



APPENDIX B: HOUSING ACTION PLAN

MONTROSE ENVISION 2040 COMPREHENSIVE PLAN UPDATE

COMPANION DOCUMENT TO ORIGINAL PLAN

DRAFT REVIEW PURPOSES ONLY | Last Revised: October 26, 2026

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1: INTRODUCTION AND PURPOSE

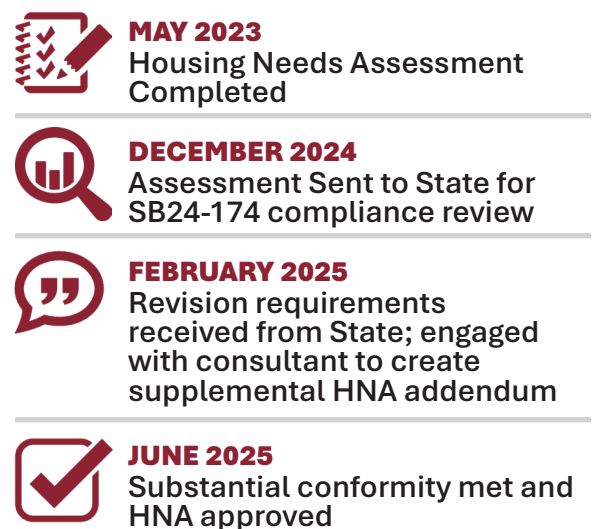
1.1: Legislative Compliance

The City of Montrose affirms that this Housing Action Plan has been prepared in compliance with the requirements of Senate Bill SB24-174, enacted by the Colorado General Assembly in 2024. SB24-174 mandates that designated local governments:

- Conduct a Housing Needs Assessment (HNA)
- Develop a Housing Action Plan (HAP)
- Integrate Housing Planning into the Comprehensive Plan
- Report and Monitor Progress

In 2023, the City of Montrose and Points Consulting completed a comprehensive HNA that evaluates current housing affordability, demographic trends, displacement risks, and projected housing needs through 2040. The Montrose HNA was updated in 2025 to include additional detail required by the Colorado Department of Local Affairs (DOLA). In June 2025, DOLA granted a determination of Substantial Conformity for the Montrose HNA; this is a determination of approval. Substantial Conformity means the Montrose HNA was begun prior to enactment of SB24-174, and that the State has determined that the Montrose assessment has produced the inputs and outputs required by law. Montrose has six years (until 2031) before it must submit its next HNA to the State of Colorado.

Figure 1.1: HNA Timeline



1.2: Statutory Compliance

Following the enactment of SB24-174, the legislation was codified into the Colorado Revised Statutes. In accordance with C.R.S. 24-32-3705, a HAP must include the following baseline components:

- (a) A summary report of the local government's progress towards addressing the findings of the applicable housing needs assessment within the local government's jurisdiction. The summary report must include the number of dwelling units constructed or permitted in the local government's jurisdiction during the preceding six years, if such information is available.
- (b) A description of how the local government's HAP addresses the allocation of regional housing needs to the local government in any applicable regional housing needs assessment.
- (c) An assessment of the effect of existing zoning and density permitted in the local government's jurisdiction on the development of the number and types of dwelling units identified in the applicable housing needs assessment.
- (d) A plan to promote the equitable and efficient development of the number and types of dwelling units identified through any applicable housing needs assessment as necessary to satisfy housing needs in the local government's jurisdiction at different income levels, including extremely low-, very

low-, moderate-, and middle-income households as designated by the United States department of housing and urban development, subject to the availability of adequate public facilities, public services, and water supply.

- (e) Locally-appropriate goals, strategies, and actions for promoting the production and preservation of affordable housing development and regulated affordable housing, including at least two strategies included in the standard affordability strategies directory described in section 24-32-3706 (1) and one strategy included in the long-term affordability strategies directory described in section 24-32-3706 (2) that are selected to address the demonstrated housing needs in the local government's jurisdiction and are suitable for the jurisdiction or, if the local government participated in a regional housing needs assessment, the demonstrated housing needs of the applicable region and any regional housing needs allocated to the local government.
- (f) A narrative analysis of any area or community that the local government has identified as being at elevated risk of displacement and a plan to mitigate displacement in that area or community, including the identification of at least one displacement mitigation strategy included in the displacement risk mitigation strategies directory described in section 24-32-3706 (4) that the local government selects to address the findings of the local government's narrative analysis and is suitable for the jurisdiction.
- (g) A plan for the legislative consideration for adoption of the strategies identified in subsections (3)(e) and (3)(f) of this section.
- (h) Any recommended changes to local laws affecting zoning and density in the local government's jurisdiction before the local government conducts the next housing action plan.
- (i) An analysis of opportunities to achieve the development of higher-density and regulated affordable housing within a reasonable distance of major transit stops in the jurisdiction.
- (j) A narrative description of the public outreach and engagement process for the housing action plan.
- (k) A description of opportunities for intergovernmental coordination to address local and regional housing needs and any such intergovernmental coordination efforts undertaken by the local government.

1.3: Purpose of the Montrose Housing Action Plan

The Montrose Housing Action Plan aims to provide a clear and practical guide to address the City's housing needs while meeting state legislative and statutory requirements. Specifically, the Montrose HAP is designed to:

- **Identify and respond to housing needs:** The Montrose HAP translates findings from the Montrose Housing Needs Assessment into measurable goals and strategies that address affordability gaps, displacement risks, and demographic trends.
- **Guide local decision making:** The Montrose HAP serves as a policy and planning tool for City Council, staff, and community partners to prioritize housing initiatives, allocate resources, and evaluate progress.
- **Integrate housing into comprehensive planning:** The City is concurrently preparing an update to its Envision 2040 Comprehensive Plan. The Montrose HAP is incorporated by reference into

Envision 2040, and along with the Montrose HNA, will be included as appendices to the updated comprehensive plan. The Housing and Neighborhoods element of the Envision 2040 plan update will cross reference the Montrose HAP and be aligned with new Water Supply and Strategic Growth elements mandated by SB24-174.

- **Support equitable growth:** The Montrose HAP promotes housing opportunities across income levels, with particular attention to vulnerable populations including seniors, disabled residents, veterans, and low income households.
- **Leverage resources:** The Montrose HAP positions Montrose to access funding and technical assistance through Proposition 123, DOLA programs, and other state and federal housing initiatives.
- **Establish accountability:** The Montrose HAP provides a framework for monitoring, reporting, and public transparency, ensuring that housing goals are met and that Montrose remains in compliance with legislative and statutory requirements.

1.4: Plan Organization

The Montrose HAP is structured to comply with applicable statutory baseline components, as consolidated and reordered into the following format:

Section 1: Introduction and Purpose. This section provides the legislative and statutory basis for the Montrose HAP, its purpose, and a description of the plan’s organizational structure.

Section 2: Public Outreach and Engagement. This section, prepared in accordance with C.R.S. 24-32-3705(3)(j), describes the public outreach and engagement process contributing to the preparation of the Montrose HAP.

Section 3: Challenges and Opportunities. This section highlights key findings from the Montrose HNA, including an overview of housing needs, local demographics and affordability gaps. A displacement mitigation analysis (per C.R.S. 24-32-3705(3)(f)), zoning assessment (per C.R.S. 24-32-3705(3)(c)), and narratives of opportunities for intergovernmental cooperation (per C.R.S. 24-32-3705(3)(k)) and transit adjacent housing development (per C.R.S. 24-32-3705(3)(i)) are included.

Section 4: Goals and Objectives. This section outlines the City’s Envision 2040 housing goals and objectives, establishing the public policy basis and housing priorities for the Montrose HAP.

Section 5: Strategies and Recommendations. This section begins with a description of the City’s overall housing allocation strategy per C.R.S. 24-32-3705(3)(b), followed by a compilation of specific housing affordability and displacement mitigation strategies per C.R.S. 24-32-3705(3)(e) and (f). The affordability strategies are organized by Standard Affordability and Long-Term Affordability, consistent with state requirements.

Section 6: Implementation and Monitoring. This section opens with a summary of the City’s progress in addressing the Montrose HNA findings, including zoning changes in accordance with C.R.S. 24-32-3705(3)(d). The summary report also includes the number of dwelling units permitted and/or constructed between 2020 and 2025 in accordance with C.R.S. 24-32-3705(3)(a). The summary report is followed by a matrix linking the Montrose HAP goals, objectives and strategies to specific actions, potential partnerships and implementation status. The Implementation Matrix is prepared in accordance with C.R.S. 24-32-3705(3)(d)). The section concludes with a narrative regarding DOLA reporting and HAP adoption and update requirements.

2: PUBLIC OUTREACH AND ENGAGEMENT

2.1: Summary of Outreach and Engagement

The Montrose HAP builds on a continuum of public engagement that began with the 2019–2021 Comprehensive Plan preparation and adoption. That process involved hundreds of participants and thousands of public comments collected through public meetings, surveys, stakeholder interviews, and advisory committee discussions. Residents voiced their priorities for Montrose’s future, including where growth should occur and how neighborhoods should evolve. Affordable housing emerged as a recurring theme, with participants highlighting the need for more diverse housing types, downtown housing options, and improvements to aging mobile home parks.

This foundation carried forward into the 2022–2023 City of Montrose Housing Needs Assessment, which was also developed through a robust outreach process. A bilingual community survey gathered more than 1,200 responses, exceeding statistical reliability thresholds and ensuring that findings reflected the broader population. Public workshops, stakeholder meetings, and interviews with community leaders provided additional qualitative insights. These conversations identified gaps in senior and supportive housing, highlighted displacement risks, and underscored the need for more diverse housing types.

The next step involved updating the City’s Land Development Regulations (LDR) to reduce barriers to housing development and ensure that local rules reflect community values. Beginning in October 2023, the code update process focused on implementing several housing actions recommended in the Envision 2040 Plan, addressing several of the Montrose HNA’s zoning reform initiatives, and incorporating an expedited development review procedure in accordance with Proposition 123. Two additional public workshops and several City Council work sessions were held to gather input on a variety of proposed housing-related amendments to the LDR, culminating in the adoption of an updated LDR at a public hearing held in December 2024.

The 2025 Montrose HNA Addendum expanded engagement further, convening an Unhoused Roundtable Group to bring nonprofits and service providers into the conversation. This collaborative effort deepened understanding of homelessness and supportive housing needs, ensuring that vulnerable populations were represented in the planning process.

Public engagement remains at the heart of the Montrose HAP as it is prepared in conjunction with the City’s Envision 2040 Comprehensive Plan Update in 2026. Two public open house events, targeted stakeholder interviews, online and social media outreach and several Planning Commission and City Council work sessions are planned.

At every stage, residents, stakeholders, and appointed and elected officials have helped shape the vision for Montrose’s housing future. By listening to residents and fostering collaboration among stakeholders, Montrose is building a housing strategy that reflects community priorities and support for housing initiatives.

HOUSING ACTION PLAN (HAP)

PUBLIC OUTREACH AND ENGAGEMENT CONTINUUM

»»» 2019-2021

- Envision 2040 project website and outreach materials
- Advisory Committee meetings
- Two community kick-off meetings (English and Spanish)
- Stakeholder interviews
- Eight topic-specific public workshops
- Public open house event
- Planning Commission and City Council adoption meetings

»»» 2022-2024

- Housing Needs Assessment community survey
- Stakeholder interviews and meetings
- City Council work sessions
- Land Development Regulations project website and outreach materials
- Two public open house events
- Planning Commission and City Council work sessions
- City Council adoption meetings

»»» 2025-2026

- Unhoused roundtable group
- 2025 HNA addendum
- Envision 2040 Update project website and outreach materials
- Two public open house events
- Planning Commission and City Council work sessions
- Planning Commission and City Council adoption meetings

3: HOUSING CHALLENGES AND OPPORTUNITIES

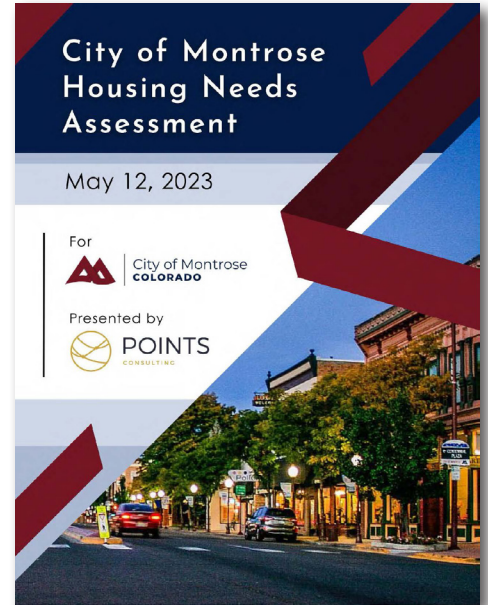
3.1: Overview of Housing Needs

The Montrose HNA and its 2025 addendum highlight a growing demand for diverse housing options within the City of Montrose driven by steady population growth, economic development, and evolving demographics. Housing supply has not kept pace with demand, resulting in rising prices and limited availability, particularly for lower-income households. Affordability challenges are significant, with many households spending a disproportionate share of their income on housing costs. Vulnerable populations such as seniors, low-income families, and individuals experiencing homelessness face substantial barriers to securing stable housing.

The 2025 addendum to the Montrose HNA projects continued growth in housing demand through 2040. Key forecasts include:

- An estimated need for approximately 3,900 new housing units.
- Increased demand for diverse housing types reflecting changing demographics and income levels.
- A particular emphasis on affordable housing for low- and moderate-income households to address existing affordability gaps.
- Recognition of displacement risks for vulnerable populations.

These forecasts inform the Montrose HNA's production targets by income level and tenure (rental vs. owner-occupied):



Note: The information in this section is primarily derived from the City of Montrose Housing Needs Assessment; Points Consulting; May 2023/March 2025.

Table 3.1: Production Targets by Income Level and Tenure

AMI Range	# of Units Needs by 2040
0-30% AMI	1,385 rental
30-50% AMI	1,254 (376 rental)
50-80% AMI	990 (287 rental)
80-100% AMI	386 (100 rental)
100-120% AMI	82 (20 rental)

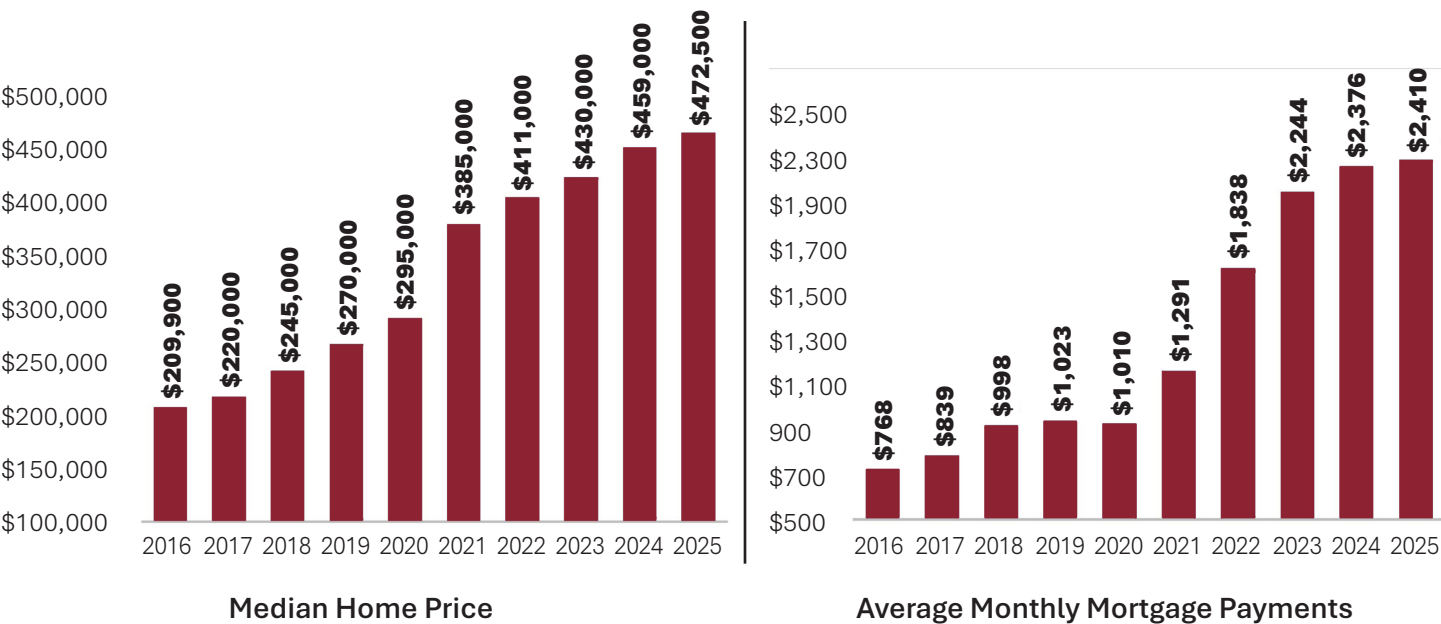
3.2: Demographic Trends

Montrose is experiencing steady population growth driven by its quality of life, natural amenities, and economic opportunities. Key demographic trends and drivers of housing demand include:

- Population growth outpacing housing supply, leading to increased competition and rising prices.
- An aging population requiring accessible and supportive housing options.
- In-migration of younger households and remote workers seeking affordable and quality housing.
- Employment growth in key sectors fostering the need for worker housing.

The demand spans a range of housing types, from single-family homes to multifamily units and affordable rentals. Challenges such as limited housing availability and rising prices emphasize the need for diverse, affordable, and accessible housing options within the city.

Figure 3.1: Montrose County Median Home Price and Average Monthly Mortgage Payments



3.3: Affordability Gaps

Within Montrose, significant affordability gaps exist primarily for households earning below 80% of the Area Median Income (AMI). Many lower-income households face severe housing cost burdens, spending more than 50% of their income on housing, with the most acute burdens among those earning below 50% AMI. The 2025 Montrose HNA addendum identifies a shortage of affordable rental units and homeownership opportunities for these income groups, contributing to increased housing insecurity.

The following housing trends also contribute to affordability challenges:

- Housing prices and rents have risen faster than local wages, making both homeownership and rental housing increasingly unaffordable for local households.
- Entry-level and moderately priced single-family homes are in limited supply, pushing many

workforce households out of homeownership and into an already constrained rental market.

- Higher interest rates and tighter lending standards significantly reduce purchasing power for first-time and moderate-income homebuyers and complicate financing for affordable housing projects.
- Many affordable and workforce housing developments rely on layered public and private financing, increasing complexity, timelines, and the risk of projects not moving forward.
- Limited production of multi-family and attached housing prior to 2018 has contributed to current supply shortages, low vacancy rates, and upward pressure on rents.
- Rising construction costs and persistent labor shortages challenge the financial feasibility of new housing developments.

3.4: Displacement Mitigation Analysis

Displacement risks are particularly pronounced for low-income renters, seniors on fixed incomes, and other vulnerable populations. Rising rents and limited availability of deeply affordable housing increase the likelihood of displacement, exacerbating housing instability.

The Montrose HNA identifies the central and downtown neighborhoods of Montrose as areas of elevated displacement risk. In these areas (census tracts 9663.01 and 9663.02), 36% of households are cost burdened, whereas the remaining census tracts in Montrose have a lower percentage, closer to the countywide average of 23%. This concentration of housing stress is compounded by higher rates of poverty, disability, limited English proficiency, and minority households. Together, these factors create a layered vulnerability that places residents at greater risk of losing stable housing when rents rise, redevelopment occurs, or economic shocks hit.

The elevated risk in downtown Montrose reflects the area's role as a hub for lower income renters and households with limited resources. Many of these residents live in older multifamily buildings or naturally occurring affordable housing (NOAH), which are particularly susceptible to redevelopment pressures. As the city grows and demand for centrally located housing increases, these households face the possibility of being displaced by rising rents or conversion of affordable units into market rate housing. Without intervention, displacement could erode community stability, displace vulnerable populations, and exacerbate inequities.

The Montrose HNA identifies a multi-pronged approach to mitigating displacement risks:

- **Preservation of existing affordable housing stock in downtown Montrose.** This can be achieved through rehabilitation programs, incentives for landlords to maintain affordability, and acquisition of at risk properties by nonprofit or public entities.
- **Tenant protections.** Policies such as relocation assistance, right to return guarantees, and strengthened eviction safeguards can help ensure that residents are not forced out without recourse.
- **Integration into the City's broader planning framework.** Zoning reforms that encourage mixed

Figure 3.2: Cost of Homes and Rentals

General consensus on cost of homes/rentals being too high in the area:

87%

Respondents who said homes (for purchase) were either too expensive or somewhat expensive

79%

Respondents who said rentals were either too expensive or somewhat expensive (NOTE: 15% indicated that they were unsure)

income development, combined with targeted investment in downtown infrastructure, can balance growth with equity.

3.5: Zoning Assessment

The City of Montrose’s existing zoning framework plays a decisive role in shaping the feasibility of meeting the housing production targets outlined in the Montrose HNA.

The City’s rural living, estate, and very low-density single-family districts (RL, R-1, and R-1A) contain nearly a quarter of Montrose’s undeveloped residential land. While these areas are intended to remain lower-density, the recent introduction of accessory dwelling units (ADUs) as a conditional use could incrementally increase unit counts without undermining neighborhood character.

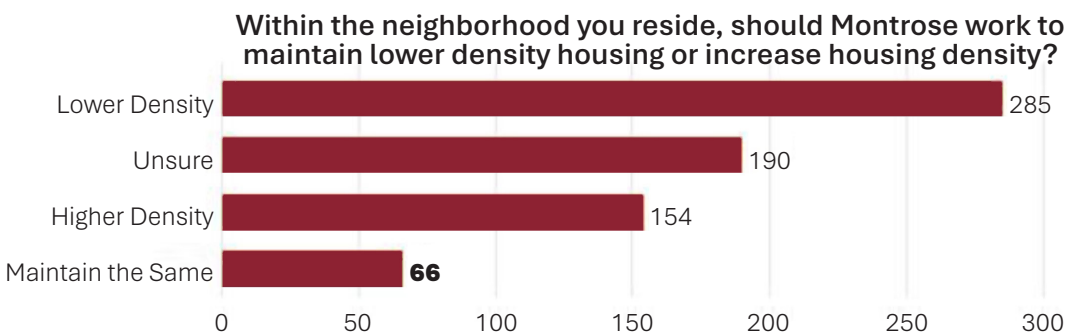
Roughly 30% of the City’s land area is zoned for core residential use, with the majority concentrated in the R-2 (Low Density) and R-3 (Medium Density) districts. Together, these two districts account for more than half of Montrose’s residential acreage and nearly one-third of its undeveloped land. This distribution means that any meaningful increase in housing supply will require density adjustments in R-2 and R-3 zones. Permitting duplexes and ADUs in the R-2 zone, and ADU, townhome and triplex units in the R-3 zone “by-right” will directly support the production of additional housing supply without fundamentally altering neighborhood character.

Higher-density districts such as R-3A (Medium High Density) and R-4 (High Density) represent a smaller share of total residential land but are critical for meeting the projected demand for multifamily housing at the 0–30% and 30-50% AMI levels. Expanding the allowable height and density in the R-4 district to allow for three-story apartments will create opportunities for developers to deliver these units at scale, while also aligning with SB24-174’s emphasis on housing affordability and displacement mitigation.

Though they currently account for a relatively small proportion of Montrose’s residential land, the City’s three manufactured housing districts (R-5, R-6 and MHR) provide another avenue for affordability. In particular, the MHR (Manufactured Housing Residential) district offers a suitable environment for manufactured home parks, tiny homes and tiny home communities, a form of “naturally occurring affordable housing” or “NOAH”. Individual manufactured homes are permitted in the R5 (Low Density/Manufactured Housing) and R6 (Medium Density/Manufactured Housing) districts; the R6 zone also permits individual tiny homes. The Montrose HNA notes that manufactured housing can play a role in meeting needs across AMI ranges, particularly for households earning 30–80% of AMI. Preserving NOAH and modestly expanding these manufactured housing districts can help diversify the City’s housing stock and offer lower-cost housing rental and ownership opportunities.

A key challenge with local zoning reform is community perception on how to solve the housing

Figure 3.3: Local Support for Increased Housing Density



affordability issue. While the HNA survey results indicated that local residents believe housing is too expensive, there is limited support for increasing housing density in existing neighborhoods.

3.6: Opportunities for Transit Adjacent Housing Development

The City of Montrose has an opportunity to encourage higher-density and regulated affordable housing near major transit stops by focusing growth along the community's primary transportation corridors and activity nodes: the Townsend Avenue (US-550) commercial corridor, the downtown core, and areas near key public facilities such as Montrose Memorial Hospital and the Montrose Regional Airport.

These locations already function as major trip generators and are served by routes operated by All Points Transit, making them logical places to concentrate housing that supports transit use. Integrating multi-family residential uses into these areas can help lower overall household transportation costs, an important consideration for lower-income residents and seniors who rely on services such as All Points Transit's fixed-route and demand-response programs.

Montrose's role as a regional service center for surrounding communities creates an additional incentive to align housing and transit investments. Concentrating affordable and workforce housing near transit stops in the downtown and hospital area could support employees working in healthcare, retail, and service industries while increasing transit ridership and strengthening regional mobility connections. Locating affordable rental units in these areas would directly serve households earning $\leq 80\%$ AMI, who are most likely to rely on transit for daily needs. This approach also complements displacement mitigation goals by ensuring that vulnerable populations retain access to reliable transportation as housing markets evolve.

Publicly owned land near civic facilities, medical services, and existing transit stops could also be prioritized for affordable housing development, helping ensure that new units remain accessible to residents most likely to benefit from transit proximity. Over time, targeted housing development near major transit stops can help the city incrementally build a more compact urban form that supports both housing affordability and more viable local transit service.

3.7: Opportunities for Intergovernmental Cooperation

By leveraging partnerships with multiple jurisdictions and agencies, the City of Montrose can build a coordinated framework of private, public and non-profit sector relationships that support a broad range of housing objectives and actions. Opportunities for intergovernmental coordination to address local and regional housing needs include but are not limited to the following federal, state, regional, local and non-profit agencies:

- **Federal:** U.S. Department of Housing and Urban Development; Federal Housing Authority
- **State:** DOLA; Department of Housing; Colorado Housing and Financing Authority
- **Regional:** Region 10 League for Economic Assistance and Planning; Montrose County; Montrose County Housing Authority; Montrose County Center for Mental Health Crisis; Unhoused Roundtable Group
- **Non-Profit Agencies:** CASA Youth and Family Services; Hispanic Affairs Project; Housing Resources of Western Colorado; Habitat for Humanity; Volunteers of America; Welcome Home Alliance for Veterans; Montrose Housing Action Team

Key City staff participate on the Montrose County Housing Authority board and in Unhoused Roundtable

Group meetings, and coordinate planning activities with DOLA, Region 10 and Montrose County.

The Montrose HNA Addendum underscores the importance of regional planning coordination. Housing affordability and displacement risks are not confined to City boundaries; they affect surrounding rural tracts as well. Elevated displacement risks in certain census tracts highlight the need for joint strategies between the City of Montrose and Montrose County to preserve affordable housing, protect vulnerable populations, and manage growth pressures.

The City of Montrose currently has an Intergovernmental Agreement (IGA) with Montrose County. Originally adopted in 2005 and updated in 2010, the IGA pertains to the development of land surrounding Montrose. The primary focus of the IGA is to provide for the efficient management and administration of development proposals in the area near the City where City water or sewer service is reasonably available and annexation is possible. Future IGA updates could include coordination on shared displacement mitigation policies, joint applications for state housing funds, and alignment of zoning reforms to ensure consistency across jurisdictions.

The City-County IGA is especially relevant to housing development in light of the following Montrose County Master Plan actions associated with the IGA's planning area:

- (1) The county will strategically plan and regulate development to balance density across rural and urban areas, preserving the rural character of the county while also providing urbanized opportunities within designated 3-mile boundaries around the City of Montrose and other municipalities.
- (2) The county will invest in transportation networks, utilities, public services, and community amenities to accommodate growth sustainably and ensure access to essential services for all residents, regardless of location and when growth is feasible.

Intergovernmental cooperation is also vital for legislative compliance. By working with DOLA and regional jurisdictions, the City can benchmark best practices, streamline reporting, and strengthen its position for accessing state and federal funding. This cooperative approach ensures that Montrose is not working in isolation but is part of a broader regional and statewide effort to address housing affordability and accessibility.

4: HOUSING GOALS AND OBJECTIVES

4.1: Alignment with the Envision 2040 Comprehensive Plan

The Envision 2040 Comprehensive Plan serves as the City’s long-term blueprint for growth and development through 2040. Adopted in 2021 and updated in 2026, Envision 2040 established a community vision, guiding principles, goals, objectives and actions tied to Plan elements addressing land use and growth, housing and neighborhoods, transportation and mobility, parks and open space, health and environment, tourism and economic opportunity, and the downtown.

As related to the Housing & Neighborhoods element of Envision 2040, the Montrose HAP ensures that housing development aligns with:

COMMUNITY VISION:

“Montrose will strive to be a healthy, safe, and thriving community that embraces diversity and the environment. We will come together to grow responsibly to create opportunities for all.”



Guiding Principle 3 – Housing & Neighborhoods: To encourage access to a broad range of housing opportunities through the facilitation of programs and partnerships.

- **Goal HN 1: Housing Variety.** To encourage a variety of housing types, tenure, and density to meet the needs of the community.
 - **Objective 1.1:** Promote a mix of residential housing types including single-family homes on a variety of lot sizes, multi-family housing, townhomes, apartments, senior housing, and transitional housing.
 - **Objective 1.2:** Encourage a variety of housing densities (low, medium, high) throughout the community, including mixed-density neighborhoods.
- **Goal HN 2: Affordable Housing.** To increase access to affordable housing.
 - **Objective 2.1:** Encourage a mix of housing price ranges, thereby providing choices for residents of all incomes and ages.
 - **Objective 2.2:** Offer incentives and information to encourage affordable housing in new developments.

- **Objective 2.3:** Support and work with housing agencies, organizations, private developers, and businesses to increase the amount of workforce housing.
- **Objective 2.4:** Participate in partnerships to address homelessness.
- **Goal HN 3: Downtown Housing.** To increase density and availability of housing downtown.
 - **Objective 3.1:** Advocate for second-story residential units above businesses.
 - **Objective 3.2:** Continue to develop policies and programs to encourage infill of vacant and underutilized parcels within residential areas.
 - **Objective 3.3:** Strengthen policies and programs to encourage Accessory Dwelling Units (e.g. apartment above a garage).
 - **Objective 3.4:** Provide incentives and programming to maintain and upgrade residential properties in downtown.
- **Goal HN-4: Neighborhoods.** Encourage safe, stable, well-maintained, and livable neighborhoods.
 - **Objective 4.1:** Encourage redevelopment and renovation of existing housing and neighborhoods, including incentives and other means.
 - **Objective 4.2:** Provide multi-modal connectivity of sidewalks and trails in and between neighborhoods, parks, and schools.
 - **Objective 4.3:** Encourage the development of programs and policies that improve infrastructure in existing neighborhoods.
 - **Objective 4.4:** Encourage construction of energy-efficient housing, including the use of renewable energy sources and sustainable building materials and methods.
 - **Objective 4.5:** Build leadership capacity by encouraging development of neighborhood advocacy groups.

By embedding the Envision 2040 Comprehensive Plan framework within the Montrose HAP and vice-versa, Montrose reinforces its commitment to coordinated planning, transparency, and “creating opportunities for all”.

4.2: Summary of Housing Priorities

The following summary of housing priorities for the Montrose HAP is derived from the Envision 2040 Comprehensive Plan, the Montrose HNA, and community engagement:

- **Provide a variety of housing options:** Encourage a variety of housing types—single-family homes, townhomes, apartments, ADUs, and senior housing—to serve residents at every life stage.
- **Increase housing affordability:** Support the development of housing options that are affordable to individuals and families across a range of incomes, helping residents live and work in the Montrose community.

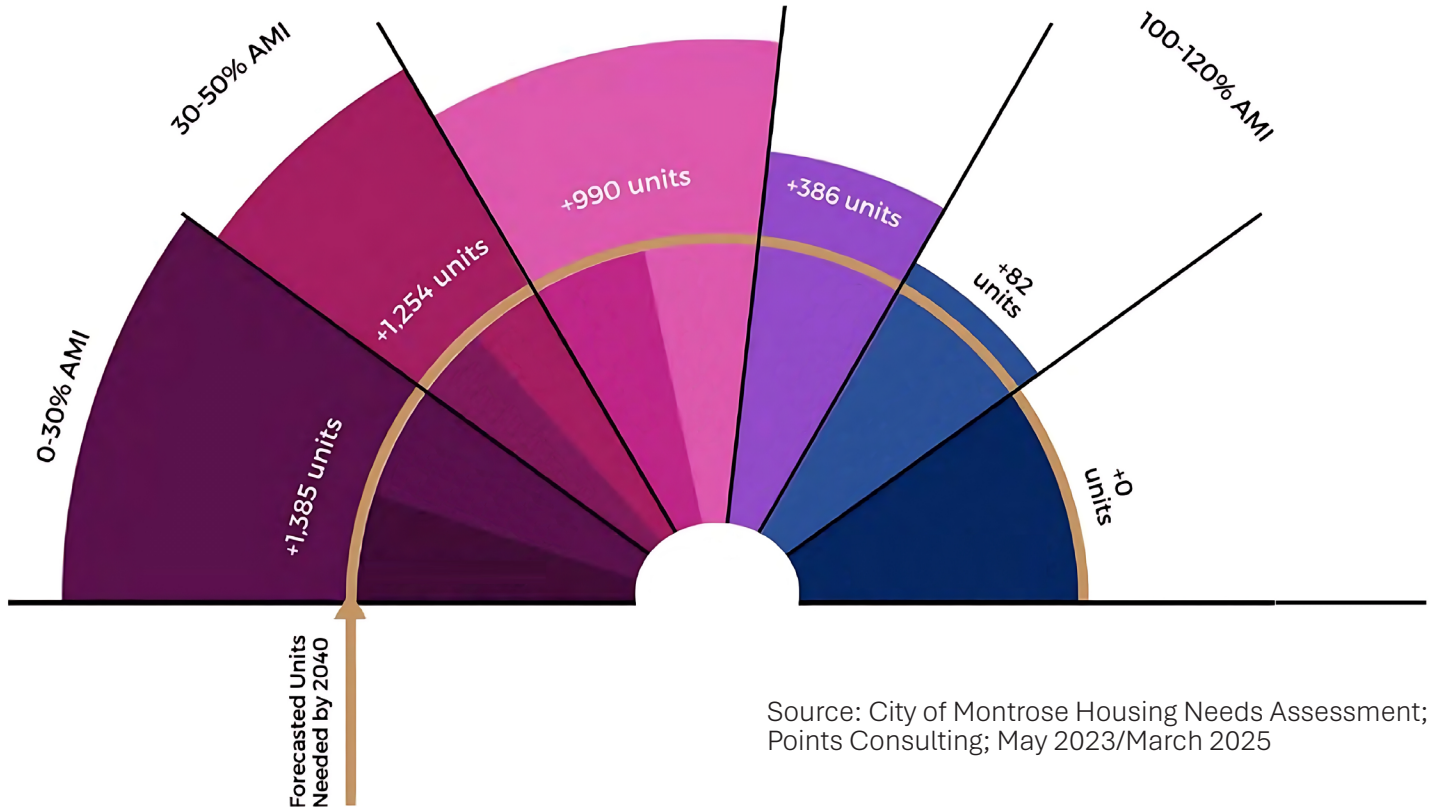
- **Support workforce housing:** Expand housing opportunities for local workers, including teachers, healthcare employees, service workers, and first responders, to strengthen the local economy and reduce commuting pressures.
- **Strengthen neighborhoods:** Promote well-designed housing that fits with existing neighborhoods, enhances community character, and supports safe, healthy, and vibrant places to live.
- **Encourage infill and redevelopment:** Support housing development within existing neighborhoods and developed areas to make efficient use of land, infrastructure, and public services.
- **Support well-planned growth:** Direct new housing development to appropriate locations with access to jobs, services, transportation, and utilities, while maintaining Montrose’s quality of life.
- **Encourage partnerships and innovative solutions:** Work with public, private, and nonprofit partners to expand housing opportunities and leverage funding.

5: HOUSING STRATEGIES

5.1: Overview of Allocation Strategy

Ultimately, the Montrose HAP should serve as a comprehensive roadmap that not only meets the numerical allocation of housing needs identified in Figure 3.1 (and illustrated in the graphic in Figure 5.1 below) but also advances resilient housing solutions for Montrose’s current and future residents.

Figure 5.1: Allocation of Housing Needs in Montrose



To effectively allocate regional housing needs consistent with the City’s goals and state legislation, the Montrose HAP should incorporate strategies that:

- Support a range of housing types, including rental, ownership, and supportive housing options, to accommodate the diverse needs of Montrose’s population. The concentration of undeveloped land in R-2 and R-3 districts, combined with underutilized Downtown and higher-density zone districts create opportunities for targeted infill and zoning reform. Addressing barriers to housing production - such as zoning restrictions - is critical to meeting housing targets.
- Prioritize the development and preservation of affordable housing units that meet the needs of low- and moderate-income households. This includes strategies to incentivize new affordable housing construction, support rehabilitation of existing units, and protect naturally occurring affordable housing.

- Further advance housing affordability and displacement mitigation strategies in accordance with SB24-174 and C.R.S. 24-32-3705. The Montrose HAP is required to include at least:
 - Two (2) Standard Affordability Strategies
 - One (1) Long-Term Affordability Strategy
 - One (1) Displacement Mitigation Strategy

5.2: Standard Affordability Strategies

C.R.S. 24-32-3706 (1) requires a HAP to include at least two Standard Affordability Strategies from the following list:

- **Inclusionary Zoning Ordinance:** Implementing a local inclusionary zoning ordinance that considers local housing market conditions that is crafted to substantially increase affordable housing including regulated affordable housing production and complies with the requirements of Section 29-20-104 (1) (e.5) and (1) (e.7).
- **Leveraging Publicly Owned Land:** Adopting a local law or plan to leverage publicly owned, sold, or managed land for regulated affordable housing development.
- **Subsidizing/Reducing Fees:** Creating or expanding a program to subsidize or otherwise reduce impact fees, permit fees, or other similar development charges for regulated affordable housing development.
- **Density Bonus Program:** Establishing a density bonus program that grants increased floor area ratio, density, or height of regulated affordable housing units.
- **Expedited Approval Process:** Creating a program to prioritize and expedite development approvals for regulated affordable housing development, except that if the local government has done so pursuant to Section 29-32-105 (2), this strategy does not count as an eligible standard affordability strategy for purposes of Section 29-32-3705 (3)(e); *If an expedited approval process has been created for complying with Proposition 123, this strategy does not count.
- **Accessible and Visitable Units:** Enacting local laws that incentivize the construction and preservation of affordable housing units designed to serve residents facing particular challenges securing affordable housing, including accessible and visitable units.
- **Housing for Families:** Enacting local laws that support housing for families, such as incentivizing construction of housing units with multiple bedrooms; and any other strategy designated by the department that offers a comparable impact on local housing affordability.
- **Reduced Parking Requirements:** Reducing local parking requirements for regulated affordable housing to one-half space per unit of regulated affordable housing, without lowering the protections provided for individuals with disabilities, including the number of parking spaces for individuals who are mobility impaired, under the Federal “Americans with Disabilities Act of 1990,” 42 U.S.C. Sec. 12101 et seq., and Parts 6 and 8 of Article 34 of Title 24. *Transit-oriented communities may not use this strategy to meet the requirement due to the passing of HB24-1304.
- **Other:** Any other strategy designated by the department that offers a comparable impact on local housing affordability.

The Montrose HAP complies with C.R.S. 24-32-3706 (1) by including the following two Standard Affordability Strategies:

#1 Subsidizing/Reducing Fees: Water and Sewer Fee Waivers for ADUs

Section 3-5-12 A and G of the City Code provide for certain water and sewer fees to be waived for ADUs located in the “REDO” (Redevelopment Overlay Zoning District):

- (A) The water distribution tap fee shall be established by the City’s current fee schedule for an accessory dwelling unit located on the same lot as the primary dwelling within the “REDO” Overlay Zone. The system investment (capacity) fee and unit charges shall be waived for an accessory dwelling unit located on the same lot as the primary dwelling within the “REDO” Overlay Zone. In order to qualify for the reduced water distribution tap fee and system investment (capacity) fee and unit charge waiver, the accessory dwelling unit’s water distribution meter shall be of the same or smaller size as the existing meter serving the primary dwelling on the lot...

- (G)4. The entire sanitary sewer tap fee and system investment (capacity) fee, as well as unit charges for an accessory dwelling unit located on the same lot as the primary dwelling shall be waived within the “REDO” Overlay Zone...

This strategy can be further enhanced by waiving the fees for ADU development in any zone district where ADUs are permitted.

#2 Expedited Approval Process: Pre-Approved Accessory Dwelling Unit (ADU) Program

The City of Montrose has streamlined the process of building an ADU by offering a selection of pre-approved plans and drawings, eliminating much of the guesswork and expense of custom designs. Applicants can choose from three professionally designed ADU plans that reflect Montrose’s architectural character and zoning standards. Since the plans are pre-approved, the permitting process is expedited, saving time and reducing costs associated with architectural fees. While architectural plans are preapproved, an applicant is still required to submit a site-specific site/utility plan, engineered foundation design, floor framing layout & details, and a roof truss package.

This strategy is consistent with the City’s HNA recommendation to “Develop Pre-Approved ADU Building Plans”.

Figure 5.2: Pre-Approved ADU Program

Program Overview:

1. Select a Pre-Approved Design: Choose from three professionally designed ADU plans.

2. Review Placement Requirements: Ensure that your chosen design complies with requirements.

3. Submit for Permitting*: Since the plans are pre-approved, the permitting process is expedited.

**While architectural plans are pre-approved, an applicant will still be required to submit a site-specific site/utility plan, engineered foundation design, floor framing layout & details, and a roof truss package.*

4. Construct Your ADU: Engage a licensed contractor to complete the build.

5.3: Long-Term Affordability Strategies

C.R.S. 24-32-3706 (2) requires a HAP to include at least one Long-Term Affordability Strategy from the following list:

- **Dedicated Revenue Source:** Establishing a dedicated local revenue source for regulated affordable housing development, such as instituting a linkage fee on market rate housing development to support new, regulated affordable housing developments.
- **Short-Term Rental Regulations:** Regulating short-term rentals, second homes, or other underutilized or vacant units in a way, such as vacancy fees for underutilized units, that promotes a substantial increase in the use of local housing stock for local housing needs.
- **Prop 123 Commitment:** Making a commitment to and remaining eligible to receive funding pursuant to Article 32 of this Title 29.
- **Multi-Family By Right:** Amending zoning ordinances that allow the construction of single-unit detached dwellings to allow either accessory dwelling units or duplexes, triplexes, quadplexes, and townhomes in a substantial portion of the jurisdiction.
- **Administrative Review for Housing:** Amending local laws to establish the use of administrative processes for the review and approval of housing development that do not include a requirement of a public hearing.
- **Land Banking/Community Land Trust:** Incentivizing or creating a dedicated local program that facilitates investment in land banking or community land trusts.
- **Homeownership Strategies:** Establishing an affordable homeownership strategy such as:
 - Establishing a right of first refusal program or programs that transition existing housing stock to regulated affordable housing;
 - Incentivizing affordable condominium developments;
 - Acquiring or preserving deed restrictions on current housing units;
 - Establishing an incentive program to encourage realtors to work with low-income and minority prospective home buyers;
 - Establishing an affordable rent-to-own program; and any other strategy designated by the department that offers a comparable impact on local housing affordability.
- **Other:** Any other strategy designated by the department that offers a comparable impact on local housing affordability.

The Montrose HAP complies with C.R.S. 24-32-3706 (2) by including the following Long Term Affordability Strategies:

#1 Dedicated Revenue Source: City Lodging Tax

By unanimous vote, the Montrose City Council approved ballot language to go before voters on Election Day, November 5, 2024 to decide whether to increase the City's tax on hotel rooms and other local lodging from 0.9% to 6%. The ballot measure was approved, and the new hotel/lodging tax rate took effect on January 1, 2025. 33% of the lodging tax is earmarked to use as incentives for developers to build more affordable housing.

This strategy is consistent with the Montrose HNA recommendation to “Establish an Affordable Housing Fund Managed by Montrose”.

#2 Short-Term Rental Regulations: Restricted Short-Term Rental of New ADUs

An ADU may not be licensed as a short-term rental after January 1, 2025, but renewals of existing short-term rental licenses will be allowed. This policy reduces the chances for ADUs to have a destabilizing impact on established residential neighborhoods and enhances their potential for community acceptance as a viable housing option.

This strategy is consistent with the Montrose HNA recommendation to “Allow ADUs in Single Family Districts”.

#3 Multi-Family By Right: Expansion of Multi-Family By Right Throughout City

Following the preparation of the HNA, Montrose amended its zoning regulations to permit accessory dwelling units, duplexes, triplexes, quadplexes, and townhomes in multiple zone districts where single-household detached dwellings are allowed. The Low-Density District (R-2) now allows ADUs and duplex dwellings by right. In addition, single-household attached (townhomes), triplexes, and fourplexes are now specifically referenced in the middle and higher density zones (R-3, R-3A, and R-4). Specific updates are reflected to the use table shown in redline below; note that “P” is a permitted use-by-right, “C” is a conditional use.

Note that the City no longer allows single family household dwellings as a use by right in the R-4 High Density zone; only allow as conditional use in a zone district intended primarily for multifamily development.

Table 5.1: Updates to Residential Uses

RESIDENTIAL USES										
Land Use	RL	R-1	R-1A/B	R-2	R-3	R-3A	R-4	R-5	R-6	MHR
<u>Accessory Dwelling Unit (See Sec. 11-11-5)</u>	<u>C</u>	<u>C</u>	<u>C</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	
Dwelling, Duplex				<u>P</u>	P	P	P	P	P	
<u>Dwelling, Fourplex</u>					<u>C</u>	<u>P</u>	<u>P</u>		<u>C</u>	
Dwelling, Multi-household					C	P	P		C	
<u>Dwelling, Single-Household Attached</u>					<u>P</u>	<u>P</u>	<u>P</u>		<u>P</u>	
Dwelling, Single-Household Detached	P	P	P	P	P	P	<u>PC</u>	P	P	P
<u>Dwelling, Tiny Home</u>									<u>P</u>	<u>P</u>
<u>Tiny Home Community</u>										<u>P</u>
<u>Dwelling, Triplex</u>					<u>P</u>	<u>P</u>	<u>P</u>		<u>P</u>	

The City made two additional amendments to its development standards to bolster the potential for multifamily development:

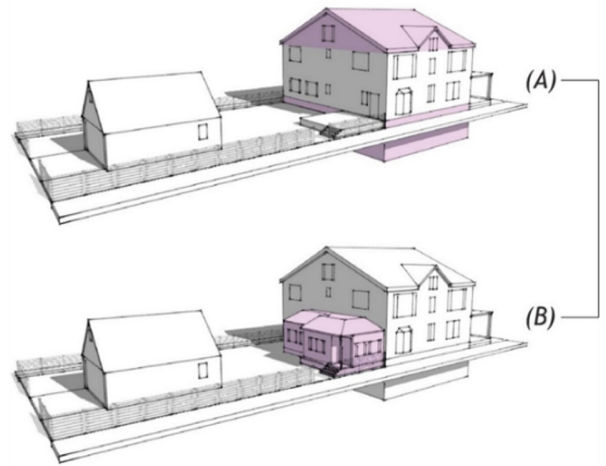
- Increased density allowance from 19 units/acre to 24 units/acre in the R-4 zone which is closer to the standard practice for high density districts of other jurisdictions.
- Increased maximum height from 35 feet to 40 feet in the R-3A and R-4 zones to accommodate three-story multi-household development with different roof styles

These revisions to the City's LDR accommodate more types of housing to be built, which will provide for greater diversity of housing in Montrose.

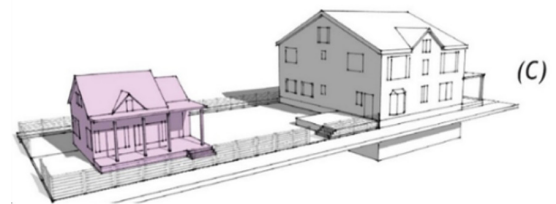
This strategy is consistent with the HNA recommendation to "Allow Higher Density within Medium Density Zoning Districts" and its subset strategies: "Allow Duplexes in R-2"; "Allow Triplexes in R-3"; "Improve Allowance of Triplexes and Quadplexes in R-3 and R-3A"; Allow Higher Density in R-4".

Figure 5.3: Examples of Attached and Detached Accessory Dwelling Units (ADUs)

Attached Accessory Dwelling Unit (ADU)



Detached Accessory Dwelling Unit (ADU)



Source: City of Boulder website, accessed on April 11, 2023; <https://bouldercolorado.gov/services/accessory-dwelling-units>

#4 Administrative Review for Housing: Elimination of PD Process for Multifamily Developments with More Than One Building

Following the preparation of the HNA, Montrose amended its zoning regulations requiring multifamily development with more than one building to be part of a Planned Development (PD). Sec. 11-7-8.

(B) (1) of the City's LDR required a PD plan and a public hearing for multifamily uses with more than one building, regardless of zone district or use permissions. By eliminating the PD requirement for multiple residential buildings, any multifamily development that is a use by right in the R-4 High Density zone only undergoes administrative review.

These revisions foster the development of more multifamily developments at a lower cost in the City's R-4 High Density zones.

#5 Other: Increase Allowance of Accessory Dwelling Units

This strategy is another HNA recommendation, along with its three subset strategies: "Allow Accessory Dwelling Units (ADUs) in Single-Family Districts (R-1, R-1A and R-1B and R-2" and "Allow ADUs in Medium to High Density Districts (R-3, R-3A, R-4, R-5, and R-6)", and "Expansion of the REDO District".

Prior to the HNA, ADUs were only allowed in the “REDO” Overlay Zone, an area overlapping the B-1 Central Business District and its adjacent residential neighborhoods. Following the preparation of the HNA, Montrose amended its zoning regulations to allow ADUs as conditional uses in the R-1, R-1A and R-1B zones, and as permitted uses by right in all other residential zone districts. ADUs are also permitted in all commercial zone districts. The code update also specifically allows for attached ADUs in addition to detached ADUs.

The following changes to the City’s LDR were made to further incentivize ADU development in an expanded “REDO” District Overlay Zone:

- Reduced the required minimum lot size from 6,250 sq. ft. to 3125 sq. ft.
- ADUs exempt from minimum or maximum floor area limitations in REDO only
- ADUs may be conveyed separately from primary dwelling unit in REDO only

5.4: Displacement Mitigation Strategies

C.R.S. 24-32-3706 (4) requires a HAP to include at least one Displacement Mitigation Strategy from the following list:

- **Rental And Mortgage Assistance Program:** Creating a locally funded and administered rental and mortgage assistance program.
- **Legal Representation Program:** Creating an eviction and foreclosure no-cost legal representation program.
- **Housing Counseling and Navigation Program:** Establishing a housing counseling and navigation program or funding a community-based housing counseling and navigation program.
- **Property Tax and Down Payment Assistance Programs:** Creating a property tax and down payment assistance program.
- **Community Land Trusts:** Developing a program to offer technical assistance and financial support for community organizations to develop independent community land trusts.
- **Affordable Housing Unit Preservation:** Prioritizing local money toward regulated affordable housing unit preservation or implementing or continuing deed restrictions for affordable housing units.
- **Community Benefits Agreement:** Requiring multifamily developers building in areas identified as being at risk of displacement to create a community benefits agreement with affected populations within one-quarter mile of the development that the multifamily developer is building.
- **Prioritization Policy:** Providing a prioritization policy for current residents in thirty percent of any new multifamily development.
- **Other:** Other strategies identified by the department that provide displacement mitigation that is equivalent to the other strategies described above.

The Montrose HAP complies with C.R.S. 24-32-3706 (4) by including the following Displacement Mitigation Strategies:

#1 Other: Removing Regulatory Barriers to Manufactured Home Park Development and Redevelopment

Following the preparation of the HNA, Montrose amended its LDR to:

- Clarify distinctions in the LDR between manufactured, modular, and mobile homes:
 - Existing mobile homes (i.e., not HUD approved) allowed within MHR district
 - New manufactured homes (i.e., HUD approved) allowed within MHR district
 - New modular housing (i.e., with Factory Built Unit Certification) allowed in all zone districts that allow residential uses
- Reduce infrastructure requirements for manufactured home parks:
 - Reduced minimum street width requirement from 40 feet to 24 feet
 - Reduced sidewalk requirement from both sides of street to one side of street
 - Eliminated requirement for Irrigated lawn on min. 40% of mobile home space/lot
- Allow nonconforming manufactured home parks to make improvements (using variance procedure) if improvements will render the park less nonconforming

This strategy is consistent with the Montrose HNA recommendation “Improve Access to Non-Subsidized Affordable Housing in Montrose” and its subset strategy “Allowance of Modular & Manufactured Housing Units in All Zoning Districts”.

#2 Other: Providing for Tiny Home and Tiny Home Park Development

Following the preparation of the HNA, Montrose amended its LDR to:

- Allow an ADU to be a tiny home
- Allow tiny home dwellings in the R-6 and MH zones by right
- Allow tiny home communities in the MH zone by right
- Provide tiny home community development standards similar to travel home park standards

Permitting development of small residential units such as tiny homes, especially in designated tiny home communities, increases options for housing affordable to households earning less than 50% AMI.

This strategy is consistent with the Montrose HNA recommendation “Improve Access to Non-Subsidized Affordable Housing in Montrose”.

#3 Other: Supportive Housing and Unhoused Shelter Regulations

The City’s zoning regulations previously did not allow for facilities that have ongoing, onsite supportive services and housing for those experiencing homelessness or at-risk of homelessness.

In 2021, the City amended its zoning regulations to add a definition for supportive housing and define where these uses are allowed. Supportive housing means housing that is designed to provide ongoing and on-site supportive services to help individuals and families experiencing homelessness or at risk of homelessness, and which persons have barrier(s) to employment and housing stability. Occupancy of supportive housing shall be designed and operated for stays of 30 consecutive days or more and not on a nightly or emergency basis. Supportive housing is allowed as a conditional use in the following zoning districts: “OR” Office-Residential District, “B-3” General Commercial District, “I-1” Light Industrial District, and “I-2” General Commercial District.

The definition of supportive housing specified that this use is not on an emergency or nightly basis, and therefore does not include facilities that are commonly referred to as homeless shelters or unhoused shelters. In 2026, the City amended its LDR to include a defined land use category and regulatory framework for unhoused shelters. Unhoused shelters – facilities that are used for the primary purpose of providing shelter for people experiencing homelessness on a nightly or emergency basis – are allowed as a use by right in the Public zone district with City Council approval of an Unhoused Shelter Permit.

Incorporating definitions, identifying appropriate zoning districts, and outlining specific standards and procedural requirements for supportive housing and unhoused shelters in the LDR ensures that such facilities are reviewed in a consistent and intentional manner, aligns the code with community needs and best practices, and supports the City’s ability to address homelessness while maintaining compatibility with surrounding uses.

6: IMPLEMENTATION AND MONITORING

6.1: Summary of Progress

Since 2023, the City has helped secure over \$17 million in grant funding to support housing construction, land acquisition, infrastructure, and affordable housing preservation.

Proposition 123 Funding – \$10,050,000

- **2025** - Community Options received \$1,250,000 for land banking to purchase property along 6600 Rd, supporting future development of up to 50 rental units.
- **2025** - RealAmerica, LLC was awarded \$8,800,000 in Proposition 123 Equity Grant funding for a 60-unit apartment development serving households at 80–100% of Area Median Income. The project, adjacent to an existing development near the Recreation Center, is expected to be completed in Fall 2026.

Energy Impact Assistance Fund (EIAF) – \$2,000,000

- **2024** - the City received \$2M to fund infrastructure improvements along 6600 Rd, including a major waterline upgrade currently under construction to support fire flow and higher-density development. The first phase of development is anticipated to include 120 multi-family housing units.

Related Housing Investments Supported by Other Programs. The following projects were funded through other state and federal programs, closely aligned with City’s housing goals:

- **2024** - Volunteers of America received \$2,600,000 in Community Development Block Grant (CDBG) funding to acquire and preserve 30 affordable senior housing units.
- **2024** - Montrose County Housing Authority received \$2,400,000 in CDBG funding to acquire and preserve 49 affordable housing units at Sunshine Peaks off the San Juan Bypass.
- **2024, 2025** - The City received \$176,000 in state planning grants associated with Proposition 123 and EIAF to complete a Comprehensive Plan Technical Update, a Housing Action Plan, and targeted Land Use Code updates.

Table 6.1 provides a summary of the City’s progress towards addressing selected Montrose HNA findings, and Table 6.2 shows the number of dwelling units constructed or permitted in Montrose during the past six years (January 2020-December 2025). This information is prepared in accordance with C.R.S. 24-32-3705(3)(a).

Table 6.1: Summary of Progress

Issue	Montrose HNA Finding	Progress to Date
Affordability Gaps	Growing demand for diverse housing options within the City of Montrose driven by steady population growth, economic development, and evolving demographics. Approximately 3,400 units needed for households $\leq 80\%$ AMI.	\$7 million in CDBG and EIAF grant funding specific to affordable housing developments. 460 subsidized units constructed, including 344 LIHTC units. (Also see Table 6.2)
Displacement Risk	Rising rents and limited availability of deeply affordable housing. Central and downtown Montrose census tracts show highest risk; 36% of households cost burdened.	Adoption of LDR amendments to preserve and enhance manufactured home parks, and to allow the development of tiny homes and tiny home communities. (See Table 6.3)
Supportive Housing	CASA program oversubscribed; need for 30–35 new supportive units for chronically homeless by 2040.	Adoption of LDR amendments to allow for supportive housing and unhoused shelters. (See Table 6.3)
Zoning and Density	Meaningful increase in housing supply will require density adjustments in R-2 and R-3 zones; R-3A and R-4 critical for meeting projected demand for multifamily housing at the 0–30% and 30–50% AMI levels	Adoption of LDR amendments to expand ADU allowances, enable more “missing middle” housing in mid-density residential zones, and increase density in the High-Density R-4 zone. (See Table 6.3)
Water Availability	Current usage approximately 37% of available supply; sufficient to support projected growth of 3,900+ units by 2040.	Completion of draft Montrose Water Resources Report and initiation of Water Supply Element.

Table 6.2: Number of Dwelling Units Constructed or Permitted in Montrose, 2020-2025

Year	Single-Family Units	Duplex Units	Multi-Family Units	Total Dwelling Units
2020	204	6	6	216
2021	269	8	103	380
2022	275	8	11	294
2023	168	6	71	245
2024	150	7	26	183
2025	116	14	66	196

Large projects such as Basecamp Apartments (96 units approved in 2021), Residences at Dry Cedar Creek (60 units approved in 2023), and Black Canyon Flats (60 units approved in 2025) significantly increased the total number of permitted units over the past few years providing a greater level of housing diversity in Montrose.

6.2: Implementation Matrix

The Implementation Matrix (Table 6.3) identifies action items by Envision 2040 Housing and Neighborhood Goals. Except as those noted as “To Be Determined” (TBD), each action item is linked to a HAP strategy and its timeframe for completion. Actions that have been initiated or achieved some level of completion due to the implementation of a HAP strategy since the preparation of the original 2023 HNA are indicated with a checkmark. One or more state, regional, local, non-profit agency and/or City departments are identified to serve as potential partners and/or ongoing resources. Additional partners in the form of individual stakeholders that are not listed yet could potentially be involved include business owners, private developers, and other local citizens.

6.3: Adoption, Reporting, and Update Requirements

In accordance with SB24-174 and C.R.S. 24-32-3705, the following adoption, reporting, and update procedures are required for the Montrose HAP:

- (1) **Adoption.** The standard, long-term strategies and displacement mitigation strategies outlined in Section 5 shall be considered for adoption in a public hearing held by the Montrose City Council prior to January 1, 2028. The City shall post the Montrose HAP a minimum of (30) days before the public hearing.
- (2) **Reporting.** Within sixty 60 days of adoption, the City will submit the Montrose HAP to DOLA. Three years after adopting the Montrose HAP, the City will submit a progress report regarding the status of the adopted strategies, associated actions, and any relevant regulatory changes made to City laws.
- (3) **Updates.** The Montrose HAP shall be updated within six years of its adoption.

Table 6.3: Implementation Matrix

Action	HAP Strategy		Status	Partners
E2040 GOAL HN-1: Housing Variety. Encourage a variety of housing types, tenure, and density to meet the needs of the community.				
1.1: Review current policies, and update where needed, in determining where and how an applicant proposes to apply mixed densities. The Planning Commission and City Council should take into account compatibility with adjacent land uses.	LTAS3	✓	2024 LDR Update	M/PLA, M/PC, M/CC
1.2: Update zoning and land use codes, regulations, policies, and processes to promote and incentivize housing that is attainable to a variety of residents. Ensure a variety of housing types are defined and allowed in appropriate locations.	LTAS3, LTAS4, LTAS5, DMS1, DMS2, DMS3	✓	2024 LDR Update	M/PLA, M/PC, M/CC
1.3: Work with public and private partners to help meet the housing needs of the senior population and those with special needs.	DMS3		Ongoing work w/ partners	CO, MCHA, VOA
1.4: Evaluate and monitor short-term rentals and potential impacts within neighborhoods... (e.g., new ADU’s cannot be STR’s)	LTAS2	✓	2024 LDR Update	M/PLA, M/FIN, M/CC
E2040 GOAL HN-2: Affordable Housing. Increase access to affordable housing.				
2.1: Monitor housing trends and conditions in the community in order to identify gaps in housing types, tenure, density and affordability. Consider incentive programs accordingly to address needs. Prepare annual growth report reflecting trends.	SAS1, SAS2, LTAS1		Ongoing work w/ partners	M/PLA, M/PC, M/CC, MCHA
2.2: Review and modify housing incentives to encourage more low- and moderate-income housing.	SAS1, SAS2, LTAS1, DMS4		Ongoing work w/ partners	M/PLA, M/PC, M/CC
2.3: Work on increasing the supply of workforce housing (e.g., incentives, rezoning areas to include higher densities, redefining existing zoning to allow for higher densities).	LTAS3, LTAS4, LTAS5, DMS1, DMS2	✓	2024 LDR Update	M/PLA, OBT
2.4: Support and participate in an affordable housing coalition in Montrose to address affordable housing issues.	DMS3		Ongoing work w/ partners	MC, R10, MCHA, HRWC, HH, VOA, WHAV, HTOP, HAP
2.5: Participate in a community homelessness coalition to help create solutions to homelessness.	DMS3	✓	Created Unhoused Roundtable Group	MC, R10, MCHA, HH, VOA, WHAV, HTOP, HAP, MC/CMHC
2.6: Address health, safety, rehabilitation, and affordability of mobile home parks.	DMS1, DMS4		Ongoing work w/ partners	M/PLA, M/CES, HRWC, M/CE, M/LEG

Table 6.3: Implementation Matrix

Action	HAP Strategy	Status	Partners	
E2040 GOAL HN-3: Downtown Housing. Increase density and availability of housing downtown.				
3.1: Develop strategies to increase availability of housing downtown, including second-story housing above businesses.	SAS1, SAS2, LTAS5, DMS2	✓	2024 LDR Update	MCHA, R 10, HRWC, HH, VOA, HTOP
3.2 Expand the REDO overlay district to encourage accessory dwelling units (ADUs), thereby making better usage of existing infrastructure.	SAS1, LTAS5	✓	2024 LDR Update	M/PLA, M/PC, M/CC
3.3: Provide webinars and "how-to" information packages to educate property owners about developing ADUs and implementing other REDO principles.	SAS2	✓	Ongoing work w/ partners	M/PLA, M/PC, M/CC, CHAFA
3.4: Continue to develop new incentive programs to improve residential properties throughout the downtown area.	SAS1, SAS2, LTAS1		Ongoing work w/ partners	M/CC, M/DART, HRWC, HH
E2040 GOAL HN-4: Neighborhoods. Encourage safe, stable, well-maintained, and livable neighborhoods.				
4.1: Improve neighborhood conditions and infrastructure, including safety and walkability, while maintaining neighborhood character and affordability.	DMS1, DMS4	✓	Ongoing work w/ partners	M/PLA, M/PW
4.2: Provide streetscape enhancements to enhance the attractiveness and economic viability of existing neighborhoods.	TBD	✓	Ongoing work w/ partners	M/PLA, M/PW
4.3: Promote the implementation of Crime Prevention Through Environmental Design (CPTED) standards in the design of residential neighborhoods and the creation of attractive gathering spaces to encourage safety through passive community surveillance.	TBD	✓	CPTED surveys and TRAP grant	M/PLA, M/PD
4.4: Explore the various means by which public investment can contribute to housing rehabilitation.	LTAS1, DMS4	✓	Partnerships established	M/PLA, M/B, MCHA, VOA
4.5: Work with partners to identify properties in historic neighborhoods where preservation measures (such as design guidelines or local/state/national registries) could be helpful in protecting the established character of historic neighborhoods.	TBD	✓	Tortilla Flats designation in process	M/PLA, M/B, M/CE
4.6: Enforce ordinances and monitor building codes to help reduce neighborhood blight (e.g. physical deterioration of buildings, weeds, and junk).	TBD		Ongoing work w/ partners	M/PLA, M/CC, M/PW

Table 6.3: Implementation Matrix

Action	HAP Strategy	Status	Partners
E2040 GOAL HN-4: Neighborhoods. Encourage safe, stable, well-maintained, and livable neighborhoods. [continued]			
4.7: Continue to construct or provide rights of way for non-motorized connections (i.e. sidewalks, bike paths, bike lanes) within and between neighborhoods, schools, parks, facilities, and services.	TBD	✓ Ongoing	M/PLA
4.8: Continue to require land dedications (or fee in lieu of) for park and/or open space in residential areas.	TBD	✓ Ongoing	M/PLA, M/CC, M/B
4.9: Review and maintain city policies and building codes to encourage more energy efficient housing.	TBD	✓ 2023 Building Code Update	M/CES, M/CE
4.10: Build capacity in neighborhood organizations to help uphold neighborhood pride, encourage home maintenance, safety, and security and reduce outside storage.	TBD	✓ Ongoing work w/ partners	M/PLA, M/B, M/CE

Implementation Matrix Key

HAP Strategy

SAS1	Standard Affordability Strategy #1. Subsidizing/Reducing Fees: Water and Sewer Fee Waivers for ADU's
SAS2	Standard Affordability Strategy #2. Expedited Approval Process: Pre-Approved Accessory Dwelling Unit (ADU) Program
LTAS1	Long Term Affordability Strategy #1. Dedicated Revenue Source: City Lodging Tax
LTAS2	Long Term Affordability Strategy #2. Short-Term Rental Regulations: Restricted Short-Term
LTAS3	Long Term Affordability Strategy #3. Multi-Family By Right: Expansion of Multi-Family By Right Throughout City
LTAS4	Long Term Affordability Strategy #4. Administrative Review for Housing: Elimination of PD Process for Multifamily Developments with More Than One Building
LTAS5	Long Term Affordability Strategy #5. Other: Increase Allowance of Accessory Dwelling Units
DMS1	Displacement Mitigation Strategy #1. Other: Removing Regulatory Barriers to Manufactured Home Park Development and Redevelopment
DMS2	Displacement Mitigation Strategy #2. Other: Providing for Tiny Home and Tiny Home Park Development
DMS3	Displacement Mitigation Strategy #3. Other: Supportive Housing and Unhoused Shelter Regulations
DMS4	Displacement Mitigation Strategy #4. Affordable Housing Unit Preservation: ARPA funding for mobile home park infrastructure upgrades

Partnerships

CHAFA	Colorado Housing and Finance Authority	M/PC	- Planning Commission
HAP	Hispanic Affairs Project	M/PD	- Police Department
HH	Habitat for Humanity	M/PLA	- Planning Division
HTOP	Hilltop	M/PW	- Public Works Division
HRWC	Housing Resources for Western Colorado	MC	Montrose County
M	City of Montrose	CMHC	- Center for Mental Health Crisis
M/B	- Building Division	MCHA	Montrose County Housing Authority
M/CC	- City Council	OBT	Office of Business and Tourism
M/CE	- Code Enforcement	R10	Region 10
M/CES	- Community Engagement Specialist	TBD	To Be Determined
M/DART	- Development and Revitalization Team	VOA	Volunteers of America
M/FIN	- Finance Division	WHAV	Welcome Home Alliance for Veterans
M/LEG	- Legal Division		