



MANITOU SPRINGS HOUSING ADVISORY BOARD REGULAR MEETING AGENDA

All upcoming HAB meetings are scheduled to be hybrid,
Zoom (remote) or in-person at Memorial Hall.

In Person: Memorial Hall

606 Manitou Avenue

Manitou Springs, CO 80829

Remote: A link is provided on the City's Official Website at

<https://www.manitouspringsgov.com/544/All-Boards-and-Commissions>



July 15, 2026

5:30 PM

A. CALL TO ORDER

B. APPROVAL OF MINUTES

C. PUBLIC COMMENT ON NON-AGENDA ITEMS

D. REPORTS

1. City Council Liason

2. Staff Liason

E. NEW BUSINESS

1. Guest Presentation: Overview of DOLA's ADU Grant Program

F. OLD BUSINESS

1. Mixed-Use Zoning Designations and Affordable Housing Finance Models

G. AGENDA SETTING

1. Upcoming Meeting Suggestions

H. ADJOURNMENT

Board Members:

Alison Gerbig, Chair (06/30/2029)
Alea German, Vice Chair (06/30/2028)
Anna Rebecca Allen (06/30/2028)
T. Glenn Bosley-Mitchell (06/30/2028)
Crystal Karr (06/30/2027)
Ruth Markwardt (06/30/2030)
Amy Mogck (06/30/2027)
Anjuli Kapoor, Alternate (06/30/2030)
Michael Quintana, Alternate (06/30/2027)

1 alternate position available

Staff and Liaisons:

Nate Nassif, City Council Liaison
Fred Rollenhagen, Planning Director
Chelsea Royston, Senior Planner
Erin Ringsred, Planner and Landscape Architect II
Zachary Davison, Planner II

The City of Manitou Springs does not discriminate on the basis of disability in the admission to, access to, or operations of programs, services or activities. Reasonable accommodation will be provided to ensure equal access to all. Individuals who would like to request auxiliary aids or services should contact the ADA Coordinator at (719) 685-5481 or jfryer@manitouspringsco.gov. You may also contact the City Clerk's Office at cityclerk@manitouspringsco.gov or (719) 685-2554. Please provide a minimum of 3-5 days advance notice.

Interested citizens are invited to serve on any of the City's Boards or Commissions. Please contact the City Clerk's Office for more information or visit our website at: www.manitouspringsgov.com.



Accessory Dwelling Unit Grant Program (ADUG)

Grants for local governments to promote the construction of ADUs



COLORADO

Department of Local Affairs

Division of Local Government

What is ADUG

The Accessory Dwelling Unit Grant Program (ADUG), enacted by Colorado's ADU law (HB24-1152), provides grants to certified ADU Supportive Jurisdictions for activities that promote and incentivize the construction of ADUs.



Who should apply



ADUG is available to local or tribal governments in Colorado that have been or are becoming certified by DOLA as an ADU Supportive Jurisdiction.

To become certified, local governments must demonstrate compliance with Colorado's ADU law and implement at least one ADU Supportive Strategy.

Becoming certified as an ADU Supportive Jurisdiction is a voluntary process and can be pursued by any jurisdiction, whether or not it is subject to HB24-1152.

Achieving ADU Supportive Certification & Grant Eligibility

Submit ADU Compliance Report



Documentation:
Approved land use code showing compliance with HB24-1152

Implement ADU Supportive Strategy



Documentation: Show implementation of at least one ADU Supportive Strategy

Request Certification



Action: Submit a request to DOLA for ADU Supportive Jurisdiction certification



Grant Eligibility

Once certified as ADU Supportive by DOLA, local governments are eligible for ADUG Grant Program and homeowners/borrowers can work through lenders to participate in ADU finance programs supported by CHFA

What grant funds can be used for



ADUG supports local governments in activities that make it easier to build ADUs such as:

- Technical assistance for ADU conversion or construction
- Developing pre-approved ADU designs
- Developing a local ADU incentive program
- Providing waivers, financial assistance, or fee reductions for ADU construction

Available Funding

The first funding round concluded in October 2025. At least two more rounds are planned, with an estimated **\$2.3 million** in available funds.



Local Match and Award Amounts:

- **Local match: 25% local cash match required.**
 - Contact ADUG staff to request a reduced match due to financial hardship
- **Award Amounts:** There is no suggested minimum or maximum award, however, **grant funds are limited**

Key Requirements for Compliance with ADU Law



- Must allow at least one ADU where single-unit detached homes are permitted
 - Applies to PUD zone districts & HOAs
- Must use administrative review process with objective criteria
- Cannot require parking or owner occupancy
 - With limited exceptions, see guidance on DOLA website
- Cannot apply restrictive design or development standards as defined
- Must allow ADUs between 500-750 square feet
 - Unless larger than primary structure

*Visit DOLA's [ADU webpage](#) for detailed guidance

ADU Financing for Residents

Homeowners/borrowers in ADU Supportive Jurisdictions may be eligible for [ADU Finance Programs](#) offered through lenders. Homeowners may contact a lender of their choice to learn more about how they may qualify.



Detailed program information for lenders is available in the [ADU Finance Programs Overview Flyer](#).

Timeline

Round 1

Oct.
2025

Round 2

Feb. 2-27
2026

Round 3

Aug. 3-31
2026

Support & Resources

- Guidelines, FAQs, forms, webinars, ADU Toolkit, and more resources available on the [ADUG webpage](#)
- **ADUG Program:** [Email the Planning Grants Unit Manager](#) for application guidance or general questions.
- **Compliance & Certification:**
- Contact DOLA's [technical assistance team](#) for land use code courtesy reviews and one-on-one support with compliance and becoming certified as ADU Supportive.



Accessory Dwelling Unit Grant (ADUG) Program Information Session



COLORADO

Department of Local Affairs

Community Development Office
Division of Local Government

Introductions

Mitch
Hendrick



Planning Grants
Unit Manager

Nicola
Donaven



Program
Assistant

Hannah Van
Nimwegen



Technical Assistance
Planner

What is the Accessory Dwelling Unit Grant Program?

ADUG Program HB24-1152



The Accessory Dwelling Unit Grant (ADUG) Program was enacted by HB24-1152. ADUG provides grants to **certified** accessory dwelling unit **(ADU) Supportive Jurisdictions** for activities that **promote the construction** of ADUs.

CHFA Homeowner Financing



Additional **\$5M** in ADU financing funding for **homeowners** through local lenders, supported by the [Colorado Housing and Finance Authority \(CHFA\)](https://www.chfa.org/). **Only ADU Supportive Jurisdiction residents are eligible.**

What can ADUG fund?

Eligible local governments may request funds from both categories.

Planning Activities



Developing pre-approved ADU **plans**



Developing an ADU **incentive program**

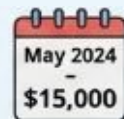


Providing **technical assistance** to persons converting or constructing ADUs

Financial Assistance



Waivers, reductions, financial assistance for fees and other required costs for new ADUs



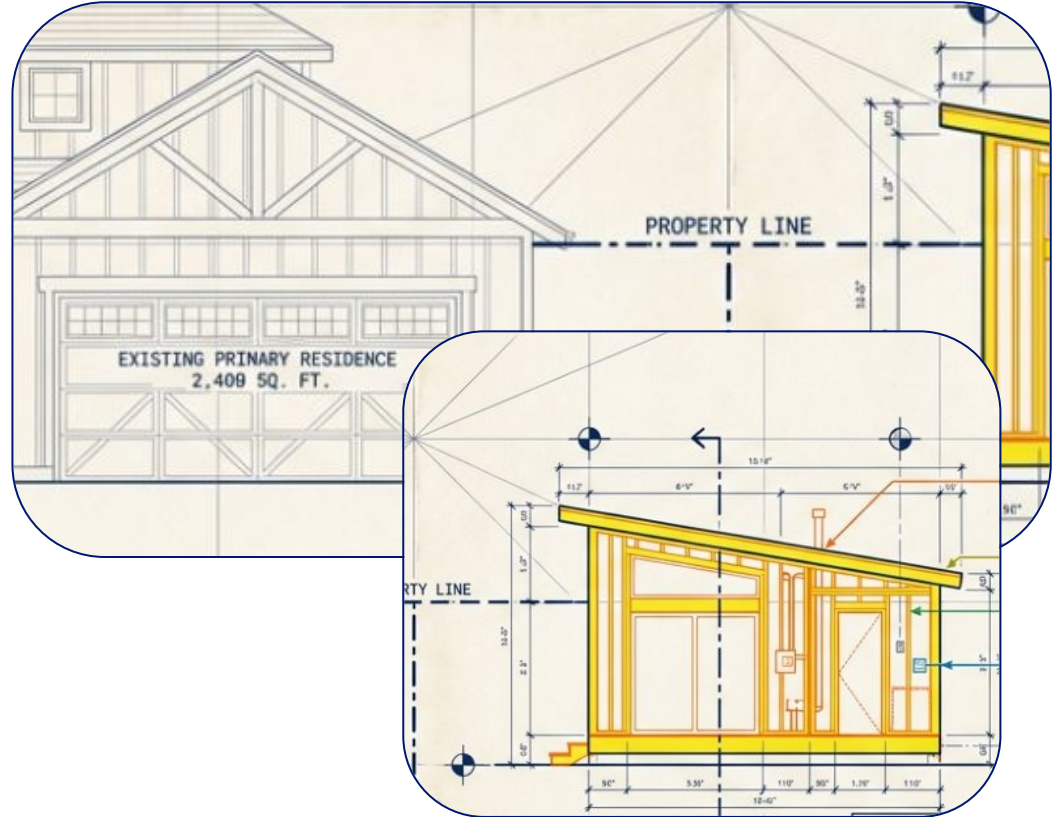
Local governments may request up to a total of **\$15,000 per ADU** permitted between **May 13, 2024 and August 31, 2026**



Funds for financial assistance are only available to ADU Supportive Jurisdictions who have permitted ADUs in the above time frame

ADUG Grantees: Pre-Approved Plans

- City of Brighton Round 1
- City of Longmont Round 1
- Town of Superior Round 1
- City of Fruita Round 2
- Town of Ridgway Round 2
- City of Fort Collins Round 2
- Town of Silverton Round 2
- Town of Center Round 2



Colorado Communities: Pre-Approved Plans

City of Montrose

- Plans purchased from architect by city
- Free to use for building ADUs
- Variety of orientations are pre-approved (semi-custom)
- Designed for local context



Colorado Communities: Pre-Approved Plans

Summit County

- Plans purchased from architect by County
- Free for all Summit County homeowners
- Designed for local context and snow load



ADUG Grantees: Technical Assistance

- [Town of Superior](#) Round 1
- [City of Loveland](#) Round 2
- [City of Commerce City](#) Round 2



Near Ouray

Colorado Communities: Technical Assistance Toolkit

Grand Junction ADU Toolkit

- ADU definitions and types of ADUs
- Broad overview of hard and soft costs; cost estimator
- QR codes (and URLs) linked to additional resources and documents



Maine: Technical Assistance GIS Mapping

Maine ADU Wizard

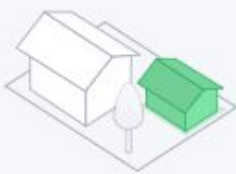
- Search lots by address
- Lot feasibility
- Lot map
- Lot information
- Ability to try ADU on lot

100 Craigie Street, Portland, ME, 04102 ✕

What are you building today?

Backyard Cottage
(Detached ADU)

✔ Probably Allowed



Great news! This property may meet the basic requirements for a detached ADU.

Try on Lot →

Maine: Technical Assistance GIS Mapping

Maine ADU Wizard

- Ability to try different models on lot
- Link to financing calculator
- Link to walkthrough of process and steps already taken



Seattle, WA: Technical Assistance GIS Mapping

ADUniverse (Seattle)

- Shows lot in context
- Zoning, lot size, depth, width, current lot coverage
- Existing ADUs
- Characteristics of this property: Interior lot, detached garage, 0% steep slope, existing tree canopy, environmentally critical areas

6830 27TH AVE NE
Parcel [3692900005](#)

Requirements for all ADUs

 **Zoning: NR3**

This property is in a **Neighborhood Residential (NR)** zone. ADUs are allowed in Neighborhood Residential (NR), Residential Small Lot (RSL), and Lowrise (LR) zones.

 **Existing ADUs: none**

According to City permit data, this property does not have an ADU. Lots in SF zones in Seattle can have up to two ADUs.

Additional requirements for a DADU
For detailed development standards, see Seattle's ADU ordinance in [Section 23.44.041](#) of the Land Use Code.

 **Lot size: 5,026 square feet**

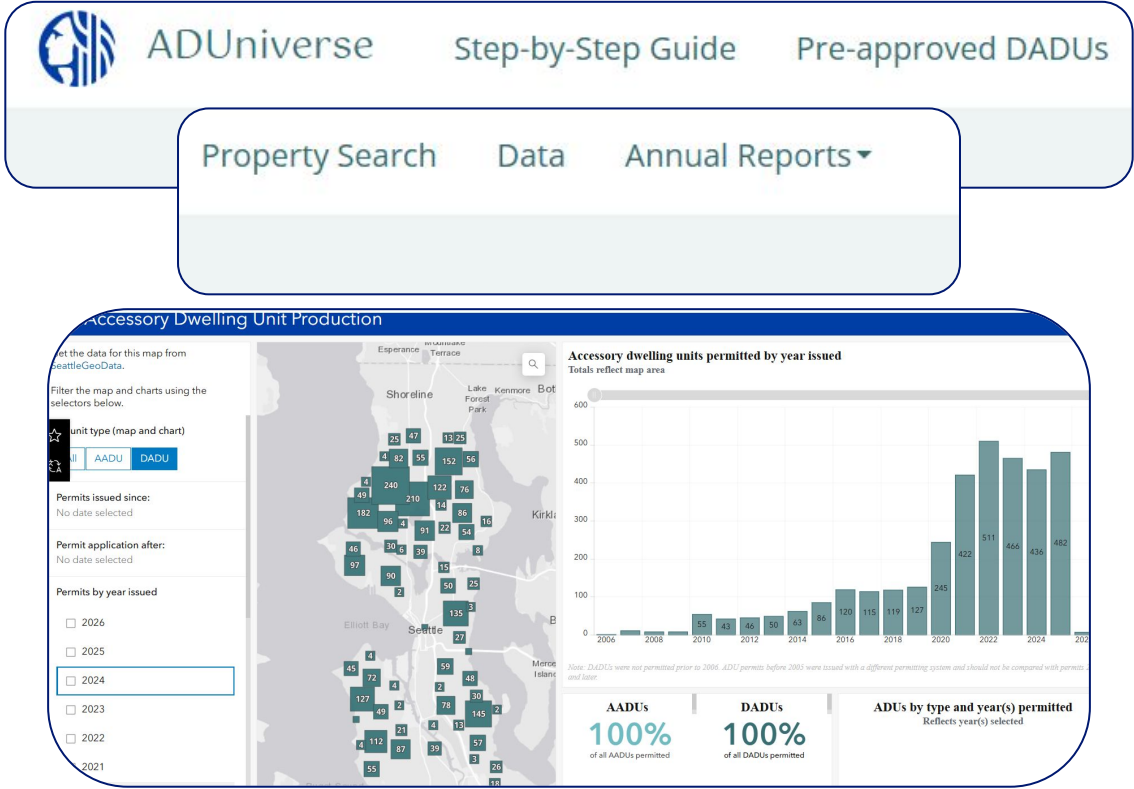
This property meets the minimum lot size required to construct a DADU.
The minimum lot area to construct a DADU is 3,200 square feet. On smaller lots, converting an existing accessory structure, like a detached garage, could be allowed.



Seattle, WA: Technical Assistance GIS Mapping

ADUniverse (Seattle)

- Step-by-step guide
- Pre-approved ADU plan library
- Property search
- Data and dashboard
- Annual reports (required by ordinance)



ADUG Grantees: Fee Waivers or Rebates, Developing Incentives

- [Grand Junction](#) Round 1
- [Fruita](#) Round 1
- [Superior](#) Round 1
- [Larimer County](#) Round 1
- [Fort Collins](#) Round 2
- [Adams County](#) Round 2
- [Silverton](#) Round 2



New Castle

Colorado Communities: Developing ADU Incentives

Summit County

- County reimburses up to \$60,000 of new ADU construction
- Incentive funds can be used to pay tap fees in certain water/sewer districts
- Some funding to bring maverick ADUs into compliance



Clinton Gulch, Summit County

Colorado Communities: Developing Incentives

Eagle County Aid for ADUs

- Low-cost loans for building ADUs
- 15-year deed restrictions (renters at no more than 100% AMI; no short-term rentals)
- Eagle County Development & Housing Authority



Red Cliff Bridge, Eagle County

Colorado Communities: Reduced Fees

Montrose ADU Fees

- \$300 utility connection fee for ADUs
- Savings of up to \$6,800 (standard water and sewer tap and plant investment fees)



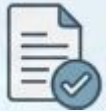
Fox Theater, Montrose

Who is eligible?

Certified ADU Supportive Jurisdictions

Only **certified ADU-Supportive Jurisdictions** are eligible for ADUG & CHFA's ADU financing funding.

To be certified as an ADU Supportive Jurisdiction, a local government must:



Submit a report to DOLA demonstrating evidence of compliance with section 29-35-403 of HB24-1152; and



Have implemented at least one ADU supportive strategy to encourage and facilitate the construction or conversion of accessory dwelling units

ADU Supportive Jurisdiction Certification Process



Achieving ADU Supportive Certification & Grant Eligibility

Step 1: Submit ADU Compliance Report



Who: Any jurisdiction pursuing supportive certification.

Where: [Land Use & Housing Implementation Portal](#)

Documents needed:
Official, approved land use code showing how jurisdiction is compliant with HB24-1152.

**This report can be submitted before or after Step 2.*

Step 2: Implement ADU Supportive Strategy



Who: Any jurisdiction pursuing supportive certification.

Where: [Land Use & Housing Implementation Portal](#)

Documents needed:
Documents showing how jurisdiction has implemented at least one [supportive strategy](#).

**This report can be submitted before or after Step 1.*

Step 3: Certification and Grant Eligibility



Action: Submit a request for ADU Supportive Jurisdiction Certification.

Where: [Land Use & Housing Implementation Portal](#)

Once you receive your approval, you are eligible to apply for an ADU grant and homeowners in your jurisdiction will be eligible to apply for CHFA ADU funds.

ADU Supportive Strategies 1 to 3

1

Waiving, reducing, or providing **financial assistance** for ADU-related fees for low- and moderate-income households

2

Enacting local laws or programs that **incentivize affordability** and **workforce housing**

3

Providing **pre-approved plans** for the construction of ADUs



ADU Supportive Strategies 4 to 6

4

Implementing a program to provide **education** and **technical assistance**

5

Implementing a program to **regulate the use of ADUs for short-term rentals**

6

Enacting local laws that **incentivize** the **construction and conversion** of accessible and visitable ADUs



ADU Supportive Strategies 7 to 10

7

Assisting property owners with ensuring that **pre-existing ADUs comply** with local laws

8

Enabling a pathway for the **separate sale** of an ADU

9

Enacting local laws that encourage the construction of **factory-built ADUs**

10

Any other **DOLA-approved strategy** that encourages the construction, conversion, or use of accessory dwelling units.



Guidance

Guidance



[ADU Toolkit](#)

Applications must be submitted through the [DLG Grants Portal](#)



[Setting up an account](#) for the DLG grants portal

[DOLA YouTube Channel](#)



[Ask the Technical Assistance Team a question](#)

ADUG Funding

Funding



Approximately \$1.8M available in FY 26 to 27



LGs that apply must be in Audit, Budget, and Election compliance before grant agreements can be executed

Funding



A minimum of 25% local match is required.



If experiencing a financial hardship and requesting a reduced match, applicant must speak to DOLA staff

ADUG FAQs: Application

Can we apply for more than one type of project?

Yes. The ADUG grant can fund projects that use multiple strategies to accomplish the applicant's goals.

Can two or more jurisdictions partner on a grant application or project?

Yes. One applicant must be designated as the program lead, and all participating applicants must be certified by DOLA as ADU Supportive Jurisdictions.

Does the official action have to be completed at the time of application?

No. If the official action is not completed at the time of application, explain that in the application and provide the documentation of official action to DOLA staff as soon as it is available but before a grant is executed.



ADUG FAQs: Match and Cost Estimation

What can be counted as matching funds?

Only eligible ADUG costs paid by the grantee using non-DLG funds can be counted as matching funds. If the grant would not pay for it, it cannot be used for match.



How do we estimate costs for consultant activities?

Use DOLA guidance to build your own language and loosely scope the project. Use this information to request non-binding quotes from consultants. These quotes can help estimate costs for the solicitation. If guidance is not available, reach out to the DOLA Technical Assistance Team.

Does the match requirement also apply to ADU financial assistance activities?

Yes. Both project categories are subject to ADUG's 75% grant funds, 25% match funds structure.

ADUG Application

Application Overview



- [Application guidelines](#)
- Applications must be submitted through the [DLG Grants Portal](#).
- If you are having difficulty accessing the application, please reach out to [DOLA Grants staff](#).
- Review [ADUG application questions](#) to draft responses before applying in the portal

ADUG Grant Timeline

August 3, 2026

August 31, 2026

September 2026

October 2026

1

**Round 3
Application opens** in
DLG Grants Portal

2

**Round 3 Application
will close** in DLG
Grants Portal at
5 PM

3

Award decisions for
Round 3 announced*

4

Contracts executed
(anticipated) for
Round 3 and
spending can begin

* Notice of Award is NOT an executed contract.



ADUG Application Attachments



[Project Budget Worksheet](#)



**ADU Supportive
Jurisdiction
Certification**



**Official Action
(Resolution, Meeting
Minutes, Letter from
Chief Elected Official
or Chief
Administrator)**



**Optional upload
for any other
documents
pertinent to the
application**

Resource List

Resources



[Statute \(HB24-1152\)](#)



[ADUG Web Page](#)



[ADUG Program Guidelines](#)

[ADUG Grant Application Questions](#)



[ADU Toolkit](#)



[DOLA Funding Guide](#)



[Ask the Technical Assistance Team a question](#)

Thank you!

Mitch Hendrick

Planning Grants

Unit Manager

mitch.hendrick@state.co.us

Nicola Donaven

Housing & Transit Grants

Program Assistant

nicola.donaven@state.co.us

Hannah Van Nimwegen

Technical Assistance Planner

hannah.vannimwegen@state.co.us





Accessory Dwelling Unit Grant Program

The Colorado Department of Local Affairs (DOLA), with funding from [HB24-1152](#), established the [Accessory Dwelling Unit Grant Program](#) (ADUG).

The ADUG Program provides grants to [accessory dwelling unit \(ADU\) Supportive Jurisdictions](#) for activities that promote the construction of ADUs. DOLA's intention with this program is to support lasting ADU program development that will continue to contribute new affordable housing beyond the end of the grant period. The program, managed by the Community Development Office within the Division of Local Government (DLG), will offer two project categories to applicants. Qualified applicants may apply for one or both:

- **ADU planning activities**, such as:
 - Providing technical assistance to persons converting or constructing ADUs
 - Offsetting costs incurred in connection with developing pre-approved ADU plans
 - Developing an ADU incentive program
- **ADU development funding**, such as:
 - Waivers, reductions, and financial assistance for fees and other required costs for new ADUs

Funding

- Approximately \$1,800,000 in grant funding is available for awards in State Fiscal Year 2026-2027. Future funding for this program is subject to annual appropriations.
- Program funding is appropriated from state funding sources.
- A minimum of 25% local match of the total project cost is required.
 - While it is preferred that some level of local funds be included toward the match requirement, matching funds may also include federal, state, or nonprofit/private funds. Other DOLA DLG grant program funds cannot be



Accessory Dwelling Unit Grant Program: Grant Program Guidelines

used as match. If other grant funds to be used as match are not yet committed, DOLA may make an ADUG award contingent upon securing those matching funds.

- An applicant experiencing financial hardship may request reduced matching funds and must consult with [DOLA Grant Staff](#) about a reduced match request **before** submitting their application.
- Each of the two project categories have their own funding request restrictions:
 - **ADU planning activities:** Planning expenses in ADU Supportive Jurisdictions (e.g., development of pre-approved plans, provision of technical assistance, development of an ADU-incentive program) may be funded through ADUG's 75% grant funds, 25% match funds structure.
 - **ADU development funding:** Expenses for fee waivers, reductions, or other financial assistance for new ADUs may be requested by ADU Supportive Jurisdictions up to the statutory maximum award amount of \$15,000 per ADU permitted in an evaluation period leading up to the ADU Grant Program application deadline. This evaluation period runs from May 13, 2024, the effective date of HB24-1152, to August 31, 2026, the grant program application deadline (which informs the total grant award cap, not the amount which may be spent on each unit funded). In addition, these funds are also subject to ADUG's 75% grant funds, 25% match funds structure.



Eligibility

- Eligible entities include Colorado local and tribal governments that have been certified by DOLA as ADU Supportive Jurisdictions. If you are interested in learning more about the certification process, contact [DOLA Technical Assistance Staff](#).
 - To be certified as an ADU Supportive Jurisdiction and be eligible for grant funds, a local government must:
 - Submit a report to DOLA demonstrating evidence of compliance with section [29-35-403](#) as a subject jurisdiction; and
 - Implement at least one [ADU supportive strategy](#).
- Grant recipients may use funds for eligible expenses (outlined below) associated with:
 - a. Low-, moderate-, or medium-income households (as defined by HUD);
 - b. Affordable accessory dwelling units;
 - c. Accessible or visitable [\(29-35-402\(24\)\)](#) accessory dwelling units;
 - d. Accessory dwelling units used as long-term rentals for members of the local workforce; or
 - e. Accessory dwelling units used to support other demonstrated housing needs in the community.
- **Eligible expenses** include activities that promote the construction of ADUs in certified ADU Supportive Jurisdictions, including but not limited to:
 - **Consultant Services:** consultant services associated with developing pre-approved ADU designs, developing an ADU incentive program, providing ADU-related technical assistance, or other directly related services. RFP/bid advertisements and applicable attorney's fees are also



Accessory Dwelling Unit Grant Program: Grant Program Guidelines

eligible. **If seeking funding for pre-approved ADU designs, at least one ADU design must be for an accessible or visitable ADU.*

- **Direct Costs:** program-specific allowable costs of implementing the grant program objective, such as printing maps or translation services for community engagement efforts.
 - **Personnel Services Costs:** only program-specific allowable salary and benefits costs, including technical assistance support for the construction or conversion of ADUs. **This item relates to new or additional staffing and not existing staffing.*
- **ADU Financial Assistance:** waivers, rebates, and reductions of ADU-related fees, as well as other required costs for the construction and conversion of new ADUs.
- DOLA encourages creative programming responsive to each community's unique needs and goals. If you are interested in applying for funds to support something other than what is listed here, please contact [Mitch Hendrick](#).
- **Ineligible expenses** include indirect overhead or general operating expenses, grant administration expenses, job posting or recruitment costs, lobbying or election-related costs, entertainment, food, or other items typically not allowed under [2 CFR 200 Cost Principles](#). Grant funds may not be used to cover legal defense costs.
- Local governments must be in compliance with all applicable laws and provisions governing their operations, including but not limited to budgets, elections, and audits, prior to receiving an executed grant agreement.



Scoring Criteria

- **Project Impact (1-5 points):** The applicant's proposal demonstrates this project would:
 - Support fee offsets or waivers for a greater number of ADUs for low-, moderate-, or medium-income (LMMI) households or units that are rented to LMMI households, or that are otherwise dedicated to affordable units, especially for the local workforce.
 - Support fee offsets or waivers for a greater number of accessible or visitable ADUs
 - Support ADUs as a solution for longer-term local housing market needs (e.g., designated as long-term rentals, restricted for affordability, etc.)
 - Establish an incentive program that is designed to continue beyond the grant period.
 - Address the locally identified housing need based on the most recent housing needs assessment.
- **ADU Supportive Strategies (1-4 Points):** The applicant has adopted one or more [ADU Supportive Strategies](#).
 - 1-2 strategies adopted = 1 point
 - 3+ strategies adopted = 3 points
 - Portion of proposed units are factory-built: +1 point
- **Local and Stakeholder Support (1-3 Points):** The applicant must demonstrate broad local and stakeholder support for promoting local ADU development. The applicant has included letters of support and/or matching fund commitments from partner organizations (local governments, housing authorities, nonprofits, modular builders, etc.).



- **Readiness (1-2 points):** The proposal demonstrates a clear plan of action and shows the applicant is ready to begin work and has a reasonable timeline for completion. Staff and partner roles are clearly defined.
 - Competitive applicants may have drafted an RFP to procure consultant services, issued a solicitation, chosen a consultant, and/or contracted a consultant to complete the proposed work. Grant funds cannot pay for work that has occurred before grant execution.
 - If requesting grant funds for ADU fee waivers or other financial assistance, applicant must provide clear documentation demonstrating the number of ADU permits from between May 13, 2024 and August 31, 2026 (which informs the total grant award cap).
 - Applicant provides an ADU development pipeline estimate to which the financial assistance will be directed
- **Capacity (1-2 points):** The applicant has organizational experience with and capacity to manage this grant and the overall project. The applicant describes their capacity and plan for ensuring the project is managed appropriately and completed on time.
- **Stakeholder Engagement Strategy (1-2 points):** Competitive scores will be awarded to proposals that include a robust plan for stakeholder engagement efforts. Any process for marketing the availability of ADU programming and support should ensure the applicant promotes equity in accessing resources for ADU construction, conversion, and other financial assistance.
- **Strategic Growth Compliance (0-4 Points):** The applicant is in compliance with the seven Strategic Growth Laws highlighted in Executive Order D 2025 005:
 - HB24-1007 (Prohibit Residential Occupancy Limits),
 - HB24-1152 (Accessory Dwelling Units),
 - HB24-1304 (Minimum Parking Requirements),



- HB24-1313 (Housing in Transit-Oriented Communities),
- SB24-174 (Sustainable Affordable Housing Assistance),
- HB25-1273 (Residential Building Stair Modernization),
- SB25-002 (Regional Building Codes for Factory-Built Structures).
- Noncompliant with all seven Strategic Growth Laws = 0 points
- Compliant with 1-3 Strategic Growth Laws = 1 point
- Compliant with 4-5 Strategic Growth Laws = 2 points
- Compliant with 6 Strategic Growth Laws = 3 points
- Compliant with all 7 Strategic Growth Laws = 4 points
 - Note: Compliance efforts in progress will be counted as 50% of completed compliance, contingent on DOLA's assessment that those efforts are substantial and in good faith.

Application and Award Process Timeline

- Applicants are strongly encouraged to consult with their [DOLA Regional Manager](#) and to get input from [CDO staff](#) before submitting an application.
- Submit applications through the Division of Local Government [Online Grants Portal](#) per the Notice of Funding Available (NOFA). Visit the [CDO website](#) for more information.
 - The extended application deadline for the second round of funding is **Monday, August 31, 2026 at 5:00 PM**. If there is a fourth round, it is anticipated to be announced in late fall 2026.
 - The DOLA Executive Director will make final award decisions following the review of staff recommendations.
- Applications will be reviewed and awarded within approximately 2 months of the application deadline. Staff will work to finalize grant agreements or contracts within approximately 2 months after the award decision.
- Grant funds may not be expended prior to full execution of the grant agreement.



Accessory Dwelling Unit Grant Program: Grant Program Guidelines

- Grantees must comply with their local procurement code, or state procurement code if a local procurement code is not available. Please contact [DOLA program staff](#) for more information on procurement requirements.

Any questions or concerns may be directed to mitch.hendrick@state.co.us and nicola.donaven@state.co.us.

Proposed Section CRHO: Community Resilience Housing Overlay

A Transit-Integrated, Community-Centered Housing Framework for the MSURA Corridor

Draft ordinance language submitted for Planning Department review, technical correction, and recommendation to City Council. Section numbers and cross-references should be adjusted to conform to the existing LUDC structure. HAB invites Planning staff to correct, supplement, or reformat as needed.

Preamble: A vision for the next generation

Manitou Springs does not primarily lack visitors. It lacks attainable places for the people who sustain the town to live.

For nearly 50 years, housing affordability has appeared in every comprehensive plan this City has adopted. For nearly 20 years, the Urban Renewal Authority corridor has sat underutilized despite repeated planning efforts and significant public investment. The same blighted sites. The same stated priorities. The same empty outcomes.

The Community Resilience Housing Overlay is the policy instrument that breaks that cycle.

It is not anti-growth. It is not anti-tourism. It is not anti-business. It is a deliberate, data-grounded decision to use the remaining redevelopment opportunity within the MSURA corridor to build something this community has never successfully built before: a place where a first-year teacher, a firefighter, a senior on a fixed income, and a working artist can afford to live in the town they serve.

The CRHO does this by combining two of the most powerful tools available to a mountain municipality: transit-oriented development and deed-restricted affordable housing. Together they reduce car dependency, reduce infrastructure cost, reduce displacement pressure, and produce the kind of mixed, intergenerational, walkable community that Manitou Springs has always aspired to be.

The decisions made in the next three to five years will determine whether the remaining parcels in this corridor become investment assets for outside capital or lasting community infrastructure for the people who make this place worth investing in. This overlay is the instrument that makes the right choice possible.

The CRHO is designed to be a model. Not just for Manitou Springs. For every constrained, transit-served, creatively-designated mountain community in Colorado that is watching its workforce leave, its seniors get pushed out, and wondering if anything can be done. Something can be done. This is what it looks like.

CRHO.1 Purpose and intent

The Community Resilience Housing Overlay (CRHO) is a transit-integrated, community-centered housing framework established to:

- (a) Produce deed-restricted, permanently affordable housing on transit-served, underutilized parcels within the MSURA boundary, ending nearly two decades of inaction on sites the community has already invested in;
- (b) Reduce car dependency and household transportation costs by concentrating affordable housing on a transit corridor, making car-free and car-light living a realistic option for working families, seniors, and individuals at all income levels;
- (c) Reduce per-unit development cost by eliminating structured parking requirements that add \$30,000 to \$60,000 per space without producing housing, and redirecting that investment into additional affordable units;
- (d) Prioritize housing for the essential workers, seniors, and long-term residents whose daily presence sustains the year-round character of Manitou Springs, including teachers, first responders, healthcare workers, and working artists;
- (e) Integrate small-scale community-serving ground-floor uses, including arts and entrepreneur incubator space, cooperative services, and healthcare access, that serve both residents and visitors without replicating tourist-oriented commercial saturation;
- (f) Align Manitou Springs with state housing production goals under HB26-1001 and HB26-1065 and position qualifying projects for LIHTC, HUD Section 811, Proposition 123, and CDOH funding;
- (g) Establish a replicable model of transit-integrated affordable housing that can serve as a statewide example for mountain and destination communities facing workforce displacement, senior housing loss, and speculative redevelopment; and
- (h) Demonstrate that a community can grow intentionally, caring for the people who built it while welcoming those who will sustain it for generations to come.

CRHO.2 Applicability and trigger criteria

The CRHO applies to any parcel meeting all three of the following criteria:

- (a) Located within the Manitou Springs Urban Renewal Authority boundary as adopted and amended;
- (b) Located on or directly adjacent to a designated transit corridor, defined as a roadway served by fixed-route public transit with regularly scheduled stops within one quarter mile of the parcel; and
- (c) Located within the boundary of the state-certified Colorado Creative District administered by CRANE under OEDIT designation.

The CRHO applies as an overlay to the existing zone. It does not rezone any parcel. Any parcel meeting all three criteria receives identical treatment. This is zone-wide policy anchored to a defined, documented geography. It is not spot zoning.

Planning staff should confirm precise boundary maps for each criterion and attach as exhibits to the adopted ordinance.

CRHO.3 Effect of overlay

On any qualifying parcel:

- (a) Residential-primary or residential-only development is permitted by right, without variance, conditional use permit, or rezoning, when affordability requirements of CRHO.4 are satisfied;
- (b) The graduated density bonus of CRHO.4 applies in lieu of base density limits;
- (c) The parking standards of CRHO.6 apply in lieu of underlying zone parking minimums; and
- (d) The overlay modifies but does not replace the underlying zone. Non-inconsistent uses remain available.

CRHO.4 Density bonus and affordability requirements

A graduated density bonus is available conditioned on deed-restricted affordable units:

Affordable unit minimum	Maximum density	Notes
10% of total units	35 du/ac	Entry tier
15% of total units	42 du/ac	Intermediate tier
20% of total units	48 du/ac	Upper intermediate tier
25% to 30% of total units	50 to 55 du/ac	Maximum tier. Documented viability threshold for deed-restricted units on transit corridor sites.

Affordability standards (notes on standards below)

- (a) All affordable units shall be deed-restricted for a minimum of 30 years by covenant recorded prior to certificate of occupancy.
- (b) A minimum of 40 percent of affordable units shall serve households at or below 60 percent AMI. The remainder may serve households up to 80 percent or 100 percent AMI, with no more than 25 percent of affordable units restricted solely at 100 percent AMI.
- (c) Permanent Supportive Housing units for seniors or persons with disabilities secured by HUD Section 811 shall count at a ratio of 1.25 affordable units per PSH unit and shall receive priority in development review.
- (d) A Community Land Trust ownership structure may be accepted in lieu of a deed restriction covenant, subject to City Attorney approval, where it delivers equivalent or greater long-term affordability protection.

CRHO.5 Preferred housing types and community priorities

Projects shall prioritize the following housing types:

(a) Essential workforce rental housing deed-restricted for households including at least one member employed as a Manitou Springs School District 14 teacher or staff member; Manitou Springs Fire Department or EMS personnel; Manitou Springs Police Department officer; City of Manitou Springs employee; healthcare or behavioral health worker serving the local community; or a long-term local employee with a minimum of five consecutive years of employment in the city of Manitou Springs.

(b) Senior Permanent Supportive Housing with on-site or coordinated supportive services, located on accessible lower floors where feasible, funded through HUD Section 811 or equivalent, serving residents at or below 30 percent AMI;

Permanent Supportive Housing for seniors: dignity, stability, and a ripple effect across the whole housing market

Permanent Supportive Housing is not a shelter. It is not temporary. It is not charity. It is a permanent home with services nearby, designed for people who need a little support to live independently, including older adults on fixed incomes who cannot afford market-rate housing but do not need or want a traditional nursing home. Sometimes referred to as “Aging in Place”.

The "supportive" part means that healthcare coordination, transportation help, and social services are available on-site or nearby. The resident keeps her independence. She keeps her dignity. She keeps her life in the community she built. She just is not doing it alone and is not paying market rent to do it.

PSH units are funded through HUD Section 811 and similar programs. Residents typically pay 30 percent of their income toward rent. The rest is covered by federal housing assistance. This is not a new idea. It is a proven model used across Colorado and the country. Manitou Springs does not have any of it yet. For example:

Dorothy has lived in Manitou Springs for 38 years. She raised her kids here. She volunteered at the school. She knows every shopkeeper on Manitou Avenue by name. She is 76. Her husband passed three years ago. She has been renting a two-bedroom house on her own for \$1,650 a month on \$1,340 in Social Security.

She cannot make that math work anymore. Without a PSH option in Manitou, her choices are a nursing facility she does not need, moving in with family out of state, or leaving the community she spent her life in.

With a PSH unit in the CRHO building, Dorothy pays \$402 a month, 30 percent of her income. She has a ground-floor accessible unit. A nurse coordinator comes by twice a week. Her neighbors are teachers and firefighters and artists. She is not isolated. She is not institutionalized. She is home.

Why this matters beyond Dorothy

When Dorothy moves into a PSH unit, she frees up the two-bedroom house she was renting or owning. That house re-enters the local market. A young family can rent it. The new Principal at the Middle School may afford it. One PSH unit for a senior creates a chain of housing movement that opens inventory for multiple households. This is called the vacancy chain effect, and it is one of the most cost-effective ways for a community to increase the supply of available housing without building new market-rate units.

The vacancy chain: how one PSH unit moves the whole market

1 →

Dorothy moves into PSH

She pays 30% of her Social Security income. She stays in Manitou. She stays by herself. Her two-bedroom house on the private market opens up.

2 →

A family moves into Dorothy's old house

A mid-career teacher and her partner have been crammed into a one-bedroom. They take the two-bedroom. Their one-bedroom opens up.

3 →

A first responder takes the one-bedroom

A police officer who has been commuting from Colorado Springs finds an affordable one-bedroom in town. He stops commuting. Community engagement is more assessable.

4 →

Three households stabilized. One PSH unit.

Dorothy did not just get a home. She set off a chain of housing movement that touched at least three others. That is the leverage. That is why PSH is not just a senior program. It is a community infrastructure investment.

(c) Artist live/work units consistent with the Colorado Creative District designation, qualifying for OEDIT and arts foundation funding; and

(d) Limited-equity ownership, defined below, is units with resale-restricted covenants or Community Land Trust ground leases allowing residents to build equity while maintaining permanent affordability for future generations.

Limited equity ownership: you own it, you build wealth, and the next person can still afford it

In a normal home purchase, you buy a house and when you sell it you get whatever the market will pay. That is great if prices go up, but it is also how a \$200,000 starter home becomes a \$600,000 home that the next teacher in town cannot touch. The community loses an affordable unit every time someone sells.

Limited equity ownership works differently. You still buy the home. You still own it. You still build equity over time. But when you sell, the resale price follows a formula set in the deed, not the open market. You get your investment back, plus a modest, defined gain. The unit stays affordable for whoever comes next.

You are not giving anything away. You agree, upfront, that the home is a place to live and build stability, not a speculative investment. In exchange, you got in at a price that was actually attainable.

Maria is a mid-career District 14 teacher. She earns \$61,000 a year. Under a limited equity model, she buys a one-bedroom unit in the CRHO building for \$185,000, a price set to be attainable at her income. She puts down 5 percent, gets a normal mortgage, and pays roughly what she would have paid in rent.

Twelve years later, Maria is ready to move. Under the resale formula, her unit is now priced at \$224,000, reflecting a modest appreciation tied to area median income growth, not the speculative market. She walks away with her down payment back, 12 years of equity, and a real financial

gain.

The next teacher hired by the district can afford that \$224,000 unit. The cycle continues. The community keeps the unit. Nobody loses.

Market rate ownership

Maria buys at \$185,000. Sells 12 years later at \$490,000 (market). Large personal gain. The next teacher cannot afford it. Community loses the unit permanently.

Maria buys at \$185,000. Sells at \$224,000 (formula). Modest real gain. The next teacher can still afford it. The community keeps the unit forever.

A building that puts a retired Manitou resident on the ground floor with services nearby, a teacher on the third floor close enough to walk to school, and a working artist in a live/work studio with a street-facing window is not a compromise. It is a community. That is what this overlay is designed to build.

CRHO.6 Parking: reduction, reframing, and reinvestment

The CRHO treats parking not as a neutral requirement but as a documented barrier to affordability and a source of unnecessary car dependency on a transit-served corridor. Every structured parking space that is not built is \$30,000 to \$60,000 reinvested into housing units, shared amenities, and community infrastructure.

(a) Parking minimums for CRHO projects are reduced by 75 percent from the requirements of the underlying zone. This reflects the transit corridor location, the car-light lifestyle that many affordable housing residents prefer or require, and the state legislative direction of HB26-1001 and HB26-1065.

(b) Remaining requirements may be satisfied through any combination of: on-site surface spaces; shared parking agreements with adjacent properties; on-street parking credit authorized by the City Engineer; and fee-in-lieu payment to a municipal mobility and transit fund at a rate set by City Council resolution.

(c) Structured parking shall not be required as a condition of density bonus approval under this overlay.

For a teacher earning \$51,112 a year, not needing a second car is a raise. For a senior on Social Security, walkable access to transit is independence. The parking reduction in this overlay is not a concession to developers. It is a benefit to residents.

CRHO.7 Ground-floor uses: community first

The CRHO rejects the assumption that tourist-oriented retail is the highest and best use of ground-floor space in a corridor that has seen almost no retail development over the past 20 years. Ground-floor uses shall serve the people who live, work, and create in Manitou Springs first, and welcome visitors as a natural consequence of that vitality.

Individual commercial suites shall be 500 to 700 square feet, consistent with a micro-enterprise and incubator model that supports local entrepreneurs, artists, and service providers rather than large-format or chain retail.

Permitted ground-floor uses (by right)	Permitted ground-floor uses (conditional)
• Residential dwelling units, including accessible and senior units • Healthcare, behavioral health, physical therapy, and mental health services • Childcare and early childhood education • Community rooms, shared amenities, warming and cooling center capacity • Arts studio, maker workspace, and artist live/work units consistent with Creative District designation • Entrepreneur incubator and micro-enterprise workspace (individual suites 500 to 700 square feet maximum) serving local and creative economy businesses • Co-working, telehealth, and remote work support space • Cooperative food access, community-supported agriculture distribution, or small pharmacy • Mail, parcel, and community services hub • Resiliency hub and emergency preparedness resource center	• Neighborhood-serving food and beverages oriented primarily to residents and workers, not to exceed 700 square feet • Small-scale artisan retail directly related to goods produced on-site, not to exceed 500 square feet • Community meeting space available to nonprofit and civic organizations • Visitor-serving interpretive or cultural space connected to the Creative Arts District program

(a) Tourist-oriented retail and restaurant uses shall not be required as a condition of development approval on CRHO parcels.

(b) A community room or shared amenity space of not less than 500 square feet, accessible to all residents and available for community use, shall satisfy any ground-floor activation requirement under the underlying zone or a development agreement.

(c) Ground-floor arts and entrepreneur incubator space shall be coordinated with CRANE to ensure alignment with the Creative District mission and eligibility for OEDIT and arts foundation funding.

CRHO.8 Design standards

(a) Projects shall reflect the human scale, creative character, and walkable identity of Manitou Springs, with pedestrian-oriented ground-floor design and architectural compatibility with the historic corridor context.

(b) Intergenerational design integrating senior and workforce populations within a shared building, with shared community spaces, is encouraged and shall be recognized as a priority feature during development review.

(c) Projects are encouraged to incorporate: rooftop solar and energy efficiency systems; shared garden or courtyard space; shared kitchen or community lounge; wildfire resilience construction features consistent with current IWUIC standards; cooling and warming center capacity accessible to the community during declared emergencies; and transit wayfinding and bicycle infrastructure.

CRHO.9 Review process

(a) Projects satisfying all CRHO requirements shall be processed as an administrative approval without a public hearing before the Planning Commission, provided all affordability covenants are submitted for City Attorney review prior to building permit issuance.

(b) Removing the hearing requirement for compliant projects is a deliberate policy choice. A project that meets the affordability threshold, density bonus schedule, parking reduction standards, and ground-floor use requirements has already satisfied the draft code process. Administrative processing is the reward for doing so.

(c) Projects requesting any deviation from CRHO standards shall be processed as a conditional use permit subject to Planning Commission review.

(d) Pre-application conferences with Planning staff are strongly encouraged to confirm eligibility and connect applicants with CHFA, CDOH, and CLT partners early in the process.

CRHO.10 Three to five-year implementation vision

The CRHO is not a one-time intervention. It is the foundation of a three to five-year strategy to transform the MSURA corridor from a corridor of deferred potential into a demonstrated model of community investment.

Year 1	Adopt the CRHO. Reduce parking minimums. Establish deed-restriction standards and affordability-covenant templates. Convene a public-private housing task force with HAB, planning, the URA, CHFA, and a Community Land Trust partner. Issue a request for qualifications from affordable housing developers with LIHTC and PSH experience.
Year 2	Launch the first pilot project on a qualifying transit corridor parcel. Secure CHFA 4% LIHTC bond reservation and CDOH gap financing commitment. Execute Community Land Trust land agreement. Establish essential workforce occupancy preference system. Begin artist live/work unit certification with CRANE and OEDIT.
Year 3	Break ground. Begin construction on the first phase of workforce and senior housing. Monitor school enrollment, workforce retention, and emergency response staffing data as baseline indicators. Report outcomes to Council and state housing partners.
Years 4 to 5	Deliver first completed units. Evaluate the impact on teacher retention, first responder recruitment, and senior displacement. Expand the CRHO model to additional qualifying parcels. Present Manitou Springs as a replicable model to CDOH, CHFA, and Colorado mountain community peer networks.

By the end of year five, Manitou Springs will have demonstrated something rare: that a small, geographically constrained, transit-served mountain community chose intentionally to build housing for the people who sustain it, reduced car dependency, activated ground-floor community space without replicating tourist retail saturation, and produced a model other Colorado communities can follow.

That is a generation of children who grow up in the same town as their teachers. A senior who ages in place instead of aging out. A firefighter who lives close enough to respond faster. An artist who stays because the town made room.

Communities that care for the people who sustain them do not happen by accident. They happen because at some point, someone in a room decided that policy could be an act of love. This overlay is that decision.

CRHO.11 State law alignment and funding eligibility

- (a) This overlay is adopted in furtherance of HB26-1001 and HB26-1065 and is designed to position qualifying projects for Proposition 123 funding administered by DOLA and CDOH.
- (b) The City shall include CRHO-approved projects in its annual housing production reporting and Proposition 123 compliance framework.
- (c) Nothing in this overlay limits an applicant's ability to pursue 4% LIHTC with tax-exempt bonds through CHFA, HUD Section 811, CDBG funding, OEDIT creative district grants, or any other applicable financing mechanism.

CRHO.12 Legislative findings

In adopting this overlay, the following solutions are established:

- (a) Manitou Springs has included housing as a priority in every comprehensive plan since 1974. Nearly 50 years of stated intent have not produced the housing this community needs. A new policy instrument is greatly needed.
- (b) The MSURA corridor has remained substantially underutilized for nearly 20 years. A project proposed at 35 du/ac on a transit corridor site with full URA support and \$2.1 million in public investment was unable to proceed under the existing code; code changes are needed.
- (c) The documented financial viability threshold for deed-restricted affordable housing on transit corridor sites is 50 to 55 dwelling units per acre. Below that threshold, no density bonus is a real incentive.
- (d) Structured parking adds \$30,000 to \$60,000 per space. On a transit corridor, these requirements function as a direct tax on affordability and a subsidy for car dependency. They shall not be imposed on projects designed to serve transit-oriented, car-light households.

(e) The triple-designation geography of the MSURA boundary, transit corridor, and state-certified Colorado Creative District constitutes a legitimate, independently documented, and legally defensible planning rationale. This is not spot zoning. This is intentional planning.

(f) This overlay applies equally to every parcel meeting the criteria of CRHO.2. No parcel and no applicant receives any benefit not equally available to all qualifying parcels.

(g) The people who teach Manitou children, protect Manitou streets, care for Manitou residents, and create the art and culture that defines this community deserve to live in the town they serve. This overlay is the City's commitment to making that possible.

Prepared by the Manitou Springs Housing Advisory Board.

Submitted for Planning Department review, technical correction, and recommendation to City Council.

Planning staff is authorized to make technical corrections to conform to the existing LUDC. Any substantive changes to density bonus thresholds, affordability requirements, or the permitted use structure should be returned to HAB prior to Council presentation.

Illustrative Funding Stack

This document demonstrates how federal, state, and local funding sources layer together to finance a deed-restricted mixed-income housing project within the MSURA transit corridor at 50 dwelling units per acre.

All figures are illustrative. Actual project costs, unit counts, and funding amounts require confirmation with a qualified affordable housing developer and Colorado Housing Finance Authority (CHFA). Items requiring specific confirmation are noted within each section.

The thesis:

Manitou Springs does not primarily lack visitors. It lacks attainable places for the people who sustain the town to live.

This is what it costs to fix that, and where the money comes from.

Project parameters

Estimated units 55-60 <i>Realistic at 50 du/ac given site constraints</i>	PSH senior units approx. 20 <i>Lower floors, accessible, supportive services</i>	Workforce units approx. 38 <i>Teachers, fire, police, city staff, healthcare</i>	Total development cost approx. \$22M <i>Est. \$370K to \$400K per unit all-in</i>
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Note on unit count: An 80-unit project at this site is not realistic given height limits, setbacks, and building footprint constraints. The figures above reflect a more accurate ceiling.

The capital stack: how the funding layers work

No single source covers the full cost of affordable housing. Each source has rules about what it can fund, how much, and for whom. They are designed to work together. The city's role is not to fund the project. It is to create the entitlement environment that makes the project competitive for each of these sources.

Federal Primary financing engine Low Income Housing Tax Credits (LIHTC) at 4% with Tax-Exempt Bonds Tax credits are sold to private investors who provide equity in exchange. The 4% credit pairs with tax-exempt bond financing and is more accessible than the 9% competitive credit, though it produces somewhat less equity per unit. Colorado Housing Finance Authority (CHFA) administers both the bonds and the credit allocation. This is the standard financing mechanism used for most large affordable housing developments in Colorado. <i>This is what makes the project financeable at all. Without LIHTC, nothing else in this stack assembles. The 4% credit with bonds is a realistic path for a project of this scale, though total equity will be lower than a 9% credit scenario and the gap financing need increases accordingly.</i>	approx. \$8M approx. 36% of cost
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Needs confirmation: CHFA bond volume cap availability and credit allocation must be confirmed with a housing finance partner before this figure can be relied upon.

Federal | PSH senior units

HUD Section 811: Supportive Housing for Persons with Disabilities

Capital and rental assistance specifically for low-income people with disabilities, including seniors. Pairs with Medicaid Home and Community Based Services waiver funding to cover on-site supportive services. This is the funding stream that makes the PSH senior floor financially sustainable over time.

A 72-year-old Manitou resident on \$1,200 per month Social Security can live in a safe, accessible unit with services available on-site. Without 811, she is on a waitlist or out of town entirely.

Needs confirmation: HUD 811 applications require partnership with a state Medicaid agency. Colorado HCBS waiver availability and eligibility requirements should be confirmed with CDOH.

approx. \$3M

approx. 14% of cost

State | Gap financing

CDOH Division of Housing gap financing and Proposition 123

Colorado Division of Housing provides gap financing for projects that have LIHTC equity but still face a funding shortfall. Proposition 123 (passed 2022) dedicates a portion of state income tax revenue specifically to affordable housing and prioritizes communities with documented need. Manitou Springs has documented that need thoroughly through the El Paso County Regional Housing Needs Assessment, which identifies the city's jobs-to-housing imbalance as the most acute in the region.

Manitou's data is already assembled. The HNA, the teacher salary analysis, the jobs-to-housing ratio of 5.14 low-income jobs per affordable unit: these are exactly the metrics Proposition 123 prioritization criteria are designed to respond to.

Needs confirmation: Prop 123 funding is competitive and subject to annual appropriation. Amounts should be confirmed with CDOH Division of Housing during pre-development.

approx. \$5M

approx. 23% of cost

Local | Existing public investment

MSURA Tax Increment Financing and URA land contribution

The URA has already invested \$2.1 million in the site for purchase, demolition, and asbestos abatement. That investment can potentially be structured as a local match or below-market land contribution, reducing effective land cost and improving the project's debt service ratio. Tax increment financing revenue generated by a completed project flows back to the URA for future investment in the corridor.

The city has already put \$2.1 million into this site. Letting it remain vacant is not a fiscally neutral choice. Every year it sits is a year that public investment produces nothing for the community that funded it.

Needs confirmation: Whether the \$2.1M URA investment can be structured as a legal match or land contribution versus already-expended sunk cost must be confirmed with the URA board and city attorney.

approx. \$2.1M

approx. 10% of cost

Structural Long-term affordability mechanism Community Land Trust structure Land held permanently by a nonprofit Community Land Trust removes it from speculative market pressure indefinitely. The building is developed on top under deed restriction. Units remain permanently affordable and cannot be converted to market rate or second-home use. Elevation Community Land Trust operates statewide in Colorado and has experience with LIHTC projects. <i>A teacher who moves in today can know that the unit will still be attainable for the next teacher hired after she retires. This is not just housing. It is institutional memory for the community.</i> Needs confirmation: CLT partnership terms, land transfer structure, and long-term stewardship fees require negotiation with a CLT partner.	Structure Permanence mechanism, not a dollar figure
Supplemental Creative district leverage Arts and creative worker housing: OEDIT, NEA, private foundations Manitou's state-certified Colorado Creative District designation opens supplemental funding streams for artist live/work units. Designating a portion of workforce units as artist live/work housing qualifies the project for OEDIT creative economy funding and select private arts foundation grants. These are smaller amounts but improve overall feasibility and align with Manitou's existing identity. <i>The muralist who painted the Manitou Avenue wall. The sculptor who runs the summer workshop. They are part of what makes this community worth protecting.</i> Needs confirmation: OEDIT grant cycles and eligibility for artist live/work designation should be confirmed with the Creative Alliance Manitou Springs (CRANE).	approx. \$300K-\$500K Supplemental
Illustrative total capital stack Federal + state + local. No single source does this alone. They are designed to layer.	approx. \$18.5M approx. \$340K per unit

Who lives here

PSH SENIOR FLOOR A retired Manitou resident, age 74 Fixed income, \$1,340/month Social Security. Has lived in Manitou 30 years. Current landlord sold the building. Nowhere local she can afford. <i>HUD 811 unit: 30% of income toward rent</i>	WORKFORCE FLOOR A first-year District 14 teacher Earns \$51,112. Can afford \$1,278/month. Median Manitou 1BR: \$1,800 and above. Currently commuting 38 miles each way from Fountain. <i>LIHTC unit at 60% AMI, deed-restricted 30 years</i>	WORKFORCE FLOOR A Manitou Springs firefighter/EMT Cannot afford to live in the town he protects. Response times suffer. Recruitment is harder every year. Housing stability changes that. <i>LIHTC unit at 80% AMI, essential workforce preference</i>
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Plain language: what is a capital stack and why does it matter?

Why not just one funding source? No single source covers the full cost of affordable housing development. Each source has rules about what it can fund, how much, and for whom. They are designed by Congress and the state legislature to work together. That is not a flaw in the system. It is the system.	What does the city actually have to do? The city's job is to get the entitlement environment right: the overlay, the density bonus, the parking reduction. That is what makes a project competitive for LIHTC, eligible for Proposition 123, and attractive to a nonprofit developer partner. The city does not need to fund the project. It needs to stop blocking it.
What makes Manitou competitive for these funds? The HNA data is already documented. The jobs-to-housing imbalance is the worst in the region. The URA investment is already made. The transit corridor exists. The creative district certification is current. Manitou has a stronger case than most mountain towns. It just needs the zoning to match.	What happens if the overlay does not pass? The funding stack does not assemble. A developer cannot take a project to CHFA for LIHTC allocation without a clear entitlement path. The site stays vacant. The \$2.1M URA investment produces nothing. The teacher keeps commuting. The senior leaves town.

Prepared by the Manitou Springs Housing Advisory Board

Illustrative figures only. All funding amounts require confirmation with CHFA, CDOH, and a qualified affordable housing development partner prior to any formal project application.

Meeting Packet Cover Memo

RE: Community Resilience Housing Overlay, Proposed Density Bonus Strengthening, and MSURA Zoning Analysis

To:	Housing Advisory Board Members
From:	Amy Mogck, HAB Member
Date:	5/20/2026
Re:	HAB review and adoption of the Community Resilience Housing Overlay framework and supporting materials
Submitted:	In advance of 5/202/26 HAB meeting, with chair authorization

Purpose of this memo

This memo introduces the materials submitted for HAB review and requests that the board formally adopt the Community Resilience Housing Overlay framework and authorize its transmission to the Planning Department and the City Council.

These materials were prepared in response to the Council's direction that planning evaluate the current commercial zone designation against the Gateway Mixed-Use designation. HAB has taken that direction seriously and done the analytical work. This packet is the result.

Background

Manitou Springs has included housing as a priority in every comprehensive plan since 1974. The population has been flat for 50 years. The same sites identified as blighted remain undeveloped. The MSURA was established in 2006 to address exactly this pattern. Nearly 20 years later, the conditions were meant to persist.

The proposed revision to the MSURA Land Use Development Code raises the density bonus ceiling to 30 dwelling units per acre. As HAB documented in its formal recommendation letter to Council, 30 du/ac does not change the financial outcome. A project on a transit corridor, already cleared and remediated with \$2.1 million in URA investment, could not proceed at 35 du/ac. The proposed revision does not solve the problem.

The materials in this packet offer a path that does.

Documents included in this packet

- MSURA Zoning Comparison: plain-language analysis of three options, current commercial zone vs. Gateway Mixed-Use vs. Community Resilience Housing Overlay, including a spot zoning explainer for HAB members

- Community Resilience Housing Overlay Framework: proposed overlay language covering the triple-designation geography of the MSURA boundary, transit corridor, and state-certified Colorado Creative District
- Illustrative Capital Stack: demonstration of how federal, state, and local funding layers assemble at 50 du/ac to produce deed-restricted housing for seniors and workforce residents; all figures illustrative and flagged for confirmation
- Spot Zoning Educational Explainer: plain-language reference document for HAB members on what spot zoning is, why it matters procedurally, and why the overlay proposal is structured to avoid it

What HAB is being asked to do

HAB is asked to review these materials, make any amendments the board sees fit, and take formal action on the following:

PROPOSED MOTION LANGUAGE

Move that the Housing Advisory Board adopt the Community Resilience Housing Overlay framework as presented, direct that it be transmitted to the Manitou Springs Planning Department with an invitation for staff to review and comment, and request that the framework be added to the agenda for the next appropriate Planning Commission or City Council meeting as a formal HAB recommendation.

A second motion may be made if the board wishes to separately address the density bonus threshold:

PROPOSED MOTION LANGUAGE

Move that the Housing Advisory Board reaffirms its recommendation that the MSURA density bonus be strengthened to allow up to 50 to 55 dwelling units per acre when 25 to 30 percent of units are deed-restricted affordable housing, consistent with the HAB recommendation letter previously transmitted to Council.

A note on the planning department

These materials have been shared with planning staff in advance of this meeting as a courtesy. Planning staff are invited to attend the HAB meeting, offer corrections, and participate as partners in this process. Nothing in this packet is adversarial. The goal is to hand planning and Council work product that makes the code revision process easier, not harder.

HAB's role is advisory. These materials represent HAB's best analytical contribution to a process that belongs to the full community. We are grateful to the Planning Department for their ongoing work and welcome their feedback.

The case in one sentence

Manitou Springs does not primarily lack visitors. It lacks attainable places for the people who sustain the town to live.

This packet is HAB's contribution to changing that.

Respectfully submitted,

Amy Mogck

Member, Manitou Springs Housing Advisory Board

Spot Zoning: What It Is, Why It Matters, and Proposals Should Avoid It

This document is for HAB members who want to understand why certain conversations go quiet in planning meetings and council chambers the moment a specific property address is mentioned. It explains the legal concept of spot zoning, why municipalities are cautious about it, and why the Community Resilience Housing Overlay is structured specifically to avoid that concern.

Part 1: What is spot zoning?

Spot zoning is when a local government changes the zoning rules for one specific parcel of land in a way that treats it differently from all the surrounding parcels, without a legitimate planning rationale that applies broadly across the area.

A simple example:

Example of spot zoning

A neighborhood is zoned residential. One landowner asks the city to rezone their single parcel to commercial so they can build a gas station. The city agrees, rezones only that one lot, and leaves every surrounding parcel untouched. That is spot zoning. Courts have overturned decisions like this because they treat one landowner differently from all others without a policy reason that applies to the whole area.

Spot zoning is not automatically illegal, but it is legally fragile. Any neighboring property owner or affected party can challenge it in court. Colorado courts have overturned zone changes on this basis. Municipalities know this and their attorneys advise caution.

Part 2: Why the room goes quiet when an address comes up

When a specific property address enters the conversation in a planning meeting or council chamber, several things happen at once.

The quasi-judicial problem

Planning commission hearings are often quasi-judicial proceedings. Commissioners are supposed to evaluate applications against existing code, like a judge applying the law. If a commissioner has already publicly expressed support for a specific project or property, that creates an appearance of bias. The decision can be appealed and overturned. Going quiet is self-protective, not evasive.

The spot zoning exposure

If staff or elected officials discuss a code change in the context of a specific parcel, it creates a record suggesting the change was designed for that parcel. That record becomes evidence in a spot zoning challenge. Keeping the conversation general is how municipalities protect their decisions from legal vulnerability.

The conflict of interest concern

In small towns where everyone knows everyone, officials are especially careful about appearing to advocate for a specific landowner or developer. Even indirect advocacy, such as championing a code change that only benefits one parcel, can be characterized as a

The legislative vs. administrative distinction

Code revisions are legislative acts. They are supposed to apply universally and prospectively to all property. Staff and legal counsel will flag any code change that appears designed around a known applicant because it blurs that line. This is why planning staff say they do

conflict of interest. The caution is real and the stakes are real.	not revise code for a specific property. It is procedurally correct, even when it feels obstructionist.
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Part 3: Why our overlay is not spot zoning

The Community Resilience Housing Overlay is specifically designed to avoid all of the vulnerabilities described above. Here is how.

What spot zoning looks like

"We should change the rules for a specific parcel on Manitou Avenue so that developers can build housing there."

What our overlay does instead

"Within the MSURA boundary, on parcels located on a transit corridor and within the state-certified Colorado Creative District, residential-priority development shall be permitted by right when affordability thresholds are met. This policy applies equally to every parcel that meets all three criteria."

The difference is not cosmetic. It is the legal foundation of the entire proposal.

The overlay is defensible because:

- It applies to a defined geography, not a single parcel
- The three criteria (MSURA boundary, transit corridor, state-certified creative district) are each independently established and documented
- Any parcel meeting all three criteria receives identical treatment
- The policy rationale is broad: workforce housing, displacement prevention, transit-oriented development, creative economy support
- It is prospective: it applies to future applications, not a pending one
- It does not rezone any parcel: it layers a use permission on top of existing zoning

The fact that the policy happens to fit one well-positioned site very well is a feature of good planning, not evidence of favoritism. Good policy often has obvious applications. That does not make it spot zoning.

Part 4: What HAB members can and cannot say

Understanding these boundaries helps everyone participate more effectively in public meetings.

What you can say Discuss the policy broadly. Advocate for the overlay as a zone-wide tool. Reference the data: the HNA, the teacher salary numbers, the jobs-to-housing ratio, the La Fun Motel precedent. Discuss what kinds of projects the overlay would enable. Advocate for the density bonus threshold. All of that is legitimate policy advocacy.	What to avoid in formal settings Naming a specific parcel address as the target of a code change while that change is under consideration. Discussing a specific developer's project in connection with a pending code revision. Asking staff to evaluate code changes in the context of a specific known application. Save those conversations for informal settings outside the public record.
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The bottom line

The caution you see in planning meetings around specific addresses is not obstruction. It is legal risk management for decisions the city needs to be able to defend in court.

Our overlay is structured so that the city can defend it. The geography is defined. The criteria are independent and documented. The policy rationale is broad. The treatment is uniform.

Remember

We are not trying to build housing at one address. We are trying to build a policy environment where housing can be built on every qualifying parcel in the MSURA corridor and more. The right address benefits from that. So does every address like it.

Prepared by the Manitou Springs Housing Advisory Board

For internal educational use and HAB packet distribution.

City of Manitou Springs

Prepared for: Planning Department and City Council

Prepared by: Housing Advisory Board

MSURA Zoning Analysis: Current Commercial Zone vs. Gateway Mixed-Use Designation

Analysis of advantages and limitations of each designation as they relate to the City's housing goals, in response to Council's direction.

Requested by:	City Council direction to Planning Department
Purpose:	Evaluate current commercial zone vs. Gateway Mixed-Use designation in the MSURA corridor
Prepared by:	Housing Advisory Board, submitted for Planning Department review and comment
Data sources:	El Paso County Regional Housing Needs Assessment; MSURA project records; CHFA financing standards; Manitou Springs School District salary schedule; Plan Manitou
Status:	Submitted for HAB adoption and Planning Department review. Planning staff are invited to amend, correct, or supplement this analysis prior to Council presentation.

Context and purpose

The Manitou Springs Urban Renewal Authority was established in 2006 to address blight and underutilization in the eastern gateway corridor. Nearly 20 years later, multiple redevelopment sites remain vacant or underutilized despite repeated planning efforts.

City Council has directed Planning to evaluate whether the current commercial zone designation or the Gateway Mixed-Use designation better serves the City's documented housing goals. This analysis addresses that question directly, using local data and current development finance standards.

The analysis is organized as follows: background data, analysis of the current commercial zone, analysis of the Gateway Mixed-Use designation, a direct comparison, and findings.

Background: the housing need

The El Paso County Regional Housing Needs Assessment documents the following conditions specific to Manitou Springs:

- Median home sale price: \$583,000, the 10th highest in El Paso County
- Area Median Income: \$76,550, well below the county AMI of \$112,000
- 83 percent of Manitou renters earn below 80 percent of AMI
- 38 percent of renters fall in the extremely low-income category
- Jobs-to-housing imbalance: 5.14 low-income jobs per affordable housing unit, the most acute in the region
- Current rental unit need: 159 units, doubling within 10 years

- A new teacher in Manitou Springs School District 14 earns \$51,112 and can afford a home priced at approximately \$190,000. The median home costs \$583,000.

These conditions reflect a community whose year-round workforce cannot afford to live where they work. The question before the City is whether the current zoning framework is capable of producing the housing these residents need.

Section 1: Current commercial zone designation

The MSURA corridor parcels currently carry a commercial zone designation. The following analysis identifies the advantages and limitations of that designation as it relates to housing production.

Advantages	Limitations
• Protects existing commercial activity and retail character of the corridor • Consistent with historic development pattern and Plan Manitou commercial corridor vision • Clear and established permitted use framework for commercial applicants • No legal risk: existing designation has not been challenged • Maintains sales tax generation potential valued by the URA TIF structure	• Residential use is not permitted by right: requires a variance or conditional use permit • Variance process is discretionary, expensive, and slow: the La Fun Motel site at 123 Manitou Avenue was denied a variance even with URA support and \$2.1M in public investment already committed • A planning commissioner stated on the record that current code forces luxury condo density and makes affordable apartments impossible to build • Current density limits do not support financially viable affordable housing: 30 du/ac does not close the gap between development cost and reduced revenue from deed-restricted units • 19 years of underutilization under this designation: market conditions have not produced development and are unlikely to without code intervention • Does not align with HB26-1001, HB26-1065, or Proposition 123 housing production goals • Continued vacancy on already-remediated sites represents ongoing loss on public investment

Finding

The current commercial zone designation has not produced development in 19 years. Residential use requires a discretionary process that has already failed on the most prepared site in the corridor. The designation does not align with state housing legislation and does not support financially viable affordable housing at any current density threshold.

Section 2: Gateway Mixed-Use designation

The Gateway Mixed-Use designation is the current Future Land Use Plan designation for the MSURA corridor. It is an aspirational policy layer, not a regulatory one. The analysis below addresses both the designation as currently structured and the proposed code revision that would implement it.

Advantages	Limitations
• Permits both commercial and residential uses, removing the by-right barrier to housing • Consistent with Plan Manitou's vision for the corridor as a mixed destination • Step forward from the current commercial-only framework • Allows ground-floor activation that can serve both residents and visitors • Better alignment with state housing production goals than current commercial designation • Provides a framework that a range of project types can utilize	• Proposed density bonus ceiling of 30 du/ac does not change the financial outcome for affordable housing: a developer has already demonstrated locally that 35 du/ac is insufficient to finance a project with deed-restricted units • Ground-floor commercial requirements in mixed-use frameworks tend to push projects toward tourist-oriented retail, not community-serving uses • Does not explicitly prioritize workforce or senior housing • Without a graduated density bonus tied to affordability percentage, the incentive structure is too blunt to produce the intended outcome • Parking minimums remain unaddressed: structured parking adds \$30,000 to \$60,000 per space and substantially reduces housing unit count and feasibility • Does not maximize Proposition 123 funding eligibility without explicit deed-restriction requirements • Mixed-use requirement may reduce overall unit count and complicate financing structure for housing-focused projects

Finding

The Gateway Mixed-Use designation is a meaningful step forward from the current commercial zone. However, the proposed implementation at 30 du/ac does not solve the financial viability problem that has prevented development in this corridor. Without a density bonus calibrated to actual development costs, the designation produces better policy intent without changing the outcome.

Section 3: Direct comparison

Category	Current commercial zone designation	Gateway Mixed-Use designation
Residential by right	No. Requires variance or CUP.	Yes, if implemented through code revision.

Density for affordable housing viability	Not applicable: residential not permitted by right.	30 du/ac proposed. Not sufficient. Documented threshold is 50 to 55 du/ac.
Parking requirements	Full minimums apply. Add \$30K to \$60K per space.	Unchanged under current proposal.
Workforce housing priority	No mechanism.	Not explicit in current proposal.
Senior and PSH housing	No mechanism.	Not explicit in current proposal.
State legislation alignment	Not aligned with HB26-1001, HB26-1065, Prop 123.	Partially aligned. Does not maximize eligibility.
Local development precedent	La Fun site: denied variance at 35 du/ac despite full URA support.	No completed projects at this density under mixed-use framework.
19-year track record	No affordable housing produced.	Not yet implemented. Outcome uncertain at 30 du/ac.
Ground floor uses	Commercial required.	Commercial preferred or required.
Legal risk	Low: established designation.	Low if implemented as zone-wide policy, not parcel-specific.

Section 4: Findings and HAB recommendation

Finding 1: Neither designation as currently structured produces affordable housing.

The current commercial zone does not permit residential use by right. The Gateway Mixed-Use designation, at the proposed 30 du/ac density bonus ceiling, does not change the financial outcome for deed-restricted housing. Both options, as currently structured, are likely to produce the same result: continued underutilization or market-rate development without affordable units.

Finding 2: The density threshold that changes the outcome is 50 to 55 du/ac.

At approximately 50 to 55 dwelling units per acre, fixed development costs spread across enough units that deed-restricted affordable housing becomes financially viable. This is not a theoretical figure. It is the threshold identified by development finance standards and confirmed by the local precedent at 123 Manitou Avenue. Below this threshold, the density bonus is an incentive that does not change the incentive structure.

Finding 3: Parking minimums are a significant and addressable barrier.

Structured parking requirements add \$30,000 to \$60,000 per space to development cost. On a transit corridor with regional bus access, requiring structured parking substantially reduces housing unit count and financing feasibility. Reduction or elimination of parking minimums for qualifying projects is one of the highest-leverage, lowest-cost interventions available.

Finding 4: A targeted overlay addresses both findings without spot zoning risk.

A Community Resilience Housing Overlay applied to parcels meeting a defined triple-designation criterion (MSURA boundary, transit corridor, state-certified Colorado Creative District) would permit

residential by right, apply a graduated density bonus to 50 to 55 du/ac tied to affordability percentage, reduce parking minimums, and explicitly prioritize workforce and senior housing. This is a zone-wide policy tool, not a parcel-specific code change, and is structured to withstand legal scrutiny.

Finding

HAB recommends that Council direct Planning to implement the Gateway Mixed-Use designation with a strengthened density bonus of 50 to 55 du/ac, reduced parking minimums, and an explicit Community Resilience Housing Overlay for qualifying parcels within the triple-designation geography. These changes, taken together, produce a code environment where the housing Manitou Springs needs can actually be built.

Prepared by the Manitou Springs Housing Advisory Board for review by the Planning Department and City Council.

Planning staff are invited to review, correct, and supplement this analysis. HAB welcomes collaboration on producing the most accurate and useful document possible for Council's consideration.