

CITY OF GREELEY STRATEGIC HOUSING PLAN

An Element of the Imagine Greeley
Comprehensive Plan



Page left intentionally blank

ACKNOWLEDGMENTS

City Council

Robb Casseday
Michael Fitzsimmons
John Gates
Dale Hall
Brett Payton
John Smail
Stacy Suniga

Planning Commission

Louisa Andersen
Erik Briscoe
Gloria Hice-Idler
Larry Modlin
Jon Rarick
Christian Schulte
Justin Yeater

Community Development Staff

John Barnett
Mike Garrott
Brad Mueller
Rachel Prelog

Greeley Housing Task Force

Jamie Baessler
Mike Bond
Bianca Fisher
Lindsey Galindo
Jodi Hartmann
Chris Helwick
Julie Jensen
John Kadavy
Carol Larsen
Ulli Limpitlaw
Greg Miedema
Kris Pickett
Collin Richardson
Cathy Schulte
Chalice Springfield
Barbara Whinery
Cheri Witt-Brown

Page left intentionally blank

TABLE OF CONTENTS

Introduction.....	1
Current Conditions.....	2
A Brief Overview.....	2
Multi-family housing.....	2
Single family housing.....	2
Housing Mix.....	2
The Problem of Affordability.....	3
Seven Key Constraints to Housing Affordability.....	3
Escalating cost of raw water.....	3
Rising cost of construction and development related costs.....	4
Lack of financing.....	5
Lack of skilled labor.....	5
Rising costs of existing housing.....	5
Flat wages.....	5
Missing homes not built during the Great Recession and Greeley’s residential downturn.....	5
Strategies.....	6
Amend the Development Code.....	7
Correct zoning mismatches.....	7
Accessory dwelling units.....	8
Reduce minimum lot sizes for single family housing.....	8
Provide regulatory incentives for permanent affordable housing.....	9
Encourage complete neighborhoods.....	9
Short-term rentals.....	10
Minimize Infrastructure Costs.....	11
Explore new development incentives.....	11
Evaluate having the City front-end major infrastructure.....	11
Support metropolitan districts.....	12
Engage Alternative Housing Providers.....	13
Work with community land trusts.....	13
Partner with for-profit and non-profit housing providers.....	14
Work with major employers on shared housing programs.....	14
Work with Habitat for Humanity to expand their role.....	14
Explore land banks.....	14

TABLE OF CONTENTS

- Improve the Housing Product Mix 15
 - Encourage diversity in housing types..... 15
 - Promote housing innovation..... 15
 - Update the Redevelopment Guide..... 16
- Address the Impact of Raw Water Cost on Housing Affordability..... 17
 - Implement water smart neighborhood and common area policies..... 17
 - Develop a water smart policy for individual lots..... 18
- Complete Subarea & Neighborhood Plans..... 19
 - Complete plans for neighborhoods with housing opportunities..... 19
 - Large-scale master planning for complete neighborhoods..... 19
 - Identify under-utilized sites for housing..... 20
 - Adopt a five-year housing goal..... 20
- Encourage Ownership, Move-up & Executive Housing Options..... 21
 - Encourage a range in housing choices..... 21
 - Work with developers to create higher-end development..... 21
 - Explore cooperative housing options..... 21
 - Develop additional home ownership incentive programs..... 22
- Encourage Vocational Training & Apprenticeship Programs..... 23
 - Support educational institutions involves in skilled trades..... 23
- Facilitate Development of Manufactured Home Communities..... 24
 - Affordable housing options..... 24
 - Explore alternative ownership options..... 24
 - Alternative technologies..... 24
 - Update regulations..... 25
- Implementation..... 26

INTRODUCTION

Greeley aspires to provide a range of housing to accommodate its diverse and growing population. Diversity in housing would mean both a variety of housing types and a broad range in price. Because communities are largely defined by the type, style, and cost of housing it is important for Greeley to have a clear understanding of current housing conditions with strategies to shape future growth.

Through a variety of policies, programs, and regulations, the type, number, and affordability of new and existing housing can be influenced. Housing was a key component of the *Imagine Greeley Comprehensive Plan*. However, due to the complexity of housing issues and its impact on community well being, the *Imagine Greeley Comprehensive Plan* called for a deeper examination into housing policy through the development of a Comprehensive Housing Strategy.

The creation of the *Strategic Housing Plan* took place during 2018, with the help and input from a Housing Accessibility Task Force, data assistance from outside consultants, and the support and analysis of city staff. The Housing Accessibility Task Force met five times during 2018 to discuss challenges facing Greeley's housing market and brainstorm possible solutions. The Task Force included real estate professionals, affordable and market-rate housing providers, nonprofit and for-profit developers, and city staff. Working closely with city staff, the Housing Accessibility Task Force identified seven key constraints or challenges to housing affordability:

1. Escalating cost of raw water;
2. Rising cost of construction and development related costs;
3. Lack of financing;
4. Lack of skilled labor;
5. Rising costs of existing housing;
6. Flat wages; and
7. Missing homes not built during the Great Recession and Greeley's residential downturn.

The action items listed in this *Strategic Housing Plan* will require separate and specific implementation. Adoption of the plan does not begin the implementation of any item nor legally bind the City to implement any particular action. Rather, this plan explores the challenges above and provides nine recommended strategies to address housing affordability and supply.

CURRENT CONDITIONS

A Brief Overview...

Since 1990, Greeley's housing market has grown at an average rate of 1.8% per year. During this time, housing growth generally kept pace with population growth except for between 2003 - 2005 when housing outpaced population growth and 2008 - 2013 when it lagged behind population growth. The surplus of housing provided during the construction boom in the early 2000s was not enough to offset the growing population through the later half of the decade. As a result, staff estimates there were approximately 1,100 residential units not built, needed to keep pace with recent population growth.

Multi-family housing

A healthy multi-family housing market is considered to be one where the vacancy rate is approximately 5%. Since 2011, Greeley's multi-family housing vacancy rate has averaged 3.41%. Looking at more recent trends, for the last five years, the vacancy rate has dropped 0.44% to 2.96%. This means that Greeley currently has a very tight multi-family market with few rentals available. This can not only result in higher rents but it can also force people to look elsewhere for housing if the type and price point of units isn't available.

Single family housing

A healthy single family market is considered to be one where there is a six month supply of existing homes for sale. The months of supply is the time it would take for all the current inventory to sell without any new inventory coming on the market. Based on yearly average sales of existing units since 2014, a six months supply of existing units would be 685 units. Recent searches of current listings show that Greeley is currently below a six months supply with home availability somewhere between 350 - 400 units. When inventory levels are

less than six months, sellers have more control over price and terms, often leading to rising home prices. In order to balance the market, Greeley would need to provide a surplus of new construction over what is required to meet growing population demand.

Housing mix

Greeley's historic mix of single and multi-family housing has remained relatively constant at between 63% and 66% single family units. However, during the most recent housing recovery, 2013 to 2018, more than half of new construction consisted of multi-family housing to the extent that the overall percentage of single family housing declined by 1.75% from a high of 65.39% in 2012, to 63.56% in 2019. As housing costs continue to rise, staff anticipates a continued trend in a higher proportion of new construction being multi-family units.

HOUSING BY THE NUMBERS



1.8% increase in housing between 1991-2019



6.5% increase in population between 1991-2019



49% increase in average home sale price between 2014 - 2018



The Problem of Affordability...

Despite historically having one of the most affordable housing stocks in Northern Colorado, Greeley has not been immune to rising home costs and affordability problems.

According to IRES data, average home sales rose \$92,464 from 3rd quarter of 2016 to 3rd quarter of 2018, a 35% increase.

One of the most significant problems in housing affordability is that incomes have not kept pace with the cost of housing. As a working class city, the high

cost of housing results in many citizens paying a disproportionate amount of their income for housing. In Greeley, a median income household cannot afford to purchase a median priced home.

The current problem with housing affordability is unlikely to be solved simply by increased supply. The two main needs are to increase the supply of housing for all income levels, from subsidized to executive housing, and to increase the affordability of housing for wage-earning households.

7 Key Constraints to Housing Affordability...

Escalating cost of raw water

One of the factors affecting the cost of housing has been the cost of raw water. Cities need reliable water rights to provide potable water to meet the needs of growth. The most valuable water and easiest to convert to municipal use is water supplied by the Colorado Big Thompson (CBT) Project. The price of this water, which increased by a factor of three between 2012 and 2016, became more expensive than the price for raw land for single family housing.

On a year-round average, approximately half the treated water in Greeley is used for outdoor purposes, mainly landscape irrigation. During the summer months, as much as 70% of potable water is used for outdoor uses.

Before 2018, Greeley required developers who anticipate building housing to dedicate three acre-feet of raw water for each acre of land they planed to develop. In 2010, an acre-foot of (CBT) water could be purchased for approximately \$8,500. In 2018, this amount of water costs rose to \$33,000 per acre-foot.

At a density of four units per acre, the change in price per acre-foot increased the cost per residential unit by \$24,500.

7 key constraints to housing affordability:

1. Escalating cost of raw water;
2. Rising cost of construction and development related costs;
3. Lack of financing;
4. Lack of skilled labor;
5. Rising costs of existing housing;
6. Flat wages; and
7. Missing homes not built during the Great Recession and Greeley's residential downturn.



Water use per capita has been declining for the past several years because of water conservation, cost, and other reasons. Certain kinds of landscaping are capable of lowering water demand significantly. It should be possible to lower the cost of raw water by significant permanent limitations on landscape and irrigation designs, and other water conservation measures.

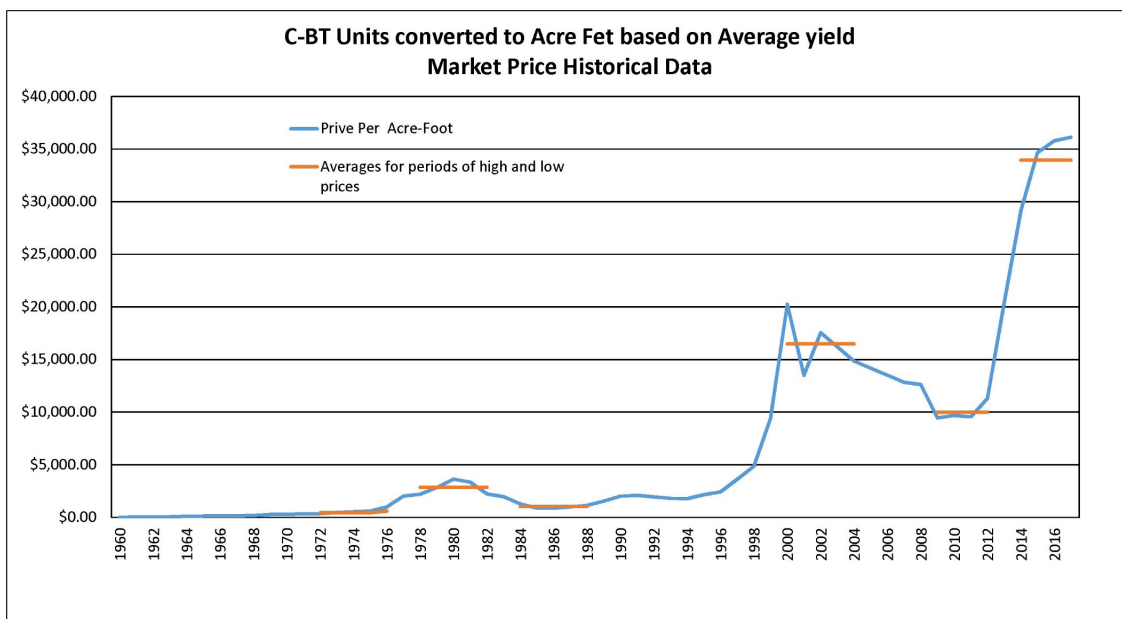
Smaller lots, multi-family housing, and xeriscaping can all contribute to lower water use and can potentially, lower the cost of housing.

Rising cost of construction and development related costs

Costs for construction of all kinds are escalating for a variety of reasons including the increased scarcity of qualified labor, depletion of raw materials, impacts of international trade, and other factors.

Other land planning techniques and housing products such as zero lot line homes, tiny homes, or construction technology such as factory built housing, manufactured components, or other proven technology should be encouraged.

Price per unit of Colorado-Big Thompson Water per Unit Converted to Acre Feet 1960-2017



Lack of financing

As a result of the mortgage crisis leading up to the Great Recession, banking regulations have been tightened to the extent that financing for land development has been almost nonexistent and construction lending for single family construction is difficult to obtain.

Lack of skilled labor

As a result of the loss of construction jobs in the Great Recession, many people left the trades for other opportunities and have not returned. In addition, their knowledge is not being passed on to younger workers. This has left a large gap in skills and limited opportunities for younger trades-people to obtain the necessary job skills.

Rising cost of existing housing

A significant driver in the increase in prices of existing homes is the price escalation of new housing. As more people find they cannot afford a new house, they compete to purchase an existing home. This drives up the price of existing homes commensurate with the price escalation of new homes. In addition, as owners of existing homes look at their options, many choose to remodel rather than move up.

Flat wages

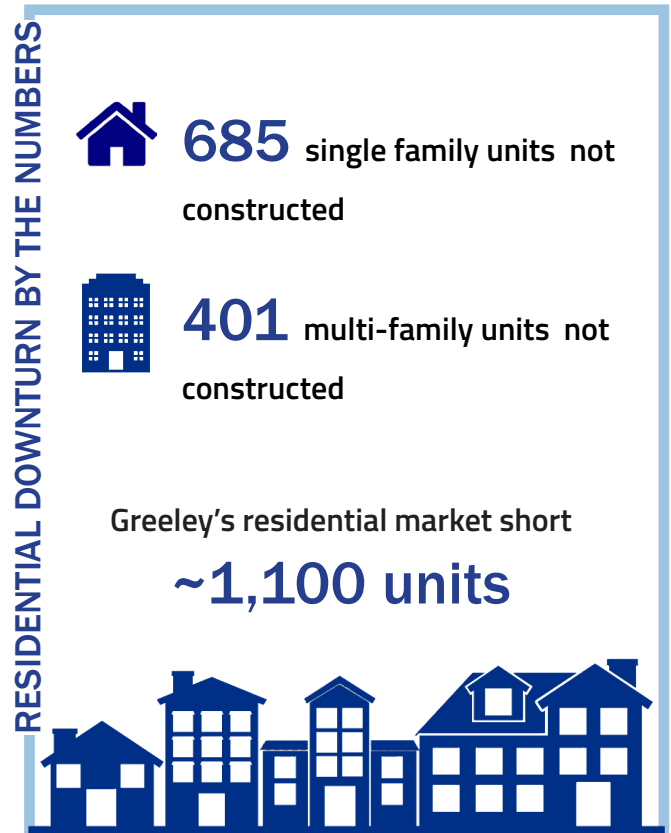
Over the last 40 years, real wages have generally risen, but at a fraction of the rate of housing cost escalation. The result is that a significantly higher population is burdened by the cost of housing than was previously the case.

Missing homes not built during the Great Recession and Greeley residential downturn

During the Great Recession, Greeley's population grew each year, with the exception of 2009. With the difficulty in obtaining financing for any real estate or construction activity, especially single family housing, very few units

were constructed. In fact, taking an average of the number of units constructed in the years leading up to the recession and 2014 and 2015, and comparing that to the recession years of 2008 through 2013, it is estimated that approximately 700 units were not constructed that would have been built in a non-recession. Then during Greeley's 2016 and 2017 residential downturn, an additional 309 residential units were not built, meaning Greeley's housing market is short approximately 1,100 residential units, of the required units needed to keep pace with population growth.

Based on data from Greeley Evans School District 6, it is estimated that there are at least 232 families living in "doubled-up" housing where more than one family shares a housing unit.



STRATEGIES

Nine Housing Strategies:

1. Amend the Development Code to promote housing choice;
2. Minimize development costs for affordable housing;
3. Engage alternative housing providers to build affordable housing;
4. Improve the housing product mix;
5. Address the impact of raw water cost on housing affordability;
6. Complete subarea and neighborhood plans;
7. Create more ownership, move-up, and executive housing options;
8. Encourage vocational training, and apprentice programs for building trades; and
9. Facilitate development of manufactured home communities as an important affordable housing option.

1

STRATEGY I

Amend the Development Code to Promote Housing Choice

Correct zoning mismatches

Portions of the City have zoning that does not reflect existing land uses, recent development trends in the area, or land uses recommended in the Imagine Greeley Land Use Guidance Map. This can adversely affect the availability and cost of housing; requiring additional land use action. Money and time is lost on the preparation of zoning documents, staff review, and responding to comments, before actual permits can be applied for.

Additional burdens are placed on homeowners whose residences are considered legally nonconforming due to the underlying zoning. Homeowners of legally nonconforming properties have trouble securing financing due to restrictions placed on nonconforming buildings. For example, when a legally nonconforming residential structure is damaged by a calamity or other event, the replacement of the residence must commence and be completed within certain time frames. Furthermore, the replacement value of the structure

cannot exceed 50% of its replacement value. Owners of legally nonconforming residences are also limited in repair and expansion of their residence; restricted to valuation provisions and only allowed a one time expansion.

By adopting zoning that better reflects goals and strategies of the *Imagine Greeley Comprehensive Plan* and matches the existing residential uses, the City can reduce unnecessary burdens and costs on housing providers and citizens.

Legally nonconforming sites, buildings, and structures:

A building or structure that was allowed by the Code in effect when established, but is no longer permitted in the district in which it is located.



Accessory dwelling units

Accessory dwelling units (ADUs) can provide affordable rental options in predominantly single family neighborhoods, and act as a wealth-building tool for homeowners. ADUs can increase the overall housing supply incrementally without requiring additional land for expansion.

While a potentially significant addition to the housing stock, ADUs may not be appropriate everywhere; too many units may overburden neighborhoods and services, and appropriate site and architectural design is essential.

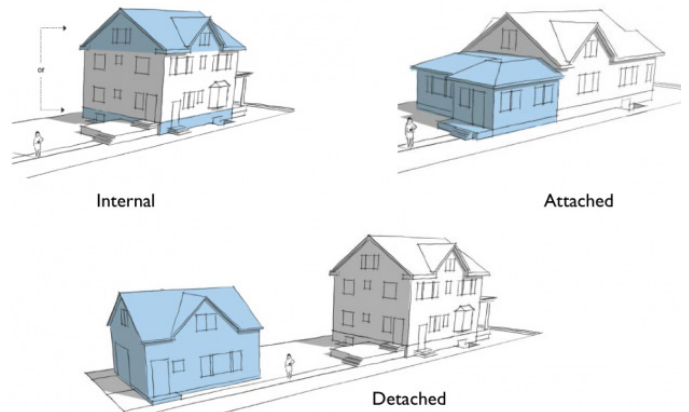
Allowing for ADUs would require future action through code changes. These would include the creation of appropriate design criteria and review processes. The City would look to peer cities that have allowed ADUs for lessons learned. Future study would be undertaken to identify appropriate lot sizes and neighborhoods in which they could be allowed. ADUs would then be reviewed based on characteristics of the lot, including size, configuration, parking availability, and neighborhood context.

Reduce minimum lot sizes for single family housing

The Residential Low Density (R-L) Zoning District has a minimum required lot size of 6,000 square feet with a minimum open space requirement of 30%. While many people prefer the type of housing defined by these zoning standards, the city's changing demographics emphasize a need for a broader mix of housing types. Many households cannot afford the housing that is typically built in single-family neighborhoods.

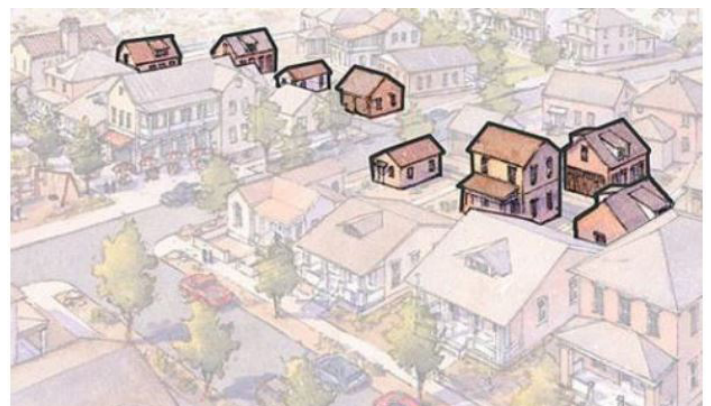
Others enjoy the character and lifestyle of suburban neighborhoods but do not need the space and/or have trouble maintaining larger lots.

What is an ADU?



Accessory dwelling unit (ADU):

A smaller, attached or detached residential dwelling unit located on the same lot as a stand alone single family home.



A development pattern based on smaller footprint configurations could yield higher density, lower costs, and lower water demand. Future action would require code changes to the zoning development standards, and considerations of changes to setbacks, open space requirements, and cluster development standards.

Provide regulatory incentives for permanent affordable housing

While requiring developers to provide affordable housing is illegal in Colorado, providing regulatory incentives is permitted. For example, cities and towns may grant additional intensity or up-zoning, if a proportion of a development is set aside for affordable housing.

Encourage complete neighborhoods

Complete neighborhoods contain a mix of land uses and services where most residents can meet most of their daily needs within a 20-minute safe and comfortable walking distance. Key elements of complete neighborhoods are a fine-scaled mix of land uses, minimal large parking lots, neighborhood schools and parks, shaded sidewalks, frequent rest stops and sitting areas, windows facing the street, interesting architecture, and other people out walking. Such neighborhoods may yield less stress and cost than autacentric neighborhoods where the automobile is require to access most needs.

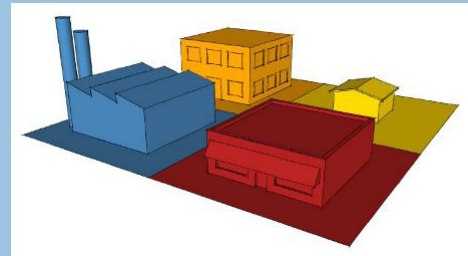
Zoning appropriately for complete neighborhoods would require finer scaled commercial districts that are incorporated more frequently at the block level. Smaller scale commercial districts that were limited to land uses necessary to support daily activities would also reduce the need for large commercial centers which often contain buildings with large footprints and large parking lots which become hard to redevelop as they age.

The City of Greeley currently has a euclidean system of zoning by which residential, commercial, and industrial uses are, for the most part, restricted to separate zoning districts. Many communities have shifted from

this traditional practice of zoning to incentive zoning, form-base code, performance-based zoning, etc. The City can support complete neighborhoods by exploring a reclassification of zoning districts using on of these practices or a hybrid zoning which allows more flexibility in uses while defining specific design criteria based on location.

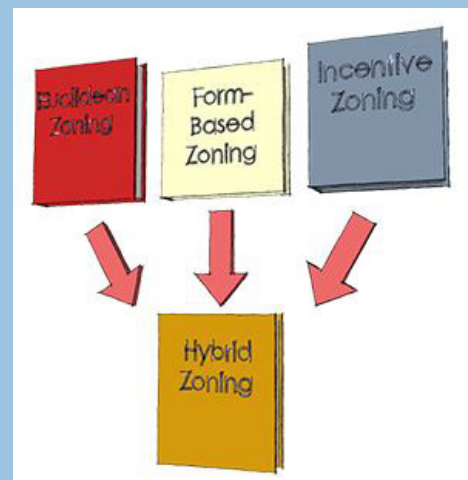
Euclidean Zoning:

System of zoning by which the town or community is divided into areas in which specific uses of land are permitted.



Hybrid Zoning:

System of zoning that identifies best elements of euclidean zoning, formed-based zoning, and incentive zoning and integrates them into a new whole. Location specific, hybrid zoning allows for diversity in uses while establishing specific design criteria for districts, such as downtowns, or street frontages based on classification.



Short-term rentals

A growing problem in much of the U. S. is the conversion of housing units into short-term rental properties that operate somewhat like hotels and are known by brand names such as Air B&B, VBRO, etc. Short-term rentals can include the use of a spare bedroom or it can entail the rental of an entire housing unit or even a multi-family structure.

The City currently does not have specific Code to regulate short-term rentals. Rather they are restricted by occupancy standards, which dictate how many non-related persons can occupy a residence. The City does not have data on this trend but is aware that many short-term rentals are operating within Greeley without authorization of a business license.

The lack of regulations, enforcement, and city oversight results in lost tax revenue. Improper siting of these facilities can affect neighborhood livability with negative impacts on traffic, maintenance, and noise. There is also possibility that short-term rentals can reduce the city's housing stock and contribute to a low vacancy rate and higher housing prices.

When implemented and regulated properly, short-term rentals can be a positive addition to communities, contributing to sales tax, tourism, and housing diversity. The City should look to peer communities who have implemented short-term rental regulations when considering future Code changes and seek to legalize as many of the existing short-term rentals as appropriate.

Affordable Housing:

Housing that costs no more than 30% of a household's income.



Due to the phenomenon of drive to qualify, some definitions also include transportation costs; spending no more than 45% of household's income for housing and transport.



2

STRATEGY II

Minimize Development Costs for Affordable Housing

Explore new development incentives

The City's role in providing affordable housing begins with finding ways to eliminating barriers for its development. Greeley's development regulations were implemented to ensure safety, compatibility, and to maximize the quality of development. These regulations add time and cost to housing development. Some developers see these processes as hindrances that drive up costs.

The City currently offers economic development incentives for new job creation and has recently launched incentives for large construction projects in the Redevelopment District. The City should similarly explore incentive packages to encourage the development of affordable housing. These may include density bonuses, parking reductions, or priority processing.

Evaluate having the City front-end major infrastructure

One of the factors affecting developers' ability to provide housing is the availability of adequate public facilities as defined under Title 18 of the City Code. The City currently limits development in areas where adequate public facilities, such as fire protection, police service, water and sewer service is not available. In order to develop within these area, a developer must extend the necessary services or provide an alternative acceptable to the City.

Density Bonus:

An incentive-based tool that permits developers to increase the maximum allowable development on a property in exchange for helping the community achieve public policy goals.

Major infrastructure costs such as water and sewer trunk lines or major streets can contribute significant costs to housing, limiting the number of people who can afford to purchase or rent. The City has undertaken major capital projects, extending services, when the creation of primary jobs has been the goal. More recently, the availability of housing for all income levels has emerged as a significant issue. It is recommended that the City evaluate the costs and benefits of extending major infrastructure into areas where most of the required adequate public facilities are in place to encourage development. This evaluation should include recommendations for how to fund these facility extensions as well as pay back scenarios.

Support metropolitan districts

Metropolitan districts allow development improvements to be financed with municipal bonds which offer more favorable terms than conventional bank financing. These bonds are then paid back through a mill levee on the properties in the district. While the mill levee can be quite expensive, it may provide a better opportunity for affordability or, alternatively, more amenities than conventional financing. The City should examine how metropolitan districts may be used to incentivise affordable housing. This approach could also lead to a more heterogeneous mix of housing, helping to reduce geographic concentrations of low income households.

3

STRATEGY III

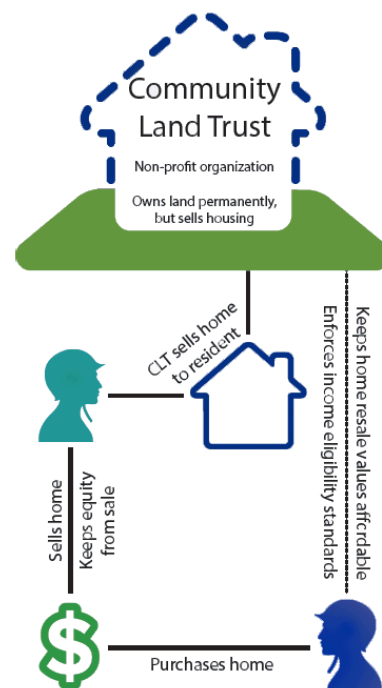
Engage Alternative Housing Providers to build Affordable Housing

Work with community land trusts

Community land trusts can provide affordable housing opportunities including ownership opportunities for households with between 80% and 120% of Area Median Income (AMI), households that usually cannot qualify for mortgages for market housing. When a household works with a community land trust to purchase a permanently affordable home, the household buys the improvements financed by a mortgage and the community land trust purchases the lot and leases it to the home buyer. The homeowner pays a small lease fee to the community land trust to cover their expenses. In this scenario, the mortgage payments and ground lease are significantly lower than a mortgage payment would be on the same house if purchased at full market price.

In return for the lower price for the home when purchased, the increased resale value for the home is shared between the community land trust and the homeowner so that the home remains affordable for the

next buyer with an income between 80% and 120% of AMI. Land trusts can partner with, or act as, builders or developers of housing projects, or work with scattered housing sites.





Partner with for-profit and non-profit housing providers

The housing problem is highly complex and there is not a simple solution. It will require the participation and cooperation of several housing providers. Any workable solution must involve a variety of players from the public, private, and nonprofit sectors to provide meaningful and realistic solutions. The City is already working with High Plains Community Development Corporation, Habitat for Humanity, and other non-profits where appropriate.

Work with major employers on shared housing programs

A major trend throughout the U. S., particularly in areas with high job growth like Northern Colorado, is that the cost of housing continues to rise and wages remain flat, resulting in a lack of affordable housing for semi-skilled labor.

To the extent possible, a communities housing supply should reflect its workforce housing needs. The City should explore policies and programs to increase housing for Greeley's workforce in partnership with major employers. Investments in affordable housing projects by employers may be a less expensive way of making home ownership attainable than increasing wages.

Work with Habitat for Humanity to expand their role

Habitat for Humanity is already a major player in building new affordable housing in Greeley. They are also currently providing housing rehabilitation services

in other communities. Bringing rehabilitation services to Greeley could significantly help with neighborhood revitalization.

Explore land banks

Several Northern Colorado communities use land banking as a tool to acquire sites for affordable housing projects. They purchase large sites well in advance of development, hold them, and either develop them themselves or sell them at a discount to developers in return for permanently affordable housing. In Greeley this has been done on a small scale, Greeley's Urban Renewal Authority has purchased vacant land and land occupied by dilapidated structures and resold it for affordable housing.

The power of land banking is that as the cost of land rises over time, the banked land can be held and made available for affordable housing at a lower cost, reducing the price of development. The biggest challenge to establishing a land bank is establishing the funding mechanism and capital to fund purchases. The City should therefore explore funding sources such impact fees, dedicated tax funding, and state and federal funds.

4

STRATEGY IV

Improve the Product Housing Mix

Encourage diversity in housing types

The high interest rates that limited housing affordability during the 1980s stimulated significant innovation in creative product designs for housing. Concepts such as patio homes, zero-lot line housing, and other layouts were just a few of the creative land planning and building types. These creative housing designs seem to have been forgotten in the housing boom of the 1990s and early 2000s. During the recent housing recovery, there have been relatively few options from which to choose.

Promote housing innovation

Most new housing units in Greeley are produced using nearly the same process as 50 years ago. The bulk of the construction still occurs outdoors, on the site with subcontractor crews moving from house to house, frequently between subdivisions and communities. As a result, weather, traffic, and many other factors contribute to construction delays.

While land grading, wet and dry utilities, foundation, and flatwork must be constructed in place, none of the construction above the foundation needs to be constructed on-site. In fact, it is more efficient to construct housing units or components in the controlled environment of a factory. Large jigs and patterns that would be too cumbersome to use on-site as well as adhesives that cannot withstand moisture or low temperatures can be used in factories. By improving efficiency and quality, indoor construction can significantly reduce the cost of housing thereby improving housing affordability.

Update the Redevelopment Guide

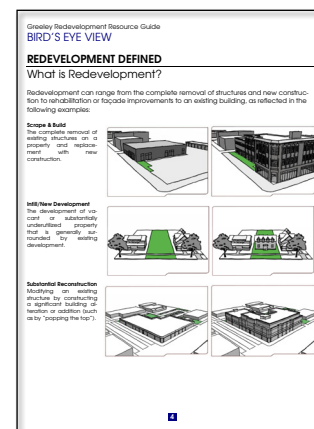
The Redevelopment Guide was created in 2011 as a resource to simplify redevelopment endeavors by compiling all the various city programs and incentives in one guide. In recent years, various city departments have been exploring new programs to lower the barriers to development/re-development. The Redevelopment Guide should be updated to incorporate the latest pilot projects and incentives.

Along with other Code update recommendations, staff also recommends that the Redevelopment District itself be re-examined contextually to identify subareas and to delineate commercial versus residential redevelopment incentives. City staff should continue to explore additional tools and programs to encourage infill in older at risk neighborhoods.

Several cities have adopted programs which provide pre-approved or "permit-ready" construction plans to the public at no or low cost. These programs reduce barriers to individual citizens through reduced design costs, project review fees, and review time.

In many older parts of the city, east of 23rd Avenue, neighborhoods are platted with relatively similar lot configurations that have little variation in dimensions throughout the subdivision. Most modern stock housing plans are designed for post-World War II lots that tend to be wider and shallower. However, many of the lots east

of 23rd Avenue are relatively narrow and deep. The City should explore the availability of model housing plans for new and accessory units that would fit spatially and contextually into the Redevelopment District. Special attention should be given to neighborhood character to ensure that pre-approved plans are architecturally compatible with the area.



5

STRATEGY V

Address the Impact of Raw Water Cost on Housing Affordability

Implement water smart neighborhood and common area policies

Greeley has traditionally required the dedication of three acre-feet of raw water rights per acre for land used for housing. The rapid escalation of the price of raw water rights has contributed significantly to the increase in the cost of housing, especially in the Residential Estate (R-E) and Residential Low (R-L) Density zones that have larger minimum lot areas.

The City is undertaking a pilot program called “Water Smart Neighborhoods” to permit a reduction in the dedication requirement in return for a firm commitment to reduce water demand. Under this pilot program, developers would have the option to propose a Water Smart Neighborhood in exchange for lower raw water dedication. A complete subdivision filing must be proposed for consideration as a Water Smart Neighborhood; individual lots or partial filings would not

be allowed. Filings can be proposed at 80% of normal consumption, 60%, or 40%. Correspondingly, raw water would be dedicated, per surface acre, at 2.5 ac-ft., 2 ac-ft., or 1.5 ac-ft. (under the current 3 ac-ft. per 1 land acre standard). These can be referred to as Water Tier 80, Water Tier 60, or Water Tier 40. The implementation of Water Smart Neighborhoods will likely be realized through water conserving landscape design and maintenance (Xeriscaping) and water efficient fixtures.

Once designated, households will be required to be maintained at or below their designated Water Tier. Lots will have a water budget, as determined by the city-wide Water Budget Program. The standard water budget for the household will then be reduced by 20%, 40%, etc., based on the assigned Water Tier. This would be noted as a Water Smart Neighborhood Water Tier 80 Reduction calculation on citizens’ individual water bills.



To successfully achieve this on a neighborhood scale will require extensive training and awareness. To ensure on-going compliance, the City will (after build-out) target Water Smart Neighborhood residents for awareness and on-going education. Such efforts can include line-item notice on water bills, brochures, and meetings with neighborhood representatives.

Develop a water smart policy for individual lots

The City can develop an approach and policies targeted to individual homeowners with incentives equivalent to those provided for the developers of new homes. The Water Smart Neighborhood methodology could be applied to “Water Smart Homeowners” whom voluntarily commit to a lower water consumption budget.

The City currently bases its water billing on a water budget. This is calculated by multiplying the number of people living in a residential unit times the average indoor use per person plus the imperious area on each lot times the irrigation water demand for that month. Water customers that exceed their allocated budget pay a higher rate.

Applying a water smart policy to at the micro level could help lower the price of city-wide housing over time. Lowering existing water demand lengthens the time before additional investment is needed to enlarge storage, transmission, and distribution infrastructure thus enhancing the affordability of living in Greeley.

6

STRATEGY VI

Complete Subarea & Neighborhood Plans

Complete plans for neighborhoods with housing opportunities

Subarea and neighborhood plans bridge the gap between broad policies of comprehensive plans and geographic specific areas. These plans identify the desired characteristics of an area that should be preserved or enhanced, identify opportunities to implement comprehensive plan goals and policies, and define a shared vision for the area which addresses housing, trails, parks, schools, and commercial services.

Neighborhood planning helps identify appropriate densities, character, and mix of uses, and the regulatory changes needed to ensure that development occurs in accordance with a shared vision. With large swaths of undeveloped land within both city limits and the Long Range Expected Growth Area, it is important for the City to get ahead of development to ensure that future development is compatible with the area and goals of the *Imagine Greeley Comprehensive Plan*. Additionally,

many older neighborhoods have opportunities for infill redevelopment of housing. With appropriate planning and design, newer housing units can be integrated into the existing urban fabric. This can have the mutual benefits of preserving neighborhood character as well as providing opportunities for redevelopment.

Large-scale master planning for complete neighborhoods

Complete neighborhoods host a mix of uses in order to provide for our daily need to live, work, play, worship, dine, shop, and interact. They are more likely to be achieved through master planning. However, larger-scale sites are challenging for multiple reasons. Larger-scaled projects can encompass sites that are in multiple ownerships, which can lead to disputes over phasing and timing, where the higher value land uses go, how to pay for and locate infrastructure, and how revenues and equity are shared among the owners. Large-scale projects also take longer to implement leading to higher



financing costs, and are more susceptible to changing market conditions.

Through subarea and neighborhood plans, the City can help identify appropriate sites for public services and infrastructure such as roads, school sites, fire stations etc. setting the foundation onto which master planned communities can they be built.

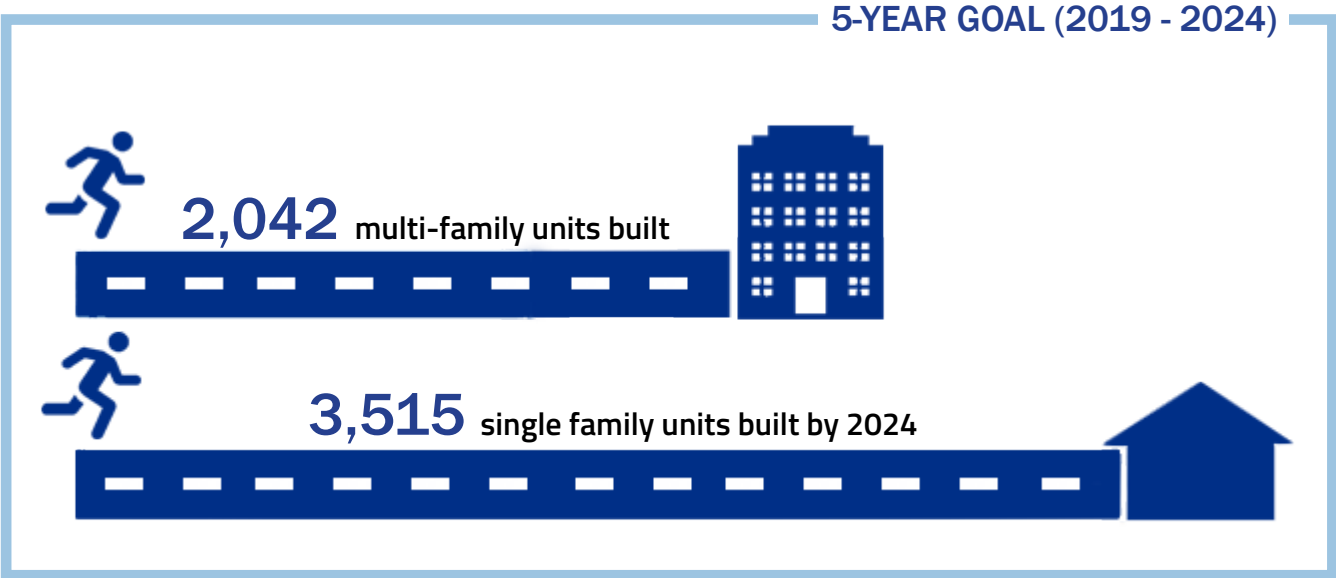
The City can also explore creating incentives for landowners to work together. For example, the City could directly provide or retain consultants to provide planning services for land owners wishing to cooperate on larger scale, multiple ownership planning projects. This could result in rezoning or appropriately-structured Planned Unit Development approvals. Such plans could avoid land use conflicts that can arise from piecemeal, small-scale planning.

Identify under-utilized sites for housing

Many areas in Greeley are underused. Such areas include un-needed parking areas and the air-rights above those parking areas. Such sites may offer opportunities for the development of housing. The City should create and maintain an inventory of underutilized sites that meet or nearly meet adequate public facilities requirements and promote their redevelopment.

Adopt a five-year housing goal

With this Plan, adopt a goal of a 5-year housing target of 2,042 multi-family and 3,515 single family units built in Greeley by 2024. The shortage of both affordable and market housing is too great to realistically expect it to be fulfilled in one year. By setting and meeting an aggressive five-year goal, it is possible to ease the housing shortage each year and reach a balanced housing market.



7

STRATEGY VII

Encourage Ownership, Move-up & Executive Housing Options

Encourage a range in housing choices

As people age throughout their lives, their ability to pay for and need for housing changes. As young adults leave home to set up housing, their needs may be minimal. However, as they start families and raise children, they may need larger housing with more outdoor space. Move-down housing options are important to empty nesters who may have needed a larger home in which to raise children but no longer need the additional space or wish to clean or maintain it.

Greater options in single family housing types are needed to accommodate changing demographics. Options should include smaller footprint detached structures, town homes, attached homes, and accessory dwelling units. The inclusion of these units types should be addressed in neighborhood plans and encouraged at the neighborhood level.

Work with developers to create higher-end developments

Greeley has limited move-up and executive housing. The City should create a task force that includes developers, financial, professionals, and real estate professionals to address barriers to creating higher-end developments. This task force would identify barriers, develop policies, and encourage other entities to undertake activities and policies to attract higher income buyers to Greeley and supply them with appropriate housing products.

Explore cooperative housing options

One of the emerging forms of home ownership is cooperative housing. In cooperative housing, the land and buildings containing the housing units are owned by a corporation or other entity that is, in turn, owned jointly by the residents. While on the surface, this sounds a lot like condominium ownership, it is less regulated and there is less likely to be a property manager involved.

Develop additional home ownership incentive programs

G-HOPE is an employer sponsored program to provide down payment assistance to prospective home buyers purchasing homes in select neighborhoods within the Redevelopment District. Down payment assistance is available to regular full-time employees of the City of Greeley, the University of Northern Colorado, Greeley-Evans School District No. 6, Banner Health/North Colorado Medical Center, Sunrise Community Health, Frontier Academy, High Plains Library District, and Salida del Sol Academy. The City should look to expand this partnership with other major employers within the community in order to build its workforce housing.

The City can also explore other, reimbursed, home buyer assistance programs to be implemented city wide. The loan in such a program would be due back in full when the house is sold, transferred out of the buyer's name, second lien obtained, or rented.

8

STRATEGY VIII

Encourage Vocational Training & Apprenticeship Programs

Support educational institutions involved in skilled trades

Throughout Northern Colorado, builders report a lack of workers in the skilled trades necessary for home building. The City, Greeley-Evans School District 6, Aims Community College, and non-profit and for-profit builders, have been cooperating on education, training, and apprenticeship programs for the building trades. It is essential for the health of the home-building and remodeling industries that these entities continue their programs.



9

STRATEGY VIII

Facilitate Development of Manufactured Home Communities

Affordable housing options

While manufactured homes provide an affordable options to traditional housing, they provide their own set of unique challenges. Owners of manufactured homes face many similar challenges as renters; space rents can rise, they can be evicted, and then there is the possibility of income loss or a health crisis. Relocating can be a more difficult endeavor for a manufactured home owner because transport fees are costly, yearly taxes must be paid in full to obtain a moving permit, and finding a new spot in another mobile home park can be difficult.

Some of the management practices for mobile home parks can serve to trap low-income people in unsuitable housing situations. Space rents are often secured by the movable property. Therefore, manufactured homes can be seized for back rent if the resident cannot afford to move it or find another place to set it up. The unit may be resold and the process can be repeated.

Explore alternative ownership options

Developing manufactured home communities with a community land trust or as cooperative housing projects can alleviate predatory practices. Giving the residents an ownership interest in the manufactured home park is likely to lead to more equitable treatment of residents and create an incentive to maintain the park to a high level of quality.

Alternative technologies

Manufactured homes are built in factories rather than on-site. They are therefore not as susceptible to labor shortages and can capitalize on mass production efficiencies.

Recognized as the grandfather to the tiny home movement, manufactured homes are regaining popularity. Architects and new urbanists such as Andre Duany tote the social successes of mobile home parks and are re-imagining the manufactured home product.



With “bento box” like compartmentalism and sleek materials, these new designs are trying to break the stigma of mobile home parks and capture the attention of those with minimal needs and desire for affordability.

Update regulations

Much has been done in recent years to enhance the quality of mobile home communities, including the adoption of mobile home building codes and other regulations. The City’s current mobile home setback and dimensional standards do not appropriately address newer sized manufactured home products. Upgrading mobile home community regulations to address new product types as well as updated requirements for amenities, usable open space, streets and walkways, off-street parking, and other features is key to encouraging high-quality, cohesive manufactured home developments.





IMPLEMENTATION

Achieving the goals outline in the *Imagine Greeley Comprehensive Plan* will require new polices, new programs, new and deeper partnerships with non-profit organizations, land use development code changes, and possible zoning district changes.

Similarly, the strategies discussed in this *Strategic Housing Plan* will require separate and specific implementation. Adoption of the plan does not begin the implementation of any item nor legally bind the City to implement any particular strategy. Given that the actions are intended to take place in the future and that we cannot bind future Councils, there must be enough flexibility to permit future Councils to set priorities based on the City's needs.

The table below provides specific actions or “next steps” the City can pursue to implement the nine strategies. For each action a lead department or organization is identified who would likely spearhead the effort. Each actions was also assigned a time frame based on need and feasibility. Time frames are described as short-term meaning one to three years, mid-term meaning three to five years, long-term meaning five years or more, or ongoing for actions that needs to continue over time.

STRATEGY	ACTION	PRIORITY			IMPLEMENTED BY	
		Ongoing + Short Term (1-3 years)	Mid-Term (3-5 years)	Long Term (5 or more years)	City Lead	Partners
1. AMEND THE DEVELOPMENT CODE TO PROMOTE HOUSING CHOICE	Identify and initiate strategic rezones to correct zoning mismatches	✓			CD	
	Identify geographic and contextually appropriate locations for accessory dwelling units (ADUs) and amend the Development Code to include ADU regulations	✓			CD	
	Amend minimum lot sizes, open space requirements, building height, setbacks and/or performance options in residential zoning districts	✓			CD	
	Amend the Development Code to create incentives to encourage complete neighborhoods	✓			CD	
	Amend the Development Code to incentivize the inclusion of affordable housing in new development	✓			CD	
	Amend housing occupancy standards	✓			CD	
2. DEVELOP FINANCIAL STRATEGIES THAT MINIMIZE DEVELOPMENT COSTS	Explore financial incentives to encourage permanent affordable housing	✓			EHH	CD
	Explore private activity bonds, forgivable loan/ grants, tax credits, Kansas City forgivable loan funds, and other funding sources	✓			EHH	

CD = COMMUNITY DEVELOPMENT
EHH = ECONOMIC HEALTH AND HOUSING
WS = WATER AND SEWER
PW= PUBLIC WORKS
CM = CITY MANAGERS OFFICE

STRATEGY	ACTION	PRIORITY			IMPLEMENTED BY	
		Ongoing + Short Term (1-3 years)	Mid-Term (3-5 years)	Long Term (5 or more years)	City Lead	Partners
2. DEVELOP FINANCIAL STRATEGIES THAT MINIMIZE DEVELOPMENT COSTS	Evaluate the risks, costs, and benefits of having the City front-end required trunk lines which would be reimbursed with impact fees	✓			EHH	CD
	Based on a positive recommendation, implement having the City front-end required trunk lines which would be reimbursed with impact fees	✓			CM	CD PW WS EHH
	Support metropolitan districts or other special districts as potential financing tools	✓			CD	EHH
	Explore alternative housing finance options	✓			EHH	
	Update the Redevelopment Resource Guide to include current pilot programs and incentive packages	✓			CD	WS
3. ENGAGE ALTERNATIVE HOUSING PROVIDERS	Explore working with community land trusts to create a shared equity home ownership program	✓			EHH	CD
	Partner with one or more housing providers to construct attainable housing	✓			EHH	CD

EHH = ECONOMIC HEALTH AND HOUSING
WS = WATER AND SEWER
PW= PUBLIC WORKS
CM = CITY MANAGERS OFFICE

STRATEGY	ACTION	PRIORITY			IMPLEMENTED BY	
		Ongoing + Short Term (1-3 years)	Mid-Term (3-5 years)	Long Term (5 or more years)	City Lead	Partners
3. ENGAGE ALTERNATIVE HOUSING PROVIDERS	Work with major employers for shared equity housing (e.g., down payment assistance programs, employer sponsored savings plan)	✓			EHH	CD
	Explore the feasibility of a land bank for affordable housing	✓			EHH	CM CD
	Explore the potential to expand Habitat for Humanity's role to include housing rehabilitation	✓			EHH	CD
	Explore alternative housing finance options	✓			EHH	CD
4. IMPROVE THE HOUSING PRODUCT MIX	Explore alternative housing technologies, products, production methods, and housing types including factory built housing		✓		EHH	CD
	Explore working with community land trusts to create a shared equity home ownership program		✓		EHH	CD
5. ADDRESS THE IMPACT OF RAW WATER ON HOUSING AFFORDABILITY	Implement the "Water Smart Neighborhood Policy" and the "Water Smart Common Area Policy"	✓			WS	CD
EHH = ECONOMIC HEALTH AND HOUSING WS = WATER AND SEWER PW= PUBLIC WORKS CM = CITY MANAGERS OFFICE						

STRATEGY	ACTION	PRIORITY			IMPLEMENTED BY	
		Ongoing + Short Term (1-3 years)	Mid-Term (3-5 years)	Long Term (5 or more years)	City Lead	Partners
5. ADDRESS THE IMPACT OF RAW WATER ON HOUSING AFFORDABILITY	Develop a "Water Smart Individual Lot Policy" to reduce the cost of water for existing and future homeowners	✓			WS	CD
6. COMPLETE SUBAREA & NEIGHBORHOOD PLANS	Complete subarea or neighborhood plans for areas that have the potential to provide a significant amount of housing in the near future		✓		CD	EHH WS PW
	Complete subarea or neighborhood plans for areas in distress or those that are prime for redevelopment		✓		CD	EHH WS PW
	Collaborate with housing providers on large scale master plans			✓	CD	EHH WS PW
	Identify under-utilized sites that could be re-purposed for housing	✓			CD	
7. CREATE MORE OWNERSHIP, MOVE-UP & EXECUTIVE HOUSING OPTIONS	Develop more home ownership incentive programs		✓		EHH	
EHH = ECONOMIC HEALTH AND HOUSING WS = WATER AND SEWER PW= PUBLIC WORKS CM = CITY MANAGERS OFFICE						

STRATEGY	ACTION	PRIORITY			IMPLEMENTED BY	
		Ongoing + Short Term (1-3 years)	Mid-Term (3-5 years)	Long Term (5 or more years)	City Lead	Partners
7. CREATE MORE OWNERSHIP, MOVE-UP & EXECUTIVE HOUSING OPTIONS	Work with a task force that includes developers, financial, professionals, and real estate professionals to address barriers to creating higher-end developments		✓		CD	EHH
	Explore the attraction of cooperative housing providers		✓		EHH	CD
8. ENCOURAGE VOCATIONAL, TRAINING, AND APPRENTICE PROGRAMS FOR BUILDING TRADES	Continue to support school districts and post-secondary educational institutions involvement in developing courses and apprenticeships in skilled trades	✓			CM CD WS PW	
9. FACILITATE DEVELOPMENT OF MANUFACTURED COMMUNITIES	Update zoning regulations for mobile homes to address changing products and assure there is safe and adequate infrastructure and amenities		✓		CD	
	Explore alternative ownership options including non-profits, cooperative ownership, and community land trust		✓		CD	EHH
EHH = ECONOMIC HEALTH AND HOUSING WS = WATER AND SEWER PW= PUBLIC WORKS CM = CITY MANAGERS OFFICE						