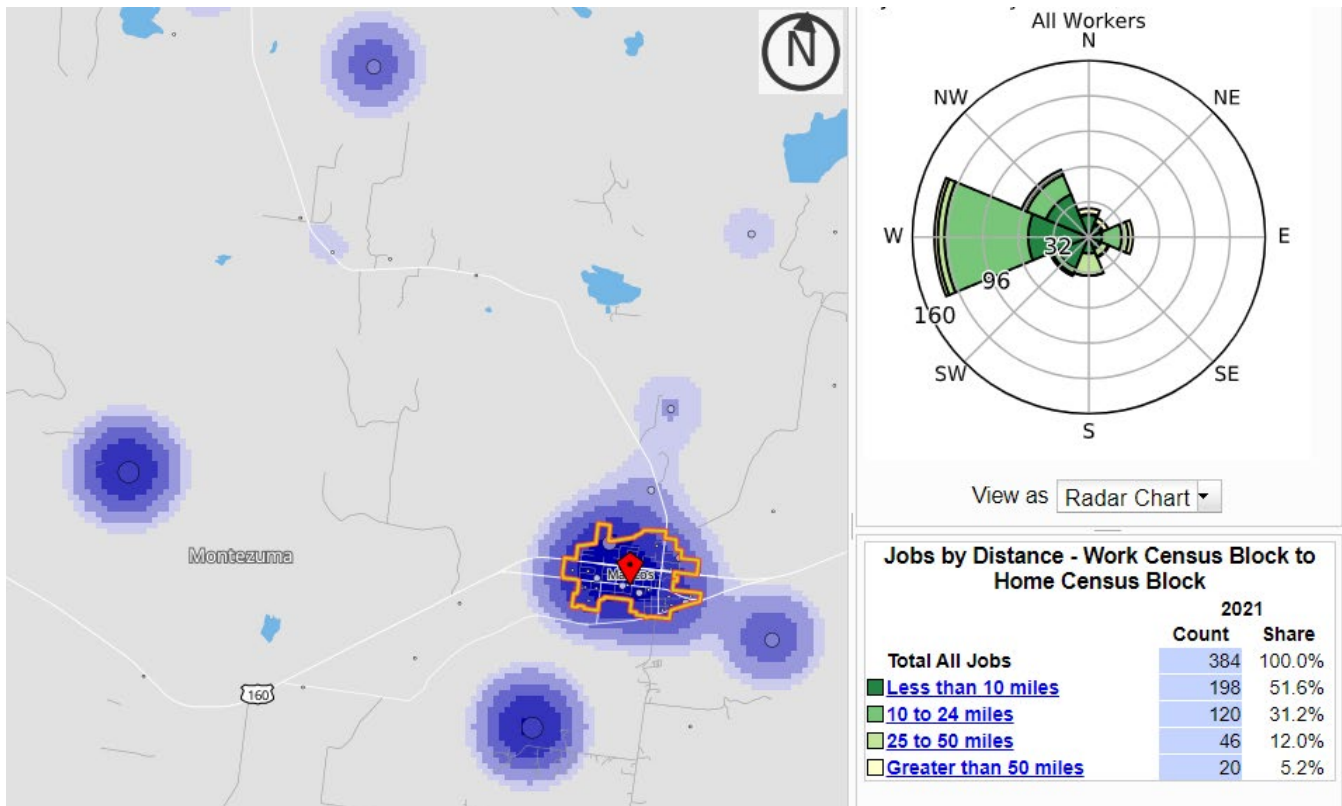
⁷ Data was taken from the ACS (2022 – DP04 - [ACS 2022 DP04 5-year estimates](#))

⁸ Data was taken from the ACS (2022 – DP04 - [ACS 2022 DP03 5-year estimates](#))

One of the largest industries in Mancos is the education services, health care, and social assistance which make up nearly a quarter of work for employed residents. When looking at On-The-Map Census data, 35.8% of residents in Mancos work in either Cortez or Durango, making up a large portion of the working population in Mancos. This is further supported by the fact that the average travel time to work for Mancos is 25.6 minutes, indicating that often employees commute to work from the town. Despite the average travel time and percentage of residents that commute to work, there are existing and growing opportunities for employment in Mancos, and it is important to consider workforce housing to cultivate affordable housing in the area.

One of the challenges to housing in Mancos is the influence Cortez and Durango have on the community. On-The-Map Census data shows that half of the jobs of Mancos residents are less than 10 miles away, while the other half work at least 10 miles away. This shows that a large portion of Mancos residents commute to work. This is also supported by Census data showing that compared to Mancos, Cortez and Durango have high numbers of residents which commute from outside of the communities to work. For Cortez, Census data shows that 10.7% of employees in the area live between 10 to 24 miles away, which is the distance to Mancos. For Durango, Mancos is around 27 miles away, and Census data shows that 10.7% of local employees commute 25 to 50 miles to home. While the data does not indicate all people within those distances are going to Mancos, the graphic shows Mancos is being affected by these trends.

This is also supported by the inflow and outflow charts for Cortez and Durango, which shows high numbers of employees which commute to these communities for work but live outside. For Durango 11,245 people work in the area and live outside of it while 3,055 commute outside of the area for work but live within9. For Cortez, 3,402, individuals work in the area but live outside while 1,793 people live in the area and work outside¹⁰. This shows that the majority of workers for both communities come to the areas for work. This supports the idea that many residents are commuting to work from Mancos to benefit from the area’s affordable housing.



2021 On-the-Map Census Mancos commute data

⁹ Data was collected from Census OnTheMap for Durango (2021 – OnTheMap - [Durango OnTheMap data link](#))

¹⁰ Data was collected from Census OnTheMap for Cortez (2021 – OnTheMap - [Cortez OnTheMap data link](#))

How Employment and Housing Interact

When considering affordability, households should pay no more than 30 percent of their monthly income on housing including mortgage, insurance and utilities including internet. As an example, a household of four in Mancos earning 100 percent of the AMI as \$87,000 would be able to afford a house that costs roughly \$261,000 at current mortgage rates with about 3 percent down payment. See the example below:

| | | | |
|---------------------------|---------------------------|---|------------------|
| Sales Information: | | | |
| Interest Rate: 7.5% | | | |
| Loan Term: 30 | | | |
| | Sales Price | | \$261,000 |
| | Down Payment Amount | | \$7,830 |
| | | Net to mortgage: | \$268,830 |
| | Monthly mortgage payment: | | \$1,880 |
| | Estimated property taxes | | \$175 |
| | Estimated Homeowner's Ins | | \$125 |
| | Utilities | | \$150 |
| | Estimated PMI | | \$100 |
| | | Monthly Payment: | \$2,430 |
| | Annual Cost | | |
| | | Annualized housing cost | \$25,200 |
| | | 30% Minimum annual income required | \$87,000 |

While this doesn't consider other factors including family support and equity from previous home sales, what this does show is that the current for-sale housing market in Mancos is imbalanced and likely not affordable for average households. A family of four at 100% Area Median Income (AMI) would be unable to afford the average-priced home as the example above shows. This price is already higher than the example home's value. Additionally, any groups below 100% AMI, including those seeking affordable workforce housing, would also find the average home price unattainable. While there have been conversations for potential 2024 rate cuts, since that has not been confirmed yet, the report will not discuss the potential impacts on housing costs in Mancos.



HOUSING ANALYSIS SUMMARY

This section of the report will discuss trends seen for rental and homes, and provide recommendations based on the data and concerns from community members. Based on the available data and a review of the market conditions, we estimate that the Town of Mancos has the following housing and rental demands: Specifically, the report provides the following:

FOR SALE

13 to 15 units

FOR RENT

21 to 25 units

For-Rent Analysis

According to the U.S. Census, the town of Mancos has 587 total housing units, of which 495 are currently occupied. The Census states that 24.6% of housing in the area is renter-occupied, which is lower compared to Durango at 44.6% and Cortez at 35.8%. Mancos also has a rental vacancy rate of 2.4% which is lower than an average healthy range of 5% to 10%. This may indicate that there is a high demand for rental units in the area.

The high demand for rental units may be a result of rising housing costs. With home costs more than an average family of 4 in the area can afford, households are forced to rent. As residents from Durango bring their purchasing power to buy up the more affordable housing options, it is driving up the local costs of housing in Mancos. In addition, compared to Durango, renting is more affordable in Mancos as well but the overall supply of quality rental units is comparatively low and there are few if any vacancies.

Currently, Mancos does have several housing developments which will increase the inventory of rental units in the area. Specifically, the Commons Project next to the Common Press which has rentals available on sites like Zillow and is anticipated to become available as of May 1st. The goal of the project is to specifically offer rental housing for workers that cannot afford a home in the area. Units for this project offer amenities like office spaces, workshop spaces, and a great location. This project is offering rental units for \$1,100 a month for 575 sq ft¹¹. Based on the current listing, this price breaks down to \$1.91 per sq ft. Comparing this to Durango, a similarly sized 550 sq ft. unit would cost \$1,300 per month, which is \$2.60 per sq ft¹². In addition, the comparison in Durango also does not include amenities such as workspaces nor is it immediately within the town. While Durango is a larger community, there is a clear difference in value for the unit sizes, with such low cost for the space compared to Durango, which is an indication of why more people are moving to Mancos and deciding to commute to work.

For-Rent Recommendations

For the purposes of the analysis, we reduced the number of vacant units to zero with the understanding that those units may not be available for occupancy. Based on online research, 4 rental units are publicly available. 91.4% of the housing units in Mancos are two bedrooms or larger, given the community's rural character. Generally, for rental units, studio and one-bedroom units are

¹¹ Mancos Commons Project (2024 - [Commons Project homepage](#))

¹² Zillow Durango unit (2024 - [Durango rental unit](#))

preferred. Within this community, only 6.6% percent of housing unit types are one-bedroom compared to the state of Colorado which has 11.6% of housing stock as one-bedroom units. Having a larger inventory of one-bedroom or studio units would influence younger populations to move into the area in addition to offering the ideal types of rental units.

Our estimate is derived by comparing the estimated number of rentals and applying a five percent vacancy loss. Generally, a five-percent vacancy is ideal for a market to be balanced. With 122 total renter-occupied units in the community at a five percent vacancy, the community needs around 11 to 13 units to be balanced. To reiterate, as the Census shows, 122 units are currently occupied by renters, which implies a shortfall of at least 12 units with the 5 percent vacancy applied.

When building units, it is important to consider the employed residents who need housing. For example, the local Mancos school district needs housing for its teachers. Statistically, there is a 10% annual turnover rate for educators. In the context of this community, the school currently employs between 55 to 60 teachers alone and in total more than 100 teachers, administrators, and other school-related employees. With a 10% turnover rate, this community would expect an annual turnover rate of 10-12 staff members. We estimate that the school districts would require these housing units in the area to attract qualified teachers and educational employees. The school district was recently awarded a technical assistance grant from CHFA to examine the feasibility of housing development on school owned property. This could be an opportunity to address some of the housing demand.

It is also important to consider the relationships Mancos has with Cortez and Durango and how it influences rental availability. Looking at the previous analysis, Rentals are significantly cheaper and offer better amenities in Mancos than Durango, which is driving demand from residents outside of Mancos. To supplement that demand, we recommend the addition of 21 units.

11-13 MARKET RATE UNITS + 10-12 SCHOOL DISTRICT UNITS = AT MINIMUM 21 UNITS

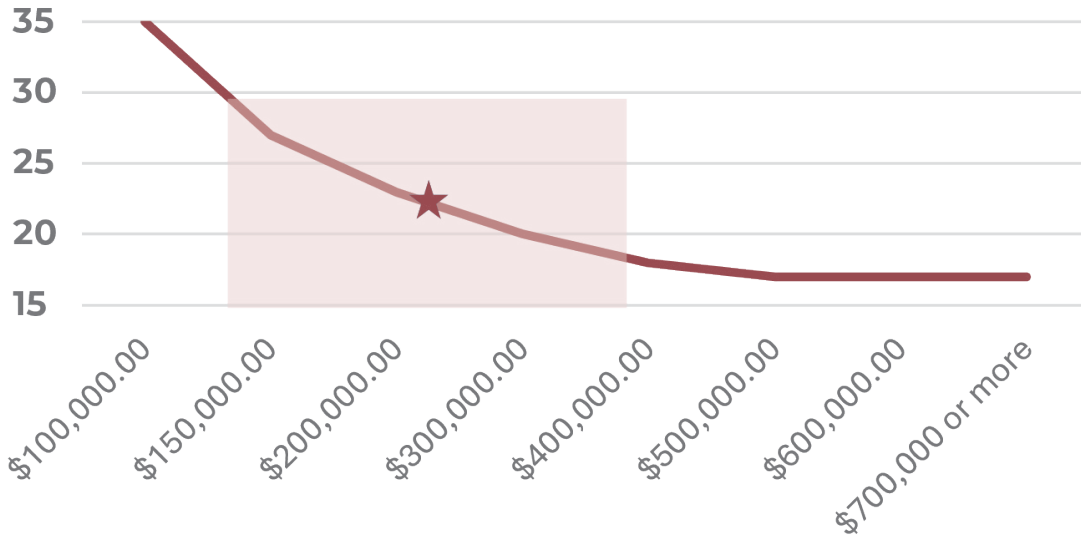
For Sale Analysis

To understand the for-sale housing demand in the Town of Mancos, it is important to consider the information previously discussed. Specifically, how Durango and Cortez have influenced the housing character in the area, which limits the affordability of housing in the market and the low supply of vacant properties.

Based on the analysis above, it can be concluded that residents of Durango and Cortez are purchasing properties in Mancos, which increases housing costs. Many residents are continuing to work in these communities by commuting from residence in Mancos based on our analysis above. With Mancos being a smaller town, the market is not large enough to meet the increased demand without seeing substantial increases in housing.

Housing affordability is a critical factor driving the housing market. The median housing cost per sq foot in the area is \$318, which is less than Durango which sits at \$480, but similar to other local communities like Cortez and Dolores. The median household income for a family of four in Mancos is \$87,000; assuming existing mortgage terms, currently at 7% to 7.5% with a three percent downpayment, the average household can expect to afford a \$268,830 home. This is illustrated on the demand elasticity chart.

Housing Demand Elasticity Chart



It is important to consider the demand for houses at different price points in the area. While many of the more affordable homes in Mancos are in high demand, there is also demand for more expensive homes. While there may be a specific number of homes recommended for the community, it is important to consider the different prices offered to meet the diverse demands of local residents and prospective homebuyers in neighboring communities.

The chart below shows the number of homes sold over the last 12 months at varying price points in Mancos. Based on the visual, there has been a high demand for homes in the community around the \$300,000 price range, at the same time there has been a noticeable rise in housing sales for high-cost homes around \$750,000. This is likely because a majority of average residents have shown interest in more affordable housing, while residents who come from Durango are willing to pay significantly higher costs for housing in the area. The community should consider the varying demand for homes at different price points to ensure there are options for different housing budgets.

Mancos Annual Home Sales



Housing Sales in the past 12 months based on number sold and price range

For Sale Recommendations

Over the last 12 months, there were 33 home sales ranging from \$50,000 to \$1,750,000. To the greatest extent, we worked to filter out sales of commercial properties, mobile home units, and vacant land. Based on the need for a six-month supply, the town has a demand for 11 to 13 units to achieve a balanced supply. Currently, there are 6 homes on the market for sale and are well above what a regular household income could afford. These recommended numbers represent the implied demand when considering the average monthly sales over the last 12 months.

The housing supply would also greatly improve if more senior housing options were available. As individuals age, homes can become too large or complex to maintain. Senior housing options, such as independent living communities or retirement homes, provide downsizing opportunities without sacrificing comfort, quality of life, and open supply for younger generations. With 32.1% of the population above the age of 60, many housing units could add to the supply of available housing over the next 10 to 15 years if alternative living options become available.

Another consideration is high density modular housing. Modular housing allows for the quicker development of homes which can be manufactured before being placed. These homes are also more accessible than building standard homes as it reduces the need to source contractors and specialists for development. These housing options also tend to be affordable as well and have shown themselves to be a great option in other rural communities in Colorado.

Considering these alternative options could have positive long-term impacts on residents in the community by reducing the need for mobile homes. As previously stated, in 2022, 17.2% of houses in the community were mobile homes. For the reasons explained above, mobile homes are not the best long-term solution to affordable housing. By considering alternatives like senior housing, modular/high density housing developments, residents can enjoy affordable housing that will appreciate over time and adds equity.

Based on the available data and current market conditions, we estimate demand for-sale housing for 11 to 13 units depending on the price.



RESOURCES & OPPORTUNITIES

This section of the report will discuss different resources and opportunities to help support affordable housing in Mancos. The intent of the points below seeks to offer guidance on how Mancos can support its vision for affordable housing through local programs, qualifying strategies, and funding opportunities. The examples below are not intended to solve affordable housing through application, but instead showcase the different ways the town can address housing challenges.

Local Programs

One of the best ways Mancos can support affordable housing is exploring and offering resources and assistance through local programs to its residents. While County and even statewide programs can be beneficial for housing challenges, Mancos has the opportunity to specifically address the needs of its residents.

Area Specific Opportunities

While there currently are not many housing programs specific to Mancos, the town made efforts to improve affordable housing programs through workforce housing. One example of this is The Mancos Commons¹³, which is a newer housing program that has aimed to provide affordable housing for local workforce through community housing that includes great living amenities. This program offers not only affordable housing but also housing that is within close vicinity to employment centers, restaurants, shops, and notably is within the downtown area. The Mancos Commons is a great example of what the town is capable of producing and should be used as an example of what can continue to be done through programs and partnerships.

The town has also acted as a pass-through for the Department of Local Affairs (DOLA) to acquire funding support for workforce housing developments¹⁴. The Mancos Conservation District is set to develop 2 additional workforce housing units which are deed restricted. The units being developed will be available the summer of 2024, which totals 5 deed restricted units that will be developed and available this year.

Other areas Mancos can promote local housing programs on is by partnering and collaborating with the local school districts, hospitals, and other businesses. When reaching out to businesses in the area, some have vocalized a need for more affordable housing for its employees. Furthermore, it has been noted that many businesses see workers commuting far distances for work opportunities but cannot afford or find housing options in the town. In many communities, developing workforce housing programs for local employees can create long lasting relationships that inspire and allow residents or employees to stay. Mancos can help its residents and employees by cultivating partnership programs through local industries like the ones mentioned above.

¹³ The Mancos Commons Project (2024 – About - [Mancos Commons Project Link](#))

¹⁴ Mancos Conservation District workforce housing (2024 – MCD - [MCD workforce housing](#))

The Montezuma Housing Authority¹⁵

Another program that residents of Mancos utilize is the Montezuma Housing Authority. The program was established in 1977 and its mission is “to provide decent, safe, and affordable housing”. The resources the Housing Authority provides to meet these goals are through public and affordable housing options. In addition, the Housing Authority also has a Housing Choice Voucher Program which currently offers 262 vouchers to service in 3 counties.

From conversations had with the Montezuma Housing Authority, there are 12 units available throughout the County, two of which are in Mancos. The Authority is taking applications for housing presently but is not offering any options at this moment. While there is a need for more housing options through the Authority, it is important to note that the group does offer other resources in addition. They have also stated that many residents throughout the County, including Mancos, qualify for resources the Authority provides but are not aware of that. This is due to a lack of outreach and education on the resources available and is a major goal of the Housing Authority.

Qualifying Strategies

This section of the report will explore strategies as they relate to affordable housing. While there are many different recommendations that will be shown, applying relevant strategies for the town is important because every community has different needs. It is important to note that in order to receive funding from qualifying strategies, Mancos must meet the necessary requirements for the programs shown. Below are two different programs the town can implement to help with affordable housing and acquiring funding resources. These strategies offer useful guidance on ways to promote affordable housing within the County and offer financial resources for implementing them.

Strong Communities, HB22-1304 - Department of Local Affairs (DOLA)¹⁶

strategies, programs, and policies that support sustainable development and affordable housing. This program seeks to help communities align policies and regulations to identify affordable housing in infill locations near jobs, transit, and everyday services. The Program offers two grants which offer funding resources for planning and infrastructure respectively. Both Grants highlight the same qualifying strategies that look to improve housing affordability at different levels in the process. Below are the qualifying strategies that can be adopted to acquire funding.

1. Compact Development

- Higher density mixed use development
- Rural adaptation of higher density near service areas
- Density bonus program
- Minimum lot size requirements
- Rural adaptation of minimum lot size requirements

¹⁵ Montezuma Housing Authority (2024 – About - [MCHA Link](#))

¹⁶ DOLA Strong Communities Planning Grant Program (2024 – DOLA - [Strong Communities Planning Grant Link](#))

2. Affordable Housing

- Use by right affordable housing
- Inclusionary zoning ordinance
- Land donation, acquisition, banking program, or land trust program
- Rural adaptation for affordable housing subsidies and/or incentives
- Reduces affordable housing development fees

3. Housing Diversity

- Multi-family housing options
- Accessory Dwelling Units (ADUs)
- Alternative building options

4. Growth Management

- Annexation policies
- Rural adaptation for intergovernmental agreements (IGAs)
- Urban growth areas and boundaries
- Rural adaptations for transfer of Development Rights (TDRs) and Purchase of Development Rights (PDRs)

5. Districts & Subdivisions

- Planned Unit Developments (PUDs)
- Infill incentive districts
- Rural adaptation for mixed-use zoning districts
- Rural adaptation for cluster & conservation subdivisions

6. Mobility

- Minimum parking standards
- Multi-modal road standards

7. Resource Conservation

- Water conservation
- Water rate structure reduction
- Energy efficiency codes
- High risk and environmentally sensitive areas



Innovative Affordable Housing Strategies, HB21-1271 – Department of Local Affairs (DOLA)¹⁷

Another program the Department of Local Affairs (DOLA) is offering are the Innovative Affordable Housing Strategies grants. This opportunity offers three different programs to promote innovative solutions to the development of affordable housing in Colorado. The first resource is the Planning Grant Program which offers resources to communities who want to better understand local housing needs and communities who want to improve planning policy and regulations that benefit affordable housing. The second resource is the Incentives Grant Program which seeks to promote affordable housing developments through community benefits for housing needs. The third resource is an online toolkit that offers education, training, and consultation for local housing challenges. Below are qualifying implementation strategies that Mancos can capitalize on to improve policy on housing affordability and open the door for funding.

1. Fee and grant/loan related

- Subsidize local gov fees
- Dedicated funding source to subsidize affordable housing infrastructure costs and fees.
- Dedicated funding source to subsidize affordable housing infrastructure costs.

2. Process related

- Expedited review for affordable housing up to 120% AMI
- Expedited development review for acquiring or repurposing underutilized commercial property

3. Zoning/code changes

- Middle multifamily use-by-right in single family residential zoning districts
- Affordable housing as use-by-right in residential zoning districts
- ADU use-by-right in single-family zoning districts
- Allow PUDs with integrated affordable housing units
- Allow small sq ft residential unit sizes
- Lessened minimum parking requirements for new affordable housing
- Inclusionary zoning ordinance

4. Land related

- Land donation/acquisition/banking program
- Use of vacant publicly owned property for affordable housing development

¹⁷ DOLA Innovative Affordable Housing Strategies (2024 – DOLA - [Innovating Affordable Housing Strategies Link](#))

Funding Opportunities

In addition to qualifying strategies which can be adopted to improve housing and acquire grant funding, there are also lots of other grant opportunities available. This section of the report seeks to provide a few relevant grant opportunities Mancos can capitalize on. When exploring grant opportunities, it is important to ensure the town has the required materials for applications and that the grants considered are relevant to the town's vision and goals. Below are some examples of agencies that offer grants for affordable housing and specific grant considerations.

Colorado Financing and Housing Authority (CHFA)¹⁸

The Colorado Financing and Housing Authority seeks to strengthen affordable housing and community development in Colorado through financial assistance. The focus of this organization is to offer financial resources for homeownership, affordable rental housing, and businesses. Presently, this organization has offered more than \$35.3 billion dollars in assistance and is a great resource for grant opportunities.

Department of Housing and Urban Development (HUD) Grant Opportunities¹⁹

HUD Specializes in providing housing support to help communities. Specifically, HUD has resources for rental assistance, local public housing, homeownership, rental relief, and more. This department has grant programs that communities and individuals can apply for as well as guidance on how to apply for funding and eligibility. Currently, there are multiple grant opportunities that HUD is accepting applications for.

Low-income Housing Tax Credit (LIHTC)²⁰

The Low-income Housing Tax Credit is a grant that is offered by HUD that gives funding resources for creating affordable housing. The program gives state and local agencies the ability to issue tax credits for lower-income housing. This grant has approximately \$10 billion in annual budget to give previously mentioned tax credits for the acquisition, rehabilitation, or new construction of rental housing for lower-income households.

Home Investment Partnerships Program (HOME)²¹

Another grant being offered by HUD is the Home Investment Partnerships Program. This funding opportunity provides grants to states and localities that can be used to fund a range of different projects. The funding can be used for building, buying, and/or rehabilitating affordable housing for rent and homeownership to low-income individuals.

¹⁸ Colorado Financing and Housing Authority (2024 – About - [CHFA Link](#))

¹⁹ Department of Housing and Urban Development (2024 – Grant Information - [HUD Grants Link](#))

²⁰ Low-Income Housing Tax Credit (2024 – LIHTC About - [LIHTC Grant Link](#))

²¹ Home Investment Partnerships Program (2024 – Program Information - [HOME Program Link](#))

SOURCES

Region 9 2024 economic snapshot:

https://www.region9edd.org/uploads/Economic_Snapshot_2024%20-%20Copy%201.pdf

Colorado State Demographer

<https://demography.dola.colorado.gov/>

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