

**ORDINANCE NO. 1352
SERIES 2025**

**AN ORDINANCE APPROVING REVISIONS TO THE LAND USE CODE TO ADD A
NEW SECTION 3.07, "INCENTIVES", AND TO ADD THREE NEW DEFINITIONS TO
CHAPTER 2 "AFFORDABLE HOUSING -FOR SALE", "AFFORDABLE HOUSING -
FOR RENT", AND "AREA MEDIAN INCOME".**

WHEREAS, by Ordinance 1331, Series 2025, on March 11, 2025, the City Council of the City of Cortez repealed the City of Cortez Land Use Code in its entirety and replaced it by adopting the new City of Cortez Land Use Code dated March 11, 2025 (the "Land Use Code"); and

WHEREAS, the City desires to revise the Land Use Code to include incentives to encourage the development of affordable housing; and

WHEREAS, at the October 7, 2025 Planning and Zoning Commission meeting, the Planning and Zoning Commission reviewed a draft of the proposed revisions to the City of Cortez Land Use Code, and made recommendations as evidenced by the adoption of P&Z Resolution No. 9, Series 2025; and

WHEREAS, based on the evidence and testimony presented at the October 7, 2025 meeting, the Planning and Zoning Commission recommends that the City Council adopt revisions to the City of Cortez Land Use Code as noted and shown of the attached redline, a copy of which is attached hereto and incorporated herein as Exhibit A.

WHEREAS, land use is a Home Rule issue and not a matter of Statewide concern.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF CORTEZ CITY COUNCIL THAT THE REVISIONS TO THE CITY OF CORTEZ LAND USE CODE AS NOTED AND SHOWN ON THE REDLINE, A COPY OF WHICH IS ATTACHED HERETO AND INCORPORATED HEREIN AS EXHIBIT A, ARE ADOPTED.

REPEALER. All orders, bylaws, resolutions, and ordinances of the City, or parts thereof, inconsistent or in conflict with this Ordinance, are hereby repealed to the extent only of such inconsistency or conflict.

SEVERABILITY. If any section, paragraph, clause, or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Ordinance, the intent being that the same are severable.

RECORDING AND AUTHENTICATION. Upon adoption hereof, this Ordinance shall be recorded in a book kept for that purpose and shall be authenticated by the signatures of the Mayor and the City Clerk.

EFFECTIVE DATE. The effective date of this Ordinance shall be immediately after

the date on which publication after second reading and final passage of this Ordinance occurs (the "Effective Date").

FIRST READING. This Ordinance shall be considered on first reading on the 12th day of November, 2025, at the hour of 7:30 p.m., in the City Council Chambers in City Hall, Cortez, Colorado, at which time this Ordinance shall be read and the public hearing for the second or final reading of this Ordinance shall be set.

PUBLIC HEARING. This Ordinance shall be considered for second or final reading on the 25th day of November, 2025, at the hour of 7:30 p.m., in the City Council Chambers in City Hall, Cortez, Colorado, at which time and place all persons may appear and be heard concerning the same.

PASSED, ADOPTED AND APPROVED ON FIRST READING THIS 12th DAY OF NOVEMBER, 2025.

CITY OF CORTEZ

ATTEST:



DANIELLE WELLS, CITY CLERK



RACHEL B. MEDINA, MAYOR

PASSED, ADOPTED AND APPROVED ON SECOND AND FINAL READING THIS 25th DAY OF NOVEMBER, 2025.

CITY OF CORTEZ

ATTEST:



DANIELLE WELLS, CITY CLERK



RACHEL B. MEDINA, MAYOR

APPROVED AS TO FORM:



J. PATRICK COLEMAN, CITY ATTORNEY

EXHIBIT A

3.07 Incentives

3.07.1 Basic Standards

A. Cortez offers applicants development incentives, as described in this Section to incentivize the construction or creation of affordable housing as defined in the Land Use Code; and

B. Incentives are awarded based on objective standards listed in this Section and compliance with those standards is determined by the Zoning Administrator.

C. If the Zoning Administrator determines that the application complies with the standards for the incentives, any further review and decision on the application by the City Council, Planning Commission, or city staff shall proceed in an expedited fashion so that a final decision is made within 90 days of receipt of a complete application and determination of technical sufficiency.

D. While the party with approval authority shall approve, approve with conditions, or deny the application, based on the listed criteria for approval of that type of application, any such decision will not include conditions that remove or reduce any incentive that the Zoning Administrator determines has been earned by the applicant.

E. Cortez offers development incentives for developers applying for site plans (major and minor), conditional use permits, building permits, variances, waivers, administrative adjustments, and special exceptions and minor deviations when those reviews are for qualified affordable housing submittals.

3.07.2 Relationship to Zoning and Subdivision Standards

A. No incentive shall be awarded for elements, characteristics, or qualities of a proposed development that are required by Chapter 3, Use Regulations or Chapter 5, Site Development Standards.

B. If the Zoning Administrator determines that an incentive has been earned under this Section, the incentives granted shall supersede any inconsistent dimensional, parking, or other standards in the base zoning district where the property is located.

3.07.3 Declining Incentives

A. The expedited affordable housing review process is optional and a developer can opt-out if desired. The developer's desire to opt-out of the expedited review process should be provided to the Zoning Administrator in writing.

B. Affordable housing developers are permitted a one-time extension request for up to 90 additional calendar days. If necessary to allow additional time to comply with a State law, court order, agency review outside of the control of the City of Cortez, or similar situations, additional extensions may be granted.

C. The City of Cortez may implement one or more 30-calendar day extension(s) to address comments or requests for additional information or project revisions, and for local government staff to review modifications to an application. These 30-day extensions start once the applicant responds with the requested information. The 30-calendar day extensions should only be used for unique circumstances and delays that are outside the control of the developer or City staff or officials.

D. If a project is withdrawn and a new application is submitted, the 90-day review timeline starts over with the new application.

3.07.4 Earning the Incentives

Applicants seeking affordable housing incentives shall comply with one of the two options described below.

A. Option 1: Specific Amounts and Levels of Affordable Housing

1. At least 80 percent of the gross floor area of the proposed development shall be for residential uses; and

2. At least 50 percent of the residential dwelling units in the project shall be restricted to purchase or occupancy by households meeting the following standards:

a. If the residential dwelling units are offered for sale, the sale price of the units must be affordable to households earning no more than 100 percent of the area median Income (AMI) for Montezuma County, by household size, while spending not more than 30 percent of their income on housing expenses including mortgage, property taxes, homeowner's insurance, and community dues (if any); or

b. If the residential dwelling units are rental units, the rental rate must be affordable to households earning no more than 60 percent of the area median income (AMI) for Montezuma County, by household size, while spending not more than 30 percent of their income on housing expenses including rent, utilities, and the unit's share of any expenses for common areas and shared amenities in the development.

3. A developer applicant's plan for monitoring and enforcement of the affordable sales price and affordable rental rate limits in subsection 2 shall be accepted in writing by a department or agency of Cortez or another entity acceptable to the city.

4. The size, number of bedrooms, outward appearance, and level of interior quality in the affordable dwelling units shall be substantially similar to those in the same development that are not designated as affordable, as determined by the Zoning Administrator,

5. The affordable dwelling units shall be located within the same development (if the dwelling units are detached units) or the same building(s) (if the dwelling units are attached units or multi-household units) as market-rate units.

B. Option 2: Qualifying for State or Local Affordable Housing Incentives

1. The project qualifies for the incentives listed in this section if it has been awarded federal low-income housing tax credits (LIHTCs); or

2. The project has qualified for funding through a competitive funding process from one or more state or federal incentives to promote the production or preservation of affordable housing and such funding requires that some or all of the dwelling units be restricted to sale or occupancy by household incomes below a defined level of area median income (AMI) for a defined period of time; or

3. At least 50 percent of the housing units meet the definition of Affordable Housing.

3.07.5 Incentives Awarded

If the criteria in Section 3.07.4 is met, the applicant may select one or more of the following incentives to be applied to the proposed development.

A. Expedited Review and Processing

1. If the number of dwelling units in the project exceed the limits in subsection (1), final review shall be conducted, and a decision to approve, approve with conditions, or deny the application shall be made by the City Council within [90] days of receipt of a complete application and determination of technical sufficiency.

2. Notwithstanding Subsections 1 and 2 above, if the project has received funding through Colorado proposition 123 and more than 50 percent of the dwelling units included in the project meet the definition of affordable housing, the application shall be reviewed and a decision to approve, approve with conditions, or deny the application shall be made within 90 days of receipt of a complete application.

B. Increased Development Potential

1. Where affordable housing units are provided for more than 10 percent of the total dwelling unit count in the R2, R3, NB, and C Zone Districts, the overall maximum density of housing units in the development can be increased by 20 percent.

Definitions:

Affordable Housing – for sale

Affordable Housing - for sale means a development where at least 50 percent of for sale housing is affordable to households with incomes that are equal to or less than 100 percent of the area median income for households of that size in Montezuma County. Additionally, the housing must cost the household less than thirty percent of its monthly income.

Affordable Housing – for rent

Affordable housing – for rent means a development where at least 50 percent of rental housing units are affordable to households with incomes that are equal to or less than 60 percent of the area median income for households of that size in Montezuma County. Additionally, the housing must cost the household less than thirty percent of its monthly income.

Area Median Income

Area Median Income means the median household income of households of a given size in Cortez, or Montezuma County, as calculated and published for a given year by the United States Department of Housing and Urban Development. These numbers vary by year and are available on the Colorado Housing and Finance Authority (CHFA) website.