



Housing Action Plan



**City of Cortez
2023**



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Introduction

The City of Cortez 2023 Housing Action Plan (The Plan) is an action-oriented, results-based strategic planning document that is to be used as a decision-making guide for taking critical next steps towards addressing the resident housing needs in Cortez.

The Plan outlines a set of housing goals and actions that have been prioritized based on community input. These initiatives are intended to be implemented over the next five years, aiming to make a substantial and positive difference in the quality and quantity of housing units in Cortez. The Plan recognizes the crucial role of housing in supporting a thriving community, contributing to the success of businesses, fostering economic development, and enhancing community vibrancy.



The City of Cortez is fully dedicated to addressing the pressing need for more affordable housing and considers the Plan as a proactive tool to tackle this issue head-on. By implementing the strategies outlined in the Plan, the City aims to create housing that meets the diverse needs of its residents while supporting the overall growth and prosperity of the community.

The City of Cortez 2023 Housing Action Plan represents a balanced approach to community housing that fits with the unique needs of Cortez, including:

- *Identifying and prioritizing specific community housing needs;*
- *Setting goals and objectives to target needs;*
- *Exploring various available tools to address identified housing needs;*
- *Prioritizing tools and developing strategies to implement those tools; and*
- *Assigning responsibilities and a timeline for implementation.*

The Plan is a living document that works best if it is revisited at least every three years and adjusted as needed. By conducting regular evaluations, the City can ensure that its housing initiatives remain responsive, effective, and aligned with the evolving needs of the community. This approach enables the Plan to be a flexible and adaptive tool that supports ongoing progress and positive outcomes, capitalizes on current market conditions, and leverages successful practices within Cortez.

The Housing Action Plan Process Explained

The action plan process involved a systematic approach that incorporated the recent Housing Needs Assessment, the active engagement of the community and the City, the establishment of clear goals, and the prioritization of policies. The plan serves as a roadmap for the community to address the housing needs and work towards achieving results that support all residents.

Over a series of three work sessions, the Housing Committee defined overarching goals for The Plan and developed a comprehensive list of policies aimed at addressing housing-related challenges in Cortez. This involved extensive discussions, research, and analysis to identify effective approaches and potential solutions. The Housing Committee included a group of stakeholders with a wide range of perspectives and expertise. The Committee distilled over 40 potential policies down to the priorities expressed in The Plan.

To ensure transparency and gather input from the wider community, three separate open house sessions were held, as well as an online questionnaire. This allowed residents and stakeholders to provide their perspectives and feedback on the proposed goals and policies. Additionally, a joint work session was organized with the council and planning and zoning departments to facilitate a comprehensive review and discussion of the policies.



The plan was developed in conjunction with the major update of the Cortez Land Use Code and is intended to support the Community Vision in the City’s Comprehensive Plan.

Our Community Vision (2008 Cortez Comprehensive Plan)

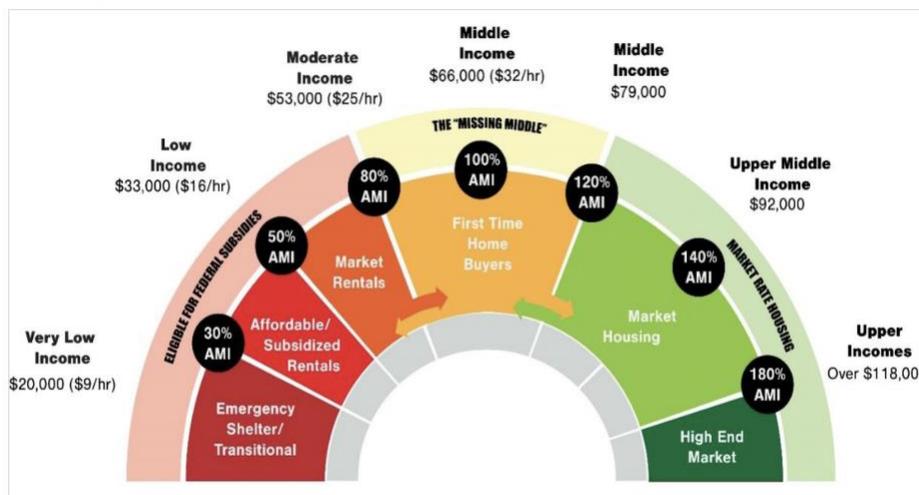
“Centrally located in a rural landscape of agriculture and rich public lands, the City of Cortez provides outstanding and innovative public services while demonstrating the values of our thriving community. Taking pride in our history, diversity, and environment, our friendly community is full of opportunity, making housing, goods, and services universally attainable. The City’s safe, efficient, and effective leadership maintains a small-town atmosphere where diversity and a sense of community coexist in integrated livable neighborhoods and a vivacious downtown.”

Local Housing Needs

As measured and reported in the *Cortez Housing Needs Assessment 2023*, over the past two decades, housing production has not kept pace with population and economic growth. As a result, more housing is needed across the full spectrum, from supportive housing for people who have experienced homelessness, new rentals, and missing middle/first-time homebuyer opportunities to step-up housing and luxury rentals for new professionals filling jobs in the area.

Without housing options that are affordable to workers, whether for sale or rent, employers will continue to struggle, and this impacts the local economy. For this reason, housing is an essential component of economic development in Cortez.

Cortez Housing Bridge



Income examples are for 2-person household; incomes have been rounded
Source: CHFA Income Limits 2022, Consultant Team

The greatest housing needs include:

- Ownership units priced below 140% AMI (\$79,000/year income; \$300,000 purchase price);
- Rental units priced below 80% AMI (\$53,000/year income; \$1,300/month rent). Units for up to \$1,700 per month are also needed by young professionals earning up to 100% AMI (\$66,000 per year);
- Homeless/transitional and special needs also rising.



Summary of Housing Need by AMI up to 200% AMI

2023 Housing Needs Assessment

“extremely” low income
=**<\$19,740 per year, poverty level**
26% of Renter Households
10% of Owner Households
<30% AMI

Max Affordable rent: <\$494 per month
***Max Affordable home: <\$65,700**

Rental needed: 30-56
Ownership needed: 17-31

“very” low income
\$19,741 to \$32,900 per year
20% of Renter Households
9% of Owner Households
30-50% AMI

Max Affordable rent: \$823 per month
***Max Affordable home: \$109,600**

Rental needed: 23-43
Ownership needed: 16-30

“low” income
\$32,901 to \$52,640 per year
23% of Renter Households
23% of Owner Households
50-80% AMI

Max Affordable rent: \$1,316 per month
***Max Affordable home: \$175,300**

Rental needed: 26-49
Ownership needed: 40-75

“moderate” income
\$52,641 to \$65,800 per year
9% of Renter Households
13% of Owner Households
80-100% AMI

Max Affordable rent: \$1,645 per month
***Max Affordable home: \$219,200**

Rental needed: 10-18
Ownership needed: 23-43

“middle” income
\$65,801 to \$78,960 per year
5% of Renter Households
12% of Owner Households
100-120% AMI

Max Affordable rent: \$2,303 per month
***Max Affordable home: \$263,000**

Rental needed: 5-10
Ownership needed: 20-38

“upper middle” income
\$78,961 to \$92,120 per year
3% of Renter Households
9% of Owner Households
120-140% AMI

Max Affordable rent: \$1,974 per month
***Max Affordable home: \$306,800**

Rental needed: 4-7
Ownership needed: 16-30

“upper middle” income
\$92,121 to \$131,600 per year
8% of Renter Households
12% of Owner Households
140-200% AMI

Max Affordable rent: \$3,290 per month
***Max Affordable home: \$438,300**

Rental needed: 9-17
Ownership needed: 21-40

*Max purchase price assumes a 30-year mortgage at 6.5% with 5% down and 20% of the payment covering taxes, HOA, PMI, and insurance. SOURCES: CHFA 2022 INCOME LIMITS, RIBBON DEMOGRAPHICS, LLC, CREN MLS, HNA CONSULTANT TEAM

Goals

This Plan establishes three overarching goals that describe the desired outcomes that Cortez seeks to achieve. These goals establish a clear sense of direction and purpose, serving as a compass to align efforts, resources, and strategies towards a shared vision.

Goal 1

Preserve, protect, revitalize, and maintain the quality and attainability of the community's existing housing stock.



In summary, this goal aims to achieve the following objectives:

- Safeguard Cortez's existing housing stock by preventing the loss or deterioration of housing units, preserving their historical or cultural significance, and maintaining the overall quantity and quality of housing options.
- Protect the affordability of existing housing options within the community that are attainable for a wide range of residents, particularly those with lower incomes.
- Promote responsible management practices for the community's housing stock, including proper maintenance, addressing repairs, and implementing strategies to prolong the lifespan and functionality of the existing housing units.

Goal 2

Increase the amount of housing produced in Cortez and encourage a diverse mix of housing types to improve housing availability and options for residents to best meet their needs.



In summary, this goal aims to achieve the following objectives:

- Increase the amount of housing produced to meet the growing demand for housing and reduce scarcity, creating more options for residents to find suitable housing.
- Promote a diverse mix of housing types offering a range of choices for individuals, families, and households of different sizes and lifestyles, fostering a sense of community, encouraging social connections, and contributing to a thriving and livable environment.

Goal 3



Focus new housing on the full range of incomes in need and for various life stages with priority placed on entry level rentals, first-time homeownership, missing middle, and supportive housing.

In summary, this goal aims to achieve the following objectives:

- Address the housing needs of individuals and households across various income levels ensuring that housing options are available and accessible to a diverse range of residents.
- Prioritize the development of entry level rental units, typically aimed at individuals or households with limited incomes or those just starting their housing journey.
- Emphasize the importance of promoting opportunities for first-time homeownership.
- Recognize the need for "missing middle" housing, which refers to housing types that bridge the gap primarily between 80 and 140% AMI.
- Acknowledge the significance of supportive housing, which combines attainable housing with supportive services to assist individuals or households with specific needs, such as those facing homelessness, mental health challenges, age related challenges, or substance abuse issues.

Priority Level	Types of Housing
1	Supportive Housing (below 30% AMI with services to support residents) Rentals - Priced up to 60% AMI (up to \$987/month in 2022) For Sale – Priced up to 80% AMI (up to \$175,300 purchase in 2022) Mobile Home Park Reinvestment
2	For Sale/For Rent for Seniors Rentals - Priced 60-100% AMI (up to \$1,645/month in 2022) For Sale – Priced 80 -140% AMI (up to \$306,800 in 2022)
3	Rentals - Priced above 100% AMI (over \$1,645/month in 2022) For Sale – Priced above 140% AMI (over \$308,800 in 2022)

Affordable price assumes 30% of income toward housing payment for a 2-person HH
Max purchase price assumes a 30-year mortgage at 6.5% with 5% down and 20% of the payment covering taxes, HOA, PMI, and insurance.

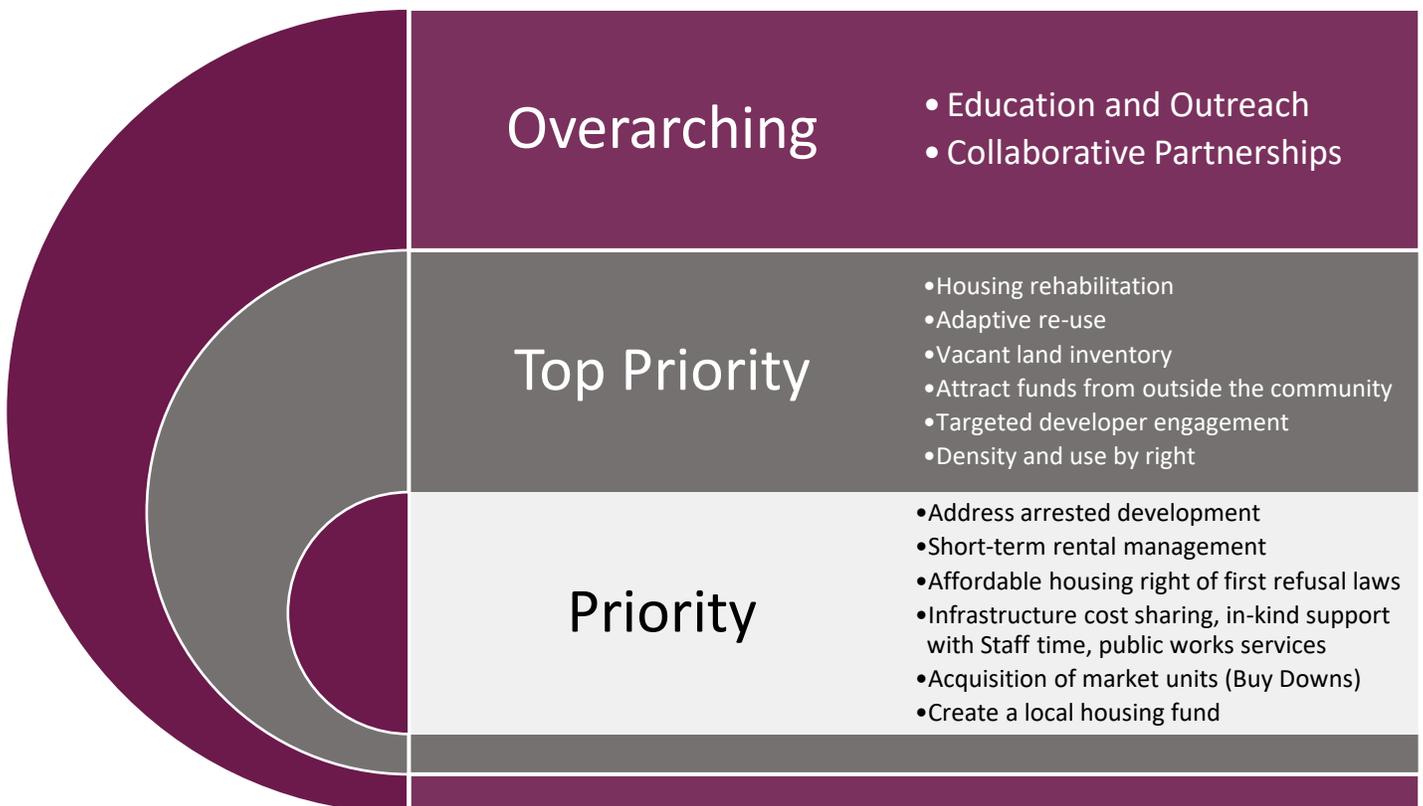
Focus on Action

All fourteen items specified in the Action Plan have been designated as priority action items to help achieve the three housing goals. The City's commitment to these priorities demonstrates their collective dedication to addressing affordable housing needs in Cortez.

The Plan incorporates two overarching components, education and outreach, as well as collaborative partnerships, which are to be integrated into each action.

The Top Priority action items have been identified for immediate implementation and have been further developed in detail within The Plan.

The Priority items have been thoroughly discussed and will be revisited periodically to align with the evolving nature of the plan and the City's needs. While these are not policies to implement immediately, they are policies to keep under consideration and may be added to the workplan as opportunities and resources become available.



Overarching Education and Outreach



Consistent education and outreach and community engagement is a thread that goes through all components of The Plan and contributes to a more informed, engaged, and empowered community. It helps build consensus, shape policies, promote effective housing solutions, and foster a supportive environment for housing initiatives to be successful.

What could this policy accomplish?

- Increase awareness and understanding of housing-related issues among community members, stakeholders, and decision-makers.
- Empower community members by providing them with knowledge and resources to participate in housing-related discussions and decision-making processes.
- Facilitate advocacy efforts by informing community members about their rights, available resources, and support services related to housing.
- Connect individuals and families to organizations, agencies, and programs that can assist them in finding affordable housing, accessing financial assistance, or addressing housing-related issues.
- Build capacity by providing training, workshops, or educational materials to stakeholders involved in housing development, management, or advocacy.

How does the City employ this policy?

- Collaborate with local organizations, housing providers, community groups, and educational institutions to leverage their existing networks and resources.
- Organize public meetings, workshops, or town hall sessions to provide information about housing issues, present data and research findings, and engage community members in discussions.
- Develop informational campaigns that utilize various communication channels such as websites, social media, newsletters, and local media outlets to disseminate housing-related information.
- Develop dedicated online platforms or sections on the community website that provide comprehensive housing information, resources, and frequently asked questions.
- Engage schools and educational institutions to incorporate housing-related topics into their curricula.

Education and Outreach Summary

Ultimate Outcome	Increase awareness and understanding of housing-related issues among community members, stakeholders, and decision-makers. Build trust between City of Cortez and residents.
Lead Role	Community and Economic Development
Support Role	Support Staff, City Council, Community Partners, Public information officer
Short Term 1-2 years	Now - incorporate into other policies, include in questionnaire with utility bill, target areas/groups and go to them.
Mid-Term 2-5 years	Continue to target groups and organizations, highlight opportunities as they arise.

Overarching Collaborative Partnerships



Fostering collaborative partnerships is a thread that goes through all components of The Plan. This would enable stakeholders to work together towards common goals, leverage resources effectively, and address housing challenges more holistically, leading to positive and lasting impacts on housing affordability, accessibility, and quality within Cortez.

What could this policy accomplish?

- Collaboration can lead to more effective strategies, shared resources, and a common goal.
- Foster creativity and collaboration in developing a broader range of housing solutions.
- Encourage regular communication, collaboration, and joint planning among partners, reducing duplication of efforts and ensuring that activities are well-coordinated.

How does the City employ this policy?

- Organize networking events, workshops, or conferences that bring together stakeholders involved in housing-related activities.
- Actively seek partnerships with nonprofit organizations, developers, or other entities to implement specific housing initiatives. The below list is the beginning of a comprehensive list of potential partnerships.

Existing and Potential Partners

"The Bridge" Emergency Shelter	Educational Providers	National Historic Society
Assisted Living Facilities	EEA	Neighborhood Organizations
Building Division	General Services Dept.	Parks and Rec. Dept.
Building Supply Businesses	Habitat for Humanity	Pinon Project
Business District Landowners	Historic Preservation Office	Planning Division
Business Owners	Homeowners	Police Department
Colorado Housing Inc.	HOMES Fund	Property Owners
Community Clubs and Organizations	Housing Solutions for the Southwest	Public Works Department
Community Connection Inc.	La Plata Regional Housing Authority	Realtors
Cross Connection Technician	Local Service and Utility Providers	Residents
CSU Ag Extension	Montezuma Community Collective	USDA
Developers	Montezuma County	
Downtown Land Owners	Montezuma County Housing Authority	

Collaborative Partnerships Summary

Ultimate Outcome	Make sure City incorporates collaborative partnerships, foster creativity, bring in funding, bring in innovative ideas, divide the workload.
Lead Role	Multi-faceted, City Council, City Manager
Support Role	Depend on supporting policy, Community and Economic Development
Short Term 1-2 years	Add component to each policy - who could collaborate with?
Mid-Term 2-5 years	Continue to target groups and organizations, highlight opportunities as they arise.

Top Priority

Housing Rehabilitation and Weatherization



Given the age of the housing inventory and the high percentage of mobile homes, these services are particularly important in Cortez. Weatherization and home improvements of the type offered by Housing Resources of Western Colorado and Housing Solutions of Southwest, and the USDA can help residents live more affordably, safely and comfortably in their homes, and can help extend the useful life of the building.

What could this policy accomplish?

- Improve the overall quality and condition of existing housing stock by addressing necessary repairs and upgrades.
- Enhance the safety, functionality, and longevity of homes, creating healthier living environments for residents.
- Contribute to energy efficiency and sustainability efforts leading to lower utility bills for residents, and a decreased carbon footprint for the community.
- Contribute to the long-term affordability and sustainability of housing in Cortez.



How does the City employ this policy?

- Establish partnerships, including Housing Resources of Colorado and Housing Solutions of the Southwest.
- Conduct outreach campaigns to raise awareness about the benefits of housing rehabilitation and weatherization among homeowners and tenants.
- Prioritize energy efficiency measures such as insulation, weatherstripping, sealing air leaks, upgrading windows and doors, and installing energy-efficient appliances and lighting.
- Seek out local, state, and federal programs that support energy efficiency upgrades and housing rehabilitation (CHFA, DOH, USDA, Colorado Trust)

Housing Rehabilitation and Weatherization Summary

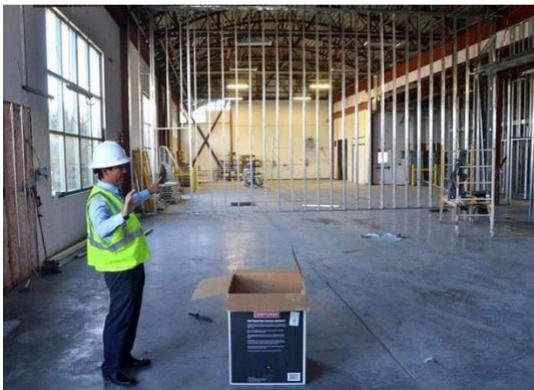
Ultimate Outcome	Protecting your investment, more affordability, safety and comfortable living.
Lead Role	City Manager
Support Role	Code enforcement, Community and Economic Development
Short Term 1-2 years	Reach out to Housing Resources of Colorado and Housing Solutions of the Southwest.
Mid-Term 2-5 years	Seek out local, state and federal funding programs.



Throughout our stakeholder interviews, many opportunities for adaptive reuse were introduced, including the existing school building that could be converted to apartments and a motel that could be used for employee housing. As construction costs rise, adaptive reuse is increasingly cost-effective.

What could this policy accomplish?

- Increase the affordable housing supply, preserve historical heritage, provide cost-effective development, encourage sustainability, foster community revitalization, provide mixed-use opportunities, and social and economic benefits.
- By repurposing existing structures, Cortez can leverage resources and creativity to address housing challenges and create vibrant, sustainable, and inclusive neighborhoods.



How does the City employ this policy?

- Review policy and zoning framework to identify barriers or restrictions that may hinder the process.
- Conduct a feasibility analysis for potential adaptive reuse projects. Assess factors such as building condition, required renovations, cost estimates, financing options, and potential funding sources. Evaluate the economic viability and sustainability of each project to determine its feasibility.
- Establish partnerships with developers, housing nonprofits, financial institutions, and other stakeholders to leverage their expertise, resources, and funding opportunities.
- Explore grants, loans, tax incentives, and public-private partnerships such as Low-Income Housing Tax Credits (LIHTCs), Community Development Block Grants (CDBG), or other subsidy programs.

Adaptive Re-Use Summary

Ultimate Outcome	Increased affordable housing supply, cost-effective development, sustainability, community revitalization, mixed-use opportunities, and social and economic benefits.
Lead Role	Community and Economic Development
Support Role	Support Staff, City Grant writers
Short Term 1-2 years	Already updating code, already a development on Broadway under consideration, include feasibility analysis in land inventory.
Mid-Term 2-5 years	Establish partnerships, look for funding.

Top Priority

Vacant Land Inventory



Develop an inventory to serve as a valuable tool for understanding the existing land resources and their suitability for housing projects. The inventory would help to inform strategic decision-making regarding housing development by providing crucial information about the location, size, zoning regulations, infrastructure availability, and other relevant factors for each identified parcel.

What could this policy accomplish?

- Enable the identification of specific sites that are suitable for different types of housing, such as affordable housing, mixed-income developments, or senior housing.
- Streamline the development process by providing readily available information about ownership, zoning, utilities, and other essential factors.
- Promote partnerships between the public, private, and nonprofit sectors.
- Assist in identifying areas in need of revitalization or redevelopment.
- The City of Cortez does not see being a housing developer as it's role, rather this is a private sector role, but the City would like to help catalyze the work by bringing land or other resources to make it financially feasible.

How does the City employ this policy?

- Gather existing data sources that provide information on vacant land within the city. This will involve collaboration with the Montezuma County GIS department. It can also include property tax records, land use plans, and any previous studies or inventories conducted by the city or relevant agencies.
- Conduct a field survey to physically assess the properties identified as potentially vacant or underutilized.
- Seek input and involvement from relevant stakeholders.
- Prioritize based on criteria such as feasibility, market demand, infrastructure availability, and alignment with housing goals and strategies.
- Prioritize the most promising parcel and create opportunity to issue RFP.



Vacant Land Inventory Summary

Ultimate Outcome	More housing that addresses our community needs, less vacant land within the City limits.
Lead Role	Community Development Director
Support Role	City GIS staff, other local governments and large employers, public works department.
Short Term 1-2 years	General inventory already created, continue to build and improve upon it.
Mid-Term 2-5 years	Inventory complete and most promising project (or two) moving forward by 2025.

Top Priority

Attract Funds from Outside the Community



Housing funds are in high demand across the state, and accessing these resources is competitive. But Cortez has a considerable need and is already demonstrating a commitment to housing solutions through code updates and incentives.

What could this policy accomplish?

- This policy could bring substantial financial resources, accelerate implementation, leverage local investments, facilitate knowledge transfer, and achieve a lasting impact on the community's housing affordability and availability.

How does the City employ this policy?

- Aggressively pursuing sources like the Low-Income Housing Tax Credit (which can support between 30-80% of the upfront costs to build rental housing for people under 80% AMI) and state resources like Transformational Housing, Proposition 123, and Colorado Division of Housing funds can help support the below market strategies recommended in this report.
- Pursue DOLA funds for infrastructure and philanthropic funds to support the nexus between health, housing, childcare, and other basic life necessities.
- Research additional funding opportunities like foundations, nonprofit organizations, corporate social responsibility programs,

or crowdfunding platforms. Stay updated on funding announcements, grant cycles, and eligibility criteria.

- Create a comprehensive funding policy that outlines the objectives, target funding sources, and approaches for attracting external funds. The policy should identify specific housing projects or initiatives that align with the priorities of potential funding organizations. It should also include a timeline, responsibilities, and a clear action plan for pursuing and securing funding.
- Establish relationships and partnerships with organizations, institutions, and individuals that have access to external funding sources.
- Engage in targeted outreach efforts to inform potential funders about the city's housing action plan, its objectives, and the potential benefits of investing in the community.
- Provide a competitive procurement process, using public resources such as land or money should be done in an open, transparent way, where everyone can put their best foot forward.

Attract Funds From Outside the Community Summary

Ultimate Outcome	Get funds soon to help fill the gap between what it costs to build or purchase housing and what our local workforce can afford.
Lead Role	City Manager
Support Role	Finance Director, Grant Writer, Com Dev Director, Community Stakeholders, potential partners.
Short Term 1-2 years	Incorporate into other strategies.
Mid-Term 2-5 years	Mid term, as project specific needs, partnerships, and opportunities become more clear.

Top Priority

Targeted Developer Engagement



Engage developers who specialize in affordable housing or have experience in developing entry level rentals, first-time homeownership projects, missing middle housing, and supportive housing.

What could this policy accomplish?

- This approach increases the likelihood of attracting developers who are committed to affordable housing, fosters collaboration, and ultimately leads to the creation of more affordable housing options that meet Cortez's needs.
- Foster stronger collaborations between the city and developers, promoting a shared understanding of housing needs and goals.
- Ensure that housing developments align with the community's vision, resulting in projects that better meet the needs and preferences of residents.
- Attract new investment and spur economic growth in Cortez.
- By actively involving developers who specialize in affordable housing, the strategy promotes the creation of housing units that are accessible to a range of income levels.
- By establishing clear communication channels and streamlined procedures, the strategy enables smoother collaboration between developers and the city.

How does the City employ this policy?

- Reach out to other communities for developer references. Identify developers who have experience and a track record of successful housing projects in the community or similar contexts.
- Initiate and cultivate relationships with targeted developers through direct engagement, networking events, or targeted outreach.
- Attend industry conferences, workshops, or trade shows where developers are present.
- Clearly communicate the city's Housing Needs Assessment and Housing Action Plan to the targeted developers.
- Encourage developers to participate in public-private partnerships or joint ventures to maximize resources and expertise.
- Provide developers with clear guidelines, checklists, and a single point of contact within the city to facilitate efficient communication and decision-making.

Targeted Developer Engagement Summary

Ultimate Outcome	Start working together to solve our housing problems.
Lead Role	City Manager, Community Development Director
Support Role	City Council, City Staff, Community Stakeholders, Potential Partners
Short Term 1-2 years	Already begun
Mid-Term 2-5 years	Focus on specific projects and needs over time. Generally, this is a mid-term task.

Top Priority

Density and Use by Right



Encourage development that aligns with the community's planning goals, while also providing a more streamlined and efficient process for property owners and developers. It balances the need for increased housing supply and economic development with the preservation of community values and design standards.

What could this policy accomplish?

- Address housing shortages, enhance housing affordability, and create vibrant and sustainable neighborhoods.
- Increase density in appropriate areas, promote mixed-use development, and streamline the approval processes.
- Balance the need for increased housing supply and economic development with the preservation of community values and design standards.



How does the City employ this policy?

- Align with Comprehensive Code Update – already in process.
- Review existing zoning codes and identify areas where density and land use restrictions can be modified to allow for increased housing density.
- Target areas that can support increased density without compromising the overall livability and character of the neighborhoods.
- Simplify and streamline the approval processes for housing developments that comply with the density and use by right policy.
- Engage with neighborhood associations, community groups, and residents to address concerns, gather input, and create a shared understanding of the policy's objectives.

Density and Use by Right Summary

Ultimate Outcome	Use our land and infrastructure efficiently to increase the inventory of housing within the community.
Lead Role	Community Development Director
Support Role	City Council, City Staff, Planning and Zoning, Community stakeholders
Short Term 1-2 years	Already begun
Mid-Term 2-5 years	Complete by end of 2024

Priority Revisit Periodically



Address Arrested Development

With over 300 platted but unbuildable lots, investing in orphaned subdivisions to unlock their development potential could significantly impact Cortez. We recommend reviewing and assessing the strategies proposed in “Chapter 7: Land Use Regulations Scan” and identifying an approach that would be the most advantageous for Cortez, and where and when to begin.

Short-term Rental Management

Implement regulations and measures to effectively manage and control the operation of short-term rentals within Cortez, including setting up a regulatory framework, implementing a system for permitting and licensing, establishing occupancy and noise regulations, implementing health and safety standards and setting up a taxation and revenue management system.

Notice of Right of First Refusal Laws

Legal provisions that grant certain individuals or entities the opportunity to purchase a property before it is sold to a third party. These laws are designed to protect tenants, affordable housing providers, or designated organizations by giving them the right to match the terms of a purchase offer and acquire the property under the same conditions. ROFR laws aim to preserve affordable housing (such as mobile homes), maintain community stability, and prevent displacement.

Infrastructure cost sharing, in-kind support with Staff time, public works services

Bring additional public resources such as infrastructure extensions, in-kind labor, fee reductions/waivers, bond cap, certificates of participation, or general fund allocations.

Acquisition of Market Units (Buy Downs)

Invest public funds to lower the sales price of units on the market in exchange for restricted below market housing.

Create a Local Housing Fund

The City of Cortez can offset high development costs and influence what gets built in the City by leveraging a local fund that can absorb some of the cost increases and signal to the State and other funders that there is political will for affordable and workforce housing development. Some communities establish a dedicated local funding source for housing through inclusionary zoning, mitigation fees, or asking the voters for a dedicated tax. Other communities have seeded a local housing investment fund through American Rescue Plan Act (ARPA) dollars, the sale of assets, Congressionally Directed Spending, unrestricted reserve balances, or general fund allocations, which could be a good fit for Cortez.

Appendix A – Area Median Income

The Area Median Income (AMI) is included throughout The Plan because it is a metric used by affordable housing funders. AMI is published annually by HUD for each county and varies by household size.

Montezuma County 2022 Income Limits

AMI	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
140%	\$80,640	\$92,120	\$103,600	\$115,080	\$124,320	\$133,560	\$142,800	\$152,040
120%	69,120	78,960	88,800	98,640	106,560	114,480	122,400	130,320
100%	57,600	65,800	74,000	82,200	88,800	95,400	102,000	108,600
80%	46,080	52,640	59,200	65,760	71,040	76,320	81,600	86,880
70%	40,320	46,060	51,800	57,540	62,160	66,780	71,400	76,020
60%	34,560	39,480	44,400	49,320	53,280	57,240	61,200	65,160
55%	31,680	36,190	40,700	45,210	48,840	52,470	56,100	59,730
50%	28,800	32,900	37,000	41,100	44,400	47,700	51,000	54,300
45%	25,920	29,610	33,300	36,990	39,960	42,930	45,900	48,870
40%	23,040	26,320	29,600	32,880	35,520	38,160	40,800	43,440
30%	17,280	19,740	22,200	24,660	26,640	28,620	30,600	32,580

SOURCE: CHFA 2022 Income Limits, Consultant Team

The income distribution of the City of Cortez households by AMI is shown below. It is the result of comparing the income limit figures above relative to what households in Montezuma County make. Because AMI represents the median family income of an area, it does not incorporate incomes from non-family single and roommate households that represent 38% of households in Cortez. Therefore, household incomes in Cortez are generally lower than the family income limits above (see detailed explanation in Appendix A), and as a result, the share of households with incomes less than 100% AMI is more than 50% of households.

A large percentage of households in Cortez are in the lower tiers of the income scale. This aligns with other indicators of income disparity in the City, such as the share of households in poverty or using other public assistance programs.

More than one in ten Cortez residents (16%) live in poverty, which is about four percentage points higher than that of Montezuma County (12%). In the City, 12% of children under 18 live in poverty.

About 18% of households in Cortez receive food assistance through Food Stamps/SNAP benefits.

The income disparity by tenure is highlighted in the figure below, which includes the income range of a 2-person household for reference. Over two-thirds (69%) of renter households and 42% of owner households have incomes of 80% AMI and under.

	Household Income Range (2-person HH)	Renter Households	Owner Households	Total Households
< 30%	\$0 to \$19,740	26%	10%	16%
30.1-50%	\$19,741 to \$32,900	20%	9%	13%
50.1-80%	\$32,901 to \$52,640	23%	23%	23%
80.1-100%	\$52,641 to \$65,800	9%	13%	11%
100.1-120%	\$65,801 to \$78,960	5%	12%	9%
120.1-140%	\$78,961 to \$92,120	3%	9%	7%
140.1-200%	\$92,121 to \$131,600	8%	12%	11%
>200%	> \$131,600	7%	11%	9%
Total (2022 est.)		1,535	2,295	3,830

May not sum to 100% due to rounding.

SOURCE: CHFA INCOME LIMITS 2022 (MONTEZUMA COUNTY), RIBBON DEMOGRAPHICS, LLC, CONSULTANT TEAM