



STAFF REPORT

MEETING DATE: November 23rd, 2020

AGENDA ITEM TITLE: Chaffee Housing Trust – M and 3rd – Limited Impact Review

AGENDA SECTION: Public Hearing

REQUEST:

The request is for limited impact review and approval of a new 6-unit (inc. one ADU) residential development. The development is proposed to consist of 4 separate buildings, including a duplex, a primary residence with attached ADU, and two single-family dwellings—all of which are proposed for sale or rental at or below 80% AMI. The property is located within the Medium-Density (R-2) zone district.

APPLICANT:

The applicant is Chaffee Housing Trust, P.O. Box 692, Buena Vista, CO, 81211.

LOCATION:

The subject property is located at the corner of M Street and W. Third Street. The development site is currently owned by the City of Salida and encompasses approximately 16,769 sf (.38 ac).



PROCESS:

The Salida Municipal Code, Chapter 16, specifies that Limited Impact Review applications be reviewed by the City of Salida Planning Commission at a public hearing after fifteen days public notice. The Planning Commission may make a decision to approve, approve with conditions, deny, or remand the application back to the applicant for modification.



Looking south from W. Third and M Streets at the subject property



CHT Site Plan

OBSERVATIONS:

1. The applicant is proposing to develop the site with a total of five primary units and one accessory dwelling unit (ADU) within four separate buildings—a two-story duplex, a single-family residence with attached ADU above, and two single-family one-story homes. A common parking area with a minimum of six parking spaces will be located at the rear of the building, accessed from the terminus of E. Crestone Ave. The proposed use of the property is considered “Residential (5 – 19 units)” which is allowed in the R-2 zone district, subject to Limited Impact Review.
2. The applicant is Chaffee Housing Trust, a 501c(3) nonprofit housing developer who intends to build the units to be sold or rented at costs equal to or below 80% Area Median Income (AMI). The current intent is for CHT to sell the duplex units and both single-family homes. They intend to retain ownership of the single-family residency with attached ADU and rent both units out.
3. The development site consists of two lots owned by the City of Salida (.11 ac. and .28 ac., respectively). Portions of the property recently went through a rezone which resulted in the entire site being zoned R-2 (Ordinance 2020-10), as well as a right-of-way vacation (Ordinance 2020-11) which vacated a portion of E. Crestone Ave and created one consolidated developable site. The City of Salida intends to conduct a lot line elimination in order to create a single lot prior to transfer of the property.
4. The City of Salida has expressed intent to transfer the property to Chaffee Housing Trust for the purpose of developing affordable housing, provided that certain conditions are met. Those conditions will include, but will not be limited to: provision of all units as affordable (\leq 80% AMI) in perpetuity and reimbursement of certain costs associated with the reconfiguration of M Street and the underlying sewer line. Such a transfer would be conducted via ordinance approved by City Council.
5. The City of Salida currently plans to close down existing access to E. Crestone Ave sometime late winter/early spring 2021 and reconfigure M Street consistent with the designs shown on the development site plan. Chaffee Housing Trust has agreed to pay for relocation of the sewer line from E. Crestone Ave to M Street and will also be responsible for construction of the sidewalk along M Street. Future access between W. Third Street and E. Crestone Ave will be via the reconfigured M Street.
6. The applicant has submitted a site plan showing the layout, which shows substantial compliance with the Schedule of Dimensional Standards and Design Standards.
7. Service lines for telephone, electricity, natural gas and cable will be required to be located underground to the maximum extent feasible (Section 16-8-50).

REVIEW STANDARDS – Land Use Code Section 16-3-50 and Section 16-4-110:

1. **Consistency with Comprehensive Plan.** The use shall be consistent with the City's Comprehensive Plan.

Applicant's Response: Per the 2013 Salida Comprehensive Plan, page 3-6, Zoning Districts, it states, "An appropriate range of housing types will be available to serve the varied lifestyles, ages, and income levels of residents." On page 4-6 it states, "...the vision for the City of Salida to be a place that is affordable for multi-generational population to live, work, play and raise a family. Planning ... will allow the city to be proactive in creating opportunities for current and future residents to remain in the community." Page 6-1, "The existing pattern of a mixture of housing types, family sizes and incomes in Salida neighborhoods is integral to the character of the community. Decent housing should be attainable by all citizens of Salida whether to rent or to own. Affordable housing has been a growing concern in recent years as the increase in housing costs has outpaced wage increases. While Salida may seem to some like an affordable alternative to other Colorado resort communities, rising housing costs have put pressure on local residents to live outside of the municipality, live in sub-standard housing or leave the community. Ensuring diverse housing opportunities are available will enhance and support the city's economic and social diversity, and help maintain the sense of community. . . The city recognizes that the cost of infrastructure per household is reduced as density increases and dense housing should be encouraged" On page 6-2, it states, "Salida is not a city of gated communities or income defined neighborhoods. The city was built with functional neighborhoods constructed with a variety of home sizes, styles and income levels. Small multifamily structures were integrated into neighborhoods of large and small single-family homes providing neighborhoods which housed a variety of household sizes and incomes. The diversity of housing types drives the integrated feel of the neighborhoods in Salida and this quality is highly valued." On page 6-6, "Policy H-I.1 – Provide a mix of housing types and densities throughout the city to address a variety of incomes and lifestyles." Page 6-2 states, "The possibility exists for the city to...provid(e) meaningful incentives to developers that provide affordable housing. Other efforts from the city could include the possible allocation of city owned lands for affordable housing projects or offering reduced fees associated with the cost of developing affordable housing." On page 6-4 it states, "Adoption of the Strategic Plan was followed closely by the creation of the Chaffee Housing Trust ("Housing Trust"), a community land trust." Implementation measure #9 from the Strategic Plan states that the city should provide direct support for the Housing Trust.

Staff notes several applicable policies and action items in the Comprehensive Plan:

- Policy LU&G-I.1 states that "New development within the city shall make the most appropriate use of the land using design standards that enhance and complement the historic built environment of the city."
 - The development proposes a design and use that closely matches the uses and building pattern seen along W. Third Street in the surrounding neighborhood.
- Policy LU&G-I.2 states that "Infill and redevelopment should be encouraged and will advance the objectives of this plan." The accompanying Action LU&G-I.2.c guides the City to "Focus new development in the Salida area within the Municipal Services Area to ensure adequate provision of services and limit sprawl development around the city."
 - This development would provide up to six residential units within a half-mile of the downtown center and has adequate access to required services.
- As the applicant indicates, increasing the amount of affordable housing in the City is also one of the key principles identified in the Comprehensive Plan, and supported by a variety of Policy statements and Action Items, including several that discuss supporting affordable housing providers such as Chaffee Housing Trust.

- The applicant states in their purpose statement that “All homes will serve low-income households earning 80% of AMI or less.” The proposed units would help meet a portion of the affordable housing need identified in the 2016 Needs Assessment. These units are anticipated to provide a mix of both for-sale and rental opportunities, accommodating for a variety of needs.

Staff finds that the proposed use is consistent with the Comprehensive Plan.

2. **Conformance to Code.** The use shall conform to all other applicable provisions of this Chapter, including, but not limited to:
 - a. **Zoning district standards.** The purpose of the zone district in which it is located, the dimensional standards of that zone district and any standards applicable to the particular use, all as specified in Article IV.

Applicant's Response: The parcel is zoned R-2 similar to the neighboring properties. Properties adjacent to the lot to the northwest, northeast, and southeast are all zoned R-2. All these properties lie at a lower elevation than properties to the southwest, which lie on a mesa this is higher than rooftops to the northeast. This topographical distinction reflects the change in zoning from R-2 to R-1 for parcels that are on top of the mesa. The parcel (including the vacated right of way) meets all standards pertinent to R-2. All dimensional standards are met, including density. Up to 5 units are allowed, plus one ADU, totaling 6 units.

As the applicant notes, the development site is allowed up to 5 primary units on the 16,769 sf site within the R-2 zone district, and five primary units are proposed in the application. One accessory dwelling unit (ADU), attached to one of the primary units, is also proposed. According to the Sec. 16-4-190(c), one ADU is allowed per lot. It must be noted that the property owner (City of Salida) intends to consolidate the two existing legal lots into one via a lot line elimination process prior to any transfer of the property. In order to avoid potential nonconforming lot situations in the future, and to limit the number of ADUs on the site to one, staff recommends as a condition of approval:

- **A lot line elimination shall be initiated by the owner of the two adjacent subject lots and approved via Administrative Review prior to building permit submittal.**

The proposed development meets all other dimensional standards of the zoning district and standards applicable to the use as a residential development. Specifically, the development meets the minimum lot size, minimum lot frontage, maximum height, and maximum lot coverage for structures, as noted in the table on the site plan provided.

- b. **Site Development Standards.** The parking, landscaping, sign and improvements standards.

Applicant's Response: At the time of development application, the CHT will provide all necessary parking, landscaping, and sign improvements as requested by the City of Salida, and that result from the pre-development public process.

The proposed development as described in the site plan appears to satisfy the requirements for parking, landscaping, sign and improvement standards. Specifically, the applicant

proposes to provide six parking spaces—one for each unit, as required in Table 16-J for single-family homes, duplexes, and ADUs. It is noted that a landscape plan will be submitted to staff along with building permit review, in accordance with Code.

Public Works staff also notes that sandy soils have been identified in past studies within the general area. The applicant notes in an email to staff accompanying the application that a geotechnical study will be provided at a later date. Staff concurs that such a study will be necessary due to known soil types, and recommends the following condition of approval:

- **The applicant shall provide a geotechnical study of the development site for review prior to building permit submittal, in accordance with Code.**

Staff finds that, with the recommended conditions of approval, the use is in substantial conformance with the Code.

3. Use Appropriate and Compatible. The use shall be appropriate to its proposed location and be compatible with the character of neighboring uses, or enhance the mixture of complementary uses and activities in the immediate vicinity.

Applicant's Response: The proposed use, residential housing, conforms with neighboring property uses and zoning. As stated in #2 above, the parcel is zoned R-2 and is compatible with adjacent properties. This project will fill a spatial gap created by the intersection of three streets. Construction of housing on the newly created parcel will create a continuous frontage of housing along the south side of 3rd Street, joining the frontage of the homes to the southeast. Refer to the responses to question #1 regarding the appropriateness of affordable housing on this site.

The surrounding uses include both single-family and multi-family residential development. The use of this property is in conformance with the development standards for the R-2 zone district as well as the requirements for residential development. Additionally, the building designs attempt to blend with those of the immediately surrounding residences—the two buildings furthest to the southeast have flat roofs similar to those south along W. Third Street, and the two buildings furthest to the northwest have gable and/or shed roofs similar to those to the north and across the street. Staff finds the proposed use to be appropriate and compatible with the character of neighboring uses.



View of existing homes north and south of the proposed development site



View of existing homes along W. Third Street across from the proposed development site

4. Traffic. The use shall not cause undue traffic congestion, dangerous traffic conditions or incompatible service delivery, parking or loading problems. Necessary mitigating measures shall be proposed by the applicant.

Applicant's Response: This development includes parking behind the buildings, accessible from E. Crestone Ave. This allows cars to turn off of Third St. at M St. continue a short distance to E. Crestone, then enter the parking lot where there is less traffic, preventing any congestion or slowdowns on Third St. The vacation of E. Crestone diminishes or slows traffic on E. Crestone as cars will turn onto M St., then enter Third at a stop sign, increasing safety and slowing traffic in this residential neighborhood. M St. will be re-graded to improve the slope and create a flatter, safer stopping area at the Third St. intersection. (Response included in email, as the application form did not contain this standard)

As was discussed during the right-of-way vacation and rezone processes for the underlying lots, traffic impact analyses for developments of such small size are not required. However, for reference, a rudimentary analysis was performed and summarized here. A very conservative estimate using the ITE Trip Generation Manual, 10th Edition—taking into account the anticipated smaller-than-average size of the units, corresponding smaller household size, and close proximity to downtown with commercial services and employment centers—would be that the development could generate a maximum of up to approximately 50 vehicle trips per day, or an average of just over 2 trips per hour (though some of those trips would be concentrated during the AM and PM “rush” hours). Staff estimates a more realistic estimate would be a total of approximately 36 trips/day, especially given the high level of walkability and bike-ability of the location. The vast majority of these trips are anticipated to be added to W. Third Street the ease of access to that street and the center of town. W. Third Street is already a relatively high-volume street (approximately 2500 trips/day) and is designed for more, therefore the impact will be insignificant. This standard is met.

5. Nuisance. The operating characteristics of the use shall not create a nuisance, and the impacts of the use on surrounding properties shall be minimized with respect to noise, odors, vibrations, glare and similar conditions.

Applicant's Response: The operating characteristics, residential use, will not have an impact on neighboring properties. Residents of the future homes created on this lot will be similar to the majority of Salida residents, i.e. regular working families with steady incomes who can responsibly make payments on a mortgage or rent. Per the Community Land Trust model, the CHT will retain ownership to the underlying land, selling or renting the improvements (homes) to qualified county residents. Lease agreements will include provisions for the CHT to respond to any issues of nuisance. Residents may be evicted for failure to comply with lease agreements including nuisance, failure to maintain their residence, or non-compliance with condominium owners association rules and regulations. The CHT will also have the right to remedy any nuisance or failure to maintain the property. These provisions exceed existing provisions for neighboring properties, making the CHT property less likely to be a nuisance than those adjacent or in the neighborhood.

The development of this project would seem to be an improvement to the area, which is currently a vacant area bisected by a roadway that meets W. Third Street at an acute angle. The applicant has minimized impacts from noise, odors, vibrations, glare and similar conditions through thoughtful layout of the site, including the location of a communal parking area at the rear of the development.

Staff finds that the operating characteristics of the use will be met.

6. Facilities. There shall be adequate public facilities in place to serve the proposed use, or the applicant shall propose necessary improvements to address service deficiencies which the use would cause.

Applicant's Response: Water and sewer access, as well as electricity, are available on site or adjacent to the site. Prior to developing this parcel, the City will be making changes to the sewer line (paid for by the CHT, as well as related expenses, and sidewalks. See attached EOPC for budget), directing it down M Street to the main line on 3rd Street. This eliminates the need for the sewer line running under the section of E. Crestone that has been vacated. M Street will then be adjusted (added curvature) and re-graded to improve the stopping area leading up to the stop sign for vehicles traveling north on M St. at 3rd. This improves the safety of the intersection. Parking for the development will be accessible from E. Crestone, behind units, giving them more street frontage on 3rd St., adding to the neighborhood feel.

As the applicant notes, the area is adequately served by sewer and water, and will remain available to the development following the reconfiguration of M Street and the underlying utilities. Public Works notes that the public sewer, water, and street improvements identified on the site plan are consistent with prior discussions with Council and recommends as a condition of approval:

- **Plans will need to be completed and signed/stamped by a professional engineer for final review prior to building permit approval.**

Staff finds that, with the recommended condition of approval, this standard is met.

7. Environment. The use shall not cause significant deterioration to water resources, wetlands, wildlife habitat, scenic characteristics or other natural features. As applicable, the proposed use shall mitigate its adverse impacts on the environment.

Applicant's Response: The use will improve the characteristics of the neighborhood by making use of space consumed by redundant streets, currently covered with asphalt or left as neglected and unattended open space. The addition of landscaping and the planting of trees on site will improve the environmental and aesthetic aspects of the site.

Staff concurs that there are no significant environmental features on the site, therefore no significant negative environmental impacts are anticipated for this development. This standard is met.

RESPONSES FROM REFERRAL DEPARTMENTS AND AGENCIES:

- City of Salida Public Works: David Lady- "Applicant identifies that a Geotechnical Study will be provided at a later date. I would concur that it is provided due to know sandy soils identified for this general area. The public sewer, water, and street improvements identified are consistent with applicant/Council prior discussion. Plans will need to be completed and signed/stamped by a professional engineer for final review."
- City of Salida Fire: Kathy Rohrich- "The Fire Department has no concerns at this time."
- City of Salida Police: Russ Johnson- "I don't see any issues at this time."

No other agency comments have been received by this date. Any additional comments received prior to the hearing will be presented to the Commission in person.

REQUIRED ACTIONS BY THE COMMISSION:

1. The Commission shall confirm that adequate notice was provided and a fee paid.
2. The Commission shall conduct a public hearing.
3. The Commission shall make findings regarding the proposed use in order to ensure the use is consistent with the Comprehensive Plan and conforms to the Land Use Code, is appropriate to its location and compatible with neighboring uses, is served by adequate public facilities and does not cause undue traffic congestion or significant deterioration of the environment.

RECOMMENDED FINDINGS:

1. Public Notice has been provided in accordance with the Municipal Land Use Code.
2. This application is consistent with the Comprehensive Land Use Plan, the Land Use Code and is compatible with the surrounding R-2 district.
3. The applicant has provided sufficient detail that improvements can be designed to the specifications of the City of Salida Municipal Code and are adequate to serve the public interest.
4. The development plan meets the requirements of the Land Use Code.
5. The applicable review criteria for limited review applications have been met.

RECOMMENDED ACTION:

Based on the above findings, staff recommends **APPROVAL** of the limited impact review request for this proposal with the following conditions:

1. A lot line elimination shall be initiated by the owner of the two adjacent subject lots and approved via Administrative Review prior to building permit submittal.
2. The applicant shall provide a geotechnical study of the development site for review prior to building permit submittal, in accordance with Code.
3. Plans will need to be completed and signed/stamped by a professional engineer for final review prior to building permit approval.

RECOMMENDED MOTION:

That the recommended findings be made and the recommended action be taken.

BECAUSE THIS APPLICATION IS FOR A LIMITED IMPACT REVIEW, THE SALIDA PLANNING COMMISSION SHALL MAKE THE FINAL DECISION ON THIS APPLICATION. THE DECISION OF THE PLANNING COMMISSION MAY BE APPEALED WITHIN 15 DAYS OF THE DECISION BY AN AGGRIEVED PERSON AS SET FORTH IN SECTION 16-2-70 OF THE LAND USE CODE.

Attachments: Project Purpose Statement and Application Materials
Site Development and Engineering Plans
Sewer Relocate Cost Estimates for CHT
Drainage Report
Building Elevation Illustrations
Copy of Ordinance 2020-10 (Rezone of Portion of Property)
Copy of Ordinance 2020-11 (Regarding Vacation of Portion of E. Crestone Ave.)
Proof of Publication and Noticing